

REPUBLIC OF SOUTH SUDAN



Ministry of Finance and Planning



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PUBLIC PROCUREMENT AND DISPOSAL OF ASSETS MANUAL

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Foreword

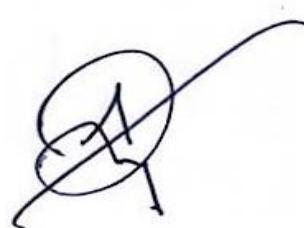
The Public Procurement and Disposal of Assets Authority (PPDAA) remains steadfast in its commitment to promoting excellence, integrity, and accountability in the management of public resources across South Sudan. As the national regulator mandated to oversee procurement and disposal processes, the Authority recognizes that effective procurement is central to the achievement of government priorities, improved service delivery, and sustainable economic development.

This Public Public Procurement and Disposal of Assets Manual has been developed as a comprehensive reference tool to guide Procuring Entities (PEs), providers, and stakeholders in aligning their operations with the Public Procurement and Disposal of Assets Act, 2018 and the Regulations, 2024. **The Manual is hereby issued as a *trial edition* to facilitate practical application and to solicit informed comments, observations, and suggestions from users for its further refinement and improvement.** It provides clear procedures, standardized templates, and practical tools to ensure that every procurement and disposal activity is conducted with transparency, fairness, and value for money.

Beyond its use in day-to-day operations, the Manual also serves as a valuable reference document for students, researchers, and practitioners undertaking studies in public procurement and public financial management. In this way, it contributes not only to institutional strengthening but also to the development of the next generation of procurement professionals.

By consistently applying the principles and guidelines contained herein, Procuring Entities will strengthen their institutional capacity, enhance compliance with the legal and regulatory framework, and reinforce public confidence in the procurement and disposal of assets system. This, in turn, will contribute to improved accountability, better service delivery, and sustainable development outcomes for the people of South Sudan.

The Authority therefore urges all stakeholders to embrace this Manual as a **living instrument**—one that supports continuous improvement, encourages professional excellence, and upholds the highest standards of integrity in the management of public procurement and disposal of assets.



**Hon. Deng Akuei Kak
Executive Director**

Public Procurement and Disposal of Assets Authority

**Hon. Ayii Akol Bol
Chairman**

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We acknowledge with gratitude the valuable guidance of the Board of Directors, whose strategic oversight ensured that this Manual embodies both the spirit and the letter of the Public Procurement and Disposal of Assets Act, 2018, and the accompanying Regulations, 2024.

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Finally, PPDAA acknowledges the role of all stakeholders—government agencies, development partners, civil society organizations, and the private sector—whose continuous engagement is central to strengthening South Sudan’s procurement system and ensuring that public resources deliver maximum value to citizens.

On behalf of the PPDAA, we thank you all for your continued support and commitment to the procurement reform agenda.

Abbreviations and Acronyms

APP	-	Annual Procurement Plan
AO	-	Accounting Officer
BDS	-	Bid Data Sheet
BOQ	-	Bills of Quantities
CRC		Complaints Review Committee
EC		Evaluation Committee
EOI	-	Expression of Interest
ESHS		Environmental, Social, Health and Safety
FA		Framework Agreement
FBS	-	Fixed Budget Selection
GCC	-	General Conditions of Contract
GPN	-	General Procurement Notice
ICB		International Competitive Bidding
ICS		International Competitive Selection
ICS	-	Individual Consultant Selection
ISO	-	International Organization for Standards
IPC	-	Interim Payments Certificate
IFB	-	Invitation to Bid
ITB	-	Instruction to Bidders
LCS	-	Least Cost Selection
M&E	-	Monitoring and Evaluation
NCB		National Competitive Bidding
NCS		National Competitive Section
PC		Procurement Committee
PC Sums		Prime Cost Sums
PE		Procuring Entity
PDS		Proposal Data Sheet
PFMIS		Public Financial Management Institutional Strengthening (Project)
PU	-	Procurement Unit
PPDA		Public Procurement and Disposal of Assets
PPDAA	-	Public Procurement and Disposal of Assets Authority
PPDAM		Public Procurement and Disposal of Assets Manual
PPE		Personal Protection Equipment
QCBS	-	Quality and Cost Based Selection
QBS	-	Quality-Based Selection

R-ARCSS	Revitalized Agreement on the Resolution of the Conflict in South Sudan
Reg.	Regulation of the PPDA Regulations 2024
RFP -	Request for Proposal
RFQs -	Request for Quotations
RTGoNU	Revitalized Transitional Government of National Unity
SBD	Standard Bidding Documents
SCC -	Special Conditions of Contract
Sec.	Section of the PPDA Act 2018
SMEs	Small and Medium Enterprises
SPN -	Specific Procurement Notice
STDs -	Standard Bidding Documents
SSS -	Single Source Selection
CQS -	Selection Based on Consultant's Qualifications
TOR -	Terms of References
UD -	User Department
VAC	Verification and Acceptance Committee
VAT -	Value Added Taxes
VfM -	Value for Money

Glossary

“Accounting Officer” means the person designated as part of his or her official duties in accordance with the Public Financial Management and Accountability Act, 2011 (as amended

“Act” means the Public Procurement and Disposal of Assets Act, 2018.

“Applicant” means a person or group submitting an application to pre-qualify or an expression of interest.

“Asset” means land, property and buildings, capital assets with monetary value; current assets including cash, accounts receivable, inventory and stock; fixed and moveable equipment; and supplies held by a Government Institution.

“Authority” means the Public Procurement and Disposal of Assets Authority (PPDAA) established under the Act.

“Award” means a decision taken by the Procurement Committee to mandate a successful bidder to enter into a contract with the Procuring Entity.

“Bid” means an offer, proposal or quotation made by a supplier, contractor or consultant in response to a request by a Procuring Entity, and includes pre-qualification submissions and applications, quotations and proposals.

“Bidder” means a natural or legal person, or group of such persons, that participates in procurement proceedings with a view to submitting a bid or expression of interest.

“Bid Document / Bidding Documents” means written or electronic tender or solicitation documents, including amendments, issued by the Procuring Entity inviting bidders to participate in procurement or disposal proceedings, including pre-qualification documents.

“Board” means the Board of Directors of the Authority.

“Circular Resolution” means a Procurement Committee’s decision issued without a meeting, through circulation of relevant papers among members for approval, with views expressed in writing.

“Closed Framework Agreement” means a framework agreement with specified terms and conditions and an agreed price.

“Competent Authority” means a person, body, agency or organ competent to take actions referred or directed to it under the Act or by the Authority.

“Competitive Bidding” means a procurement method whereby suppliers, contractors, service providers or consultants are invited by a Procuring Entity to compete in submitting priced bids for goods, works or services.

“Competitive Selection” means the method of procuring consultancy services whereby consultants are invited to compete by submitting unpriced or priced proposals evaluated on quality or on a combination of quality and cost.

“Consultant” means a firm, company, corporation, organisation, partnership or individual engaged in, or able to be engaged in, providing consultancy services including architecture, economics, engineering, surveying, or other professional services.

“Consultancy Services” means services of an intellectual or advisory nature that do not lead to measurable physical output, including design, supervision, training, advisory, auditing, software development and similar services.

“Contract” means a written agreement between a Procuring Entity and a provider or contractor at the end of a procurement process, based on an award decision.

“Contractor” means a provider or supplier of works or services, or a combination thereof.

“Corrupt Practice” means soliciting, offering, giving or receiving anything of value to influence the action of a public official in procurement or disposal proceedings or during contract execution.

“Debarment” means the act of barring a bidder from participating in public procurement for a specified period of time.

“Defence and National Security Institutions” includes the organised forces, the National Security Service and the National Security Committee as provided in the Transitional Constitution.

“Disposal” means the divestiture, discard or transfer of public assets, including obsolete, unserviceable or surplus assets, through sale or other prescribed procedures in accordance with the Act.

“Disposal Process” means the successive stages in the disposal cycle, including planning, choice of procedure, solicitation of bids, evaluation and award of contract.

“Emergency” means urgent, unforeseeable circumstances not caused by dilatory conduct of a Government Institution.

“Emergency Procurement” means procurement of goods, works or services to meet an emergency situation which cannot be addressed through normal procurement processes.

“e-Procurement” means procurement conducted through electronic media such as the internet or other ICT platforms.

“Evaluation Committee” means the committee established under the Act to evaluate bids.

“Foreign Bidder / Foreign Provider” means a firm or provider whose business is not registered in South Sudan and whose majority shareholding is owned by foreign citizens.

“Framework Agreement” means a contractual arrangement that allows a Procuring Entity to procure goods, works or services continuously or repeatedly over a defined period, with or without agreed prices.

“Fraudulent Practice” means misrepresentation of facts to influence procurement or disposal processes or contract execution, including collusion among bidders to establish non-competitive prices.

“Goods” means supplies, merchandise, raw materials, products, equipment or objects of any kind and description—solid, liquid, gaseous, electricity, or intellectual and proprietary rights—and includes incidental services where their value does not exceed that of the goods.

“Government” / “Government Institution” means the Government of the Republic of South Sudan and any public body at national, state or local level, including public corporations.

“Guidelines” means guidelines issued by the Authority.

“Highest Evaluated Bid” means the bid offering the highest evaluated price for revenue collection services or disposal of assets, after considering factors specified in the bidding documents.

“In Writing” means recording information in a form that preserves its content and is accessible for future use.

“Industry Standards” means standards defined and codified by internationally recognised professional bodies, including best practices.

“Local Firm” / “National Provider” means a firm registered in South Sudan and majority-owned by citizens of South Sudan.

“Lowest Evaluated Bid” means the bid with the lowest evaluated price after considering all relevant factors and weights specified in the bid documents.

“Minister” means the national Minister responsible for public procurement or for finance and economic planning, as applicable.

“Ministry” means the national ministry responsible for finance and economic planning.

“National Institution” means a Government Institution of the national level.

“Non-Consultancy Services” means services other than consultancy services, goods or works, including maintenance, cleaning, security or other commercial services.

“Open Framework Agreement” means a framework agreement with specified terms and conditions but without agreed prices.

“Paymaster General” has the meaning ascribed under the Public Finance Act.

“Performance Securing Declaration” means a declaration signed by a provider agreeing to be debarred for a specified period if contractual obligations are violated.

“Post-Qualification” means due diligence conducted after evaluation but before contract award to confirm the capacity of the lowest or highest evaluated bidder.

“Pre-Qualification” means a formal procedure to identify potential suppliers, contractors or consultants qualified to perform a contract prior to solicitation.

“Procurement” means the acquisition or purchase—by any contractual means—of supplies, works or services by or on behalf of a Government Institution, including all functions related to identifying needs, solicitation, evaluation, award and contract management.

“Procurement Committee” means the committee established under the Act to approve procurement and disposal decisions.

“Procurement Process” means successive stages in the procurement cycle, including planning, choice of method, solicitation, examination and evaluation of bids, award and contract management.

“Procurement Unit” means the unit established in a Procuring Entity responsible for executing procurement and disposal functions.

“Procuring Entity (PE)” means any Government Institution designated to engage in procurement or disposal.

“Provider” means a natural or legal person who is a potential or actual party to Procurement with a Procuring Entity.

“Public Asset” means any tangible or intangible property owned by a public body including physical property, land, shares and proprietary rights.

“Public Corporation” means a public enterprise established by law and includes any legal entity receiving public funds.

“Public Funds” means monetary resources appropriated to Government Institutions through budget processes, including grants, loans and internally generated revenues.

“Public Officer” means any person holding or acting in a public office, a Minister, an employee of a public body or a person who has previously held such office.

“Security (Caution Money)” means an amount or guarantee provided to secure fulfilment of obligations and may take the form of deposits, drafts, guarantees, bonds or letters of credit.

“Services” means consultancy and non-consultancy services, including incidental goods or works where their value does not exceed that of the services.

“Specifications” means a description of the subject of procurement or disposal in accordance with industry standards, covering nature, quality, performance, materials, dimensions or other characteristics.

“Standstill Period” means the period during which a Procuring Entity cannot accept the successful bid, allowing bidders to challenge the decision.

“State” means a state of South Sudan as defined in the Transitional Constitution.

“State and Local Institution” means Government Institutions at the state or local government level.

“Successful Bid” means the bid that satisfies the evaluation criteria and is selected in accordance with the method of procurement.

“Supplier” means a company, corporation, organisation, partnership or individual supplying goods and related services.

“Supply” means procedures used by a Procuring Entity to acquire, receive, store, maintain and distribute supplies.

“Supply Chain Management” includes all activities related to planning, procurement, warehousing, distribution, contract management and disposal aimed at achieving value for money.

“Supply Management” means the coordination and execution of warehouse organisation, storage, inventory control, distribution, verification, stock taking and disposal.

“Terms of Reference (ToR)” means a statement issued by a Procuring Entity defining objectives, goals, scope of services and methods to be used.

“User Department” means a department or unit of a Procuring Entity that initiates procurement or disposal requirements and uses the final goods, works or services.

“Value for Money” means the maximum benefit derived from goods, works or services procured with available resources.

“Works” means construction, reconstruction, demolition, repair or renovation activities, including installation, testing, commissioning of equipment or materials, turnkey and PPP arrangements, and incidental supplies or services where their value does not exceed the value of the works.

PART 1:
GENERAL PUBLIC PROCUREMENT PRINCIPLES AND PROCEDURES

CHAPTER 1: INTRODUCTION TO PUBLIC PROCUREMENT AND DISPOSAL OF ASSETS MANUAL

1.1 Background

In 2018, the Republic of South Sudan signed the Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS). Section 4.6.1 of the Agreement mandated the Revitalized Transitional Government of National Unity (RTGoNU) to establish several key institutions, including the Public Procurement and Disposal of Assets Authority (PPDAA).

To give effect to this requirement, the Public Procurement and Disposal of Assets Act, 2018 was enacted by the Transitional National Legislative Assembly in 2018 and subsequently assented to by His Excellency Salva Kiir Mayardit, President of the Republic of South Sudan, in April 2019. The Act provides the legal framework for the establishment and functioning of the Authority.

In line with Chapter II of the PPDA Act, the formal establishment of the Authority took place on 17th February 2023, when His Excellency the President appointed the Executive Director and Members of the Board of Directors of the PPDAA, thereby operationalizing the institution.

Since its establishment, the PPDAA has become central to advancing procurement reforms, strengthening institutional frameworks, and promoting transparency and accountability in the management of public resources in South Sudan.

1.2 Objectives and Mandate of the Authority

The Objectives of the Authority as provided in Section 7 of PPDA Act 2018 are:

- (a) Regulate and monitor public procurement and disposal of assets in South Sudan and to advise Government institutions on issues relating to procurement;
- (b) Ensure the application of fair, competitive, transparent, accountable, non-discriminatory, and value for money public procurement and disposal of assets standards and practices;
- (c) Harmonise the public procurement and disposal of assets policies, system, and practices at all levels of Government;
- (d) Ensure that Procuring Entities are staffed at appropriate levels in order to efficiently manage procurement activities; and
- (e) Ensure that procurement contracts are granted to qualified businesswomen, youth, and persons with disabilities.

The vision, mission, core values, and functions of PPDAA are shown in **Table 1.1**

Table 1.1: Vision, Mission, Core Values, Mandate and Functions of PPDAA

Vision	A center of excellence for the advancement of a public procurement and disposal of assets system for sustainable national development.
Mission	To regulate public procurement and disposal of assets to promote compliance and achieve value for money
Core Values	Integrity: We are committed to serve our stakeholders in an ethical manner which demonstrates honesty and fairness

	<p>Teamwork: We work together by sharing experiences while respecting each other to realize institutional goals.</p> <p>Accountability: We endeavor to perform our duties with readiness to take responsibility for our actions.</p> <p>Professionalism: We execute our regulatory duties with high level of knowledge, skills and positive attitude</p> <p>Transparency: We encourage openness while performing our duties with effective consideration of our stakeholders</p>
The Mandate and Functions of the PPDAA	<p>The PPDAA is the national regulator responsible for ensuring that all public procurement and disposal activities in South Sudan are conducted in a transparent, efficient, fair, and accountable manner. Its core mandate focuses on policy formulation, regulation, oversight, and capacity building across all Procuring Entities.</p> <p>At its heart, the Authority is tasked with:</p> <ul style="list-style-type: none">• Setting and updating national procurement and disposal policies, standards, guidelines, and Standard Bidding Documents to ensure uniform and compliant practices across Government.• Monitoring, inspecting, and reporting on the performance of procurement systems, ensuring compliance with the PPDA Act and Regulations, including handling deviations, investigating non-compliance, and enforcing corrective measures.• Providing advisory services and technical support to Government institutions on procurement principles, practices, and interpretation of the law.• Maintaining key national procurement systems, such as the register of providers, publication of procurement opportunities and awards, and common specifications for commonly used goods, works, and services.• Strengthening national procurement capacity by developing training standards, building procurement competencies, and coordinating deployment and management of procurement officers.• Managing complaints and supporting dispute resolution, ensuring bidders have a fair, transparent mechanism for raising concerns.• Promoting collaboration and research, including international benchmarking, sector studies, and partnerships with professional and regulatory bodies to continuously improve public procurement.• Advising on sensitive and classified procurements, ensuring integrity, confidentiality, and national security considerations are upheld. <p>Overall, PPDAA serves as the custodian of procurement integrity, ensuring value for money, professionalism, and accountability in all public procurement and asset disposal processes across South Sudan.</p>

From the Vision, Mission, and Core Values outlined above, it is evident that effective and efficient procurement practices are central to PPDAA's mandate of regulating public procurement and disposal of assets in order to promote compliance and ensure value for money across PEs.

Given the complexity, scale, and strategic importance of procurement and disposal activities within PEs, this Manual offers a structured framework to guide these processes. It is designed to promote consistency, transparency, efficiency, and accountability, thereby strengthening the integrity and performance of South Sudan's public procurement system.

1.3 Strategic Importance of Procurement and Disposal of Assets to Procuring Entities.

Every Procuring Entity (PE) has a mandate that defines the public value it is expected to deliver. The Strategic Triangle (Figure 1.1) illustrates that for a PE to achieve this mandate, three elements must align: public value, operational capacity, and legitimacy & support.

To deliver public value, a PE must have sufficient operational capacity—qualified staff, functional procurement structures, clear procedures, adequate budgets, and reliable systems for planning, sourcing, and contract management. Without these resources, even a well-defined mandate cannot be implemented effectively.

A PE also requires legitimacy and support from its leadership, oversight bodies, suppliers, and the public. Consistent non-performance or non-compliance with procurement laws weakens this legitimacy and undermines the PE's authority to operate.

When any part of the triangle is weak, the organization's effectiveness is compromised. Strong alignment of mandate, capacity, and legitimacy ensures that a PE can fulfil its purpose and contribute to accountable, efficient public procurement.

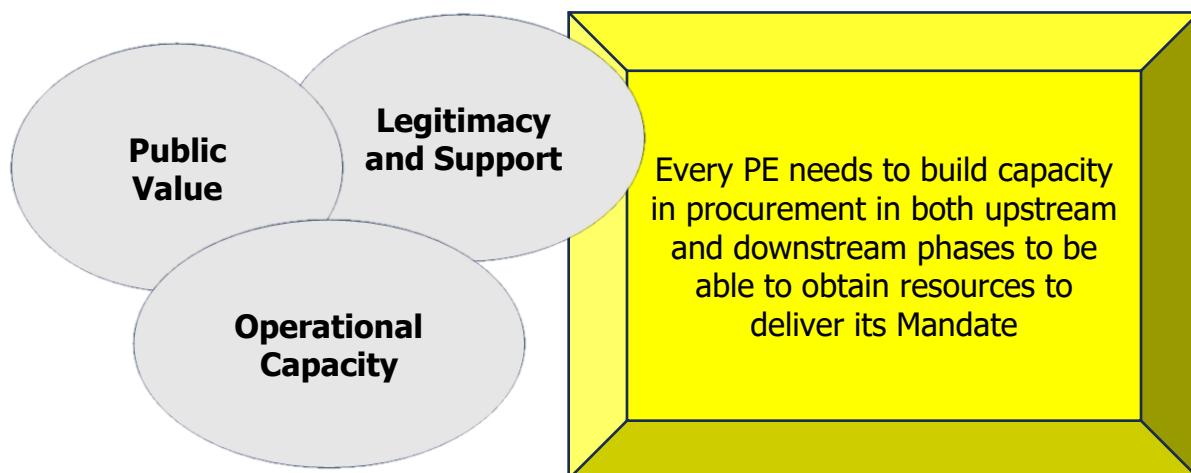


Figure 1.1: Strategic Triangle Used to Describe Public Organizations¹

To build and sustain this operational capacity, PEs rely on the procurement of a wide range of goods, works, and services. A strong procurement system is therefore critical, as it enables PEs to

¹ Read more about the concept of strategic triangle in managing public institution in a book by Mark H. Moore titled **Creating Public Value- Strategic Management in Government**, Harvard University Press , 1995

efficiently and effectively manage both the **upstream** and **downstream** phases of the procurement cycle (Figure 1.2)

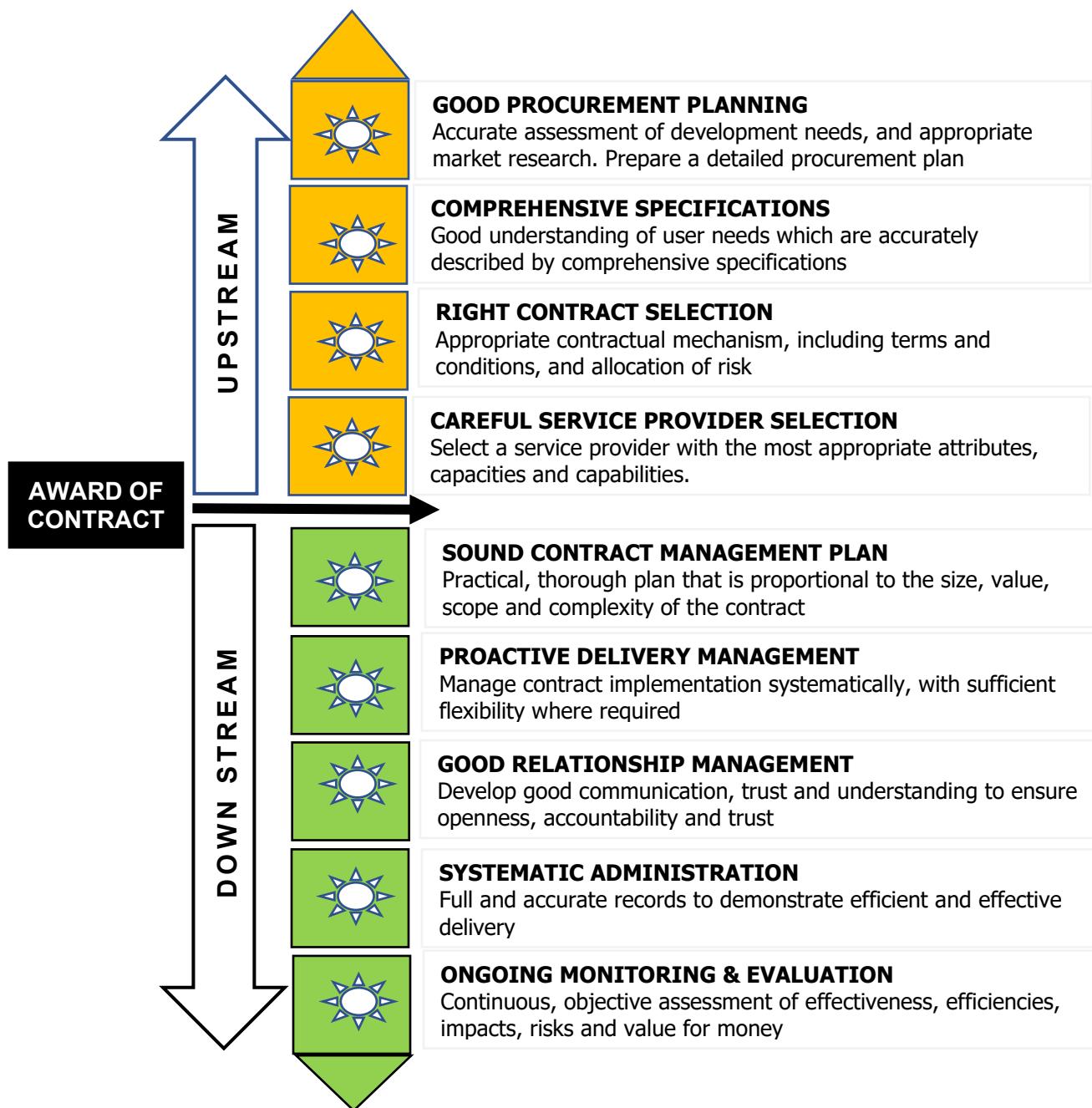


Figure 1.2: Upstream and Down Stream Phases of Procurement

The **upstream phase** consists of all preparatory activities undertaken before a contract is awarded. These include needs identification, procurement planning, market analysis, preparation of specifications and bidding documents, solicitation of bids, and evaluation. The objective of the upstream phase is to ensure that the procurement process is transparent, competitive, and capable of identifying a contractor, supplier, or provider who is both qualified and able to meet the requirements. A well-managed upstream phase reduces procurement risks, ensures value for money, and lays the foundation for successful contract execution.

The **downstream phase** begins after contract award and focuses on managing the delivery of the contract. This involves contract administration, performance monitoring, inspection and acceptance of goods or works, handling variations, managing payments, dealing with delays or disputes, and ensuring that the contractor fully complies with the agreed terms and conditions. A strong downstream phase ensures that the expected outputs and outcomes are achieved, and that public resources are used efficiently and accountably.

Together, the upstream and downstream phases form a continuous procurement management cycle. Weaknesses in the upstream phase often lead to poor performance in the downstream phase, while strong upstream processes make contract management smoother and more predictable. Likewise, effective downstream monitoring provides valuable feedback that can strengthen planning and decision-making in future upstream activities.

Given the central role of procurement in all public bodies, the PPDA has developed this Public Public Procurement and Disposal of Assets Manual (PPDAM) to provide clear guidance to all PEs on the proper management of procurement and disposal processes. The Manual ensures compliance with the PPDA Act, the PPDA Regulations , and the various Guidelines issued by the Authority, including the Standard Bidding Documents (SBDs).

1.4 The Public Procurement and Disposal of Assets Manual

This Manual sets out the procedures for procurement and disposal of assets to be followed by all PEs. Officially cited as the Public Public Procurement and Disposal of Assets Manual (PPDAM), it is designed to guide PE staff in conducting procurement and disposal activities in an effective, transparent, and efficient manner that ensures value for money.

The Manual has been developed as a comprehensive reference tool to support staff in their day-to-day operations. To ensure its effective application, the PPDA, in collaboration with PEs, will train all staff involved in procurement and disposal of assets processes so that they fully understand and consistently apply the Manual in their routine work.

Importantly, this Manual is intended to supplement—and not to replace—the Public Procurement and Disposal of Assets Act, 2018, the Public Procurement and Disposal of Assets Regulations, 2024, the Standard Bidding Documents, and other guidelines issued by the PPDA. Whenever in doubt, users are advised to consult the Act and Regulations as the primary source of authority.

1.5 Purpose of the Public Procurement and Disposal of Assets Manual

The purpose of this Manual is to standardize and streamline procurement and disposal of assets processes across PEs to ensure efficiency, transparency, accountability, and compliance. It serves as a practical guide for all personnel involved in procurement and disposal of assets activities—from planning to contract management—ensuring alignment with South Sudan’s legal framework and international best practices.

The Manual aims to:

Standardize Procurement Procedures By providing clear and uniform procedures, the Manual ensures that procurement and disposal of assets activities across PEs are conducted consistently, reducing delays, minimizing variations, and improving the overall execution of projects.

Enhance Compliance The Manual serves as a reference point for meeting the requirements of the **PPDAA Act , 2018** and the **PPDA Regulations** . It helps staff

implement these provisions effectively, reducing the risk of non-compliance and avoiding legal, financial, or reputational consequences.

Promote Ethical Procurement:

The Manual underscores the importance of integrity, fairness, and accountability. It provides guidance on preventing fraud and corruption, managing conflicts of interest, and ensuring that provider selection and contract awards are fair and transparent.

Facilitate Capacity Building:

For new staff and those less familiar with procurement and disposal of assets processes, the Manual serves as a training tool. Its step-by-step guidance builds the capacity of PE teams to carry out their responsibilities competently and professionally.

Support Strategic Procurement

Beyond compliance, the Manual encourages PEs to adopt a strategic approach. This includes forward planning, market analysis, and risk management, enabling procurement to serve as a lever for achieving institutional and national objectives, such as timely road maintenance and cost-effective project delivery.

1.6 Scope and Applicability

This Manual covers all procurement and disposal of assets activities carried out by **PEs**. Specifically, it applies to:

- (a) Procurement of Goods – covering the acquisition of equipment, materials, and supplies required for the day-to-day operations of PEs.
- (b) Procurement of Works – including the construction, rehabilitation, and maintenance of buildings and road infrastructure in both rural and urban areas.
- (c) Procurement of Services – encompassing consultancy, technical assistance, professional services, and other non-consultancy services required by PEs.
- (d) Disposal of Assets – relating to assets that are obsolete, surplus, or no longer of use to PEs.

The Manual is intended for use by the following groups:

PEs Staff: all personnel involved in the procurement process, including staff in User Departments (UD), the Procurement Unit (PU), and the Procurement Committee (PC). It is particularly relevant for those responsible for planning, initiating, and managing procurement and disposal activities

Providers Suppliers, contractors, and consultants who participate in procurement processes. The Manual helps them understand PEs requirements and expectations when preparing bids and implementing contracts.

Oversight Bodies institutions such as the PPDA and Audit Agencies, for whom the Manual serves as a reference in assessing PE compliance with procurement laws and regulations

Students The Manual also serves as a reference document for students and researchers pursuing studies in procurement and supply chain management.

1.7 Objectives of the Public Procurement and Disposal of Assets Manual

The primary objectives of this Public Procurement and Disposal of Assets Manual are designed to guide PEs in executing procurement and disposal activities in a manner that is lawful, transparent, efficient, and aligned with national development priorities. These objectives reinforce the core principles of public procurement and provide a clear framework for achieving value for money, strengthening accountability, and promoting sustainable practices across all PEs.

Achieve Value for Money:	Guide the procurement process to ensure that PEs obtain goods, works, and services of the required quality at the most competitive cost, taking into account the total cost of ownership
Enhance Transparency and Accountability	Promote openness in all stages of procurement—from planning to contract management—so that processes are conducted fairly, can withstand scrutiny, and build public trust
Promote Fair Competition	Ensure equal opportunity for all eligible providers to participate in procurement activities, thereby encouraging innovation, efficiency, and fair pricing.
Ensure Compliance	Facilitate strict adherence to the PPDA, 2018 , the PPDA Regulations , and other applicable policies. This minimizes risks of legal disputes, delays, and financial losses while guiding staff to meet statutory reporting and record-keeping requirements.
Support Sustainable Procurement	Encourage the integration of environmental, social, and economic considerations into procurement decisions. This aligns with the Government of South Sudan's broader commitment to sustainable development and responsible resource management

In sum, these objectives strengthen the credibility of South Sudan's procurement and disposal of assets system and contribute to improved service delivery and better use of public resources for the benefit of all citizens

1.8 Structure of the Manual

This manual consists of Six Parts as follows:

Part	Chapters	Key Focus
Part 1: General Principles and Procedures	1 – 4	This Part outlines the foundation of public procurement, including the background and purpose of the Manual , the core procurement principles that guide all processes, and the institutional setup of Procuring Entities —their key organs and functions. It also introduces the essentials of procurement planning , highlighting the preparation of Annual Procurement Plans and the link between needs, budgets, and timely procurement..
Part 2: Managing Procurement of Goods, Works, and	5 – 7	This Part covers the end-to-end process for procuring and managing contracts for goods, works, and non-consultancy services. It outlines key steps from initiation, tendering,

Non-Consultancy Services		evaluation, and award, through to contract administration and performance monitoring. It also highlights risk management during procurement and contract execution, emphasizing the identification, mitigation, and monitoring of risks to ensure successful delivery and compliance..
Part 3: Managing Procurement of Consultancy Services	8 – 10	This Part outlines the procedures for procuring consultancy services, including selection methods, evaluation processes, and contract negotiation. It also covers the essentials of contract management , ensuring quality and timely delivery of outputs. Additionally, it highlights risk management and performance monitoring , focusing on how PEs should track consultant performance, manage deliverables, and address risks that may affect the assignment.
Part 4: Monitoring Procurement and Managing Procurement Records	11	This Part explains how procurement activities are monitored both internally—through Procurement Units, Internal Audit, and management oversight—and externally by bodies such as PPDAA. It also highlights the requirements for proper management of procurement and contract records , ensuring that documents are complete, organized, and securely stored to support transparency, accountability, and audit readiness..
Part 5: Disposal of Assets	12	This Part outlines the procedures for disposing of government assets, emphasizing transparent and competitive methods—particularly public bidding—to ensure fairness, accountability, and optimal value for money. It also highlights the key steps involved, including valuation, approvals, advertising, and proper documentation of disposal outcomes.
Part 6: Standard Forms, Checklists, Case Studies and Revision Questions	–	This part will provide standardized forms, templates, checklists, case studies, and revision questions to support consistent and compliant procurement practices across Procuring Entities. <i>It will be issued as a separate volume once finalized.</i>

1.9 Amendments of the Manual

1.9.1 Administration of the Manual

The PPDAM is a living document that sets out detailed guidelines and procedures for conducting procurement and disposal activities in line with the PPDA Act and the PPDA Regulations . Its proper administration is essential to ensuring that all procurement and disposal of assets processes within PEs are lawful, transparent, and effective.

The PUs in each PE are responsible for the overall administration of the Manual. This includes ensuring compliance, coordinating its application across the entity, and providing regular training

and sensitization to staff involved in procurement so that they remain familiar with the Manual and any updates or revisions made over time.

In addition, the Accounting Officers and Procurement Committees are accountable for enforcing adherence to the Manual, ensuring that procurement and disposal of assets activities are carried out with integrity and in full compliance with the law.

1.9.2 Amendments to the Manual

The Manual is designed to be flexible, allowing for updates and amendments whenever necessary to remain relevant and effective. The PPDAM shall be regularly reviewed and updated to reflect changes in procurement laws, regulations, and practices, thereby ensuring continued support for the procurement and disposal operations of PEs.

Amendments to the Manual may arise from:

- (a) Legal and regulatory changes – any amendments to the PPDA Act or the PPDA Regulations will require corresponding updates to the PPDAM.
- (b) Technological advancements – the adoption of new systems, such as electronic procurement and disposal of assets platforms, may necessitate adjustments to procedures.
- (c) Operational feedback – inputs from staff, audit reports, or performance reviews may identify areas that need revision for improved clarity, efficiency, or effectiveness.

Through these updates, the PPDAM remains a living document that evolves with the procurement environment and continues to provide practical, up-to-date guidance to PEs.

1.9.3 Process for Amendment

Amendments to the **PPDAM** shall be initiated and approved by the **PPDAA**. The process includes:

- a) Identification of Need – proposed changes may arise from new laws or regulations, adoption of new technologies, audit recommendations, performance reviews, or feedback from PEs.
- b) Review and Drafting – PPDAA reviews the identified issues, drafts the necessary revisions, and consults relevant stakeholders.
- c) Approval – the revised Manual or amendment is formally approved by PPDAA in accordance with its mandate under the PPDA Act.
- d) Communication and Training – all Procuring Entities are notified of the changes, and PPDAA provides training or guidance to ensure effective implementation.

Only **PPDAA** is authorized to issue amendments to the Manual to maintain consistency and authenticity across all PEs.

CHAPTER 2: PUBLIC PROCUREMENT REGULATORY FRAMEWORK AND PRINCIPLES

2.1 Introduction

This Chapter provides a comprehensive overview of the legal, institutional, and policy foundations that govern public procurement and disposal of assets in the Republic of South Sudan. It examines the core instruments that establish the regulatory framework—principally the Public Procurement and Disposal of Assets Act, 2018 and the Public Procurement and Disposal of Assets Regulations, 2024—and highlights the supporting guidelines, standard documents, and procedural tools that operationalize them.

Beyond outlining the formal structures, the Chapter elaborates on the fundamental principles that guide procurement practice, such as value for money, competition, economy, efficiency, transparency, accountability, fairness, and integrity. Together, these principles form the ethical and operational compass for all PEs, ensuring that public resources are used in a manner that promotes good governance, public confidence, and sustainable national development.

The Chapter also explores mechanisms for local content promotion, complaints and appeals, and sustainable procurement—each contributing to a robust, inclusive, and transparent procurement system aligned with South Sudan’s developmental priorities.

2.2 Public Procurement Regulatory Framework

2.2.1 General

A functional Public Procurement and Disposal of Assets system is anchored on two mutually reinforcing foundations: a comprehensive and accessible legal framework, and effective institutional systems and structures that operationalize and enforce that framework.

To function properly, the procurement system must be guided by clear laws, regulations, standard bidding documents, guidelines, and official circulars that outline the rules, procedures, and standards expected of all PEs. These documents must not only exist—they must be easily accessible, up-to-date, widely disseminated, and consistently applied. Accessibility ensures that all stakeholders—government officials, providers, civil society, oversight bodies, and development partners—operate with a shared understanding of the requirements, thereby promoting transparency, predictability, and compliance across the entire procurement cycle.

However, laws alone cannot deliver an efficient procurement system. Strong and well-functioning institutional structures are essential for ensuring that procurement processes are carried out professionally, monitored effectively, and continuously improved. These structures include the PPDAA Governance Board and Secretariat, Complaints Review Committee, Procurement Committees and Procurement Units in all PEs, and a reliable registry of providers of goods, works, and services. Together, they form the backbone of the system—providing advisory support, conducting oversight, resolving grievances, guiding decision-making, and ensuring that procurement processes are aligned with national laws and global good practices.

When these two pillars—the legal framework and institutional structures—work harmoniously, they create a procurement environment that is transparent, accountable, competitive, and capable of delivering value for money while supporting national development priorities.

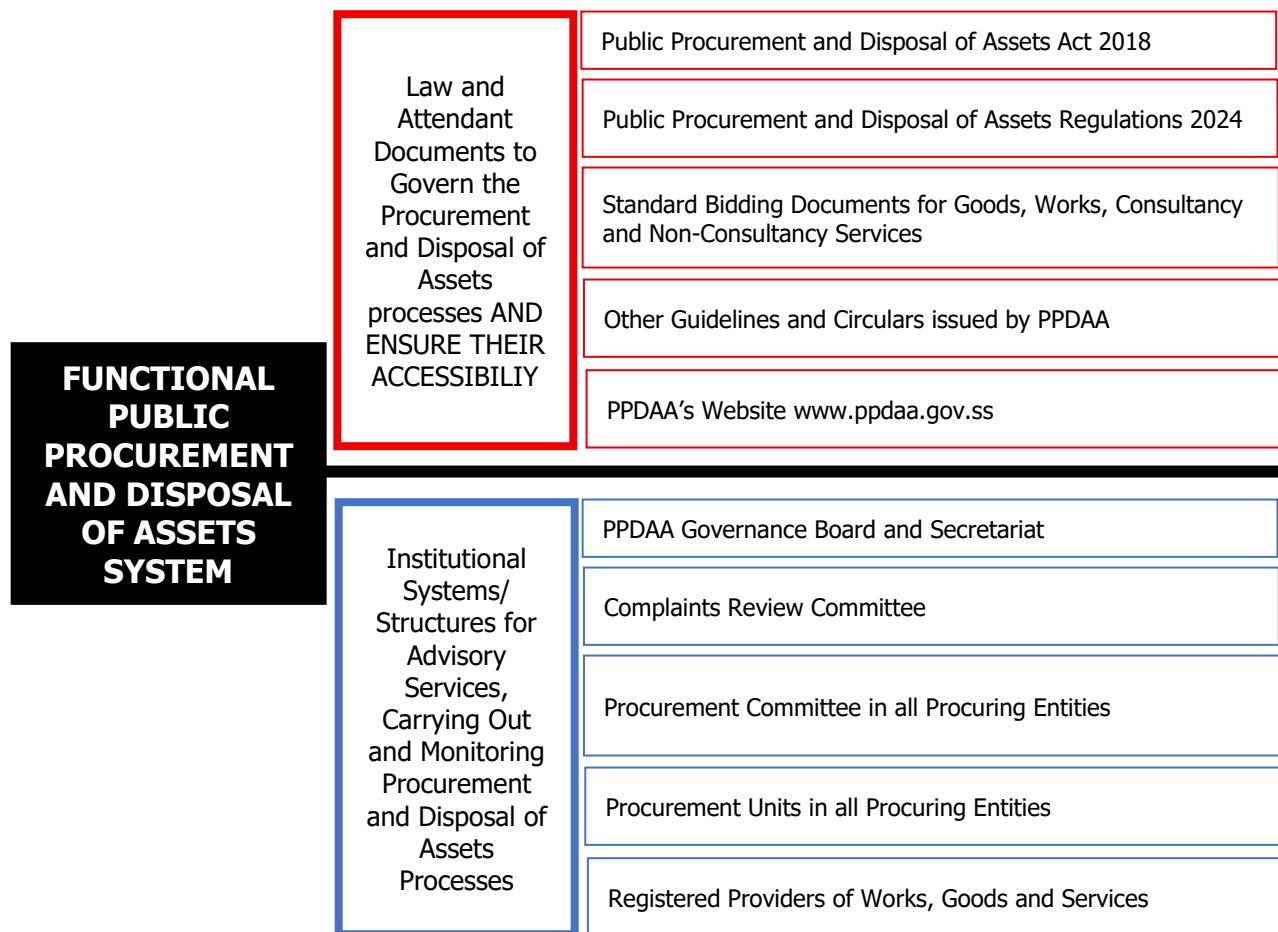


Figure 2.1: Functional Public Procurement and Disposal of Assets System

2.2.2 Legal and Attendant Documents Governing Procurement and Disposal Processes

This first pillar defines the laws, regulations, and guiding documents that establish the standards and procedures for public procurement and disposal of assets. It ensures consistency, transparency, and accessibility of rules across all government entities. Table 2.1 summarizes key legal and attendant documents governing public procurement and disposal of assets in the Republic of South Sudan.

Table 2.1: Legal Documents Governing Procurement and Disposal of Assets in South Sudan

Document	Explanation
Public Procurement and Disposal of Assets Act 18:	The PPDA Act 2018 is the cornerstone of public procurement and disposal of assets in South Sudan, establishing the principles and procedures that ensure public funds are used efficiently and effectively. The Act emphasizes economy, fairness, transparency, competition, accountability and value for money as the foundational principles of procurement and disposal of Assets. The PPDA Act 2018 mandates the use of competitive bidding as the default procurement method to ensure

Document	Explanation
	fairness and obtain the best value for money. Additionally, the Act requires that procurement records be maintained accurately to facilitate audits and reviews.
Public Procurement and Disposal of Assets Regulations 2024	The PPDA Regulations 2024 provides the detailed procedures and standards for implementing the provisions of the PPDA Act 2018. It covers a broad spectrum of procurement activities, including procurement planning, preparation of bid documents, bid evaluation, and contract management. PPDA Regulations outlines the process for the preparation and publication of bid documents, ensuring that all potential bidders have access to the information needed to prepare competitive bids. The regulations specify the procedures for addressing procurement complaints, thereby ensuring that grievances are managed in a fair and timely manner.
Procurement Guidelines	<p>PPDA Act 2018-Sect.8(1)(h) mandates PPDAA to prepare and issue guidelines from time to time for the better carrying out of the objectives or any functions under the Act. In line with this provisions PPDAA has prepared various guidelines which are discussed below:</p> <p>Standard Bid and Proposal Documents</p> <p>PPDA Act 2018-Sect.8(1)(f) and PPDA Regulations 2024-Reg.4(2) has a mandatory requirement that all PEs undertaking Procurement in South Sudan use the appropriate standard model bid documents as prepared and issued by the PPDAA. The Standard Bidding Documents [SBDs] are generally worded to permit and encourage competition and sets forth clearly and precisely all the information necessary for a prospective bidder/consultant to prepare bid for the goods, works, non consultant services or proposal for consultancy services to be provided.</p> <p>The SBDS are aimed at providing PEs with common standard draft documents containing basic contractual provisions and safeguards which are required by the Government of South Sudan in the execution of public procurement and the use of public funds.</p> <p>The SBDs and Standard Request for Proposals (SRFP) are specifically aimed at achieving the following:</p> <ul style="list-style-type: none"> a) Increasing predictability and uniformity in the bid and selection process, b) Increasing efficiency of the bid and selection process and reduce costs, c) Reducing unresponsive bids and proposals and thus increasing competition; and d) Reducing preparation and review time. <p>Guidelines</p> <p>PPDAA has also, in addition to SBDs, prepared other guidelines aimed at amplifying certain aspects of the PPDA Act 2018, PPDA Regulations and SBDs. This is in furtherance of the mandate given in PPDA Act 2018-Sect.8(1)(h)</p> <p>Procedural Forms</p> <p>PPDAA has also prepared various procedural forms aimed at standardizing procurement and disposal of assets processes across entities. .</p> <div data-bbox="1019 1320 1411 1594" style="border: 2px solid green; padding: 10px;"> <p>To ensure accessibility, the PPDA Act 2018, PPDA Regulations 2024, the SBDs, Guidelines and Procedural Forms are all available in PPDAA's website www.ppdcaa.gov.ss</p> </div>

2.2.3 Institutional Structures and Systems for Oversight and Advisory Services

The second pillar represents the institutional mechanisms responsible for administering, regulating, and overseeing public procurement and disposal activities. These structures, summarized in **Table 2.2**, ensure accountability and continuous improvement within the procurement system.

Table 2.2- Institutional Structures for Monitoring and Carrying Out Procurement and Disposal of Assets Function in South Sudan

Structure	Explanation
PPDAA Governance Board and Secretariat	The PPDAA, through its Board and Secretariat, is the central oversight body mandated under Sections 6–10 of the PPDA Act 2018. It formulates policies, issues guidelines, conducts audits and investigations, builds procurement capacity, and prepares the Annual Performance Evaluation Report (APER) on the national procurement system.
Complaints Review Committee	Established under Section 22 of the PPDA Act 2018 and detailed in Regulations 193–207 of PPDA Regulations 2024, this independent body handles complaints and appeals from bidders who feel aggrieved by procurement decisions. Its decisions are binding and ensure fairness and transparency in procurement processes.
Procurement Committees	Under Section 26 of PPDA Act 2018 and Regulations 10–15 of PPDA Regulations 2024, these committees approve procurement decisions beyond the Accounting Officer's threshold. They ensure that bid evaluations and contract awards comply with legal and procedural standards.
Procurement Units	Established under Section 27 of PPDA Act 2018 and Regulation 16 of PPDA Regulations 2024, Procurement Units are operational arms within PEs responsible for planning, processing, and managing daily procurement activities. They are required to be staffed by qualified procurement officers who prepare bidding documents, conduct evaluations, and maintain records.
Registered Providers & Provider Registration System	Section 8(1)(k) of PPDA Act 2018 requires PPDAA to maintain a register/database of providers (firms and individuals). Regulation 183 of PPDA Regulations 2024 establishes provider databases/lists; while Regulations 176–179 set eligibility, beneficial ownership disclosure, and qualification verification requirements. This ensures market access, transparency, and due diligence in supplier participation across all PEs.

2.2.4 Integration and Functionality

For South Sudan to build a functional procurement system, both pillars must operate in synergy. The legal framework provides the foundation of rules, principles, and procedures, while the institutional framework ensures implementation, compliance, and continuous oversight. The PPDAA serves as the linking mechanism between these pillars—developing regulations and guidelines, monitoring compliance, and facilitating accessibility of all attendant documents. This integrated structure promotes transparency, accountability, and value for money in public

procurement and disposal of assets, advancing good governance and sustainable development in South Sudan.

2.3 Public Procurement Principles

2.3.1 General

Public procurement and disposal of assets principles are the foundational values that guide all procurement and disposal of assets activities to ensure that the process is transparent, accountable, and results in value for money. At a PE, these principles are not only required by law under **PPDA Act, 2018** but are also integral to maintaining fairness and fostering trust in the procurement and disposal of assets process. Generally, any good public procurement and disposal of assets processes is underpinned by pillars shown in **Figure 2.2**.

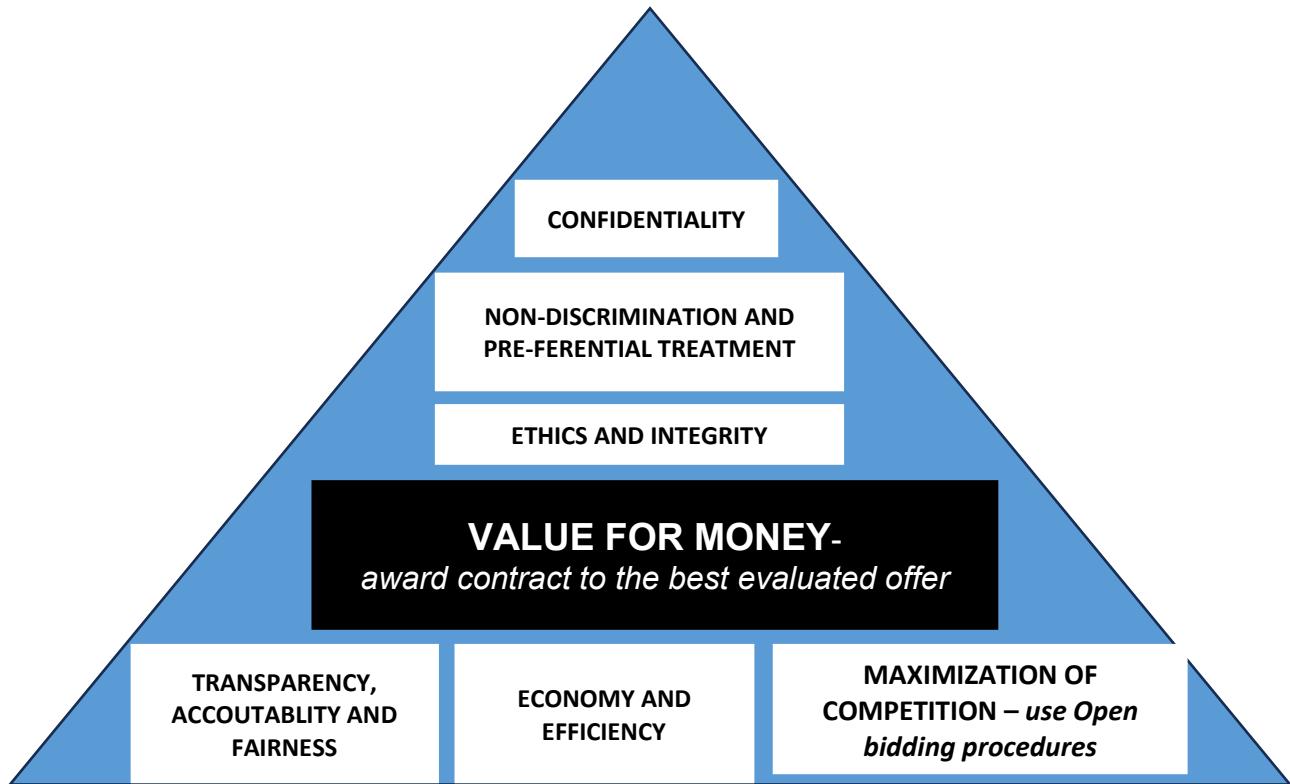


Figure 2.2: Pillars of Public Procurement

It is important to emphasize that while all the pillars are equally important, the other pillars indeed aim at ensuring that Value for Money (VfM) is achieved in the procurement and disposal of assets process. The core procurement principles are further discussed in greater detail:

2.3.2 Value for Money (VfM)

Value for Money (VfM) is a foundational principle that underpins all public procurement processes. It requires PEs to ensure that every procurement decision is made in a transparent, competitive, fair, and accountable manner, with the goal of maximizing the effectiveness and efficiency of public expenditure.

For a PE, VfM extends beyond the notion of the lowest price — it encompasses the pursuit of the best overall outcome when considering the total cost of ownership, quality, functionality, sustainability, and long-term benefits over the entire procurement lifecycle. This involves a holistic assessment of inputs, outputs, and outcomes to ensure that goods, works, and services procured deliver the intended objectives efficiently and ethically.

In practice, the VfM principle guides decision-making across all sectors and categories of procurement, including goods, works, consultancy, and non-consultancy services. It ensures that public resources are utilized prudently to achieve optimal social, economic, and environmental impact, thereby strengthening public confidence in the procurement system and promoting sustainable national development.

Operationalizing Value for Money within a Procuring Entity

Having established VfM as a core principle of public procurement, its realization within a PE depends on how effectively the concept is translated into practice. Achieving VfM requires deliberate strategies that align procurement planning, decision-making, and contract management with principles of transparency, competition, and accountability. It calls for a systematic approach that ensures public funds are used prudently to deliver optimal outcomes for citizens.

In operational terms, PEs enhance VfM by promoting competitive participation, ensuring efficiency and ethical conduct, and upholding good governance throughout the procurement cycle. This is further strengthened through whole-of-life assessments that evaluate not just initial costs, but the long-term implications of procurement decisions, and through the adoption of sound management practices that drive efficiency, performance monitoring, and continuous improvement.

The following sections outline the key dimensions of how a Procuring Entity can systematically achieve and sustain Value for Money in its procurement operations.

Enhancing VfM at a PE In a PE's procurement operations, VfM is achieved by:

- (a) Encouraging healthy competition by ensuring a level playing field for all suppliers and contractors across all procurement categories..
- (b) Conducting procurement in a manner that is efficient, effective, and ethical, focusing on the proper use of public resources across all procurement activities.
- (c) Ensuring that all procurement decisions are made with accountability and transparency, reflecting a PE's commitment to good governance.

Whole-of-Life Considerations in a PE Procurement When evaluating alternative procurement processes or solutions for goods, works, or services, a PE should consider the whole-of-life costs and benefits. Key factors include:

- (a) **Market Maturity:** Assessing the availability, capability, and competitiveness of suppliers, contractors, or service providers to deliver the required outputs effectively.
- (b) **Supplier Performance:** Reviewing the historical performance, reliability, and quality standards of potential suppliers or contractors in delivering similar assignments within scope, time, and budget.
- (c) **Risk Assessment:** Identifying, analyzing, and mitigating potential risks that may affect quality, timelines, costs, or sustainability of the procurement outcome.

- (d) **Flexibility:** Ensuring that the chosen procurement method or contractual arrangement can accommodate future needs, technological changes, or service continuity requirements.
- (e) **Financial Considerations:** Evaluating the total cost of ownership and potential benefits across the entire project or contract lifecycle, including operation and maintenance costs where applicable.
- (f) **Disposal Considerations:** Considering any costs, risks, or value recovery opportunities associated with the disposal, replacement, or decommissioning of assets at the end of their useful life.
- (g) **Contract Options:** Reviewing the suitability of available contracting models, including the potential for extensions, renewals, or performance-based arrangements to ensure efficient and continuous service delivery.

Key Practices for Achieving VfM Within a PE	To ensure the consistent achievement of VfM, a PE shall adopt the following key practices:
	(a) Minimizing Overheads: Reducing internal administrative and transaction costs associated with procurement activities, particularly for routine or repetitive procurements.
	(b) Reducing Delays and Avoidable Costs: Streamlining procurement procedures to eliminate unnecessary steps, minimize costs for both the PE and suppliers, and ensure timely and cost-effective delivery of goods, works, and services.
	(c) Monitoring Contract Performance: Conducting regular reviews of ongoing contracts to confirm that suppliers or service providers continue to deliver as expected. Where performance declines or value is no longer achieved, appropriate corrective action or contract re-evaluation should be undertaken.
	(d) Continuous Improvement: Promoting a culture of ongoing enhancement of procurement processes by embracing innovation, strengthening institutional systems, and gradually introducing appropriate digital tools to improve transparency, efficiency, and accountability.

2.3.3 Maximization of Competition

Competition is a cornerstone of public procurement and is essential for achieving transparency, efficiency, and value for money. It ensures that all eligible contractors, suppliers, and service providers have equal access to procurement opportunities and that a Procuring Entity (PE) engages the most qualified and cost-effective bidders.

Equal Opportunity	In accordance with Section 21(2) of the PPDA Act, all procurement opportunities must be widely advertised to promote fair and open participation. This guarantees that all qualified suppliers, contractors, and service providers—regardless of nationality, size, or ownership structure—have an equal chance to compete for public contracts under transparent and non-discriminatory conditions.
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Avoidance of Anti-Competitive Practices	Under Regulation 15(1) of the PPDA Regulations, a PE is required to take all necessary measures to prevent anti-competitive behavior, including collusion, favoritism, and restrictive technical specifications that may unfairly limit participation. Open and competitive bidding, conducted through the PPDA
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Tender Portal, ensures broad market access, fairness, and transparency throughout the procurement process.

Promotion of Efficiency and VfM By maximizing competition, a PE enhances its ability to obtain the best quality goods, works, and services at the most reasonable cost. Effective competition not only drives innovation and efficiency but also reinforces public confidence in the integrity of the procurement system.

2.3.4 Economy and Efficiency

Economy and efficiency are fundamental principles of public procurement designed to ensure that public resources are used prudently and that procurement processes deliver optimal results with minimal waste. In accordance with Section 21(1)(b) of the PPDA Act, PEs must conduct procurement in a manner that promotes the economical and efficient use of public funds while achieving the required quality and quantity within the prescribed time.

Economy in Procurement Economy emphasizes cost-effectiveness and prudent use of financial resources. A PE must ensure that all procurement decisions are based on actual needs and realistic budgets, avoiding unnecessary expenditure or over-specification of requirements. Under Regulation 13(2) of the PPDA Regulations, PEs are required to use appropriate procurement methods and standard documents that support cost savings, market efficiency, and timely delivery.

Efficiency in Processes Efficiency focuses on achieving the intended results with the least possible input of time, effort, and cost. In line with **Regulation 14(1)**, PEs must streamline procurement processes through effective planning, timely decision-making, and the use of e-procurement systems such as the PPDAA Tender Portal. Efficient procurement ensures that goods, works, and services are delivered promptly, supporting service delivery and the achievement of institutional objectives.

Balancing Cost, Quality, and Time A PE must always strive to balance cost with quality and delivery timelines. The emphasis is not merely on the lowest price but on the overall value achieved through competitive and transparent procurement. Adherence to economy and efficiency principles enhances accountability, reduces delays, and ensures that public funds generate the greatest possible benefit to citizens.

2.3.5 Transparency

Transparency refers to the openness and clarity of the procurement process, ensuring that all relevant information is made available to the public and stakeholders at every stage. This principle fosters trust, promotes competition, and enhances accountability in the use of public resources.

Information Disclosure A PE is obligated to publicly disclose procurement opportunities, bid documents, evaluation outcomes, and contract award decisions. This enables all interested parties to have equal access to information and to participate fairly in the procurement process.

Use of Digital Systems Section 37(2) of the PPDA Act mandates the use of electronic systems in public procurement. The PPDAA Tender Portal facilitates transparency by providing a digital platform where procurement notices, bid submissions, and award information are published and accessible to the public.

Audit Trails: Every stage of the procurement process—from advertisement to contract award—must be thoroughly documented to create a verifiable audit trail. Section 54 of the PPDA Act 2018 requires PEs to maintain accurate and complete procurement

records, ensuring they are readily available for review, audit, and accountability purposes.

2.3.6 Accountability

Accountability ensures that all parties involved in the procurement process—including the staff of the PE, contractors, suppliers, service providers, and other stakeholders—are answerable for their actions and decisions. This principle is fundamental to upholding integrity, professionalism, and public confidence in the procurement system.

Clear Roles and Responsibilities Each actor in the procurement process has a clearly defined role and mandate, from the User Department, Procurement Unit (PU) and the Evaluation Committees to the Procurement Committee and the Accounting Officer. Clarity of roles promotes transparency in decision-making and ensures that all actions are undertaken with due diligence and full responsibility..

Decision Making and Reporting All procurement decisions must be supported by sound justification and properly documented in accordance with the PPDA Act 2018. The PE is responsible for ensuring that procurement activities and outcomes are accurately reported to the relevant oversight bodies, including the PPDAA and the Auditor General.

2.3.7 Fairness in Public Procurement

Fairness is a fundamental principle enshrined in the Public Procurement and Disposal of Assets Act, 2018 and its Regulations, 2024, ensuring that all bidders are accorded equal treatment throughout the procurement process. It requires that decisions are made objectively, transparently, and without favoritism or bias, thereby promoting confidence in the integrity of public procurement.

Equal Treatment of Bidders: In accordance with the PPDA Act, all bidders—regardless of nationality, ownership structure, size, or gender—must be given an equal opportunity to participate in public procurement. PEs are required to apply evaluation criteria uniformly and to avoid any form of preferential or discriminatory practices that may distort fair competition.

Transparency in Decision-Making: The Regulations, 2024, reinforce fairness by requiring that procurement proceedings, from solicitation to contract award, are conducted in an open and transparent manner. All decisions affecting bidders—such as qualification, evaluation, or rejection—must be based on clearly defined and pre-disclosed criteria, ensuring that every participant is treated consistently and justly.

Objective Evaluation and Non-Interference: Procurement Committees and Evaluation Committees must act independently and without undue influence, as mandated under Section 34 of the Act. Fairness demands that all evaluations be conducted solely on merit, in accordance with the bidding documents and applicable procedures, to prevent arbitrary or biased outcomes.

Remedies for Unfair Treatment: The Act and Regulations provide mechanisms for administrative review, allowing aggrieved bidders to challenge procurement decisions where fairness is compromised. This guarantees that all participants have access to redress and that procurement decisions remain credible and justifiable.

In essence, fairness in public procurement ensures a level playing field for all bidders, enhances competition, and strengthens public confidence in the procurement system by upholding justice, transparency, and equal opportunity for all.

2.3.8 Ethics and Integrity

The principles of ethics and integrity are central to the governance framework established by the PPDA Act and the Regulations, 2024. Together, these instruments set standards of professional conduct and accountability to ensure transparency, fairness, and trust in public procurement processes.

Legal Foundation and Ethical Principles

The PPDA Act establishes that public procurement must be conducted in an open, transparent, accountable, and efficient manner, emphasizing the responsible use of public funds

Ethics and integrity are woven throughout the Act as guiding principles for all procurement entities and officers, requiring decisions to be made free from undue influence, favoritism, or corruption.

Under Section 23 of the Act, all key procurement organs — including the Accounting Officer, Procurement Committee, Procurement Unit, and Evaluation Committee — must act independently and without undue influence when performing their functions

This independence reinforces ethical conduct and prevents manipulation or bias in the procurement process.

Code of Ethical Conduct

The Act explicitly requires all members of Evaluation Committees to sign a Code of Ethical Conduct in Business, either as provided in the Act or subsequently issued by the PPDA.

This Code serves as a formal commitment to uphold integrity, impartiality, and professionalism, and to avoid conflicts of interest, bribery, or collusion.

Similarly, the PPDA Regulations reinforce this by prescribing obligations for committee members to declare any interest that could compromise objectivity and to maintain confidentiality of procurement information

Breaches of ethical standards can trigger disciplinary measures, including suspension, debarment, or criminal prosecution.

Conflict of Interest and Disclosure Obligations

The Regulations emphasize the disclosure of interest by members of procurement committees (Reg. 14), prohibiting participation in deliberations where personal or financial interests exist. They also restrict the unauthorized disclosure of confidential procurement information (Reg. 15), ensuring that all officers maintain professional discretion and data integrity throughout the process.

These provisions operationalize the ethical principles of fairness, impartiality, and confidentiality, preventing favoritism and insider dealing in public procurement.

Prohibition of Corrupt and Fraudulent Practices

The Act strictly prohibits corrupt, fraudulent, coercive, or collusive practices. Under Section 82, individuals or entities found guilty of such conduct face severe penalties — including fines, imprisonment, or both — and corporate entities may be fined up to the equivalent of USD 500,000

Furthermore, Section 81 empowers the Authority to suspend providers who fail to comply with ethical standards or engage in misconduct

These provisions deter unethical behaviour and establish accountability mechanisms to protect the integrity of procurement.

Enforcement and Sanctions	The Regulations complement the Act by detailing the procedures for debarment, investigation, and enforcement. Accounting Officers are authorized to recommend debarment of providers engaged in unethical conduct, while the PPDA Authority investigates and issues formal decisions (Regs. 184–191). Debarred entities are listed publicly and excluded from future procurement activities, promoting transparency and deterrence
Promoting Institutional Integrity through e-Procurement	The 2024 Regulations introduce e-Government Procurement (e-GP) as a tool for strengthening integrity. The e-GP system maintains auditable logs of all user activities, enforces transparency, and minimizes human interference, thereby reducing opportunities for corruption and unethical conduct

In essence, the PPDA Act and Regulations embed ethics and integrity as foundational pillars of South Sudan's public procurement system. They require all procurement actors to act honestly, fairly, independently, and transparently, backed by strong mechanisms for disclosure, accountability, and enforcement. These measures collectively safeguard public resources and build public confidence in the integrity of government procurement.

2.3.9 Non-Discrimination

In line with Section 38(1) of the PPDA Act, no PE shall discriminate against or give preferential treatment to any bidder except as expressly provided by law. All bidders—irrespective of nationality, ownership, size, gender, or disability—must be afforded equal treatment and opportunity to participate in public procurement.

Under Regulation 23(1), a PE must prepare clear, objective, and non-restrictive specifications, evaluation criteria, and qualification requirements to ensure a level playing field. Discriminatory clauses, biased specifications, or unjustified exclusions are strictly prohibited.

2.3.10 Confidentiality

Confidentiality is a key principle that safeguards the integrity, fairness, and credibility of the procurement process. It ensures that sensitive information obtained during the procurement cycle is protected from unauthorized disclosure and misuse. This principle is anchored in Section 21(1)(f) of the PPDA Act and further reinforced under Regulation 18 of the PPDA Regulations .

Protection of Procurement Information	A PE, its staff, consultants, and any person involved in the procurement process must maintain strict confidentiality regarding all information related to bids, evaluations, and recommendations prior to contract award. No bidder or person not officially concerned with the process shall have access to such information.
	Under Regulation 18(2), disclosure of bid contents, evaluation details, or recommendations before the award decision is made is strictly prohibited, except as required by law or authorized in writing by the Authority.
Disclosure After Award	Following contract award, limited information may be made public in accordance with Regulation 18(4), including the name of the successful bidder, contract price, and a summary of the evaluation outcome. Such disclosure promotes transparency and accountability without compromising the confidentiality of proprietary or commercially sensitive information.
Prohibition of Undue Influence	Confidentiality also protects the process from undue influence, collusion, and external pressure. All individuals involved in procurement must avoid any action that may compromise the confidentiality of information or give unfair advantage

to any bidder. Breach of this obligation constitutes misconduct under Section 77 of the Act and may result in disciplinary or legal sanctions.

Balancing Transparency and Confidentiality	While transparency requires the publication of key procurement information, confidentiality ensures that competition remains fair and unbiased. A PE must therefore balance the two principles by disclosing only what is necessary for accountability while protecting information whose release could prejudice the procurement outcome or harm legitimate commercial interests.
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2.4 Local Content in Public Procurement

Local content in public procurement refers to deliberate measures taken by government institutions to ensure that public procurement contributes to domestic economic growth, employment creation, capacity development, and industrialization by giving preference to South Sudanese suppliers, contractors, and service providers. The PPDA Act and the PPDA Regulations establish a comprehensive legal framework for promoting local participation in public procurement. These provisions operationalize the national development vision of empowering South Sudanese citizens, businesses, and industries to participate effectively in the economy.

Table 2.3 summarize the major sections of PPDA Act 2018 that promote local participation, inclusivity, and empowerment through public procurement.

Table 2.3: PPDA Act 2018 Provisions Advancing Local Content and Participation in Public Procurement

Section & Title	Provision Summary	Local Content Implication
38 — Preferences and Reservations	Empowers the Minister responsible for Finance to make regulations prescribing preferences and reservations to promote local economic development. Section 38(1) authorizes preferences for local communities, SMEs, women, youth, and PWDs; while Section 38(3) mandates exclusive preference for South Sudanese citizens where public funds are wholly provided by the Government.	Establishes the legal foundation for local content in procurement, ensuring priority for domestic suppliers and exclusive preferences in fully government-funded projects.
7(e) — Mandate of the Authority	Assigns PPDAA the responsibility to ensure that procurement contracts are granted to qualified business women, youth, and persons with disabilities.	Broadens local content to include inclusivity and empowerment of marginalized groups, ensuring equitable participation of women, youth, and People with Disabilities (PWDs).
55 — Aggregation and Value for Money	Requires PEs to aggregate similar requirements wherever possible to achieve value for money and reduce costs.	Encourages efficient planning and predictable opportunities that domestic suppliers can competitively respond to, supporting local industry growth.

Section & Title	Provision Summary	Local Content Implication
41(1)(b) — Evaluation Criteria	Provides that PEs may consider the origin of goods, works or services and the degree of participation by nationals during evaluation.	Enables PEs to use nationality and local participation as evaluation factors, reinforcing local content objectives in contract awards.

Table 2.4 summarize the major Regulations of PPDA Regulations 2024 that promote local participation, inclusivity, and empowerment through public procurement.

Table 2.4: PPDA Regulations 2024 Provisions Advancing Local Content and Participation in Public Procurement

Regulation & Title	Provision Summary	Local Content Implication
3(1) — Promotion of Local Development	Requires that procurement support the development of South Sudan providers and other target groups including SMEs, women, youth, elderly, and persons with disabilities.	Establishes local supplier development and empowerment as a mandatory principle in all public procurements.
23(4) & First Schedule Part C – Limits for Exclusive Preference	Provides that where public funds are wholly provided by the Government, exclusive preference shall be given to citizens of South Sudan, within the thresholds set out in the First Schedule Part C (Works ≤ USD 1,000,000; Goods ≤ USD 400,000; Non-Consultant Services ≤ USD 400,000; Consultants (Firms) ≤ USD 500,000; Consultants (Individuals) ≤ USD 25,000).	Operationalizes Section 38(3) of the PPDA Act by defining quantitative ceilings for exclusive local participation, ensuring that small and medium South Sudanese providers benefit directly from government-funded procurement
31–32 — Aggregation and Lot Division	Encourages aggregation of requirements for efficiency while allowing division of contracts into lots to support SME participation.	Ensures smaller domestic firms are not excluded from large contracts, promoting inclusive competition.
179(1)(d) — Qualification Criteria	Allows PEs to include in qualification criteria the extent of participation by nationals of South Sudan in ownership, management, and employment.	Makes local participation a measurable and enforceable criterion during bid evaluation.
181–182 — Preferences and Reservation Schemes	Part XV operationalizes Section 38 of the Act. Regulation 181 authorizes preferences for South Sudanese suppliers through price margins or scoring advantages, while Regulation 182 allows reservation of categories exclusively for local suppliers, SMEs, women, youth, and PWDs.	Implements practical measures for local empowerment, enabling exclusive and preferential access to procurement opportunities for South Sudanese entities.

Both the PPDA Act and the PPDA Regulations firmly embed local content within the public procurement framework. Through provisions on preferences, reservations, inclusivity,

aggregation, and evaluation criteria, they ensure that public procurement serves as a tool for national development, supporting South Sudanese enterprises and empowering marginalized groups.

2.5 Complaints and Appeals Mechanism

An effective complaints and appeals mechanism is central to the principle of fairness in public procurement. It provides bidders with a transparent and impartial process for addressing grievances, ensuring that all participants are treated justly and that procurement decisions are made in accordance with the law.

The PPDA Act (Sections 77–79) establishes a structured three-tier review system designed to promote fairness, accountability, and confidence in the procurement process.

First Level: Review by the Accounting Officer	<p>When a bidder is aggrieved by any decision, omission, or action taken during the procurement process, they may submit a written complaint to the Accounting Officer of the PE within ten (10) working days from the date of the event that gave rise to the complaint.</p> <p>The Accounting Officer is obligated to investigate the complaint and issue a written decision within ten (10) working days of receipt. Where necessary, the Accounting Officer may suspend the procurement proceedings to prevent prejudice while the matter is being reviewed.</p> <p>This internal review mechanism upholds fairness at the PE level by ensuring that issues are addressed promptly and within the entity responsible for the contested decision.</p>
Second Level: Review by the PPDAA Complaints Review Committee (CRC)	<p>If the bidder is not satisfied with the decision of the Accounting Officer—or if no decision is rendered within the prescribed period—the bidder may escalate the complaint to the Complaints Review Committee of PPDAA within ten (10) working days after receiving the Accounting Officer's decision or upon expiry of the decision period.</p> <p>Upon receipt, the PPDAA refers the matter to the Complaints Review Committee (CRC)—an independent five-member body appointed by the Minister of Finance and Planning under Section 22 of the Act. The CRC reviews the complaint, invites written responses from the PE and other affected bidders, and may hold hearings where necessary.</p> <p>Where warranted, the Committee may suspend procurement proceedings to avoid prejudice pending the determination. The CRC's decision is binding on the PE, subject to judicial review.</p>
Third Level: Judicial Review	<p>If the complainant remains dissatisfied with the CRC's decision, they may seek judicial review before the High Court in accordance with Section 79(5) of the PPDA Act 2018. This final recourse ensures that due process and natural justice are upheld, reinforcing the rule of law in public procurement.</p>

The multi-tier complaints mechanism ensures that disputes are resolved transparently and equitably while maintaining the integrity of the procurement process. PEs are encouraged to address complaints promptly at the internal level to avoid unnecessary escalation, which can cause delays and disrupt service delivery.

Through this mechanism, fairness is not only achieved in outcomes but also in the process—ensuring that all parties are heard, that decisions are reasoned, and that public confidence in the procurement system is maintained.

2.6 Sustainable Public Procurement under the PPDA Framework

2.6.1 Introduction

Sustainable Public Procurement (SPP) refers to the process of meeting public sector needs for goods, works, and services in a manner that achieves value for money while also generating long-term social, economic, and environmental benefits. The PPDA Act and the PPDA Regulations provide a robust legal framework for embedding sustainability principles within public procurement practices.



Figure 2.3: Pillars of Sustainable Public Procurement

2.6.2 Legal and Policy Basis

Section 3 of the PPDA Act defines its purpose as to establish “an open, transparent, accountable, and efficient system of public procurement and disposal of assets for all Government Institutions.” This embodies the principle of good governance and sustainable utilization of public resources

Section 7(e) further mandates the Authority to “ensure that procurement contracts are granted to qualified business women, youth and persons with disabilities,” promoting inclusiveness and social sustainability

Regulation 3(1) expands the sustainability agenda by directing that procurement processes must support the “development of South Sudan providers and other target groups, including SMEs, women, youth, elderly, and disabled, and other sustainable development goals of the country, including environmental and social welfare.”

Together, these provisions anchor sustainable procurement as both a legal obligation and a developmental tool.

2.6.3. Economic Sustainability

Local Preference and Reservation Schemes

Under Section 38 of the Act, preferences and reservations are introduced to promote local economic empowerment. The provision mandates the Minister to prescribe “preferences and or reservations in public procurement and disposal of assets” for SMEs, women, youth, and people with disabilities. It also grants exclusive preferences to citizens of South Sudan where government funding is 100%

The Regulations complement this through Part XV (Regulations 181–182), which outline mechanisms for preference and reservation schemes, ensuring targeted inclusion of disadvantaged groups and promoting domestic industries

Efficient Resource Use

Section 55(1) of the Act promotes sustainable economic management by directing Procuring Entities to “aggregate their requirements wherever possible...to obtain value for money and reduce costs.” It prohibits splitting procurements to avoid competitive methods, reinforcing prudent resource use

Regulations 31–32 similarly promote aggregation while allowing lot division to ensure participation by small and local businesses—balancing efficiency with inclusiveness.

2.6.4. Social Sustainability

Inclusivity and Equal Opportunity

Both the Act (Section 38(4)) and the Regulations (Regulation 3(1)) stress inclusion of women, youth, elderly, and persons with disabilities. These provisions operationalize social equity by mandating procuring entities to design procurement opportunities that favor participation by marginalized groups.

Fair Labour and Ethical Conduct

Section 57 of the Act introduces a Code of Conduct for officers and contractors, requiring declarations of interest, prevention of conflicts, and adherence to ethical standards. Subsection (4) further requires all providers to sign a declaration of compliance with the Code—strengthening social accountability and integrity

Transparency and Accountability

Transparency provisions appear throughout both instruments. Section 52 of the Act mandates publication of contract awards, while Regulation 132 requires public notice of awards and Regulation 15 provides for proactive disclosure of procurement information. These guarantee public oversight and accountability—vital components of social sustainability.

2.6.5. Environmental Sustainability

Environmental Standards in Procurement

Section 41(1)(b) of the Act explicitly includes “environmental characteristics of the subject matter” among evaluation criteria, meaning Procuring Entities must assess environmental impact in bid evaluation

This is reinforced by Regulations 36–38, which direct that specifications may include environmental or safety features and functional criteria that promote energy efficiency, waste minimization, or eco-friendly materials.

Promotion of e-Procurement

Both Section 37(2) of the Act and the Second Schedule of the Regulations institutionalize e-Government Procurement (e-GP). The adoption of electronic tendering reduces paper use, enhances efficiency, and minimizes environmental impact — aligning with green procurement practices.

2.6.6. Institutional and Capacity Strengthening

The Act (Section 8(1)(n)) requires the Authority to “develop policies and maintain an operational plan on capacity building for procurement officers in all Procuring Entities.” This includes human and institutional capacity for sustainable procurement, ethics, and environmental management

Regulation 6 reinforces this by directing the PPDA to professionalize procurement staff through training and certification—ensuring competent practitioners capable of applying sustainability standards in practice.

2.6.7. Monitoring, Reporting, and Evaluation

Section 21(1) of the Act requires the Authority to prepare an Annual Performance Evaluation Report (APER) assessing performance of the procurement system, while Regulation 9 mandates quarterly reporting from Procuring Entities. These mechanisms allow systematic tracking of sustainability outcomes such as local participation, environmental compliance, and ethical standards.

2.6.8. Conclusion on SPP

The PPDA Act and the PPDA Regulations together embed sustainability as a central pillar of South Sudan’s procurement system. Through legal provisions addressing inclusion, environmental protection, local empowerment, and ethical governance, the framework transforms procurement from a transactional process into a strategic instrument for achieving national sustainable development goals (SDGs).

Sustainable Public Procurement under this framework ensures that every government purchase contributes not only to value for money but also to a greener, fairer, and more prosperous South Sudan.

2.7 Conclusion

In conclusion, South Sudan's public procurement framework—anchored in the PPDA Act and Regulations, 2024—provides a solid legal and institutional foundation for transparent, accountable, and efficient management of public resources. The integration of well-defined principles and procedural safeguards ensures that procurement processes are fair, competitive, and geared toward achieving value for money.

Furthermore, by embedding local content promotion, ethics and integrity, and sustainability within the procurement system, the framework transforms public procurement into a strategic tool for economic empowerment, social inclusion, and environmental stewardship.

Ultimately, the Chapter underscores that a well-functioning procurement system is not merely a matter of compliance, but a cornerstone of effective governance and national development—building trust between government, citizens, and the private sector through the prudent, equitable, and transparent use of public funds.

CHAPTER 3: INTERNAL SETUP OF PUBLIC ENTITIES WITH RESPECT TO PROCUREMENT

3.1 Introduction

Effective public procurement depends not only on sound laws and regulations but also on the internal structures established within PEs to operationalize those rules. The Chapter provides a detailed examination of the institutional arrangements required under the PPDA Act and the Regulations, 2024, and explains how these structures collectively ensure transparency, accountability, integrity, and efficiency in the procurement and disposal of public assets.

The chapter highlights the statutory organs that make up a PE's internal procurement governance system—namely the Accounting Officer, Procurement Committee, Procurement Unit, User Departments, Evaluation Committee, and the Verification & Acceptance Committee. Each structure plays a distinct and legally mandated role, and together they form an integrated framework that upholds the principles of fairness, competition, value for money, and ethical conduct.

Additionally, the chapter clarifies the mechanisms for delegation of procurement authority, the procedures for managing disagreements between internal actors, and the ethical and probity standards required of all officials involved in procurement. By outlining these systems and controls, this Chapter provides a comprehensive guide for strengthening governance and ensuring that public procurement processes are executed in a lawful, transparent, and professionally accountable manner across all PEs in South Sudan.

3.2 Internal Setup of Procuring Entities

3.2.1 General

In accordance with Section 5 of the PPDA Act, a PE refers to Government Institution designated to engage in procurement. This includes any Ministry, Department, Agency, State, or any other public body or unit established and mandated by the Government to carry out public functions. It also includes public corporations, parastatals, and statutory authorities that utilize public funds in procurement and disposal of public assets.

The PPDA Act (Sections 24–36) establishes a clear institutional framework for the conduct of public procurement. Each PE is required to operate through defined organs to ensure effective implementation of the procurement law. These organs include the Accounting Officer (AO), Procurement Committee (PC), Procurement Unit (PU), User Departments (UDs), Evaluation Committee (EC), and Inspection and Acceptance Committee (IAC). This setup is summarized in Figure 3.1.

Together, these bodies form the internal governance structure responsible for ensuring transparency, accountability, and efficiency in public procurement operations.

3.2.2 The Accounting Officer (AO)

Under the PPDA Act, the Accounting Officer is the senior-most official designated in accordance with the Public Financial Management and Accountability Act, 2011 to hold responsibility for the management of public funds within a PE.

The Act expressly defines an Accounting Officer as "a person designated as part of his/her official duties in accordance with Public Financial Management and Accountability Act 2011"

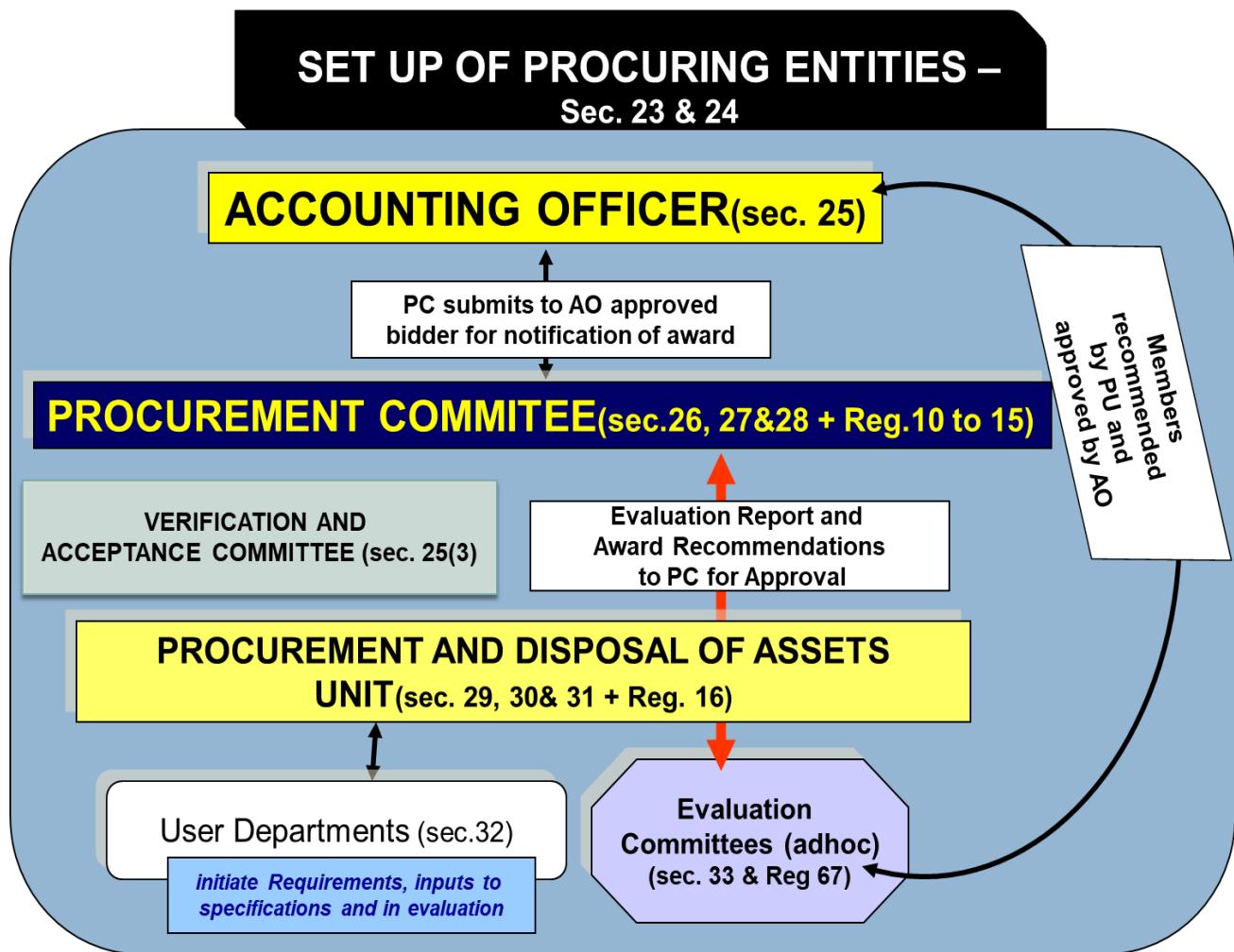


Figure 3.1 Setup of Procuring Entities with Respect to Procurement

Role of the Accounting Officer

The Accounting Officer is the central authority and ultimate accountable official for all procurement and disposal activities within a PE. Their statutory responsibilities include:

Establishing the Procurement Governance Structure	The Accounting Officer is responsible for ensuring that the PE has all mandatory procurement structures, namely: <ul style="list-style-type: none"> • A Procurement Committee • A Procurement Unit • A Verification and Acceptance Committee, and • Ad hoc Evaluation Committees as required under the PPDA Act (Section 23(1))
Oversight, Control, and Decision-Making Authority	The Accounting Officer provides overall leadership and oversight over procurement processes, ensuring: <ul style="list-style-type: none"> • Compliance with the Act, the Regulations, and PPDA guidelines • Integrity, fairness, and transparency in all procurement decisions

	<ul style="list-style-type: none">• Proper management and authorization of procurement submissions from the Procurement Committee and Procurement Unit
Appointment, Termination, and Delegation of Authority	Under the Regulations, 2024, the Accounting Officer has explicit powers to: <ul style="list-style-type: none">• Appoint members of the Procurement Committee (Reg. 10)• Terminate appointments of members for misconduct or breach (Reg. 10(6))• Delegate certain functions to staff or sub-divisions of the institution, while observing limitations (Reg. 18–20)
Custodian of Procurement Records and Disclosure Control	The Accounting Officer is responsible for ensuring that procurement records are kept properly and that information is disclosed only in accordance with the law. Any unauthorized disclosure is subject to penalty, and disclosure outside official duties requires the prior written consent of the Accounting Officer (Reg. 15(4))
Accountability to Oversight Bodies	The Accounting Officer may be: <ul style="list-style-type: none">• Disciplined,• Investigated, or• Recommended for sanction by PPDAA where serious or persistent breaches of the Act are identified (Section 10(1)(c))
Ensuring Proper Procurement Planning and Budget Alignment	The Accounting Officer must ensure that: <ul style="list-style-type: none">• Procurement plans are prepared,• Funds are confirmed before procurement is initiated, and• All procurement activities fall within the approved budget, consistent with the Act's requirement that procurement be conducted "in accordance with the approved budget" (from Act notes)
Handling Procurement Complaints (First-Level Review)	<ul style="list-style-type: none">• The Accounting Officer acts as the first point of administrative review for procurement complaints.• They receive, investigate, and issue a written decision within the prescribed timelines, ensuring that grievances are addressed fairly, transparently, and in accordance with the PPDA Act and Regulations, 2024.• Where necessary, the Accounting Officer may order corrective measures or suspend proceedings, and must maintain proper documentation for any escalation to the PPDAA
In summary, the Accounting Officer is the apex authority responsible for the lawful, transparent, efficient, and accountable management of procurement and disposal processes in any PE. Under the PPDA Act and the Regulations, 2024, they carry both institutional leadership and personal accountability, serving as the primary guarantor of compliance, integrity, and responsible stewardship of public resources in procurement.	
3.2.3 The Procurement Committee (PC)	
Every PE must establish a Procurement Committee in accordance with Section 26 of the PPDA Act and Regulation 18 of the Regulations, 2024.	
Composition of the Procurement Committee	According to Section 26 of PPDA Act 2018 and Regulation 10 of the PPDA Regulations :

- The Procurement Committee consists of five (5) members.
- Members are appointed by the Accounting Officer.
- The Head of Administration and Finance of the PE serves as the Chairperson of the Committee.
- Members may continue in office for up to six months after their term expires, pending appointment of a replacement.
- The Accounting Officer may terminate a member for misconduct, breach of trust, or actions damaging the professional standing of the Committee.
- The Accounting Officer must appoint a replacement to fill any vacancy.
- Members are protected from legal action for actions taken in good faith.

Role of the Procurement Committee

The PC serves as the approval and decision-making body in the procurement cycle. It is responsible for reviewing and authorizing key steps in procurement and disposal to ensure compliance, fairness, and transparency.

Most problems that lead to delays in the bid process or selection of a company that lacks capacity and capability to execute a contract are a result of poorly prepared bid and contract documents

This can be prevented if the PC is vigilant during the approval of bid and contract documents.

The Committee's primary role is to review submissions prepared by the Procurement Unit and decide whether to:

- Approve,
- Reject, or
- Approve with conditions each procurement or disposal submission.

The Procurement Committee does not evaluate bids—this is done by the Evaluation Committee. Its role is strictly administrative approval to ensure procedures are lawful and compliant.

Responsibilities of the Procurement Committee

As prescribed under Regulations 10–15 of the PPDA Regulations , the responsibilities include:

Reviewing Procurement Submissions

- Consider each submission based solely on information and documents provided.
- Ensure compliance with the Act, Regulations, and PPDA guidelines.
- Approve or reject submissions without altering the recommendations (e.g., evaluation reports).

Ensuring Transparency and Integrity

- Declare any conflict of interest and recuse oneself from relevant discussions (Reg. 14).
- Ensure advisors or observers invited do not vote and their attendance is recorded.

Providing Decisions

- Approve submissions, reject them (with reasons), or approve subject to minor conditions.
- Ensure decisions are made by majority vote.

Meeting Procedures and Quorum

- Meet as required, with:
 - 3 members forming a quorum.
 - Chairperson presiding; in their absence, a member elected by those present.
- Call special meetings with adequate notice, except where urgency justifies shorter notice.

Approval Through Circular Resolution

- May approve submissions without a meeting through a circular resolution (Reg. 12).
- Half of the members must participate for validity.
- Decisions must be recorded in the minutes of the following meeting.

Record-Keeping

- Ensure minutes are kept for every meeting, recording:
 - Members present,
 - Advisors/observers,
 - Declarations of interest,
 - Submissions reviewed, decisions, and reasons,
 - Conditions attached to approvals,
 - Circular resolutions.

Confidentiality

- Members are prohibited from disclosing information outside their official duties (Reg. 15).
- Unauthorized disclosure is an offence with penalties.

In summary, the Procurement Committee is a five-member approval body appointed by the Accounting Officer to ensure that all procurement and disposal activities comply with the PPDA Act and Regulations, 2024. It does not evaluate bids but reviews and approves procurement submissions, ensures transparency and accountability, manages conflicts of interest, and maintains proper records of its proceedings. It functions as a critical internal control mechanism safeguarding fairness, integrity, and value for money in the procurement process.

Decisions of the Procurement Committee may be made without convening a meeting, through a circular resolution as provided in Regulation 12 of PPDA Regulations 2024

3.2.4 The Procurement Unit (PU)

As per Section 26 of the Act and Regulation 20 of the Regulations, 2024, each PE must establish a Procurement Unit that reports directly to the Accounting Officer responsible for managing and coordinating all procurement and disposal activities.

Key attributes	<p>The Unit must be staffed with trained and qualified procurement officers, at levels appropriate to the PE's workload.</p> <p>Procurement officers assigned to the Unit are employees of PPDAA and subject to transfer to any PE by the Authority.</p> <p>The Unit is headed by a suitably qualified and experienced officer appointed or designated by the Authority in consultation with the Accounting Officer.</p> <p>These officers also constitute the secretariat to support and coordinate the work of the Procurement Committee.</p>
Role of the Procurement Unit	<p>The Procurement Unit is established as the technical and operational arm of the PE responsible for running day-to-day procurement and disposal activities.</p> <p>It manages the entire procurement cycle except for adjudication and contract award (which is the role of the Procurement Committee and Accounting Officer).</p> <p>It also acts as the secretariat to the Procurement Committee and ensures the Committee has all required documentation and technical support.</p>
Responsibilities of the Procurement Unit	<p>According to Section 30 of the Act and Regulations, the Procurement Unit is responsible for:</p> <ul style="list-style-type: none"><u>1. Managing Procurement and Disposal Activities</u><ul style="list-style-type: none">• Run all procurement and disposal processes of the PE, from planning to contract preparation (except adjudication and award).<u>2. Supporting the Procurement Committee</u><ul style="list-style-type: none">• Serve as secretariat to the Procurement Committee.• Implement all decisions of the Procurement Committee.<u>3. Procurement Planning</u><ul style="list-style-type: none">• Prepare procurement plans based on input from User Departments.<u>4. Preparation and Issue of Solicitation Documents</u><ul style="list-style-type: none">• Prepare bidding documents.• Issue bid notices and maintain pre-qualification lists.<u>5. Bid Management</u><ul style="list-style-type: none">• Receive bids and manage pre-qualification submissions.• Provide clarifications to bidders as required.• Manage public bid openings.<u>6. Documentation and Record-Keeping</u><ul style="list-style-type: none">• Archive all procurement and disposal records.• Keep a record of bid openings and late bids.

7. Coordination of User Departments

- Coordinate procurement inputs and technical specifications from User Departments.

8. Reporting

- Prepare quarterly reports for the Procurement Committee.
- Prepare other reports required by the Accounting Officer or PPDA.

9. Advisory Functions and Compliance

- Recommend procurement methods.
- Ensure compliance with the Act, Regulations and best practices.
- Liaise directly with the Authority on matters within its jurisdiction.

10. Evaluation Process Support

- Recommend membership of Evaluation Committees for approval.
- Receive and transmit evaluation reports to the Procurement Committee.

The Procurement Unit is the engine room of the PE's procurement system. It is composed of PPDA-assigned procurement officers and led by a qualified procurement professional. Its core role is to professionally manage all procurement and disposal operations, support the Procurement Committee, coordinate User Departments, prepare bidding documents, manage bid processes, maintain records, submit reports, and ensure compliance with the Act and Regulations.

PU is required to be properly staffed and provided with adequate working tools to enable it to manage the procurement process efficiently. Understaffed and unequipped PU will result into delays and inefficiency of PEs in handling procurement process.

Through these responsibilities, the Procurement Unit ensures professionalism, integrity, efficiency, and compliance throughout the procurement cycle.

3.2.5 The User Departments (UDs)

The User Department is not a committee but an existing technical or administrative department within the PE responsible for initiating and defining procurement needs. Its composition is therefore based on the technical officers, project managers, engineers, administrators, or specialists who:

- Use the goods, works, or services being procured;
- Have technical or operational knowledge of the requirement;
- Are responsible for contract implementation in their functional area.

Under the PPDA framework the Head of the User Department leads procurement initiation, and Users may nominate technical staff to participate in Evaluations and the Verification and Acceptance Committee.

Role of the User Department

The User Department is the originator of procurement needs and plays a central role in defining specifications, initiating requisitions, supporting evaluations, and ensuring proper contract management.

Its primary role is to act as the technical backbone of the procurement process—providing all technical inputs needed to ensure that what is procured meets the PE's operational objectives.

Responsibilities of the User Department According to Section 32 of the PPDA Act and Regulations, the User Department is responsible for:

A. Initiation of Procurement and Disposal Requirements

- Initiate procurement needs by identifying goods, works, or services required.
- Develop and submit technical specifications, statements of requirements, or Bills of Quantities to the Procurement Unit.

B. Participation in Technical Evaluation

- Provide technical input to the evaluation of bids when requested by the Procurement Unit.
- Staff from User Departments may be included as members of Evaluation Committees where subject-matter expertise is required.

C. Participation in Verification and Acceptance

- Participate in the Verification and Acceptance Committee to confirm delivery, quality, and compliance of Supplies, Works, or Services.

D. Contract Implementation and Reporting

- Monitor performance of contracts within their department's scope.
- Report any departure from contract terms to the Procurement Unit.
- Propose amendments to contracts when needed.
- Maintain and archive contract management records.

E. Procurement Planning

- Prepare a departmental procurement work plan based on the approved budget.
- Submit this plan to the Procurement Unit for consolidation into the Entity Procurement Plan.

F. Coordination with the Procurement Unit

- Liaise and assist the Procurement Unit throughout the procurement process up to the point of award.
- Respond promptly to queries or clarifications requested by the Procurement Unit.

G. Reporting

- Prepare any reports required by the Procurement Unit, Procurement Committee, or Accounting Officer.

The User Department is the initiator and technical anchor of procurement and disposal activities within a PE. It defines requirements, prepares specifications, supports evaluations, participates

in verification and acceptance, monitors contract implementation, and prepares departmental procurement work plans.

Through these functions, the User Department ensures that what is procured meets the technical, operational, and functional needs of the PE and is used effectively for service delivery.

User Departments plays a very important role in ensuring that procurement processes within the a PE are carried out efficiently. There are many delays in the procurement process attributable to the failure of User Department to provide timely information to the PU for preparation of Procurement Plan and initiation of the procurement process.

3.2.6 The Evaluation Committee (EC)

According to Section 33 of the PPDA Act and supporting Regulations:

- The Evaluation Committee is established on an ad hoc basis for each procurement or disposal process.
- Members are recommended by the Procurement Unit and approved by the Accounting Officer.
- The Committee must have a minimum of three (3) members.
- Members must have the appropriate technical expertise, seniority, and experience relevant to the subject matter.
- Members may be external experts where required skills are not available within the PE or where internal members have conflicts of interest.

All members must sign the Code of Ethical Conduct in Business.

Take note that members may be external to a PE where the required expertise is lacking- **PPDA Act 2018- Sec33(5)**

Role of the Evaluation Committee

The Evaluation Committee is the technical evaluation body responsible for assessing and ranking bids or proposals strictly in accordance with:

- the PPDA Act,
- the PPDA Regulations, and
- the criteria stated in the bidding documents.

The Committee's role is to ensure that the procurement decisions are based on objective, transparent, and professional evaluation of bids.

It reports its findings and recommendations only to the Procurement Committee (or Head of User Department in some cases).

Responsibilities of the Evaluation Committee

Based on the PPDA Act and Regulations:

A. Evaluation of Bids

The Committee is responsible for:

- Evaluating all bids received in accordance with the Act, Regulations, and bidding documents.
- Determining responsiveness of bids based on the bid contents and allowed clarifications.
- Applying the evaluation criteria exactly as stated in the bidding documents.

B. Preparing the Evaluation Report

- Prepare a comprehensive evaluation report detailing the methodology, scores, ranking, and recommendation of the most responsive bidder.
- Submit the evaluation report to the Procurement Committee via the Procurement Unit within ten days or within the approved timeframe.

C. Ensuring Objectivity and Integrity

- Conduct all meetings and evaluations independently and without undue influence.
- Adhere strictly to the Code of Ethical Conduct.
- Declare conflicts of interest and recuse themselves when necessary.

D. Bid Clarifications

- Review and incorporate clarifications obtained by the Procurement Unit as allowed by Regulations. (*Clarifications are managed by the Procurement Unit, but the Evaluation Committee uses them in the assessment.*)

E. Protection of Confidentiality

- Maintain strict confidentiality of:
 - bid contents,
 - evaluation discussions, and
 - recommendations until formal award is made.*(Regulations prohibit disclosure; AO consent required for external disclosure.)*

The Evaluation Committee is a temporary, expert body established for each procurement to assess bids professionally and objectively. Comprising at least three qualified members, it evaluates bids strictly per the Act and bidding documents, prepares evaluation reports, ensures fairness and transparency, and supports procurement decisions by providing evidence-based recommendations to the Procurement Committee.

The quality of the decision of the Procurement Committee depends very much on a well carried out evaluation and a well-prepared evaluation report. Therefore, it is very important to select members of the EC who have the right qualifications, adequate experience and above all utmost integrity.

This Committee plays a crucial role in safeguarding the integrity and credibility of the procurement process.

3.2.7 The Verification and Acceptance Committee (VAC)

According to Section 25(3) of the Act and Regulation 155(1):

- The Verification and Acceptance Committee (VAC) is appointed by the Accounting Officer.
- Membership is drawn from relevant User Departments, especially those directly concerned with the goods, works, or services being delivered. (User Department membership is expressly required under Section 32(1)(f).)
- The Committee works in consultation with the contract manager, ensuring technical and contractual alignment.

The Regulations do not prescribe a fixed number of members—but good practice requires a mix of technical, administrative, and user representatives to ensure proper verification.

Role of the Verification and Acceptance Committee	<p>The core role of the VAC is to verify delivery and confirm acceptance of goods, works, or services before the PE issues any acceptance certificate, goods received note, completion certificate, or interim payment certificate. This makes the VAC the final internal control checkpoint to ensure that the PE only pays for, and records as delivered, items that meet contract requirements.</p>
Responsibilities of the Verification and Acceptance Committee	<p>According to Regulation 155(2), the Committee must ensure that:</p> <ul style="list-style-type: none">A. Quantity Verification<ul style="list-style-type: none">• The correct quantity of goods, works, or services has been received.B. Quality and Technical Compliance<ul style="list-style-type: none">• Goods, works, or services meet the technical standards specified in the contract.C. Timeliness of Delivery<ul style="list-style-type: none">• Delivery or completion was done within the contractual timelines and that any delays are properly recorded.D. Verification of Deliverables<ul style="list-style-type: none">• All contractual deliverables—including outputs, reports, designs, or test results—have been fully submitted.E. Verification of Documentation<ul style="list-style-type: none">• All manuals, drawings, warranties, and related documentation have been received.F. Acceptance Decision
Link With Other Procurement Structures	<p>Based on the verification findings, the Committee recommends:</p> <ul style="list-style-type: none">• Acceptance,• Conditional acceptance (minor defects), or• Rejection (major defects) before the Accounting Officer or contract manager signs any acceptance documents.• VAC works closely with User Departments, which provide technical input.• VAC acts independently, per Section 34's requirement for autonomy of procurement bodies.• VAC's verification is required before the PE can confirm payments or contract completion.

The Verification and Acceptance Committee is a critical internal control mechanism established by the Accounting Officer to certify that goods, works, and services delivered under a contract meet the required quantity, quality, timeliness, and documentation standards before acceptance. Its work protects the PE from losses, ensures supplier accountability, and guarantees that only compliant deliveries are paid for and recorded.

3.2.8 Negotiation Committees

Negotiations form an important part of procurement processes where the law permits refinement of key aspects of a proposal before contract award. In accordance with the Public Procurement and Disposal of Assets Regulations, 2024, PEs are required to constitute a Negotiation Committee before entering into any negotiation process. These Committees ensure that negotiations are conducted transparently, professionally, and within the limits prescribed by law. They also safeguard the PE from unauthorized commitments and preserve the integrity of procurement outcomes.

Legal Mandate	The PPDA Act establishes the requirement that procurement processes be fair, transparent, and accountable. The operational provisions for Negotiation Committees are provided under the PPDA Regulations , particularly Regulations 106–107 for Consultancy Services and Regulations 117–119 for Single-Source Procurement. These Regulations require the establishment of a Negotiation Committee and outline its mandate, composition, powers, and procedures.
Establishment and Composition	<p>A: Appointment</p> <p>A Negotiation Committee is appointed by the Accounting Officer of the PE. For consultancy services, this is mandated under Regulation 107(3), while Regulation 119 provides the same requirement for single-source procurement.</p> <p>B: Composition</p> <p>A typical Negotiation Committee consists of:</p> <ul style="list-style-type: none">• At least two staff members selected based on technical competence and knowledge of the subject matter;• Individuals of proven integrity and familiarity with procurement procedures;• Additional technical advisors may be co-opted where necessary, but such advisors do not hold decision-making power.
Functions of the Negotiation Committee	<p>A: Preparation of a Negotiation Plan</p> <p>Before negotiations commence, the Committee prepares a Negotiation Plan for approval by the Procurement Committee, specifying:</p> <ul style="list-style-type: none">• Issues to be negotiated;• Objectives to be achieved;• Minimum and maximum negotiation parameters;• Any risks or constraints to be considered. <p>B: Conduct of Negotiations</p> <p>The Committee conducts negotiations strictly within the approved parameters. Negotiations may relate to:</p> <ul style="list-style-type: none">• Minor adjustments to Terms of Reference, methodology, and staffing;• Clarification or refinement of contract terms;• Mobilization schedules, work plans, or deliverable timelines;• Inputs required from the PE. <p>Negotiations must not:</p> <ul style="list-style-type: none">• Change the technical substance of a bid or materially alter evaluation criteria;• Modify essential terms and conditions of the contract unfairly;• Reopen evaluation factors that determined the ranking of bidders;• Reduce financial proposals except where justified by technical scope adjustments. <p>C: Documentation</p> <p>The Committee prepares:</p> <ul style="list-style-type: none">• An official record of negotiations;• Minutes of the negotiation session(s), signed by both the PE and the consultant/provider;• A report to accompany the final negotiated contract.

D: Reporting and Clearance

The Committee submits all records and negotiated outcomes to the Procurement Committee for approval before contract award.

Negotiation Committees in Single-Source Procurement

For procurement using the single-source method, the Negotiation Committee must:

- Review the bid to ensure value for money;
- Prepare a negotiation plan specific to the single-source context;
- Conduct negotiations to secure reasonable terms based on market benchmarks;
- Ensure the PE is not disadvantaged due to absence of competition.

Accountability and Ethical Conduct

The Negotiation Committee operates under the principles of fairness, transparency, integrity, and value for money. Members must avoid any conflict of interest and conduct negotiations professionally. The Committee cannot make unilateral commitments outside its mandate, and any breach may lead to administrative or legal sanctions.

Negotiation Committees provide a structured mechanism for refining procurement outcomes while safeguarding the PE and ensuring full compliance with the PPDA Act and Regulations, 2024. Properly constituted and professionally executed negotiations enhance value for money, contract clarity, and overall procurement integrity.

3.2.9 Summary of the Internal Structures

In summary, the internal organs of a Procuring Entity—ranging from the Accounting Officer and Procurement Committee to the Procurement Unit, User Departments, Evaluation Committees, Verification and Acceptance Committees, and Negotiation Committees—work together to ensure that procurement is well-governed, transparent, and aligned with the PPDA Act and Regulations. Each body plays a distinct role, and their combined functions create a balanced system of checks, controls, and technical support throughout the procurement cycle.

Figure 3.2 provides a simplified illustration of how these structures relate to one another in practice and how their roles connect across the various stages of the procurement process.

3.3 Other Important Structures

3.3.1 Legal Department

The PPDA Act and the PPDA Regulations do not expressly provide for or establish a Legal Department as a mandatory procurement organ within a PE. However, procurement processes and the resulting contracts are inherently legal in nature, involving compliance with statutory requirements, enforceability of contractual obligations, and potential administrative or judicial review. For this reason, establishing or involving the Legal Department in procurement processes is considered good practice. Legal support strengthens governance, reduces procurement risks, and enhances the defensibility and integrity of procurement decisions.

Rationale for Legal Department Support

Although not mandated by law, legal oversight is essential because procurement contracts create binding obligations on the Government, suppliers, contractors, and service providers. Procurement decisions must conform to the PPDA Act, the PPDA Regulations, and the Public Financial Management and Accountability Act, 2011. The Legal Department provides expertise that statutory procurement organs do not possess, thus reducing exposure to irregularities, mis-procurement, and litigation.

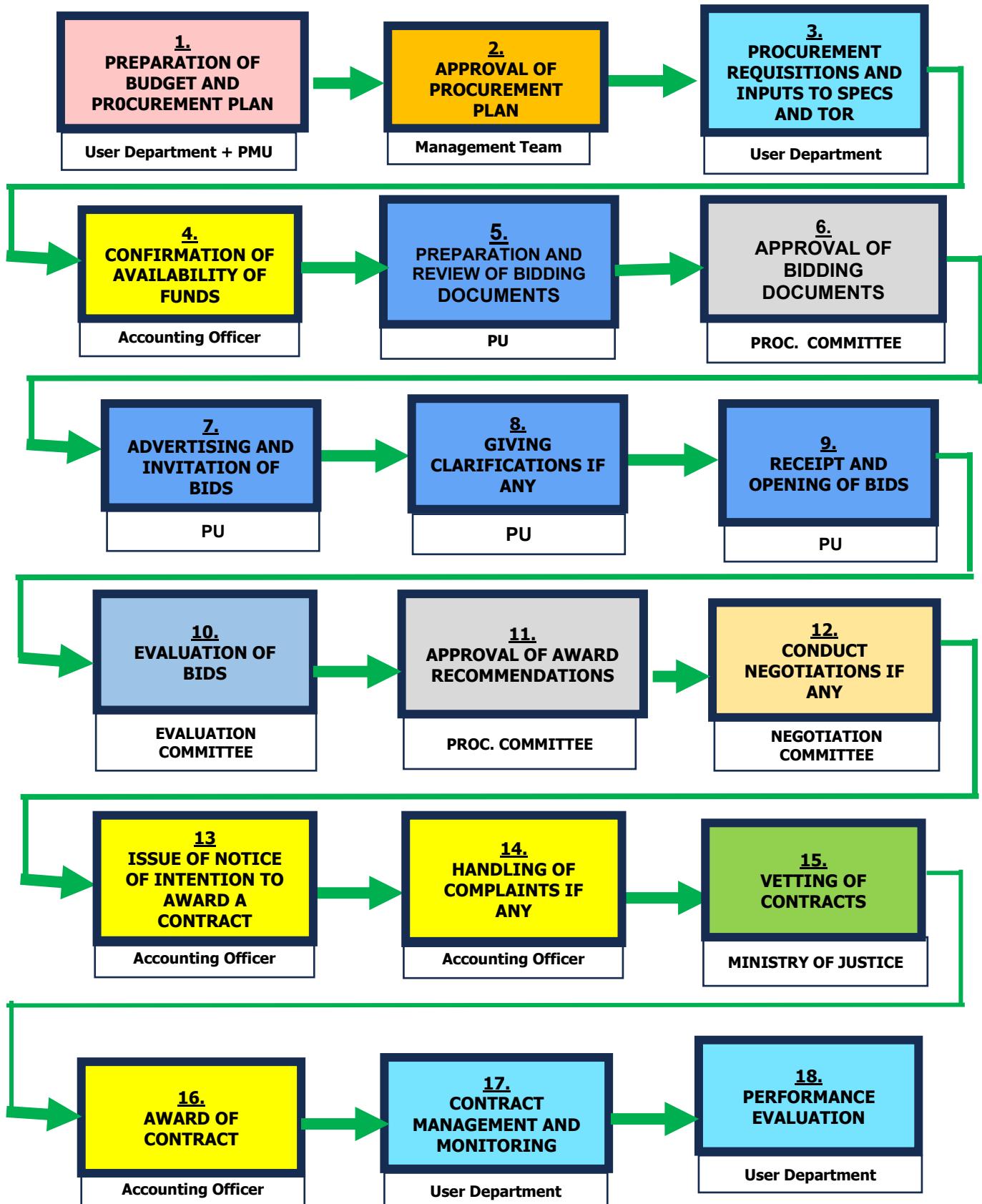


Figure 3.2: Roles and Responsibilities in the Procurement Process

Roles and Responsibilities	<p>A: Legal Advisory Services</p> <ul style="list-style-type: none">• Interpretation of procurement laws, regulations, and guidelines.• Advising the Accounting Officer, Procurement Unit, and Committees on legal obligations and risks.• Providing opinions on complex or high-value procurements. <p>B: Review of Procurement and Contract Documents</p> <ul style="list-style-type: none">• Reviewing bidding documents, RFQs, RFPs, and contract templates to ensure accuracy and legal compliance.• Reviewing addenda, clarifications, and contract amendments.• Ensuring contractual terms are enforceable and in line with statutory provisions. <p>C: Support in Administrative Review and Dispute Resolution</p> <ul style="list-style-type: none">• Advising on responses to bidder complaints under Sections 77–79 of the Act.• Preparing PE submissions to the Complaints Review Committee.• Supporting litigation or mediation arising from procurement disputes. <p>D: Ethical and Regulatory Compliance</p> <ul style="list-style-type: none">• Advising on conflict-of-interest declarations and integrity standards.• Supporting compliance audits and investigations.
Relationship with Procurement Structures	<p>The Legal Department complements statutory procurement organs by:</p> <ul style="list-style-type: none">• Supporting the Accounting Officer on compliance and risk.• Reviewing decisions of the Procurement Committee.• Supporting the Procurement Unit in drafting procurement documents.• Guiding User Departments in preparing clear and compliant specifications or TORs.
Importance of the Legal Department	<p>Even without formal statutory recognition, the Legal Department remains essential for:</p> <ul style="list-style-type: none">• Legal defensibility of procurement decisions.• Strengthening governance and internal controls.• Preventing misprocurement and financial loss.• Safeguarding public resources.

Although not mandated under the PPDA Act or Regulations, the Legal Department plays a critical supportive role in ensuring legality, compliance, and integrity in procurement. Its involvement is widely accepted as best practice for strengthening governance and achieving value for money.

3.3.2 Internal Audit Unit / Department

The Internal Audit Unit or Department is not specifically designated as a procurement organ in the PPDA Act or the PPDA Regulations. Nonetheless, its role in strengthening governance, accountability, and internal controls makes it an essential good practice component within any PE. Internal Audit provides independent assurance that procurement processes comply with applicable laws, regulations, and standards, and that internal controls are effective and consistently applied.

Legal and Institutional Context	While the PPDA framework does not define Internal Audit as part of the internal procurement setup, the Public Financial Management and Accountability Act, 2011 requires Government Institutions to maintain internal controls and audit mechanisms. Consequently, the Internal Audit Unit contributes to procurement compliance and risk management, complementing the statutory roles provided for under the PPDA Act.
Roles and Responsibilities in Procurement Oversight	<p>A: Compliance Audits</p> <ul style="list-style-type: none">• Reviewing procurement activities for compliance with the PPDA Act, Regulations, and internal procedures.• Ensuring transparency, fairness, and accountability in procurement operations. <p>B: Evaluation of Internal Controls</p> <ul style="list-style-type: none">• Assessing whether internal controls governing procurement are adequate and functioning effectively.• Reviewing segregation of duties, workflow processes, and approval thresholds. <p>C: Audit of Procurement Transactions</p> <ul style="list-style-type: none">• Conducting periodic or ad hoc audits of procurement documentation.• Reviewing tendering processes, contract awards, contract management, and payment procedures. <p>D: Risk Identification and Mitigation</p> <ul style="list-style-type: none">• Identifying procurement risks such as fraud, collusion, and conflict of interest.• Recommending corrective actions and improvements in internal controls. <p>E: Audit of Contract Management</p> <ul style="list-style-type: none">• Reviewing contract variations, extensions, performance securities, and compliance with delivery obligations. <p>F: Support to the Accounting Officer</p> <ul style="list-style-type: none">• Providing independent assurance and advisory support on procurement integrity and compliance.• Supporting accountability before the Auditor-General, PPDAA, and other oversight bodies.
Relationship with Procurement Structures	Internal Audit works independently but interacts with procurement organs as follows: <ul style="list-style-type: none">• Advises the Accounting Officer on systemic issues and compliance gaps.• Reviews Procurement Committee decisions and processes for adherence to law.• Checks Procurement Unit documentation and controls.• Reviews User Department activities in requisitioning, contract monitoring, and acceptance procedures.
Importance of Internal Audit	Internal Audit enhances procurement governance by: <ul style="list-style-type: none">• Promoting compliance with procurement and financial laws.• Preventing mis-procurement through early identification of weaknesses.• Improving accountability and risk management.• Strengthening integrity and public trust in procurement processes

Although not established as a statutory procurement structure under the PPDA framework, the Internal Audit Unit provides essential assurance services that reinforce governance and strengthen the integrity of procurement processes. Its involvement is considered best practice and contributes significantly to achieving value for money and ensuring transparency and accountability within a PE.

3.4 Delegation of Procurement Function

Delegation of procurement and disposal of assets functions is permitted to enhance efficiency, timeliness, and effective workload management within PEs. However, delegation **does not transfer accountability**. The Accounting Officer remains ultimately responsible for all procurement and disposal activities undertaken under delegated authority.

Delegation shall:

- Be **explicitly provided for in the Regulations**;
- Be **made in writing**, clearly specifying the scope, limits, and duration of the delegation; and
- Be exercised in a manner that **preserves segregation of duties**, transparency, and compliance with the Act and Regulations.

Delegation must not be used to circumvent statutory responsibilities, weaken internal controls, or obscure lines of accountability.

Delegation of the Accounting Officer's Own Functions	<p>Scope of Delegation: An Accounting Officer may, in writing, delegate some of his or her functions to a member of staff of the Procuring Entity. Such delegation is intended to facilitate operational efficiency and continuity of procurement activities.</p> <p>However, the Accounting Officer shall not delegate:</p> <ul style="list-style-type: none"> • The establishment of a Procurement Committee; or • The appointment of members of a Procurement Committee. <p>These functions are inherently strategic and must be exercised personally by the Accounting Officer.</p> <p>Conflict of Interest Safeguards: Where the Accounting Officer delegates functions to:</p> <ul style="list-style-type: none"> • A member of the Procurement Committee; or • A staff member of the Procurement Unit, <p>the delegated officer shall not participate in the activities of the Procurement Committee or Procurement Unit while exercising the delegated authority. This safeguard ensures independence of decision-making and avoids conflicts of interest.</p> <p>Restrictions on Appointment: An Accounting Officer shall not appoint a person to the Procurement Committee if that person is regularly exercising delegated Accounting Officer functions. This restriction reinforces the principle of separation between executive authority and collective procurement decision-making.</p>
Delegation of Functions of the Procurement Committee or Procurement Unit	<p>Circumstances Justifying Delegation to Sub-Divisions: An Accounting Officer may delegate procurement or disposal of assets functions of the Procurement Committee or Procurement Unit to a sub-division of the PE, subject to value limits and conditions, where:</p> <ul style="list-style-type: none"> • The PE has a large volume of procurement activities;

	<ul style="list-style-type: none">• The procurement workload is specialized or technical in nature;• The sub-division is geographically distant, making centralized management impractical or costly;• The sub-division operates quasi-independently and would function more effectively under delegated authority; or• Any other reasonable and justifiable circumstances exist. <p>Preconditions for Delegation: Before effecting such delegation, the Accounting Officer shall:</p> <ul style="list-style-type: none">• Appoint a Delegated Procurement Committee for the sub-division;• Establish a Delegated Procurement Unit for the sub-division; and• Obtain prior approval from the Authority (PPDAA). <p>No delegation to a sub-division shall take effect without approval of the Authority.</p> <p>Responsibilities of the Main Procurement Structures: Where delegation is effected, the main Procurement Committee and Procurement Unit of the PE shall:</p> <ul style="list-style-type: none">• Ensure all delegated activities comply with the Act and Regulations;• Remain fully responsible and accountable for decisions and actions taken under delegation;• Submit consolidated procurement and disposal reports to the Authority or other oversight bodies;• Serve as the official liaison with the Authority on behalf of the delegated sub-division; and• Provide guidance and professional advice to the delegated bodies. <p>Obligations of Delegated Procurement Committees and Units: Delegated Procurement Committees and Units shall:</p> <ul style="list-style-type: none">• Submit required reports to the main Procurement Committee;• Provide copies of minutes of all meetings to the main Procurement Committee;• Seek technical and procedural advice from the main Procurement Committee and Procurement Unit; and• Request the main Procurement Committee or Unit to liaise with the Authority on their behalf where required. <p>Revocation of Delegation: An Accounting Officer may revoke delegated authority through written instructions where:</p> <ul style="list-style-type: none">• There is non-compliance with the Act, Regulations, guidelines, or conditions of delegation;• The circumstances that justified delegation no longer exist;• Malpractice is alleged, suspected, or proven; or• Any other justifiable reason arises. <p>Revocation shall take effect immediately upon written notification.</p>
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Contracting Out to a Procurement Agent	<p>Purpose and Applicability: A Procuring Entity may engage a procurement agent to carry out procurement or disposal of assets functions where:</p> <ul style="list-style-type: none">• There is a heavy workload; or• The PE lacks sufficient staff with the requisite technical capacity or expertise. <p>Contracting out is intended as a capacity-support mechanism, not a substitution of statutory authority.</p> <p>Compliance Obligations of Procurement Agents: A procurement agent shall:</p> <ul style="list-style-type: none">• Act strictly on behalf of the Procuring Entity;• Fully comply with the Act, Regulations, standard bidding documents, and guidelines issued by the Authority; and• Observe the same ethical, professional, and procedural standards applicable to public officers. <p>Contractual Requirements: Engagement of a procurement agent shall:</p> <ul style="list-style-type: none">• Be formalized through a written agreement;• Be signed by the Accounting Officer and the procurement agent or their authorized representatives; and• Be submitted to the Authority for record purposes. <p>Non-Delegable Functions: The following functions shall not be contracted out:</p> <ul style="list-style-type: none">• Functions of the Accounting Officer; and• Functions of the Procurement Committee. <p>Decision-making authority remains with the PE at all times.</p> <p>Regulatory Oversight: The Authority shall issue and update guidelines governing:</p> <ul style="list-style-type: none">• Eligibility and appointment of procurement agents;• Scope of permissible services; and• Oversight and performance monitoring of procurement agents.
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Delegation of procurement function under the PPDA Act and PPDA Regulations is a controlled, structured, and transparent process that allows the Accounting Officer to assign specific procurement functions to qualified officers while retaining full accountability. Delegation must be in writing, must not compromise the independence of procurement structures, and must be subject to clear limits and oversight.

Through proper delegation, PEs ensure: efficiency in procurement operations, continuity of service delivery, adherence to legal requirements, and robust internal controls.

3.5 Managing of Disagreements

The PPDA Act establishes five independent but interrelated procurement structures within a PE—each with specific powers and responsibilities:

- Accounting Officer
- Procurement Committee
- Procurement Unit
- User Department
- Evaluation Committee
- Verification & Acceptance Committee

Under Section 34, these structures must act independently and without undue influence while performing their functions. However, disagreements may arise due to differences in technical assessment, compliance interpretation, timelines, or approval decisions. The Act and Regulations provide mechanisms for resolving such disagreements professionally, transparently, and legally.

Independence of Functions as the First Protection (Section 34)

The Act requires that each structure operate independently, ensuring that disagreements do not arise from interference.

This independence reduces conflict and preserves objectivity, particularly between:

- Evaluation Committee vs. Procurement Committee
- Procurement Unit vs. User Department
- Procurement Committee vs. Accounting Officer

Where disagreements arise, the law outlines clear pathways for resolution.

Scenario: The Evaluation Committee recommends bidder X as the best evaluated bidder, but the Procurement Committee disagrees.

Resolution:

- The Procurement Committee may reject the evaluation report but must give written reasons (Regulations—decision-making provisions).
- The Procurement Committee cannot change scores or alter evaluation findings; it may return the report for clarification or re-evaluation.
- If the Evaluation Committee believes the Procurement Committee's instructions contradict the Act or Regulations, the matter is escalated to the Accounting Officer for direction.

This protects technical independence while ensuring legal compliance.

Disagreements Between the Procurement Unit and User Department

Conflicts may arise over: Specifications; Quantities; Clarifications; Terms of reference; Recommendations; and Technical inputs

Resolution Mechanism:

- The Procurement Unit has authority to coordinate and check specifications.
- The User Department must provide technical input, but the PU must ensure compliance with procurement standards.

	<ul style="list-style-type: none">Where disagreements persist, the Accounting Officer makes the final administrative determination, as they are responsible for ensuring compliance (Section 25).
Disagreements Involving the Procurement Committee	<p>The Procurement Committee is a decision-making body. Disagreements may arise when:</p> <ul style="list-style-type: none">The Procurement Unit's submission is incompleteEvaluation Committee recommendations are unclearUser Departments contest decisionsTimelines or documentation do not meet requirements
	<p>Resolution:</p> <ul style="list-style-type: none">The Procurement Committee may request clarification or additional information.It may refer matters back to the Procurement Unit or Evaluation Committee for further action.Where deadlock occurs, the issue escalates to the Accounting Officer, whose decision is final within the PE.
Role of the Accounting Officer in Conflict Resolution	<p>The Accounting Officer (AO) is the ultimate overseer and resolves disagreements within the PE.</p>
	<p>The AO:</p> <ul style="list-style-type: none">Interprets the Act and Regulations for internal structuresDecides on contested matters between committeesEnsures adherence to timelines, compliance, and proper documentationMay order re-evaluation, re-submission, or correction of procedural errorsIs accountable to PPDAA for procedural correctness (Section 10)
	<p>The AO's decision is binding unless overturned by PPDAA through review.</p>
Escalation to PPDAA in Case of Procedural Disputes	<p>Where internal mechanisms fail, or where the disagreement relates to:</p>
	<ul style="list-style-type: none">Violations of the ActMisapplication of procurement methodsMisinterpretation of evaluation criteria
	<p>The matter may be referred to the Authority under:</p>
	<ul style="list-style-type: none">Section 10(c): Authority may investigate procurement irregularitiesSection 22: Complaints Review Committee (CRC) handles disputes arising from procurement decisions
	<p>This acts as an external administrative check</p>
The Complaints Review Process as a Conflict Resolution Mechanism	<p>If a disagreement leads to a bidder lodging a complaint:</p>
	<ul style="list-style-type: none">The Accounting Officer reviews the complaint first (10 working days).If unresolved, the bidder escalates to PPDAA.PPDAA may refer the matter to the Complaints Review Committee for independent review.

Documentation and Transparency Requirements	This ensures that disagreements that affect bidders are resolved fairly, transparently, and independently. To prevent or resolve disagreements, the Regulations require: <ul style="list-style-type: none">• Clear minutes of all committee meetings• Documented decisions with reasons• Proper filing of submissions and reports• Disclosure of conflicts of interest and recusal (Regulations 14–15 on conflicts and confidentiality) Good documentation enhances clarity and reduces conflict.
Professional Conduct and Ethical Compliance	All procurement actors must sign and comply with the Code of Ethical Conduct (Act and Regulations). This reduces disagreements caused by: Bias; Undue influence; Hidden interests; and Misinterpretation of roles Where unethical behavior fuels disagreement, disciplinary measures may be applied (Section 10 and Regulation 15).

Although the PPDA Act and its Regulations outline the key roles and responsibilities of procurement actors, they do not prescribe a rigid internal structure for managing disagreements.

The framework presented in this section is therefore a good-practice model—drawn from established procurement systems in other jurisdictions and aligned with the principles provided in the Act and Regulations. It offers a practical and orderly way for PEs to manage conflicts, safeguard independence of functions, and ensure that disagreements are resolved professionally, transparently, and in a manner that upholds integrity and value for money.

3.6 Ethics, Probity, and Prohibition in Procurement

The PPDA Act and its PPDA Regulations establish a strong ethical foundation to ensure that public procurement in South Sudan is conducted with integrity, fairness, transparency, and accountability. Ethics and probity requirements apply to all actors—including Accounting Officers, Procurement Committees, Procurement Units, User Departments, Evaluation Committees, and all public officials involved in procurement activities.

The legal framework sets clear behavioral standards, enforces strict prohibitions, and creates mechanisms to detect, deter, and penalize unethical conduct.

Ethical Principles Governing Procurement	A. Integrity All officials must act with honesty and high moral standards when performing procurement duties. This includes: <ul style="list-style-type: none">• Making decisions based solely on merit and established criteria.• Preventing improper influence, collusion, or manipulation of processes.
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The Act mandates that procurement must be carried out in a manner that promotes confidence in the public procurement system.

B. Fairness and Impartiality

Every bidder must be treated equitably, without bias or discrimination. The Act forbids:

- Preferential treatment, unless permitted under Section 38 (preferences and reservations).

- Manipulation of specifications to favour or exclude certain bidders.
- Influencing evaluation processes or decisions improperly.

C. Transparency

Procurement information must be handled openly but responsibly. Transparency is achieved through:

- Proper advertisement of opportunities.
- Use of standard bidding documents.
- Clear, documented approval and evaluation processes.
- Accurate record-keeping and disclosure as permitted by law.

D. Accountability

Officials are accountable for actions and decisions taken. Under Section 10, PPDA may investigate and recommend sanctions for misconduct, negligence, or breach of duty.

Probity Requirements

Probity refers to strict adherence to ethical conduct and legal requirements throughout the procurement cycle. It ensures that procurement decisions are defensible, objective, and compliant.

Key probity obligations include:

A. Declaration of Conflicts of Interest

All officials must disclose any direct or indirect interest in:

- A bidder,
- A contract,
- A procurement decision.

At its core, probity means **acting with integrity, honesty and transparency**—particularly when public money, competitive bids, or high-stakes contracts are involved. It's about ensuring fairness and impartiality, managing conflicts of interest, and making decisions based on merit, and not under undue influence.

Those with conflicts must recuse themselves from the process. This requirement is reinforced under:

- The Code of Ethical Conduct,
- Internal controls under the Regulations,
- Committee procedures (e.g., Procurement Committee, Evaluation Committee).

B. Confidentiality

Procurement information must not be disclosed to unauthorized parties. Regulation 15 provides penalties for unauthorized disclosure.

C. Professional Conduct

Officials must:

- Avoid behaviour that compromises integrity.
- Uphold the reputation of the PE.
- Follow PPDA guidelines, standard formats, and ethical rules.

D. Documentation and Record Keeping

Proper record keeping is mandatory across all structures. This ensures:

- Transparency,
- Auditability,
- Accountability.

Prohibited Practices in Procurement The Act and Regulations explicitly prohibit a range of unethical, fraudulent, and corrupt practices. These include:

A. Corruption

Soliciting or accepting bribes, kickbacks, or anything of value to influence procurement decisions is strictly prohibited.

B. Fraud

Misrepresentation, falsification of documents, or fraudulent manipulation of procurement requirements or processes is not allowed.

C. Collusion

Secret arrangements between bidders—or between bidders and officials—to distort competition violate both the Act and standard procurement ethics.

D. Coercion and Undue Influence

Threats, pressure, or manipulation intended to influence procurement outcomes are prohibited.

E. Obstruction

Actions that impede investigation, audit, or review are strictly forbidden under the Act.

F. Unauthorized Communication

Officials must not provide privileged information to certain bidders, or communicate in a way that undermines fairness.

G. Retrospective Procurement

Section 25(2) prohibits approving procurement after the fact or regularizing actions contrary to the law.

H. Participation by Debarred Providers

Bidders debarred by PPDA cannot participate in public procurement.

Enforcement and Sanctions The Act gives PPDA broad powers to enforce ethical and probity standards through:

- Investigations (Section 10)
- Administrative sanctions
- Recommendations for disciplinary action
- Debarment of suppliers
- Referral for criminal prosecution, where applicable

Regulations support enforcement by specifying:

- Procedures for complaints review
- Penalties for improper disclosure
- Obligations of committees and procurement officials

This ensures ethical breaches are addressed promptly and decisively.

Ethical Responsibilities of Procurement Structures Each structure has specific ethical duties:

Accounting Officer

- Ensure compliance and ethical conduct across the PE.
- Prevent undue influence or retrospective procurement.

Procurement Committee

- Act independently, ethically, and without external influence.
- Declare conflicts and maintain impartiality.

Procurement Unit

- Maintain integrity in documentation, clarification, and records.
- Ensure compliance with procedures and standards.

Evaluation Committee

- Conduct evaluations objectively and confidentially.
- Avoid bias and ensure fair application of criteria.

User Departments

- Provide honest, accurate technical specifications.
- Avoid manipulating requirements to favour particular bidders.

Verification & Acceptance Committee

- Verify goods/works/services honestly and impartially.
- Prevent acceptance of non-compliant deliveries.

The PPDA Act and PPDA Regulations place ethics and probity at the heart of the public procurement system. They impose strict responsibilities on officials, define clear prohibitions, and establish mechanisms for oversight, accountability, and sanctions. Together, these provisions ensure that public procurement in South Sudan is conducted with integrity, fairness, transparency, and professionalism, safeguarding public resources and strengthening trust in public institutions.

3.7 Conclusion

The internal setup of Pes forms the backbone of a functional public procurement system. As demonstrated throughout this chapter, the PPDA Act and PPDA Regulations establish a robust institutional architecture that clearly assigns roles, separates responsibilities, and provides mechanisms for oversight, coordination, and accountability. Each procurement structure—the Accounting Officer, Procurement Committee, Procurement Unit, User Departments, Evaluation Committees, Verification & Acceptance Committees, and other specialized bodies—contributes uniquely to the integrity and effectiveness of the procurement cycle.

By adhering to the legal framework, maintaining independence of functions, observing ethical standards, and documenting decisions transparently, Pes are better positioned to prevent procurement irregularities, resolve disagreements fairly, and uphold value for money in the use of public resources. Furthermore, the provisions on delegation, conflict resolution, and probity help ensure that procurement is not only procedurally sound but also guided by professionalism and public interest.

Ultimately, the internal setup described in this chapter is critical for strengthening governance, enhancing service delivery, and building public confidence in South Sudan's public procurement system. A well-structured PE—with competent personnel, clear procedures, and strong ethical safeguards—provides the foundation upon which all subsequent procurement activities are anchored. The successful implementation of the PPDA Act and the PPDA Regulations therefore depends on how effectively these internal structures function and collaborate to support transparent, accountable, and efficient procurement processes.

CHAPTER 4: PROCUREMENT PLANNING

4.1 Introduction

Procurement planning is the central pillar upon which all public procurement activities are anchored. As mandated under the PPDA Act and operationalized through the PPDA Regulations. Procurement planning provides the structure, sequence, and discipline required to ensure that the acquisition of public goods, works, and services is predictable, transparent, and aligned with available financial resources. This chapter sets out the legal, institutional, and procedural framework that guides PEs in developing and implementing Annual Procurement Plans (APPs), which form the basis for efficient budget execution and value-for-money outcomes.

A well-prepared procurement plan does more than list requirements; it serves as the bridge between policy priorities, budget allocations, and service delivery. It ensures that procurement needs are clearly identified, appropriately packaged, costed, scheduled, and subjected to the correct procurement method under the law. It also clarifies the roles of different organs within the PE—User Departments, Procurement Unit, Accounting Officer, and Procurement Committee—whose coordinated effort is essential for effective planning.

This chapter therefore provides a comprehensive guide on the core components of procurement planning, including needs identification, aggregation and packaging, procurement method selection, scheduling, preparation and approval of APPs, management of emergency and unplanned procurement, and continuous monitoring and updating of the plan. Through this structured process, procurement planning becomes a powerful tool for accountability, good governance, and improved public service delivery across all Government Institutions

4.2 Importance of Procurement Planning

Procurement planning is the foundation of an effective public procurement system. The Public Procurement and Disposal of Assets Act, 2018 designates procurement planning as a mandatory regulatory function governing all Government Institutions utilizing public funds. Section 4(2)(a) of the Act affirms that the law applies to procurement planning and processing for all PEs.

The detailed and enforceable framework for planning is set out in Regulations 29–45 of the PPDA Regulations, which require PEs to develop, consolidate, approve, publish, and implement Annual Procurement and Disposal Plans (APPs). Proper procurement planning enhances predictability, value for money, competition, transparency, and timely delivery of public services.

4.3 Legal Basis for Procurement Planning

Procurement planning in South Sudan is governed by a clear legal framework that defines its purpose, scope, and procedural requirements. The PPDA Act establishes procurement planning as an essential stage of the procurement process, while the PPDA Regulations provide the detailed rules that guide how annual procurement plans are prepared, structured, and implemented. The table below summarises the key legal provisions that shape procurement planning and outline the obligations of PEs in developing effective, budget-aligned procurement plans

PPDA Act	The Act identifies procurement planning as part of the broader Procurement Process and mandates PEs to align all procurement activities with approved budgets and government financial management rules.
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Key provisions include:

- Section 4(2)(a) – Procurement planning forms part of the procurement system regulated by the Act.
- Section 23 – Every PE must establish the organs responsible for planning and procurement processing.
- Section 5 (Interpretation) – Planning is part of the “Procurement Process,” which includes successive stages from planning to contract management.

PPDA Regulations	Regulations 29 to 45 provide the most comprehensive legal framework on planning, including the structure of annual procurement plans, information requirements, aggregation and division of lots, value estimation, budgeting, and choice of appropriate procurement method
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4.4 Linkage of Procurement Plan with Budget

The procurement plan serves as the operational link between a PE’s budget and the actual acquisition of goods, works, and services. It translates approved budget allocations into specific procurement activities, ensuring that each planned contract corresponds to available financial resources. This alignment enables timely procurement, avoids unplanned or unfunded commitments, and supports orderly budget execution. When procurement plans are incomplete or poorly aligned with the budget, implementation delays, cost overruns, and disruptions in service delivery are likely to occur. Thus, a well-synchronized procurement plan is essential for effective budget preparation, approval, and execution.

Procurement planning ensures that bid solicitation, contract awards, and delivery of goods and services occur on time, enabling smooth and timely budget execution

4.5 Institutional Roles in Procurement Planning

The effective preparation and implementation of a Procurement Plan relies on the coordinated roles of key institutional actors within a PE. Each organ has specific responsibilities that ensure the plan is realistic, budget-aligned, and legally compliant. The table below summarises the distinct functions of the Accounting Officer, Procurement Unit, User Departments, and Procurement Committee in the development, review, and execution of the Procurement Plan.

Accounting Officer (AO)	The AO provides overall leadership and ensures: <ul style="list-style-type: none">• procurement plans are prepared on time;• plans are aligned to the approved budget;• funds are confirmed before initiating any procurement (Reg. 35);• procurement proceedings are not conducted outside the APP except through legally permitted revisions.
Procurement Unit (PU)	Regulation 29 assigns the PU the lead role to: <ul style="list-style-type: none">• coordinate planning with User Departments;• consolidate procurement requirements;• prepare and maintain the Annual Procurement and Disposal Plan;• ensure use of standard formats issued by the Authority;• revise and update plans after budget approval.
User Departments (UDs)	User Departments initiate procurement requirements and must: <ul style="list-style-type: none">• prepare statements of requirements (Reg. 36–39);• submit realistic technical specifications or TORs;• indicate priority, delivery timelines, and estimated cost;

- participate in discussions to determine procurement method, lotting, and scheduling.

Procurement Committee (PC)

Although the PC does not prepare the plan, it ensures:

- submitted items for procurement align with the approved plan;
- any deviation is justified and consistent with the law;
- procurement methods proposed in planning comply with thresholds and regulation

4.6 Procurement Cycle

Procurement undertaken by a PE follows the structured cycle illustrated in **Figure 4.1**, and each step must be supported by effective management procedures to ensure proper execution. The outer part of the cycle represents the overarching activities necessary for identifying needs, preparing and managing the procurement plan, and monitoring its implementation to ensure timely and cost-effective delivery of goods, works, and services. These elements are further detailed in **Table 4.1**.

The inner part of the cycle outlines the specific steps involved in executing an individual procurement requirement as provided for in the approved Procurement Plan, and these individual procurement processes are discussed in subsequent chapters on the Procurement of Goods, Works, and Non-Consultancy Services.

4.7 Identification of Procurement Needs

The PPDA Act places the responsibility for initiating procurement requirements on the User Departments (UDs), which are defined as the units within a PE that identify needs and trigger procurement processes

In line with this mandate, the PPDA Regulations explicitly require each User Department to determine its procurement needs and prepare a detailed schedule of requirements as part of the annual budget preparation cycle. Regulations 36–39 set out the specific obligations for UDs to compile statements of requirements for goods, works, and services, including technical specifications, terms of reference, estimated quantities, delivery timelines, and indicative cost estimates

Under this framework, the identification of procurement needs must be directly linked to the proposed budget of the User Department to ensure that only those needs essential for implementing approved activities are captured. The Regulations also require that these departmental schedules be submitted to the Procurement Unit (PU), which consolidates them into the Annual Procurement Plan in accordance with Regulation 29

This ensures alignment between programmatic priorities, financial provisions, and procurement actions. In effect, procurement needs identification under the PPDA regime is both a planning and a budgeting obligation—anchoring procurement decisions in realistic departmental requirements and ensuring that all proposed procurements are necessary, justified, and financially supported.

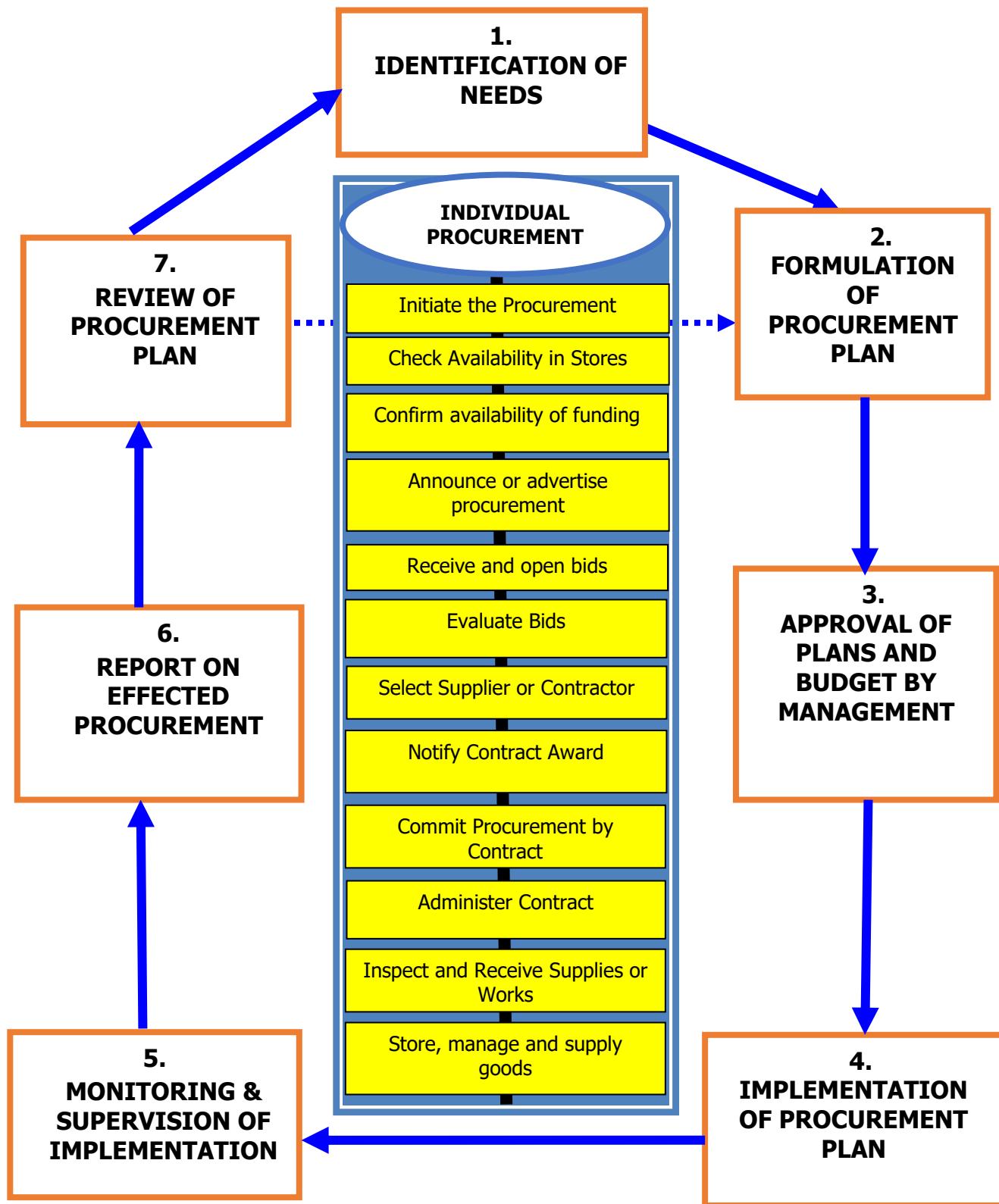


Figure 4.1: Procurement Cycle

Table 4.1-Elements of the Procurement Cycle

Element of the Procurement Cycle	Explanation
Identification Of Needs	According to Section 32(2) of the Public Procurement and Disposal of Assets (PPDA) Act 2018, it is the responsibility of the User Department to identify their needs/requirements based on their approved budget. The identified needs shall be submitted to the Procurement Unit for preparation of an Annual Procurement Plan as per Regulation 29 of PPDA Regulations 2024.
Preparation Of Procurement Plan:	According to Section 30(b) of PPDA Act 2018 and Regulation 29 of PPDA Regulations, the Procurement Unit shall in consultation with User Departments prepare an Annual Procurement Plan. The Annual Procurement Plan shall contain information prescribed by Regulation 30 of the PPDA Regulations 2024.
Approval Of Annual Procurement Plan:	The Annual Procurement Plan prepared is required to include all User Departments requirements for the execution of their planned activities as per approved budget. Therefore, it is important that the approval of the Plan should be done by Management under the Chairmanship of the Accounting Officer who is the budget holder. Each department/unit of the organisation should be given opportunity to cross check if their requirements have been included in the Plan.
Implementation Of Procurement Plan	Implementation of procurement plan involves inviting bids for each procurement included in the Plan. The responsibility of inviting bids rests with the Procurement Unit following certification of availability of funds by the User Department and the Accounting Officer. The typical process individual procurements are shown in yellow in the chart. <i>For details of procurement process for works, goods, non-consulting services and consulting services refer to the Relevant chapters in this manual.</i>
Contract Implementation, Monitoring & Supervision	The bid process of each individual procurement will culminate in the signing of the Contract. It is the responsibility of the User Department to monitor and supervise the execution of the Contract. For effective monitoring and supervision of a contract, the User Department shall appoint a Contract Manager in accordance with Reg. 152 and 153 of PPDA Regulations 2024. The role of a Contract Manager shall be ensure that the assignment is executed in accordance with the signed contract, and that the provider delivers to the satisfaction of the PE. A contract manager, or contract management team, shall be of an appropriate level of seniority and experience for the contract to be managed and have skills appropriate to the contract to be managed and the deliverables required under the contract.
Report on Effected Procurement	Implementation of the approved Procurement Plan will be subject to availability of funds, and therefore sometimes not all planned procurement will be carried out, and/or even when carried out, not in accordance with the planned time schedule shown in the Plan. Procurement Unit will be required on quarterly basis report on all procurement carried out, and include in the report reasons those not carried out.
Review of the Procurement Plan:	As part of the implementation of an Annual Procurement Plan, it may be necessary to review and update the plan by removing planned procurement found not to be necessary because of prioritization of available funding, and by

Element of the Procurement Cycle	Explanation
	adding new procurement as appropriate. The revised Procurement Plan must also obtain the approval of the management

4.8 Aggregation and Packaging of Requirements

Aggregation and packaging of procurement requirements are central to achieving value for money, enhancing competition, and ensuring efficient procurement in accordance with the PPDA Act and the PPDA Regulations. Regulation **31** obliges PEs to aggregate similar requirements wherever appropriate to realise economies of scale and reduce procurement costs, while Regulation **32** permits division into lots where doing so increases competition, supports local participation, or makes contract management more effective

Aggregation involves combining items of similar nature into a single package to attract broader competition, while **allotment (division into lots)** involves splitting a large or complex procurement into smaller lots so as to promote wider participation, including from national providers and SMEs. Contract packaging must be informed by market conditions, supplier capacity, and the likelihood of both local and foreign bidder participation. These decisions also influence the choice of procurement method under Regulation **41**, which requires alignment of the method with the procurement's nature, value, and complexity

When determining the most appropriate aggregation or lotting approach, PEs must consider factors outlined in Regulation **31**, including market structure, similarity of items, optimum contract size, timing, contract conditions, and potential savings in time and transaction costs.

In addition, **four key issues are emphasized regarding aggregation and packaging:**

Splitting cannot be used to avoid competition

Splitting a procurement into smaller lots for the purpose of circumventing the appropriate competitive procurement method is prohibited. This practice—commonly known as *slicing*—is inconsistent with the principles of transparency and competition under the PPDA Act. While some jurisdictions explicitly prohibit slicing, the Regulations of South Sudan similarly require that lotting must not undermine competitive procurement, except where splitting is undertaken to promote participation and capacity-building of local firms, consistent with the preference and reservation schemes provided under the Regulations.

Avoid awarding multiple equal lots to one bidder where the objective is to broaden participation

Where requirements are divided into lots of comparable size to promote wide competition and support SMEs, PEs should avoid awarding more than one such lot to the same bidder. This ensures that the intended policy outcomes—competition, SME participation, and equitable distribution of opportunities—are realized.

Determination of procurement method may be based on the value of each lot

Where a requirement is divided into lots, the selection of the procurement method may be based on the value of the individual lot rather than the aggregate value of all lots. This is consistent with the principle that procurement approaches should reflect the nature and value of the actual contract to be awarded, provided that splitting is not used to defeat the thresholds prescribed in the Regulations.

Bidders may be allowed to bid for one, several, or all lots	For procurements divided into lots—but which could otherwise be procured as a single contract—PEs should allow bidders flexibility to bid for a single lot, any combination of lots, or all lots. This broadens bidder participation, supports both large and small providers, and enhances competition, while allowing the Procurement Committee to evaluate the most advantageous packaging of awards.
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Overall, aggregation and packaging must be undertaken in a manner that promotes the PPDA Act's principles of transparency, competition, non-discrimination, and value for money, while ensuring that procurement methods, lotting decisions, and participation rules reinforce policy objectives such as SME development and national provider participation.

4.9 Grouping of Procurement Requirements

The concept of grouping procurement requirements is critical to determining the most appropriate procurement method under the PPDA Act and the PPDA Regulations . Grouping enables a PE to organise its needs according to two key considerations:

- 1. Relative expenditure (cost/financial value of the requirement)**
- 2. Difficulty in procurement (complexity, technicality, availability of providers, and risk)**

This classification helps PEs select procurement methods that are proportionate, efficient, market-responsive, and compliant with the legal thresholds provided under the Regulations. It also helps ensure that high-value or high-risk procurements follow more rigorous methods, while low-value and low-risk purchases may use simplified methods such as micro-procurement or request for quotations.

Grouping is therefore both a **planning tool** and a **compliance safeguard**, ensuring that procurement methods reflect the nature and value of what is being procured. It also supports the aggregation process under Regulation **31**, ensuring the PMU can consolidate requirements logically and consistently across User Departments.

To facilitate grouping, each User Department (UD) is required to prepare its schedule of requirements and submit it to the Procurement Unit (PU) in line with the annual planning obligations under Regulation **29**. The PU then aggregates and classifies the requirements into appropriate groups before determining procurement methods consistent with the Regulations.

Figure 4.2 visually presents four procurement groups arranged along two axes: **Vertical axis: Difficulty in Procurement** (from easy to difficult) and **Horizontal axis: Relative Expenditure** (from low to high cost). Each quadrant represents a procurement group and indicates the suitable procurement methods based on the degree of difficulty and expenditure level.

4.9 Procurement or Selection Methods

The choice of procurement or selection method is intrinsically linked to how a PE packages its procurement requirements. Contract packaging influences not only the level of competition and market response but also determines the most appropriate procurement method permissible under the PPDA Act and the PPDA Regulations. At the same time, each procurement method carries specific procedural timelines that must be factored into the procurement plan.

In accordance with Regulation 41 of the PPDA Regulations, the procurement method selected must reflect the estimated value, nature, and complexity of the procurement requirement. This implies that planners cannot determine contract packages in isolation; the selected package must

be compatible with the procurement method legally required for its value and complexity. For example, a highly aggregated package with a high estimated value is likely to trigger open competitive bidding, whereas a low-value, simple package may be suitable for micro-procurement or Request for Quotations

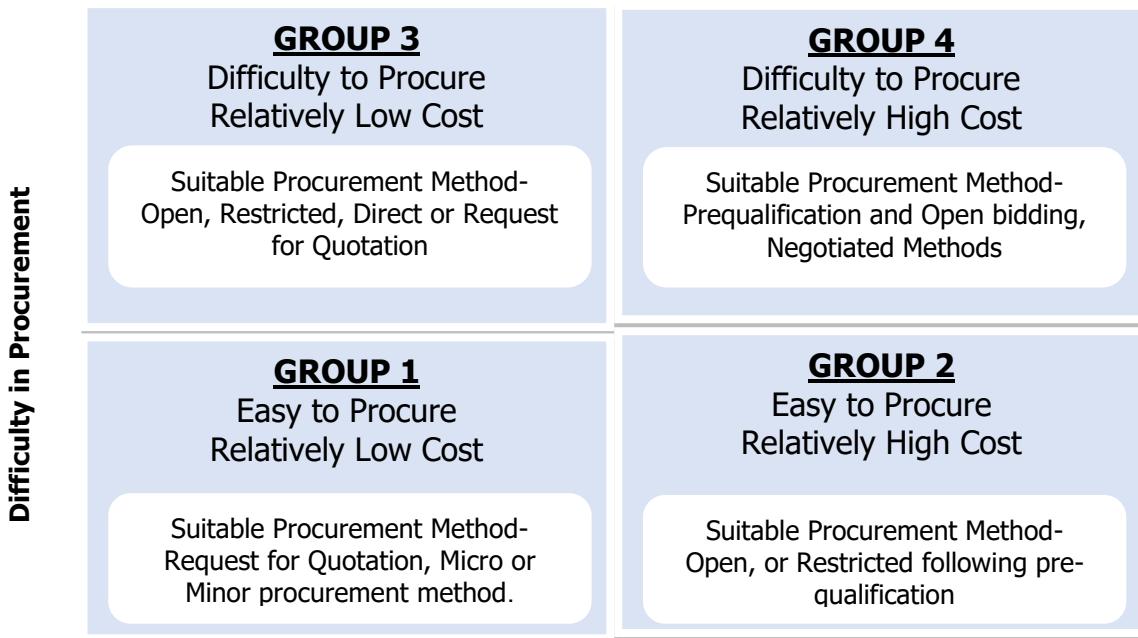


Figure 4.2: Grouping of Procurement

GROUP 1 – Easy to Procure & Relatively Low Cost

Suitable Methods: RFQ, Micro Procurement, Minor Procurement

Examples

Goods

- Stationery items (pens, files, notebooks)
- Drinking water supply (small quantities)
- Printer cartridges/toner refills
- Cleaning supplies (detergents, mops, gloves)
- Small ICT accessories (mouse, flash disks, HDMI cables)

Services

- Minor repair and maintenance (plumbing, electrical fixes)
- Local photocopying/printing services
- Venue hire for small meetings
- Local courier or delivery services

Works

- Small repair works (patching potholes, fixing broken windows)
- Routine maintenance of office gardens
- Painting one office or minor refurbishment

GROUP 2 – Easy to Procure & Relatively High Cost

Suitable Methods: Open Bidding or Restricted Bidding with Pre-Qualification

Examples

Goods

- Motor vehicles (standard models)
- Desktops, laptops, and office ICT equipment
- Bulk purchase of furniture
- Large quantities of fuel supply
- Uniforms for staff or security personnel

Services

- Annual cleaning services contracts
- Security guarding services
- Vehicle insurance services
- Bulk printing of government publications
- Catering services for large events

Works

- Construction of standard office buildings
- Routine road maintenance using common technologies
- Construction of small bridges or culverts

GROUP 3 – Difficult to Procure & Relatively Low Cost

Suitable Methods: Open, Restricted, Direct Procurement, RFQ (depending on justification)

Examples

Goods

- Spare parts for obsolete machinery
- Specialized laboratory reagents available from few suppliers
- Custom-made equipment components
- Archival materials for unique systems

Services

- Expert short-term consultancy for highly specialized tasks but low budget (e.g., IT forensic specialist)
- Calibration of scientific or medical equipment
- Specialist training services needed urgently

Works

- Repairs requiring rare expertise (e.g., fixing an old HVAC system)
- Restoring historical buildings or monuments
- Repair of legacy IT infrastructure

GROUP 4 – Difficult to Procure & Relatively High Cost

Suitable Methods:
Prequalification + Open Bidding, Negotiated Procurement, Two-Stage Bidding

Examples

Goods

- Highly specialized medical equipment (MRI machines, CT scanners)
- Large power generation equipment (generators above 1MW)
- Advanced ICT systems (Integrated Financial Management Systems, e-procurement systems)
- Helicopters or aviation equipment

Services

- Consultancy for national infrastructure planning
- Design and supervision of major works (roads, power projects)
- Implementation of national e-procurement system
- Specialized research studies covering multiple regions

Works

- Construction of highways, major bridges, and interchanges
- Hydropower plant construction
- Large water treatment plants

Similarly, the duration required for each procurement method must be considered during planning. The Regulations prescribe minimum time periods for bid preparation and submission under various procurement methods—such as under Regulations 78(3) (open and selective bidding timelines), Regulation 115(3) (Request for Quotations), and Regulation 163(5) (disposal timelines). These statutory timeframes are summarised in Table 5.2 and must be incorporated into the scheduling of each procurement activity. Failure to respect these timelines may result in delays, non-compliance, or rushed procurements that compromise value for money.

For this reason, the development of a Procurement Plan requires a careful balancing of three interdependent elements:

- (a) Contract packaging (how requirements are aggregated or divided into lots)
- (b) Procurement or selection method (as mandated by the PPDA Act and Regulations 2024)
- (c) Timing and scheduling of each step in the procurement process, including statutory bid periods

Regulation 29 obliges PEs to ensure that procurement plans are aligned with the annual budget cycle and incorporate all required procedural timelines. Thus, planners must understand how packaging affects method selection, and how both determine the overall duration needed to complete the procurement process legally and efficiently.

Ultimately, compliant and effective procurement planning requires planners to consider package, method, and timing simultaneously, ensuring that each element supports the others and conforms to the legal requirements under the PPDA Act and PPDA Regulations . This integrated approach ensures that procurements are both strategically organised and fully compliant with the statutory framework.

4.11 Procurement Scheduling

Procurement scheduling is an essential component of procurement planning, ensuring that the delivery of goods, works, and services is aligned with the operational and budgetary needs of the PE. Under the PPDA Act and the PPDA Regulations —particularly **Regulation 29** on annual procurement planning—PEs must ensure that planned procurement activities follow realistic timelines that allow for full compliance with mandatory procedural steps and minimum bidding periods.

A key determinant in scheduling is the **timing at which goods, works, or services are required**. Once preliminary contract packages have been developed and appropriate procurement methods selected in accordance with **Regulation 41**, planners must verify that the combination of package size, procurement method, and statutory timelines will allow for delivery within the required timeframe. This ensures that procurement supports effective budget execution and uninterrupted service delivery, consistent with Section 4(2)(a) of the PPDA Act, which recognises procurement planning as a core component of the procurement process.

The most reliable way to confirm scheduling feasibility is to work **backwards** from the desired delivery date. By counting back through the required procurement steps—such as preparation of bidding documents, bid invitation periods, evaluation, approvals by the Procurement Committee, contract award, and contract signing—planners can determine whether adequate time exists to conduct the process in compliance with the law.

The PPDA Regulations establish **minimum timeframes** for key stages of the procurement process. These include, for example:

- minimum bidding periods for open and selective bidding (**Regulation 78(3)**),
- timelines for Request for Quotations (**Regulation 115(3)**), and
- timelines related to disposal processes (**Regulation 163(5)**).

These minimum periods are legally binding; they cannot be compressed except where the Regulations expressly allow exceptions (such as for emergency procurement under Regulation 44). Consequently, where the backward scheduling exercise shows that the chosen method will not allow timely delivery, the PE must **reassess its packaging and method selection**, provided that any modification remains fully compliant with the PPDA Act and Regulations.

Possible adjustments may include:

- restructuring packages to reduce complexity,
- dividing procurement into smaller lots where appropriate under Regulation 32,
- aggregating requirements differently under Regulation 31 to shorten timelines, or
- selecting a more efficient procurement method **where legally permissible** for the value and nature of the requirement.

Any such adjustments must still uphold the principles of transparency, fairness, competition, and value for money as required by the PPDA Act.

In summary, procurement scheduling ensures that the chosen package and method lead to **timely, lawful, and efficient delivery**. It is therefore a critical step in operationalizing the procurement plan and must be carried out with strict adherence to the statutory timeframes established under the PPDA Regulations . Table 4.2 gives minimum bid processing times as provided in the First Schedule of PPDA Regulations 2024.

Table 4.2 Minimum Bid Processing Times

Procurement Method	Period (Calendar Days)
Pre-qualification Stage	
International Competitive Bidding	21
National Competitive Bidding	14
Bidding Stage	
International Competitive Bidding	45
National Competitive Bidding	21
Selective Bidding – when shortlisted bidders include Foreign Bidders	21
Selective Bidding – when shortlisted bidders are Nationals Only	14
Request for Quotations	7
Low Value Procurement	3

4.12 Preparation of Annual Procurement Plan

To support PEs in complying with Section 55 of the PPDA Act and Chapter V of the PPDA Regulations, the PPDAA has issued two complementary guidelines that are available on the Tender Portal. These guidelines provide detailed instructions on how to fill the Excel-based Annual Procurement Plan (APP) templates used for different categories of procurement. The templates—fully integrated into the Tender Portal system—ensure uniformity, accuracy, and compliance across all PEs.

The two guidelines are:

1. Guideline on Filling the Procurement Plan Template for Consultancy Services
2. Guideline on Filling the Procurement Plan Template for Goods, Works, and Non-Consultancy Services

The Guidelines for Preparation of APP can be accessed in PPDAA's Tender Portal [Annual Procurement Plans | Government of South Sudan Public Procurement and Disposal of Assets Authority Tender Portal](#)

Although developed for different procurement categories, the two guidelines share a common structure, logic, and approach, making them easy for PEs to use consistently.

Common Structure and Content of the Guidelines

Both guidelines follow an identical structural format and provide similar types of guidance, differing only in procurement-specific technicalities. Their key common features include:

Explanation of Legal Requirements

Both guidelines begin by restating the legal obligation for PEs to:

- Prepare APPs as part of the annual budget process (PPDA Act, Section 55),
- Submit the APP to PPDAA at the start of the financial year, and
- Implement the APP as approved unless the Accounting Officer authorises justified changes.

This establishes that APP preparation is not optional but a statutory requirement.

Three Excel Templates Provided in Each Guideline

Both guidelines introduce three Excel-based templates—pre-formatted and downloadable from the Tender Portal—to support different planning and reporting needs:

a. APP Template for Internal Use

- Contains detailed planning information for each procurement activity.
- Includes key dates for every step (drafting, advertisement, evaluation, PC approval, etc.).
- Provides two rows per procurement: planned dates and actual dates.

b. APP Template for Submission to the Tender Portal (Public Disclosure)

- Contains only the information required for publication in the General Procurement Notice (GPN).
- Alerts potential bidders or consultants to upcoming procurement opportunities.
- Ensures transparency and equal access to procurement information.

c. APP Template for Submission to PPDAA

- Submitted at the start of the financial year.
- Enables PPDAA to track procurement workloads, schedule monitoring, and review compliance.
- Contains key dates related to bidding, evaluation, approval, and contract award stages.

This three-template structure is identical in both guidelines and is applied consistently across procurement categories.

Column-by-Column Guidance Each guideline provides detailed instructions for every column of the Excel template. This guidance covers:

- Bid descriptions and numbering conventions
- Lotting information
- Budget codes
- Estimated values
- Sources of funding
- Appropriate procurement methods (Chapter IV of Regulations 2024)
- GPN dates and advertisement schedules
- Prequalification requirements
- Bid submission periods (national vs international)
- Evaluation timelines
- Procurement Committee approval points
- Contract award and contract signing dates

These instructions ensure that all PEs complete the APP templates using a standardised format and consistent interpretation of regulatory requirements.

Purpose and Usefulness of the Guidelines

Together, the two guidelines:

- Ensure uniform preparation of APPs across all PEs,
- Facilitate compliance with legal and procedural timeframes,
- Improve the accuracy of information published on the Tender Portal,
- Enhance PPDAA's ability to monitor procurement activities across government, and
- Serve as practical tools for planning, scheduling, and tracking the entire procurement lifecycle.

The two PPDAA guidelines—though tailored to different procurement categories—provide a harmonised, Excel-based system for preparing and managing Annual Procurement Plans. Their aligned structure, clear legal grounding, and practical column-by-column instructions ensure that all PEs can prepare complete, accurate, and compliant procurement plans directly through the Tender Portal

4.13 Procurement Plan Approval

Under the PPDA Act, the preparation and approval of the APP is a statutory obligation of every PE. Section 55(2) of the Act requires each PE to prepare its APP as part of the budget process and submit it to the PPDAA. Before submission, the PE's management team is responsible for reviewing and scrutinizing the draft APP to ensure that it is complete, accurate, budget-aligned, and compliant with the procurement principles established under the Act.

In approving the APP, the PE management must rely on an internal quality-assurance mechanism. This includes the use of the Procurement Plan Review Checklist, which guides management in verifying that each planned procurement is well-defined, appropriately packaged, assigned the correct procurement method in line with Regulation 41, and consistent with budget provisions and user department requirements.

Once approved internally, the APP must be published in accordance with Regulation 80 of the PPDA Regulations , which requires that the approved procurement plan be posted in the tender

portal.. This ensures transparency, allows market participants to anticipate upcoming procurement opportunities, and supports PPDAA's monitoring obligations.

Furthermore, in line with Section 55(3) of the PPDA Act, the PE is required to adhere strictly to the approved APP. Any procurement activity that is not included in the approved plan may only proceed with prior written approval of the Accounting Officer or a formally delegated authority. This provision safeguards discipline in public procurement, prevents arbitrary or unplanned procurements, and reinforces accountability in the use of public funds.

It is Mandatory under Regulation 29(4) for a PE to publish its APP in PPDAA's Tender Portal (<https://tenderportal.ppdcaa.gov.ss/annual-procurement-plans>) and One Newspaper of Wide Circulation

4.14 Procurement Plan Implementation

The PPDA Regulations require PEs to monitor and report on the execution of their approved APPs. Under Regulation 29(7), the PU is mandated to prepare quarterly reports on the implementation status of the APP and submit them to the PE's management for review and decision-making. This ensures that procurement activities are being implemented in line with the approved plan, budget timelines, and regulatory requirements.

In addition, the PPDA Act places an obligation on PEs to provide accurate and timely reports to their oversight bodies. Consistent with the Act's accountability provisions—particularly those relating to monitoring and internal control—the quarterly procurement implementation report must also be submitted to the Management and Board (or equivalent governing body) to facilitate oversight, strategic direction, and corrective action where required.

Each quarterly report must present a detailed account of all procurement activities undertaken during the period, including:

- the timing of each procurement activity,
- progress against planned timelines,
- contracts awarded,
- any delays encountered, and
- any deviations from the approved APP, together with explanations and recommended corrective measures.

This reporting requirement supports transparency, strengthens internal governance, and ensures that any unplanned procurements are detected, justified, and handled in accordance with Section 55(3) of the PPDA Act—requiring prior written approval of the Accounting Officer for any procurement not included in the approved APP.

4.15 Management of Emergency and Unplanned Procurement

4.15.1 General

Emergency and unplanned procurement represents a special category of public procurement applied by a PE when urgent, unforeseeable, and unavoidable circumstances arise. The PPDA Act defines an **emergency** as a situation that is "*urgent, unforeseeable and not caused by dilatory conduct of a Government Institution*".

The PPDA Regulations reinforce this by allowing the PE to consider "**the existence of an emergency need**" as one of the circumstances that justify the choice of an alternative procurement method outside open competitive bidding.

Emergency and unplanned procurement ensures service and operational continuity while upholding the principles of transparency, accountability, and value for money.

4.15.2. Legal Basis for Emergency Procurement

Under the PPDA Act: An emergency means circumstances that are:

- Urgent
- Unforeseeable
- Not caused by neglect, delay or dilatory conduct of a PE

The Regulations acknowledge emergencies as a factor influencing procurement method selection. Regulation 41(4) requires PEs to assess "*the circumstances surrounding the procurement, such as the existence of an emergency need*" when choosing the appropriate procurement method.

They also provide for use of **single-source procurement** where the urgency is genuinely unforeseeable and was not the result of the PE's own delays.

4.15.3. Situations That May Give Rise to Emergency Procurement

Emergency procurement may arise where:

- There is an imminent or actual threat to life, health, safety, or security.
- Critical infrastructure breaks down unexpectedly.
- A natural disaster or conflict disrupts normal operations.
- Urgent supplies, works, or services are required to restore essential public services.

CRITERIA FOR EMERGENCY PROCUREMENT

There is an urgent and compelling situation that threatens life, health, welfare, or public safety due to events such as natural disasters, epidemics, riots, war, fire, or similar incidents; and

Failure to act immediately would cause irreparable harm to government operations, endanger public health or safety, or risk the loss or damage of irreplaceable public property.

These situations must meet the legal definition of "urgent" and "unforeseeable," and must **not** be the result of procurement delays, negligence, or poor planning by the PE.

Table 4.3: Examples of Situations That May Call for Emergency Procurement

Situation	Explanations
Natural Disasters	<p>When immediate action is needed to protect life, property, or critical infrastructure. Examples include:</p> <ul style="list-style-type: none"> • Flooding that washes away bridges or roads. • Earthquakes causing building collapse. • Landslides blocking major transport routes. • Severe storms damaging electricity lines or water supply systems.
Public Health Emergencies	<p>Situations where lives are at risk and rapid supply of medical items or services is required. Examples:</p> <ul style="list-style-type: none"> • Outbreak of diseases such as cholera, Ebola, measles, malaria spikes. • Unexpected breakdown of essential hospital equipment (e.g., oxygen plants, ICU machines). • Shortage of essential medicines that threatens patient care.

Situation	Explanations
Breakdown of Essential Public Utilities	<p>Urgent repairs required to prevent disruption of critical services. Examples:</p> <ul style="list-style-type: none"> • Major failure of a national power substation. • Burst water pipelines serving hospitals or large communities. • Breakdown of fire-fighting equipment in airports or public facilities.
Security and Public Safety Threats	<p>Situations requiring immediate intervention to protect citizens and government assets. Examples:</p> <ul style="list-style-type: none"> • Sudden security incidents requiring rapid procurement of food, fuel, tents, or communication equipment for forces. • Damage to public buildings due to riots or conflict requiring urgent repair. • Urgent evacuation support for government officials or civilians.
Unexpected Failure of Critical Infrastructure	<p>Where delay could cause danger or major loss. Examples:</p> <ul style="list-style-type: none"> • Structural failure of a government office building. • Collapse of a bridge or culvert on a major highway. • Failure of ICT systems such as the IFIMIS, national e-procurement system, requiring emergency technical support.
Humanitarian Situations	<p>Emergencies affecting vulnerable populations. Examples:</p> <ul style="list-style-type: none"> • Sudden influx of internally displaced persons requiring immediate shelter, food, and medical support. • Fire outbreaks in markets, schools, or Internally Displaced Persons (IDP) camps.
Urgent Statutory or Legal Requirements	<p>When procurement delay would lead to non-compliance with the law or international obligations. Examples:</p> <ul style="list-style-type: none"> • Court orders requiring immediate action by a government institution. • Urgent requirements from an international treaty or partner inspection mission.
Sudden Supply Chain Disruption	<p>Where normal procurement cycles would cause major service interruptions. Examples:</p> <ul style="list-style-type: none"> • Supplier bankruptcy or failure to deliver essential goods (e.g., fuel, drugs, exam materials). • Border closures that prevent critical supplies from arriving. • Import shipment seized or delayed unexpectedly.
Unexpected Accidents	<p>Events that disrupt normal operations and require immediate remedy. Examples:</p> <ul style="list-style-type: none"> • Fire damaging critical government offices. • Vehicle accidents destroying PE equipment or assets. • ICT server or data center outage requiring immediate replacement.
Key Principle	<p>Emergency procurement must be:</p> <ul style="list-style-type: none"> • Genuine (not caused by poor planning), • Limited to what is necessary to respond to the emergency, and • Properly documented (situation report, approvals, justification, procurement method used, contract records).

4.15.4. Procedures for Emergency Procurement

Even in emergencies, the Act requires procurement to adhere to structured processes that maintain accountability. The following procedure applies:

Establish the Existence of an Emergency	The User Department must confirm that the circumstances meet the statutory emergency definition.
Identify the Appropriate Procurement Method	The Procurement Unit must recommend a suitable method based on urgency. Allowed methods include: <ol style="list-style-type: none">1. Single-Source Procurement, but only when the urgency is unforeseeable and not caused by the PE's delay.2. Request for Quotations (RFQ) if the estimated value falls within RFQ thresholds and time allows limited competition.3. Selective Bidding with prior Authorization from the Procurement Committee, if applicable.
Obtain Authorization	The PE must justify the method chosen in the procurement record as required by Regulation 41(5).
Solicitation and Evaluation	Where selective bidding or single-source procurement is being used on grounds other than value thresholds, prior authorization from the Procurement Committee is required.
Award Approval	Even in emergencies, the following must still occur: <ul style="list-style-type: none">• Issue of simplified solicitation documents.• Documentation of bids/quotations received.• Technical and financial evaluation appropriate to the urgency.
Contract Management	Awards must still be approved by the Procurement Committee as the body empowered to award contracts under the PPDA Act.

4.15.5 Risks and Mitigation Measures

Emergency and unplanned procurement, by its nature, is conducted under significant pressure, limited time, and heightened operational urgency. While the PPDA Act and Regulations allow PEs to adopt accelerated or alternative procurement methods during genuine emergencies, these circumstances also introduce substantial risks that can undermine value for money, transparency, and service continuity if not carefully managed.

Table 4.3 summarises the key risks associated with emergency procurement, their likelihood and potential impact on procurement outcomes, and the corresponding mitigation measures that a PE should implement to ensure that even urgent procurements remain compliant, accountable, and aligned with the principles of good public procurement practice.

Table 4.3: Key Risks in Emergency Procurement and Recommended Mitigation Measures

Risk	Likelihood	Impact	Mitigation Measures
Overpricing of works/materials	High	High	Obtain at least 2–3 rapid quotations; use known market prices; negotiate aggressively.
Hiring unqualified contractor	Medium	High	Use pre-qualified, previously vetted contractors; verify experience with similar works.
Poor quality or unsafe temporary structure	High	High	Daily engineer supervision; impose quality standards; request performance guarantee if time allows.
Fraud/collusion with preferred suppliers	Medium	Medium	Maintain documentation; involve Internal Audit; rotate evaluation/negotiation teams.
Scope creep beyond emergency needs	High	Medium	Clearly define emergency scope; restrict items to immediate needs only.
Delay in approvals	Medium	High	Use expedited approval channels permitted under Reg. 59–64.
Safety hazards during emergency construction	Medium	High	Enforce safety measures; PPE for all workers; continuous monitoring.

4.15.6. Unplanned Procurement

Unplanned procurement refers to legitimate procurement needs that arise after the approval of the Annual Procurement Plan. Regulations permit PEs to **revise and update their procurement plans during the financial year**, especially after budget approval or when new needs emerge.

Basis for Unplanned Procurement

Unplanned procurement may occur when:

- A new programme/activity is introduced by Government.
- A previously unknown requirement emerges (but not due to poor planning).
- Emergencies necessitate deviation from the approved plan.
- Corrective or replacement actions are required unexpectedly.

Requirements

The new requirement must be formally justified.

- The Procurement Plan must be updated and published according to Regulation 29(7)–(9).
- The PE must still follow the appropriate method and threshold rules under Schedule 1 of the Regulations.

Controls, Documentation, and Accountability

Even though emergencies require accelerated procurement, they **do not** remove the obligation for transparency and accountability.

The PE must therefore maintain:

- A written justification of the emergency and procurement method used.

- Minutes of approvals granted by the Procurement Committee.
- Evaluation and award records.
- A complete procurement file for post-review and audit.

The PPDA Authority also retains the power to monitor and review compliance under Sections 8 and 9 of the Act.

4.15.7 Conclusion on Emergency and Unplanned Procurement

Emergency and unplanned procurement is an essential flexibility mechanism within the public procurement framework of South Sudan. However, it can only be used within the strict confines set by the PPDA Act and Regulations. While speed is necessary during emergencies, the principles of transparency, competition (to the extent possible), and accountability must still be upheld. Proper documentation, justification, and oversight ensure that emergency procurement remains a tool for safeguarding public interest rather than a loophole for abuse.

4.16 Monitoring and Updating of Procurement Plan

The APP is a **dynamic document** that must be continuously monitored and updated throughout the financial year. In line with the PPDA Regulations, PEs are required to revise their procurement plans after the approval of the budget to reflect actual approved amounts and to update the plan during implementation to accommodate emerging needs and challenges.

After the budget is approved, the initial APP must be reviewed to ensure alignment between the indicative plan and the actual budget ceilings provided. During implementation, updates may be necessary due to factors such as shortages or delayed release of funds, availability of supplementary allocations, delays in securing necessary approvals, or failure of contractors to perform—leading to cancellations, re-bidding, or rescheduling of activities.

To support effective monitoring, PEs should regularly compare the **“Plan versus Actual”** status of each procurement activity. This helps identify slippages, bottlenecks, or deviations that require corrective action to keep procurement activities on track while remaining compliant with the PPDA Act and Regulations. **Table 4.4** on Causes of Delays in the Procurement Process and How to Overcome Them is a key reference tool during monitoring, as it highlights the main sources of delays and provides guidance on how to address them.

POSTMORTEM MEETING/SESSION TO REVIEW IMPLEMENTATION OF APP

It is a good practice at the end of the financial year before starting the preparation of a new APP for the procurement staff team to have a working meeting or session where they shall deliberate how well they implemented the current APP- success and challenges, and how to improve in the APP under preparation and subsequent implementation

The same should apply to contract management teams at the completion of each individual contracts, but also for the entire organization at the end of financial year

Regular monitoring enables the Procurement Unit and the PE at large to better understand the performance of procurement activities, reinforce good practices, and take timely corrective measures. It further strengthens forecasting accuracy and supports more effective planning for future procurement cycles. By continuously updating the APP based on real-time progress and documented challenges, the PE ensures efficiency, compliance, and improved service delivery.

Table 4.4: Cause of Delays in the Procurement and How to Overcome Them²

Cause of Delay	How to Overcome
Delay in Preparing Technical Specifications, Scope of Work or Terms of Reference	<p>Technical specifications, scope of work, and terms of reference (referred to as employer's requirements) are documents that describe what is needed by a PE and should be clear enough to avoid confusing suppliers, contractors, service providers or the evaluation committee.</p> <p>They are also needed to prepare the bidding documents, and if they are not completed ahead of schedule, the procurement process is delayed before it even starts.</p> <p>The reason for the delay is usually due to lack of expertise in preparing these documents or not realizing the extent of the information and research that may be needed to complete them.</p> <p>Sometimes special expertise is needed to prepare the employers' requirements. If this is not taken into consideration, a huge delay can result because of the time it may take to find or hire such a person.</p> <p>To overcome this, it's important not to overlook the need for special technical expertise to assist with the development of employer's requirements. Getting such expertise, if not readily available, may involve having to hire a person or team. This in itself may result in a procurement process which also needs to be taken into consideration to ensure hiring the needed expertise and getting the documents prepared to start the procurement process on time</p>
Failure to Start the Procurement Process on Time	<p>This is a very common delay. Although there is approved procurement plan, and you have developed a procurement schedule, sometimes this can be overlooked or not taken into consideration, so the procurement process begins later than intended.</p> <p>To resolve this, it's important to stay informed of the deadlines on the procurement schedule, especially the start date of the procurement process. You can use an electronic calendar to set reminders of important dates on the procurement schedule.</p>
Extension of Bid or Proposal Submission Date	<p>The bid or proposal submission period may need extending, causing delay in awarding the contract. Some of the reasons for extension may arise out of:</p> <ul style="list-style-type: none"> • Mistakes in the bidding or proposal documents; • Prospective bidders request more time for submission, and it is granted; • Poor response to invitation for bids or call for proposals; • Unforeseen events such as natural disaster or emergency situations, etc.

² References: [8 Causes of Delays in the Public Procurement Process and How to Avoid Them - The Procurement ClassRoom](#)

Cause of Delay	How to Overcome
	<ul style="list-style-type: none"> Request for clarification that results in an amendment to the bidding documents, which requires an extension of submission period for bidders to take the amendment into account in their bids or proposals <p>It is difficult to plan for possible extensions of the bid or proposal submission date. But to avoid or reduce some of the instances mentioned, you must prepare a comprehensive bidding or proposal document and make submission periods long enough to allow bidders ample time for bid preparation.</p>
Delay in Opening Bids or Proposals Received	<p>Bids and proposals have a set deadline for submission. If they are submitted late they should be rejected, unless the bidding documents state otherwise.</p> <p>The opening of bids and proposals is usually a public event that should take place immediately after the submission date and time. Bidders often submit their bids or proposals on the date of submission and wait to attend the opening. Unless the delay is caused by a catastrophic or other event that is not within the control of a PE, it should be avoided at all costs because the integrity of the procurement process and a PE are important to earning prospective bidders' trust</p>
Delay in Starting or Finishing the Evaluation Process	<p>Bids and proposals are evaluated by an Evaluation Committee of three or more individuals appointed by the Chief Executive. Delays in the appointment of the members of the Evaluation Committee can delay the evaluation process. Sometimes one or more members are not available to start the evaluation process, and when it is started, they may be unreliable in their availability to continue due to other commitments.</p> <p>A possible solution is to ensure early appointments of members of the Evaluation Committee and to ensure that the appointed members are temporarily relieved from other duties so they can focus exclusively on the evaluation process.</p> <p>It's also important, when recommending evaluation committee members, to ensure they are available and committed to the evaluation schedule to avoid delaying contract award.</p>
Delays during the Approval Process	<p>Approval is required at various stages in the procurement process. It depends on the monetary value and complexity of the procurement requirement and is stipulated in the procurement rules.</p> <p>This is a common cause of delay because Procurement Committee usually have specific dates on which they convene, so procurements need to be scheduled accordingly to avoid delaying the process.</p> <p>A possible solution is to use Circular Resolutions (as allowed in Regulation 12 for the approval of the members of the Procurement Committee for simple and low value bids.</p>
Delay in Contract Negotiations	<p>Not all contracts are negotiated. Generally, goods and works contracts may be awarded without negotiations because once bidders meet the administrative and technical requirements, the contract is awarded based on the lowest reasonable price.</p> <p>For more complex goods and works requirements, there may be negotiations before contract award. This must be determined during procurement planning and scheduling and clearly reflected in the bidding documents.</p>

Cause of Delay	How to Overcome
	<p>For consulting services, there is usually negotiations prior to contract award. Negotiation is used to come to an agreement on issues related to methodology, personnel, and slight changes in the scope of work. Rates may be discussed if found unreasonable, but if the price is a factor in determining the winning firm, it would be unfair to other bidders to adjust rates.</p> <p>Delays result if negotiations take longer than anticipated. The duration of contract negotiations is beyond the control of a PE, so it should be conservatively determined during procurement planning and scheduling</p>
A Contractor, Supplier or Service Provider Challenges the Procurement Process	<p>Contractors, suppliers and service providers are allowed to formally challenge the procurement process if they have evidence or reason to believe a PE failed to comply with the procurement rules or if they feel they were unfairly treated or affected by the way the procurement process was carried out.</p> <p>This delay is also difficult to avoid. To reduce the possibility, it's important to prepare bidding documents that are clear and comprehensive, and to ensure the procurement rules and stipulations of the bidding documents are followed.</p> <p>Above all, effort must be made to build trust in, and create a positive impression of, a PE's, procurement officers and anyone directly or indirectly involved in the public procurement process.</p>

4.17 Conclusion

Effective procurement planning is not merely an administrative requirement; it is a strategic function that directly determines the success of public procurement and the overall performance of Government service delivery. When done correctly, it promotes value for money, strengthens competition, enhances transparency, and ensures that procurement actions are executed within approved budget limits and statutory timelines. The PPDA Act and PPDA Regulations provide a robust legal foundation that requires PEs to plan in a structured, disciplined, and forward-looking manner.

This chapter has outlined the full spectrum of planning requirements—from identification of needs, packaging, method selection, and scheduling, to approval, implementation, and continuous monitoring of the Annual Procurement Plan. It has also emphasized the importance of adhering to appropriate procedures for emergency and unplanned procurement, ensuring that even urgent circumstances do not compromise accountability and integrity.

Ultimately, a well-prepared and consistently monitored procurement plan enables PEs to deliver their mandates effectively while safeguarding public resources. It strengthens institutional capacity, reduces delays, minimises procurement risks, and ensures that Government commitments are translated into tangible results for the citizens of South Sudan. Procurement planning is therefore not only a statutory obligation but a vital governance practice that underpins the credibility, efficiency, and professionalism of the public procurement system.

PART 2:

**PROCUREMENT PROCESS FOR GOODS, WORKS AND NON-CONSULTANCY
SERVICES**

CHAPTER 5: PROCUREMENT PROCESS FOR GOODS, WORKS AND NON-CONSULTANCY SERVICES

5.1 Introduction

The efficiency and integrity of any public procurement system depend on a clear understanding of the end-to-end processes that guide the acquisition of Goods, Works, and Non-Consultancy Services. This Chapter provides a comprehensive pathway through the procurement cycle, beginning with the categorization of procurement requirements and progressing through planning, specification development, cost estimation, bidding, evaluation, award, and contract commencement.

This chapter translates the provisions of the PPDA Act and PPDA Regulations into practical steps that PEs must follow to ensure transparency, fairness, competitiveness, and value for money. It underscores the importance of defining requirements clearly, preparing accurate specifications, utilizing appropriate procurement methods, and making evidence-based decisions. It also highlights the technical and administrative tools—such as Bills of Quantities, Technical Specifications, Activity Schedules, Daywork Schedules, and pre-bid estimates—that enable PEs to secure competent suppliers, contractors, and service providers with the necessary capacity and capability to deliver.

By presenting detailed process flows, guidance tables, and best practices, this chapter serves as a practical reference for procurement officers, technical staff, evaluation committees, and all stakeholders responsible for implementing procurement functions. It reinforces that well-executed procurement is not an administrative formality but a strategic function that supports service delivery and strengthens public financial management in South Sudan.

5.2 Categories of Procurement

Public procurement in South Sudan encompasses a wide range of activities required for the delivery of public services, development of infrastructure, and effective functioning of Government institutions. In line with the PPDA Act and the PPDA Regulations, procurement is classified into four major categories—Works, Goods, Consultancy Services, and Non-Consultancy Services—to ensure clarity, appropriate application of procurement methods, and effective contract management.

Each category has distinct characteristics, regulatory requirements, and evaluation approaches that guide PEs in planning, budgeting, preparing bidding documents, selecting procurement methods, and awarding contracts. Proper categorization ensures that the procurement process is transparent, competitive, economical, and aligned with the nature of the requirement being procured. Table 5.1 outlines the definitions, scope, and examples of each procurement category.

Table 5.1 Categorization of Procurement Categories and Examples

Category	Examples
WORKS: Construction, rehabilitation, demolition, installation, or repair of physical infrastructure and civil engineering structures.	<ol style="list-style-type: none"> 1. Construction of office buildings 2. Road and highway construction 3. Bridge and culvert construction 4. Water supply system installation 5. Borehole drilling and installation 6. Sewerage and sanitation construction 7. Construction of classrooms/schools

	8. Construction of health facilities 9. Building rehabilitation works 10. Renovation of staff houses
GOODS: Procurement of physical, tangible items including supplies, materials, consumables, equipment, and furnishings	1. Office furniture 2. ICT equipment (laptops, desktops, printers) 3. Motor vehicles 4. Laboratory equipment 5. Stationery supplies 6. Medical supplies 7. Food items and beverages 8. Fuel and lubricants 9. Construction materials (cement, steel)
CONSULTANCY SERVICES: Intellectual, expert-based, professional advisory services delivered by firms or individuals.	1. Feasibility studies 2. Architectural & engineering designs 3. ESIA studies 4. Procurement advisory services 5. Auditing services 6. Monitoring & evaluation 7. Legal advisory services 8. ICT systems design consultancy 9. Strategic planning services 10. Business process re-engineering
NON-CONSULTANCY SERVICES: Routine, commercial, outsourced, or operational services that are not advisory or professional in nature.	1. Security services 2. Cleaning & janitorial services 3. Catering services 4. Transport/vehicle hire 5. Events management 6. Printing services 7. Courier/postal services 8. Equipment repair & maintenance 9. Hotel/lodging services 10. ICT hardware maintenance

5.3 Overview of the Procurement Process

It is in the interest of the a PE that contractors, suppliers and service providers obtained through the procurement process should have the capacity and capability to carry out works, supply the goods or provide the intended services. Capacity relates to possession of the necessary resources—equipment, staff and finances while capability relates to possession of expertise and experience required to execute the contract. This can be achieved by following the steps presented in this Chapter.

Figures 5.1 and 5.2 illustrate, in a step-by-step flow format, how PEs should conduct procurement for goods, works, and non-consultancy services. The two charts present the entire procurement cycle—from preparing specifications and cost estimates, selecting and approving the procurement method, confirming funding, and conducting pre-qualification (where applicable), all the way through bidding, evaluation, negotiation, contract award, and commencement of the assignment.

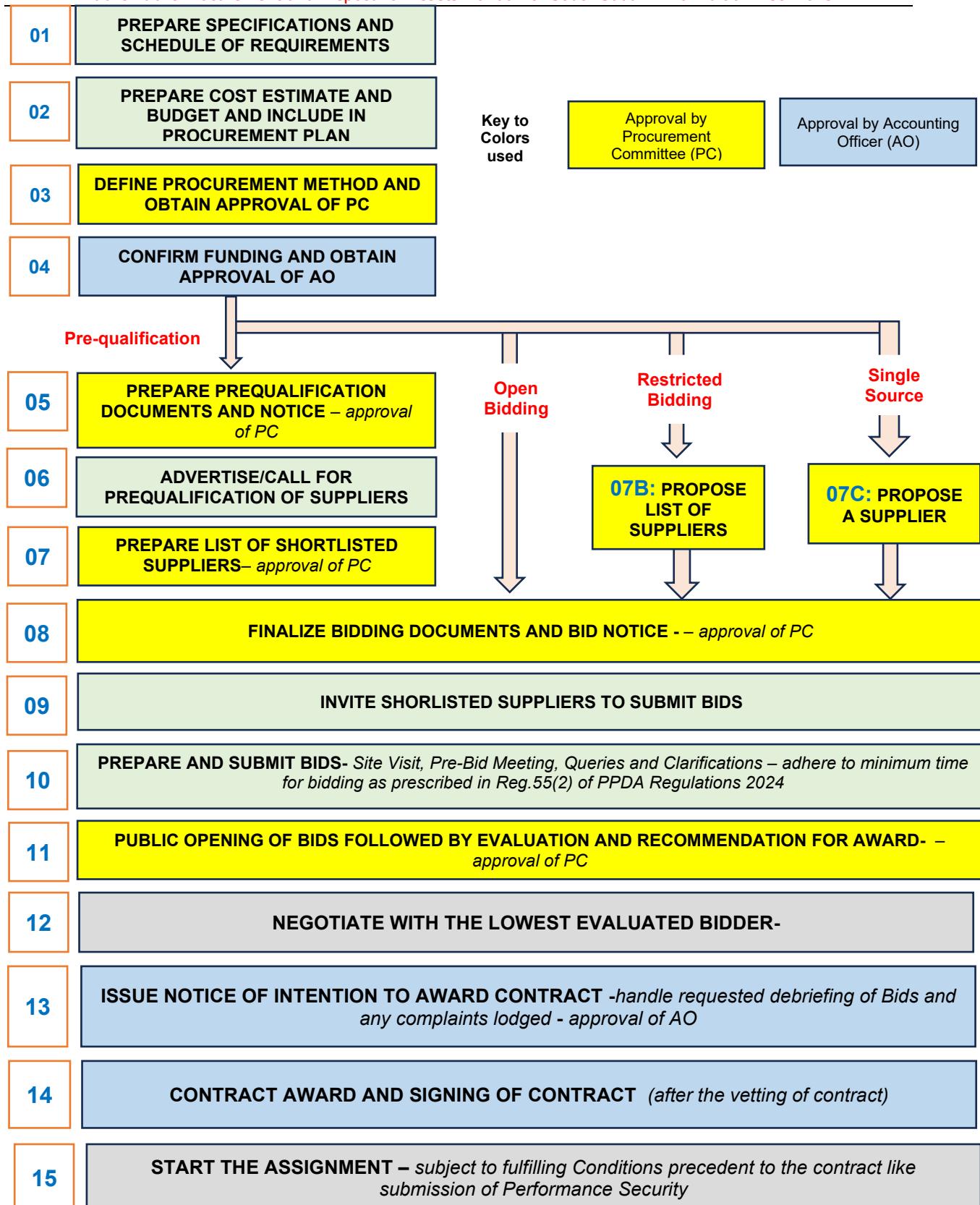


Figure 5.1 Flow Chart for Procurement of Goods

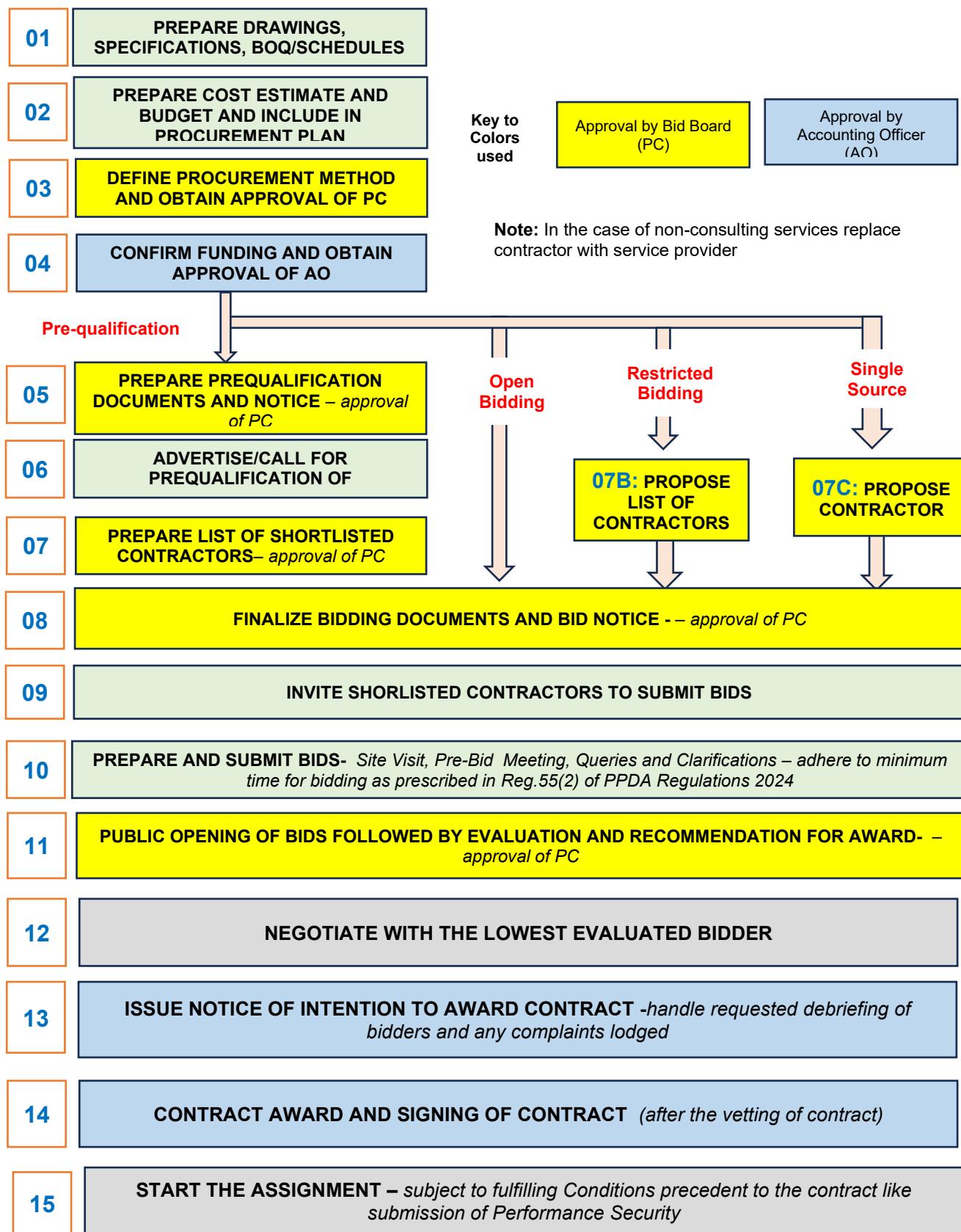


Figure 5.2 Flow Chart for Procurement of Works and Non-Consultancy Services

Figure 5.1 focuses on the procurement of goods, while **Figure 5.2** outlines the process for works and non-consultancy services. Although the procurement principles are the same, the charts highlight slight procedural differences—for example, works procurement typically places more emphasis on technical capacity, site visits, and detailed Bills of Quantities.

Both figures emphasize critical control points where approvals are required from the Procurement Committee (PC) or Accounting Officer (AO), ensuring compliance, transparency, and proper oversight. Together, the two flow charts guide PEs to conduct a structured, competitive, and compliant process that leads to the selection of contractors, suppliers, and service providers with the required capacity (resources, equipment, personnel, finances) and capability (experience, technical expertise) to deliver value for money.

5.4 Preparation of PEs Requirements

5.4.1 Importance of Defining PEs Requirements

The purpose of any procurement process is to obtain a contractors, supplier or service provider with capacity and capability to deliver in accordance with the requirements of a PE. The success of any procurement process will therefore depend on how well a PE requirements are conveyed to the potential bidders.

Preparing and putting into words a PE's requirements for any procurement is one of the most difficult tasks a PE will undertake and is critical to getting a supplier, contractors or service provider who will be able to deliver. It requires market research, a thorough analysis of the many commercial and legal influences and risks on the subject matter of procurement, and expert technical and management skills. Importantly, it also requires a PE to have a clear understanding of the purpose, goals and objectives from the outset of the procurement process.

5.4.2 Scope of Works

The Scope of Works is a fundamental component of any construction or works-related procurement. It defines **what is to be done, how it is to be done, and the expected outputs or deliverables**. A well-articulated Scope of Works ensures that all bidders clearly understand the PE's requirements, enabling them to prepare responsive and comparable bids.

A clearly defined scope is essential because it establishes a common understanding among all stakeholders—designers, contractors, supervisors, and the PE—of the tasks, quantities, standards, and performance requirements of the project.

Defining the scope can, however, be difficult in complex projects. Challenges often arise from incomplete technical information, unclear objectives, evolving requirements, or differing interpretations by stakeholders. If not addressed, these gaps may lead to disputes, variation orders, delays, or cost escalations during contract execution.

To avoid these risks, PEs must ensure that the Scope of Works is complete, precise, and based on adequate technical inputs. This includes incorporating detailed **drawings, specifications, Bills of Quantities (BOQs)**, and any other documents necessary to accurately describe the required works. **Table 5.2-** explains how these technical documents support the process of defining a comprehensive and accurate Scope of Works.

Table 5.2: Works Requirements

Section	Content
Bill of Quantities:	<p>The Bill of Quantities (BOQ) is a key document used in the procurement of works. It itemizes and quantifies all the materials, labour, and activities required to complete the project as defined in the drawings, specifications, and Scope of Works. A well-prepared BOQ enables bidders to price the works accurately and allows for transparency and comparability during bid evaluation.</p> <p>BOQs translate the technical design into measurable quantities. Each item is described clearly and assigned a unit of measurement, enabling bidders to assess the extent of work and provide competitive rates. This ensures that bids are based on the same assumptions, reducing the risk of large price variations arising from differing interpretations.</p> <p>For the PE, the BOQ is an essential tool for cost control. It provides the basis for evaluating financial bids, monitoring progress, valuing interim payment certificates, and managing variations during contract execution. A complete and accurate BOQ therefore contributes significantly to effective project planning, budgeting, and contract management.</p> <p>To achieve these benefits, BOQs must be prepared by qualified personnel using standard measurement methods. They should reflect all elements of the works and align fully with the drawings and technical specifications. Incomplete or poorly prepared BOQs can lead to inaccurate pricing, disputes, and cost overruns.</p>
Daywork Schedule	<p>Daywork Schedules are provisions in the Bill of Quantities (BOQ) that allow certain categories of work to be paid for based on actual inputs rather than pre-measured quantities. They are used only for tasks that cannot be accurately defined, quantified, or priced at the time of tendering, such as unforeseen repairs, emergency interventions, or small irregular works that arise during contract execution.</p> <p>Under Daywork arrangements, the contractor is reimbursed according to pre-agreed rates for labour, equipment, and materials, all of which are included in the Daywork Schedule that forms part of the bidding documents. These rates become binding once the contract is awarded and form the basis for valuing Daywork during implementation.</p> <p>Daywork Schedules serve several critical functions:</p> <ul style="list-style-type: none"> • Management of Unforeseen Work: They provide a fair and transparent mechanism for valuing work that cannot be measured in advance. • Risk Mitigation: They reduce unnecessary contingencies in contractor pricing and support realistic bid prices. • Flexibility and Responsiveness: They enable the PE to instruct urgent or minor tasks without triggering contract amendments or new procurement actions. <p>Types of Daywork Schedules</p> <p>Daywork Schedules are typically structured into three main categories, each with its own method of valuation:</p>

Section	Content
	<p>Labour Daywork Schedules: This schedule sets out hourly or daily rates for different categories of labour—including skilled workers, semi-skilled workers, and unskilled labourers. The rates normally include:</p> <ul style="list-style-type: none"> • basic wages, • statutory contributions, • overheads and profit, • small tools and incidental expenses. <p>Labour Daywork is used when additional labour is required for tasks not foreseen in the BOQ, such as minor demolitions, repairs, or adjustments.</p> <p>Equipment (Plant) Daywork Schedules: These schedules provide hourly or daily hire rates for construction equipment and plant—such as excavators, rollers, concrete mixers, water bowlers, and loaders—used on Daywork activities. Rates typically include:</p> <ul style="list-style-type: none"> • ownership costs, • fuel and lubricants, • operator wages (unless priced separately), • maintenance, depreciation, and overheads. <p>This type is essential for unforeseen work requiring mechanical intervention, especially on civil works and infrastructure projects.</p> <p>Materials Daywork Schedules: These schedules list the types of materials likely to be used in Daywork tasks—such as cement, aggregates, timber, pipes, fittings, and repair components—along with guidelines for reimbursement based on actual cost supported by supplier invoices.</p> <p>Materials are usually paid at:</p> <ul style="list-style-type: none"> • actual invoiced cost, plus • a pre-agreed percentage for handling, transport, and overheads. <p>This ensures transparency and prevents inflated material pricing during implementation.</p> <p><u>Administration and Control of Daywork</u></p> <p>Because Daywork is based on actual inputs rather than competitive unit rates, strict controls are essential. To ensure proper use:</p> <ul style="list-style-type: none"> • Daywork may only be done on written instruction from the Engineer or Supervising Authority. • The contractor must maintain daily records of labour hours, equipment used, and materials consumed. • Records must be verified and signed daily by both the contractor and the PE's site representative. • Payments must strictly follow the pre-agreed Daywork rates in the contract. Daywork should be used sparingly. When properly managed, it provides flexibility and maintains transparency, fairness, and value for money.
Provisional Sums:	Provisional Sums are specific amounts included in the BOQ to cover work, services, or items whose details are not fully defined at the time of preparing the procurement documents. They provide flexibility for the PE to address components

Section	Content
	<p>of the project that are foreseen but cannot be accurately quantified or specified during the design phase.</p> <p>A Provisional Sum does not represent unknown costs; rather, it is a controlled allowance for clearly anticipated works whose scope will be determined during contract execution. Examples include relocation of utilities, specialist installations, testing and commissioning services, or works dependent on site conditions that can only be confirmed once construction begins.</p> <p>Provisional Sums serve several important purposes:</p> <ul style="list-style-type: none"> • Flexibility: They allow the PE to deal with necessary but uncertain items without delaying the procurement process. • Risk Management: They reduce the need for excessive contingencies in contractor pricing, thereby improving value for money. • Control: They ensure that expenditure on undefined items is monitored and approved through a formal process during implementation. <p>Provisional Sums must be clearly identified in the BOQ, usually under a dedicated section, and should specify the nature of the anticipated works or services. During contract execution, the use of Provisional Sums must be authorized by the Contract Manager or Supervising Authority, supported by actual measurements, quotations, or instructions, and certified for payment based on the scope eventually defined.</p> <p>It is important that Provisional Sums are used sparingly and only where justified. Excessive or poorly defined Provisional Sums can create ambiguity, weaken cost predictability, and lead to disputes or misinterpretation. When properly applied, however, they provide a practical mechanism to manage uncertainties while maintaining transparency, fairness, and budget control.</p>
Prime Cost (PC) Sums	<p>Prime Cost (PC) Sums are allowances included in the BOQ to cover the supply of specific materials, fittings, or items whose exact type, model, or price cannot be determined at the time of preparing the procurement documents. Unlike Provisional Sums, which relate to undefined works or services, PC Sums relate specifically to materials or goods to be selected by the PE during contract execution.</p> <p>PC Sums provide the PE with the flexibility to choose particular items—such as tiles, sanitary fittings, electrical fixtures, doors, or finishes—after the contract has been awarded, based on quality, design preference, or availability. They ensure that the contractor prices only the installation, handling, and associated works, while the actual cost of the selected materials is paid at the confirmed supplier price.</p> <p>PC Sums perform several important functions in the procurement and implementation process:</p> <ul style="list-style-type: none"> • Design Flexibility: They allow final selection of finishes or materials when design decisions are still being finalized. • Cost Transparency: They separate the cost of materials from the contractor's overheads and profit, ensuring fair and competitive pricing. • Quality Assurance: They enable the PE to specify high-quality or specific branded items during implementation without affecting the competitive bidding process. <p>When payment is made, the contractor is reimbursed based on the actual cost of the selected items, supported by invoices or quotations, plus a pre-agreed percentage for handling, delivery, or installation as stipulated in the contract.</p>

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	<p>For effective use, PC Sums must:</p> <ul style="list-style-type: none"> • Be clearly identified in the BOQ; • Specify the category or type of item to be supplied; • Be used only where design or material selection cannot reasonably be finalized before tendering; • Be supported by proper documentation and approval prior to ordering; and • Be administered with strict transparency and financial discipline. <p>PC Sums should be used judiciously. Overuse can lead to a fragmented BOQ, loss of cost control, and increased administrative effort during contract execution. When applied correctly, however, PC Sums enhance flexibility, maintain competitive tendering, and help achieve the desired quality and functionality of the finished works.</p>
Specifications	<p>Specifications describe the qualitative and performance requirements of the works. They set out the standards of materials, workmanship, testing procedures, installation methods, and functional requirements that the contractor must meet. While drawings define <i>what</i> is to be built, specifications define <i>how</i> it must be built and the level of quality to be achieved.</p> <p>Good specifications ensure that all bidders base their proposals on the same expectations regarding materials, finishes, tolerances, safety requirements, and performance criteria. This enhances fairness, comparability, and accuracy during bid preparation and evaluation. Specifications also provide the benchmark for assessing compliance during construction, supervision, quality control, and contract administration.</p> <p>Specifications should be clear, complete, and free from brand bias, unless justified. They must align with the drawings, BOQ, and project objectives to avoid contradictions or ambiguities that may lead to disputes or substandard work..</p>
Environmental, Social, Health and Safety Requirements	<p>Environmental, Social, Health and Safety (ESHS) requirements form an essential part of the PE's project requirements for works and related services. These requirements ensure that the contractor conducts all activities in a manner that safeguards the environment, protects workers and surrounding communities, promotes social responsibility, and complies with national laws and regulations. They also align project delivery with best practices in sustainable and responsible construction.</p> <p>ESHS requirements must be explicitly stated in the bidding documents so that bidders understand their obligations, plan appropriate mitigation measures, and price these requirements accurately in their bids.</p> <p>Key Components of ESHS Requirements</p> <p>ESHS requirements typically include the following elements:</p> <p>Environmental Protection Measures: The contractor must adopt practices that minimize negative environmental impacts during construction. These may include:</p> <ul style="list-style-type: none"> • controlling dust, noise, and emissions; • proper handling, storage, and disposal of waste; • protection of vegetation, water bodies, and wildlife; • erosion and sediment control measures; • responsible sourcing and use of materials.

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	<p>Environmental measures help reduce degradation and ensure compliance with national environmental management regulations.</p> <p>Social Safeguards: These requirements ensure that the project does not harm surrounding communities and that the contractor operates with respect for human rights and social norms. They typically cover:</p> <ul style="list-style-type: none"> • prevention of child labour, forced labour, and exploitation; • fair treatment of workers and communities; • grievance redress mechanisms for workers and affected people; • community engagement and communication plans; • protection of cultural heritage resources. <p>Proper social safeguards promote inclusion, equity, and community acceptance of the project.</p> <p>Health and Safety Standards: Contractors must ensure a safe working environment for all personnel. Health and safety obligations commonly include:</p> <ul style="list-style-type: none"> • providing personal protective equipment (PPE); • enforcing safety protocols and site access controls; • accident prevention and emergency response procedures; • safe use of machinery, tools, and hazardous materials; • first-aid facilities and trained safety officers on site. <p>Strong health and safety management minimizes accidents and ensures project continuity.</p> <p>Labour Management and Worker Welfare: ESHS requirements also extend to worker rights and welfare, including:</p> <ul style="list-style-type: none"> • fair wages and working hours; • proper accommodation where applicable; • access to clean water and sanitation facilities; • non-discrimination and equal opportunity; • protection against sexual exploitation, abuse, and harassment (SEA/SH). <p>These provisions ensure compliance with labour laws and international labour standards.</p> <p><u>Implementation and Monitoring of ESHS Requirements</u></p> <p>For effective implementation, the procurement documents should require bidders to submit:</p> <ul style="list-style-type: none"> • an ESHS Management Plan, • a Code of Conduct for workers (particularly addressing SEA/SH), • details of ESHS-qualified personnel, and • proposed mitigation and monitoring measures. <p>During contract execution:</p> <ul style="list-style-type: none"> • the contractor must implement the approved ESHS measures, • the PE or supervising consultant must monitor compliance through inspections and reporting, and • non-compliance should trigger corrective actions or contractual penalties where necessary.

Section	Content
	<p><u>Importance of Integrating ESHS Requirements</u></p> <p>Including ESHS requirements in the procurement process results in:</p> <ul style="list-style-type: none"> • safer and healthier worksites, • reduced environmental impacts, • improved social outcomes for communities, • enhanced reputation and sustainability of public investments, and • alignment with national legal frameworks and international development partner standards.
Drawings	<p>Drawings provide the visual and dimensional representation of the works to be executed. They show the layout, size, location, form, and spatial relationships of the various project components. Through plans, elevations, sections, and detailed sketches, drawings translate the project concept into a technical format that bidders can interpret and price accurately.</p> <p>Well-prepared drawings eliminate guesswork by illustrating exactly what is to be constructed and how the elements fit together. They support bidders in preparing realistic construction methodologies, estimating material quantities, and identifying technical risks. During implementation, drawings serve as the primary reference for site engineers, supervisors, and contractors, ensuring that the works executed are consistent with the intended design.</p> <p>Because drawings are foundational to defining the Scope of Works, they must be complete, clear, and prepared by qualified professionals. Any gaps or inconsistencies may lead to misunderstandings, variation orders, delays, or cost overruns.</p>

5.4.3 Scope of Supplies

The Scope of Supplies defines the goods and related services that the PE intends to procure. It specifies what is to be supplied, in what quantity, to what quality standards, and under what delivery conditions, ensuring that bidders clearly understand the PE's requirements.

These supply requirements originate from requisitions submitted by the User Departments and must be consolidated and translated into clear, complete, and accurate bidding documents. A well-defined Scope of Supplies enables bidders to prepare responsive offers and helps the PE to evaluate bids fairly and objectively.

The Scope of Supplies typically includes the Schedule of Requirements, Technical Specifications, Drawings (where applicable), and the List of Inspections and Tests to be carried out before acceptance. These elements ensure that goods delivered meet the intended performance standards and satisfy the operational needs of the PE, as summarized in Table 5.3.

Table 5.3: Contents of Scope of Supplies

Section	Content
Schedule of Requirements	<p>The Schedule of Requirements is a key component of the bidding documents and must be prepared by the PE to clearly define the goods and related services to be supplied. At a minimum, it should provide a detailed description of the items to be procured and the required delivery schedule.</p> <p>The primary purpose of the Schedule of Requirements is to provide bidders with sufficient and accurate information to enable them to prepare responsive bids—particularly the Price Schedule. It also serves as the reference point for evaluating any quantity variations that may arise at the time of contract award.</p> <p>The Schedule of Requirements typically includes:</p> <ol style="list-style-type: none"> 1. List of Goods and Related Services: A detailed listing of all items to be procured, including quantities, units of measure, and any associated services such as installation, commissioning, training, or after-sales support. 2. Delivery and Completion Schedule: The required delivery timelines, destinations, installation periods, and any phased or partial deliveries expected under the contract. <p>To ensure consistency, clarity, and compliance with the PPDA Act and Regulations, PEs must use the standard formats provided in the SBDs for Goods issued by PPDAA.</p>
Technical Specifications	<p>Technical Specifications (TS) define the technical characteristics, performance requirements, and quality standards of the goods and related services to be procured. They form the foundation upon which bidders prepare their technical proposals and the basis upon which the PE determines the technical responsiveness of bids.</p> <p>The PE must prepare detailed, clear, and comprehensive TS, taking into account the following principles:</p> <ol style="list-style-type: none"> 1. Technical Specifications as Evaluation Benchmarks: TS serve as the criteria against which the PE verifies whether bids meet the required technical standards. Well-prepared TS facilitate the preparation of responsive bids and support an objective, fair, and transparent evaluation and comparison of bidding documents. 2. Requirement for New and Current Goods: Unless expressly stated otherwise, TS must specify that all goods supplied shall be new, unused, of the latest model, and incorporate recent improvements in design, efficiency, and materials. 3. Use of Best Practices in Drafting Specifications: PEs should rely on recognized best practices and use examples from successful and similar procurements in the country or sector. Metric units should be used consistently throughout the specifications for clarity and standardization. 4. Standardization Where Appropriate: Standardized TS may be beneficial for commonly procured goods or repetitive purchases. However, specifications must remain broad enough to avoid excluding acceptable workmanship, materials, or equipment commonly used in manufacturing similar goods.

Section	Content
	<p>5. Avoiding Restrictive Specifications: TS must not be restrictive or biased. Where possible, they should reference internationally recognized standards. Brand names, catalogue numbers, or references to specific manufacturers should be avoided. If such references are unavoidable, they must be followed by the phrase “or substantially equivalent” to preserve fair competition. When other national or industry standards are cited, the TS should state that other standards offering substantially equal quality and performance will be accepted.</p> <p>6. Content of Technical Specifications: TS must be fully descriptive and should cover, as applicable:</p> <ul style="list-style-type: none"> • Standards of materials and workmanship required for manufacturing the goods; • Types and number of tests required to verify conformity; • Any related works or services required to complete delivery (e.g., installation, commissioning, training); • Activities to be performed by the Supplier and the PE’s expected participation; • Functional guarantees covered by the warranty, and corresponding liquidated damages for non-performance. <p>Technical Specifications must clearly state all essential technical and performance requirements, including guaranteed or acceptable maximum and minimum values. Where necessary, the PE should include an additional bidding form (as an attachment to the Bid Submission Sheet) for bidders to provide detailed information on compliance with the specified technical and performance parameters.</p>
Drawings	<p>Depending on the nature of the procurement, it may be necessary to supplement the technical specifications with drawings that show the shape, dimensions, layout, and other physical characteristics of the goods or items to be supplied. For example, in the procurement of furniture, the drawings may illustrate the form, size, joinery details, finish, placement, and assembly arrangement.</p> <p>Purpose and Benefits:</p> <ul style="list-style-type: none"> • Drawings eliminate ambiguity by providing visual representation of the item(s) to be supplied, ensuring bidders understand exactly what is required. • They support accuracy in pricing and production by allowing bidders to determine the correct quantities, tolerances, finishes, and interfaces with other items. • For the PE, they become the benchmark against which delivered goods are verified, reducing disputes and enabling clearer acceptance criteria. <p>When to Include Drawings:</p> <ul style="list-style-type: none"> • Where geometry, proportion, fit-out, or installation conditions are critical (e.g., furniture, bespoke equipment, architectural or built-in items). • Where multiple items must interface, be assembled, or installed in a specific configuration. • Where referencing drawings improves clarity rather than relying solely on descriptive text.

Section	Content
	<p>Integration with Specifications:</p> <ul style="list-style-type: none"> • Drawings should be clearly referenced in the Technical Specifications and the Schedule of Requirements. • Each item described in the specifications that has a drawing should cite the drawing number, revision, and version date. • Where drawings are used, the bidder should be required to confirm compliance with both specifications and drawings. <p>Best Practice Tips:</p> <ul style="list-style-type: none"> • Use standard formats and scales for drawings wherever practical to facilitate comparability. • Provide drawings as part of the bidding document package so that all bidders receive the same information simultaneously (ensuring fairness). • Avoid using drawings alone without descriptive text—drawings should complement, not replace, detailed technical requirements. • If changes to drawings are made after tendering (addenda), ensure all bidders are notified and given adequate time.
List of Inspections and Tests	<p>To ensure that the goods delivered meet the required quality, safety, and performance standards, the PE must specify, in the bidding documents, the full list of inspections and tests that will be carried out before acceptance. These inspections and tests form part of the contractual requirements and provide bidders with clarity on how compliance will be verified.</p> <p>A well-defined inspection and testing regime reduces the risk of receiving substandard goods and helps ensure that all supplied items conform to the technical specifications and contractual obligations.</p> <p>The List of Inspections and Tests should clearly outline the following:</p> <ol style="list-style-type: none"> 1. Items Subject to Inspection and Tests: A detailed list of goods or components that must undergo inspection or testing—whether at the manufacturing plant, at the port of entry, or upon delivery to the PE. This ensures that both common items and critical components are tested appropriately. 2. Type of Inspection or Tests and Applicable Standards: The specific tests required (e.g., functional tests, stress tests, quality checks, safety tests) and the standards they must meet (e.g., ISO, ASTM, national standards). Referencing recognized standards ensures objectivity and comparability. 3. Location of Inspection and Tests: The designated place where inspections or tests will occur—such as the supplier's factory, third-party laboratories, customs warehouses, or the PE's premises. This helps the supplier plan logistics and ensures testing occurs at the appropriate stage. 4. Inspection Agency Requirements: Whether an independent inspection agency is required, and if so, the criteria or qualifications for such an agency. This may include internationally accredited bodies for specialized goods or complex equipment. 5. Timing of Inspection and Tests: When inspections will occur—for example, before shipment, upon arrival, pre-delivery, post-installation, or at commissioning. Clear timing helps suppliers prepare and helps the PE maintain project timelines.

Section	Content
	<p>6. Notifications or Documentation from the Supplier: Requirements for advance notice prior to inspection, including production schedules, certificates of conformity, factory acceptance test (FAT) reports, calibration reports, or shipping documents.</p> <p>7. Provision of Samples for Inspection: Whether samples must be submitted for testing, including sample size, sampling procedures, and return/disposal of tested samples.</p> <p>8. Cost Arrangements for Inspection and Re-inspection: A clear indication of who bears the cost of inspection—whether the supplier, the PE, or shared costs. It should also specify who bears re-inspection costs in cases of non-conformity (typically the supplier).</p> <p>9. Any Other Relevant Details: Additional information such as packaging inspection requirements, warranty verification, installation tests, commissioning protocols, serial number recording, and record-keeping obligations.</p>

5.4.4 Scope of Non-Consultancy Services

When a PE intends to procure non-consultancy services, it must prepare a clear and comprehensive **Scope of Non-Consultancy Services**. This scope defines the **nature of the services**, the **expected quality and performance requirements**, and the **duration or timeline** for service delivery. Its purpose is to ensure that bidders fully understand what the PE requires and can prepare responsive and competitive proposals.

Non-consultancy services typically cover operational, maintenance, logistical, support, or routine service functions such as cleaning, security, catering, transport, maintenance, ICT support, event management, printing, and similar assignments. Because these services are performance-driven and often involve measurable outputs, the scope must be explicit, detailed, and aligned with the PE's operational needs.

To achieve clarity and effectiveness, the Scope of Non-Consultancy Services must:

- Clearly outline the tasks or activities to be performed and the expected service levels;
- Specify standards of quality, reliability, response times, availability of personnel or equipment, and any mandatory compliance requirements;
- Indicate the duration, frequency, and conditions under which services will be provided;
- Provide all necessary contextual information—such as site conditions, access requirements, or operational constraints—that would affect service delivery; and
- Ensure that bidders have adequate information to estimate costs, mobilize resources, and propose realistic work plans.

The scope should also be consistent with the technical, financial, and contractual requirements that appear in other sections of the bidding documents. This helps avoid ambiguity, promotes fair competition, and strengthens the PE's ability to evaluate bids and monitor performance during contract execution. The elements that make up the Scope of Non-Consultancy Services are summarized in **Table 5.4**.

Table 5.4: Components of Scope of Non-Consultancy Services

Section	Content
Activity Schedule	<p>The Activity Schedule is a key component of the bidding documents for non-consultancy services. It provides bidders with a structured breakdown of the services to be performed and serves as an essential tool for both bid preparation and contract administration.</p> <p>The objectives of the Activity Schedule are:</p> <ul style="list-style-type: none"> • to provide bidders with sufficient and accurate information on the quantities, frequency, and nature of the services required so they can prepare realistic, efficient, and competitive bids; and • once the contract is awarded, to provide a priced and disaggregated schedule that enables the PE to value the services performed during each payment period, monitor progress, and manage performance objectively. <p>To achieve these objectives, the Activity Schedule must be prepared with clarity and adequate detail. Services should be itemized in a manner that:</p> <ul style="list-style-type: none"> • Distinguishes between different categories or types of activities; • Separates similar services performed in different locations, time periods, or conditions where cost implications differ; • Identifies any recurring, periodic, or on-call tasks; and • Reflects the actual operational needs and service delivery arrangements of the PE. <p>Despite requiring sufficient detail to support accurate pricing and transparent performance monitoring, the Activity Schedule should remain simple, well-structured, and concise. A clear and organized layout helps bidders understand the scope quickly and reduces the risk of misinterpretation, omissions, or inconsistent pricing.</p> <p>A properly prepared Activity Schedule strengthens the competitive bidding process, supports value-for-money decisions, and provides a reliable basis for contract management, payment, and supervision throughout the duration of the service contract.</p>
Day-work Schedule	<p>A Day-work Schedule is included in the bidding documents only when there is a significant likelihood of unforeseen tasks that cannot be accurately quantified or fully defined at the time of preparing the Activity Schedule. These may include emergency interventions, unexpected repairs, or additional services arising from operational conditions. The purpose of the Day-work Schedule is to provide a transparent and pre-agreed mechanism for valuing such work during contract execution.</p> <p>To enable the PE to assess the realism and competitiveness of the rates quoted by bidders, the Day-work Schedule should contain the following key elements:</p> <ol style="list-style-type: none"> 1. List of Day-work Items: A detailed list of the various classes of services, labour categories, materials, and equipment (plant) for which Day-work rates must be provided. This list should be accompanied by a clear statement of the conditions under which payment will be made on a Day-work basis. The description should specify: <ul style="list-style-type: none"> • the circumstances under which Day-work may be authorized,

Section	Content
	<ul style="list-style-type: none"> documentation required (e.g., daily work sheets), supervision and verification requirements, and the method of measurement or time recording. This ensures that both the PE and bidders understand exactly how Day-work will be administered. <p>2. Nominal Quantities and Bidder Pricing: The schedule should assign nominal quantities for each Day-work item. Bidders must price these quantities using their proposed Day-work rates. The rates quoted for each item must include the Service Provider's:</p> <ul style="list-style-type: none"> profit, overheads, supervision costs, and all other associated charges. <p>Including these components ensures that the Day-work rates are comprehensive, transparent, and comparable across bidders. It also prevents disputes during contract execution about what is included in the rate.</p> <p>A well-prepared Day-work Schedule provides a structured, fair, and flexible method for valuing unpredictable or irregular tasks that may arise. It allows the PE to maintain cost control, ensures transparency in pricing, and supports efficient contract administration—while avoiding unnecessary contingencies or inflated bid prices for uncertain items.</p>
Provisional Sums	<p>Provisional Sums are included in the Activity Schedule to cover the estimated cost of specialized services or specific goods that will be provided by other service providers and whose exact scope cannot be fully defined at the time of bidding. Each provisional sum should be clearly identified and briefly described in the Activity Schedule.</p> <p>Procurement of such specialized service providers is normally carried out separately by the Employer. However, to maintain competition among bidders for any support, facilities, or attendance they must provide to these specialist providers, each provisional sum should be followed by an item inviting bidders to quote the cost of these associated services. This ensures fairness, transparency, and consistency in the pricing of support services required during contract execution.</p>
Performance Specifications and Drawings	<p>Clear and precise performance specifications are essential to enable bidders to prepare realistic, responsive, and competitive bids. Well-defined specifications ensure that bidders fully understand the standards of workmanship, materials, and performance required by the Employer, without the need to qualify or condition their offers. In international competitive bidding, specifications must be drafted to allow the widest possible competition, while still presenting a clear and unambiguous statement of the required performance levels for the goods or services to be procured.</p> <p>Properly prepared performance specifications support the core procurement objectives of economy, efficiency, fairness, and transparency, and greatly simplify the task of evaluating bids. Specifications must require that all goods and materials incorporated in the services be new, unused, of the most recent model, and include any current improvements in design and materials, unless otherwise stated in the contract.</p>

Section	Content
	<p>Although sample specifications from previous similar projects may provide a useful reference, specifications must generally be tailored for each procurement to reflect the specific needs, technical context, and operational environment of the contract. There is no universal set of specifications applicable to all sectors; however, established best-practice principles should always guide their preparation.</p> <p>Any applicable environmental and social (ES) requirements must also be clearly specified. These requirements should be consistent with the General Conditions of Contract (GCC), the Particular Conditions (PCC), and other parts of the bidding documents to avoid conflicts or duplication.</p> <p>When drafting specifications, care must be taken to ensure they are not restrictive. Recognized international standards should be used whenever possible. Where national or other specific standards are referenced, the specifications should explicitly state that goods, materials, services, and workmanship that meet equivalent or superior authoritative standards will also be accepted. This approach preserves fairness, promotes competition, and ensures that quality requirements are met without unduly limiting the range of acceptable solutions.</p> <p>Drawings, where required, should be included to illustrate layouts, dimensions, and configuration details that support the performance specifications. These drawings must be consistent with the text of the specifications and should be prepared in standard, easy-to-interpret formats.</p>

5.5 Preparation of Specifications

5.5.1 Importance of Specifications

Specifications are a critical foundation of the procurement process. They define the PE's exact requirements and provide a common understanding for all bidders. Clear and well-developed specifications enable suppliers to prepare accurate and responsive bids, thereby supporting fair and open competition in accordance with PPDA Act.

Well-crafted specifications ensure that the goods, works, or services procured meet the desired quality standards and are fit for their intended purpose. They also help prevent the supply of substandard or unsuitable products by setting measurable performance and technical expectations. In addition, precise specifications reduce ambiguity and the potential for disputes during contract execution, thereby strengthening risk management and contributing to successful contract outcomes.

5.5.2 Types of Specifications

Specifications define the technical, functional, and performance requirements for the goods, works, or services to be procured. They establish the standards that bidders must meet and ensure that the items or services procured are suitable for the PE's operational needs. Because different procurements require different levels of detail and approaches, various types of specifications may be developed and applied depending on the nature and complexity of the assignment.

Table 5.5 summarizes the main types of specifications commonly used in procurement. These provide clear guidance to bidders, promote fair competition, and support the PE in obtaining quality, reliable, and fit-for-purpose goods, works, and services.

Table 5.5: Types of Specifications

Type of Specifications	Description
Performance Specifications	<p>Performance specifications describe the expected results or functional outcomes of the goods, works, or services to be procured, without prescribing the exact methods, materials, or processes to be used. They focus on <i>what</i> the final product or service must achieve rather than <i>how</i> it should be produced or delivered.</p> <p>By defining the required performance standards—such as durability, capacity, efficiency, reliability, or service levels—performance specifications give suppliers the flexibility to propose innovative or cost-effective solutions, provided they meet the stated criteria. This approach encourages creativity, supports technological advancement, and broadens competition among bidders.</p> <p>Examples</p> <ul style="list-style-type: none"> • <i>A generator must supply continuous power for 8 hours at minimum 20 kVA, with fuel consumption not exceeding 3 L/hour.</i> • <i>Water pumps must deliver a minimum flow rate of 50 litres per minute at a head of 30 metres.</i> • <i>Air conditioners must reduce room temperature from 32°C to 24°C within 15 minutes in a 30 m² room.</i> • <i>LED lights must have a luminous efficacy of at least 120 lm/W and lifespan of 50,000 hours.</i> • <i>Vehicles must achieve a fuel efficiency of at least 15 km/litre under normal driving conditions.</i>
Functional Specifications	<p>Functional specifications describe what a product, service, or system is expected to <i>do</i>, focusing on its intended purpose and operational use. Rather than detailing technical characteristics, they outline the functions, outputs, or capabilities that the procured item must deliver.</p> <p>This type of specification helps ensure that the solution provided meets the actual needs of the PE by defining the required functionality, performance conditions, and user expectations. It also allows suppliers to propose different technical approaches, as long as the required function is achieved effectively.</p> <p>Example:</p> <ul style="list-style-type: none"> • <i>The accounting software must generate financial statements, including balance sheets and income statements, automatically.</i> • <i>The security system must detect motion, record footage, and send real-time alerts to the control room.</i> • <i>The smartphone must support biometric authentication (face or fingerprint).</i> • <i>The water treatment unit must remove at least 95% of suspended solids from raw water.</i> • <i>The HR system must allow staff to apply for leave online and managers to approve or reject requests digitally.</i>
Technical Specifications	<p>Technical specifications provide detailed and precise requirements relating to the materials, components, standards, dimensions, workmanship, and methods to be used in delivering the required goods, works, or services. They describe how an</p>

Type of Specifications	Description
	<p>item must be manufactured, installed, constructed, or delivered, ensuring that the final output meets defined quality and safety standards.</p> <p>These specifications typically reference established technical standards and industry norms, and they are essential for procurements that require strict engineering, manufacturing, or performance criteria. By clearly outlining these parameters, technical specifications ensure that all bidders base their offers on the same technical expectations, making evaluation objective and consistent.</p> <p>Example:</p> <ul style="list-style-type: none"> • <i>The air compressor must have a tank capacity of 100 litres, operating pressure 8–10 bar, and a 2.5 kW motor.</i> • <i>Reinforcement bars must be Y12 high-yield steel complying with BS 4449 standards.</i> • <i>Desktop computers must have Intel Core i7, 16GB RAM, 512GB SSD, and Gigabit Ethernet.</i> • <i>Pipes must be UPVC class D, diameter 110 mm, meeting ISO 1452.</i> • <i>Cement must comply with EN 197-1: CEM II/A-L 42.5N.</i>
Design Specifications	<p>Design specifications provide detailed, prescriptive instructions on the exact materials, dimensions, layouts, components, and methods that must be followed in delivering the required goods, works, or services. They leave little room for variation, as they specify <i>precisely how</i> the final product or output should be constructed or assembled.</p> <p>These specifications are used when the PE requires uniformity, strict adherence to a predetermined design, or compliance with established engineering or architectural requirements. Because they define every aspect of the design, they ensure consistency and reduce the risk of deviations during implementation.</p> <p>Example:</p> <ul style="list-style-type: none"> • <i>Classroom furniture layout must provide 1.2 m spacing between student desks arranged in four rows.</i> • <i>The perimeter fence shall be 2.4 m high, constructed using chain-link mesh, 50 mm diamond, with concrete posts at 3 m intervals.</i> • <i>Road pavement shall consist of 150 mm sub-base, 100 mm base course, and 40 mm asphalt wearing course.</i> • <i>Office desks must be 1.5 m × 0.75 m, made from 18 mm laminated MDF, with lockable drawers.</i> • <i>Building windows must be aluminium framed, sliding type, with 6 mm clear float glass.</i>
Material Specifications	<p>Material specifications define the type, quality, properties, and standards of the materials required for a particular procurement. They ensure that all materials used in the goods, works, or services meet minimum performance and safety requirements and are suitable for their intended purpose.</p> <p>These specifications typically describe characteristics such as composition, strength, durability, finish, grade, and compliance with relevant national or international standards. By clearly stating the required material properties, the PE</p>

Type of Specifications	Description
	<p>ensures consistency, facilitates objective evaluation, and reduces the risk of low-quality or incompatible materials being supplied.</p> <p>Example:</p> <ul style="list-style-type: none"> <i>All electrical cables must comply with IEC 60228 standards, be copper-cored, PVC-insulated, and rated for a minimum operating temperature of 70°C.</i> <i>All timber shall be seasoned hardwood, moisture content ≤ 12%, grade Class I.</i> <i>Bitumen for road works must be 60/70 penetration grade, meeting ASTM D946.</i> <i>Paint shall be lead-free acrylic, with minimum coverage of 10 m² per litre.</i> <i>Aggregates shall be crushed granite, size 10–20 mm, complying with BS 882.</i> <i>Roofing sheets must be gauge 28 galvanized steel, zinc coating 275 g/m²</i>
Method Specifications	<p>Method specifications outline the exact procedures, processes, and techniques that must be followed in delivering the required goods, works, or services. They prescribe <i>how</i> an activity must be carried out, detailing the sequence of operations, equipment to be used, quality controls, safety measures, and any mandatory steps required to achieve the intended outcome.</p> <p>These specifications are particularly important where adherence to specific methods is essential for ensuring quality, safety, or compliance with regulatory requirements. By specifying the required procedures, the PE ensures uniformity in execution and reduces the risk of errors or variations that could compromise performance.</p> <p>Example:</p> <ul style="list-style-type: none"> <i>The surface shall be cleaned using a high-pressure water jet at a minimum pressure of 3,000 psi, followed by application of an epoxy primer within 30 minutes of surface preparation.</i> <i>Concrete must be mixed in a ratio of 1:2:4, machine-mixed, and compacted using a vibrator within 30 minutes of mixing.</i> <i>Painting surfaces must be scraped, sanded, cleaned, and primed before applying two coats of finishing paint.</i> <i>Trenches shall be excavated manually to a depth of 600 mm, kept free of water, and backfilled in 150 mm layers.</i> <i>Welding must follow AWS D1.1 procedures using E6013 electrodes.</i> <i>Soil compaction must be carried out in three passes using a 2-ton roller until achieving a 95% Proctor density.</i>
Brand Name or Equal Specifications	<p>Brand Name or Equal Specifications are used when it is necessary to reference a particular brand, product line, or model to describe the minimum acceptable quality, performance, or technical characteristics of the required goods. However, to maintain fairness and competition, such references must always be followed by the words “or equivalent” and accompanied by a description of the essential features or performance requirements.</p> <p>These specifications ensure that bidders are not restricted to supplying only the named brand. Instead, they may propose any alternative product that clearly meets or exceeds the stated functional and performance standards. This approach prevents undue bias, encourages wider participation, and ensures compliance with procurement regulations that prohibit restrictive specifications.</p>

Type of Specifications	Description
	<p>Brand Name or Equal Specifications should be used only when no other reasonable method exists to describe the required quality or performance.</p> <p>Example:</p> <ul style="list-style-type: none"> • <i>The photocopier shall be equivalent to the Canon image RUNNER 2600 Series, or equivalent, with a minimum print speed of 25 pages per minute, automatic duplex printing, and network connectivity</i> • <i>Laptop equivalent to HP ProBook 450 G9, or equivalent, with Intel i7, 16GB RAM, 512GB SSD."</i> • <i>Printer equivalent to Epson EcoTank L3250, or equivalent, capable of ≥ 10 ppm colour printing."</i> • <i>Vehicle similar to Toyota Hilux 2.8L Diesel, or equivalent, 4x4 double cabin."</i> • <i>Router equivalent to Cisco 2900 Series, or equivalent, supporting dual-band Wi-Fi and VPN."</i> • <i>Projector equivalent to Epson EB-X41, or equivalent, with brightness $\geq 3,600$ lumens."</i>
Samples and Demonstration Specifications	<p>Samples and Demonstration Specifications are used when the PE cannot adequately describe certain goods—especially consumables or items with performance characteristics that must be physically verified. In such cases, bidders may be required to provide samples, demonstrations, or evidence of performance to ensure that the proposed items meet the required standards.</p> <p>These specifications are useful for products such as chemicals, laboratory reagents, cleaning agents, fabrics, or other items where appearance, texture, performance, or usability cannot be fully conveyed through written descriptions. The PE may also require certificates of conformity from accredited laboratories or standards bodies to validate that the samples meet specified requirements.</p> <p>Where demonstrations are required, suppliers may be asked to show how the product functions, how it is applied, or how effective it is under actual or simulated conditions. Once approved, samples should be securely stored by the PE and used as a reference for verifying the quality of delivered items during contract execution.</p> <p>Example:</p> <ul style="list-style-type: none"> • <i>Bidders must submit a 500 ml sample of the proposed cleaning detergent together with a certificate of conformity from an accredited laboratory. The sample will be tested for pH level, effectiveness, and dilution ratio."</i> • <i>Bidders must submit 1 kg sample of maize flour for laboratory testing (moisture, colour, grain size).</i> • <i>Provide fabric samples showing colour, texture, and GSM for approval before bulk delivery.</i> • <i>Submit a tile sample (300x300 mm) for slip-resistance and hardness testing.</i> • <i>Provide a demo unit of a biometric attendance system for a live demonstration in the PE's office.</i> • <i>Submit a 1-litre sample of motor oil together with API certification for viscosity testing.</i>

5.5.3 Steps in Developing Specifications

Developing clear, accurate, and comprehensive specifications requires a systematic and well-informed approach. It is not merely a drafting exercise but a process that combines technical knowledge, user needs, market information, and professional judgement. To ensure that the resulting specifications are fit for purpose, aligned with operational needs, and compliant with procurement regulations, a PE should follow a structured sequence of steps.

Table 5.6 outlines the key steps that guide the preparation of effective specifications and help the PE achieve clarity, consistency, and value for money in the procurement process.

Table 5.6: Key Steps in Developing Specifications

Step	Description
Needs Assessment	The first step is to clearly identify the problem to be addressed and the outcomes the procurement aims to achieve. The PE should define the essential requirements needed to support its operational objectives. This ensures that the specifications are purpose-driven, relevant, and tailored to actual needs rather than assumptions
Market Research	After defining the needs, the PE should assess available solutions, technologies, materials, and suppliers. Market research provides insights into pricing trends, product availability, industry standards, and innovative alternatives. This information guides realistic, competitive, and up-to-date specifications.
Drafting Specifications	Using insights from needs assessment and market research, the PE drafts specifications that are sufficiently detailed to guide bidders while still allowing flexibility for innovation. The draft must clearly articulate performance requirements, technical standards, and functional expectations to ensure suppliers fully understand what is required.
Consultation with Technical Experts	Draft specifications should be reviewed by subject-matter experts such as engineers, technicians, end-users, and other specialists. Their input ensures that the specifications are technically sound, practical, and aligned with best practices. This step also helps identify and correct gaps, inconsistencies, or overly restrictive requirements.
Review and Finalization	The Procurement Unit reviews the final draft to ensure clarity, accuracy, and compliance with procurement laws and policies. This includes verifying alignment with the PPDA Act 2018 and ensuring that the specifications promote competition and transparency. Once approved, the final specifications are incorporated into the bidding documents.

5.5.4 Key Considerations in the Preparation of Specifications

When preparing specifications, it is important for PE staff to carefully consider a number of factors that influence the clarity, accuracy, and effectiveness of the final document. These considerations help ensure that the specifications are practical, technically sound, consistent with procurement principles, and aligned with the PE's operational needs. Paying attention to these elements also reduces common pitfalls such as ambiguity, over-specification, or unintended bias.

Table 5.7 outlines the key considerations that should guide PE staff in developing high-quality specifications.

Table 5.7: Key Considerations in the Preparation of Specifications

Factor for Consideration	Explanation
Clarity and Precision	Specifications must use clear, concise, and unambiguous language to avoid misinterpretation. Well-defined requirements help bidders understand exactly what is needed and reduce the risk of disputes during contract execution.
Relevance	Requirements should be directly related to the actual needs and objectives of the PE. Avoid including unnecessary details or overly complex criteria that may increase costs or limit participation without adding value.
Compliance with Standards	Specifications should reference relevant national or international standards to ensure quality, safety, and consistency. Aligning specifications with recognized standards also enhances transparency and fair competition.
Flexibility	While specifications must be sufficiently detailed, they should allow room for innovation. Flexibility enables bidders to propose alternative solutions that meet or exceed the required performance, supporting better value for money.

5.5.5 Testing and Inspections

Testing and inspections are essential components of the procurement process, ensuring that the goods, works, or services delivered comply with the specifications set out in the bidding documents. They provide the PE with assurance that the procured items meet the required technical, functional, and performance standards before acceptance and payment.

To support a transparent and effective quality-control process, the bid documents must clearly state all testing and inspection requirements. These requirements typically include the types of tests to be conducted, inspection methods, the timing and location of inspections, and the personnel responsible for carrying them out. Establishing these requirements upfront helps bidders understand the expected quality standards and factor any related costs or preparations into their bids.

Table 5.8 provides an overview of the testing and inspection requirements that should be included in the bidding documents to guide compliance verification and ensure that the PE receives goods and services that meet the intended specification

Table 5.8: Testing and Inspection Requirements

Requirements for Inclusion in Bid Document	Explanation
Testing requirement	<p>Bid documents should specify all required tests, including the type, method, frequency, and conditions. These tests verify that materials, equipment, or works meet the stated specifications and technical standards.</p> <p>Example:</p> <ul style="list-style-type: none"> • Construction Works: Specify laboratory tests for soil (Atterberg limits, compaction/MDD tests), aggregates (grading, crushing strength), and concrete (slump test, 28-day compressive strength).

Requirements for Inclusion in Bid Document	Explanation
	<ul style="list-style-type: none"> • Electrical Installations: Require insulation resistance tests, continuity tests, and earth-resistance tests before energizing the system. • Supply of Fuel: Require density tests, water contamination tests, and sulfur-content verification using ASTM standards before acceptance.
Inspection Procedures	<p>Define how and when inspections will be conducted, who will perform them, and the acceptance criteria used. This ensures quality control throughout manufacturing, delivery, or execution.</p> <p>Example:</p> <ul style="list-style-type: none"> • Civil Works: Weekly site inspections by the supervising engineer to verify workmanship, safety compliance, and adherence to drawings. • Goods Supply: Pre-shipment inspection at the supplier's warehouse to confirm quantity, labeling, and conformity to technical specifications. • Non-Consultancy Services (Cleaning): Monthly performance inspections to check cleanliness of offices, sanitation facilities, and outdoor areas against agreed service levels.
Acceptance Criteria	<p>Provide clear and measurable criteria that must be met for goods, works, or services to be accepted, including tolerances or performance thresholds.</p> <p>Example:</p> <ul style="list-style-type: none"> • Mechanical Equipment: A generator is accepted only if the load-test shows continuous output at 100% rated capacity without overheating for one hour. • ICT Equipment: Laptops must meet minimum benchmark scores, boot speed, and battery-life thresholds (e.g., 6 hours minimum). • Road Works: A completed gravel layer is accepted only if thickness variation does not exceed ± 10 mm and the compaction level meets 98% Maximum Dry Density (MDD).
Non-Compliance	<p>Describe the actions to be taken if delivered goods or services fail to meet specifications, including requirements for corrective action, re-testing, penalties, or rejection.</p> <p>Example:</p> <ul style="list-style-type: none"> • Construction: If concrete fails compressive strength tests, the contractor must demolish and redo the section at their own cost, including re-testing. • Goods Supply: If supplied computers fail performance tests, the supplier must replace all non-conforming units within 14 days, with penalties applied per day of delay. • Services: If the cleaning service provider fails to meet monthly service standards, payments may be reduced proportionately and repeated non-performance may lead to contract termination

5.5.6 Compliance with National and International Standards

To ensure quality, safety, and consistency, specifications must align with relevant national and international standards. These standards provide established benchmarks for materials, workmanship, testing methods, and performance requirements. Referencing recognized standards also supports fairness and transparency in procurement by ensuring that all bidders design their offers around the same technical expectations.

Depending on the nature of the procurement, the PE should identify and include applicable standards within the specifications. This promotes conformity to industry best practices, reduces the risk of substandard deliveries, and ensures that procured items are compatible with existing systems or regulatory frameworks. **Table 5.9** summarizes the types of standards a PE may incorporate into its specifications.

Table 5.9: Relevant Standards to Comply

Relevant Standards	Explanation (with Example)
National Standards	<p>National standards ensure compliance with the country's technical, safety, and regulatory requirements. They guide acceptable materials, workmanship, testing methods, and performance levels in line with the national legal framework.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Construction Materials: Reinforcing steel must comply with national standards on tensile strength, ductility, and corrosion protection. • Electrical Installations: Electrical wiring and breakers must meet the national electrical code to ensure safe load capacity and proper earthing. • Food Supply Contracts: Packaged food items must comply with national food safety standards issued by the national standards bureau or food safety authority.
International Standards	<p>International standards are referenced when specialized goods, works, or services require adherence to globally recognized benchmarks for performance, safety, and interoperability. These standards enhance reliability, facilitate maintenance, and ensure compatibility with imported systems.</p> <p>Examples :</p> <ul style="list-style-type: none"> • ICT Equipment: Laptops and servers must comply with IEC or ISO standards for electrical safety, electromagnetic compatibility (EMC), and performance. • Medical Devices: Procurement of diagnostic equipment may require compliance with ISO 13485 for quality management in medical devices. • Construction Testing: Asphalt and concrete testing may reference ASTM or AASHTO standards to ensure consistent laboratory testing procedures.
Environmental and Safety Standards	<p>These standards promote environmental protection, sustainable resource use, and occupational health and safety. They ensure that contractors mitigate risks, protect workers, and reduce negative environmental impacts during contract execution.</p>

	<p>Examples:</p> <ul style="list-style-type: none"> • Works Contracts: Contractors must comply with Occupational Health and Safety (OHS) regulations, including use of PPE, hazard identification, and safe scaffolding standards. • Environmental Protection: Projects must comply with environmental regulations requiring erosion control, waste management plans, and environmental impact assessments (EIA). • Chemical and Fuel Handling: Suppliers must meet environmental standards for safe handling, storage, and disposal of hazardous materials, such as fuels, solvents, and industrial chemicals.
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5.5.7 Reviewing Specifications

Specifications should not remain static. Regular review and updating are essential to ensure they remain relevant, accurate, and aligned with the PE's evolving operational needs, technological developments, and legal requirements. Reviewing specifications helps correct shortcomings from previous procurements, incorporate lessons learned, and adapt to changes in industry standards or market conditions.

A structured review process also ensures that specifications continue to support fair competition, value for money, and compliance with procurement laws. Table 5.10 outlines the types of reviews a PE may undertake to maintain high-quality specifications.

Table 5.10: Reviews and Updating of Specifications

Type of Review	Explanation
Periodic Review	Specifications should be reviewed on a regular schedule, especially for frequently procured items or long-term contracts. This ensures they remain up-to-date with current technologies, market prices, and operational requirements.
Stakeholder Involvement	Engaging User Departments, technical experts, and end-users helps ensure that specifications accurately reflect the PE's needs. Their input can highlight practical issues, performance gaps, or areas requiring improvement.
Continuous Improvement	Experience gained from previous procurements should be used to strengthen future specifications. This includes addressing recurring challenges, improving clarity, and integrating lessons learned to enhance quality and performance.
Alignment with Legal Requirements	Specifications must be reviewed to ensure ongoing compliance with procurement laws, industry regulations, and technical standards. This helps avoid inconsistencies and ensures conformity with updated legal or policy frameworks.

5.5.8 Common Challenges in Specification Development

Developing high-quality specifications can be challenging, particularly when balancing clarity, technical accuracy, flexibility, and fairness. PE staff may encounter several common difficulties that can affect the quality of the final specifications and, consequently, the success of the procurement process. Understanding these challenges helps the PE prevent errors that may lead to poor performance, increased costs, or limited competition.

Table 5.11 highlights frequent challenges and how they arise during the preparation of specifications.

Table 5.11: Common Challenges in Specification Development

Challenge	Explanation
Over-Specification	<p>This occurs when specifications are too detailed or unnecessarily restrictive, reducing competition and increasing costs.</p> <p>Examples:</p> <ul style="list-style-type: none"> • ICT Equipment: Requiring laptops to have exactly a 16.5-inch screen instead of allowing a range (e.g., 15–17 inches), thereby excluding most suppliers without improving performance. • Construction Materials: Stating that only cement from a specific country of origin is acceptable, even though locally available cement meets all required standards. • Vehicles Procurement: Requiring a vehicle with a 2.8L engine when a 2.0L engine would perform the same function, increasing both procurement and operational costs.
Under-Specification	<p>Under-specification occurs when requirements are not detailed enough to give suppliers clarity, leading to inconsistent bids and poor-quality outputs.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Office Furniture: Stating "office chairs" without specifying load capacity, material, adjustability, or ergonomic features, resulting in suppliers offering very different quality levels. • Construction Works: Requiring "gravel" without specifying gradation, plasticity, compaction standards, or source, leading to substandard material being delivered. • Cleaning Services: Asking for "daily cleaning" without specifying areas, frequency, materials to be used, or performance standards, making contract management challenging.
Bias Toward Specific Brands or Suppliers	<p>Occurs when specifications directly or indirectly favor a single supplier, harming competition.</p> <p>Examples:</p> <ul style="list-style-type: none"> • ICT Procurement: Stating "HP EliteBook 840 G8" instead of describing performance specifications (processor, RAM, storage, etc.) and adding "or equivalent." • Medical Supplies: Requiring reagents compatible only with a machine from a specific manufacturer, even though multi-brand solutions exist. • Construction Equipment: Stating preference for Caterpillar-brand earthmovers when other standard-compliant brands could perform the same job.
Lack of Stakeholder Input	Occurs when user departments, technical experts, or beneficiaries are not consulted during specification drafting.

	<p>Examples:</p> <ul style="list-style-type: none"> • ICT Department Excluded: Procuring software without consulting IT staff—resulting in incompatibility with existing systems or licenses. • Health Sector Procurement: Buying medical equipment without consulting clinicians or biomedical engineers, leading to unusable or inappropriate devices. • Maintenance Team Ignored: Procuring generators without discussing with maintenance personnel, resulting in equipment that lacks local spare parts or technical support.
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5.5.9 Best Practices for Effective Specifications

To develop high-quality, fair, and practical specifications, PEs should adopt best practices that promote clarity, competition, and value for money. These practices help ensure that specifications accurately reflect the PE's needs while allowing the market to propose efficient and innovative solutions. **Table 5.11** outlines recommended practices that support the development of effective specifications.

Table 5.11: Best Practices for Effective Specifications

Recommended Practice	Explanation
Use Functional and Performance-Based Specifications	Whenever possible, define what the product or service should achieve rather than prescribing technical details. This approach encourages suppliers to propose innovative, cost-effective solutions that meet or exceed the PE's requirements while broadening competition.
Consultation and Collaboration	Engage technical experts, user departments, and procurement professionals during specification development. Their collective knowledge ensures the specifications are practical, technically sound, and aligned with actual operational needs, reducing the likelihood of disputes or revisions later.
Regular Review and Updates	Specifications should be reviewed periodically to remain relevant as technologies evolve, market conditions change, or organizational needs shift. Updating specifications helps ensure that procurement activities continue to reflect current realities and best practices.
Avoid Brand Names	Avoid referencing specific brands unless absolutely necessary for clarity. When a brand name is used, always include “or equivalent” to avoid restricting competition. This ensures compliance with procurement laws and opens the process to a wider pool of capable suppliers.

5.5.10 Incorporating Specifications into Bid Documents

For specifications to be effective, they must be properly integrated into the bid documents in a way that ensures clarity, transparency, and alignment with the overall procurement requirements. Proper incorporation helps bidders understand exactly what is expected and supports fair and objective evaluation of bids. Table 5.12 highlights the main sections of the bid documents where specifications should be included and how they contribute to the overall procurement process.

Table 5.12: Sections of the Bid Documents Where Specifications May Be Incorporated

Section of Bid Document	Refined Explanation
Technical Specifications Section	This section provides a detailed description of all technical requirements, standards, and performance criteria that bidders must meet. It ensures that bidders have a clear understanding of the exact materials, equipment, or services expected, enabling the submission of responsive and competitive bids.
Scope of Work	The Scope of Work outlines what the PE expects to be delivered, including outputs, deliverables, timelines, and quality requirements. Clear articulation of the scope helps bidders assess the effort required and propose appropriate solutions. It also serves as the foundation for monitoring and evaluating contract performance.
Evaluation Criteria	The evaluation criteria must be closely aligned with the specifications to ensure that bids are assessed fairly and transparently. Aligning criteria with specifications allows the PE to objectively evaluate how well each bid meets the required technical and performance standards, leading to the selection of the most responsive and suitable supplier.

5.5.11 Checklist for Specification Development:

A structured checklist helps ensure that all essential elements of high-quality specifications are addressed before they are finalized and included in the bid documents. Using a checklist improves accuracy, reduces the risk of omissions, and ensures compliance with procurement laws and best practices. PE staff should use the checklist shown in Table 5.13 to verify the completeness and quality of the specifications.

Table 5.13: Checklist for Specification Development

Criterion	Guiding Question
Clarity	Are the specifications written in clear, simple, and unambiguous language that can be easily understood by all potential bidders?
Completeness	Do the specifications cover all essential aspects of the required goods, works, or services, including functional, technical, and performance requirements?
Non-Biased Language	Have brand names, proprietary references, or supplier-specific features been avoided unless fully justified and accompanied by 'or equivalent'?
Compliance	Do the specifications comply with the PE's procurement policies, the Public Procurement Act, and any applicable national or international standards?
Stakeholder Input	Have relevant stakeholders—including user departments, technical experts, and end-users—reviewed the specifications to ensure accuracy and completeness?

By applying this checklist, the PE ensures that specifications are well-defined, objective, and capable of supporting a fair, transparent, and competitive procurement process.

5.6 Preparation of an Estimate and a Budget

Pre-bid budget estimation is a mandatory planning activity and forms the financial basis for every procurement requirement. In line with Regulation 33 of the PPDA Regulations, the PE is required to prepare a realistic and evidence-based cost estimate using published price lists, historical price data, unit-price analyses, market research, and all relevant cost elements—including materials, labour, taxes, fees, and reasonable overheads.

A properly prepared estimate ensures that procurement is aligned with the approved budget as required under the PPDA Act and Regulations 2024 (Regulations 29, and 35). It also guides key decisions such as the choice of procurement method, packaging, contract type, and evaluation approach, and provides the benchmark against which the reasonableness of bid prices is assessed during evaluation. By adhering to these regulatory requirements, the PE safeguards value for money, transparency, and compliance throughout the procurement cycle.

In the case of construction projects, the main cost components that should be reflected in the estimate are illustrated in **Figure 5.3**.

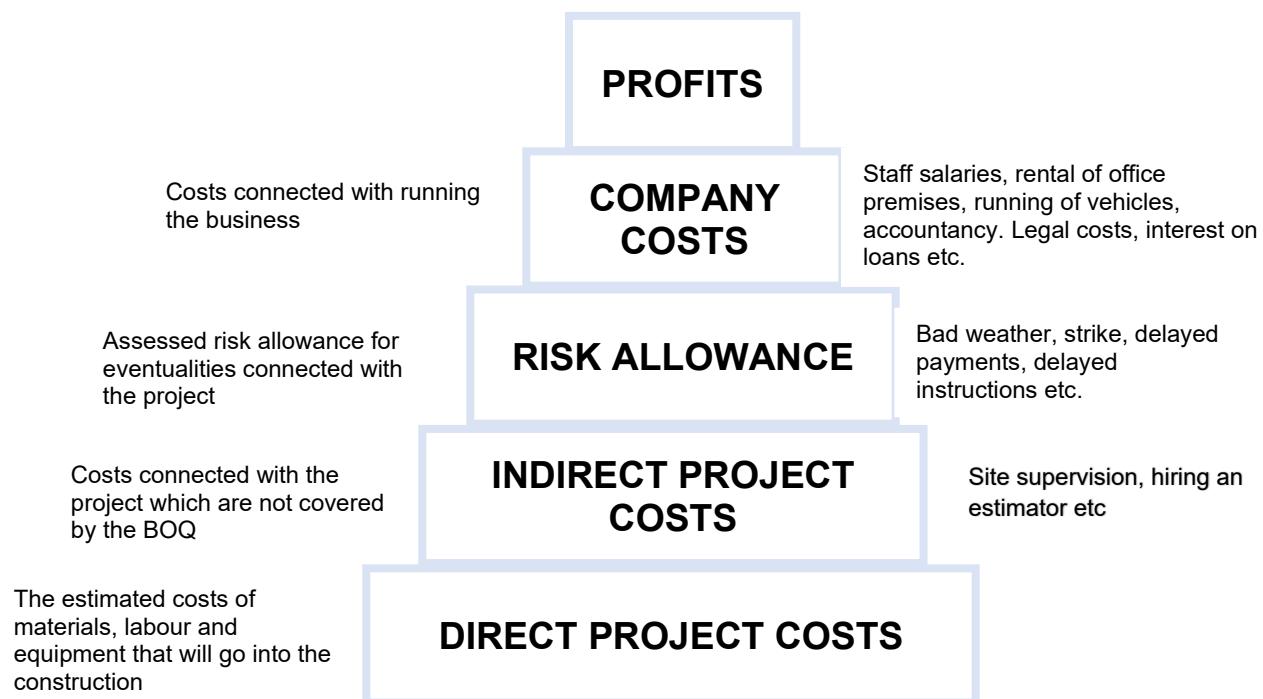


Figure 5.3: Breakdown of Contractor's Final Price

While direct and indirect project costs can generally be determined with reasonable certainty, other components—such as risk allowances, head office overhead apportionment, and profit margins—vary across contractors depending on company policy and risk appetite. These elements influence the final bid price submitted by each contractor.

For procurement of goods or services that are regularly procured (e.g., annually recurring supply contracts), price estimation may rely on the total actual value of similar contracts executed in the preceding twelve months or the last fiscal year. The PE may then apply appropriate adjustments to account for expected price changes during the upcoming contract period.

A poorly prepared pre-bid estimate can have serious consequences for the PE, as demonstrated in **Figure 5.4**. If the PE **underestimates** the budget due to poor market research or staff negligence, it may wrongly conclude that the lowest evaluated bidder—Contractor A—is offering a competitive price. However, if Contractor A’s price is unrealistically low because it does not reflect the actual market cost of inputs, the contractor may execute the contract at a loss or fail to complete it satisfactorily (Scenario 1).

Conversely, if the PE **overestimates** the pre-bid estimate (Scenario 3), it may select Contractor C simply because the bid appears close to the inflated estimate. This leads to the PE paying more than the actual cost of the project, resulting in poor value for money.

The ideal situation is shown in **Scenario 2**, where the pre-bid estimate closely reflects the true cost of performing the work, including reasonable overheads and profit. In such a case, Contractor B submits a realistic bid, is awarded the contract, and is able to perform the works successfully while the PE pays a fair and competitive price. Thus, accurate pre-bid estimation is a key determinant of both contractor performance and value for money.

One of the persistent challenges facing many PEs is the absence of reliable and up-to-date cost data to support the preparation of accurate pre-bid estimates. Without credible market information, estimates often become either inflated or understated, leading to challenges during bid evaluation, delays in contract award, or rejection of bids due to abnormal pricing.

To address this gap, PEs are strongly encouraged to establish an internal system for **systematic tracking of bid rates** submitted by contractors, suppliers, and service providers across procurement cycles. Over time, this creates a useful “price intelligence database” that reflects actual market behaviour rather than assumptions. Table 5.14 illustrates an example of how bid rates for a specific procurement can be captured and analysed.

Table 5.14: Tracking Bid Rates for Goods

Ser. No.	Item Description	Unit	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Average Rate
1	Printer Paper A4, 80gsm	Ream	6500	6200	6800	6450	6300	6450
2	Ballpoint Pens (Blue)	Box (50 pcs)	14000	13500	15000	14500	13800	14160
3	Toner Cartridge – HP 17A	Piece	85000	82500	90000	88000	84000	85900
4	Photocopying Machine – Medium Duty	Piece	1850000	1920000	1780000	1890000	1830000	1854000

5	Office Desk (Standard Wooden)	Piece	320000	300000	350000	330000	310000	322000
6	Executive Office Chair	Piece	450000	430000	480000	470000	440000	454000

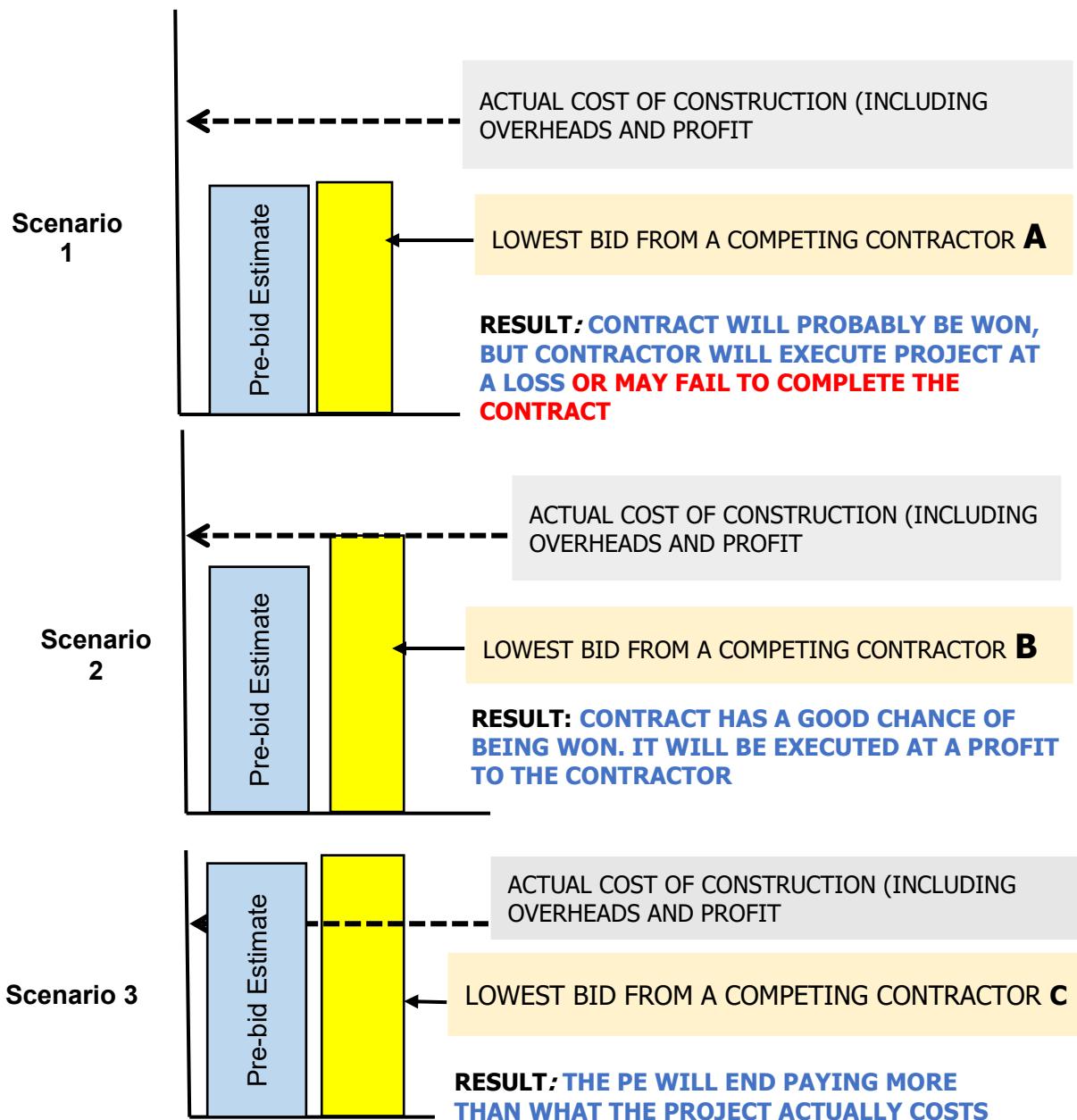


Figure 5.4: The Importance of Accurate Pre-bid Estimates

By maintaining such records over several years, the PE can analyse **price movements**, identify **seasonal or inflationary patterns**, and develop a stronger understanding of the market dynamics for frequently procured items. This historical price database becomes a valuable tool for preparing more realistic and evidence-based cost estimates in future procurement cycles. Ultimately, it enhances the credibility of pre-bid estimates and strengthens the overall value-for-money outcomes of the procurement process.

PPDAA, as the national procurement Regulator, can play a central role in strengthening the accuracy and credibility of pre-bid estimates across the public sector. Beyond encouraging PEs to track their own historical bid prices, PPDAA can consolidate price information submitted by all PEs to build and maintain a national market price reference database. Through this centralised system, the Authority can provide indicative price ranges and trend analysis for commonly procured goods, works, and services—enabling PEs to prepare realistic, evidence-based estimates. PPDAA can also issue standard guidelines, templates, and circulars on market research, abnormal price analysis, and cost estimation practices to ensure uniformity and alignment with the PPDA Act and Regulations, 2024.

In addition, PPDAA can strengthen compliance and capacity across the procurement system through systematic audits, training, and publication of market intelligence. During procurement audits, the Authority can verify whether PEs have conducted proper market research and whether their estimates reflect prevailing market conditions. Through targeted capacity-building initiatives, PPDAA can equip procurement staff with the skills required to interpret market data, analyse price trends, and prepare credible cost estimates. The Authority can further enhance transparency by publishing periodic price bulletins or trend summaries to support realistic budgeting at national and sector levels. Collectively, these regulatory actions can ensure that pre-bid estimates are more credible, reduce pricing disputes during evaluation, and improve value-for-money outcomes across government procurement.

Pre-bid budget estimation is a foundational step in the procurement cycle, ensuring that every procurement process begins with a clear, realistic, and well-supported understanding of the expected cost of the requirement. Before a PE initiates bidding, it must determine whether the planned procurement is financially feasible, compliant with the approved budget, and aligned with market conditions. Accurate pre-bid estimation not only guides the choice of procurement method and preparation of solicitation documents, but also strengthens transparency, value for money, and financial discipline as required under the PPDA Act and PPDA Regulations .

The **Table 5.15** summarises the key principles, methods, and considerations that guide the preparation of pre-bid estimates for Goods, Works, and Non-Consultancy Services. It also highlights the importance of the pre-bid estimate during evaluation, where it serves as a benchmark for assessing bid prices, identifying abnormal bids, and ensuring that contract awards remain within the approved budget.

Table 5.15 Summary of Key Principles and Methods for Pre-Bid Budget Estimation

Purpose of Pre-Bid Budget Estimation	<ul style="list-style-type: none"> • To determine the expected cost of Goods, Works or Non-Consultancy Services before inviting bids. • To ensure that the requirement fits within the approved budget for the financial year. • To support preparation of procurement plans, solicitation documents, and market approaches. • To act as a benchmark during bid evaluation, especially for detecting abnormally low or high bids (Reg. 215, PPDA Regulations 2024). • To promote value for money and financial discipline.
General Principles for Pre-Bid Estimation	<p>A good pre-bid estimate must be:</p> <ul style="list-style-type: none"> • Accurate – reflecting current market conditions. • Comprehensive – including all cost components. • Evidence-based – derived from market research, historical prices, or engineering assessments. • Documented – with clear assumptions, data sources, and calculation methods. • Approved – by the Accounting Officer or delegated authority before bidding proceeds.
Estimating for Goods	<p>Estimation for Goods typically relies on market prices and historical contract values.</p> <p>Key Cost Components</p> <ol style="list-style-type: none"> 1. Unit cost of goods based on market survey or last procurement. 2. Transport and logistics, including insurance and freight (if applicable). 3. Duties, taxes, levies (unless exempted). 4. Storage, handling and distribution costs. 5. Installation or commissioning, if required. 6. Warranty and after-sales service costs. 7. Contingency allowance (1–5% depending on volatility). <p>Methods Used</p> <ul style="list-style-type: none"> • Recent invoices and supplier catalogues. • Comparison of at least three quotations. • Prices from framework contracts (CUIS or PE-specific). • Adjustments to historical prices using inflation indices.
Estimating for Works	<p>Works estimates are engineering-based and detailed because construction projects vary widely.</p> <p>Key Cost Components</p> <ol style="list-style-type: none"> 1. Materials (cement, steel, aggregates, etc.). 2. Labour (skilled and unskilled). 3. Equipment and machinery (rental or contractor-owned). 4. Site overheads (temporary works, site office, utilities). 5. General overheads (contractor's administrative costs). 6. Contingencies (5–10% depending on complexity). 7. Contractor's profit and risk allowance. 8. Taxes and levies, as applicable.

	<p>Sources of Data</p> <ul style="list-style-type: none"> • Bill of Quantities (BoQ). • Standard Schedule of Rates (SORs). • Recent construction contracts of similar nature. • Engineering estimates prepared by qualified personnel. <p>Important Considerations</p> <ul style="list-style-type: none"> • Site conditions and access. • Price volatility of construction materials. • Exchange rate fluctuations. • Regional variations in labour and material costs.
Estimating for Non-Consultancy Services	<p>Non-consultancy services often relate to routine, repetitive, or outsourced services such as cleaning, catering, security, logistics, maintenance, and training.</p> <p>Key Cost Components</p> <ol style="list-style-type: none"> 1. Labour costs – salaries, statutory contributions, uniforms. 2. Materials and consumables – cleaning chemicals, catering supplies, fuel, etc. 3. Equipment and tools – vacuum cleaners, catering utensils, ICT items. 4. Transport and logistics. 5. Overheads – supervision, administration, compliance. 6. Profit margin – often 10–15%. 7. Contingency. <p>Methods Used</p> <ul style="list-style-type: none"> • Market survey and comparison of service providers. • Breakdown based on unit service rates: <ul style="list-style-type: none"> ◦ Per m² (cleaning) ◦ Per person (security) ◦ Per event/ per day (catering, conference services) • Historical data from similar contracts executed in the last 12 months.
Role of Pre-Bid Estimate During Evaluation	<p>During bid evaluation, the pre-bid estimate is used to:</p> <ul style="list-style-type: none"> • Compare bid prices with the expected cost. • Identify abnormally low bids in accordance with Reg. 16 (abnormally low bids). • Determine price reasonableness and detect potential collusion or inflation. • Ensure contract award does not exceed the approved budget.

5.7 Procurement Methods for Goods, Works and Non-Consultancy Services

5.7.1 General on Procurement Methods

The PPDA Act establishes a procurement system founded on the principles of open competition, transparency, fairness, value for money, and accountability. To give effect to these principles, the Act requires PEs to select procurement methods that are appropriate, efficient, and proportionate to the nature and value of the requirement. The PPDA Regulations further operationalize this mandate by detailing the procedures and conditions under which each method may be used.

In accordance with Section 58 of the PPDA Act and Regulations 22–28 of the PPDA Regulations , public procurement in South Sudan is conducted using clearly defined methods designed to ensure broad competition while allowing flexibility for special circumstances. Open Competitive Bidding is the default and preferred method, particularly for major procurements of Goods, Works, and Non-Consultancy Services. Where open competition is not feasible or practical, alternative methods such as Selective Bidding, Requests for Quotations (RFQ), Requests for Proposals (RFP) for Consultancy Services, Single-Source Procurement, and Low-Value Procurement may be applied subject to specific thresholds, justification requirements, and approvals.

Each method serves a distinct purpose within the procurement framework. Open Competitive Bidding maximizes competition and ensures equal opportunity; Selective Bidding helps target capable or pre-qualified providers; RFQ supports efficient procurement of low-value or simple requirements; RFP facilitates the unique nature of consultancy engagement, where quality and expertise outweigh price; while Single-Source and Low-Value Procurement allow expedited processes in justified circumstances such as emergencies, proprietary goods, or very small procurements. Together, these methods form a coherent system that balances competition, efficiency, integrity, and the need for timely service delivery across PEs.

5.7.2 Open Competitive Bidding

Open Competitive Bidding (OCB) is the primary and preferred procurement method under the Public Procurement and Disposal of Assets Act, 2018. It reflects the foundational principles of transparency, fairness, value for money, competition, and equal opportunity for all bidders. Under this method, the PE widely advertises the procurement opportunity and invites all eligible providers to compete, without undue restrictions.

OCB is designed to maximize competition and obtain the best possible outcome for the Government. It is the method applied by default, unless the Act and Regulations allow or justify the use of an alternative method.

Both International Competitive Bidding (ICB) and National Competitive Bidding (NCB) are forms of Open Competitive Bidding, differentiated mainly by the scope of advertising and the expected pool of bidders.

International Competitive Bidding (ICB)

International Competitive Bidding (ICB) is the most open and competitive procurement method used by PEs when goods, works, or services require broad international participation to achieve value for money. It allows bidders from any country to compete on equal terms, ensures access to global expertise, and promotes transparency and non-discrimination in high-value or technically complex procurements. ICB is therefore a central pillar of South Sudan's procurement system for major public projects.

Legal Provisions in the PPDA Act 2018 and Regulations 2024

PPDA Act 2018

ICB is rooted in Section 59 of the Act, which governs solicitation through open competitive tendering. The Act requires international publication of bid notices where:

- The estimated procurement value exceeds thresholds set in the Regulations, or
- Foreign participation is necessary to secure effective competition. This is clearly stated in Section 59(4).

A Bid Notice shall be published internationally where the estimated value exceeds the prescribed threshold or where effective competition cannot be obtained without inviting foreign providers.

The Act also prescribes:

- Publication of Bid Notices in national and international media (Sec. 59(1)).
- A minimum bidding period of six weeks for ICB (Sec. 59(4)(b)).
- Transparent access to bidding documents and fair qualification procedures.

PPDA Regulations 2024

Regulation 23(2) explicitly define ICB: - *In international competitive bidding, a PE shall... invite bidders regardless of their nationality, through a notice advertised nationally and internationally.*

The Regulations operationalize the Act by specifying:

- When ICB must be used.
- Thresholds for ICB (First Schedule).
- Content of bid notices, timelines, and international advertisement requirements.
- Application of standard bidding documents issued by the Authority.

Thresholds for Use of ICB

The First Schedule to the Regulations (2024) provides the mandatory thresholds:

Procurement Type	Threshold Trigger for ICB
Works	Above USD 2,000,000
Goods	Above USD 1,000,000
Non-consultancy Services	Above USD 1,000,000

These thresholds make ICB mandatory for large-scale procurement unless justified otherwise

When ICB is Appropriate

A PE should resort to ICB when:

1. The estimated value exceeds ICB thresholds outlined in the Regulations.
2. Effective competition cannot be achieved nationally, meaning domestic providers alone are not enough to generate robust competition [Sec. 59(4)].
3. The procurement involves highly specialized goods, complex works, or advanced technologies commonly supplied by global markets.
4. The Procurement Unit identifies potential suppliers internationally, supported by Regulation 42, which requires evaluating national, regional, and international markets to secure value for money.
5. The nature of the requirement demands global expertise, such as major infrastructure, ICT systems, medical technologies, or equipment not readily available locally.

Key Features of ICB	ICB has distinct legal and procedural characteristics, including: <ul style="list-style-type: none">(a) Open Participation: Bidders from any nationality may participate without restriction.(b) International Advertisement: Bid Notices must be published <i>internationally and nationally</i> to secure broad competition [Sec. 59(1)].(c) Longer Bid Preparation Period: A minimum of six weeks is required to allow international firms adequate preparation time [Sec. 59(4)(b)].(d) Use of Standard Bidding Documents: PEs must use standard documents issued by the Authority to ensure uniformity and compliance.(e) Transparent and Objective Evaluation: Evaluation follows the criteria set in the Bidding Documents and excludes negotiations after bid submission (Sec. 65).(f) Equal Treatment and Non-Discrimination: All national and international bidders must be treated equally in accordance with Sec. 3 of the Act.
Purpose and Benefits of ICB	The primary purpose of ICB is to maximize competition, transparency, and value for money in high-value procurements. Its key benefits include: <ul style="list-style-type: none">(a) Enhanced Competition – Opening bidding to international markets increases the pool of competent bidders.(b) Better Value for Money – Broader competition helps government obtain the best possible prices and technical solutions.(c) Access to Global Expertise and Technology – International firms often bring advanced systems, innovation, and experience.(d) Improved Quality of Public Investments – Particularly important for infrastructure and capital-intensive projects.(e) Alignment with International Best Practice – Supports compliance with regional (EAC) and global procurement standards as required under Section 4(1) of the Act.(f) Promotes Transparency and Credibility – ICB procedures reduce the risk of bias, collusion, and restrictive practices.

National Competitive Bidding (NCB)

National Competitive Bidding (NCB) is a competitive procurement method used when adequate competition can be achieved within the domestic market of South Sudan. It allows bidders regardless of nationality, but the advertisement is restricted to the national level. NCB is the most commonly used method for goods, works, and non-consultancy services whose value is substantial but not large enough to necessitate international participation. It strikes a balance between openness, efficiency, and the practical realities of the domestic market.

Legal Provisions in the PPDA Act 2018 and Regulations 2024	<u>PPDA Act 2018</u> NCB is derived from the wider framework of open competitive tendering under Section 59 of the Act. While the Act does not separately define NCB, it clearly distinguishes national advertisement from international advertisement under Section 59(3): The PE shall not be required to publish a Bid Notice <i>internationally</i> in a national competitive tendering where: <ul style="list-style-type: none">(a) only national providers are likely to be interested; or
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(b) the estimated value is within thresholds provided in the Regulations.

Thus, the Act recognizes NCB as open competitive tendering restricted to national publication.

PPDA Regulations 2024

Regulation 23(3) explicitly define NCB: "*In national competitive bidding, a PE shall, through a notice advertised only in the Republic of South Sudan, invite bidders regardless of their nationality to submit priced bids.*

Key provisions include:

- Advertisement must be national only.
- Thresholds for NCB are prescribed in the First Schedule.
- Participation cannot be restricted by nationality except where exclusive preference applies under special provisions.

Thresholds for Use of NCB

The First Schedule of the PPDA Regulations 2024 prescribes thresholds as follows:

Procurement Type	Threshold for NCB
Works	Above USD 100,000 but not exceeding 2,000,000
Goods	Above USD 75,000 but not exceeding 1,000,000
Non-Consultancy Services	Above USD 75,000 but not exceeding 1,000,000

Below these amounts, RFQ or Low-Value Procurement apply; above them, ICB applies

When NCB is Appropriate

NCB is appropriate where:

- (a) The estimated procurement value falls within the NCB thresholds in the First Schedule.
- (b) Effective competition can be obtained domestically, and foreign participation is *not essential* (Sec. 59(3)).
- (c) Goods, works, or services are commonly available within South Sudan's market.
- (d) The Procurement Unit assesses—per Regulation 42—that national suppliers provide sufficient competition and capability.
- (e) The procurement does not require highly specialized expertise found mainly in foreign markets.
- (f) The scope and delivery requirements are consistent with local industry capacity.

Thus, NCB is the default method for mid-value procurements in which the domestic market is sufficiently competitive

Key Features of NCB

NCB has specific characteristics that distinguish it from ICB:

- (a) National Advertisement Only: Bid notices are published within South Sudan only, not internationally.
- (b) Open to All Nationalities: Despite its national publication, NCB is not restricted to national bidders unless exclusive preference is lawfully applied.

- (c) Moderate Bid Preparation Period: The bidding period is shorter than ICB (typically four weeks under Section 59(3)(b)).
- (d) Use of Standard Bidding Documents: The Authority's standard documents apply to ensure consistency and compliance.
- (e) Competitive and Transparent Evaluation: Evaluation procedures follow the same rules as open tendering—no negotiations and strict adherence to criteria in the Bidding Documents (Sections 64 and 65).
- (f) National Competitive Focus: The method supports the growth of domestic industry by enabling broader participation in government procurement.

Purpose and Benefits of NCB

The overarching purpose of NCB is to ensure fair competition and value for money within the domestic market while maintaining efficiency in procurement. Its key benefits include:

- (a) Strengthening Domestic Suppliers – NCB stimulates national industry growth and enhances local contractor capacity.
- (b) Reduced Transaction Costs and Turnaround Time – National-only advertisement shortens the procurement cycle compared to ICB.
- (c) Appropriate for Common and Medium-Value Procurements – Many government requirements fall within NCB thresholds.
- (d) Still Ensures Transparency and Competition – NCB remains a form of open competitive tendering with no discrimination.
- (e) Supports National Economic Development – Increased participation of South Sudanese firms promotes job creation and economic growth.
- (f) Efficient Use of Resources – NCB avoids unnecessary costs associated with international solicitation when not needed.

5.7.3 Selective Tendering (Selective Bidding)

Selective Tendering—also referred to as Selective Bidding—is a procurement method used when competition must be limited to a pre-identified group of qualified providers due to the complex, specialized, or urgent nature of the requirement. Unlike Open Competitive Bidding, Selective Tendering does not involve general public advertisement. Instead, the PE invites a selected number of providers who are known to possess the relevant capacity, experience, or technical expertise.

This method remains competitive, but competition occurs within a smaller, targeted pool of suppliers who can reasonably meet the requirement.

Legal Provisions in the PPDA Act 2018 and Regulations 2024

PPDA Act 2018

Section 66 of PPDA Act 2018 provides explicit conditions under which Selective Tendering may be used:

A PE may engage in procurement by means of Selective Tendering where:

- (a) the subject matter, due to its highly complex or specialized nature, is available only from a limited number of providers;
- (b) the time and cost of examining a large number of bids would be disproportionate to the procurement value; or

- (c) there is insufficient time in an emergency, and only a limited number of providers can deliver promptly.

The Act further requires that:

- At least three (3) providers must be invited to ensure meaningful competition.
- Selection of providers must be non-discriminatory.

PPDA Regulations 2024:

Regulation 25 confirms and operationalizes this method: "*A PE may use selective bidding for goods, works or non-consulting services in accordance with provisions of the Act and these Regulations.*"

The Regulations also require:

- Approval by the Procurement Committee before using selective bidding.
- Documentation of reasons for limiting competition.

Thresholds for Use of Selective Tendering

The PPDA Regulations do not assign specific monetary thresholds to selective bidding. Instead, it may be used at any procurement value, provided it is justified under the conditions in the Act.

This distinguishes Selective Tendering from ICB and NCB, which are threshold-driven. However:

- The Procurement Committee's prior authorization is required.
- Evidence must show that competition cannot be achieved through open bidding.

Thus, the trigger for Selective Tendering is the nature of the procurement, not its monetary value.

When Selective Tendering is Appropriate

Selective Tendering is appropriate in the following situations:

- (a) When the requirement is highly specialized: Such as laboratory equipment, ICT systems, aviation spare parts, engineering works, or military technologies available from a limited number of firms.
- (b) When only a few qualified providers exist: Market analysis indicates that only a small number of suppliers can meet the technical or performance requirements.
- (c) When the cost and time of evaluating many bids is excessive: If evaluating a large volume of bids is impractical relative to the procurement value, selective bidding is preferred.
- (d) When urgent delivery is required in an emergency: But where more flexible alternatives like single-source procurement are not justified.
- (e) When a pre-qualified list exists: Some entities frequently pre-qualify providers for highly specialized categories. Selective Tendering may be used to invite bidders from such lists.

- (a) Limited but Competitive: Competition is restricted to selected providers, but at least three must be invited to ensure competitiveness.
- (b) No Public Advertisement: Unlike open bidding, selective tendering does not require publication of a bid notice in newspapers or websites.

Key Features of Selective Tendering

- (c) Non-discriminatory Selection of Providers: The PE must select providers objectively and fairly based on capacity, past performance, and specialization.
- (d) Use of Standard Bidding Documents: Even though limited, the bidding process uses standard documents to maintain transparency.
- (e) Full Documentation Required: Reasons for choosing selective bidding must be recorded in the procurement file as required under the Regulations.
- (f) Evaluation Procedures Still Apply: The same rules for bid opening, evaluation, responsiveness, and award (Sections 62–65) apply to selective bidding.

Purpose and Benefits of Selective Tendering

The main purposes and benefits of Selective Tendering include:

- (a) Ensures Competition Where Open Bidding is Impractical: Selective bidding preserves competitive principles even when few providers exist.
- (b) Reduces Procurement Costs and Time: Limiting bids to qualified firms decreases administrative burden without compromising fairness.
- (c) Enhances Technical Quality: By inviting only specialized providers, the PE increases the likelihood of technically sound bids.
- (d) Supports Urgent Procurement Needs: It provides a faster alternative to open bidding while still maintaining competition.
- (e) Promotes Efficient Use of Public Resources: Selective bidding is cost-effective for highly complex procurements with limited supplier availability.

5.7.4 Single-Source Procurement (SS)

Single-Source Procurement (also known as Direct Procurement or Sole-Source Procurement) is a non-competitive procurement method where a PE contracts one provider directly, without inviting bids from multiple suppliers. It is an exceptional method used only under specific circumstances where competition is not feasible, not practical, or not in the public interest.

Because it bypasses competitive bidding, Single-Source Procurement must be used with strict justification, strong documentation, and prior approvals to safeguard transparency, accountability, and value for money.

Legal Provisions in the PPDA Act 2018 and the Regulations 2024

PPDA Act 2018

Single-Source Procurement is recognized in **Section 58(1)(e)** as one of the procurement methods permitted by law.

The specific conditions for using this method are outlined in **Section 67**, which states that a PE may use direct procurement where:

- (a) Only one provider exists, or
- (b) An emergency makes competition impractical, or
- (c) Compatibility or standardization requires procurement from an existing supplier, or
- (d) The procurement relates to additional works/goods/services that are a continuation of an existing contract and cannot be separated, or
- (e) The items are proprietary, patented, or only available from the original manufacturer.

Section 67 also requires:

- (a) Approval from the Accounting Officer
- (b) Submission of a written justification
- (c) Documentation showing the impossibility or impracticality of using a competitive method

PPDA Regulations 2024

Regulation 30 operationalizes Single-Source Procurement and requires:

- (a) Submission of a **request** to use Single-Source Procurement
- (b) Clear justification based on the Act
- (c) Approval by the **Procurement Committee**
- (d) A written record explaining why competition is not possible

The Regulations also emphasize that single-source procurement must not be used simply for convenience or to avoid competitive bidding.

Thresholds for Use

There are no monetary thresholds for Single-Source Procurement in the PPDA Regulations 2024.

This means:

- It can be used at any value,
- BUT only if the justification conditions in the Act (Section 67) are fully met.

The determining factors are market conditions, supplier availability, urgency, and technical requirements, not the procurement value.

When Single-Source Procurement Is Appropriate

Single-Source Procurement is appropriate only in exceptional circumstances, including:

- (a) Exclusive provider (only one source exists)
 - Proprietary technology
 - Patented items
 - Specialized equipment available only from a single manufacturer
 - Products with no competitive alternatives.
- (b) Emergency situations: Where delays caused by competition would:
 - Endanger life, property, security, health, or public safety
 - Cause significant financial loss
 - Disrupt essential services
- (c) Standardization or compatibility requirements: Where purchasing from different suppliers would:
 - Compromise compatibility
 - Increase lifecycle costs
 - Require re-training or new infrastructure
- (d) Continuity of an ongoing contract: When additional works or services:
 - Are a continuation of an existing contract
 - Cannot be technically or economically separated
 - Were not foreseeable at the time of original award
 - Would disrupt performance if awarded to another supplier

Key Features of Single-Source Procurement

- (e) Procurement of spare parts or maintenance from the original supplier: Necessary to maintain warranties or equipment performance.
- (f) Situations where competitions have failed: For example:
 - Repeated bidding resulted in no responsive bids
 - Bidders withdrew or were disqualified, leaving only one viable provider
- (a) No competitive bidding: Direct engagement with one provider.
- (b) Exceptional and fully justified: Must be used only where competition is not possible or not practical.
- (c) Requires prior approval: From the Accounting Officer and the Procurement Committee.
- (d) Written justification and market investigation: PE must demonstrate why no other method is feasible.
- (e) Negotiation permitted: Unlike competitive bidding, Single-Source Procurement allows negotiation of:
 - Price
 - Delivery timelines
 - Contract terms
- (f) Strong documentation required: Every step must be recorded in the procurement file, including:
 - Justification
 - Approvals
 - Negotiation reports
 - Contract award rationale
- (g) Must comply with ethical and integrity standards: To prevent fraud, collusion, or favoritism.

Purpose and Benefits of Single-Source Procurement

- (a) Ensures timely response in emergencies: Allows rapid procurement when delays could cause harm or loss.
- (b) Secures proprietary or specialized items: Enables access to goods or services that only one supplier can provide.
- (c) Maintains technical compatibility: Reduces the risk of system failure when integrating components from different suppliers.
- (d) Guarantees continuity and reduces disruption: Useful when extending or completing ongoing works or service contracts.
- (e) Reduces administrative burden in rare justified cases: Avoids lengthy competitive procedures when only one provider exists.
- (f) Protects warranties and service agreements: Ensures the use of original manufacturers for maintenance and spare parts.

5.7.5 Request for Quotations (RFQ)

Request for Quotations (RFQ) is a simplified procurement method used for low-value, standard, and readily available goods, works, or non-consultancy services. It is designed to reduce administrative burden and increase efficiency in procuring common-use or off-the-shelf items. RFQ remains competitive but uses informal, short-format quotations, rather than detailed bidding

documents. This makes RFQ appropriate for routine purchases where the cost of open tendering would outweigh the benefits.

Legal Provisions in
the PPDA Act 2018
and Regulations
2024

PPDA Act 2018

RFQ is recognized as one of the official procurement methods under Section 58(1)(c) of the Act, which lists "request for quotations" among allowable procurement procedures.

PPDA Regulations 2024

Regulation 26 provides the operational basis for RFQ: "A PE may use request for quotations... where the estimated value of the goods, works or services does not exceed the threshold specified in the First Schedule."

Additional regulatory requirements include:

- Quotations must be obtained from a minimum of three (3) suppliers to ensure competition.
- RFQ procedures must still follow principles of fairness, transparency, and equal opportunity.
- Technical specifications must be clear, simple, and based on standard items.

Thresholds for Use
of RFQ

According to the First Schedule of the PPDA Regulations 2024:

Procurement Type	RFQ Threshold
Works	Below USD 100,000
Goods	Below USD 75,000
Non-Consultancy Services	Below USD 75,000

Below these thresholds, RFQ is preferred unless a justified reason exists to use another method.

When RFQ is
Appropriate

RFQ is suitable when the following conditions apply:

- (a) Low-value procurement: The procurement value falls below the thresholds prescribed in the First Schedule.
- (b) Standard or common-use items: The goods or services are readily available in the market and require no complex specifications—e.g.:
 - office stationery
 - fuel and lubricants
 - catering supplies
 - basic maintenance tools
 - simple repair works
 - cleaning services
 - standard equipment
- (c) Short and simple procurement process is efficient: RFQ avoids the time and cost of preparing full bidding documents.
- (d) The market has multiple suppliers: At least three reliable suppliers exist to ensure competitive quotations.
- (e) Delivery is needed quickly: RFQ is faster than open tendering and selective bidding.

Key Features of RFQ	<ul style="list-style-type: none">(a) Minimum of Three Quotations: The PE must seek quotations from at least three qualified suppliers to maintain competitiveness.(b) Simple Documentation: RFQ uses simple request forms rather than extensive bidding documents.(c) No Public Advertisement: Unlike Open Competitive Bidding, RFQ does not require newspaper or website publication.(d) Clear and Simple Specifications: Specifications should be straightforward and standard—no complex technical requirements.(e) Short Turnaround Time: Suppliers are given short deadlines to respond, reflecting the low value and simple nature of the procurement.(f) Award Based on Lowest Responsive Quotation: The award goes to the supplier offering the lowest price among quotations that meet the technical requirements and delivery timelines.(g) Full Documentation Required: Even though simple, RFQ must be documented—including suppliers contacted, quotations received, and evaluation decisions—all kept in the procurement file.
Purpose and Benefits of RFQ	<p>RFQ serves several important purposes within the procurement system:</p> <ul style="list-style-type: none">(a) Efficiency and Speed: RFQ allows PEs to quickly acquire low-value goods and services without unnecessary bureaucracy.(b) Reduced Transaction Costs: It avoids the expense and administrative burden of preparing, advertising, and evaluating full tenders.(c) Maintains Competition at Low Cost: Even though simplified, RFQ still requires multiple quotations to ensure competitive pricing.(d) Suitable for Routine and Repetitive Needs: RFQ is ideal for operational purchases needed frequently by government departments.(e) Safeguards Transparency: By requiring multiple quotations and proper documentation, the method prevents arbitrary or uncompetitive buying.(f) Ensures Value for Money: Competition among suppliers for low-value items ensures reasonable prices without the cost of open bidding.

5.7.6 Low-Value Procurement

Low-Value Procurement is a simplified and highly streamlined procurement method used when the monetary value of the requirement is very small and does not justify applying more rigorous competitive methods such as Open Bidding, Selective Bidding, or RFQ. It is designed to support efficiency, reduce administrative costs, and facilitate quick acquisition of basic, everyday operational items. Despite its simplicity, Low-Value Procurement must still adhere to the principles of transparency, economy, fairness, and accountability.

**Legal Provisions
in the PPDA Act
2018 and the
PPDA Regulations
2024**

PPDA Act 2018

Low-Value Procurement is provided for under Section 58(1)(g) of the Act, which lists "low value procurement" as one of the approved procurement methods.

The Act emphasizes that all procurement—regardless of value—must follow the general principles of competition, fairness, and value for money.

PPDA Regulations 2024

Low-Value Procurement is described in Regulation 28, which provides that: "The low-value procurement method may be applied to procurement within the value

limits specified in the First Schedule and applying the procedure in accordance with these Regulations.”

This regulation ensures that Low-Value Procurement is used strictly within defined financial ceilings and that it still follows procedural requirements.

Thresholds for Low-Value Procurement

Procurement Type	Threshold for Low-Value Procurement
Works	Below USD 40,000
Goods	Below USD 20,000
Non-Consultancy Services	Below USD 20,000

These thresholds are the lowest in the procurement hierarchy, below RFQ.

When Low-Value Procurement is Appropriate

Low-Value Procurement is appropriate when:

- (a) **The estimated procurement value is below the thresholds:** This is the primary trigger for using this method.
- (b) **The required items are simple, routine, and readily available:** Examples include:
 - basic office supplies
 - small repair items
 - minor office maintenance services
 - small tools and spare parts
 - refreshments and consumables
 - minor cleaning supplies
- (c) **The time and cost of formal competition would be disproportionate:** Low-Value Procurement reduces undue administrative burden for small purchases.
- (d) **Quick turnaround is needed:** Because government operations often require rapid response for small needs, Low-Value Procurement supports operational continuity.
- (e) Competitive quotations are difficult or unnecessary due to very small values

However, PEs should still check prevailing market prices to ensure fair pricing.

Key Features of Low-Value Procurement

- (a) Simplified Process: The method permits very simple procedures—minimal documentation and fewer formalities.
- (b) No Public Advertisement: Low-Value Procurement does not require national or international advertisement.
- (c) Market Price Verification: Even if quotations are not required, the PE must ensure prices are consistent with prevailing market rates.
- (d) Rapid Approval and Purchase: Authority levels are delegated to allow fast processing.
- (e) Documentation is Still Required: Procurement Units must:
 - record the procurement need
 - confirm funding
 - document suppliers and pricing
 - keep receipts, payment vouchers, and market checks

Purpose and Benefits of Low-Value Procurement

This ensures transparency and auditability.

- (f) Must Not Be Used to Split Procurements: The Act and Regulations prohibit deliberately splitting procurement to use Low-Value thresholds. This is reinforced by the general requirement not to split procurement to avoid using inappropriate methods.
- (g) Must Comply With the Code of Conduct: Even small purchases must comply with ethical and conflict-of-interest rules (Section 57).

Low-Value Procurement serves several strategic and operational purposes:

- (a) Enhances Efficiency in Public Operations: It allows government institutions to function smoothly without unnecessary delays for minor purchases.
- (b) Reduces Transaction Costs: Preparing bidding documents or conducting wider competition for very small amounts is wasteful; Low-Value Procurement minimizes such inefficiencies.
- (c) Ensures Value for Money Through Cost-Effective Procedures: By using simple processes, the government avoids overspending on administrative costs relative to procurement value.
- (d) Promotes Accountability in Small Expenditures: While simple, the method still requires adequate documentation and justification.
- (e) Supports Service Delivery: It ensures that minor but essential items required for day-to-day operations are acquired quickly and efficiently.

5.7.7 Framework Agreements

Framework Agreements (FAs) are procurement arrangements established for recurring, repetitive, or predictable needs where the exact quantities and timing of future purchases cannot be determined at the outset. Instead of conducting a separate procurement process for each requirement, the PE enters into a long-term agreement with one or more qualified providers to supply goods, works, or services as and when needed.

Framework Agreements increase procurement efficiency, reduce administrative workload, shorten lead times, and provide stable prices over a defined period. They are especially useful for categories such as office supplies, fuel, stationery, cleaning items, minor repairs, and routine services.

Legal Provisions in the PPDA Act 2018 and PPDA Regulations 2024

PPDA Act 2018

Framework Agreements are recognized under **Section 58(1)(h)** of the Act, which explicitly lists "framework contracting" as one of the permissible procurement methods in South Sudan's public procurement system.

Further, the Act emphasizes that all procurement—including under Framework Agreements—must adhere to principles of fairness, transparency, competitiveness, and value for money.

PPDA Regulations 2024

Framework Agreements are governed primarily under **Reg. 146 to 151**, which states: "*A PE may use framework agreements where the requirements are recurring or standardised, and where the terms of the procurement can be established in advance, even if the exact time and quantity are not known.*"

Key regulatory requirements include:

	<ul style="list-style-type: none">• A competitive process must be used to establish the agreement.• Framework Agreements may be concluded with one or multiple providers.• The duration of the Framework Agreement must not exceed three years, except with prior approval.• Call-off orders or contracts are issued during the life of the agreement.
Thresholds for Use	<p>The Regulations do not prescribe specific value thresholds for Framework Agreements.</p> <p>Instead, use of Framework Agreements is determined by:</p> <ul style="list-style-type: none">• The recurring nature of the requirement.• The predictability of needs.• The suitability of FAs to achieve efficiency and cost savings. <p>Thus, Framework Agreements may be used for low, medium, or high-value recurring procurements, provided competitive principles are respected in establishing the framework.</p>
When Framework Agreements Are Appropriate	<p>Framework Agreements are appropriate under the following conditions:</p> <ul style="list-style-type: none">(a) Recurring or repetitive procurement needs: Such as:<ul style="list-style-type: none">• stationery• toner and printing supplies• fuel and lubricants• spare parts• cleaning supplies• travel services• catering services• office maintenance materials(b) Procurement categories with predictable demand but uncertain quantities: FAs help lock in prices even when the PE does not know exactly how much will be needed.(c) Situations requiring rapid ordering: Because suppliers have already been pre-qualified and contracted, delivery can be faster.(d) Consolidation of procurement for cost efficiency: Large institutions can use Framework Agreements to benefit from economies of scale.(e) Reducing administrative burden: Instead of frequent RFQs or open biddings, FAs allow streamlined call-off orders.
Key Features of Framework Agreements	<ul style="list-style-type: none">(a) Established through a Competitive Process: Even though future orders are simplified, the Framework Agreement itself must be competitively awarded—usually through NCB or ICB.(b) Single-Supplier or Multi-Supplier Frameworks:<ul style="list-style-type: none">• Single-provider FA: used when there is a reliable supplier for the category.• Multi-provider FA: allows competition among selected suppliers at each call-off.(c) Duration Limited by Regulation: Framework Agreements typically last up to three (3) years, ensuring flexibility and preventing long-term lock-in.

Purpose and Benefits of Framework Agreements

- (d) Call-off Orders: Purchases are made through simplified "call-off" orders or mini-competitions among FA suppliers.
- (e) Pre-defined Terms and Conditions: Prices, specifications, delivery arrangements, and contractual obligations are agreed upfront.
- (f) Cannot Be Used to Bypass Competition: The initial award must follow competitive procedures—frameworks cannot be created through direct or uncompetitive methods.
- (g) Documentation Requirements: All call-off orders must be:
 - recorded
 - linked to the FA
 - supported by invoices, delivery notes, and payment vouchers ensuring audit compliance.

Framework Agreements serve several important purposes and offer significant advantages:

- (a) Increased Efficiency and Speed: They avoid repeated procurement processes for recurring needs, reducing lead time.
- (b) Cost Savings and Price Stability: Prices are locked or stabilized over the term of the agreement, protecting against market volatility.
- (c) Reduced Administrative Burden: Procurement staff avoid repetitive RFQs or open tenders.
- (d) Better Planning and Budget Control: PEs can anticipate costs and future requirements more easily.
- (e) Increased Supplier Responsiveness: Suppliers in an FA are pre-vetted and contractually obliged to deliver promptly.
- (f) Suitable for Decentralized or Multi-user Entities: Allows multiple departments or units to place orders under one agreement.
- (g) Enhances Compliance and Transparency: By centralizing procurement for recurring items, FAs reduce risks of fragmentation and irregularities.

5.8 Bid Documentation

5.8.1 Importance of Bid Documentation

Bid documentation plays a central role in ensuring that the public procurement process is transparent, competitive, and compliant with the legal framework established under the PPDA Act 2018 and the PPDA Regulations 2024. Properly prepared bidding documents provide potential bidders with complete, accurate, and consistent information regarding the procurement requirement, the rules of participation, the evaluation methodology, and the terms of the proposed contract. They form the foundation on which responsive bids are prepared and evaluated and ultimately become the basis of a legally binding contract between the PE and the successful bidder.

According to the Regulations, bidding documents must provide all information bidders require to prepare responsive bids. The Regulations specify that bidding documents shall include, among others:

- clear statements of requirements;
- instructions for bid preparation and submission;
- eligibility and qualification requirements;
- evaluation criteria and how they will be applied;

- bid security requirements;
- contract award procedures and standstill periods; and
- the terms and conditions of the proposed contract.

These detailed requirements are enumerated under Regulation 54, which outline the mandatory content of bidding documents.

Responsibility for the Preparation and Issuance of Bidding Documents

Under the PPDA framework, the Procurement Unit (PU) is responsible for preparing, customizing, and issuing bidding documents. Regulation 4(2) of PPDA Regulations 2024 requires PEs to use the Standard Bidding Documents (SBDs) issued by the Authority when preparing individual bidding documents. These SBDs ensure that all procurement processes funded by the Government of South Sudan follow a uniform structure and include all elements required by the Act and Regulations.

Legal Purpose of Standard Bidding Documents (SBDs)

The function of SBDs is to translate the procurement requirements of the PPDA Act 2018 and the Regulations 2024 into practical, operational templates that PEs must use. SBDs ensure:

- consistency across PEs;
- compliance with mandatory requirements of the Act;
- use of approved evaluation criteria;
- protection of government interests through standardized contract conditions;
- transparency and equal treatment of bidders.

Why Bid Documentation Is Important

Ensures Compliance with the Law	Bidding documents must reflect the legal requirements outlined in the Act—particularly those related to the description of the subject matter (Section 40), evaluation criteria (Section 41), and eligibility and qualification rules. These requirements ensure that no restrictive specifications or discriminatory practices are included in bidding documents.
Promotes Transparency and Fair Competition	Transparency is achieved by providing all bidders with the same accurate information. Regulation 54 mandates clear instructions on preparation, submission, eligibility, evaluation, and contract award procedures, thereby ensuring fairness.
Reduces Ambiguity and Prevents Disputes	Detailed and complete bidding documents minimize the risk of misunderstandings by clearly defining what is being procured, the criteria for evaluation, and the conditions under which bids will be assessed and contracts awarded.
Facilitates Efficient and Accurate Evaluation	Section 41 of the Act requires that evaluation criteria be objective, quantifiable, and disclosed in the bidding documents. Clearly defined criteria help ensure that evaluations are conducted consistently and in accordance with what was communicated to bidders.
Establishes the Foundation for Contract Management	The terms and conditions of the contract—including performance requirements, payment terms, delivery timelines, and warranties—are part of the bidding documents. Once awarded, the bidding document becomes a legally binding reference for contract execution.

Establishes the Foundation for Contract Management	Because bidding documents form part of the procurement record, they allow internal and external oversight bodies to confirm compliance, assess fairness, and verify adherence to statutory requirements.
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5.8.2 Standard Bid Documents issued by PPDA

Section **8(1)(f)** of the *PPDA Act* mandates the Public Procurement and Disposal of Assets Authority (PPDAA), to prepare, update, and issue authorized versions of standardized bidding documents, procedural forms, and any other documents required for use by PEs. This legal requirement ensures that all PEs apply uniform, compliant, and approved documents when conducting procurement using public funds.

The purpose of these Standard Bidding Documents (SBDs) is to provide PEs with a common, standardized template containing the essential contractual provisions, specifications, and safeguards required under South Sudan's public procurement framework. The SBDs operationalize the requirements of the PPDA Act and the PPDA Regulations by guiding PEs on the appropriate procedures, obligations, and restrictions that must be observed throughout the procurement process.

In line with Regulation 4(2) of the *PPDA Regulations*, all PEs are required to use the SBDs issued by PPDAA for their respective categories of procurement. Where an SBD has not yet been issued for a specific procurement, a PE must seek prior approval from PPDAA before using any alternative document. Additionally, Regulation 4(3) provides that any amendments to or changes in SBDs issued by the Authority do not take effect until formal notification has been provided to PEs.

The use of PPDAA-issued SBDs aims at achieving the following:

- (a) **Improving predictability and uniformity** in the preparation and use of bidding documents across all government entities;
- (b) **Increasing efficiency** in the bidding process and reducing transaction costs for both PEs and bidders;
- (c) **Minimizing the number of non-responsive bids**, thereby promoting wider competition; and
- (d) **Reducing the time required** for preparing, reviewing, and approving bidding documents.

PPDAA has developed a range of SBDs for the procurement of works, goods, and non-consultancy services. **Table 5.16** presents the various Standard Bidding Documents currently issued by the Authority in accordance with the Act and Regulations.

Table 5.16: Available Standard Bidding Documents

Bidding Documents are available in PPDAA's website www.ppdaa.gov.ss

Category of Procurement	Available Standard Bid Document
Works	<ol style="list-style-type: none"> 1. Procurement of Medium and Large Works 2. Procurement of Small Works; and 3. Standard Invitation for Quotation for Procurement of works.
Goods	<ol style="list-style-type: none"> 1. Procurement of Goods Under National and International Competitive Bidding; 2. Supply and Installation of Plant and Equipment Under National and

Category of Procurement	Available Standard Bid Document
	International Competitive Bidding; and 3. Standard Invitation for Quotation for Procurement of Goods
Non-Consultancy Services	1. Standard Bidding Documents Procurement of Non-Consultancy Services Under National and International Competitive Bidding; and 2. Standard Invitation for Quotation for Procurement of Non-Consultancy Services

5.8.3 Format of the Issued Standard Bidding Documents

The PPDAA has issued its Standard Bidding Documents (SBDs) in four complementary formats, each serving a specific purpose. This approach ensures that mandatory sections remain unchanged while giving PEs flexibility in preparing tender-specific documents.

Standard Bidding Document (PDF Format)	<ul style="list-style-type: none"> ➤ This is the official, un-editable version issued by PPDAA. ➤ It contains all standard sections (e.g., Instructions to Bidders, GCC, Contract Forms) that must not be altered. ➤ Serves as the principal reference for both PEs and bidders. ➤ Ensures uniformity and prevents unauthorized modifications
Editable Template for Preparing a Bidding Document	<ul style="list-style-type: none"> ➤ Provided in editable format (e.g., Word). ➤ Used by Procuring Entities to draft the tender-specific bidding document. ➤ Does NOT include: <ul style="list-style-type: none"> • Instructions to Bidders (ITB) • General Conditions of Contract (GCC) • Contract Forms ➤ Instead, bidders are guided to read those sections from the official PDF SBD on the PPDAA website. ➤ Allows PEs to customize only the parts that are allowed (e.g., Bid Data Sheet, technical requirements, SCC).
General Conditions of Contract (GCC) – PDF Format	<ul style="list-style-type: none"> ➤ Issued separately in PDF to ensure it remains unaltered. ➤ PEs print and attach it when signing contracts with the winning bidder. ➤ Ensures consistency and compliance across all PEs.
Guidelines for Preparing Responsive Bids (PDF Format)	<ul style="list-style-type: none"> ➤ A standalone PDF to support capacity building of bidders. ➤ Helps reduce high levels of bid non-responsiveness (over 75% as noted in the guideline). ➤ Guides providers on how to prepare bids that comply with PPDAA requirements.
Contract Forms – Editable Format	<ul style="list-style-type: none"> ➤ Provided separately in editable format so PEs can fill in contract details for the winning bidder. ➤ Includes agreement forms, securities, and other contractual templates. ➤ Editable nature allows customization without altering the standard wording.
Purpose of Issuing Multiple Formats	<p>This multi-file format ensures:</p> <ul style="list-style-type: none"> • Protection of core procurement rules by keeping ITB, GCC, and contract forms uneditable. • Flexibility for Procuring Entities to prepare tender-specific parts. • Clarity and transparency for bidders, who can easily distinguish editable and non-editable sections. • Consistency across all procurement processes in South Sudan.

5.8.4 Contents of Bid Documents

The content bidding documents are those stated below and should be read in conjunction with any addenda issued in accordance with the Instruction to Bidders (ITB) as outlined in PPDA Regulations. **Table 5.17** summarizes the content of Standard Bidding Document for works, goods and non-consultancy services.

Table 5.17: Contents of Standard Bidding Document

Part 1: Bidding Procedures	
Section I: Invitation for Bids (IFT)	This section will provide relevant information that enables potential bidders to decide whether or not to participate in the Bidding process. The Invitation for Bids (IFT) shall include, specific details such as the name of the PE, scope of work to be provided and deadline for bid submission. Likewise, information on how the Bidding documents are to be obtained by prospective bidders and the minimum level of experience required by bidders to be eligible should be furnished in the IFT. The final document should contain neither blank spaces nor options. The Invitation for Bids will cease to have effect once the prospective bidders have collected the Bidding Documents from the PE
Section II: Instructions to Bidders (ITT)	This section will provide information to help Bidders to prepare responsive bids. It provides information on constituent of the bid document, preparation and submission of bids, opening and evaluation of bids, the award of contract and on submitting complaints regarding the bid process. The section contains provisions that are to be used without modification. The Instructions to Bidders will not be part of the Contract and will cease to have effect once the Contract is signed.
Section III: Bid Data Sheet (TDS)	This Section will include provisions that are specific to each procurement and that supplement Section I, Instructions to Bidders. Amendments, if any, to the ITT should be made through the TDS . If duplication of a subject is inevitable in the different sections of the document, care must be exercised to avoid contradiction between clauses dealing with the same matter. All italicised spaces in the TDS should be filled out by a PE prior to issuance of the Bidding documents No entry should be made in the TDS if it is not cross referenced in the ITT.
Section IV: Evaluation and Qualification Criteria	<p>This Section will specify the criteria to be used in the evaluation of bids to determine the lowest evaluated bid and to ascertain the continued qualification of the Bidder to perform the contract.</p> <p>The qualification requirements provided are in two sets – in a situation where pre-qualification has or has not been carried out. In a situation where pre-qualification has been carried out there is no need to request bidders to submit information with respect to their eligibility and qualifications as these were submitted in the pre-qualification process and were the basis of their shortlisting. Where pre-qualification was not carried out bidders would be required to submit information to demonstrate their eligibility, qualifications and experience.</p>

Section V: Bidding Forms	This Section will include the forms which are to be completed by the Bidder and submitted as part of its bid. This section also contains the undertaking to be made by each Bidder on anti-bribery policy/code of conduct and compliance program.
Section VI: Eligible Countries	This Section will contain information regarding eligible countries.
Part 2: PE's Requirements	
Section VII:	<p><u>Work Requirements (for Works)</u> This Section will contain the Specification, Drawings, and supplementary information that describe the Works to be procured. The Works Requirements may also include the Environmental and Social (ES) requirements (including requirements relating to Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) which are to be satisfied by the Contractor in executing the Works.</p> <p><u>Schedule of Requirements (for Goods)</u> This Section will include the List of Goods and Related Services, the Delivery and Completion Schedules, the Technical Specifications and the Drawings that describe the Goods and Related Services to be procured.</p> <p><u>Activity Schedule (For Non-Consulting Services)</u> This Section will include the List of Non-Consultancy Services and Completion Schedules that describe the Services to be procured.</p>
Part 3: Conditions of Contract and Contract Forms	
Section VIII: General Conditions of Contract (GCC)	This section will contain the general clauses to be applied to all contracts. The General Conditions of Contract (GCC) form a complete document expressing all the rights and obligations of the parties during the execution of the contract. The text of the clauses in this Section shall not be modified.
Section IX: Special Conditions of Contract (SCC)	This Section will consist of Specific Provisions which contains clauses specific to each contract. The contents of this Section modify or supplement the GCC. All italicised spaces in the SCC should be filled out by a PE prior to issuance of the bidding documents. No entry should be made in the SCC if it is not cross referenced in the GCC.
Section X: Contract Forms-	This Section will contain forms which, once completed and submitted, will form part of the Contract. The forms for Performance Security or Securing Declaration shall be completed and submitted by successful Bidder before signing of the contract and when advance payment is required, Advance Payment Security shall be completed and submitted after contract signature. The Section also contains the Letter of Intention to Award the Contract, which shall not form part of the contract.

5.8.5 Preparation and Approval of Bid Document

The preparation of bidding documents is a joint responsibility of the **Procurement Unit (PU)** and the **User Departments**, as required under *Section 23* of the PPDA Act, which obliges every PE to have a Procurement Unit, User Department, Procurement Committee, and Verification/Acceptance Committee to support the procurement process.

In accordance with **Regulations 36–40** of the PPDA Regulations, the User Department is responsible for preparing all **technical inputs** to be included in the bidding documents. These inputs vary depending on the nature of the procurement and may include:

- Specifications, drawings, and Bills of Quantities for works;
- Schedule of Requirements for goods;
- Activity Schedule for non-consultancy services; and
- Terms of Reference for consultancy assignments.

The User Department must also supply information required for inclusion in the Bid Data Sheet (BDS) and qualification forms, particularly on eligibility requirements, experience criteria, technical capacity, bid validity, and bid security requirements, all of which are governed by Regulations 54–57, detailing the mandatory content of bidding documents.

Before the bidding documents are finalized, the Legal Unit plays a crucial role in reviewing the Special Conditions of Contract (SCC) to ensure consistency with the General Conditions of Contract (GCC). This legal review ensures that the SCC does not introduce contradictions, ambiguities, or provisions that conflict with the PPDA Act or the PPDA Regulations.

Following the technical and legal review, the Procurement Unit consolidates the full bidding document package and completes all procurement-specific information in the Bid Data Sheet, including instructions on clarifications, submission procedures, and bid opening arrangements, in line with Regulations 52–67, which set out the procedures for inviting bids, bid submission, opening, and evaluation.

In developing bidding documents, PEs must strictly adhere to the Standard Bidding Documents (SBDs) issued by the Authority in accordance with Section 8(1)(f) of the Act and Regulation 4(2)–(4) of the Regulations. Only sections designed for PE-specific customization may be modified. These typically include:

- Invitation for Bids
- Bid Data Sheet
- Qualification and Evaluation Criteria
- Special Conditions of Contract
- Work Requirements / Schedule of Requirements / Activity Schedule

All italicized notes and bracketed instructions within the SBDs must be replaced with the relevant information and then removed. Any unfilled field is interpreted as information to be provided by the bidder.

Finally, the completed bidding documents must be **approved by the appropriate approving authority within the PE**, in accordance with the internal approval thresholds established under the PPDA Act and the institutional framework of the PE. Approval must be secured **before** the bidding documents are issued to the public.

5.8.6 Best Practices for Preparing Bid Documents

In preparing bid documents the following best practices must be observed:

Clarity and Consistency	All sections of the bidding document must be written clearly and consistently to ensure bidders fully understand the PE's requirements. Clarity minimizes misinterpretation and enhances the preparation of responsive bids, in line with the transparency and fairness principles under Sections 3 and 7 of the PPDA Act. Technical terms should be used only where necessary, and where applied, they should be defined. Consistency between specifications, scope of work, and evaluation criteria is essential to avoid contradictions. Ambiguities or conflicting information may lead to non-responsive bids, evaluation challenges, disputes, or delays—contrary to the orderly procurement procedures required under Regulations 54–57.
Compliance with PPDA Act 2018 and PPDA Regulations 2024	All bidding documents must strictly comply with the provisions of the PPDA Act and the Regulations, 2024, which set out mandatory content, procedures, and standards for procurement. Regular cross-checking against the Act and Regulations ensures that the bidding process upholds principles of competition, equality of treatment, and accountability as required under Section 7 of the Act. Non-compliance may result in invalid procurement processes, challenges from bidders, or cancellation of proceedings. Bidding documents must also reflect any sector-specific regulatory requirements applicable to the procurement.
Stakeholder Involvement	The preparation of bidding documents should involve all relevant stakeholders to ensure completeness and accuracy, in line with Regulations 36–40, which assign clear roles to User Departments and other units. User Departments define the technical details (specifications, drawings, Bills of Quantities, Schedule of Requirements, Activity Schedule), while the Procurement Unit ensures procedural accuracy. Legal advisors review the Special Conditions of Contract to ensure conformity with the Act and Regulations. Involving stakeholders early reduces omissions, prevents later modifications, and mitigates potential contract disputes.
Use of Standard Bidding Documents (SBDs)	PEs must use the Standard Bidding Documents issued by the PPDAA, as required under Section 8(1)(f)–(g) of the PPDA Act and Regulation 4(2)–(4). Using these templates ensures nationwide consistency, adherence to mandatory clauses, and compliance with legal requirements. Standard templates also help PEs avoid errors, ensure completeness, and maintain alignment with approved evaluation methods, qualification criteria, contractual conditions, and instructions to bidders. Customization should be limited to the parts of the Bid Data Sheet, SCC, and technical schedules specifically designated for PE input.

5.8.7 Checklist for Bid Document Preparation

The checklist for preparing bidding documents helps the PE ensure that all mandatory components required under the PPDA Act and the PPDA Regulations are accurately completed and included. Verifying these elements strengthens compliance, improves clarity, and supports a transparent and efficient evaluation process. The following key items must be confirmed:

Checklist Item	Description
Completeness of IFB, ITB, and BDS	Confirm that the Invitation for Bids, Instructions to Bidders, and Bid Data Sheet are complete, consistent, and aligned with Regulations 52–57 on inviting bids, required contents of bidding documents, and minimum requirements.

Checklist Item	Description
Verification of PE's Requirements	Verify that Specifications, Drawings, Bills of Quantities, Schedule of Requirements, or Activity Schedule are clearly defined by the User Department and prepared in accordance with Regulations 36–40, accurately reflecting the scope of the procurement.
Review of GCC and SCC	Ensure that the General Conditions of Contract and Special Conditions of Contract are appropriate for the procurement, with no contradictions to the standard terms issued by the Authority, in accordance with Section 8(1)(f)–(g) of the Act and Regulation 4(2)–(4).
Inclusion of Required Forms	Confirm that all required bidding forms—Bid Submission Form, Price Schedule, Qualification Forms, and any required Bid Security Forms—are included and consistent with the applicable Standard Bidding Document (SBD).
Evaluation and Qualification Criteria	Ensure that qualification criteria, evaluation criteria, and the evaluation methodology are included in accordance with Regulations 67–80, ensuring an objective, transparent, and compliant assessment of bids.
Overall Compliance Check	Conduct an overall review to ensure the bidding document fully complies with the PPDA Act and PPDA Regulations , including the required structure, content, and procedural requirements.

By using this checklist, a PE ensures that its bidding documents are complete, coherent, and compliant with the national public procurement framework, thereby enhancing the quality of bids received and supporting a fair, consistent, and transparent evaluation process.

5.9 Eligibility and Qualification of Bidders

5.9.1 Eligibility Criteria for National and International Bidders

Under the PPDA Act and the PPDA Regulations , all bidders participating in public procurement must meet the eligibility and qualification requirements set out in the bidding documents. These requirements ensure fairness, competition, and compliance with the national procurement framework.

Local Bidders	<p>In accordance with the eligibility principles under the Act and Regulations 176–182, a national (local) bidder must:</p> <ul style="list-style-type: none"> <li data-bbox="605 1326 1441 1417">• Be a legally registered business in South Sudan, holding all required registrations with relevant statutory and regulatory authorities; <li data-bbox="605 1427 1441 1518">• Possess valid business licences and permits issued in South Sudan; <li data-bbox="605 1529 1441 1598">• Comply with all applicable tax obligations and provide evidence of tax compliance when required; <li data-bbox="605 1609 1441 1679">• Meet eligibility and qualification criteria stated in the bidding documents (technical, financial, legal, and administrative); <li data-bbox="605 1689 1441 1759">• Adhere to national policies such as anti-corruption declarations, conflict-of-interest rules, and integrity requirements; <li data-bbox="605 1769 1441 1801">• Provide any other documentation required to confirm eligibility under Section 5 and Regulations 176–179.
Foreign Bidders	<p>In accordance with Regulation 176 and the non-discrimination principles of the Act:</p> <ul style="list-style-type: none"> <li data-bbox="417 1812 1441 1862">• Foreign bidders are permitted to participate in procurement without prior registration in South Sudan at the bidding stage.

- If evaluated as the best evaluated bidder, a foreign bidder must register with the relevant South Sudanese statutory, regulatory, or professional bodies before contract award.
- The foreign bidder must, at this stage, submit proof of registration or documentation that they have initiated and satisfied all requirements for registration as a supplier, contractor, or consultant in South Sudan.
- Foreign bidders remain subject to all eligibility, integrity, and qualification requirements applicable under the Act and Regulations.

5.9.2 Qualifications of Bidders

Under Regulations 178–180, bidders must demonstrate that they possess the capacity and capability to perform the contract. Qualification criteria included in the bidding documents typically cover the following:

Technical Capacity	<ul style="list-style-type: none">• Demonstrated experience in similar assignments or contracts of comparable nature and complexity;• Availability of qualified personnel, equipment, and physical facilities necessary for contract performance;• Compliance with specifications, standards, and technical requirements outlined in the bidding documents.
Financial Capacity	<ul style="list-style-type: none">• Adequate financial resources to perform the contract or access to credit facilities;• Audited financial statements or other acceptable financial documentation demonstrating liquidity, stability, and capacity
Performance History	<ul style="list-style-type: none">• Satisfactory performance on previous contracts, including timely completion, adherence to quality standards, and contract management history;• Disclosure of litigation or contractual disputes, where applicable, to assess performance risk.
Specific Requirements	<ul style="list-style-type: none">• Ability to meet delivery schedules, performance standards, or milestones as defined in the bidding documents;• Any additional qualification conditions required for the particular procurement category (works, goods, or services).

These requirements ensure that only capable and responsible bidders are considered for contract award.

5.9.3 Ineligibility of Bidders

In line with Section 5 (definitions), Section 7 (objectives), Section 8 (functions of the Authority) and Regulations 181–189, a bidder may be declared ineligible under the following circumstances:

Debarment:	The bidder is suspended, blacklisted, or debarred by PPDA in accordance with Regulations 184–191.
Fraud or Corruption:	The bidder is found to have engaged in corrupt, fraudulent, collusive, coercive, obstructive, or unethical practices, including submitting falsified documents or attempting to influence the procurement process.

Conflict of Interest:	The bidder has a conflict of interest as defined under the Act and Regulations that would compromise the impartial performance of the contract.
Non-Compliance With Legal Requirements	Failure to comply with statutory or regulatory requirements in South Sudan, or failure to meet legal obligations in the bidder's country of origin when such compliance is a requirement of eligibility.
Failure to Register (Where Required):	A foreign bidder who fails to register with the required professional or statutory bodies after being declared the best evaluated bidder.
Financial Incapacity	The bidder is bankrupt, insolvent, under receivership, or otherwise unable to legally or financially perform contractual obligations.

5.10 Pre-Qualification of Bidders

Pre-qualification is a formal procurement procedure provided for under the PPDA Regulations (Regulations 47–51) that allows a PE to identify, evaluate, and shortlist qualified bidders before inviting bids for goods, works, or services. It is applied where the procurement is complex, high-value, highly specialized, or when detailed assessment of bidders' capacity is necessary to ensure reliable contract performance.

5.10.1 Purpose of Pre-Qualification

In line with Regulation 47, the purpose of pre-qualification is to determine in advance the capability, experience, and resources of potential bidders, ensuring that only those who meet the required criteria are invited to submit bids. The process strengthens competition by ensuring that bidders who participate in the subsequent bidding stage are technically, financially, and legally capable of performing the contract.

Pre-qualification contributes to an efficient, fair, and transparent procurement process by:

- Shortlisting competent bidders, thereby reducing the risk of awarding contracts to unqualified or inexperienced firms.
- Ensuring that only bidders with the necessary equipment, personnel, financial strength, and relevant experience proceed to the bidding stage.
- Enhancing confidence in the quality and reliability of bids received for complex or specialized procurements.

Benefits of Pre-Qualification to the PE

Undertaking pre-qualification offers several advantages that support the PE in achieving value for money and reducing procurement risk:

- (a) Preparation of full bids involves time and cost. Pre-qualification reduces unnecessary expenses for bidders who may otherwise prepare bids despite lacking capacity. This may later encourage more competitive pricing from qualified bidders.
- (b) Strong and reputable contractors—including international firms—are more likely to participate when assured that competition is limited to bidders who meet defined minimum standards.

- (c) The level of interest shown during pre-qualification provides the PE with an early indication of market capacity. Limited interest may signal the need to revise specifications, timelines, or bidder requirements to enhance competition.
- (d) Pre-qualification ensures that the evaluation of bids is carried out among eligible, responsive, and capable bidders only, resulting in substantial savings in time and administrative effort during the bidding and evaluation stages.

Potential Disadvantages of Pre-Qualification

While pre-qualification is beneficial, the PE must also be aware of possible drawbacks:

- (a) Extended procurement timelines: Pre-qualification introduces an additional procedural phase. Without proper scheduling, this may lengthen the overall procurement process. To mitigate this, Regulation 40 allows preparatory activities—such as drafting bidding documents and obtaining internal approvals—to proceed concurrently while pre-qualification is underway.
- (b) Risk of collusion: Because the list of pre-qualified bidders becomes known before bid submission, there is increased potential for collusive practices among shortlisted firms. The PE must mitigate this risk through strict enforcement of anti-collusion provisions under the Act and Regulations, maintaining confidentiality during evaluation, and applying debarment rules where necessary.

5.10.2 Pre-Qualification Proceedings

Pre-qualification proceedings must be carried out in accordance with the PPDA Regulations (Regulations 47–51), which set out the procedures for inviting, receiving, and evaluating applications for pre-qualification.

When a PE decides to undertake pre-qualification, it must prepare pre-qualification documents and make them available to all interested applicants in accordance with the invitation to pre-qualify. Where applicable, PEs may charge a reasonable fee to cover the cost of printing or reproduction of the documents, as permitted by the Regulations.

The PE must ensure that:

- (a) Pre-qualification is conducted transparently and in a non-discriminatory manner;
- (b) Applications are received and opened in accordance with the procedures prescribed in the Regulations;
- (c) All stages of pre-qualification are properly recorded, documented, and retained as part of the procurement records required under the Act; and
- (d) Only applicants who meet the established qualification criteria are shortlisted and invited to participate in the subsequent bidding process.
- (e) Pre-qualification must be handled by the Procurement Unit and evaluated by an appointed Evaluation Committee consistent with the institutional requirements set out in the Act (Section 23) and relevant Regulations.

5.10.3 Contents of a Pre-Qualification Invitation

Under Regulation 47(3) of the PPDA Regulations , the invitation to pre-qualify must contain all necessary information to enable potential applicants to decide whether to participate. The invitation must include:

- (a) The name and address of the PE;
- (b) A description of the goods, works, or services to be procured—including nature, quantity, and place of delivery or execution;
- (c) The expected timeframe for delivery of goods, completion of works, or provision of services;
- (d) The criteria and procedures that will be used to assess the qualifications of applicants, consistent with the qualification requirements under the Regulations
- (e) A statement indicating whether participation is open to bidders of all nationalities, or if nationality restrictions apply in accordance with the Act and Regulations;
- (f) The price (if any), currency, and method of payment for obtaining the pre-qualification documents, and instructions on how they may be obtained;
- (g) The language of the pre-qualification documents and the deadline for submission of applications; and
- (h) Any additional information required by the Standard Pre-Qualification Documents issued by PPDA.

The Procurement Unit (PU) prepares the invitation to pre-qualify, which must be approved by the Accounting Officer or the Procurement Committee, depending on the applicable approval threshold under the Act.

Once approved, the invitation must be advertised in accordance with the publication and notification requirements established by the PPDA Regulations .

An invitation issued without prior approval or in contradiction with the Act or Regulations is invalid.

5.10.4 Content of Prequalification Document

Pre-qualification documents are prepared by the Procurement Unit (PU) in consultation with the User Department, as required under Section 23 of the PPDA Act and the institutional responsibilities provided under the PPDA Regulations. The completed documents must be approved by the Accounting Officer or the Procurement Committee, depending on the applicable approval threshold, before they are issued to applicants.

Under the PPDA Regulations (Regulations 47–51), the pre-qualification documents must contain all information necessary for applicants to assess the requirements and submit a complete application. The documents shall include:

- (a) Clear instructions for the preparation and submission of pre-qualification applications;
- (b) A summary of the key terms and conditions of the contract expected to result from the procurement;
- (c) All documentary evidence and information that applicants must provide to demonstrate their legal, technical, and financial qualifications;
- (d) The method and deadline for submission of applications, ensuring sufficient time for applicants to prepare their submissions in accordance with the needs of the PE; and

(e) Any other conditions or requirements the PE considers necessary, provided they are consistent with the PPDA Act and the PPDA Regulations .

Qualification Criteria in Pre-Qualification

In accordance with Regulation 48, the qualifications of applicants must be based on their legal capacity, technical capability, and financial resources. In assessing these, the PE shall consider:

Legal and Eligibility Information Information to confirm that the applicant is legally operating and eligible under the law, such as:

- Certificate of Incorporation or Business Registration
- Valid Trading License
- Tax Clearance Certificate
- VAT/PIN Registration (where applicable)
- Evidence of registration with relevant regulatory bodies (e.g., engineers' boards, sector regulators)
- Declaration of non-involvement in corruption, fraud, or debarment
- Litigation history for the past 5–10 years
- Joint Venture (JV) agreement (if applying as a JV)

Financial Capacity To ensure the bidder has adequate financial resources to execute the contract:

- Audited financial statements for the last 3–5 years
- Average annual turnover meeting the minimum threshold stated by the PE
- Letters of credit lines or access to financing facilities
- Bank reference letter confirming financial soundness
- Proof of liquidity (cash flow statements)
- Information on any bankruptcy or insolvency proceedings

Similar Experience and Past Performance To verify the applicant's proven ability to deliver similar contracts:

- List of similar contracts successfully completed in the last 5–10 years
- Contract values, scope, locations, and durations
- Client references (names, contacts, completion certificates)
- Evidence of satisfactory performance (certificates, performance ratings)
- Experience operating in similar environments (e.g., remote, conflict-affected areas)

Technical Capacity Information demonstrating the technical ability and resources required:

- Personnel qualifications and CVs of key staff (engineers, supervisors, technicians)
- Organizational structure
- Capacity to deliver the proposed solution or services
- Technical methodology or approach (for complex services)
- Quality management systems (ISO standards, internal quality controls)

Equipment and Physical Resources	Most relevant for Works and Non-Consultancy Services (e.g., cleaning, security, transport): <ul style="list-style-type: none">• List of equipment owned or leased (vehicles, machinery, tools, ICT equipment)• Proof of ownership or lease agreements• Condition and availability of equipment• Workshop facilities, warehouses, or service centres
Personnel Capability	To confirm that the applicant has competent and sufficient human resources: <ul style="list-style-type: none">• Key personnel CVs• Professional certifications or licenses• Staff strength (skilled, semi-skilled, and support staff)• Proof of registration of professional staff with national bodies (e.g., engineers, accountants)
Health, Safety, Environment (HSE) and Social Standards	Especially important for Works or high-risk services: <ul style="list-style-type: none">• Occupational health and safety policy• Environmental management systems• Safety training records• Accident/incident history• Compliance with labour laws and social protection requirements
Manufacturer's Authorization (for Goods)	Where applicable: <ul style="list-style-type: none">• Manufacturer's Authorization Letter (MAL)• Evidence of authorised dealership or distributorship• Technical support ability from the manufacturer• Warranty and after-sales service commitments
Supply Capacity and Delivery Capabilities	Required for Goods and Supply Frameworks: <ul style="list-style-type: none">• Production capacity• Delivery schedule commitments• Inventory levels or warehouse capacity• Distribution network coverage
Additional Information	Depending on nature of procurement, the PE may request: <ul style="list-style-type: none">• Company profile• Ethical conduct or integrity pledge• Anti-bribery compliance documentation• Insurance coverage (e.g., liability, equipment, professional indemnity)• Any other documentation relevant to the specific procurement

These criteria ensure that only applicants with the capacity to perform the contract are shortlisted for the bidding stage.

5.10.5 Clarification and Evaluation of Applications for Pre-Qualification

Under Regulation 49, applicants may request clarification on the pre-qualification documents within the period specified in the invitation. The PE must respond within a reasonable time and must share the clarification with all applicants without disclosing the identity of the requester, thereby ensuring fairness and equal access to information.

Evaluation of applications shall be conducted by an Evaluation Committee appointed in line with the PPDA Act and Regulations. The committee shall assess each application against the qualification criteria stated in the pre-qualification documents and prepare an evaluation report detailing:

- The criteria applied;
- The evaluation findings;
- The list of applicants recommended for pre-qualification; and
- Justifications for all decisions made.

The Invitation for Pre-qualification Notice shall be published in PPDAA's Tender Portal (<https://tenderportal.ppdaa.gov.ss>) in Accordance with Reg. 48(1)

The report is then submitted to the Procurement Unit for review before being forwarded to the Accounting Officer or Procurement Committee for approval.

5.10.6 Submission and Receipt of Applications

Applicants must submit their pre-qualification applications in the manner and format specified in the pre-qualification documents. The PE is responsible for receiving, safeguarding, and recording all submissions in accordance with the PPDA Regulations .

Once applications are received, the Evaluation Committee conducts the assessment strictly based on the approved qualification criteria. Only applicants who meet the criteria shall be included in the final pre-qualified list, which becomes the basis for issuing bidding documents.

Under Regulation 51, if all applicants fail to meet the prescribed requirements, the PE may revise some of the qualification requirements—provided the revisions remain consistent with the Act and Regulations—and re-evaluate all applicants using the adjusted criteria. This ensures adequate competition at the bidding stage while maintaining fairness and transparency.

Importantly, pre-qualification must not be used to limit competition. All applicants who meet the approved criteria must be pre-qualified.

5.10.7 Notification of Results of the Pre-Qualification Process

After the pre-qualification evaluation report has been reviewed and approved by the Accounting Officer or the Procurement Committee, the PE must notify all applicants of the outcome of the pre-qualification process.

In accordance with the principles of transparency, fairness, and equal treatment under the PPDA Act and the procedural requirements under Regulation 49–51 of the PPDA Regulations , the PE shall:

(a) **Notify all successful applicants in writing:** Successful applicants must be informed promptly and in writing that they have been pre-qualified and will be invited to participate in the bidding stage. The notification shall specify:

- That the applicant has been pre-qualified;
- The next steps in the procurement process;
- The time, date, and manner in which bidding documents may be obtained; and
- The anticipated date, time, and place for bid submission and bid opening.

The PE shall not revise requirements establishing the bidder's experience in carrying out assignments of similar nature and his capability to finance the assignment.

This ensures that successful applicants can prepare adequately for the bidding stage.

(b) **Notify all unsuccessful applicants in writing:** All applicants who did not meet the pre-qualification requirements must also be informed in writing, providing clear reasons for their non-qualification, consistent with Regulation 51, which requires PEs to communicate evaluation outcomes with justifications.

This allows unsuccessful applicants to understand the basis of the decision and supports the right to seek administrative review under the Act, should they wish to do so.

(c) **Coordination with Bid Document Preparation:** Because pre-qualified applicants must be invited to submit bids immediately after notification, the bidding documents should be fully prepared—or close to completion—before the pre-qualification process is concluded. This ensures a smooth transition to the bidding stage and avoids unnecessary delays.

5.10.8 Maintenance of a Database of Pre-Qualified Bidders

In accordance with the PPDA Act and the PPDA Regulations (Regulations 47–51), a PE that undertakes pre-qualification must maintain an up-to-date database of pre-qualified bidders. This database supports transparency, enhances competition, and ensures that only capable and qualified firms are invited to participate in restricted bidding processes or subsequent procurement cycles. A PE's database of pre-qualified bidders should:

(a) **Categorize Bidders by Specialization:** The database should classify pre-qualified firms according to their areas of competence—such as road works contractors, building contractors, suppliers of construction materials, IT service providers, equipment suppliers, or other relevant categories.

This ensures that the PE can readily identify qualified firms for specific procurement requirements.

(b) **Reflect Regional or Geographical Capabilities:** Where applicable, the PE may maintain sub-lists of pre-qualified firms capable of delivering goods, works, or services in specific regions or locations. This is particularly relevant where logistics, mobility, or local presence may influence performance feasibility.

(c) **Maintain Performance Records:** The database should include a record of each pre-qualified bidder's:

- Past performance on contracts executed for the PE;
- Performance evaluation results required under the Regulations;
- Information on timeliness, quality, adherence to specifications, and contract administration performance;
- Any history of non-performance, contract termination, or disciplinary actions.

These records allow the PE to assess whether previously pre-qualified firms continue to meet the standards required for future procurement.

(e) **Periodic Review and Updating:** To ensure accuracy and relevance, the pre-qualified vendor list must be reviewed and updated periodically. Updates should reflect:

- New entrants who meet the established pre-qualification criteria;
- Changes in bidder capacity, including improvements or declines in technical, financial, or operational capability;

- Performance feedback obtained from recently completed contracts;
- Removal of firms that no longer meet eligibility or qualification requirements, or that have been suspended or debarred in line with the PPDA Act and Regulations.

Maintaining an updated and accurate database ensures that the PE consistently engages qualified, capable, and reliable firms, thereby supporting efficiency and value for money in public procurement.

5.11 Bidding Procedures

5.11.1 Invitation to bid and advertising

Under the PPDA Act and the PPDA Regulations, the Procurement Unit (PU) is responsible for preparing the Invitation to Bid (Bid Notice) for all procurement methods that require competitive bidding. The Bid Notice must be reviewed and approved by the Accounting Officer or the Procurement Committee, depending on the approval thresholds.

An invitation issued without the required approval is invalid.

Forms of Invitation to Bid

In accordance with the principles of transparency and competition under the Act and the procedures in the Regulations, invitations to bid may be issued in two main ways:

(a) **Open Bidding (No Pre-qualification Stage):** Where no pre-qualification has been conducted, the PE shall advertise the procurement opportunity publicly to invite all interested and eligible bidders to participate.

This follows the principles of open competition required under the Act and the publication requirements in the Regulations.

(b) **Invitation to Pre-Qualified Bidders:** Where a pre-qualification process has been conducted in accordance with Regulations 47–51, the PE may issue invitations only to those firms that successfully pre-qualified.

This approach restricts bidding to applicants who have already demonstrated technical, legal, and financial capacity.

Open Bidding vs Pre-Qualified Bidding

Open Bidding: Open bidding maximizes competition but can be administratively costly and time-consuming, because:

- Large numbers of bidders may participate,
- All submitted bids must be given equal scrutiny, and
- The evaluation process can become lengthy and resource-intensive.

Despite these challenges, open bidding remains the default method for competitive procurement under the Act because it promotes fairness, equal opportunity, and transparency.

Pre-Qualification and Two-Stage Approach

To reduce evaluation burdens—especially for high-value, complex, or specialized procurements—a PE may use a two-stage process:

(a) Stage One: Pre-Qualification- Potential bidders submit applications to demonstrate capability. Only applicants meeting the qualification criteria are shortlisted.

(b) Stage Two: Invitation to Bid- Only the shortlisted (pre-qualified) firms are invited to submit full bids. This approach preserves competition—because any firm may apply for pre-qualification—while ensuring that only technically and financially capable firms proceed to submit detailed bids. This reduces the workload of evaluating large volumes of non-responsive or unqualified bids.

5.11.2 Content of Invitation to Bid

Under the PPDA Act and the PPDA Regulations , the Invitation to Bid (Bid Notice) must provide sufficient and accurate information to enable potential bidders to determine their interest and capacity to participate in the procurement process. The Bid Notice must be prepared by the Procurement Unit (PU), approved by the Procurement Committee depending on the approval threshold, and published in accordance with the advertisement provisions of the Regulations.

Although the exact numbering may differ from older drafts, the PPDA Regulations require that the Invitation to Bid include, at a minimum, the following information:

Mandatory Content of the Invitation to Bid

- (a) The name and address of the PE;
- (b) The source of funding for the procurement;
- (c) A clear and detailed description of the procurement requirement—goods, works, or services;
- (d) The deadline (date and time) by which bids must be submitted;
- (e) Any qualification requirements that bidders must meet, in line with the criteria specified in the bidding documents;
- (f) Instructions on how to obtain the bidding documents and the contact details for seeking additional information or clarifications;
- (g) The method and place for submitting bids;
- (h) The value and format of any required bid security or bid securing declaration; and
- (i) Information on any pre-bid meeting, site visit, or inspection of facilities if such activities are required or permitted.

The Invitation for Tender Notice shall be published in PPDAA's Tender Portal (<https://tenderportal.ppdaa.gov.ss>) in Accordance with Reg. 48(1)

Use of Standard Templates

The Invitation for Bids must follow the format provided in the Standard Bidding Documents (SBDs) issued by the PPDAA, in accordance with Section 8(1)(f)-(g) of the PPDA Act and Regulation 4(2)-(4).

Using the official template ensures consistency, completeness, and compliance with the national procurement framework.

Issuance of Bidding Documents

Once the bid notice has been published, the PE must make the bidding documents available to all bidders who request them, following the procedures stipulated in the PPDA Regulations . The process should be:

- transparent,

- non-discriminatory, and
- consistent with the timelines and instructions indicated in the Invitation to Bid.

Bidding documents may be issued electronically or physically, depending on the PE's established procedures, provided that equal access is ensured for all bidders.

5.11.3 Content of Bid Document

Under the PPDA Act and the PPDA Regulations , all PEs must prepare bidding documents using the Standard Bidding Documents (SBDs) issued by the Public Procurement and Disposal of Assets Authority (PPDAA). This obligation arises from:

- Section 8(1)(f)–(g) of the PPDA Act, which mandates PPDAA to develop and issue standardized bidding documents.
- Regulation 4(2)–(4) of the PPDA Regulations , which makes the use of SBDs mandatory and restricts amendment of their core provisions.

Accordingly any modifications to the standard template shall only be introduced through the Bid Data Sheet (BDS) or the Special Conditions of Contract (SCC).

Where PPDAA has not yet issued an SBD for a specific procurement category, the PE may prepare its own bidding document but must submit it to PPDAA for review and approval before use, as required under the Regulations.

The bidding documents must provide complete information to enable bidders to prepare responsive bids. These documents typically include the following key sections, as prescribed under the Regulations:

- (a) Instructions to Bidders (ITT)
- (b) Bid Data Sheet (BDS)
- (c) Evaluation and Qualification Criteria
- (d) Bidding Forms
- (e) PE's Requirements (Specifications, Bills of Quantities, Schedule of Requirements, or Activity Schedule)
- (f) General Conditions of Contract (GCC)
- (g) Special Conditions of Contract (SCC)
- (h) Contract Forms

These components ensure that all bidders have equitable access to the same information, consistent with the principles of transparency and fairness in **Section 7** of the Act.

SETTING BIDDING PERIOD

When setting the bidding period, the PE should consider:

- (a) whether the procurement is national or international;
- (b) the extent of technical documentation bidders must prepare;
- (c) whether alternative bids are allowed;
- (d) whether bidders need time to obtain subcontractor or supplier quotations;
- (e) the complexity or uniqueness of the specifications;
- (f) the level of expected subcontracting; and
- (g) any special compliance requirements (e.g., environmental, social, safety, regulatory).

Taking these factors into account helps the PE set a fair and sufficient bidding period that upholds the principles of open competition and value for money under the PPDA Act and Regulations.

Ensuring Sufficient Response Time for Bidders

Under the PPDA Regulations, every PE must give bidders sufficient time to prepare and submit their bids. While the Regulations prescribe minimum bidding periods, it is the responsibility of the PE to set a timeline that is realistic and appropriate for the specific procurement. The bidding period should reflect:

- the size and value of the requirement;
- the complexity of the goods, works, or services to be procured;
- the level of technical, financial or logistical preparation bidders must undertake; and
- whether the procurement is national or international, which affects how long it takes bidders to access information and prepare submissions.

A straightforward procurement that requires only basic documentation should never be given the same preparation time as a large or technically demanding works contract that involves detailed designs, specialized methodologies, or coordination with multiple subcontractors.

The checklist shown in Table 5.18 highlights key issues to consider when preparing bidding documents to ensure an efficient procurement process and to secure a supplier, contractor, or service provider with the required capacity and capability to perform the contract:

Table 5.18: Checklist for Preparation of Bid Documents

Checklist Item	Description
Clarity of User Requirements	Ensure that User Department requirements are clearly defined and accurately translated into Drawings, Specifications, BOQs, or Schedule of Requirements. Missing or incorrect details lead to numerous clarifications, possible bid deadline extensions, and future contract variations or delays.
Proper Cost Estimate	Prepare a realistic cost estimate using completed BOQs/Schedules and current market rates, including reasonable overheads and profit. A sound estimate helps determine whether bids are reasonable, overpriced, or abnormally low, supporting fair and objective evaluation.
Eligibility & Qualification Requirements	Determine appropriate eligibility and qualification criteria based on the project's scope and complexity. Overly strict requirements reduce competition; overly lenient requirements risk awarding to an unqualified bidder. Requirements must comply with the PPDA Act and PPDA Regulations.
Realistic Bid Preparation Period	Set a bidding period that reflects the size and complexity of the procurement. Allow bidders adequate time to review documents, perform calculations, obtain quotations, and prepare competitive bids. Unrealistic timelines lead to non-responsive bids, extensions, or re-bidding.
Clear Evaluation Criteria	State all evaluation criteria clearly and explicitly in the bidding documents. Clear criteria help bidders understand how bids will be assessed, support informed bidding decisions, and ensure a transparent and defensible evaluation process.

5.11.4 Managing the Bid Process

Once the bidding documents have been issued, the primary responsibility shifts to bidders as they prepare their submissions. However, the PE—particularly the Procurement Unit (PU) and the

User Department (UD)—continues to play an essential role in managing the bidding period in accordance with the PPDA Act and PPDA Regulations .

The PU and UD must remain fully organized and responsive throughout the bidding period by:

Handling Requests for Clarification	The PU is responsible for receiving, coordinating, and issuing timely responses to all requests for clarification submitted by bidders. Responses must be clear, consistent with the bidding documents, and shared with all bidders to ensure equal access to information and maintain fairness in the procurement process
Organizing Site Visits and Pre-Bid Meetings:	For procurements—especially works contracts or complex assignments—where site visits or pre-bid meetings are necessary, the PU and UD must plan, schedule, and manage these activities. These events provide bidders with essential information, enable them to understand site conditions, and promote the submission of well-informed and responsive bids.
Ensuring Consistency and Compliance:	Throughout the bidding period, the PU must ensure that all communications, clarifications, and activities comply with the requirements of the PPDA Act and Regulations, and that no bidder receives preferential treatment or information advantage.

Effective management of the bid process enhances transparency, supports equal opportunity among bidders, and contributes to obtaining competitive and responsive bids.

5.11.5 Bid Clarifications and Modifications of Bid Documents

During the bidding period, bidders may request clarifications on any aspect of the bidding documents. Under the PPDA Act and the PPDA Regulations , clarification procedures must be handled in a fair, transparent, and non-discriminatory manner to ensure that all bidders have equal access to information.

Requests for Clarifications	Bidders may submit written requests for clarification within the period specified in the bidding documents. Requests submitted after the deadline may be disregarded, unless they highlight a significant omission, inconsistency, or error in the bidding documents that could materially affect the bidding process.
PE's Obligation to Respond	In accordance with the principles of fairness and equal treatment in the Act and Regulations. <ul style="list-style-type: none">• The PE must respond to clarification requests promptly and within the timeframe indicated in the bidding documents.• Responses must be shared with all bidders who obtained the bidding documents, without revealing the identity of the bidder who raised the question.• Clarifications issued by the PE become an integral part of the bidding information and must be considered by all bidders in preparing their bids.
Modifications to the Bidding Documents	If clarifications reveal the need for modifications or corrections to the bidding documents, the PE must issue an addendum to all bidders. Addenda may include: <ul style="list-style-type: none">• corrections of errors,• clarification of ambiguous provisions, or• adjustments to technical specifications, evaluation criteria, or timelines.

When an addendum materially changes the scope or complexity of the requirement, the PE must also consider extending the bid submission deadline to allow bidders adequate time to adjust their proposals.

Assigning Responsibility for Clarification Management To ensure efficient and timely handling of clarifications, the PE should designate specific officers within the Procurement Unit (PU) and, where necessary, the User Department (UD) to be responsible for:

- receiving clarification requests,
- coordinating internal review of technical or contractual issues, and
- issuing official responses and addenda.

Assigning clear responsibility minimizes delays, ensures consistency in communication, and strengthens compliance with the procurement framework.

Effective management of the bid process is essential to ensuring fairness, transparency, and value for money in public procurement. In accordance with the PPDA Act and PPDA Regulations, PEs must follow clear procedures that safeguard equal treatment of bidders and maintain the integrity of the procurement cycle. The checklist shown in Table 5.19 provides practical guidance on the key actions that PEs must observe during the bidding phase—ranging from information disclosure and clarification handling to the issuance of addenda. Proper adherence to these requirements enhances competition, supports responsive bidding, and reduces the risk of disputes or non-compliance.

Table 5.19: Checklist for Managing the Bid Process

Checklist Item	Description
Provide All Relevant Information to Bidders	Ensure that all information available to the PE that may assist bidders in preparing responsive and competitive bids is shared in the bidding documents or through clarifications. For works contracts, this may include soil investigation reports, environmental data, weather conditions, preliminary surveys, or any other information that bidders cannot reasonably obtain within the bidding period. This promotes fairness and supports submission of realistic bids.
Respond Promptly to Clarification Requests	All requests for clarification must be addressed in a timely manner. When a clarification requires significant time or effort for bidders to incorporate into their bids, the PE should consider extending the bid submission deadline. Any extension must be approved by the Procurement Committee, consistent with approval limits under the PPDA Act and Regulations.
Use Addenda for Modifications to Bidding Documents	Any change to the bidding documents arising from issues identified during pre-bid meetings, site visits, or clarification requests must be made only through a formal Addendum, not through pre-bid meeting minutes. All Addenda must be reviewed and approved by the Procurement Committee before issuance, to ensure compliance with the PPDA Act and Regulations and to maintain consistency and transparency

Pre-bid Meeting and Site Visits

Depending on the nature and complexity of the procurement requirement, the PE may organize:

- (a) A Pre-Bid Meeting: A forum where potential bidders are briefed on the procurement requirement and given an opportunity to seek clarifications on any aspect of the bidding documents or the bid process.

(b) A Site Visit: For works contracts or certain non-consultancy services, a site visit may be arranged to enable bidders to assess site conditions, logistical considerations, and any factors that may affect the preparation of their bids.

Purpose and Conduct of Pre-Bid Meetings

A pre-bid meeting may be used to:

- (a) address issues raised by bidders before or during the meeting;
- (b) provide additional clarity on specifications, drawings, scope of work, or contractual conditions;
- (c) ensure all bidders receive the same information to support preparation of responsive bids.

All clarifications or discussions at the pre-bid meeting must be formally documented, and any required change to the bidding documents must be issued through a written Addendum.

Clarifications and Amendments

To maintain equal treatment and transparency in line with the Act and Regulations:

- (a) Clarifications or amendments to the bidding documents must be issued in writing to all bidders at the same time.
- (b) Any amendment affecting scope, specifications, conditions of contract, or bidding timelines must be made only through an Addendum, not through meeting minutes.
- (c) All Addenda must be reviewed and approved by the Accounting Officer or the Procurement Committee, depending on approval thresholds under the PPDA framework.

This ensures consistency with the requirements of the PPDA Act, especially the principles of fairness and transparency under Section 7, and the procedural obligations under the PPDA Regulations .

Timing of Pre-Bid Activities

The timing of the pre-bid meeting, site visit, and the deadline for seeking clarifications must be carefully planned so that bidders have adequate time to adjust their proposals.

As good practice—especially for international competitive bidding or complex assignments—the PE may adopt the following timing considerations:

- Site Visit and/or Pre-Bid Meeting: Ideally held around the mid-point of the bidding period (e.g., between Days 5 and 7 of a 14-day bidding period).
- Deadline for Clarification Requests: Typically set 3–4 days before the bid submission deadline to allow the PE time to issue clarifications and Addenda, and to allow bidders time to incorporate them.

These timelines are flexible and should be proportionate to the complexity, value, and technical nature of the procurement.

Extension of Bid Submission Date

The PE may extend the bid submission deadline when circumstances justify such an extension. Any extension must be approved by the Accounting Officer or the Procurement Committee, in accordance with the PPDA Act and applicable approval thresholds under the PPDA Regulations .

An extension of the bid submission date may be warranted under any of the following situations:

- (a) Amendments to the Bidding Documents: If the PE issues an Addendum modifying the bidding documents—whether to clarify specifications, correct errors, or adjust requirements—additional time may be necessary to allow bidders to prepare responsive bids.
- (b) Requests for Extension from Multiple Bidders: Where two or more bidders formally request additional time due to the complexity or volume of the bidding requirements, the PE may consider extending the bid period to promote fairness and competition.
- (c) Administrative or Operational Constraints: Unforeseen administrative challenges—such as delays in publishing clarifications, logistical difficulties, or internal disruptions—may necessitate postponement of the bid submission and opening date.

Any extension must be communicated promptly and uniformly to all bidders, ensuring transparency and equal treatment, and must comply with the principles of fairness, competition, and accountability set out in the PPDA Act (Section 7).

Bid Securities

Under the PPDA Regulations , a PE may require bidders to submit a Bid Security or a Bid Securing Declaration as part of their bidding documents. The purpose of a bid security is to safeguard the PE against loss of time and resources where a bidder fails to honour the obligations arising from participation in the procurement process. A bid security functions as a legal commitment—if the bidder fails to meet specified obligations, the security may be forfeited.

Requirement for Bid Security	<p>When a bidding document states that a bid security is required:</p> <ul style="list-style-type: none">(a) All bidders must comply without exception,(b) The requirement applies uniformly to all participants to ensure fairness and equal treatment.(c) The PE must clearly specify in the bidding documents:<ul style="list-style-type: none">• the form of the security (e.g., bank guarantee, insurance bond, or bid securing declaration),• the issuer (e.g., licensed financial institution),• the amount,• the validity period, and• any other principal conditions associated with the security.
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Circumstances Leading to Forfeiture of Bid Security	<p>A bid security may be forfeited if a bidder:</p> <ul style="list-style-type: none">(a) Withdraws or modifies the bid after the submission deadline (or before the deadline where such withdrawal is prohibited in the bidding documents);(b) Rejects arithmetic corrections applied to the bid during evaluation;(c) Fails or refuses to sign the contract after being notified of award;(d) Fails to furnish the required performance security after contract award; or(e) Fails to comply with any other condition precedent to contract signing specified in the bidding documents.
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These conditions reflect the bidder's obligation to act in good faith throughout the procurement process.

Validity and Release of Bid Security

According to the PPDA Regulations , the bid security or bid securing declaration must remain valid for at least 28 days beyond the bid validity period, ensuring the PE has adequate time to act if the bidder defaults.

- (a) **For unsuccessful bidders:** Bid securities must be released no later than 30 days after expiry of the bid validity period (original or extended), or Upon award of contract to the successful bidder, whichever occurs earlier.
- (b) **For the successful bidder:** The bid security is released only after the bidder signs the contract and submits the required performance security to the satisfaction of the PE.

Circumstances Under Which the PE Has No Claim to the Bid Security

The PE loses any claim to the bid security when:

- (a) The bid security expires (original or extended term);
- (b) The contract enters into force and the performance security has been furnished (where required);
- (c) All bids are rejected in accordance with the Act and Regulations;
- (d) The bidder withdraws the bid before the submission deadline, provided such withdrawal is permitted by the bidding documents.

Determining the Appropriate Amount of Bid Security

The amount of the bid security should:

- Be high enough to discourage irresponsible, speculative, or frivolous bids, yet
- Not so high that it discourages competition or prevents qualified bidders from participating.

When determining the amount, the PE should consider:

- the estimated value of the procurement,
- the cost to bidders of obtaining the security, and
- the potential risk of bidders failing to honour their commitments.

While the Regulations do not prescribe an exact percentage, good practice is to apply a reasonable range (e.g., 1.5%–2.5%) of the estimated contract value. In some cases, specifying a fixed amount instead of a percentage may improve responsiveness, as bidders can begin processing the security even before determining their final pricing.

5.11.6 Submission and Opening of Bids

Bid Submissions

The bidding documents must clearly state the exact date, time, and location for the submission of bids. The bid opening must take place at the same time as the submission deadline or immediately thereafter, and this information must be included in the Invitation to Bid and in the bidding documents to ensure transparency and fairness.

Submission Requirements

Bidders must submit their bids:

- (a) Within the prescribed submission deadline,
- (b) In the form and manner specified in the bidding documents, and
- (c) At the location indicated by the PE .

Late bids shall not be accepted, in accordance with the principles of equal treatment and fairness under the PPDA Act.

Submission of Bid Security

Where the bidding documents require a Bid Security or Bid Securing Declaration:

- (a) It must be submitted not later than the bid submission deadline,
- (b) It must be in the amount, form, and format specified in the bidding documents, and
- (c) It must comply with all conditions set out in the bidding requirements.

Failure to submit a required bid security by the deadline renders the bid non-responsive.

Period of effectiveness of bid, modification and withdrawal of bids

- (a) Period of Effectiveness of Bids: In accordance with the PPDA Regulations, the PE must specify in the bidding documents a bid validity period that is sufficient to allow:
 - completion of bid evaluation,
 - comparison and verification of bids,
 - obtaining necessary internal approvals, and
 - issuance of notification of award and contract finalization with the successful bidder.
- (b) The bid validity period should be reasonable and proportionate to the nature, value, and complexity of the procurement requirement. While good practice suggests that bid validity should not exceed 120 days from the bid submission deadline, a PE may adjust the period depending on procurement-specific factors.
- (c) Request for Extension of Bid Validity: Before the expiry of the original bid validity period, the PE may formally request bidders in writing to extend their bid validity for an additional specified period, consistent with the PPDA Regulations.
 - A bidder may refuse to extend the validity period.
 - Refusal shall not result in forfeiture of the bid security.

Linkage Between Bid Validity Period and Bid Security

The **bid validity period** is the duration during which a bidder's offer must remain firm and cannot be withdrawn. The **bid security** is a financial guarantee meant to protect the Procuring Entity (PE) against bidders who withdraw, alter, or fail to honour their bids during that period. The two are closely connected in the following ways:

1. Bid security must cover the entire bid validity period

The security must remain valid for the full duration of the bid validity, often with extra days added to allow time for award processing.

2. Extending the bid validity requires extending the bid security

If the PE prolongs the bid validity period, bidders must also extend the validity of their bid securities. A bidder who declines is treated as having withdrawn the bid, without penalty unless specified otherwise.

3. Bid security protects the PE during the validity period

If a bidder withdraws, modifies its bid, or refuses to sign the contract within the validity period, the PE may forfeit (call) the bid security.

4. Security is released when validity expires

Once the bid validity period ends—and the bidder is not selected—the bid security must be returned or released, provided no breach occurred.

In essence:

The **bid validity period** determines how long the bid must remain binding, while the **bid security** provides financial assurance that the bidder will honour that obligation. Together, they safeguard the integrity and seriousness of the bidding process.

- Such bidder's bid will simply cease to be considered once the initial validity period expires.
- The PE must return the bid security after its expiry if the bidder has opted not to extend.
- Bidders who agree to extend their bid validity must extend or renew their bid securities accordingly to cover the extended validity period.

(d) Binding Period for the Successful Bidder: The successful bidder remains bound by their bid for an additional thirty (30) days from the date of receipt of the formal notification of award, unless otherwise specified in the solicitation documents.

This additional period allows finalization and signing of the contract and submission of the performance security (where required).

(e) Modification and Withdrawal of Bids: Unless the bidding documents expressly restrict withdrawal or modification:

- A bidder may modify or withdraw a bid at any time before the bid submission deadline.
- Such modification or withdrawal will not result in the forfeiture of the bid security.
- After the submission deadline: No modification, substitution, or withdrawal of bids is permitted, except under circumstances expressly allowed by the PPDA Act and the Regulations.

Bid Receipt and Opening

The receipt and opening of bids is a critical stage in the procurement process and must be conducted in a manner that promotes transparency, fairness, and equal treatment in line with the principles of the PPDA Act (Section 7) and the procedural requirements of the PPDA Regulations .

- (a) Bid Receipt: Bids must be received at the location, in the form, and before the submission deadline specified in the Invitation to Bid and the bidding documents.
- (b) The PE must ensure proper safekeeping and confidentiality of all submitted bids until the designated opening time.
- (c) Late bids shall not be accepted under any circumstances, in accordance with the Regulations.
- (d) The PU must maintain a Bid Receipt Register, recording:
 - the name of each bidder,
 - date and time of receipt, and
 - the condition of the submitted bid package (sealed/intact).

SINGLE AND DOUBLE ENVELOPE BID SUBMISSION METHODS

Single-Envelope Method

All documents—technical and financial—are submitted together in one sealed envelope.

The PE evaluates the bid as one package. It is simple, fast, and suitable for routine procurements where technical requirements are straightforward and there is no need to separate price from technical evaluation.

Double-Envelope Method

Bidders submit two separate sealed envelopes within one outer package:

1. Technical Proposal
2. Financial Proposal

The PE evaluates the technical envelopes first and opens financial envelopes only for technically compliant bidders.

This method is used for complex, sensitive, or high-value procurements where technical quality must be assessed independently from cost

- (e) Public Opening of Bids: The bid opening must occur immediately at the deadline for bid submission or promptly thereafter, and the date, time, and venue must be announced in the Invitation to Bid and the bidding documents.
- (f) The opening must be conducted in a public and transparent manner, allowing bidders or their representatives to attend physically. During the opening The PU shall announce:
 - the name of each bidder,
 - the total bid price,
 - the currency, and
 - any other key details required under the Regulations or the SBD.
- (g) All information read out at the bid opening must be recorded in the Bid Opening Minutes, signed by the officials present, and made available to participating bidders.
- (h) Confidentiality After Bid Opening: To protect the integrity of the procurement process:
 - No information relating to the examination, clarification, evaluation, comparison of bids, or recommendation for award may be disclosed to bidders or to any person not officially involved in the process.
 - All evaluation activities must be conducted strictly by the appointed Evaluation Committee as required under the PPDA Act and Regulations.
- (i) Any attempt by a bidder to influence the PE, or interfere with evaluation or award decisions, must be reported and shall result in rejection of the bidder's submission, in line with the anti-corruption and ethical conduct provisions of the Act.

5.11.7 Cancellation of Bidding Process Before Bid Opening

A PE may cancel a bidding process at any time before the deadline for submission of bids, provided that the cancellation is formally approved by the Accounting Officer or the Procurement Committee, in accordance with the PPDA Act and PPDA Regulations .

Cancellation may be justified under any of the following circumstances:

- (a) The procurement requirement has ceased to exist or has changed substantially, making the original bidding documents no longer appropriate;
- (b) The PE does not have sufficient funding to proceed with the procurement;
- (c) There is a material change in the technical specifications, contract conditions, or bidding requirements, such that the process must be restarted to ensure fairness and compliance;
- (d) Cancellation is necessary in order to protect the public interest or to uphold the principles of economy, transparency, and accountability under the PPDA Act.

Notification of Cancellation

Once cancellation is approved:

- (a) The PU must promptly notify all bidders who have obtained bidding documents of the decision to cancel the process.
- (b) If any bidder has already submitted a bid, the bid must not be opened and must remain sealed or be returned in accordance with the Regulations.
- (c) The PU must also notify the User Department of the cancellation and provide reasons for the decision.

All communication must be issued formally, in writing, and recorded as part of the procurement file in accordance with the record-keeping requirements under the PPDA Act and Regulations, 2024.

5.12 Bid Evaluation and Contract Award

5.12.1 Evaluation Principles

A PE must evaluate and compare all bids that have been accepted as responsive in accordance with the procedures, methods, and criteria stated in the bidding documents.

The evaluation process must uphold the core principles of fairness, confidentiality, consistency, transparency, and strict adherence to published evaluation criteria. These principles are summarised in Table 5.20.

Table 5.20: Bid Evaluation Principles

Principle	Description
Fairness	The PE shall ensure that all bids are evaluated impartially using the same criteria and methods stated in the bidding documents. All bidders must be treated equally, and no bidder should receive favourable or discriminatory treatment. Scores, assessments, and judgments must be applied consistently and objectively.
Confidentiality	In accordance with the PPDA Act and Regulations, the evaluation process must remain strictly confidential. Members of the Evaluation Committee must not disclose information relating to bid examination, clarification, evaluation, comparison, or award recommendation to any person not officially involved in the process until formal communication of the award is issued to all bidders.
Evaluation Criteria	Only the criteria, methodology, and evaluation factors explicitly stated in the bidding documents may be used to assess bids. No additional criteria may be introduced during evaluation, and no unstated methods or subjective considerations may be applied.
Bid Content	Evaluation must be based solely on what is contained in the submitted bids. Assumptions must not be made, and prior knowledge of a bidder or its past performance cannot be considered unless such information was formally required and submitted as part of the bid. The focus is on evaluating the bid, not the bidder.
Transparency	The evaluation process must be documented thoroughly. Minutes, evaluations sheets, and justification notes must be maintained as part of the procurement record as required by the PPDA Act and Regulations. Every decision must be well-reasoned and clearly recorded to provide a transparent audit trail.

5.12.2 Bid Evaluation Committee

The evaluation of bids shall be carried out by a properly constituted Evaluation Committee (EC), in accordance with the PPDA Act and the PPDA Regulations . The EC is responsible for examining, comparing, and evaluating bids strictly on the basis of the criteria and procedures stated in the bidding documents.

Establishment of the Evaluation Committee

The Procurement Unit (PU) recommends suitable members for appointment to the Evaluation Committee. Members must be approved in writing by the Accounting Officer (AO), as required by the Regulations.

In line with the PPDA Act and Regulations:

- (a) An Evaluation Committee must consist of not fewer than three (3) and not more than five (5) members, ensuring an appropriate mix of technical, financial, and procurement expertise.
- (b) In exceptional circumstances, and based on the value or complexity of the procurement, the Accounting Officer may approve an Evaluation Committee with more than five members, provided:
- (c) The reasons for expansion are clearly justified, and
- (d) The Committee maintains an odd number of members to support majority decision-making.

Composition and Expertise When recommending members, the PU must consider:

- the technical expertise,
- experience,
- professional qualifications, and
- familiarity with the subject matter of the procurement.

Where the PE lacks adequate internal expertise, the PU may request the Accounting Officer to appoint external experts, including individual consultants, in accordance with the PPDA Act and Regulations.

Commencement and Conduct of Evaluation The Evaluation Committee must commence its work immediately after bid opening, in order to ensure that:

- Evaluation is completed within the bid validity period, and
- The contract award decision is made in a timely manner.
- All bids must be evaluated:
- on a common and comparable basis,
- strictly using the criteria and methodology specified in the bidding documents, and
- without introducing new or undisclosed criteria.

The EC must determine:

- the lowest evaluated cost for procurement of goods, works, or services; or
- the highest evaluated price in the case of disposal of assets.

The Evaluation Committee then prepares a formal evaluation report and a recommendation for award, which is submitted through the PU to the appropriate approving authority as required under the Act and Regulations.

5.12.3 Evaluation and Comparison of Bids

The evaluation and comparison of bids must be conducted in a fair, transparent, and confidential manner as required under the PPDA Act and the PPDA Regulations .

Once bids have been publicly opened, the Evaluation Committee shall examine and compare only those bids that are properly received and recorded, and shall do so strictly in accordance with the evaluation criteria, methods, and procedures stated in the bidding documents.

The purpose of this stage is to determine the **substantially responsive bids** and to identify the bid that offers the **lowest evaluated cost** for procurement, or the **highest evaluated offer** in the case of disposal.

All assessments must be based solely on the content of the submitted bids, and no bidder should receive any unfair advantage or opportunity to modify their submission.

Details of the evaluation methods, clarification procedures, and preparation of the evaluation report are presented in the subsequent subsections.

5.12.4 Bid Evaluation Process

Figure 5.5 Summarizes the bid evaluation process for goods, works and services.

Record of Bid Opening

At the conclusion of the public bid opening, the PE must prepare an **official record of the bid opening**. This record shall list:

- all bids received,
- the names of the bidders,
- the total bid prices as opened, and
- the presence and status of the required bid security.

This requirement is consistent with the transparency provisions of the **PPDA Act** and the bid opening procedures under the **PPDA Regulations** .

The Bid Opening Record must be:

- prepared and signed by the officials conducting the opening,
- witnessed by any bidders' representatives present, and
- included in the procurement file for use by the Evaluation Committee.

Although the bid opening itself is **not part of the evaluation**, an accurate and complete record is essential. Errors or omissions in the opening minutes can lead to disputes, delays, or challenges during the evaluation process. Therefore, the information read out and recorded at the opening must be precise, consistent, and verified before the document is finalized.

Preliminary Examination of Bids

The objective of the preliminary examination is to identify and reject any bid that is **incomplete, invalid, or substantially non-responsive** to the requirements of the bidding documents. Bids that fail this stage are **not evaluated further**.

In accordance with the PPDA Act and the Regulations , a bid will pass the preliminary examination only if it:

- (a) Has been properly submitted in the form, manner, and by the deadline specified in the bidding documents;
- (b) Is complete in all material respects, including proper signing and attachment of all mandatory forms and documents;
- (c) Meets the eligibility requirements stated in the bidding documents, including compliance with statutory and regulatory obligations;
- (d) Is accompanied by a valid Bid Security or Bid Securing Declaration, where required, in the correct amount and format; and

(e) Is substantially responsive to the bidding documents, meaning it does not contain material deviations, reservations, or omissions that affect the scope, quality, performance, or

Evaluation Procedures for Goods, Works and Non-Consultancy Services

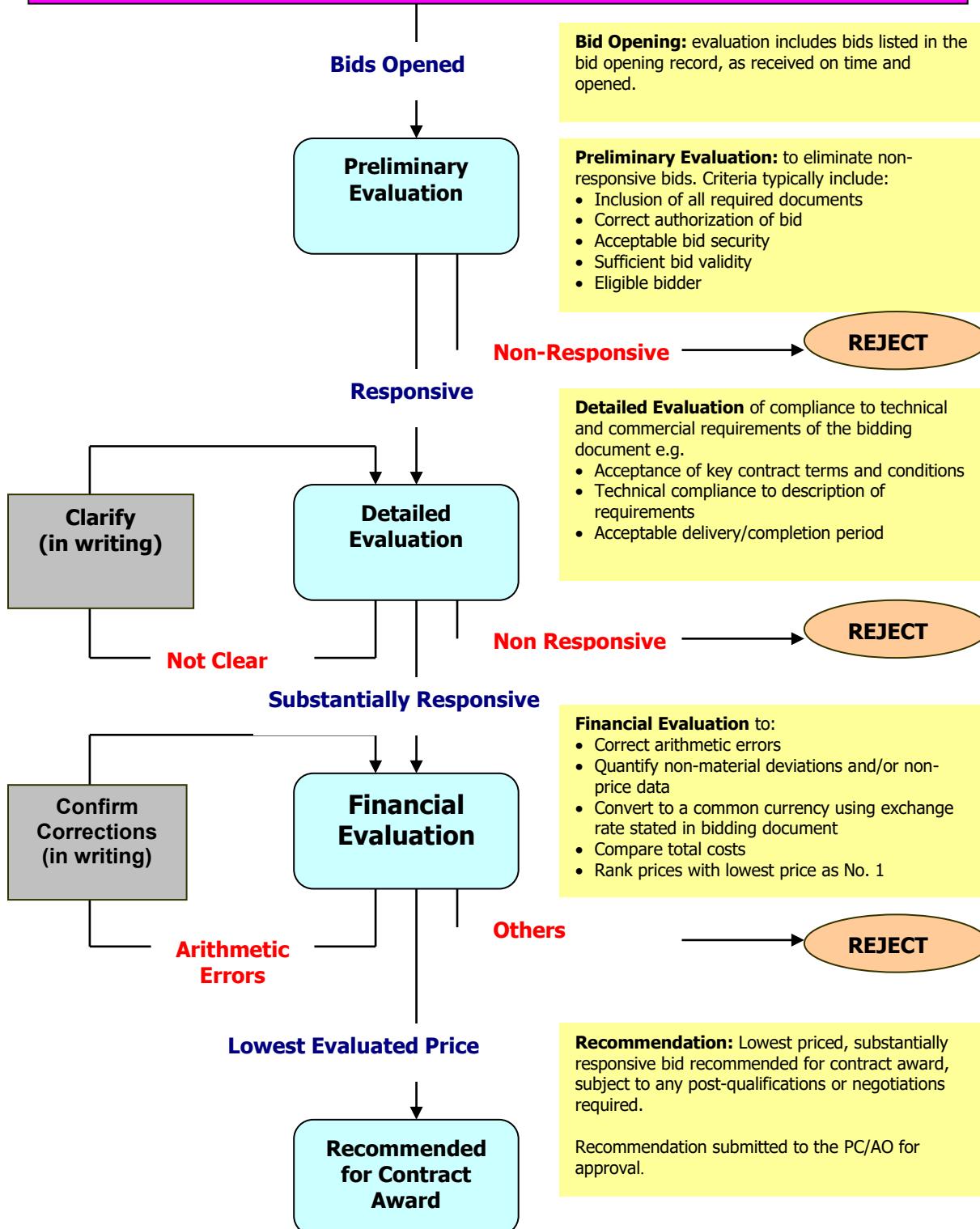


Figure 5.5: Evaluation Process for Goods, Works and Non-Consultancy Services

Bids that do not satisfy these minimum requirements must be **rejected at this stage** and cannot proceed to detailed evaluation. This ensures that only compliant and responsive bids are considered further, supporting the principles of fairness, transparency, and value for money mandated under the PPDA Act and Regulations.

Commercial responsiveness

All Bids must be checked for substantial responsiveness to **commercial terms** and conditions of the bid document in compliance with **PPDA Regulations 2024**

PPDA Regulations 2024. gives what constitute material deviation in commercial terms and conditions of the bid documents. Material deviations to commercial terms and conditions, which justify rejection of a bid shall include the following:

Material Deviation	Simple Explanation
Unsigned bid	The bid form or price schedule is not signed by the authorized person.
Ineligibility	The bidder does not meet the eligibility requirements stated in the bidding documents.
Missing bid security	The bidder does not submit the required bid security or bid securing declaration.
Bid validity not accepted	The bidder does not agree to keep the bid valid for the required validity period.
Cannot meet critical delivery/work schedule	The bidder cannot meet the essential delivery or work timelines specified in the bidding documents.
Insufficient experience	The bidder does not meet the minimum experience criteria required.
Conditional bid	The bid includes conditions that limit the bidder's responsibility or acceptance of the award.
Rejecting price adjustment formula	The bidder refuses to accept the price adjustment formula specified in the bidding documents.
Price adjustment in fixed-price bidding	The bidder offers price adjustment despite the bidding documents requiring fixed-price bids.
Unauthorized subcontracting	The bidder proposes subcontracting more than allowed or in a manner not permitted.
Missing major documents	Key supporting documents needed to confirm substantial responsiveness are not submitted.

Technical Responsiveness

During technical evaluation, the PE must determine whether each bid meets the essential requirements needed for successful contract performance. In accordance with the PPDA Act and Regulations , any bid that contains material technical deviations must be rejected to ensure fairness, equal treatment, and value for money. The Table 5.21 highlights common types of technical deviations that justify rejection of a bid, together with simple explanations to guide evaluators in making consistent and objective decisions.

Before evaluating any bids, the Evaluation Committee (EC) must ensure that the process strictly follows the evaluation criteria set out in the bidding document. Since the EC's mandate is to assess bids **only** in accordance with these predefined criteria, members must first review the issued bidding document to fully understand the requirements and evaluation methodology.

The evaluation process should begin **only after all EC members have thoroughly familiarized themselves with—and clearly understood—the evaluation criteria** to ensure accuracy, fairness, and compliance.

Table 5.21: Technical Deviations Leading to Rejection of a Bid

Technical Deviation	Simple Explanation
Not bidding full scope of work	Bidder leaves out part of the required work where the bidding documents state that this is unacceptable.
Missing major priced item	Bidder fails to quote a major item in the package that is essential for contract delivery.
Not meeting major technical requirements	Bidder offers equipment, materials, or capacity that is far below the minimum required or entirely different from what is specified.
Equipment not fit for purpose	Proposed equipment cannot perform the basic functions required for the assignment.
Unrealistic work plan or schedule	Bidder submits a work plan, implementation schedule, or method that is not feasible or adequate for delivering the assignment.
Lack of understanding of the assignment	Methodology, design, or approach does not show proper understanding of the task.
Insufficient staff, equipment, or management arrangements	Bidder does not provide adequate personnel, machinery, or supervision arrangements needed to perform the assignment.
Other criteria affecting contract performance	Any failure to meet requirements that directly impact performance or timely delivery of the assignment.

The evaluation shall not take into account any requirements which were not included in the Bidding Documents. Any material deviations should result in rejection of the bid and such bids should not be subject to financial evaluation and comparison. Non - material deviations may be allowed and corrected. PPDA Regulations 2024 gives what constitute deviation to technical requirements as shown below.

A bid shall be considered to be substantially responsive if it conforms to all the terms, conditions and specifications of the bid document without material deviations or reservations. Where bid is found to be not substantially responsive to the requirement of the bid document shall be rejected. Only bids passing the technical examination shall be considered for financial evaluation.

Financial Evaluation

Following completion of the technical evaluation, the PE proceeds to the financial evaluation stage to determine the *evaluated price* of each bid and to identify the **lowest evaluated bid** that is substantially responsive to the bidding requirements. This process ensures fairness, transparency, and strict adherence to the PPDA Act and Regulations . Financial evaluation involves systematic adjustments, corrections, and conversions to ensure that all bids are compared on an equal basis. Table 5.22 summarises the key steps used to calculate the evaluated price and rank competing bids objectively.

Table 5.22: Financial Evaluation Process and Determination of the Lowest Evaluated Bid

No.	Evaluation Step	Simplified Explanation
1	Use bid price from opening	Start with the price announced during bid opening.
2	Correct arithmetic errors	Apply correction rules stated in the bidding documents.
3	Apply non-conditional discounts	Deduct discounts that are unconditional and clearly offered in the bid.
4	Adjust for minor deviations	Make small adjustments for non-material omissions or errors that do not change the substance of the bid.
5	Apply additional evaluation criteria	Increase or decrease the bid price based on technical, delivery, or other criteria as defined in the bidding documents.
6	Convert to a single currency	Convert all bids into the evaluation currency using the specified exchange rate source and date.
7	Apply margin of preference	Adjust bid prices if a preference was provided in the bidding documents.
8	Remove provisional sums	Deduct provisional sums (e.g., contingencies, nominated subcontractor items) because they are identical for all bidders.
9	Handle conditional (cross) discounts	Evaluate conditional discounts only after completing all other evaluation steps, especially for multi-lot tenders.
10	Confirm exchange rate evidence	Ensure written confirmation of exchange rates from the source and date stated in the bidding documents.
11	Determine evaluated price in SSP	Apply the exchange rate to the corrected bid price to get the evaluation price in a single currency.

12	Rank bids	Rank all bids by evaluated price and identify the lowest evaluated bid or lowest evaluated combination of lots.
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Bids must be compared by ranking them according to their evaluated price and determining the bid with the lowest evaluated price. Where the Bidding documents included more than one lot and permitted bidders to offer discounts, which were conditional on the award of one or more lots, the EC has to conduct a further financial evaluation, to determine the lowest evaluated combination of bids.

5.12.5 Approval of Evaluation Report.

According to **PPDA 2018**- the PC shall review the evaluation and recommendation made and may either

- (a) approve the recommendation and authorize a PE to accept the bid and award a contract in the form specified in the bid documents; or
- (b) refuse to authorize acceptance of any of the bids and refer the evaluation back to the Evaluation Committee with an instruction to re-evaluate the bids or a recommendation for re-bidding or other action.

The PU shall use Templates contained in this manual to submit Evaluation Reports to the PCs Approval.

The PCs approval shall strictly be based on the evaluation criteria contained in the bid documents. If approval to award is granted, the bidder shall be subjected to post-qualification.

5.12.6 Post-Qualification of the Lowest Evaluated Bidder

Purpose of Post-Qualification.

Post-qualification is a very important step of the procurement process which aims to establish if the bidder who has been determined to offer the lowest evaluated bid has the capacity and the capability to execute the contract.

Ensure that a thorough and adequate post-qualification assessment is conducted for the lowest evaluated bidder.

Post-qualification involves verifying all the qualification information and supporting documents submitted by the bidder to confirm that they genuinely have the capacity, resources, and capability to successfully perform the contract if awarded.

During post qualification the bidder with the Lowest Evaluated Bid is directly and or indirectly visited by a PE to confirm, verify, validate and ascertain the worthiness of all the statements made and documents submitted by the bidder. This process focuses at ensuring that the bidder complies with legal, technical and financial requirements of the bidding document in compliance with PPDA Regulations 2024.

Legal requirements involve the verification, validation and ascertaining of the ownership of the company, credibility and integrity of shareholders and directors, incorporation of the company, compliance to tax obligations and whether the required licenses are in place and properly procured.

Technical requirements involve validation, verification and ascertaining the correctness of the documents submitted by a bidder to prove the quality of the goods and services offered. This involves:

- (a) Verification and validation of the bidder's stated competence and experience;
- (b) Verification and/or inspection and testing of the products, after sales maintenance

convenience and affordability and capabilities. In applicable cases physical inspection of plants, sites or places of business to determine production capacity is conducted as well; and ascertainment of the authenticity of the bid security and the bid validity period.

(c) Financial requirements involve verification, validation and ascertaining the bid price proposal of the bidder, its financial contracting capacity, and the required bank commitment to provide a credit line to the bidder. This is to ensure that the bidder can sustain the operating cash flow of the contract.

Forms of Post Qualification

Post qualification can take diverse ways to be accomplished provided that the end result is getting correct information confirming the criteria of the prospecting bidder. Criteria for post qualification will be confined to those in the bidding documents supplied to bidders. There are mainly two common forms of post qualification:

(a) **Visiting the Bidder's Business:** This is the place where most resources of the bidder including the human resources, offices, and equipment's are expected to be found. Visiting will establish whether the bidder is a brief case company or a company with offices. Also, the resources will be seen and assessed. The visiting can also be made to bidders sites or places of business

(b) **Independent Reference:** This entails seeking comments, observations, reference from other organizations which also had similar transactions with the bidder. This is done by a PE writing straight to those organizations inquiring for some particulars of the bidder. In all these two forms, the main agenda is to let the bidder demonstrate again and much more practically that he is worth the criteria for the bid

Post-qualification is carried out under Regulation 77 to confirm that the lowest evaluated bidder is genuinely capable of performing the contract before award.

1. When Post-Qualification Applies

It is used only if the bidding documents explicitly state that the successful bidder will undergo further verification.

2. What Is Verified

Verification is done strictly against the qualification criteria disclosed in the bidding documents, such as:

- Financial capacity
- Technical capability
- Past experience
- Key personnel and equipment
- Legal eligibility

No new or undisclosed criteria may be introduced.

3. If the Bidder Fails Post-Qualification

If the best evaluated bidder does not meet the qualification requirements:

- Their bid is rejected, and
- Post-qualification proceeds to the next lowest evaluated responsive bidder.

This continues until a fully qualified bidder is found.

4. Where Pre-Qualification Was Used

The PE must re-verify the information submitted earlier by the lowest evaluated bidder. If their capacity has changed and they no longer qualify, they are rejected and the next bidder is considered.

5. Purpose of Post-Qualification

Post-qualification ensures that:

- The selected bidder is capable and reliable,
- Public funds are safeguarded, and
- The contract is awarded to a bidder who can deliver value for money.

Guidance on Notification of Post-disqualified Bidders

The AO/PC is required to verify, validate, and ascertain the genuineness, validity, and accuracy of the legal, technical, and financial documents submitted by the bidder with the Lowest Evaluated Bid using a non-discretionary “pass/fail” criterion in order to ensure that such bidder passed all the requirements and conditions specified in the Bidding Documents.

It is recommended that post-qualification be conducted to a bidder whose bid has been approved by the AO/PC to be the lowest evaluated. Members of the Post-qualification Team preferably needs to be members of the EC.

The post-qualification shall include, among others, the Items included in **Table 5.23**, whenever applicable. All enquiries should be made in writing or electronic forms that provide record of the content of communication. All the communications made shall be annexed to the post-qualification report.

If the AO/PC determines that the bidder with the Lowest Evaluated Bid fails to comply with the criteria for post-qualification, it shall immediately advise the AO who shall notify the bidder in writing of its post-disqualification. The notice shall clearly state all the grounds for the post-disqualification pursuant to the requirements or conditions in the Bidding Documents that the bidder failed to comply with.

Table 5.23: Post-Qualification Verification Table

Ser. No.	Post-Qualification Criterion	Means of Verification
1	Verification of legal status and eligibility (certificate of incorporation, business registration, tax clearance, sector licences).	Obtain originals from the bidder and confirm authenticity with the Business Registry, Ministry of Justice, and relevant licensing authorities.
2	Verification of the bidder’s technical competence and experience.	Contact PEs listed in the bidder’s past performance forms; conduct site visits to completed or ongoing projects to confirm quality and completion.
3	Verification of availability, ownership, or access to equipment required for contract execution.	Conduct physical inspection of equipment, verify serial numbers, operational condition, and capacity; confirm ownership or leasing agreements.
4	Verification of the qualifications and experience of key personnel proposed for the assignment.	Request original academic and professional certificates; contact employers listed in CVs to confirm experience and participation in referenced projects.
5	Verification of proposed subcontractors’ eligibility and capacity.	Request details from the bidder and contact subcontractors directly; verify previous work experience, eligibility, and performance records.
6	Verification of annual turnover as stated in the bid.	Request a detailed breakdown from the bidder and verify figures against audited financial statements and accounting records.

7	Verification of financial situation and performance.	Obtain original audited financial statements and review liquidity, profitability, and financial ratios as required in the bidding documents.
8	Verification of financial capacity/credit facilities.	Contact the bidder's bankers or financiers to confirm availability of credit lines, guarantees, or financial commitments.
9	Verification of litigation or contract dispute history.	Cross-check information provided by the bidder and make further inquiries with PEs or clients referenced in the bid.
10	Verification of Occupational Health and Safety (OHS) policy and safety performance record.	Confirm documents provided by the bidder and validate safety records with previous clients or regulatory bodies.
11	Verification of bid security (type, amount, form, issuer, and validity).	Contact the issuing bank or insurance company to verify authenticity, validity period, and compliance with the bidding documents.
12	Verification of bid price realism and sufficiency to execute the contract.	Request detailed rate breakdowns, input costs, and price sources; assess whether the bid price is adequate to cover required works and materials.

Verification of the Bid Price and its Sufficiency to Execute the Contract

Verifying whether the lowest evaluated bid is sufficient to successfully execute the contract is a critical step in the post-qualification process. This is especially important when the bid appears unusually low compared to:

- the Pre-Bid Estimate (PBE), or
- the prices quoted by other bidders.

As explained in **Section 5.5** and illustrated in **Figure 5.4**, the Pre-Bid Estimate serves as a benchmark for assessing market reasonableness and helps the PE judge whether a bidder's price is realistic.

Before a PE reaches any conclusion, it must analyze the situation carefully. **Figure 5.6** presents two common scenarios that help guide this assessment.

Legal Basis

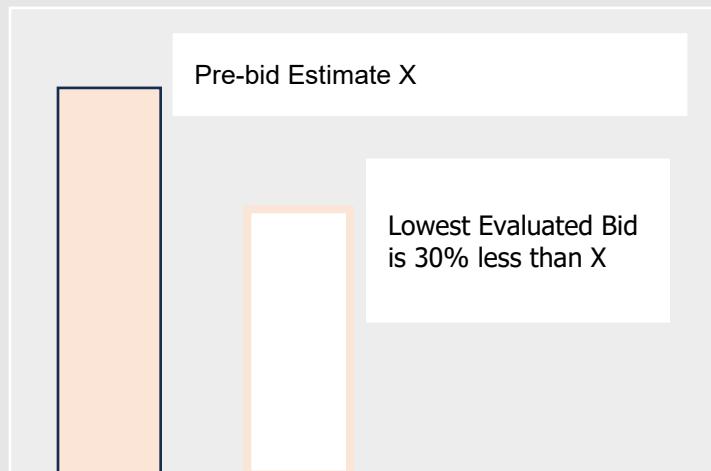
Under Reg. 215 of PPDA Regulations 2024, a PE may reject a bid *if it considers the price to be abnormally low*, raising reasonable doubts about the bidder's ability to perform the contract.

However, before rejecting such a bid, the PE is legally required to:

1. Request an explanation: Ask the bidder to explain the price, or specific items that make the bid appear abnormally low.
2. Consider the evidence provided: Evaluate the justification submitted by the bidder to determine if the price is still credible.
3. Verify the information: Validate the bidder's explanations for accuracy—this may include checking suppliers, labour rates, equipment costs, or financial assumptions.

Only after completing these steps can the PE decide whether the bid should be accepted or rejected. A practical process for this is shown in **Figure 5.7**, which outlines the **five stages** in evaluating and handling an Abnormally Low Bid (ALB).

Scenario One- you have a pre-bid estimate that was accurately determined taking into account market prices of various inputs. What will be your reaction when you find out that the lowest evaluated bid is let's say 30% below the prebid estimate?



Scenario Two – you have above ten bidders who submitted bids. What would be your reaction when you find out that the lowest evaluated bid is very low compared to bids submitted by other bidder?



Figure 5.6: Scenarios for Consideration of an Abnormally Low Bid

Scenario One (Refer to Figure 5.6): Lowest Evaluated Bid Significantly Below the Pre-Bid Estimate

Imagine the Pre-Bid Estimate was accurately prepared using verified market prices, labour rates, material costs, equipment charges, and overheads.

During evaluation, the PE discovers that the **lowest evaluated bid is 30% below the Pre-Bid Estimate**.

What should be the reaction of the PE?

- A 30% deviation **exceeds typical market fluctuations**.
- Such a large gap raises concerns about whether the bidder:
 - omitted key cost items,
 - underestimated quantities,
 - underestimated labour or material costs,
 - adopted unrealistic margins, or
 - has mispriced the work to win the tender

Therefore, this situation must be treated as a *potential Abnormally Low Bid* under Regulation 215. The PE should immediately begin the process shown in **Figure 5.7**, starting with a formal request for explanation.

Scenario Two (Refer to Figure 5.6)- Lowest Evaluated Bid Far Below Other Bidders' Prices

Assume the PE received **ten or more bids**, and the lowest evaluated bid is **significantly lower** than all the others.

What does this imply?

If nine bidders price the works within a similar range and **only one bidder** quotes a much lower amount, this is a strong indicator that:

- the bidder may have misunderstood the scope,
- overlooked a major component,
- made a calculation mistake,
- used unrealistically low input prices, or
- applied an unreasonably thin margin.

Such a bid must also be treated as a *potential Abnormally Low Bid*, and the PE must initiate the verification process outlined in **Figure 5.7**.

Figure 5.7 shows a flow chart that may be used by a PE to identify, verify and eventually reject an abnormal low bid.³ The figure summarizes five stages to treatment of an Abnormally Low Bid (ALB).

³ Abnormally Low Bids and Proposal and Proposal Proposals, A Guide to the identification and treatment of Abnormally Low Bids and Proposal Proposals July2016, The World Bank

Identification of Abnormally Low Bid

Absolute Approach

Bidder No.	Evaluated Bid Price in USD	Estimate = 1,500,038,630 USD
1	858,628,630	The absolute approach compares lowest evaluated bid with the cost estimate.
2	1,154,941,600	
3	1,580,128,990	
4	1,653,855,330	
Note that the 20% lesser than the cost estimate is used in World Bank Projects. For a PE it is recommended to treat any lowest evaluated bid lesser than 15% as a potential ALT and request for breakdown of prices. This will remove a risk of awarding a contract to a bidder who do not comprehend very well the scope of the assignment		Since the preferred lowest evaluated bid of USD 858,628,630 (Bidder No.1) is lesser than 20% below the cost estimate it should be treated as a potential ALT.
		The PE should consider to request the breakdown of the bid price relative to the other bids and to the cost estimate to determine where the bid is low and therefore whether the bidder is capable of delivering the contract for the bid price.

Relative Approach

Relative approach is a statistical method that compares the average evaluated bid prices and the standard deviation. The ALT risk level is defined as the value equal to ***Average minus Standard Deviation***. In this example, shown in **Table 5.24**, the ALT limit is equal to USD 132,568,718. The lowest evaluated responsive bid is USD. 114,514,200 (Bidder No. 1), and should therefore be verified in respect of adequacy of their price

Table 5.24: Identification of Abnormally Low Bid Using Relative Approach

Bidder No	Evaluated Bid Price	Bidder No	Evaluated Bid Price
1	114,514,200	9	161,337,100
2	133,019,100	10	165,776,300
3	134,210,600	11	185,616,600
4	137,823,200	12	190,088,500
5	146,217,600	13	191,235,500
6	147,626,900	14	209,906,600
7	148,622,600	15	214,989,300
8	157,910,000	16	242,400,100
	Average	167,580,888	
	Standard Deviation	35,012,170	
	Average - Standard Deviation	132,568,718	

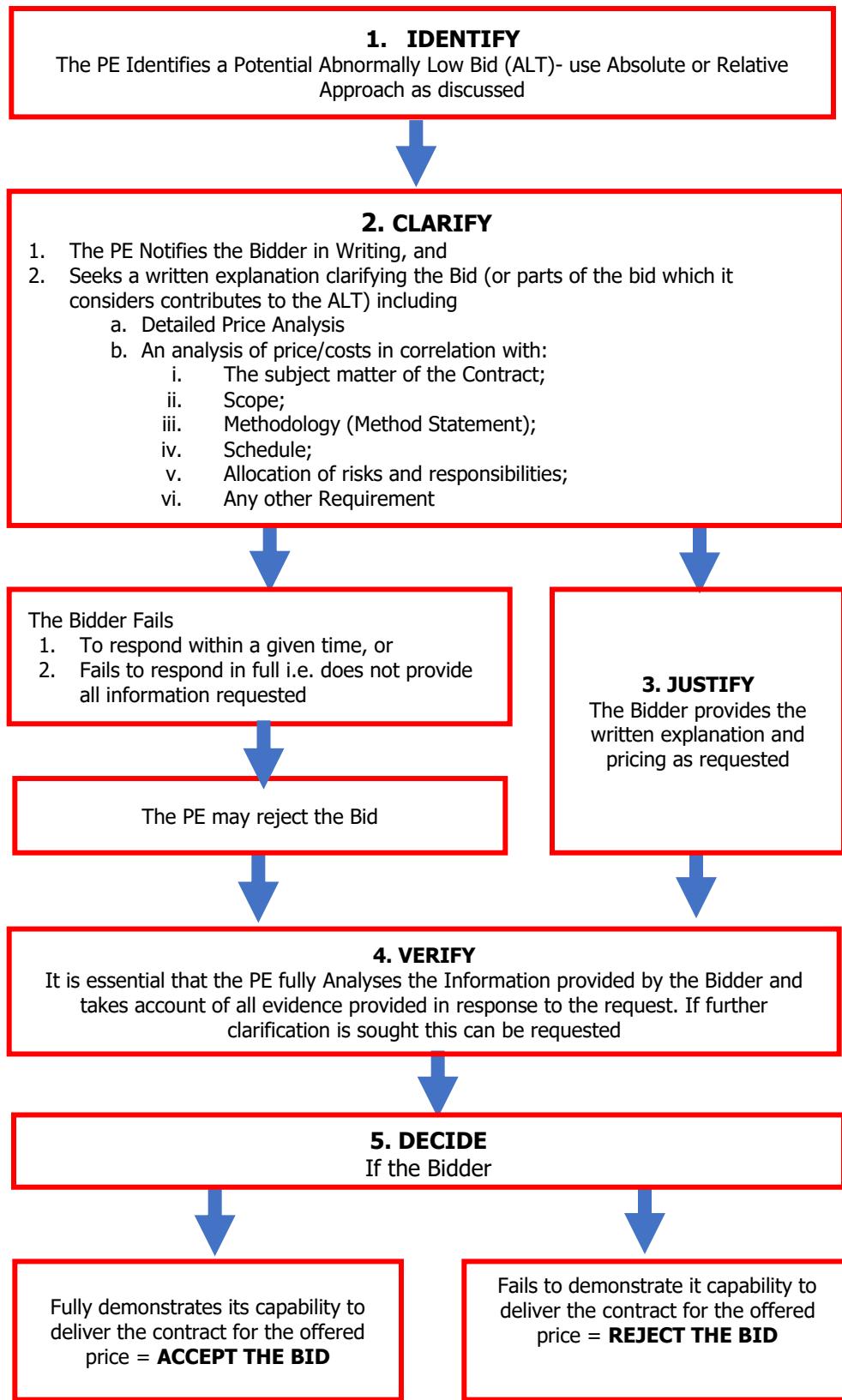


Figure 5.6: Flow Chart for Determination of Abnormally Low Bid

5.13 Negotiations with the Lowest Evaluated Bidder

The PPDA Regulations establish a structured and controlled environment for negotiations in the procurement of works, goods and non-consultancy services. Negotiations are only permitted under specific circumstances and must be conducted in a manner that upholds the principles of transparency, fairness, equal treatment, and value for money.

Negotiations must **not** be used to distort competition or to revise the essential terms of the procurement.

Ensure that proper negotiation is made with the bidder recommended for the award of the contract.

Areas of negotiation are required to be identified by the EC who had the opportunity to read thoroughly the bid submitted by recommended bidder for award of the contract.

All agreements reached out during the negotiations should be incorporated in the relevant contract documents

Circumstances Under Which Negotiations Are Permitted

Negotiation is **not a standard step** in open competitive bidding. It is only allowed in clearly defined scenarios, including:

(a) **Single-Source Procurement:** Where the PE uses the Single-Source Method under Regulation 116–119, negotiation is obligatory because the PE deals directly with only one provider.

- The PE may negotiate price, technical details, delivery, payment terms, and other contract conditions.
- The PE must appoint a Negotiation Committee to conduct and record all negotiation steps.

(b) **Emergency Procurement:** Under Regulation 120, emergency procurement may involve negotiation due to the urgency and limited time for competitive processes.

(c) **Correction of Errors and Minor Deviations:** Although not termed “negotiation,” clarifications permitted under Regulations 71–73 allow the PE to engage bidders to:

- correct arithmetic errors,
- clarify ambiguities,
- confirm technical details, without changing the price or substance of the bid.

This is **not negotiation**, but is often misinterpreted as such.

(d) **Where Bidding Documents Allow Post-Bid Negotiation (rare):** If expressly provided and justified—such as in complex works contracts where negotiations are stated upfront in the bidding documents—negotiation may occur **only** within the boundaries disclosed in advance.

Restrictions on Negotiation

The Regulations draw a clear distinction between **clarifications** and **negotiations**, and place strict limits to prevent abuse.

A PE MUST NOT negotiate on the following:

- Subject matter of the procurement

- Minimum technical or performance requirements
- Qualification criteria
- Evaluation methodology
- Any condition not explicitly stated as negotiable

Procedure for Negotiation (Where Allowed)

When negotiation is permitted (primarily in single-source or emergency procurement), the process must follow these steps:

Step 1: Appointment of a Negotiation Committee: As required under Regulation 119 (single-source), the Accounting Officer appoints a **three-member committee** with appropriate technical, financial and procurement expertise.

Step 2: Preparation of a Negotiation Plan: The plan must include:

- objectives of the negotiation,
- negotiable items (price, delivery, payment terms, technical adjustments),
- non-negotiable items (subject matter, minimum requirements, qualification criteria),
- fallback positions,
- expected outcomes.

Step 3: Conduct of Negotiation Meetings: Negotiations must:

- be conducted professionally and transparently,
- avoid coercion, inducements or discriminatory treatment,
- focus on efficiency, cost improvements, better delivery terms, or risk allocation,
- maintain written minutes of all discussions.

Step 4: Preparation of Negotiation Report: The Negotiation Committee prepares a detailed report capturing:

- issues discussed,
- agreements reached,
- issues unresolved,
- recommended terms for contract award.

Step 5: Approval and Contract Award: The Procurement Committee reviews and approves the recommended negotiated terms.

Negotiable Items in Works, Goods and Non-Consultancy Services

Negotiations MAY cover:

- Contract price (within reasonable limits)
- Delivery or completion schedules
- Payment terms (including advances and milestones)
- Technical fine-tuning **without lowering mandatory requirements**
- Warranty and after-sales arrangements
- Contract management parameters (reporting, inspection, etc.)

Negotiations MUST NOT cover:

- Changing the scope or specifications
- Reducing minimum technical capacity requirements
- Altering bidding criteria after bid submission

- Allowing a fundamentally non-responsive bidder to become responsive
- Introducing new award criteria

Record-Keeping and Transparency

All negotiation proceedings must be:

- documented in minutes,
- included in the procurement record,
- reported in accordance with Regulation 208 on record-keeping
- made available to oversight bodies (Authority, auditors, CRC)

This ensures traceability and accountability.

Summary

Negotiation under the PPDA Regulations is **highly restricted**, permitted only under clearly defined procurement methods (mainly single-source and emergency procurement) and must be carried out within a structured, well-documented, and transparent framework. Negotiations can improve value for money but must never alter the subject matter, qualification criteria, or minimum requirements disclosed in the bidding documents.

5.14 Contract Award and Contract Signing

The process of contract award and signing for Goods, Works, and Non-Consultancy Services under the Public Procurement and Disposal of Assets PPDA Regulations is governed primarily by **Regulations 123–133**, supplemented by rules relating to notices, commitment of funds, and performance securities.

5.14.1 Contract Award Decisions

After the Evaluation Committee submits its evaluation report and recommendation, the Procurement Committee reviews the submission in accordance with Regulation 123 of the PPDA Regulations . The Procurement Committee may approve, reject, or conditionally approve the recommendation but is not permitted to alter or vary it. Rejection is only allowed where justified and documented reasons exist.

Once the Procurement Committee grants its approval, the recommendation is forwarded to the Accounting Officer (AO) for final confirmation of the contract award.

5.14.2 Notice of Best Evaluated Bidder

Before a contract is awarded, the PE is required—under Regulation 124 of the PPDA Regulations —to issue a Notice of Best Evaluated Bidder (BEB). This notice must be published on the Authority’s central procurement web portal, the PE’s notice board, and any other platform prescribed in the Regulations. It must remain displayed for the mandatory standstill period prior to contract signing, allowing any bidder the opportunity to seek administrative review where necessary.

5.14.3 Commitment of Funds

Before issuing the Letter of Award or signing the contract, the Accounting Officer must, in accordance with Regulation 125 of the PPDA Regulations , ensure that adequate funds have been fully committed to cover the entire contract amount. This includes all associated costs such as contingencies, taxes, transport, insurance, and any related service components. This requirement promotes fiscal discipline and prevents the execution of contracts that are not supported by secured funding.

5.14.4 Contract Award under Open or Selective Bidding

Once the mandatory standstill period expires without any complaints, the PE proceeds to issue the formal Letter of Award to the successful bidder, in accordance with Regulation 126 of the PPDA Regulations . The Letter of Award must clearly state the contract price, specify any required performance security, indicate the deadline for contract signing, and provide instructions for submitting any outstanding documents such as tax compliance certificates or updated powers of attorney.

If the successful bidder refuses to sign the contract or fails to provide the required performance security within the stipulated period, the PE may cancel the award and proceed to the next lowest evaluated bidder.

5.14.5 Contract Preparation and Signature

After approval and issuance of the Letter of Award, the Procurement Unit prepares the draft contract in line with Regulation 127 of the PPDA Regulations , using the appropriate Standard Bidding Document (SBD) issued by the Authority. The contract must accurately reflect the scope of supply or works, technical specifications or Bills of Quantities, delivery or implementation schedules, pricing and payment terms, performance security requirements, warranty or defect liability obligations, contract management provisions, and the applicable General and Special Conditions of Contract.

For contract signing, the Accounting Officer (or delegated authority) and the authorized representative of the successful bidder must sign the contract. Where applicable, the bidder must submit the required performance security prior to signing. Once signed, the contract must be properly filed in the procurement record and formally communicated to key stakeholders, including the contract manager, finance unit, and user department.

5.14.6 Contract Award under Request for Quotations

For low-value procurements conducted through the Request for Quotations (RFQ) method, the PE awards the contract in accordance with Regulation 128 of the PPDA Regulations . The award is made to the supplier whose quotation meets the required specifications and offers the lowest price. Although the standstill period does not apply to RFQ procurement, the PE must still fulfil all transparency and accountability obligations, including proper recording of the process and notifying the selected supplier.

5.14.7 Contract Award under Single-Source Procurement

Where single-source procurement is applied in accordance with the PPDA Act and Regulation 129 of the PPDA Regulations , the PE must conduct a thorough price reasonableness analysis to ensure value for money. The PE is permitted to carry out negotiations with the selected supplier, provided that all negotiation steps and outcomes are fully documented. Once the Procurement Committee and the Accounting Officer grant their approvals, the contract award is issued immediately.

5.14.8 Performance Securities

In accordance with Regulation 130 of the PPDA Regulations , where a Performance Security or Performance Securing Declaration is required in the Bidding Document, the successful provider must submit the security before contract signing. Contract execution cannot proceed until the PE has received and verified this security. Failure by the successful bidder to provide the required security within the stipulated timeframe may result in cancellation of the award and issuance of the award to the next evaluated bidder.

5.14.9 Rejection of Bids and Debriefing

In accordance with Regulation 131 of the PPDA Regulations , unsuccessful bidders may request a debriefing, and the PE must provide it in a timely and transparent manner. Where the PE decides to reject all bids, it must obtain prior approval from the Authority before terminating the procurement proceedings. Once the rejection is confirmed, the PE must notify all bidders of the decision and ensure that any bid securities submitted are promptly released.

Debriefing is the process where a PE (PE) provides feedback to an unsuccessful bidder, upon request, after the contract award decision has been made.

It is **not an appeal**, but an opportunity for the bidder to understand:

- Why their bid was not successful
- How their bid compared against the evaluation criteria
- Whether their bid was responsive or non-responsive
- Areas where their bid was weak or non-compliant
- How they can improve future submissions

Debriefing promotes **transparency, fairness, and trust** in the procurement process by ensuring bidders understand that the evaluation was conducted objectively and in accordance with the PPDA Act and Regulations.

5.14.10. Public Notice of Contract Awards

After a contract has been signed, the PE is required—under Regulation 132 of the PPDA Regulations —to publish a Contract Award Notice. This notice must include, at minimum, the name of the provider, the contract amount, the procurement method used, and the delivery or completion period. Publication must be done on the Authority's central procurement web portal, the PE's notice board, and any other platform approved for public disclosure, ensuring transparency and accountability in the procurement process.

The contract award and signing process marks the final stage of the procurement cycle and must be conducted with strict adherence to the PPDA Act and the PPDA Regulations . Each step—from approval of the evaluation report to publication of the Contract Award Notice—ensures transparency, accountability, and protection of the rights of all

The Notice of Contract Award shall be published in PPDAA's Tender Portal (<https://tenderportal.ppdaa.gov.ss>) in Accordance with Table E of the First Schedule of the Regulations

bidders. Table 5.25 summarises the key steps in the award and signing process, the main activities involved, and the responsible actors. This structured approach helps PEs implement compliant, well-documented, and auditable contract award procedures.

Table 5.25: Contract Award and Signing Process

Step	Process Name	Explanation / Key Activities	Responsible Actor(s)
1	Submission of Evaluation Report	Evaluation Committee completes evaluation and submits the Evaluation Report recommending the Most Advantageous Bid.	Evaluation Committee
2	Procurement Committee Approval	Procurement Committee reviews the Evaluation Report for compliance and either approves, rejects, or conditionally approves.	Procurement Committee
3	Accounting Officer Confirms Award	Accounting Officer formally approves the award decision before BEC publication.	Accounting Officer
4	Issuance of Best Evaluated Bidder Notice (BEC Notice)	BEC Notice is published on the Authority's portal and PE notice board to allow transparency and administrative review.	Accounting Officer
5	Standstill / Administrative Review Period	Mandatory waiting period (usually 5 working days) allowing bidders to raise complaints before contract signing.	Bidders; PE
6	Confirmation of Availability of Funds	Accounting Officer ensures adequate funds are committed, including contingencies, taxes, and related costs.	Accounting Officer; Finance Unit
7	Issuance of Letter of Award	Formal Letter of Award issued to the successful bidder indicating contract price and conditions for signing.	Accounting Officer / Procurement Unit
8	Submission of Performance Security	Successful bidder submits required performance security before contract signing.	Successful Bidder
9	Contract Preparation & Signing	Contract prepared using PPDA standard forms and signed by both parties.	Procurement Unit; Accounting Officer; Provider
10	Publication of Contract Award Notice	Contract Award Notice published showing provider name, contract sum, and delivery period.	Procurement Unit

A properly executed award and signing process enhances trust in public procurement, reduces the risk of disputes, and ensures that contracts commence with clear obligations for both the PE and the provider. Adhering to these steps also strengthens compliance with regulatory requirements and promotes value for money in public service delivery.

5.15 Conclusion

This chapter has outlined the full spectrum of activities required to deliver a transparent, competitive, and compliant procurement process. From accurately defining needs and preparing specifications, to undertaking market-based cost estimation, managing the bidding process, and finally awarding and signing contracts, each step plays a vital role in determining the success of the procurement cycle.

A key takeaway is that **quality procurement outcomes are determined long before bids are opened**. The clarity of the Scope of Works, the robustness of specifications, the realism of pre-bid estimates, and the appropriateness of the procurement method all shape the effectiveness of the process. Likewise, the structured flow of approvals, evaluations, and contract administration ensures that PEs remain accountable to the principles of fairness, transparency, and value for money as mandated by the PPDA framework.

As PEs continue to improve their procurement capacity, the tools, processes, and best practices outlined in this chapter provide a solid foundation for strengthening institutional performance. By consistently applying these procedures, PEs contribute not only to successful individual procurements but also to the broader goal of enhancing public trust and delivering sustainable public services across South Sudan.

CHAPTER 6: CONTRACT MANAGEMENT FOR GOODS, WORKS AND NON-CONSULTANCY SERVICES

6.1 Introduction

Contract management and administration constitute a critical phase of the procurement cycle, ensuring that the PE ultimately receives the works, goods, or services it procured. Despite its importance, this stage often receives inadequate attention during implementation, resulting in avoidable disputes, delays, and dissatisfaction among contracting parties.

While PEs typically invest significant effort in selecting a qualified contractor, supplier, or service provider capable of delivering the required outputs on time, within cost, and at the expected quality, these efforts can be undermined when they are not complemented by a robust contract administration system. Without proper oversight, verification, and performance monitoring, there is no assurance that what was contracted is what is delivered.

Contract management is the critical phase of the procurement process that ensures the PE actually receives the goods, works, or services it has paid for..

Contract administration refers to all activities undertaken by the PE after contract award to ensure effective performance by both the PE and the provider. It covers the entire period from contract signing through delivery, inspection, acceptance, payment, resolution of disputes, and contract closure or termination. The process ensures that obligations are fulfilled, risks are managed, variations are controlled, and performance is aligned with the contract terms.

Effective contract administration is essential to guaranteeing end-user satisfaction and safeguarding value for money. It requires that officials responsible for managing contracts possess the necessary competence, understand the provisions and limits of their delegated authority, and exercise diligence throughout the contract lifecycle. Only through skilled and proactive contract management can a PE ensure that it receives the full benefits of the procurement process.

6.2 Focus of Contract Management

There are three critical dimensions of every contract that must be actively managed during implementation: time, cost, and performance. These dimensions form the basis for tracking progress, identifying deviations, and ensuring that the PE receives the expected value from the contract.

Time management involves monitoring the contractor's progress against the approved work schedule or delivery timeline. Any slippage, delays, or extensions must be promptly detected, analyzed, and addressed to avoid disruptions to project objectives or budgetary cycles.

Cost management requires continuous comparison of actual expenditures or payment claims against the approved contract price, budget allocations, and any projected cost variations. This helps detect cost overruns, unjustified claims, or potential financial risks at an early stage.

Performance management ensures that the contractor's outputs—whether goods, works, or services—meet the required specifications, standards, and quality thresholds specified in the contract. Regular inspections, testing, and verification of deliverables are essential to confirm compliance with contract requirements.

Effective record keeping is central to the management of all three dimensions. Maintaining complete and accurate documentation—such as progress reports, payment certificates, correspondences, site instructions, inspection records, and minutes—enhances transparency, accountability, and decision-making. It also provides an authoritative basis for resolving disputes, processing claims, or undertaking audits. Without proper records, resolving disagreements becomes difficult, time-consuming, and may expose the PE to unnecessary risks.

Proper record keeping is essential for the successful implementation and management of any procurement contract..

These relationships and obligations are illustrated in Figure 6.1.

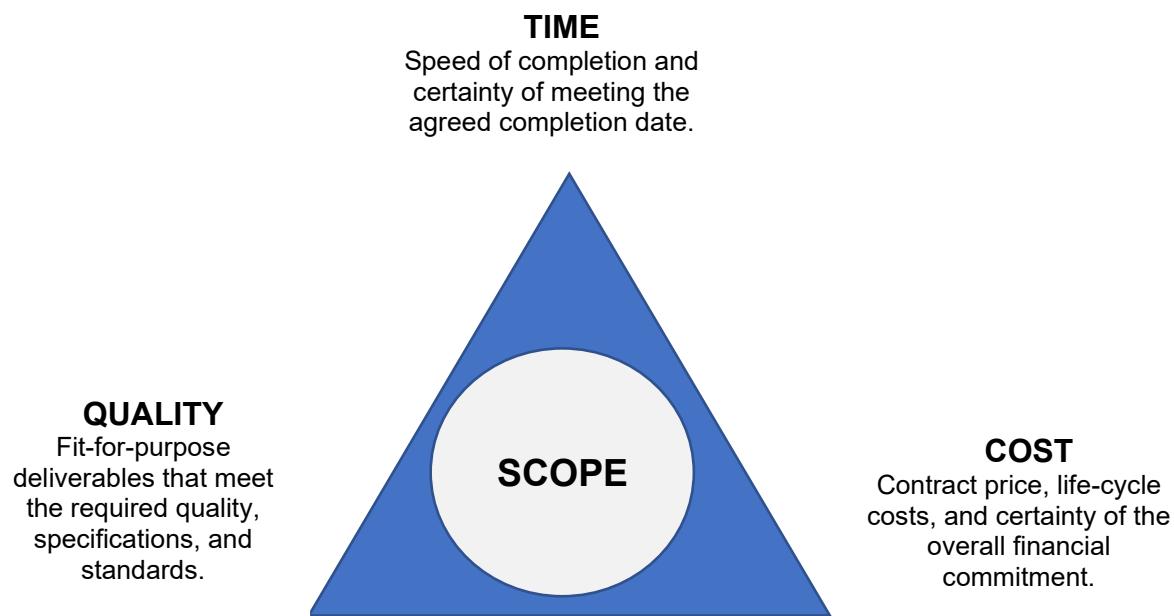


Figure 6.1- Time, Cost, Quality (TCQ) Interdependencies

6.3 Types of Contracts for Works, Goods or Non-consultancy services

Proper contract management begins with the careful selection of the appropriate type of contract, as this decision determines how risks, responsibilities, and performance obligations will be managed throughout the procurement cycle. In accordance with the PPDA Act and the PPDA Regulations , a PE must determine and approve the contract type before entering into any contractual arrangement with contractors, suppliers, service providers, or asset buyers. The selected contract type must also be clearly stated in the Bidding Documents issued to bidders, ensuring transparency and enabling the preparation of responsive bids.

The choice of contract type is guided by **three fundamental considerations:**

- the **nature, size, and complexity** of the required works, goods or services;
- the **allocation of risks and rewards** between the PE and the Contractor, Supplier, or Service Provider; and
- the **circumstances and capacity** of both the PE and the provider involved.

Table 6.1 summarizes the types of contracts commonly used in the procurement of works, goods, and non-consultancy services. The most frequently applied forms are lump-sum contracts and time based contracts, reflecting their suitability for most procurement scenarios.

Table 6.1 Type of Contracts for Goods, Works and Non-Consultancy Services

Type of Contract	Explanations
Lump Sum Contracts - Regulation 134	<p>Description A lump-sum contract has a fixed total price for the entire scope of works, goods, or services. Payment is not based on actual cost incurred but on completion of defined outputs.</p> <p>Key Features</p> <ul style="list-style-type: none"> • Price is agreed in advance and not adjustable, except where price adjustment provisions apply. • Suitable for well-defined assignments where quantities/specifications are clear. • Low administrative burden. • Contractor bears most of the risk for cost overruns. <p>Common Uses</p> <ul style="list-style-type: none"> • Supply of standard goods • Routine services • Construction works with clear designs and quantities • Non-Consultancy services with well-defined deliverables
Time-Based / Measured Contracts - Regulation 135	<p>Description Payment is based on actual quantities of works completed or actual time spent, using pre-agreed unit rates.</p> <p>Key Features</p> <ul style="list-style-type: none"> • Payments rely on measured quantities (Bills of Quantities). • Unit rates are fixed, but the final contract price varies depending on actual quantities. • Higher involvement in supervision by the PE. <p>Common Uses</p> <ul style="list-style-type: none"> • Civil works where quantities may change • Maintenance contracts • Minor works with variable quantities • Non-consultancy services involving hourly rates
Percentage-Based Contracts <i>Regulation 136</i>	<p>Description The provider is paid a percentage of the total value of the goods, works, or services procured.</p> <p>Key Features</p> <ul style="list-style-type: none"> • Common in procurement agents, auctioneers, real-estate disposal, or supervision services. • Percentage must be clear and agreed upfront. • Requires safeguards to avoid exaggerated contract values. <p>Common Uses</p> <ul style="list-style-type: none"> • Auction and disposal services • Supervision of construction works

Type of Contract	Explanations
	<ul style="list-style-type: none"> Procurement agent services
Cost-Reimbursable and Target-Price Contracts <i>- Regulation 137</i>	<p>Description The PE reimburses the contractor for actual allowable costs, plus an agreed fee or profit.</p> <p>Variants</p> <p>a) Cost-Reimbursable</p> <ul style="list-style-type: none"> Contractor is paid actual cost + fee. Used where it is difficult to define the work in advance. <p>b) Target-Price Contracts</p> <ul style="list-style-type: none"> PE and contractor agree on a target cost. Any savings or overruns are shared. <p>Key Features</p> <ul style="list-style-type: none"> High flexibility but requires strict monitoring. Greater risk for PE; hence used only in justified circumstances. <p>Common Uses</p> <ul style="list-style-type: none"> Emergency works Complex repairs Projects where scope cannot be accurately defined up front

SUMMARY TABLE

Contract Type	Definition	Suitable For	Risk Allocation
Lump Sum	Fixed total price for predefined deliverables	Standard goods, routine services, defined works	Contractor bears risk
Time-Based / Measured	Payment based on actual time/quantities	Works with variable quantities, maintenance	Shared—PE supervises more
Percentage-Based	Payments as percentage of the contract value	Auctioneers, agents, supervision	Risks linked to valuation

6.4 General Aspects of Contract Management

6.4.1 Accountability for Contract Management in a PE

The PPDA Act places the overall responsibility for contract execution on the Accounting Officer. In line with this mandate, the Accounting Officer is accountable for ensuring that every contract awarded by the PE is implemented in full compliance with the terms, conditions, specifications, and obligations agreed upon.

This responsibility is reinforced under the PPDA Regulations , which require the Accounting Officer to:

- (a) oversee contract implementation, ensuring timely delivery of goods, works and services, in the correct quantities and in accordance with the required quality standards;
- (b) manage and monitor progress to ensure that works are completed and services delivered in line with the contract timelines and performance requirements;
- (c) take corrective, remedial or disciplinary action in cases of non-performance, breach of contract, or failure to meet contractual obligations; and
- (d) ensure full and effective implementation of all contractual obligations by both the PE and the provider.

Furthermore, the Act entrusts the User Department with direct responsibility for day-to-day contract management, including verification of delivery and performance. In accordance with the PPDA Act, the User Department must ensure that all goods supplied, works executed, and services rendered comply with the contract terms and that all critical aspects—quality, quantity, cost and time—are properly controlled to achieve value for money.

6.4.2 Appointing A Contract Manager

The Need to Appoint a Contract Manager

The effective execution of any procurement contract depends heavily on the qualifications, competence, and experience of the Contract Manager. In accordance with Regulation 152 of PPDA Regulations , the Accounting Officer is required to appoint a Contract Manager for every contract to oversee and ensure the proper implementation of its terms and conditions.

For works contracts—particularly large, technically complex, or high-value projects—contract management is often intensive and demanding. It involves continuous supervision of progress, verification of outputs, management of variations where unforeseen conditions arise, evaluation of performance, and certification of work done for payment purposes. Consequently, PEs often assign a full-time supervising engineer or professional Contract Manager to manage such contracts on their behalf.

Where a Contract Manager is appointed, **the PE must ensure the following:**

Clear Definition of Roles and Authority	The responsibilities, decision-making powers, and limits of authority of the Contract Manager must be clearly defined—particularly regarding the issuance of instructions, approval of variations, management of extensions of time, and any actions that may affect cost, quality, scope, or schedule. Only variations approved in accordance with the PPDA Act and PPDA Regulations may be issued
Effective Reporting and Communication Arrangements	The PE must establish a structured mechanism for keeping the Accounting Officer and the Procurement Unit informed about contract progress, performance issues, variations, delays, risks, disputes, and any other matters that may affect the delivery of the contract. This includes routine progress reports, site meetings, and documentation as required under Regulation 153.

Designation of a Contract Administrator within the PE	The PE shall designate an internal contract administrator to serve as the official contact point between the PE and the Contract Manager or supervising engineer, ensuring that instructions, reports, and decisions flow properly and that the PE retains full oversight over contract implementation.
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Responsibilities of the Contract Manager

As highlighted above, once a Contract Manager has been appointed, the PE must ensure that the Contract Manager's roles and responsibilities are clearly defined and communicated. In accordance with Regulation 153 of the PPDA Regulations , the Contract Manager is responsible for overseeing and coordinating the effective implementation of the contract in line with its terms, specifications, and performance requirements.

The key responsibilities of the Contract Manager, as provided under the PPDA Regulations , are shown in **Table 6.2**

Table 6.2 Key Responsibilities of the Contract Manager

Function	Elaboration
Monitoring the performance of the contractor, supplier, or service provider	The Contract Manager is responsible for continuous and systematic monitoring of the contractor's performance against the contract requirements, technical specifications, delivery schedule, milestones, and key performance indicators (KPIs). This includes conducting regular inspections, performance reviews, and site visits; documenting findings; verifying outputs and deliverables; and ensuring that any deviations, delays, or non-performance are promptly addressed. Where obligations are not met, the Contract Manager must initiate corrective actions, issue warnings or notices, and escalate persistent non-performance to the PU, Accounting Officer, or Procurement Committee in accordance with the contract conditions and Regulations.
Ensuring submission of all required documents by the contractor	The Contract Manager must ensure that the contractor submits all documentation required as per the bidding documents, contract conditions, and relevant laws. This includes performance guarantees, insurance certificates, work schedules, progress reports, invoices, test certificates, compliance documents, manuals, as-built drawings, and any statutory approvals. The manager must track deadlines, verify completeness and validity of submissions, and maintain proper documentation in the contract file.
Ensuring that the PE meets its payment and other contractual obligations	The Contract Manager ensures that the PE fulfils its obligations—including timely processing of payments, providing access to sites, offering required approvals or instructions, and supplying any PE-provided materials—so that delays attributable to the PE are avoided. This includes certifying completed milestones or deliverables, verifying invoices, and initiating payment requests in accordance with the contract terms and PPDA Regulations.
Ensuring adequate control of cost, quality, and time	The Contract Manager oversees the three fundamental pillars of contract management: <ul style="list-style-type: none"> • Cost control to ensure expenditures remain within approved contract sums and that any additional costs are justified;

Function	Elaboration
	<ul style="list-style-type: none"> Quality control to ensure that all goods, works, or services meet the required specifications, standards, and performance criteria; and Time control to ensure timely delivery of contractual obligations and management of delays, extensions of time, or acceleration where necessary. <p>The objective is to ensure value for money and successful contract execution.</p>
Preparing variations or change orders and securing approvals	<p>The Contract Manager identifies the need for variations due to unforeseen circumstances, design changes, scope adjustments, or regulatory requirements. He/she prepares detailed variation requests or change orders supported by technical justification, cost implications, and timelines. All variations must be approved by the appropriate authority before issuance and must comply with the PPDA Act, Regulations, and contract provisions. The justification must be properly documented for audit and administrative review.</p>
Managing handover or acceptance procedures	<p>The Contract Manager coordinates and supervises the inspection, testing, commissioning, and acceptance procedures for goods, works, or services. This includes preparing acceptance certificates, ensuring all deliverables meet contractual requirements, engaging user departments in verification, and documenting defects for correction during the defects liability period. Proper handover ensures the PE receives what it paid for and assumes full use or ownership of the deliverables.</p>
Recommending and managing contract termination where applicable	<p>Where serious breaches of contract occur—such as persistent non-performance, insolvency, or misconduct—the Contract Manager prepares a recommendation for contract termination. This includes documenting evidence, ensuring compliance with due process, obtaining necessary approvals, issuing termination notices, and overseeing the termination process. The manager must safeguard the interests of the PE by securing outstanding obligations, assessing damages, and ensuring transition to alternative arrangements if needed.</p>
Ensuring contract completion and proper closure	<p>At contract completion, the Contract Manager ensures that all deliverables have been received, tested, and accepted; defects have been corrected; ownership or title transfers are completed; warranties and guarantees are in place; and final payments including retention are processed. The contract file must be formally closed only after confirming that obligations on both sides have been fully discharged.</p>
Maintaining complete and up-to-date contract administration records	<p>The Contract Manager ensures that all records—including correspondence, reports, approvals, certificates, invoices, meeting minutes, notices, contract amendments, and performance documents—are properly kept, updated, cross-referenced, and archived in accordance with the PE's records management policies and the PPDA Regulations. Proper documentation supports transparency, audit readiness, and dispute prevention</p>
Ensuring adherence to the provisions of the contract by both parties	<p>The Contract Manager is responsible for ensuring that both the contractor and the PE comply with all contractual obligations, including timelines, quality requirements, reporting obligations, safety conditions, environmental and social safeguards, confidentiality clauses, and dispute resolution mechanisms. Any potential breach must be promptly identified, addressed, and recorded to avoid operational risks or legal disputes</p>

Function	Elaboration
Discharging the performance guarantee	After confirming successful completion of all contractual obligations—including correction of defects, delivery of final documents, payments, handover, and compliance—the Contract Manager ensures the timely discharge or return of the contractor's performance guarantee. This must be done in accordance with the contract terms and after ensuring no outstanding claims exist.

6.4.3 Contract Management Plan.

Planning **how, when, where, and by whom** a contract will be implemented, monitored, managed, and administered is essential to ensuring that what has been procured is actually delivered. A Contract Management Plan (CMP) provides a structured, systematic framework to guide this process.

The purpose of the CMP is to clearly set out the key activities, responsibilities, and tasks required to manage the contract so that its objectives are fully achieved. It explains **how the PE and the Service Provider will work together** throughout the life of the contract to ensure the timely delivery of goods, works, or services in accordance with the requirements and standards set out in the contract. The CMP also helps the PE to review performance, monitor progress, and measure whether the intended contract outcomes are being achieved.

Preparing the CMP gives the Contract Manager an opportunity to think through the entire delivery process—from project initiation to completion. This helps all parties gain a better understanding of the project, anticipate potential risks or challenges, and plan how to address them before they affect implementation.

The CMP should be **fit-for-purpose**, meaning its level of detail should be proportionate to the contract's scope, value, risk, complexity, and duration. In most cases, a CMP will address some or all of the elements shown in **Table 6.3**

Table 6.3 Elements of the Contract Management Plan

Element of CMP	Explanation
Contract Management Roles and Responsibilities	<p>This section clearly defines who is responsible for what during contract execution. It ensures that both the PE and the Contractor assign personnel with the correct mandates, authorizations, and delegations from the beginning of the contract. Establishing these authorizations early is crucial because all decisions, instructions, approvals, and communications must be legally valid and enforceable. This section should specify:</p> <ul style="list-style-type: none"> • Contract Manager • Project Manager (Contractor) • Technical Supervisor/Clerk of Works • Finance/Accounts personnel • PU compliance roles • Any external advisors or regulators
List of Key Contacts	<p>This provides an updated list of the primary points of communication for both the PE and the Contractor. It should include:</p> <ul style="list-style-type: none"> • Names

Element of CMP	Explanation
	<ul style="list-style-type: none"> • Positions • Telephone numbers • Email addresses • Physical addresses (if applicable) • Emergency contacts <p>This ensures quick, accurate, and formal communication throughout the contract.</p>
Contract Management System	<p>This component describes how the contract will be monitored and controlled. It includes:</p> <ul style="list-style-type: none"> • Tools and systems to be used (manual files, spreadsheets, e-procurement platform, project management software) • Procedures for document control, approvals, and notifications • Mechanisms for tracking progress, costs, timelines, risks, and issues <p>A good system ensures consistency, transparency, and audit readiness.</p>
Governance Structure	<p>This outlines the hierarchy and decision-making framework for the contract. It clarifies:</p> <ul style="list-style-type: none"> • Who approves variations and payments • Who escalates disputes • Who chairs meetings • How the PU, User Department, and Contract Manager interact • Committees involved (e.g., Technical Committee, Steering Committee) <p>This structure prevents confusion and ensures accountability</p>
Contract Documents (Including Key Terms & Conditions)	<p>This section identifies all binding documents forming the contract, such as:</p> <ul style="list-style-type: none"> • Signed contract agreement • General and Special Conditions of Contract • Technical specifications and drawings • Bills of Quantities (BOQs) • Work programme • Clarifications issued during bidding <p>It also summarizes critical contractual terms like delivery dates, penalties, warranties, defects liability period, and payment schedules.</p>
Key Milestones (Including Critical Path)	<p>This identifies the major stages of the contract, including:</p> <ul style="list-style-type: none"> • Start date and mobilization • Major work stages • Deliverable submission dates • Testing and inspection points • Practical and final completion dates <p>The critical path shows the sequence of activities that must be completed on time to avoid delaying the overall project</p>

Element of CMP	Explanation
Key Performance Indicators (KPIs) and Measurement Methods	<p>KPIs define how performance will be assessed. They may include:</p> <ul style="list-style-type: none"> • Time (on-time delivery) • Cost (within agreed budget) • Quality (compliance with specifications) • Safety (incidents, compliance with HSE requirements) • Service quality for services contracts <p>Each KPI must specify:</p> <ul style="list-style-type: none"> • Target • Method of measurement • Frequency of measurement • Responsibility for verifying performance
Key Contract Deliverables	<p>This lists all outputs the contractor must provide, including:</p> <ul style="list-style-type: none"> • Physical works • Services • Reports • Drawings • Manuals • Certificates <p>Deliverables must be clearly described, measurable, and updated whenever change orders are issued.</p>
Reporting Requirements and Lines of Reporting	<p>This describes the reporting framework, including:</p> <ul style="list-style-type: none"> • Types of reports (weekly, monthly progress reports, test reports, invoices, completion certificates) • Submission deadlines • Required contents of each report • Who receives each report • How reports feed into decision-making <p>Clear reporting ensures transparency and performance tracking.</p>
Payment Procedures	<p>This section explains how payments will be processed in accordance with the contract, including:</p> <ul style="list-style-type: none"> • Required documentation (invoices, delivery notes, inspection certificates, Material Receipt Acknowledgements (MRAs), etc.) • Approval workflow • Payment timelines • Retention percentages • Conditions for release of advance payment or final payment <p>This ensures timely payments and alignment with contractual provisions.</p>
Record-Keeping Requirements and Procedures	<p>This outlines how contract records will be stored and managed.</p> <ul style="list-style-type: none"> • Physical and digital filing • Version control • Security and confidentiality of documents • Storage of correspondence, approvals, variations, performance records

Element of CMP	Explanation
	Proper record-keeping ensures compliance and auditability.
Audit or Independent Assurance Requirements	<p>This section explains whether the contract will be subject to audits and by whom, such as:</p> <ul style="list-style-type: none"> • Internal audit • External audit • Procurement oversight authority (PPDAA) • Quality assurance inspectors <p>It defines the frequency, scope, and documentation required for audits.</p>
Change Management or Variation Procedures	<p>This describes the step-by-step process for making changes to the contract, including:</p> <ul style="list-style-type: none"> • How variations are initiated • Required documentation (justification, revised BOQs, cost/time impact assessments) • Approval levels (AO, Procurement Committee) • Issuance of Variation Orders <p>This ensures that changes are authorized, controlled, and documented.</p>
Issues Management and Escalation	<p>This explains how issues (delays, disputes, non-performance) are identified, recorded, analyzed, and escalated.</p> <ul style="list-style-type: none"> • Issue logs • Corrective action plans • Time limits for resolving issues • Escalation levels (CM → PU → AO → PPDAA if needed) <p>It ensures problems are addressed promptly and transparently.</p>
Key Contractual Remedies	<p>This outlines the remedies available to the PE if the contractor fails to perform, such as:</p> <ul style="list-style-type: none"> • Liquidated damages • Withholding payments • Suspension of works • Calling performance guarantees • Termination for default <p>These remedies are essential for risk control and enforcement</p>
Risk Management Plan	<p>This identifies contract-specific risks, including:</p> <ul style="list-style-type: none"> • Cost overruns • Delays • Quality failures • Health and safety issues • Market fluctuations <p>It must define:</p> <ul style="list-style-type: none"> • Likelihood • Impact • Mitigation measures • Responsibility for monitoring risks

Element of CMP	Explanation
	The plan should be updated regularly.
Stakeholder Engagement Plan	<p>This outlines how all relevant stakeholders will be engaged during the contract, including:</p> <ul style="list-style-type: none"> • User department • PU • Contractor • Community (if relevant) • Regulators and oversight bodies <p>It details their roles, level of involvement, and frequency of engagement.</p>
Communication Plan	<p>This clarifies how information will be communicated internally and externally:</p> <ul style="list-style-type: none"> • Communication channels (email, meetings, letters, dashboards, system notifications) • Frequency of communication • Formal and informal reporting lines • Documentation of discussions <p>A strong communication plan prevents misunderstanding and ensures timely decisions.</p>
Insurance Coverage Requirements	<p>This identifies all insurance policies the contractor must maintain, such as:</p> <ul style="list-style-type: none"> • Contractor's All Risk (CAR) • Workers' compensation • Public liability insurance • Equipment insurance <p>The CMP should describe coverage levels, validity periods, and renewal requirements.</p>
Guarantees and Securities	<p>This outlines any financial securities required under the contract, including:</p> <ul style="list-style-type: none"> • Performance guarantee • Advance payment guarantee • Bid security transition • Retention <p>It includes validity dates, release conditions, and procedures for calling guarantees.</p>
Price Adjustment Formula and Conditions	<p>If the contract includes price adjustment, the CMP must specify:</p> <ul style="list-style-type: none"> • The formula to be used • Triggers (inflation, currency fluctuation, market changes) • Frequency of adjustments • Required documentation <p>This ensures transparency in managing contract value changes.</p>

Element of CMP	Explanation
Interface Management (Between Contractors), if Applicable	<p>For projects involving multiple contractors, this component defines:</p> <ul style="list-style-type: none"> • How interfaces will be coordinated • Responsibilities for joint areas • Communication protocols between contractors • Integration of work programmes <p>Effective interface management reduces conflict and ensures smooth delivery.</p>

The CMP should be shared with the contractor and all individuals or teams involved in the implementation, management, administration, and governance of the contract. It is important to review the plan with the contractor—preferably in a face-to-face meeting—to ensure that all parties fully understand its contents, particularly the allocation of roles, responsibilities, and risks. This discussion can also form a substantive agenda item during the Project Kick-Off Meeting, if one is convened.

6.4.4 Payments to Suppliers, Contractors or Service Providers

Under the PPDA Regulations - Regulations 140 to 145 provide a structured framework that governs how payments must be managed, processed, secured, and documented under any public procurement contract. These provisions ensure transparency, timely payment to providers, accountability, and protection of public funds.

Payment Terms	<p>Regulation 140 requires that every procurement contract must clearly spell out the payment terms agreed between the PE and the provider.</p> <p>Key PE Obligations:</p> <ul style="list-style-type: none"> • The PE must adhere strictly to the payment schedule stated in the contract. • Payments must only be made after satisfactory performance, following verification and acceptance procedures outlined under the contract. • Where early payment discounts exist (prompt payment discounts), the PE must process payment promptly to benefit from the discount. • The PE must not alter payment terms after contract signing unless through a properly approved contract amendment.
Advance Payments	<p>Where advance payments are permitted, Regulation 141 impose strict conditions to protect the PE.</p> <p>Obligations of the PE: Advance payments may only be made if provided for in the contract.</p> <p>The PE must:</p> <ul style="list-style-type: none"> • Require the provider to submit an advance payment security (e.g., bank guarantee or insurance bond). • Ensure advance payments are limited to approved thresholds and purposes. • Disburse the advance only after verifying the advance payment security. • The PE must track how the advance payment is utilized and ensure it is deducted progressively from subsequent payments according to the contract.

Progress Payments	Progress payments as provided in Regulation 142 apply primarily to works contracts and long-term service contracts. Obligations of the PE:
	<ul style="list-style-type: none">• Evaluate contractor performance through:<ul style="list-style-type: none">○ Interim certificates,○ Site inspections,○ Verified measurement sheets,○ Technical supervision reports.• Ensure progress payments are made only for work done, not for anticipated work.• Maintain detailed records of:<ul style="list-style-type: none">○ Work completed,○ Variations approved,○ Cumulative payments made.• Ensure payments align with the approved payment schedule, milestones, or bill of quantities.• Withhold payments in cases of:<ul style="list-style-type: none">○ Poor workmanship,○ Failure to meet specifications,○ Non-compliance with safety or environmental requirements.
Retained Payment (Retention Money)	Retention as provided in Regulation 143 is a key safeguard to ensure contractors complete all obligations. Obligations of the PE:
	<ul style="list-style-type: none">• Deduct retention money at the rate specified in the contract (usually 5–10% of each interim payment).• Retain the amount until:<ul style="list-style-type: none">○ Work is fully completed,○ The defects liability period has expired,○ All defects have been corrected.• Release the retention money promptly after issuance of:<ul style="list-style-type: none">○ Final completion certificate,○ Defects liability certificate.• Maintain accurate retention accounts to avoid disputes with providers.
Payment Documents	In accordance with Regulation 144, the PE must ensure that all payment requests are supported by proper documentation before authorizing payments. Mandatory PE Responsibilities:
	<ul style="list-style-type: none">• Verify and maintain the following documents:<ul style="list-style-type: none">○ Original invoices,○ Delivery notes or inspection reports,○ Certificates of completion or progress,○ Acceptance certificates,○ Measurement sheets,○ Variation orders (if any),○ Payment vouchers,○ Advance payment guarantees,○ Interim payment certificates.• Ensure the payment documents are:<ul style="list-style-type: none">○ Complete,○ Authenticated,

	<ul style="list-style-type: none">○ Certified by the contract manager or supervising engineer,○ Approved by the Accounting Officer or delegated authority.● Payment must not be made unless all required documents are validated.
Payment Securities	Payment securities, as provided in Regulation 145, guarantee that the PE fulfills its contractual obligations.
	<p>What the PE Must Do:</p> <ul style="list-style-type: none">● Include payment security requirements in the bidding and contract documents where appropriate.● Obtain payment securities such as:<ul style="list-style-type: none">○ Performance guarantees,○ Advance payment guarantees,○ Insurance bonds,○ Bank guarantees.● Ensure securities are:<ul style="list-style-type: none">○ Valid for the contract duration,○ Issued by reputable and approved financial institutions.● Keep securities safely and release them only after:<ul style="list-style-type: none">○ All contractual obligations have been met,○ The contract is formally closed.● Enforce security instruments where the provider defaults or fails to meet contractual obligations.
Price Adjustment	Regulation 139 allows for price adjustments under specific conditions to ensure fair compensation for changes in market or economic conditions while safeguarding public funds.
	<p>When Price Adjustment Applies</p> <ul style="list-style-type: none">● Only applicable if provided for in the contract.● Typically used in long-term contracts where inflation, exchange rate fluctuations, or market variation affects input costs.● Not applicable to:<ul style="list-style-type: none">○ Lump-sum contracts (unless explicitly stated),○ Short-term contracts where price changes are insignificant.
	<p>Obligations of the PE:</p> <p>a) Include a Clear Price Adjustment Method or Formula: Where price adjustment is allowed, the PE must ensure the contract specifies:</p> <ul style="list-style-type: none">● Adjustment method or formula (e.g., CPI, fuel indices, labor cost indices),● Base date for price comparison,● Frequency of adjustments (monthly, quarterly). <p>b) Apply Price Adjustment Fairly and Transparently</p> <ul style="list-style-type: none">● Verify the accuracy of supporting documents submitted by the contractor or provider.● Ensure all calculations follow the formula in the contract.● Maintain records of:<ul style="list-style-type: none">○ Index values used,○ Computation sheets,○ Approvals given,○ Payment vouchers.

c) Prevent Abuse or Manipulation

- Confirm that claimed adjustments relate only to the affected cost components, not to the entire contract amount.
- Reject unjustified or erroneous claims.

d) Obtain Required Approvals: Any adjustment must:

- Be reviewed and endorsed by the Contract Manager,
- Receive approval from the Accounting Officer or delegated authority.

e) Budgeting Implications: PE must ensure:

- Adjustments are factored into the budget for multi-year contracts,
- Funds exist to cover increased contract sums.

Summary of Price Adjustment Approaches

Price adjustments generally follow two recognised approaches:

1. Formula-Based Price Adjustment: This approach uses a mathematical formula linked to published indices to adjust specific cost components such as labour, fuel, materials, or equipment.

How It Works: A typical formula may include:

- Consumer Price Index (CPI),
- Labour cost indices,
- Fuel and materials indices,
- Exchange rate indices.
- Each cost component has a weighting factor (percentage share), and the formula automatically adjusts payments based on changes in the relevant index.

Key Features

- Objective and transparent: Reduces arguments, as all parties rely on published external data.
- Predictable: The contract spells out:
 - base date,
 - indices to be used,
 - frequency of adjustments.
- Efficient in long-term contracts: Particularly suitable for works, multi-year service contracts, and framework agreements.

Limitations

- Requires up-to-date, reliable indices.
- Must be clearly drafted in the contract; otherwise, adjustments cannot be applied.
- Small fluctuations may not justify administrative effort.

2. Base-Price (Cost Component) Approach: This method compares the actual current price of specific inputs with the base price stated in the contract at contract signing.

How It Works

- The contract defines base prices for items such as cement, steel, fuel, or major inputs.
- Adjustment is made for the difference between the base price and the current verified price.
- The contractor submits evidence (e.g., supplier invoices, official price bulletins).

RECOMMENDED APPROACH FOR SS

For South Sudan, the base-price approach is recommended because reliable economic indices needed for formula-based price adjustments are not consistently available.

Using verified market prices of key inputs provides a more practical, transparent, and realistic method in the current data environment.

Key Features

- Simple and practical: Especially useful when reliable indices do not exist or market prices fluctuate irregularly.
- Flexible: Can be tailored for specific items that significantly affect contract cost.
- Evidence-based: Relies on market verification rather than statistical indices.

Limitations

- Requires strong verification to prevent inflated claims.
- May involve administrative effort to confirm price movements.
- Susceptible to manipulation if base prices are not well documented.

Regulations 139–145 establish a solid financial management framework that binds PEs to strict, transparent, and accountable payment practices. Through clearly defined price adjustments, secure advance and progress payments, the use of retention, and the requirement for payment securities, the Regulations ensure that providers are paid fairly and on time while protecting public finances from loss, abuse, or unjustified claims.

Just as the Contract Manager is responsible for confirming that the contractor has fully met all contractual obligations before any payment is released, Regulation 153(1)(c) equally requires the Contract Manager to ensure that the PE fulfils its own obligations—particularly making payments—on time and in accordance with the terms of the contract.

These provisions also strengthen contract management and help build trust between government institutions and service providers. Effective compliance with Regulations 139–145 is therefore essential for achieving value for money, fostering competition, ensuring high-quality delivery, and maintaining the credibility of the government procurement system in South Sudan.

6.4.5 Contract Amendments and Variations

Contract amendments and variations are integral components of contract management. PPDA Regulations—specifically Regulations 156 and 157—provide a strict governance framework to ensure any modification to a signed contract is undertaken in a transparent, controlled, and justified manner that protects the integrity of the procurement process and public resources.

Contract Amendments	Regulation 156 provides for contract amendments , which refer to changes to the terms and conditions of a contract without changing the fundamental scope , nature, or purpose of the procurement.
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A. What a Contract Amendment Covers

A contract amendment may include changes to:

- Delivery schedules or completion timelines,
- Payment schedules,
- Administrative arrangements,
- Clarification or adjustment of minor contractual clauses,
- Correction of typographical or clerical errors,
- Changes in reporting requirements or communication arrangements,
- Other non-material changes that do not affect the overall nature or value of the contract significantly.

B. Obligations of the PE Under Regulation 156

1. Amendments Must Be Justified

The PE must:

- Provide written justification for every amendment,
- Ensure the amendment is necessary and enhances successful contract delivery.

2. No Fundamental Alteration of Contract Scope

Amendments must not:

- Change the original purpose of the contract,
- Introduce entirely new goods, works, or services,
- Alter the procurement method or affect competition.

3. Must Obtain Necessary Approvals

Amendments require:

- Review and recommendation from the Contract Manager,
- Approval by the Procurement Committee or Accounting Officer, depending on the PE's delegation matrix.

4. Amendments Must Be in Writing

- All amendments must be documented formally,
- Both parties must sign the amendment,
- The amendment becomes part of the contract file and must be uploaded to the procurement portal as per the Regulations.

5. Budget Availability Must Be Confirmed

- Amendments with financial implications must not be approved without:
 - Confirmation of funds,
 - Where applicable, budget reallocation or supplementary budget approval.

Contract Variations	While Regulation 156 deals with <i>amendments</i> , Regulation 157 deals specifically with contract variations , which involve changes in quantities, technical specifications, design, or scope , particularly for works, goods, and non-consultancy services .
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Variations are more substantive than amendments and must be handled with even greater scrutiny.

A. What Contract Variations Cover

Variations typically relate to:

- Increase or decrease in quantities,
- Changes in design or technical specifications,
- Additional related works, goods, or services necessary for completion,
- Adjustments necessitated by site conditions (for works contracts),
- Modifications due to unforeseen circumstances, errors in drawings, or engineering needs.

B. Key Conditions for Contract Variations Under Regulation 157

1. Variations Must Be Within Contractual Limits

- Variations must comply with limits set in the contract.
- The PE may only vary quantities or work elements within **reasonable and predefined thresholds**.

2. Variations Must Be Technically and Economically Justified

The PE must demonstrate:

- The variation is necessary for completion of the contract,
- It is not the result of poor planning or negligence,
- It offers value for money.

3. Written Request and Supporting Documentation Are Required

A variation must be supported by:

- Technical reports,
- Revised drawings or designs,
- Measurement sheets,
- Cost estimates,
- Justification notes,
- Impact analysis on time, cost, and performance.

4. Variations Must Not Change the Nature of the Original Contract

The PE must ensure:

- The core scope and purpose remain the same,
- The variation does not amount to a *new procurement*,
- The variation does not violate competition principles.

5. Approval Requirements

Similar to contract amendments:

- The Contract Manager must initiate and justify the variation,
- The Accounting Officer and Procurement Committee must approve the variation,
- Where thresholds are high, additional approvals may be required (e.g., from funding agencies).

6. Budget Verification Is Mandatory

No variation may be approved where:

- There is no confirmation of additional funds,
- The variation exceeds the available budget without necessary approval.

7. Variations Must Be Reflected in the Payment Schedule

The PE must:

- Adjust the payment plan to incorporate cost changes,
- Ensure progress payments reflect the revised scope.

Distinction Between Amendments (Reg. 156) and Variations (Reg. 157)		
Aspect	Contract Amendment	Contract Variation
Nature of Change	Administrative or minor contractual adjustments	Technical or physical changes to scope/quantities
Impact on Scope	Does not materially change scope	May adjust quantities/specifications within limits
Financial Implication	Often minor or none	Often has cost/time implications
Documentation Required	Justification note, formal amendment	Technical reports, measurements, revised estimates
Competition Risk	Low	Must ensure no circumvention of competitive process

Compliance with Regulations 156 and 157 on contract amendments and variations is essential for safeguarding the integrity and credibility of public procurement in South Sudan. These regulatory provisions ensure that any modification to a signed contract—whether administrative, technical, financial, or scope-related—is undertaken through a controlled, transparent, and fully justified process. Adhering to these regulations prevents unauthorized changes, uncontrolled scope creep, inflated project costs, and the potential circumvention of competition.

By strictly following the procedures for justification, documentation, technical evaluation, approvals, and budget confirmation, PEs uphold the principles of value for money, accountability, fairness, and legal compliance. Ultimately, proper management of amendments and variations not only protects public funds but also strengthens contract delivery, reduces audit risks, enhances provider confidence, and contributes to a more efficient and trustworthy public procurement system.

6.4.6 Extension of Time

An extension of time (EoT) is a special form of contract amendment that allows a provider additional time beyond the original completion or delivery date to perform contractual obligations. Under the PPDA Act and the Regulations , an extension of time must be treated with the same rigor, scrutiny, and approval controls applied to all amendments and variations that affect contract performance.

Because an extension of time impacts contract delivery, performance risk, budget execution, and project outcomes, it requires strict management and full justification before approval.

Legal Basis	<p>Unlike other contract management elements, Extension of Time (EoT) is not explicitly provided as a standalone regulation in the PPDA Regulations. However, the treatment, approval, and documentation of extensions of time are fully governed under the broader framework for contract amendments and variations found in the PPDA Act and PPDA Regulations, particularly:</p> <ul style="list-style-type: none">• Regulation 156 – Contract Amendments• Regulation 157 – Contract Variations• Regulations 152–155 – Contract management, supervision, inspection, and acceptance• Regulations 140–145 – Payment-related controls
Circumstances Under Which Extension of Time May Be Granted	<p>Within this regulatory framework, an extension of time is treated as a special category of contract amendment, because it alters a fundamental contract execution parameter—the delivery or completion period—without changing the essential nature of the contract</p> <p>A PE may grant an extension of time only when justified by legitimate circumstances, including:</p> <p>a) Delays Outside the Provider's Control</p> <ul style="list-style-type: none">• Severe weather or natural disasters• Force majeure events• Civil disturbances• Delays caused by government agencies (e.g., delayed approvals, permits)• Variations issued by the PE that legitimately extend timelines <p>b) PE-Related Delays</p> <ul style="list-style-type: none">• Delayed site handover• Failure of the PE to provide required drawings, technical information, or access• Delayed payments affecting contractor performance <p>c) Technical or Operational Challenges</p> <ul style="list-style-type: none">• Unforeseen site conditions not discoverable at bid stage• Discovery of errors or omissions in design drawings• Incomplete or conflicting specifications requiring clarification
Management of Extension of Time Requests	<p>Not Acceptable Reasons</p> <p>Extensions of time must not be granted for:</p> <ul style="list-style-type: none">• Contractor negligence or poor planning,• Lack of adequate resources by the provider,• Avoidable delays or inefficiency. <p>Step 1: Written Request by the Provider</p> <p>The provider must submit a formal written request stating:</p> <ul style="list-style-type: none">• Reasons for delay,• Impact on schedule and contract performance,• Evidence supporting the claim,• Number of additional days required.

Step 2: Technical and Contractual Assessment

The **Contract Manager** must:

- Review the request against contract terms,
- Verify facts on the ground (site inspection reports, progress records),
- Confirm whether the causes fall within allowable grounds,
- Assess impact on:
 - delivery timelines,
 - contract cost,
 - risks,
 - project dependencies.

Step 3: Prepare a Justification Report

The Contract Manager prepares a detailed report covering:

- Background of delay,
- Findings of the assessment,
- Revised work program or implementation timeline,
- Recommendation on approval or rejection.

Step 4: Obtain Approvals

In line with the PPDA Act and Regulations:

- The Accounting Officer approves the extension,
- The Procurement Committee may be required to review where the extension materially affects contract execution or cost,
- The approval must specify:
 - the new completion date,
 - the contractual clause permitting the amendment,
 - any conditions imposed on the provider.

Step 5: Contract Amendment

- The extension must be issued through a **signed contract amendment**, not informal communication.
- Both parties must sign the amendment.
- It must be added to the **contract file** and uploaded to the procurement system/portal.

Step 6: Documentation and Record Keeping

Regulations require that:

- All reasons, assessments, approvals, and amended clauses must be recorded in the **contract implementation records**.
- These records must be available for:
 - audits,
 - performance evaluation,
 - project monitoring.

Impact on Budget and Contract Management

Although an extension of time does **not automatically change the contract price**, it may have implications that the PE must assess:

- Increased supervision costs,
- Delayed service delivery or project commissioning,
- Possible need for contract variations (Reg. 157),
- Potential delay penalties or liquidated damages (if not excused).

The PE must:

- Review the budget execution plan,
- Adjust payment schedules if necessary,

- Ensure the provider does not claim unjustified additional costs

Importance of Proper Management of Extensions of Time Properly managed extensions of time ensure:

- Value for money is maintained,
- Contract performance risks are controlled,
- Project delays do not escalate into cost overruns,
- Accountability in contract administration,
- Protection of public funds from unjustified claims,
- Compliance with the PPDA Act and Regulations,
- Audit readiness and reduction of procurement disputes.

Extensions of time that are poorly justified or approved informally may lead to:

- Audit findings,
- Contract disputes,
- Loss of public funds,
- Questioned integrity of the procurement system.

Although the PPDA Regulations do not provide a standalone regulation for extensions of time, the legal and procedural requirements for granting such extensions are clearly embedded within the overarching provisions on contract amendments, variations, and contract management. Treating extensions of time as a controlled and fully justified amendment ensures that public contracts remain legally sound, well-managed, and aligned with the principles of accountability, value for money, transparency, and proper stewardship of public resources. Proper management of EoTs also protects PEs from unnecessary cost escalations, schedule disputes, and audit risks while preserving fairness to providers when delays are genuinely unavoidable.

6.5 Regular Performance Reviews and Monitoring

Regular performance reviews and continuous monitoring are essential to ensure that contract implementation remains on schedule and that all deliverables meet the required standards. The PE shall periodically assess the provider's performance against the contractual obligations and predefined performance criteria. This enables early identification of deviations, emerging risks, or performance gaps, and allows timely corrective actions to keep the project on course.

Performance reviews may be conducted **monthly, quarterly, or at key project milestones**, depending on the complexity and duration of the contract. Monitoring activities should focus on verifying compliance with quality specifications, delivery timelines, technical standards, and the financial obligations outlined in the contract.

All monitoring and review activities must be **comprehensively documented**. Records should include inspection reports, progress review meeting minutes, action points, correspondence with the provider, and decisions taken by the Contract Manager or the PE. Thorough documentation ensures transparency, accountability, and provides a reliable audit trail for contract management and future reference.

Any instances of non-compliance or delays must be addressed promptly through clearly defined corrective actions. These actions must be communicated to the provider and followed up until resolution. Proactive monitoring and timely intervention help minimize disruptions, safeguard the quality of deliverables, and ensure that contract objectives are achieved within the agreed timeframe.

6.6 Addressing Issues or Deviations Promptly

In contract management, **issues** refer to any problems, obstacles, deviations, or unexpected circumstances that prevent the contract from being executed exactly as agreed. These issues may affect the **quality, cost, scope, timelines, performance indicators**, or compliance requirements of the contract. Early identification and proper management of issues are essential to prevent delays, cost overruns, disputes, or compromised contract outcomes.

Examples of Common Contract Management Issues

Delays in Delivery or Completion	A contractor fails to deliver goods, complete works, or provide services within the contractual timelines. <i>Example:</i> A building project falls behind schedule because the contractor did not mobilize resources on time.
Non-Compliance With Technical Specifications or Quality Standards	The contractor delivers items or executes works that do not meet the specifications or standards required in the contract. <i>Example:</i> A supplier provides equipment that does not match the capacity, durability, or performance requirements in the technical specifications.
Scope Changes or Unforeseen Conditions	Unanticipated conditions or omissions in the design require adjustments to the agreed scope of work. <i>Example:</i> During excavation, the contractor encounters buried utilities not shown in the drawings, requiring design changes and additional work.

Process for Identifying and Addressing Contract Issues

During contract execution, unforeseen issues or deviations should be **identified promptly** and addressed in a structured manner to ensure smooth contract administration. Any deviation—whether related to timelines, quality, cost, or technical requirements—must be:

- **Documented clearly** (nature of the issue, cause, and implications),
- **Assessed technically and contractually**,
- **Communicated promptly** to relevant parties,
- **Corrective actions implemented** within reasonable time, and
- **Followed up** to ensure resolution and prevent recurrence.

Timely resolution of issues is crucial to maintaining progress and protecting contract outcomes. Effective communication ensures a collaborative relationship between the PE and the provider, helping to avoid unnecessary disputes or delays.

All records of issues, including meeting minutes, inspection reports, correspondence, action items, and decisions taken by the PE, must be maintained as part of the **contract implementation file**. This documentation strengthens accountability, provides an audit trail, and supports transparent monitoring of contract performance.

By proactively identifying and addressing issues, the PE ensures that the contract remains relevant, responsive, and capable of achieving its intended objectives even when circumstances change.

6.7 Change Management

Managing changes to a contract in an efficient and transparent manner is essential for maintaining control over contract implementation. All modifications must be properly justified, documented, reviewed, and approved to ensure compliance with the PPDA Act and Regulations.

6.7.1 Documenting and Approving Changes

Any change to the contract—whether it relates to timelines, scope, specifications, or administrative provisions—must follow a structured and well-defined process. The procedure shall include:

Initiation:	<ul style="list-style-type: none">• Identify the need for the proposed change.• Prepare a written justification outlining the rationale, circumstances necessitating the change, and the expected impact on time, cost, scope, or quality.• Submit the proposed change to the Contract Manager for preliminary review
Review and Approval	<ul style="list-style-type: none">• The proposed change must be reviewed by the appropriate authorities within the PE, including the Contract Manager, technical experts, and the Accounting Officer, as applicable.• No change may be implemented until formal written approval is obtained in line with the delegated approval levels set by the PE and the PPDA Regulations.
Update Documentation	<ul style="list-style-type: none">• Once approved, the contract amendment must be prepared, signed by both parties, and incorporated into the official contract file.• All affected documents—work plans, schedules, specifications, budgets, and performance indicators—must be updated to reflect the approved change.• Ensure the updated documents are accessible to all relevant officers involved in contract management.

6.7.2 Communicating Changes to All Relevant Parties

Clear and timely communication of approved contract changes is essential to ensure that all stakeholders understand the modification and its implications for contract implementation. The procedure shall include:

Notification	<ul style="list-style-type: none">• Inform all relevant parties—including PE staff, the contractor, and supervising personnel—of the approved change.• Provide the updated documents and clearly highlight the sections that have been modified.• Request acknowledgment or confirmation from the contractor and key stakeholders to ensure mutual understanding.• updated contract documents and ensure acknowledgment of receipt
Record Keeping	<ul style="list-style-type: none">• Maintain a complete record of all communications and documents related to the contract change, including notices, correspondence, responses, and approvals.• These records should be stored in the contract file to provide a clear audit trail, support transparency, and facilitate monitoring of the change process.

6.8 Receipt, Inspection, Acceptance, and Payment for Goods

6.8.1 General

This section sets out the procedures for the receipt, inspection, acceptance, and payment of goods procured by a PE. In line with Regulation 154 (Inspection) and Regulation 155 (Acceptance) of the PPDA Regulations, the purpose is to ensure that all goods delivered comply fully with the quality, quantity, specifications, and standards stated in the contract. This process safeguards public resources and ensures proper contract implementation.

Roles and responsibilities are distributed as follows:

- User Department: Verifies the need for goods as per the procurement plan, participates in inspections, and confirms compliance with specifications.
- Procurement Unit (PU): Verifies delivery documentation, coordinates receipt and inspection activities, and liaises with the supplier where discrepancies arise.
- Verification and Acceptance Committee: Constituted in accordance with Regulations 154 and 155, comprising representatives of the User Department, PU, and relevant technical experts. The committee conducts physical inspection and determines acceptance or rejection of goods.
- Accounting Officer: Oversees adherence to procurement procedures and ensures timely payment following proper inspection and acceptance.

6.8.2 Receiving of Goods

Receiving of goods must follow the contractual arrangements between the Supplier and the PE. Prior to delivery, the PE confirms delivery schedules with the supplier and prepares the receiving area. Upon arrival:

1. The receiving officer checks and records all supporting documents, including:
 - Delivery note
 - Packing list
 - Purchase order
 - Certificates of conformity or origin (if applicable)
2. Goods are inspected in their delivered state and recorded in a receiving register to maintain accountability and traceability.

This initial step ensures that receiving activities comply with the requirements outlined in Regulation 154(1) concerning the verification of goods on delivery.

6.8.3 Inspection Process

Inspection is carried out by the Verification and Acceptance Committee appointed by the Accounting Officer. Under Regulation 154, the committee is responsible for:

- Conducting a detailed physical inspection of the goods;
- Verifying that the delivered goods meet contractual requirements relating to quantity, quality, technical specifications, and condition;
- Checking compliance with all regulatory and certification requirements;
- Documenting any discrepancies, defects, or non-compliance issues.

If goods do not conform to the contract, the committee must reject them, document the rejection, and notify the supplier promptly for corrective action as required under Regulation 154(4).

6.8.4 Acceptance of Goods

Goods that pass inspection are accepted in accordance with Regulation 155, which requires formal confirmation of compliance before acceptance. The Verification and Acceptance Committee shall:

- Prepare an Inspection and Acceptance Report, summarizing inspection findings;
- Clearly indicate whether the goods are accepted or rejected;
- Obtain signatures from all committee members and, where present, the supplier's representative;
- Arrange secure storage of accepted goods and issue an acknowledgment of receipt to the supplier.

For rejected goods, the committee must document the defects and coordinate with the supplier to ensure timely replacement, repair, or other corrective measures as stipulated in the contract and in line with Regulation 155(4).

6.8.5 Payments for Goods

Payments shall only be processed after inspection and acceptance have been completed in accordance with Regulations 154 and 155. The payment process requires the submission of the following documents:

- Supplier's invoice
- Delivery note
- Purchase order
- Inspection and Acceptance Report
- Any required certificates or warranties

Payments must follow the timelines stated in the contract. Any delays must be communicated to the supplier with reasons and a proposed resolution timeline.

Where warranties apply, the PE may impose a retention to ensure performance during the warranty period. Final payments are released after confirming that warranty obligations have been satisfactorily fulfilled.

All payment records must be maintained securely for audit and accountability purposes.

6.8.6 Handling Disputes During Delivery and Inspections

Any disputes arising during delivery, inspection, acceptance, or payment must be handled in accordance with the dispute-resolution provisions of the contract. The PE must ensure early communication with the supplier and maintain complete documentation of all issues to support transparent and timely resolution.

6.8.7 Monitoring and Reporting

The PU shall prepare periodic reports on goods received, inspected, accepted, rejected, and paid for. These reports support compliance monitoring, highlight operational challenges, and assist in identifying areas requiring corrective action. Any significant deviations must be escalated to the Accounting Officer to ensure continuous improvement and alignment with Regulations 154, 155, and overall procurement compliance requirements.

6.9 Inspection and Certification of Payment for Works Contracts

6.9.1 General

Inspection, certification, and completion procedures are essential elements of managing works contracts. They ensure value for money, compliance with contractual obligations, adherence to specifications, and delivery of safe and durable infrastructure. In accordance with Regulation 154 (Inspection) and Regulation 155 (Acceptance) of the PPDA Regulations, a PE must follow a structured process for verifying completed works, certifying progress, and authorizing payments.

These procedures support accountability, transparency, and effective delivery of public infrastructure by confirming that payments are made only for verified, measured, and accepted works.

6.9.2 Inspection for Interim Payment Certificate (IPC)

When a contractor submits a claim for an Interim Payment Certificate (IPC), the claim must be supported by:

- A progress report
- Measured quantities of completed works
- Any required technical documentation
- Updated work schedules, where applicable

Upon receipt of the claim, the supervising consultant, project engineer, and designated PE staff must conduct a site inspection. The inspection shall verify:

- Quantities completed against the Bill of Quantities (BOQ)
- Compliance with technical specifications
- Quality of workmanship
- Any works that are incomplete, defective, or not meeting contractual standards

Measurements must be recorded accurately and compared with the contractor's claim. Any discrepancies or ineligible work items must be excluded from the IPC. A formal Inspection Report must be prepared in accordance with Regulation 154(3) to support the certification and processing of payments.

6.9.3 Certification of Interim Payment Certificate

After inspection, the supervising consultant prepares the certified IPC, confirming the value of work completed and eligible for payment. The User Department reviews the certificate to ensure compliance with the contract, and then forwards it to the Accounting Officer.

The Accounting Officer reviews, certifies, and authorizes payment in line with contractual terms. In doing so:

- Retention money is deducted as specified in the contract, in accordance with payment-related provisions.
- Any penalties, liquidated damages, or adjustments must be applied where applicable.

Certification ensures that payments are based solely on verified and accepted works, consistent with Regulations 154 and 155.

Key Considerations for Effective Management of Payments to Contractors:

Project Cost Estimate and Budgeting	Ensure the project has a realistic cost estimate and an adequate budget allocated before works begin
Timely Release of Advance Payment:	Advance payment must be released promptly once the contractor submits an acceptable advance payment guarantee. Unjustified delays constitute compensation events and may entitle the contractor to extension of time
Timely Certification and Payment	Certification of work must be completed promptly. Delayed payments attract interest where provided for under the contract.
Retention Management	Deduct retention as stated in the contract. Upon Practical Completion, release 50% of the retention
Retention Guarantee Option	To avoid challenges at the end of the Defects Liability Period, consider releasing the remaining 50% retention at Practical Completion based on submission of an unconditional retention guarantee.
Variation Approvals	Any variations impacting the contract price or time must be approved by the appropriate Tender Board or authority before communication to the contractor.
Timely Determination of Contractor Claims:	Evaluate and respond to all claims fairly and promptly. No adjustments to price or time should be made without required approvals.

6.9.4 Pre-Final Inspection

(Regulation 154 – Inspection Prior to Completion)

As works near completion, the contractor must notify the PE. The PE then organizes a pre-final inspection, involving:

- The supervising consultant
- The User Department
- Technical experts, where required

The team evaluates overall completion status and identifies outstanding works or defects. A snag list must be prepared and formally communicated to the contractor with a clear timeframe for rectification.

6.9.5 Final Inspection for Completion

(Regulations 154 & 155 – Final Inspection and Acceptance)

Once rectifications are completed, the contractor submits a request for final inspection. The PE convenes the inspection team to verify:

- Completion of the works
- Compliance with technical specifications and standards
- Quality and functionality
- Results of any required tests and commissioning activities

A Final Inspection Report must be prepared. If defects remain, they must be added to a final snag list for correction.

6.9.6 Issuance of Substantial Completion Certificate

(Regulation 155 – Acceptance)

If works meet contractual requirements and all major defects have been corrected, the PE issues a Substantial Completion Certificate. This certificate:

- Confirms that works are substantially complete and operational
- Marks the beginning of the Defects Liability Period (DLP)
- Entitles the contractor to payment for completed works, including release of 50% of retention

The project is then handed over to the PE or intended end users for operationalization.

6.9.7 Defects Liability Period (DLP)

(Regulation 155(4) – Defect Correction)

Throughout the DLP, the PE monitors the works to identify defects. If any issues arise:

- The contractor must be notified in writing
- Corrective actions must be undertaken at no cost to the PE
- All rectifications must be completed to the satisfaction of the PE

The DLP ensures quality assurance and protects the PE's long-term interests.

6.9.8 Final Payment and Release of Retention

(Regulation 155 – Final Acceptance)

At the end of the DLP, the PE conducts a final inspection to confirm:

- All defects have been corrected
- Works have performed satisfactorily

If compliant, the contractor becomes eligible for the final payment, including release of the remaining 50% retention. The User Department processes the final payment and ensures all financial obligations are closed.

6.9.9 Issuance of Final Completion Certificate

(Regulation 155 – Completion and Acceptance)

After successful final inspection and settlement of all contractual obligations, the PE issues a Final Completion Certificate. This certificate:

- Confirms full and satisfactory completion of the works contract
- Releases the contractor from further obligations
- Formally closes the contract and documents handover to the PE or end users

6.10 Managing Securities

6.10.1 General

Securities constitute a critical safeguard mechanism in contract management under the PPDA Act and PPDA Regulations . They ensure that suppliers, contractors, or service providers fulfil their contractual obligations, mitigate the PE's (PE) exposure to financial and performance risks, and guarantee proper utilization of public funds.

In accordance with Reg. 57 and Reg. 130 of the PPDA Regulations , a PE shall clearly state in the solicitation documents the type, amount, format, purpose, period of validity, and conditions for calling or releasing any form of security. Provision of required securities is a condition precedent for contract effectiveness, and the PE must manage such securities diligently throughout the contract lifecycle.

6.10.2 Performance Securities

Performance securities protect the PE against non-performance or defective performance and are required under Reg. 130 of the PPDA Regulations 2024.

Acceptable Types of Performance Securities	<ul style="list-style-type: none">• Unconditional Bank Guarantees;• Performance Bonds from licensed insurance companies;• Bankers Cheques;• Performance Securing Declarations (PSDs) where permitted
Requirement and Amount	<ul style="list-style-type: none">• The bidding documents must state the required performance security.• Unless otherwise justified, the amount shall be 10%–20% of the contract price, consistent with the risk profile of the procurement.• For low-value procurements, a performance securing declaration may replace a performance security, in line with Reg. 130(11).•
Use of Performance Securing Declarations	<p>A Performance Securing Declaration may be required instead of a performance guarantee for:</p> <ul style="list-style-type: none">• Works contracts up to the applicable low-value threshold, and• Supplies or non-consultancy services contracts below the threshold permitted in Table F of the First Schedule of PPDA Regulations 2024.
Calling a Performance Security	<p>A performance security may be called where the contractor:</p> <ul style="list-style-type: none">• Fails to execute works or services per contract specifications;• Fails to remedy defects within the specified period;• Abandons the contract or repudiates performance;• Breaches critical contractual obligations.

6.10.3 Advance Payment Securities

Where a PE issues an advance payment, an Advance Payment Guarantee (APG) must be furnished in accordance with Reg. 141(4)

Purpose	The APG secures the PE against the risk of misuse of the advance
Amount and Form	<ul style="list-style-type: none">• The APG must cover 100% of the advance amount.• Acceptable form: an unconditional bank guarantee.• According to Reg. 141(3) The advance payment shall not exceed 25% of the contract price, unless approved in accordance with special provisions of the Regulations or donor financing rules.
Reduction and Release	<ul style="list-style-type: none">• The APG shall be progressively reduced as the advance is recovered through interim payments.• It must remain valid until full recovery of the advance

6.10.4 Retention Money and Retention Money Security

Construction and civil works contracts often include retention money to safeguard the PE during construction and the defects liability period.

1. Purpose of Retention

- Ensures the contractor completes all works as per specifications.
- Provides security against defects that arise within the Defects Liability Period (DLP).

2. Payment of Retention: In line with standard conditions of contract adopted under PPDA Regulations:

- 50% of retention is released at practical completion.
- The remaining 50% is released at the end of the DLP, subject to satisfactory defects correction.

3. Retention Money Security: PPDA Conditions of Contract allow the contractor to obtain earlier release of the second portion of retention if they provide a Retention Money Security, which must be:

- In the form of a bank guarantee,
- Unconditional,
- Valid until the expiry of the DLP,
- Callable under the conditions set in the contract.

6.10.5 Receipt, Storage and Safekeeping of Securities

In accordance with Reg. 57, securities must be securely managed to prevent fraud, loss, or misuse.

1. Custody

- All securities must be submitted intact and not marked, photocopied, or altered.
- Upon verification and registration, the original securities shall be kept in a secured fireproof safe/cabinet under the custody of the Finance/Accounts Section.

2. Documentation: A receipt must be issued to the contractor or supplier acknowledging the security.

6.10.6 Register of Securities

The Head of the Procurement Unit must maintain a comprehensive Securities Register containing the following details:

- (a) Procurement Reference Number;
- (b) Contract or Bid Title;
- (c) Name of Bidder/Supplier/Contractor;
- (d) Type of Security;
- (e) Amount and currency;
- (f) Name of issuing bank/insurance company;
- (g) Effective date and expiry date;
- (h) Purpose of the security (bid security, performance security, APG, retention security);
- (i) Status of return, extension, or call.

6.10.7 Return of Securities

Securities must be returned promptly once their purpose has been fulfilled:

Bid Securities	<ul style="list-style-type: none">Returned immediately after the contract becomes effective and no administrative review is pending.Returned to all non-winning bidders at the same time.
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Performance and Advance Payment Securities	Returned upon full discharge of contractual obligations, including defects correction where applicable, and recovery of any advance
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Retention Money Security	Returned after expiry of the DLP and issuance of the final completion certificate
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6.10.8 Management of Expiry, Extensions and Calls on Securities

The Head of Procurement Unit shall monitor all security expiry dates and issue reminders at least two weeks before expiry.

A. Circumstances Requiring Return Before Expiry	The PE must immediately return a security where: <ul style="list-style-type: none">The purpose of the security no longer exists;The bidder was unsuccessful and no complaint is pending;Works covered by the security have been completed and certified;The advance payment has been fully recovered.
B. Circumstances Requiring Extension	The PE must request an extension where: <ul style="list-style-type: none">The procurement process is delayed beyond bid validity, requiring extension of bid security;Contract completion has been delayed beyond the validity of the performance or advance guarantee;The defects liability period has been extended. Extensions must be requested formally and acknowledged in writing.
C. Circumstances Requiring Calling of a Security	The PE shall call (enforce) a security where the contractor, supplier, or consultant: <ul style="list-style-type: none">Fails to extend the security when required;Fails to fulfil contractual obligations within the remaining validity period;Abandons or repudiates the contract;Misuses advance payments;Commits fraud or materially breaches the contract. A written demand must be submitted to the issuing bank or insurer not less than one week before the expiry date, with supporting documentation.

6.11 Claims and Dispute Resolution

6.11.1 Mitigating Contractual Claims

Claims are formal requests by a contractor, supplier or service provider for additional time, additional payment, or both. They usually arise from unforeseen circumstances, variations, delays, or disagreement over the interpretation of contract provisions.

Even with good planning and risk management, claims will sometimes occur. The objective of the PE is therefore to reduce the frequency, size and impact of claims through sound procurement and contract management practices in line with the PPDA Act and PPDA Regulations .

Clear and Complete Bid and Contract Documentation	<p>Bid and contract documents should be:</p> <ul style="list-style-type: none">• Clear, consistent, and free from ambiguity or contradictions;• Technically accurate and aligned with actual site conditions and requirements;• Practical, with adequate flexibility to deal with foreseeable implementation challenges. <p>Before issuing bidding documents, the PE should:</p> <ul style="list-style-type: none">• Carefully review specifications, drawings and conditions of contract;• Ensure documents are understandable and internally consistent;• Involve user departments and technical staff in reviewing the documents;• Ensure documents are completed and issued in good time. <p>Field and site personnel should also be familiar with the contract provisions, as they are often the first to notice discrepancies or potential claim situations.</p>
Proper Selection of a Competent Contractor	<p>Award of contract should be made to the Most Advantageous Bidder, in accordance with the PPDA Act and Regulations. Selecting a contractor with the required capacity, experience and realistic pricing is one of the most effective ways of reducing claims.</p>
Provision of Adequate Information to Bidders	<p>Bidders must be given sufficient information on which to base their prices, for example:</p> <ul style="list-style-type: none">• Site data and access conditions;• Existing services and utilities;• Environmental and social requirements;• Any known risks or constraints. <p>The aim is to obtain fair and realistic prices which already factor in foreseeable risks, thereby reducing the likelihood of later claims.</p>
Realistic Cost Estimates and Avoiding Artificial Price Reductions	<p>Cost estimates should be realistic and based on current market data. Unreasonably low estimates or forcing bidders to reduce their prices without corresponding adjustment of scope or conditions creates fertile ground for later claims.</p>
Prompt Action When a Claim Situation Emerges	<p>When circumstances arise that may lead to a claim (delays, unforeseen conditions, changes, etc.), both parties should act promptly:</p> <ul style="list-style-type: none">• Contractors should notify the PE as soon as possible and request instructions;• The Contract Manager should respond without undue delay, issue necessary instructions, and record decisions;• Potential claims should be discussed and, where possible, resolved early before additional costs accumulate.
Establishing a Good Working Relationship	<p>From the start of the contract, the PE and contractor should:</p> <ul style="list-style-type: none">• Maintain open and regular communication;• Hold site/progress meetings and record minutes;• Use early warning mechanisms where provided in the contract.

A cooperative, problem-solving approach reduces the likelihood that issues escalate into formal claims.

6.11.2 Mitigating Disputes

Disputes in procurement and contract implementation are not only disruptive but also costly, often leading to delays, strained relationships, and reduced value for money. Effective dispute mitigation therefore begins long before disagreements arise. It requires clear contracts, proactive contract management, and open communication between the PE and the contractor.

By anticipating areas of potential misunderstanding and addressing them early, PEs can significantly reduce the likelihood of disputes and ensure that any issues that do emerge are resolved fairly, efficiently, and in accordance with the PPDA Act, Regulations, and contractual provisions.

The following guidance outlines key measures for mitigating disputes, including the cost and impact of disputes, strategies for dispute avoidance, and early warning mechanisms

The Cost and Impact of Disputes Disputes are time-consuming, costly and damaging to relationships. They can:

- Delay completion and increase project costs;
- Disrupt the supply chain;
- Undermine value for money;
- Destroy trust between the PE and contractors.

It is in the interest of both parties to avoid disputes where possible, and where they arise, to resolve them fairly and efficiently in line with the PPDA framework and the contract.

Dispute Avoidance Key dispute-avoidance measures include:

1. **Clear Contract Provisions:** The contract must:

- Clearly reflect the intentions of the parties;
- Include fair and balanced provisions on variations, claims, delays and risk allocation;
- Set out a clear dispute resolution clause, including escalation steps (e.g., negotiation, mediation, arbitration, court).

2. **Good Contract Management:** PEs must manage contracts proactively, including:

- Regular monitoring of progress and performance;
- Early identification of potential problem areas;
- Timely instructions and decisions by the Contract Manager;
- Proper record-keeping and documentation of meetings, instructions and correspondence.

3. **Early Warning of Potential Disputes:** Both parties should give early written notice where an issue may lead to disagreement, allowing an opportunity to discuss and resolve it before it matures into a formal dispute.

6.11.3 Dispute Management

When a dispute does arise, it must be managed actively and at the right level to encourage early settlement and prevent escalation. Actions to be taken when a dispute has arisen:

Examine the Contract	Review all clauses relating to: <ul style="list-style-type: none">• Responsibilities of the parties;• Variations and claims;• Time limits for notices and responses;• Dispute resolution procedures and escalation steps
Assess the PE's Position	Determine whether the PE is fully or partly at fault (e.g. late payments, late site possession, delayed approvals). Where the PE is at fault, corrective measures should be taken without delay
Formal Meeting with the Contractor	Within a reasonable timeframe (for example, within seven days of receipt of a written complaint): <ul style="list-style-type: none">• Invite the contractor to a formal meeting;• Discuss the issues in detail;• Explore possible solutions and compromises;• Keep accurate written minutes signed or acknowledged by both parties
	Where agreement affects key terms (such as price, time or scope), required internal approvals must be obtained in line with the PPDA Act and Regulations and the PE's internal procedures
Escalation	If no agreement is reached at operational level, the matter should be escalated to: <ul style="list-style-type: none">• The Accounting Officer;• Any higher-level committee or board where applicable;• The formal dispute mechanisms provided in the contract (e.g., mediation, arbitration).

6.11.4 Dispute Resolution Methods

Contracts should include a clear, step-wise dispute resolution clause—consistent with the PPDA framework and national law—outlining the progression from negotiation, mediation, conciliation, adjudication, and finally arbitration or court proceedings. The following methods are commonly used:

Negotiation	Negotiation should always be the first step in resolving disputes. <ul style="list-style-type: none">• The parties meet and attempt to resolve the issue amicably.• Each side presents its position and supporting evidence.• The aim is to reach a mutually acceptable solution that protects the PE's interests while remaining fair to the contractor. Any settlement reached must be recorded in writing and signed by authorized representatives.
Mediation	If negotiation does not resolve the dispute, the parties may proceed to mediation. <ul style="list-style-type: none">• A neutral mediator is appointed by mutual agreement.• The mediator facilitates dialogue, clarifies issues, and assists the parties in finding a voluntary settlement.• The mediator does not impose a decision.

	<p>Any settlement from mediation should be documented and, where necessary, incorporated into the contract.</p>
Conciliation	<p>Conciliation is similar to mediation but involves a more proactive role by the conciliator.</p> <ul style="list-style-type: none">• A conciliator may evaluate the positions of the parties and propose possible solutions.• The conciliator helps reduce tensions, improve communication, and guide the parties toward agreement.• Unlike mediation, the conciliator may issue recommendations, although these are not binding unless accepted by both parties.
	<p>Conciliation agreements should be formally recorded and acknowledged by the parties.</p>
Adjudication	<p>Adjudication provides a faster, expert-based review of the dispute, typically for technical or contractual matters.</p> <ul style="list-style-type: none">• An adjudicator (often an industry expert) is appointed as provided in the contract.• The adjudicator reviews submissions, may hold hearings, and issues a decision within a short timeframe.• Adjudication decisions are usually binding temporarily, pending final resolution through arbitration or litigation.
	<p>This method ensures continuity of works or services while the dispute progresses to the next stage, if necessary.</p>
Arbitration	<p>Where the contract includes an arbitration clause:</p> <ul style="list-style-type: none">• The dispute is referred to an independent arbitrator or arbitral tribunal.• The arbitrator hears both sides, considers evidence, and issues a binding decision (the arbitral award).• Arbitration is generally more flexible and faster than court proceedings, but more formal than mediation or conciliation.
	<p>Parties must comply with the arbitration award, subject to any rights of challenge under national law.</p>
Legal Proceedings (Courts of Law)	<p>Legal action should be treated as a last resort.</p> <ul style="list-style-type: none">• The dispute may be referred to a competent court in South Sudan if earlier methods fail or the law requires court determination.• Court proceedings are typically more formal, lengthy, and costly.• The PE should obtain legal advice and secure necessary internal approvals before initiating or defending court actions.

6.12 Conclusion

Effective contract management is essential for ensuring that PEs receive full value from the goods, works, and services they procure. This chapter demonstrates that the success of any procurement process ultimately depends on what happens *after* contract award—through diligent oversight, timely decision-making, clear communication, and strict compliance with the PPDA Act and PPDA Regulations .

A well-managed contract protects public funds, minimizes risks, and ensures that providers deliver according to the agreed scope, cost, quality, and timelines. The roles of the Accounting Officer, Procurement Unit, User Department, Contract Manager, and Verification & Acceptance

Committees are therefore central to effective implementation, each fulfilling distinct responsibilities that collectively safeguard accountability and value for money.

Key elements of good practice—including establishing a robust Contract Management Plan, managing payments and price adjustments transparently, applying amendments and variations cautiously, monitoring performance continuously, and addressing issues promptly—help prevent delays, cost overruns, and disputes. Equally important is the diligent management of securities, inspection and acceptance procedures, and proper documentation, which ensures audit readiness and strengthens institutional credibility.

Finally, proactive dispute avoidance and a structured dispute-resolution framework ensure that disagreements are resolved fairly, efficiently, and with minimal disruption to project delivery.

In essence, strong contract management is not an administrative formality but a strategic function that transforms procurement commitments into real, measurable results. By applying the principles and procedures outlined in this chapter, PEs can improve service delivery, uphold transparency, and reinforce public confidence in South Sudan's procurement system.

CHAPTER 7: MANAGING RISKS IN PROCUREMENT OF GOODS, WORKS AND NON-CONSULTANCY SERVICES

7.1 Introduction

Every Procuring Entity (PE) commits significant public resources each financial year to procuring goods, works, and non-consultancy services necessary for fulfilling its mandate. The effectiveness, integrity, and efficiency of these procurements directly influence value for money, public confidence, and the quality of service delivery. However, procurement activities are inherently exposed to numerous risks—legal, financial, operational, technical, and integrity-related. If not properly identified and managed, these risks can lead to mis-procurement, non-compliance with the PPDA Act 2018 and Regulations 2024, delays, financial losses, poor-quality outcomes, or reputational damage to the Procuring Entity.

This chapter provides a structured approach to managing risks throughout the procurement cycle. It outlines the key objectives of risk management, identifies common risks encountered in the procurement of goods, works, and non-consultancy services, and presents practical tools and techniques for risk identification, assessment, mitigation, and monitoring. The chapter also elaborates on roles and responsibilities of procurement stakeholders in managing risks, and provides examples of risk registers and mitigation plans applicable at various procurement stages.

By the end of this chapter, users will understand how to proactively manage procurement risks to ensure transparency, accountability, and effective delivery of public services.

7.2 Risk Management Objective

The objective of risk management in the procurement of goods, works, and non-consultancy services is to ensure that PEs carry out procurement activities in a transparent, predictable, and value-for-money manner. Effective risk management enables a PE to anticipate potential challenges, minimise disruptions, and safeguard procurement integrity throughout the procurement cycle.

Risk management aims to equip procurement stakeholders with the ability to systematically identify risks, assess their likelihood and impact, and implement appropriate mitigation measures before such risks adversely affect procurement outcomes. This objective aligns with the PPDA Act 2018 and Regulations 2024, which emphasise accountability, fairness, and efficiency in public procurement.

The guidance in this chapter supports all procurement actors—including the AO, Procurement Unit, UDs, Procurement Committee, and Evaluation Committees—in adopting proactive and coordinated approaches to managing procurement risks, thereby enhancing compliance and overall performance.

7.3 Overview of Key Procurement Risks by Stage

7.3.1 Key Risk Areas

Risks can emerge at any point in the procurement cycle—from the initial needs identification stage to contract management and the final disposal of assets. Understanding where these risks typically occur enables PEs to take preventive measures early and strengthen compliance with the PPDA Act 2018 and Regulations 2024.

Table 7.1 provides a summary of the key risk areas at each stage of the procurement cycle. A more detailed risk matrix outlining causes, consequences, mitigation measures, and responsible officers is presented in Table 7.3.

Table 7.1 Summary of Key Risk Areas

Procurement Stage	Key Risk Area
Identifying Needs & Planning	Inadequate needs assessment; unrealistic budgets; omission of essential items; weak market research
Developing Specifications	Vague, restrictive, or outdated specifications; use of biased or supplier-driven inputs; reliance on outdated templates
Selecting Procurement Method	Incorrect method selection; inadequate justification for restricted or non-competitive methods; non-compliance with thresholds
Preparing Bidding Documents	Incomplete, inconsistent, or non-standard documents; missing mandatory forms; unclear eligibility or evaluation criteria
Invitation & Clarification	Insufficient advertisement; inadequate competition; delayed or unclear responses to clarifications; unequal access to information
Bid Opening	Failure to follow prescribed opening procedures; incomplete record of opening; improper handling of late or withdrawn bids
Evaluation of Bids	Use of undisclosed criteria; bias or conflict of interest; weak documentation; scoring errors; non-compliance with evaluation procedures
Contract Negotiations	Negotiations exceeding allowable scope; lack of records; non-compliance with Reg. 232; pressure or undue influence during negotiations
Contract Award & Signing	Delayed award; missing approvals; incomplete contract documentation; failure to issue notices to unsuccessful bidders
Contract Management	Scope creep; inadequate supervision; delayed payments; failure to track variations; weak performance monitoring
Monitoring & Evaluation	Lack of periodic reviews; ignoring audit or inspection findings; poor documentation of lessons learned
Disposal of Assets	Unapproved disposal actions; lack of valuation; inadequate transparency; weak oversight during disposal processes

7.3.2 Overcoming Risks in Different Stages of Procurement

Managing procurement risks requires coordinated action by all individuals and organs involved in the procurement cycle. Each stage of the process presents unique vulnerabilities that can undermine compliance, value for money, and timely delivery if not properly addressed.

Table 7.2 summarises practical interventions that Procuring Entities (PEs) and their stakeholders—including the AO, Procurement Unit (PU), UDs, Procurement Committee (PC), Evaluation Committees (EC), and Negotiation Teams (NT)—should implement to minimise risks and strengthen accountability throughout the procurement cycle.

Table 7.2: Interventions for Managing Risks at Each Stage of the Procurement Cycle

Procurement Stage	Role of the Involved Parties (Improved Interventions)
Identifying Needs & Planning	UD must clearly define needs, consult stakeholders, conduct proper needs assessments, and base budgets on updated market information. UD must avoid inflating/understating requirements or initiating procurements outside approved plans. The PU consolidates all requirements into the Annual Procurement Plan (APP) and ensures alignment with budget ceilings. Risks arise from weak coordination, unrealistic budgeting, and poor forecasting.
Developing Specifications	UD, working with technical staff, must prepare clear, functional, unbiased, and performance-based specifications. Specifications must be validated against current market offerings and approved through a documented process. UD must not copy outdated specifications, allow supplier influence, or use discriminatory or restrictive terms.
Selecting Procurement Method	PU selects the procurement method based on thresholds and procurement type, and must document justification for restricted or non-competitive methods. PU must adhere to PPDA Act 2018 and PPDA REGULATIONS 2024 thresholds and favour competitive methods where feasible. PU must not split procurements to avoid thresholds, misuse direct methods, or initiate emergency procurement without AO approval.
Preparing Bidding Documents	PU prepares complete and compliant bidding documents using the latest PPDA standard templates, ensuring evaluation criteria fully match specifications and that draft contracts are included. PU must consult legal services for complex procurements. PU must not issue documents without internal review, omit mandatory clauses, or introduce changes mid-process without formal addenda.
Invitation, Clarification & Submission	PU must advertise opportunities through PPDA's Tender Portal and other recognised platforms to maximise competition. Clarifications must be provided in writing and shared with all bidders via PPDA's Tender Portal. PU must not give private explanations to individual bidders or allow informal discussions. Clear submission instructions must be provided.
Opening of Bids	PU must conduct bid opening transparently via PPDA's Tender Portal on the exact date and time stated in the bidding documents. All received submissions must be recorded in a system-generated bid-opening report. PU must not alter bid content after opening or deviate from prescribed procedures.
Evaluation of Bids	EC members must declare conflicts of interest, maintain confidentiality, and evaluate strictly in accordance with the criteria stated in the bidding documents. EC must prepare a clear, well-justified evaluation report supported by evidence.

Procurement Stage	Role of the Involved Parties (Improved Interventions)
	EC must not introduce new criteria, discuss evaluation matters outside official meetings, or proceed without AO appointment.
Contract Negotiations	Negotiations must only occur where permitted under PPDA REGULATIONS 2024 Reg. 232 and must remain within allowable scope. AO appoints the Negotiation Team (NT), which must prepare a negotiation plan, seek AO/PC approval, document all negotiation outcomes, and involve the legal unit. NT must not alter specifications, change evaluation results, negotiate with non-lowest evaluated bidders, or proceed without approval.
Contract Award & Signing	PU must obtain AO/PC approval before issuing award notifications and must communicate awards and regret letters participating bidders. Contracts must be prepared using PPDA standard forms. PU must not proceed with contract signing if complaints are unresolved, if performance securities are missing, or if the contract is outside bid validity.
Contract Management	UD is responsible for contract implementation, monitoring performance, managing variations, and ensuring timely payments. AO must formally appoint a contract supervisor. Supervisors must not accept substandard outputs, approve variations without proper approvals, or delay payment processing. Proper documentation must be maintained throughout contract execution.
Monitoring & Evaluation	UD, PU, and Internal Audit must establish KPIs, conduct periodic contract performance reviews, and follow up on audit recommendations. Lessons learned must feed into continuous improvement. Stakeholders must not ignore audit queries, close contracts without documentation, or overlook user feedback.

7.4 Detailed Risk Matrix

The Detailed Procurement Risk Matrix in **Table 7.3** (*at the end of the Chapter*) expands on earlier sections by providing an in-depth analysis of risks that may arise at each stage of the procurement cycle for goods, works, and non-consultancy services. For each identified risk, the matrix sets out its possible causes, potential consequences, recommended mitigation measures, and the responsible officers. This matrix is intended to support Procuring Entities (PEs) in proactively managing risks, ensuring compliance with the PPDA Act 2018 and Regulations 2024, and enhancing accountability throughout the procurement process.

7.5 Conclusion

Effective management of procurement risks is essential for ensuring that PEs deliver goods, works, and non-consultancy services in a manner that is transparent, accountable, and aligned with the principles of value for money. As demonstrated throughout this chapter, risks can arise at every stage of the procurement cycle—from the initial definition of needs to contract implementation and disposal of assets. If these risks are not identified early and addressed systematically, they may result in financial losses, delays, mis-procurement, poor quality outputs, and reputational damage.

The tools and interventions presented in this chapter—ranging from risk identification frameworks, stage-specific mitigation measures, clear assignment of stakeholder roles, and the detailed risk matrix—provide PEs with practical mechanisms to strengthen oversight and improve the quality of procurement outcomes. Central to effective risk management is the coordinated involvement of all key actors: the Accounting Officer, Procurement Unit, User Departments, Procurement Committee, Evaluation Committees, Negotiation Teams, Internal Audit, and contract

supervisors. Each has a defined responsibility to ensure that procurement activities are conducted in compliance with the PPDA Act 2018 and Regulations 2024.

By adopting proactive and continuous risk management practices, PEs can enhance procurement efficiency, reduce vulnerabilities, and ensure that public resources are used optimally. Ultimately, strong risk governance contributes to improved service delivery, increased public trust in the procurement system, and the overall strengthening of national procurement institutions.

Table 7.3: Risk Matrix by Stages of Procurement for Goods, Works and Non-Consultancy Services

Risk	Possible Causes	Consequences	Mitigation Measures	Responsible Officer
IDENTIFYING NEEDS & PLANNING THE PROCUREMENT				
Inadequate needs assessment	Lack of stakeholder engagement	Unnecessary or unsuitable procurement	Conduct thorough needs analysis with UDs	UD, PU
Understatement of the need	Lack of proper planning, oversight, or training	Procurement of unsuitable product or service; Money wasted; Need not satisfied	Analyse needs accurately	UD
Overstatement of the need	Inadequate forecasting and analysis	Greater expense; Poor competition	Analyse needs accurately; Use functional and performance requirements	UD
Misinterpretation of user needs	Insufficient consultation with end-users	Unsuitable product or service; Increased cost and delays	Improve consultation with users; Define needs clearly	UD
Unrealistic budget estimates	Poor market research	Budget shortfalls; Incomplete procurement	Use current market data; Validate cost estimates	UD
Insufficient funding	Inadequate budget allocation	Procurement delay; Need to re-bid	Secure funding before process; Improve procurement planning	UD, PU
Omission from procurement plan	Poor planning discipline	Procurement delays; Unapproved procurement	Ensure items are captured in Annual Procurement Plan	PU, UD
Impractical timeframe	Poor forecasting	Low bidder turnout; Missed delivery deadlines	Improve planning and bid schedules; Communicate early	PU
Probitry issues	Weak ethical controls	Increased costs; Unethical conduct	Adopt integrity policies; Train staff; Assign probity advisor	PU
DEVELOPING SPECIFICATIONS				

Risk	Possible Causes	Consequences	Mitigation Measures	Responsible Officer
Narrow definition or commercial specification	Lack of planning or biased input	Fewer alternatives; Increased cost; Poor value	Define specification based on functional /performance criteria	UD, PU
Definition of inappropriate product or service	Inadequate needs analysis or market research	Need not satisfied; Delays; Increased cost	Ensure specification aligns with needs and market realities	UD, PU
Overly restrictive specifications	Influence from specific supplier or limited market knowledge	Reduced competition; Complaints	Develop specs using independent, cross-functional teams	UD, PU
Biased specification	Favoritism or conflict of interest	Unfair evaluation; Complaints; Low bidder turnout	Review specifications independently; Apply fairness policies	PU
Inadequate statement of requirements	Unclear user needs or technical gaps	Wide variation in bids; Difficult to evaluate	Use RFIs/EOIs where appropriate; Clarify requirements	UD
Vague or ambiguous specifications	Poor technical capacity or recycled documents	Wrong product or service delivered	Use clear, standard specifications; Peer review	PU
Copy-paste errors	Careless reuse of old specifications	Mismatch of needs and deliverables	Tailor specifications to current needs and context	UD
SELECTING PROCUREMENT METHOD				
Selecting inappropriate method	Misinterpretation of thresholds poor understanding of procurement strategy Knowledge gap in PPDA ACT 2018 and PPDA REGULATIONS 2024;	Audit queries; Procurement annulment; Legal challenges Poor value for money challenges	Train staff on PPDA ACT 2018/PPDA REGULATIONS 2024;	PU
Selective methods without justification	Favoritism or manipulation of process	Lack of transparency; Legal appeals; Reputation damage	Document justification clearly; Seek AO/Procurement Committee approval	PU, Procurement Committee
Failure to identify potential sources	Insufficient market knowledge	No offers or limited bidder pool	Conduct market surveys; Use supplier databases; Advertise widely	PU
Overuse of emergency procurement	Poor planning or delay in initiating process	Non-compliance; Misuse of resources; Lack of competition	Restrict to valid cases;	AO, PU
PREPARING BID DOCUMENTS				
Missing evaluation criteria	Inadequate knowledge or omission during drafting	Bid rejection or complaints; Evaluation disputes	Use standard templates; Conduct quality review before issue	PU

Risk	Possible Causes	Consequences	Mitigation Measures	Responsible Officer
Inconsistent document sections	Poor coordination or multiple authors	Confusion; Errors in bidder responses; Clarification delays	Assign document lead; Internal peer review	PU
Misalignment with specifications	Copy-paste or oversight during preparation	Non-responsive bids; Technical mismatch	Ensure alignment through joint PU-UD review	PU
Unacceptable terms and conditions	Failure to align with market standards	Low participation; Conditional or high-cost bids	Use standard PPDA terms; Review with legal/advisors	PU
Providing inadequate information	Incomplete scope or lack of consultation	Bidder misunderstandings; Increased bid variations	Review completeness with UD; Validate before publishing	PU, UD
INVITATION, CLARIFICATION & SUBMISSION				
Inadequate advertisement	Poor advertisement strategy or non-compliance with regulation	Low bidder turnout; Limited competition	Advertise through PPDA's Tender Portal, and a PE website; Follow legal timelines	PU
Failure to address enquiries	Lack of staff training or absence of standard protocols	Unfair bidding conditions; Complaints or withdrawal of bids	Standardize response procedures; Log and respond to all clarifications	PU
Late or unclear clarifications	Delay in internal approvals or unstructured communication	Bidders submit non-compliant or misaligned proposals	Establish internal review timelines; Issue addenda early	PU
Perceived or actual favouritism	Selective information sharing	Complaints; Bidder mistrust; Bid withdrawals	Provide clarifications in writing to all bidders equally	PU
Incorrect submission instructions	Clerical errors or lack of cross-checking	Late or disqualified bids	Review notice carefully; Use a pre-dispatch checklist	PU
OPENING OF BIDS				
Non-compliance with opening procedures	Inadequate staff training or negligence	Complaints; Appeal; Loss of trust in the process	Train staff on bid opening procedures; Document every step	PU
Insufficient number of responses	Inadequate advertisement or short response time	Need to repeat process; Poor value for money	Widen advertisement scope; Allow sufficient response time	PU
No response from known suppliers	Poor specifications or restrictive terms	Limited competition; High bid prices	Consult with suppliers; Review bidding conditions	PU
Missing bid security	Unclear requirements or bidder oversight	Bid rejection; Fewer qualified bids	Clearly state bid security format and conditions	PU

Risk	Possible Causes	Consequences	Mitigation Measures	Responsible Officer
Bid tampering or loss	Weak document security or manual handling	Legal claims; Disqualification; Process disruption	Use secure bid boxes;	PU
EVALUATION OF BIDS				
Failure to follow evaluation procedures	Untrained evaluation team; Lack of clear criteria	Inconsistent scoring; Complaints; Legal challenges	Train evaluators; Review procedures before evaluations	Evaluation Committee, PU
Use of undisclosed criteria	Bias or deviation from bid documents	Appeals; Procurement annulment	Only use criteria provided in the bid documents; Document all decisions	Evaluation Committee, PU
Breaches of confidentiality	Weak controls or lack of awareness	Loss of integrity; Potential legal action	Ensure evaluators sign confidentiality agreements; Limit access	Evaluation Committee, PU
Offers fail to meet needs	Poorly defined specifications or requirements	Re-bidding; Delays; Increased costs	Review specifications; Conduct pre-bid meeting	UD, PU
Conflict of interest	Evaluator has direct or indirect stake	Bias in results; Complaints	Declare conflicts of interest; Replace compromised members	Evaluation Committee
Delayed evaluation process	Lack of time commitment; Ineffective scheduling	Delayed contract awards; Lapsed bid validity	Set clear timelines; Monitor progress actively	PU, Evaluation Committee
Failure to identify clear winner	Ambiguous scoring or evaluation framework	Unjustified award; Complaints	Use measurable, weighted criteria; Provide training	PU, Evaluation Committee
PRE-CONTRACT NEGOTIATIONS				
Altering material contract terms	Lack of clear negotiation boundaries	Violation of procurement regulations; Award annulment	Limit scope of negotiation as per PPDA REGULATIONS 2024 Reg. 232; Train negotiators	PU, Procurement Committee
Unrecorded changes	Informal or undocumented discussions	Disputes; Legal challenges	Document all agreements; Keep official records	PU
Supplier unwilling to accept contract	Disagreement on critical terms	Delays; Need to restart process	Pre-discuss key clauses; Provide draft contracts with bid docs	PU UD
Unfair or onerous contract conditions	Imbalance in terms; Lack of commercial review	Disputes; Legal action; Poor supplier relations	Review fairness of terms; Involve legal and technical experts	PU, Legal Unit

Risk	Possible Causes	Consequences	Mitigation Measures	Responsible Officer
Failure to reflect agreed terms in final contract	Errors during contract drafting	Misalignment; Contractual disputes	Review final contract jointly; Match to negotiation minutes	PU
Collusive negotiations	Weak oversight or lack of transparency	Corruption; Excessive pricing	Include observer from Procurement Committee or legal unit; Record negotiations	Procurement Committee
CONTRACT AWARD & SIGNING				
Award without approvals	Bypassing required TB/AO clearance	Non-compliance; Nullified contract	Ensure all awards are cleared by AO and TB as required	PU, Procurement Committee
Selecting an inappropriate supplier	Inadequate due diligence or biased evaluation	Contract failure; Poor service delivery	Perform full financial, technical, and performance assessments	PU, Evaluation Committee
Delays in contract signing	Internal bottlenecks or poor communication	Increased project costs; Loss of bidder's interest	Track timelines; Assign signing responsibilities	PU
Failure to notify unsuccessful bidders	Oversight or poor records management	Appeals; Mistrust in process	Issue formal notifications to all bidders post-award	PU
Errors in contract documents	Manual drafting or lack of verification	Legal disputes; Non-enforceable clauses	Standardize contract templates; Review drafts with legal unit	PU, Legal Unit
Contract Management				
Poor supervision and reporting	Lack of trained contract managers	Delays, Poor quality; Cost overruns	Assign trained supervisors; Define roles clearly; Conduct periodic reporting	UD,
Uncontrolled variations	Weak scope definition or monitoring	Budget overruns; Schedule delays	Track contract scope; Approve variations formally as per PPR	PU, UD Legal Unit AO
Failure to fulfil contract conditions	Lack of enforcement or poor tracking	Service delivery failure; Legal disputes	Track deliverables closely; Hold regular performance meetings	UD,
Price or exchange rate variations	Lack of price adjustment clauses	Unplanned budget increases	Include price adjustment formulas where applicable	PU

Risk	Possible Causes	Consequences	Mitigation Measures	Responsible Officer
Poor contract administration	Lack of documentation and oversight	Inefficiencies; Missed milestones	Maintain a contract management plan and documentation	UD
Late payments	Delays in fund release or coordination gaps	Work stoppages; Interest penalties	Align payment cycles with finance; Monitor payment timelines	PU, UD Finance Unit
Early work without approval	Premature instructions or lack of contract awareness	Liability risks; Audit issues	Issue only written approvals after contract signing	UD PU
Scope creep	Informal change approvals	Disputes; Extra costs; Lack of value for money	Control changes through formal documentation	UD
Liability for third-party claims	Lack of legal and insurance coverage	Compensation payments; Reputation risk	Include third-party liability clauses; Verify insurance	PU, Legal Unit
Loss or damage in transit	Weak logistics or inadequate insurance	Delays; Financial losses	Specify packaging/insurance in contracts; Confirm coverage	PU
Fraud	Lack of internal controls and ethics enforcement	Financial loss; Legal action	Apply fraud detection protocols; Ethics training	PU
Unavailable key personnel	Staff turnover or poor planning	Disrupted implementation; Reduced quality	Specify personnel in contract; Have a continuity plan	PU, UD
MONITORING & EVALUATION				
No post-procurement reviews	Absence of M&E framework or unit	Repetition of mistakes; Inefficiency	Establish procurement M&E unit and guidelines	AO, PU, UD
Weak contract performance data	Manual processes or lack of tracking systems	Lack of accountability; Poor decision-making	Digitize contract records; Implement M&E tools	UD PU
Ignored audit recommendations	Lack of action planning or accountability	Repeat violations; Reputational damage	Track implementation of audit findings and assign accountability	UD PU, Internal Audit
Lack of performance indicators	Failure to define measurable metrics	Inability to assess value for money	Develop KPIs aligned with procurement objectives	UD
Inadequate stakeholder feedback	No structured mechanisms to collect input	Missed improvement opportunities	Include stakeholder feedback in M&E processes	UD PU

**PART 3:
PROCUREMENT PROCESS FOR CONSULTANCY SERVICES**

CHAPTER 8: PROCUREMENT PROCESS FOR CONSULTANCY SERVICES

8.1 Introduction

Consultancy services play a strategic role in Government operations, providing expert analysis, technical designs, advisory inputs, and institutional support that shape national policies, programmes, and reforms. Because these assignments require specialized professional judgement, the procurement process must be carefully planned, executed, and monitored to ensure high-quality outcomes that contribute to value for money.

This chapter presents a comprehensive, step-by-step guide on the procurement of consultancy services in accordance with the PPDA Act and PPDA Regulations . It covers the entire cycle—from determining the need for consultancy support, preparing Terms of Reference, cost estimates, and selection methods, to shortlisting, proposal preparation, evaluation, negotiations, award, and commencement of the assignment. The chapter also highlights the procedures required for public opening, approval processes, complaint handling, and issuance of the Notice of Intention to Award.

Importantly, the chapter concludes by outlining the transition from procurement to contract administration—ensuring that once a consultant is selected, the assignment begins only after all conditions precedent are fulfilled, the contract is vetted and signed, and the PE puts in place the mechanisms required to manage performance throughout the consultancy period. By providing this full cycle perspective, the chapter equips Procuring Entities with the knowledge needed to conduct transparent, competitive, and accountable procurement processes that deliver effective consultancy outcomes.

8.2 Understanding Consultancy Services

Consultancy Services, as defined under Section 5 of the **PPDA Act**, refer to *services of an intellectual or advisory nature provided by a practitioner who is skilled and qualified in a particular field or profession, or a firm consisting of such practitioners*. These services may include professional, non-professional, and commercial advisory assignments, and may also include goods or works *incidental to the consultancy* so long as their value does not exceed that of the services

A Consultant is therefore an individual expert, firm, or consortium engaged by a PE to provide these specialized services through a competitive selection process.

The procurement of Consultancy Services by PEs is governed by the **PPDA Act** and operationalised in **Part VII (Regulations 81–109) of the PPDA Regulations** , which establish the procedures for Expressions of Interest (EOI), shortlisting, Request for Proposals (RFP), evaluation, negotiation, award, and contract management.

Under the Regulations, PEs must conduct the entire process in accordance with the Annual Procurement Plan, the approved budget for the financial year, and the principles of transparency, fairness, open competition, and value for money established under Section 3 of the Act.

8.3 Key Stages in the Procurement of Consultancy Services

Key stages of procurement of consultancy services are shown in **Figure 8.1** and are discussed hereunder.

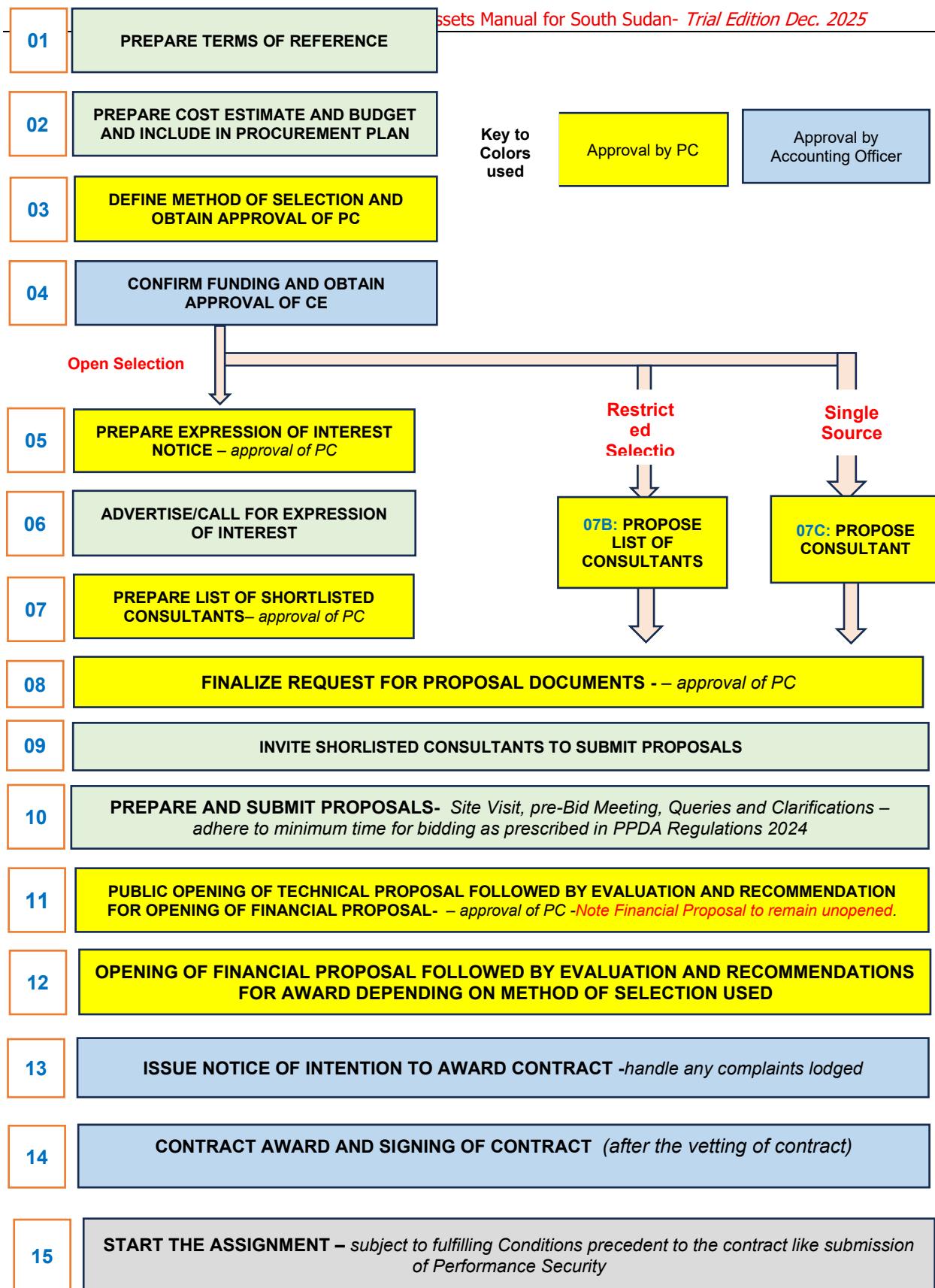


Figure 8.1: Flow Chart for Procurement of Consultancy Services

8.3.1 Determining the Need for Consultancy Services

Under the PPDA Act, not every service of an intellectual or advisory nature automatically requires the engagement of an external Consultant. The decision to outsource such services must be justified and consistent with the principles of economy, efficiency, transparency, value for money, and accountability mandated by Section 3 of the Act

According to Regulation 39 of the PPDA Regulations , a PE must begin the procurement of consultancy services by establishing whether there is a legitimate need for external technical expertise. This determination originates from the User Department, which initiates and documents the need for consultancy support. A PE must critically evaluate:

Availability of In-house Expertise	The PE must determine whether the skills required for the assignment exist internally—both in terms of quality (technical capability, professional qualifications, and experience) and quantity (staff availability vis-à-vis workload). If the User Department has sufficient capacity, the service should be executed internally in accordance with the value-for-money principles of the Act.
Workload and Timeliness Requirements	If internal staff possess the technical skills but are unable to undertake the assignment due to competing duties or tight deadlines, outsourcing may be justified to ensure timely delivery.
Cost Effectiveness and Sustainability	The PE must compare the cost implications of using internal staff versus contracting a Consultant. This assessment must consider: <ul style="list-style-type: none">• financial costs of hiring a consultant;• long-term institutional capacity;• sustainability and future reliance on consultants;• availability of budgeted funds (Regulation 35 on confirmation of funds).

The PPDA framework does **not** encourage routine outsourcing. The decision to hire external consultants must therefore be evidence-based, justified, and aligned with the PE's procurement plan under Regulation 29.

When the PE concludes that hiring a Consultant is the most cost-effective and practical approach, the process proceeds to the development of **Terms of Reference (ToR)**.

8.3.2 Preparation of Terms of Reference

The preparation of ToR is a mandatory requirement under PPDA Regulations 2024, Regulation 39. The ToR serves as the foundational document for the procurement of consultancy services and must clearly define the assignment, enabling prospective Consultants to understand the expectations and prepare responsive proposals.

Purpose of the ToR	The ToR translates the identified need into a structured description of the assignment. It clarifies: <ul style="list-style-type: none">• why the consultancy is required,• what outputs are expected, and• how the consultant's work supports the PE's strategic objectives.
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Characteristics In accordance with Regulation 39, ToR must be:

of Well-Prepared ToR

- **comprehensive** – covering all aspects needed for consultants to understand the assignment;
- **precise and clear** – avoiding vague statements and ambiguous scope;
- **complete** – providing sufficient information without requiring bidders to guess;
- **non-prescriptive** – allowing professional judgement where the methodology is best developed by the Consultant;
- **aligned with outputs and deliverables** – ensuring evaluation criteria relate directly to what is required.

Poorly prepared ToR may result in non-responsive proposals, delays, increased costs, or disputes during contract implementation.

A well-prepared **Terms of Reference (ToR)** is critical to the successful execution of any consultancy assignment. In accordance with **Regulation 39**, every PE must ensure that ToRs are prepared by staff who possess the necessary technical knowledge, experience, and understanding of the assignment.

However, where the PE **does not have adequate internal staff capacity**—either due to lack of specialized expertise, insufficient experience, or staff workload—the PE **may engage an Individual Consultant** in line with the procedures for consultancy services under **Regulations 109**.

Why ToR Quality Matters

A well-prepared ToR:

- enables consultants to prepare realistic, competitive, and technically sound proposals;
- guides the Evaluation Committee in assessing proposals under Regulations 95–104;
- provides a basis for negotiations as per Regulation 106;
- supports effective contract management under Chapter XII of the Regulations.

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

Well-prepared ToRs ensure that the PE receives high-quality proposals, facilitates objective evaluation, and supports effective contract management. Table 8.1 below sets out the detailed and typical contents of well-prepared ToRs applicable to all PEs.

Table 8.1: Detailed Typical Contents of the Terms of Reference (ToR)

Section	Detailed Description / Purpose
1. Introduction and Background	Provide a clear overview of the PE, its mandate, the specific context of the assignment, and the problem or need that the consultancy intends to address. Include relevant historical information, prior studies, policies, legal frameworks, and sectoral background needed by the Consultant to understand the environment of the assignment.

Section	Detailed Description / Purpose
2. Overall and Specific Objectives of the Assignment	State the purpose of the consultancy. Describe what the assignment is expected to achieve at the strategic and operational levels. Objectives should be measurable, realistic, achievable within the allocated timeframe, and aligned to the PE's institutional goals.
3. Scope of Work / Description of Tasks	Describe in detail the tasks the Consultant must undertake. Break down the assignment into components or phases. Specify activities, expected actions, geographic coverage, stakeholder engagements, research tasks, technical functions, and any coordination required. Avoid overly prescriptive instructions so that Consultants can propose methodologies.
4. Expected Outputs and Deliverables	List each deliverable in detail, including reports, models, surveys, drawings, designs, training materials, software, datasets, or other outputs. For each deliverable, specify content requirements, format, quality standards, approval process, and submission timelines (e.g., inception report, interim report, draft final report, final report).
5. Duration of the Assignment and Work Plan	Specify the overall duration, key milestones, timelines for each deliverable, and any dependencies. Indicate whether the work must be delivered in stages or concurrently. Provide expected start and completion dates consistent with the PE's procurement plan.
6. Consultant Qualifications and Experience	Detail the minimum qualifications required for the Consultant or consulting firm. Include required academic qualifications, professional certifications, years of experience, sectoral expertise, team composition, experience in similar assignments, and preferred skills (e.g., analytical, managerial, technical).
7. Methodology and Approach	Indicate that the Consultant must propose a methodology suitable for achieving the objectives. The ToR should not dictate the methodology unless justified by regulations or technical standards. Mention expectations such as data collection methods, analytical techniques, modeling, field visits, stakeholder consultations, and quality assurance mechanisms.
8. Reporting Requirements and Communication Protocols	Specify who the Consultant will report to, frequency of progress updates, required meeting schedules, format and structure of reports, approval timelines, and procedures for submitting draft and final documents. Indicate committees or technical teams that will review outputs.
9. Facilities, Data, and Services to Be Provided by the PE	State what support the PE will provide to the Consultant—office space, transport, data, documents, equipment, staff counterparts, or administrative support. Clarify what the Consultant must provide at their own cost.
10. Institutional and Implementation Arrangements	Identify all key stakeholders involved in the assignment. Describe roles of the User Department, Contract Manager, Steering Committees, technical teams, or collaborating institutions. Specify coordination procedures and expected approvals.
11. Evaluation Criteria for the Consultancy	Summarize the evaluation approach to be used under the RFP. Include the key criteria such as: (a) Consultant's experience; (b) methodology and approach; (c) qualifications and competencies of key staff; (d) transfer of

Section	Detailed Description / Purpose
	knowledge, where applicable. Note that the detailed scoring breakdown is provided in the RFP, consistent with Regulation 88.
12. Ethical, Legal, and Compliance Requirements	Include confidentiality obligations, conflict of interest provisions, ethical standards, intellectual property provisions, data protection requirements, and compliance with the PPDA Act, PPDA Regulations, and any relevant sector laws.
13. Expected Impact, Sustainability and Capacity Building	Explain how the assignment contributes to long-term institutional strengthening, capacity building, and sustainability. Indicate where transfer of knowledge to PE staff is expected and how such transfer should occur.
14. Risks and Mitigation Measures	Identify risks that may affect assignment delivery (logistical, environmental, political, technical, scheduling risks). Provide guidance on mitigation or risk management considerations.
15. Payment Schedule, Contract Type, and Financial Arrangements	State the proposed contract type (lump-sum, time-based, percentage-based) and payment schedule. Link payments to deliverables, milestones, and approval of outputs in accordance with Regulations 133–139. Include invoicing procedures, taxes, and financial reporting requirements.
16. Annexes	Provide supporting materials such as maps, datasets, prior reports, legislation, reference documents, sample formats, technical drawings, templates, or detailed project background documents needed by the Consultant.

8.3.3 Preparation of Cost Estimate and Budget and Inclusion in the Procurement Plan

In accordance with the PPDA Regulations , every PE is required to prepare a cost estimate for consultancy services as part of the planning and preparation of procurement proceedings. Regulation 33 obligates the PE to determine the realistic cost of an assignment before initiating solicitation, while Regulation 29 requires all procurements—including consultancy services—to be fully costed and incorporated into the Annual Procurement Plan (APP).

The cost estimate is especially important where the selection method requires the disclosure of the budget, such as under Fixed Budget Selection (FBS), which is provided for in Regulation 98. In such cases, the budget must be accurate, evidence-based, and defensible, since it forms part of the evaluation criteria communicated to shortlisted consultants.

Basis for the Cost Estimate

The cost estimate must be derived from a careful assessment of all resources required to perform the consultancy assignment. This includes both professional input and logistical or operational support. In accordance with good procurement practice and the PPDA regulatory framework, the cost estimate should cover:

Consultant's Professional Fees These represent the remuneration for the Consultant or Consulting Firm and include:

- salaries of proposed key experts and support staff
- social charges and statutory benefits
- overhead costs

- Consultant's fee or profit margin
- special allowances (where required for field work, hardship areas, or specialized expertise)

Reimbursable Expenses

These expenses are associated with the operational execution of the assignment and may include:

- transportation, fuel, field travel, and per diem
- data collection, surveys, stakeholder workshops
- communication and internet costs
- office rental, equipment, and essential supplies
- printing, translation, and reproduction of reports
- insurance and medical evacuation (if applicable)
- import duties, taxes, and levies (unless exempted)
- contingencies for unforeseen expenses

The level of detail in the estimate must allow the PE to assess financial reasonableness during proposal evaluation under Regulations 102–105

Relationship Between ToR and Cost Estimate

Once the Terms of Reference (ToR) have been prepared in accordance with Regulation 39, the User Department must prepare the corresponding detailed cost estimate. These two documents must be submitted together to the Procurement Unit to initiate the procurement process, consistent with Regulation 40, which requires submission of specifications, ToR, budget confirmation, and related documentation before solicitation.

It is good practice to prepare a TOR before developing the cost estimate. Many implementation challenges in consultancy assignments arise when the scope of work and the allocated budget are not aligned—often because a budget is fixed without first understanding the TOR requirements.

Since staff time and resource estimates are derived directly from the TOR, a clear and comprehensive TOR enables a more accurate and realistic cost estimate

How to Estimate Consultancy Services

Estimating the cost of consultancy services is a critical step in the procurement planning and preparation process. A well-prepared estimate ensures the PE allocates adequate funds, selects an appropriate method, evaluates proposals fairly, and complies with the requirements of the PPDA framework.

The purpose of the estimate is to establish the realistic expected cost of the assignment, based on its scope, complexity, level of effort required, and prevailing market conditions.

Start With a Detailed and Finalized ToR

The Terms of Reference (ToR) provide the blueprint for identifying the required:

- tasks
- duration
- staffing needs
- deliverables
- fieldwork
- inputs

The cost estimate must flow directly from the ToR. You cannot estimate the cost of consultancy services accurately without:

- a defined scope,
- clear objectives, and
- expected outputs.

Identify the Type of Consultancy Assignment

Costs vary depending on whether the assignment is:

- Short-term or long-term
- Specialized technical expertise (engineering design, economic modelling, ICT systems, etc.)
- Advisory (policy drafting, strategy formulation, capacity building)
- Individual Consultant or Consulting Firm

The type determines the structure of the cost estimate.

Estimate Professional Fees (Main Cost Component)

Professional fees are the core of consultancy costs and must be estimated based on:

a. Level of Effort (LOE) – Staff Time Required

Break down the assignment into the required expert categories:

- Team Leader / Senior Consultant
- Technical Specialists
- Researchers / Analysts
- Support Staff

For each category estimate:

- Number of staff
- Number of days/months
- Daily or monthly rate

b. Establish Market Rates: Use:

- historical contracts
- recent similar assignments
- market research
- databases of previous consultancy procurements
- regional benchmarks (EAC, IGAD, East Africa market rates)

Rates must reflect:

- complexity,
- scarcity of skills, and
- experience levels.

c. Components of Professional Fees: Fees typically include:

- salaries and wages
- social charges (NSSF, pension, medical)
- overheads (typically 25–40% depending on firm type)
- profit margin or consultant's fee (5–15% typical)
- special allowances (hardship, risk allowance, hazard duty)

Formula (typical):: Professional Fees = (Time × Rate) + Overheads + Profit

Estimate Reimbursable Expenses	<p>These are direct costs that the Consultant incurs to perform the assignment. Examples include:</p> <ul style="list-style-type: none"> a. Travel & Transport <ul style="list-style-type: none"> • airfare • local travel • fuel • vehicle hire • per diem b. Field Work Costs <ul style="list-style-type: none"> • surveys • data collection • stakeholder consultations • workshops • meeting venue • refreshments c. Administrative & Logistical Costs <ul style="list-style-type: none"> • office space & utilities • internet & communication • printing & binding • software and data licenses d. Insurance & Legal Requirements <ul style="list-style-type: none"> • professional liability insurance • medical insurance • equipment insurance e. Taxes & Duties <ul style="list-style-type: none"> • VAT • withholding tax • any applicable statutory fees f. Contingencies- Typically 5–10% of reimbursable expenses, depending on risk levels.
Estimate Inputs Provided by the PE	<p>Identify what the PE will provide at no cost to the consultant:</p> <ul style="list-style-type: none"> • office space • internet • utilities • counterpart staff • existing data and reports
Develop the Total Cost Estimate	<p>These items must be deducted from the consultant's cost estimate.</p> <p>Combine:</p> <ul style="list-style-type: none"> • Professional Fees • Reimbursable Expenses • Contingencies

Total Cost Estimate = Fees + Reimbursables + Contingencies

- Ensure that the estimate is:
- Realistic
- Defensible
- Based on available budget (Regulation 35: Confirmation of Funds)

8.3.4 Define Methods of Procurement and Selection

The PPDA Regulations prescribe financial thresholds to guide Procuring Entities (PEs) in choosing the appropriate Procurement method for consultancy services. These thresholds ensure that the procurement approach is proportional to the assignment's value and complexity, while promoting open competition, transparency, and value for money. The thresholds apply differently to **consultancy firms** and **individual consultants**, as outlined in Table 8.2.

Table 8.2: Procurement Methods for Consultancy Services

Method	Explanation
Consultancy Firms-International Competitive Selection (ICS)	<p><i>Threshold: Above USD 1,000,000</i></p> <p>International Competitive Selection is applied for large, sophisticated consultancy assignments where the scope, complexity, and technical demands require engaging firms with global experience. It is suited for high-value projects where local capacity may be insufficient or where international best practice expertise is required.</p> <p>Examples</p> <ul style="list-style-type: none"> • <i>Design and Supervision of a National Highway Network Upgrade Project – Requires advanced engineering, multi-disciplinary teams, and specialized technology.</i> • <i>Development and Rollout of a National Integrated Financial Management Information System (IFMIS) -- Involves high-level ICT architecture, cybersecurity design, and nationwide training.</i> • <i>Preparation of a Comprehensive Public Sector Reform Strategy -- Requires global benchmarking, institutional reviews, and complex policy analysis.</i>
Consultancy Firms-National Competitive Selection (NCS)	<p><i>Threshold: Above USD 100,000 up to below USD 1,000,000</i></p> <p>National Competitive Selection is used for medium-range consultancy assignments where competent local or regional firms exist. It provides an opportunity to promote national expertise while maintaining meaningful competition.</p> <p>Examples</p> <ul style="list-style-type: none"> • <i>Feasibility Study and Detailed Design for a Regional Water Supply System – Work that national engineering firms can competently undertake.</i> • <i>Development of a Ministry or Agency Communication and Outreach Strategy – Requires strong understanding of local socio-political dynamics and audiences.</i> • <i>Environmental and Social Impact Assessment (ESIA) for a Medium-Sized Building Project – Local environmental consultancy firms commonly handle such assignments.</i>
Consultancy Firms Consultant's Qualifications Selection (CQS)	<p><i>Threshold: Below USD 100,000</i></p> <p>CQS is used for small, short-term, or routine consultancy services where the effort of preparing and evaluating full proposals is not justified. Selection is based on the firm's qualifications and demonstrated ability to perform the assignment.</p> <p>Examples</p> <ul style="list-style-type: none"> • <i>Facilitating a Training Workshop on Public Procurement Regulations – Low-value capacity-building assignment suitable for CQS.</i> • <i>Baseline Survey for a Community Development Project – Routine socio-economic survey requiring limited resources.</i> • <i>Preparation of an ICT Network Improvement Plan for a Small Department – Quick technical assessment and recommendation.</i>

Method	Explanation
Individual Consultants (IC)	<p><i>Threshold: Up to USD 50,000</i></p> <p>Individual Consultants are selected where the assignment requires specific individual skills, knowledge, or expertise rather than a team. IC selection is appropriate when the work is short-term, narrowly focused, and can be carried out by one qualified professional.</p> <p>Examples</p> <ul style="list-style-type: none"> • <i>Hiring a Legal Expert to Draft or Review Procurement Regulations or Guidelines</i> <ul style="list-style-type: none"> – <i>Requires specialized legal drafting and procurement law knowledge.</i> • <i>Recruiting a Monitoring and Evaluation (M&E) Specialist for Short-Term Project Support</i> <ul style="list-style-type: none"> – <i>Focused technical input by one professional.</i> • <i>Engaging an ICT Consultant to Configure a Database or Develop a Simple MIS Tool</i> <ul style="list-style-type: none"> – <i>Individual technical assignment requiring specific ICT expertise.</i>

In addition to the Procurement Methods described above, for International and National Competitive Selection we are required to identify a selection method that will be used. The selection method must be appropriate for the nature, complexity, scale, and sensitivity of the assignment. These four primary methods (QCBS, QBS, FBS, LCS) shown in Table 8.3 represent the standard approaches for shortlisting and evaluating consulting firms.

Table 8.3: Selection Methods for Consultancy Services

Method	Explanation
Quality and Cost Based Selection (QCBS) - (Regulations 98-102)	<p>Overview: QCBS is the default and most commonly used method for procuring consultancy services. It evaluates consultants based on a combination of technical quality and financial cost, with a typical weighting ratio such as 80:20 or 70:30, depending on the assignment's complexity and the need for innovation.</p> <p>When QCBS is Appropriate: Use QCBS when:</p> <ul style="list-style-type: none"> • both technical excellence and competitive pricing are important; • the assignment is complex or multi-disciplinary; • different consultants may propose differing methodologies; • the budget is flexible but value for money is a key consideration; • assignment outcomes directly influence national programmes or infrastructure. <p>Key Features</p> <ul style="list-style-type: none"> • Public notice inviting Expressions of Interest (EOI). • Shortlisting of at least 3–6 qualified firms. • Technical and financial proposals submitted separately. • Technical evaluation first; only firms that pass the minimum score proceed to financial evaluation. • Weighted scoring to identify the Most Advantageous Proposal.

Method	Explanation
	<p>Examples Suitable for QCBS</p> <ul style="list-style-type: none"> • <i>Comprehensive Feasibility Study and Preliminary Design for a National Highway Project.</i> • <i>Development of an Integrated Human Resource and Payroll Information System (IHRPIS).</i> • <i>Independent Verification and Evaluation of a Multi-sector Development Programme.</i> • <i>Institutional Capacity Assessment and Reform Roadmap for a Line Ministry.</i> • <i>Design and Implementation Plan for a National Skills Development and Youth Employability Strategy.</i>
<p>Quality Based Selection (QBS)- <i>Regulations 99–103</i></p>	<p>Overview: QBS focuses entirely on technical quality, with financial proposals opened only for the highest technically ranked consultant. This method is used for assignments where expertise, innovation, and methodological rigor are more important than cost.</p> <p>When QBS is Appropriate: Use QBS when:</p> <ul style="list-style-type: none"> • the assignment is highly specialized, innovative, or unique; • the PE cannot accurately define the scope or methodology; • the assignment's success depends heavily on technical excellence; • the expected impact is strategic, sensitive, or high-risk; • the consultant must propose new ideas, research, or frameworks. <p>Key Features:</p> <ul style="list-style-type: none"> • Consultants compete on quality alone. • Financial evaluation only after the best technical proposal is identified. • Used where the cost structure cannot be easily preset and may vary greatly between firms. <p>Examples Suitable for QBS</p> <ul style="list-style-type: none"> • <i>Design of a National Cybersecurity and Data Protection Architecture.</i> • <i>Development of a Public Procurement Regulatory Impact Assessment (RIA).</i> • <i>Independent Peer Review of Architectural and Structural Designs for a Major Airport Expansion.</i> • <i>Formulation of a National Climate Change Adaptation and Mitigation Framework.</i> • <i>Drafting of a Comprehensive Public-Private Partnership (PPP) Bill and Associated Regulations.</i>
<p>Fixed Budget Selection (FBS) - <i>Regulation 104</i></p>	<p>Overview: Under FBS, the PE specifies an absolute, non-negotiable budget ceiling in the Request for Proposals (RFP). Consultants compete purely on technical quality, provided their financial proposal does not exceed the fixed amount.</p> <p>When FBS is Appropriate: Use FBS when:</p> <ul style="list-style-type: none"> • the assignment is simple, well-defined, and low-to-moderate complexity; • the PE has strict budget limitations due to Government ceilings or donor constraints; • cost variation between firms is expected to be minimal;

Method	Explanation
	<ul style="list-style-type: none"> all consultants are expected to propose comparable levels of effort. <p>Key Features</p> <ul style="list-style-type: none"> TORs must be clear and detailed enough for all consultants to understand the assignment. Financial proposals above the budget are rejected automatically. Award goes to the consultant with the highest technical score among the compliant offers. <p>Examples Suitable for FBS</p> <ul style="list-style-type: none"> <i>Mid-Term or End-Term Review of a Donor-supported Programme with a capped evaluation budget.</i> <i>Development of Standardized Training Manuals for Procurement Officers.</i> <i>Preparation of a Communication and Public Awareness Strategy for a Ministry.</i> <i>Updating and Formatting an Existing ICT Policy Document.</i> <i>Preparation of Simple Architectural Drawings for a Small Public Infrastructure (e.g., office block, storage unit).</i>
Least Cost Selection (LCS) - <i>Regulation 105</i>	<p>Overview: LCS selects the lowest priced consultant from among those who achieve the minimum qualifying technical score. It is used for routine, standardised, or non-complex assignments where technical proposals are unlikely to differ significantly.</p> <p>When LCS is Appropriate: Use LCS when:</p> <ul style="list-style-type: none"> the assignment is standard, repetitive, or non-specialized; TORs are straightforward and clearly defined; technical methods vary little from one consultant to another; professional judgment is required but innovation is low; cost efficiency is the primary factor. <p>Key Features</p> <ul style="list-style-type: none"> Technical proposals assessed first, using pass/fail or a minimum-score threshold. Only firms meeting the technical threshold proceed to financial evaluation. The firm with the lowest evaluated price is recommended for award. <p>Examples Suitable for LCS</p> <ul style="list-style-type: none"> <i>Statutory Annual Audit of a Government Agency, Parastatal, or Project.</i> <i>Simple Environmental Audit of Office Premises or Warehousing Facilities.</i> <i>Verification and Certification of Goods Delivered Under a Framework Contract.</i> <i>Routine Accounting, Bookkeeping, or Payroll Reconciliation Services.</i> <i>Basic Tax Compliance Review for a Small Government Entity</i>

Table 8.4 provides a consolidated summary of the four consultancy selection methods discussed in the preceding section. It distills the key considerations that guide the choice of each method—highlighting the conditions under which they are most appropriate, the relative complexity of assignments they are best suited for, and the primary evaluation emphasis. This summary serves

as a quick reference point for Procuring Entities when determining the most suitable approach for procuring consultancy services in accordance with the PPDA Act and PPDA Regulations .

Table 8.4 Summary of Appropriate Use Selection Methods

Method	Best When	Complexity	Primary Focus
QCBS	Balance of quality & cost needed	Medium–High	Value for money (technical + cost)
QBS	Technical superiority is critical	High	Quality and innovation
FBS	Tight budget; scope well-defined	Low–Medium	Maximizing quality within fixed budget
LCS	Routine/simple assignments	Low	Cost minimization after basic quality

8.3.5 Confirm Availability of Funding

In accordance with the PPDA Act and Regulations, the User Department shall initiate the procurement of Consultancy Services by submitting a duly completed requisition and supporting documentation to the Procurement Management Unit (PU) using the prescribed procedural forms.

The PU shall only commence the procurement process after the Accounting Officer (Accounting Officer) or his/her formally designated representative has verified and confirmed the availability of adequate budgetary provisions for the assignment, as required under Regulation 35 (Confirmation of Funds). No solicitation or further processing may proceed without this confirmation and approval, ensuring that all procurement actions are undertaken within the limits of the approved annual budget and the Annual Procurement Plan.

8.3.6 Invitation of Expression of Interest

When the selection method is conducted through either International Competitive Selection or National Competitive Selection, the PE is required to follow a competitive, transparent, and sequential two-stage process as established under Regulation 81–82 of the PPDA Regulations . This two-stage approach ensures that only competent and suitably qualified consultants are invited to submit detailed technical and financial proposals.

A Notice for Invitation for Expression of Interest must be published in PPDA's Tender Portal <https://tenderportal.ppdaa.gov.ss> in accordance with Regulation 83(3)

In the first stage, the PE identifies and shortlists the most qualified consulting firms through an Expression of Interest (EOI) process. This stage is necessary because consultancy assignments are often complex, specialized, and dependent on professional judgment rather than measurable quantities. Evaluating full proposals from all interested firms would be impractical, time-consuming, and inconsistent with efficient procurement.

Therefore, in accordance with Regulations 83–85, the PE publishes an EOI notice to invite eligible, experienced, and capable consultants to express their interest. The EOI must be widely advertised—at a minimum on the PE's website, notice boards, and other appropriate media—to ensure open access, fairness, and competition as required by the Act. The notice must provide clear project information, scope of services, required qualifications, eligibility requirements, and instructions for submission. The language used must be clear, objective, non-restrictive, and non-

discriminatory, supporting broad participation in line with the principles of transparency and equal opportunity under the Act.

The EOI shall not impose qualification requirements that are excessive, unrealistic, or disproportionate to the nature of the assignment, as such conditions would restrict competition and undermine value for money. Adequate time must be given for consultants to prepare and submit their Expressions of Interest. In line with the Eleventh Schedule of the PPDA Regulations, the minimum submission periods are:

- Seven (7) calendar days for national competitive selection; and
- Fourteen (14) calendar days for international competitive selection.

After receipt of EOIs, the PU evaluates the submissions and prepares a shortlist of qualified firms consistent with Regulation 84, ensuring that shortlisted firms possess the technical, managerial, and financial capacity required to perform the assignment.

The second stage of the process involves issuing a Request for Proposals (RFP) to only the shortlisted consultants. The RFP includes detailed Terms of Reference (TORs), evaluation criteria, and requirements for both Technical and Financial Proposals, as prescribed by the Regulations.

In accordance with the PPDA legal framework, advertisement of an EOI is not required in the following cases:

- Single Source Selection (SSS), where justified and approved under Regulation 116–120;
- Restricted Selection, where only a limited number of firms possess the required expertise; and
- Minor Value Consultancy, below thresholds where direct selection or simplified procedures apply.

This structured and transparent EOI process ensures fairness, enhances competition, and guarantees that only competent consultants proceed to the proposal stage in line with the PPDA Act and Regulations, 2024.

8.3.7 Evaluation of Expression of Interest Applications

Upon closure of the Expression of Interest (EOI) submission period, the PE shall proceed with the evaluation process in accordance with the PPDA Act and Regulations, 2024. EOI submissions are not subjected to a formal public opening, as this stage involves only capability and qualification screening rather than bid pricing. However, the submissions must be received, recorded, and secured by the Procurement Unit in accordance with Regulations 63–65 on receipt and handling of submissions.

An Evaluation Committee, appointed in accordance with Regulation 67, shall then undertake the assessment of all Expressions of Interest based on the eligibility and qualification criteria clearly set out in the EOI notice. The evaluation shall be conducted using a “pass/fail” method of assessment, consistent with Regulations 68–72, whereby each consultant must fully satisfy all mandatory eligibility requirements—including legal status, experience, technical capacity, and any other criteria prescribed in the solicitation. Consultants failing any mandatory requirement shall be declared non-responsive and shall not proceed to shortlisting.

For those firms that meet the eligibility requirements, the Evaluation Committee shall apply the qualification criteria specified in the EOI—such as relevant experience, availability of qualified personnel, and prior performance—to determine the most capable firms. The Committee shall then prepare a Shortlist Report in accordance with Regulation 84, recommending the firms that best meet the qualification requirements for issuance of the Request for Proposals (RFP).

The shortlist, together with the Evaluation Report, shall be submitted to the Procurement Committee for review and approval in accordance with Section 10 of the Act and Regulations 10–15, before the PE proceeds to the second stage of inviting detailed technical and financial proposals from the shortlisted consultants.

This approved shortlist forms the formal basis for issuing the RFP to qualified and capable consulting firms in line with the PPDA Act and PPDA Regulations .

8.3.8 Shortlisting of Consultants

Following the evaluation of Expressions of Interest (EOIs), the PE shall prepare a shortlist of qualified consulting firms in accordance with the PPDA Act and Regulations 83–85 of the PPDA Regulations . The shortlist must consist of firms that have demonstrated the necessary qualifications, relevant experience, and technical capability to undertake the assignment if selected.

Shortlist Composition Requirements

In line with Regulation 84(3), the PE shall prepare a shortlist of four to six (4–6) qualified firms. Where adequate national capacity exists, priority shall be given to including national consulting firms, consistent with the national development and preference objectives of the PPDA Act. The firms shortlisted must have passed all eligibility and qualification checks during the EOI evaluation stage.

Before issuing the Request for Proposals (RFP), shortlisted firms shall be asked to confirm their continued interest and availability to participate in the procurement process. Where a firm declines participation or fails to respond, the PE may replace the firm with the next ranked eligible consultant, subject to approval by the Procurement Committee, in accordance with Regulations 10–15.

Use of Pre-Qualification for Complex Assignments

In addition to the EOI method, pre-qualification may be applied for assignments of a complex, specialized, or high-value nature. Under pre-qualification, the PE shall assign weights to each qualification criterion as prescribed in the Sixteenth Schedule, instead of performing a simple ranking of applicants. These weighted criteria are used solely for pre-qualification and shall not be reused in the evaluation of technical proposals during the RFP stage to avoid double scoring, as required by the Regulations. Table 8.5 shows an example of weights for Pre-qualification of Consultants

Table 8.5: Example of Pre-Qualification Weighting

No.	Pre-Qualification Criterion	Weight Range	Example Weight
1	Specific Experience of the Firm (Overall experience in the field and similar assignments)	20% – 50%	35%
2	Professional Reputation and Past Performance (quality history, contract performance, client satisfaction)	20% – 40%	25%
3	Capacity and Qualifications of Key Personnel Proposed for the Assignment	10% – 30%	20%
4	Participation of National Firms and Experts	10% – 20%	10%
5	Knowledge of the South Sudan Context/Region	5% – 10%	10%
	TOTAL	100%	100%

These weighted evaluation criteria are applied strictly at the pre-qualification stage and must comply fully with the PPDA Regulations.

Shortlisting Without EOI or Pre-Qualification

Where EOI or pre-qualification procedures are not used—such as in lower-value consultancy assignments or specific circumstances permitted by the PPDA Regulations—Regulation 279 allows the PE to compile a shortlist using any of the following legally accepted sources:

- The PE's documented knowledge and past experience with qualified consulting firms or individual consultants;
- Directly soliciting interest from reputable and suitably qualified firms known to possess the required expertise; or
- Existing standard or approved lists of consultants that have performed similar assignments for other Procuring Entities, development partners, or donor-funded projects, where such lists are available and reliable.

All such shortlists must maintain the standards of fairness, integrity, non-discrimination, and value for money set out under the PPDA Act and Regulations.

8.3.9 Preparation of Request for Proposals Document

Following the approval of the shortlist, the PE shall invite the shortlisted consulting firms to submit detailed proposals in accordance with the PPDA Act and Regulations 86–107 of the PPDA Regulations , which govern the preparation, issuance, submission, clarification, and evaluation of Requests for Proposals (RFPs).

The Request for Proposals must contain all the information required to enable consultants to prepare responsive Technical and Financial Proposals consistent with the requirements of the PE. As stipulated under Regulations 86, the RFP must clearly communicate the PE's needs, submission procedures, and evaluation methodology, ensuring fairness, transparency, and full compliance with the Act.

A well-prepared RFP is critical to the success of the consultancy procurement process because it communicates:

- (a) a clear and complete description of the assignment and the required services;
- (b) the rules governing the procurement process, including instructions to consultants;
- (c) the evaluation criteria and methodology to be applied (e.g., QCBS, QBS, FBS, LCS), consistent with Regulations 98–105;
- (d) the eligibility and qualification requirements applicable to the assignment; and
- (e) the form and conditions of the proposed contract, in accordance with the standard forms issued by the PPDA.

Use of Standard Request for Proposals (SRFP)

In line with Section 8 of the PPDA Act and Regulation 4(1)(c), every PE is required to use the Standard Request for Proposals (RFP) Documents issued by the Public Procurement and Disposal of Assets Authority (PPDAA). These standard documents ensure consistency, compliance, and alignment with national procurement policies and international best practices.

A PE may only modify an SRFP where permitted and only to the extent necessary to reflect the specific nature of the assignment. Any substantive changes to standard documents require prior written approval from the Authority as required under Section 8(1)(c) and (2) of the Act.

Roles and Responsibilities in Preparing the RFP

Preparation of the RFP shall be undertaken by the Procurement Management Unit (PU) in close collaboration with the User Department, in accordance with Regulations 34, 39, 81, and 86.

- **The User Department** shall prepare:
 - the Terms of Reference (TOR),
 - the evaluation criteria,
 - input to the Proposal Data Sheet (PDS), including
 - assignment-specific eligibility requirements,
 - proposal validity requirements,
 - proposal securing declarations (if applicable), and
 - any technical specifications or background information.
- **The PU** shall:
 - ensure the RFP is prepared using the PPDAA Standard RFP format,
 - incorporate all mandatory instructions and statutory requirements,
 - ensure the evaluation methodology is consistent with the chosen selection method (QCBS, QBS, FBS, LCS),
 - confirm compliance prior to issuance, and
 - formally issue the RFP to all shortlisted firms simultaneously.

A complete RFP package ensures that consultants understand the assignment requirements, the evaluation approach, and the contractual and administrative obligations.

PU in collaboration with the User Departments are responsible for the preparation of the RFP documents. The user department prepares the Terms of Reference and the evaluation criteria. In addition, they are required to provide some information that goes in PDS with respect to eligibility requirements, proposal validity and proposal security requirements and the evaluation criteria. The contents of Standard Request for Proposal document are shown in **Table 8.6**.

Table 8.6: Contents of the Standard Request for Proposal (SRFP) Document

Section	Title	Description & Purpose
PART 1: Selection Procedures and PE Requirements		
Section I	Letter of Invitation (LOI)	A formal letter from the PE inviting each shortlisted consultant to submit proposals. It lists all shortlisted firms, specifies the applicable selection method, and cites governing PPDA provisions.
Section II	Instructions to Consultants (ITC)	Mandatory instructions on proposal preparation, submission, evaluation, negotiations, and award. This section must not be modified.
Section III	Proposal Data Sheet (PDS)	Provides assignment-specific data that supplements the ITC. Entries may only be made where the ITC specifically requests them.
Section IV	Technical Proposal – Standard Forms	Contains standard forms for technical proposals, including organizational experience, methodology, work plan, staffing, and key experts. Includes the Anti-Bribery/Code of Conduct Declaration.
Section V	Financial Proposal – Standard Forms	Contains standard forms for pricing, including breakdown of remuneration and reimbursable expenses.

Section VI	Eligible Countries	Indicates countries permitted to participate, consistent with PPDA Regulations and relevant treaties.
Section VII	Terms of Reference (TORs)	Defines assignment objectives, scope, deliverables, reporting requirements, and responsibilities of the PE and Consultant. Must not override the ITC or PDS.
PART 2: Conditions of Contract and Contract Forms		
Section VIII	General Conditions of Contract (GCC)	Standard contractual provisions applying to all consultancy assignments. Not modifiable. Issued in two forms: (a) Lump-Sum Contracts, and (b) Time-Based Contracts.
Section IX	Special Conditions of Contract (SCC)	Contains assignment-specific provisions that modify or supplement the GCC. Entries must correspond only to referenced GCC clauses and align with the contract type.
Section X	Contract Forms	Templates of the final contract incorporating the accepted proposal, GCC, SCC, and permitted modifications.
Section XI	Contract Appendices	Includes annexes such as detailed description of services, reporting requirements, key experts, subcontractors, price breakdown, PE-provided facilities, and performance guarantee format.

The Legal Unit shall review and clear the Request for Proposals (RFP) to ensure that all provisions—particularly those contained in the Special Conditions of Contract (SCC)—are accurate, consistent with the General Conditions of Contract, and free from ambiguity or contradiction. Following legal vetting, the PU shall compile the complete RFP package and ensure that the Proposal Data Sheet (PDS) is correctly populated with all assignment-specific information, including clarification procedures, submission requirements, and complaint-handling arrangements.

When preparing the RFP, the PE must verify that each clause and requirement is relevant to the specific assignment and fully consistent with the PPDA Standard Request for Proposal Document. Prior to issuing the RFP, the PE may only insert assignment-specific details in the **Letter of Invitation, Proposal Data Sheet, Terms of Reference, and Special Conditions of Contract**. These details shall be entered in the designated fields indicated by italicised bracketed notes in the template; once completed, all bracketed guidance notes must be deleted. Any fields left unfilled by the PE shall be deemed to fall under the responsibility of the Consultant.

In accordance with the PPDA Act and Regulations, the complete RFP package must be reviewed and approved by the Procurement Committee.

Fixing of Weights for Selection of Consultants from a Shortlist Obtained Without Prequalification.

When shortlisting is conducted without a prior pre-qualification process, the PE must specify in the Proposal Data Sheet (PDS) the evaluation criteria and corresponding weights that will be applied to assess the Technical Proposals, as required under the PPDA SRFP

In line with the PPDA Standard Request for Proposals, the PE is required to assign weights within the allowable regulatory ranges for each evaluation criterion. These criteria typically include:

1. Specific experience of the firm;
2. Adequacy of the proposed methodology and work plan;
3. Qualifications and competence of key experts;
4. Transfer of knowledge; and

5. Participation of national experts.

For Quality and Cost Based Selection (QCBS), the PE must also disclose in the RFP the relative weights for the technical and financial scores. The most common ratio is 80:20, where the technical score is multiplied by 80% and the financial score by 20% to obtain the final combined score. For other methods (QBS, FBS, LCS), no weighted combination is applied, but a minimum technical score is still mandatory to qualify a bidder for financial opening.

When fixing weights, the PE should take into account the nature, complexity, and skill requirements of the assignment. For example, where the assignment is highly expert-driven, greater emphasis may be placed on the qualifications and competence of the key experts. Conversely, if the assignment is methodology-intensive, additional weight may be allocated to the proposed approach and work plan.

Table 8.7 provides an illustrative example of assigning weights within the permitted ranges. In this example, the assignment places greater emphasis on the competency of key experts, reflecting the technical and expert-driven nature of the services, while giving a lower weight to the firm's general experience.

Table 8.7 Technical Proposal Evaluation Criteria for Consultancy Services

Criterion	Allowed Range of Points	Fixed Example Weight	Sub-Criteria	Sub-Criteria Weights
(i) Specific Experience of the Firm	0 – 10	10	<ul style="list-style-type: none"> • Experience in similar assignments • Sector-specific experience • Comparable environment experience 	
(ii) Adequacy & Quality of Methodology and Work Plan	20 – 50	30	<ul style="list-style-type: none"> • Responsiveness to TORs • Realism & feasibility of work plan • Appropriateness of staffing plan 	
(iii) Qualifications & Competence of Key Experts	30 – 60	45	<p>Key Expert Points:</p> <ul style="list-style-type: none"> • Team Leader – 20 • Specialist 1 – 15 • Specialist 2 – 10 <p><u>Sub-Criteria:</u></p> <ol style="list-style-type: none"> 1. General Qualifications 2. Adequacy for Assignment 3. Regional/Local Experience 	Sub-Criteria Weights: <ul style="list-style-type: none"> • 10% • 80% • 10%
(iv) Transfer of Knowledge / Training Program	0 – 10	5	<ul style="list-style-type: none"> • Relevance of training • Integration into methodology • Suitability of tools 	
(v) Participation of National Experts	0 – 10	10	<ul style="list-style-type: none"> • Formula: (National expert input ÷ Total expert input) × 10 	

Fixing of Weights for Selection of Consultants from a Shortlist Obtained Through Prequalification

Since the pre-qualification stage has already assessed the consultants' institutional experience, capacity, and overall competence, the focus at the RFP stage shifts entirely to the **quality of the submitted proposal and the suitability of the proposed experts**. The evaluation therefore must emphasize the consultant's understanding of the assignment, the robustness of the proposed methodology and work plan, the qualifications of key experts, and the participation of national experts. Table 8.8 provides the regulatory weighting ranges and an example of an appropriate distribution for a typical assignment.

Table 8.8: Weights for Consultancy Services Where Shortlist is Obtained Through Pre-Qualification

No.	Evaluation Criterion	Recommended Weight Range	Example Weight
1	Understanding of the Terms of Reference (TORs)	20% – 30%	25%
2	Overall Quality of the Technical Proposal, Methodology, and Work Plan	30% – 45%	35%
3	Qualifications and Experience of Key Experts	25% – 35%	30%
4	Inclusion of Local/National Experts	5% – 10%	10%
	TOTAL	100%	100%

Selection of Type of Contract

One of the content of RFP Document is the GCC and SCC. The GCC depends on the type of contract selected. **Regulations 134 to 136 of PPDA Regulations 2014** provides for types of contract that may be used in Consultancy assignment. These are discussed in Chapter 9.

8.3.10 Invitation of Consultants to Submit Proposals

Issuance of Request for Proposals (RFP) documents to shortlisted consultants shall comply with Section 70–71 of the PPDA Act and Regulations 86–94 of the PPDA Regulations . The PE must ensure that all shortlisted consultants receive the RFP documents at the same time and under the same conditions, using the Standard Request for Proposals issued by PPDAA.

The time allowed for consultants to prepare and submit their proposals must be adequate and proportionate to the complexity of the assignment. In accordance with the Regulations, the PE must consider the depth of analysis required, the number of experts to be proposed, the methodology to be developed, and any fieldwork or data collection that may be necessary. More complex assignments require longer preparation periods than simple technical assistance services.

For instance, a consultancy assignment involving extensive technical studies, surveys, or multiple experts will not be given the same preparation time as a small advisory assignment. Although the Regulations do not prescribe fixed days as in some other jurisdictions, the PE must apply the general principles in the Act—fairness, competition, and value for money—to ensure that shortlisted consultants have sufficient time to prepare quality proposals.

The PU must also establish clear arrangements for managing the proposal preparation period, including:

- Receiving and responding to requests for clarification within the timeframe stated in the RFP;
- Issuing clarifications or amendments to all shortlisted consultants simultaneously;
- Organizing pre-proposal meetings where necessary, and ensuring that minutes are promptly shared with all shortlisted firms;
- Ensuring proper handling, confidentiality, and secure receipt of proposals until the submission deadline.

These measures ensure that the invitation process is fair, transparent, and compliant with the PPDA legal framework, while enabling consultants to submit responsive and competitive proposals

To efficiently manage the proposal preparation and submission stage it is advisable to have a named person in the PU and User Department responsible to manage a particular consultancy assignment.

8.3.11 Submission and Opening of Proposals

The opening of proposals shall be carried out in accordance with Section 71 of the PPDA Act and Regulations 92–94 of the PPDA Regulations , which require a two-envelope system for consultancy services—one envelope for the technical proposal and a separate sealed envelope for the financial proposal.

Opening of Technical Proposals

Only the **outer envelopes** of proposals received before the submission deadline are opened at the first public opening session. During this session, the PU identifies and separates the **technical proposals** from the **financial proposals**.

- The **technical proposals** are opened publicly in the presence of the consultants or their representatives who choose to attend.
- The PU reads out and records key information, such as the name of each consultant, confirmation of submission, and any documents required to be declared at opening.
- The **financial proposals remain sealed** and are kept in secure custody until the technical evaluation is completed and approved by the Procurement Committee, as required by the Act.
- A formal **bid opening record** is prepared and signed by members present.

This procedure preserves confidentiality and prevents financial information from influencing the technical evaluation, in compliance with the Act's requirement for fairness and transparency.

Opening of Financial Proposals

After completion and approval of the technical evaluation, the PU invites only those consultants whose technical proposals have met the minimum qualifying score to the **financial proposal opening**.

- The financial proposals of eligible consultants are opened **publicly at a separate opening session**, on a date and time communicated in writing to all technically qualified consultants.
- At this opening, the PU reads out and records:
 - The total proposed price,

- All itemised unit prices, and
- The technical scores each consultant achieved, as approved by the Procurement Committee.

The opening is conducted strictly in accordance with Regulations 93–94 to ensure transparency and equal treatment, and a formal **financial opening record** is prepared and placed on the procurement file.

According to Regulation 94(14) the financial proposals shall remain sealed until completion of technical evaluation. During the opening the technical scores must be disclosed

These steps ensure that the opening of proposals is transparent, consistent, and compliant with the PPDA legal framework while safeguarding the integrity of the consultant selection process.

8.3.12 Evaluation of Proposals

Selection of Evaluation Committee

In accordance with section 33 of the PPDA Act, the Accounting Officer is responsible for appointing an Evaluation Committee for each procurement, including the selection of consultants. The committee must consist of **not less than three members**, with the actual number determined by the **value, complexity and specialist nature** of the assignment. Members must be of appropriate seniority and experience, and may include staff from the Procurement Unit, the User Department, finance, and other technical or legal units; where the required expertise is not available internally, suitably qualified external members may be appointed.

Under Regulations 67 and 95 of the PPDA Regulations , the Evaluation Committee is responsible for the **evaluation of bids and proposals** in accordance with the Act, the Regulations and the bidding/request for proposal documents, and for preparing the corresponding **evaluation reports** for submission to the Procurement Committee within the timelines prescribed (including the technical and financial evaluation and, where applicable, the combined evaluation report for consultancy services).

To ensure efficiency of the procurement process the appointment of the Evaluation Committee should be made before the deadline of submission of proposals.

In constituting the committee, the Accounting Officer should ensure that:

- The committee has a **minimum of three members**, and in practice normally 3–5, depending on the size and complexity of the consultancy assignment.
- Members collectively cover the necessary skills mix, including:
 - procurement and contracting;
 - technical expertise in the subject matter of the assignment;
 - financial management/analysis; and, where necessary,
 - legal expertise and representation from the User Department.

All members of the Evaluation Committee are required to act **independently, objectively and without undue influence**, to sign and comply with the Code of Ethical Conduct issued under the Act, and to declare and avoid any conflict of interest. Their work forms part of the official procurement record and is subject to oversight by the Procurement Committee and the PPDAA in line with the Act and Regulations.

Stages of Evaluation of Consultant's Proposals

Evaluation procedure for consultancy services for QCBS, QBS and QLCS are summarised in **Figures 8.2, 8.3 and 8.4** respectively.

Preliminary Screening

Preliminary screening is the first step in evaluating consultancy proposals. Its purpose is to confirm whether each proposal complies with the basic instructions, mandatory requirements, and eligibility conditions specified in the Request for Proposals (RFP). This step allows the Evaluation Committee to eliminate proposals that are non-responsive at an early stage, without committing time and effort to a detailed technical evaluation.

Preliminary screening is conducted strictly on a Pass/Fail basis. A proposal that fails any mandatory requirement is considered substantially non-responsive and is rejected, and its financial proposal remains unopened. Only proposals that meet all minimum requirements proceed to the detailed technical evaluation.

Because preliminary screening is based entirely on the instructions in the RFP, the Evaluation Committee must begin by reviewing the RFP Document to identify all requirements that must be satisfied. These requirements must be applied **consistently and uniformly** to all consultants.

Typical checks during preliminary screening may include:

- (a) Verification that all required forms and documents have been submitted, including the signed Proposal Submission Form;
- (b) Confirmation that the proposal is duly signed and authorised in accordance with the RFP requirements, including any necessary Power of Attorney;
- (c) Confirmation that the curriculum vitae (CVs) of proposed key experts are signed as required;
- (d) Submission of a **separately sealed** or separately uploaded Financial Proposal, in line with the two-envelope system;
- (e) Confirmation that the proposal validity period matches the validity stated in the RFP;
- (f) Submission of any additional documents required in the RFP, such as eligibility declarations, conflict of interest statements, or certifications; and
- (g) Confirmation that the consultant meets all **mandatory eligibility requirements**, including non-debarment, nationality rules, and any other statutory eligibility criteria.

Proposals that pass all preliminary checks proceed to the detailed technical evaluation. Those that fail are recorded as non-responsive, and their financial proposals remain sealed and are returned after completion of the procurement process.

Detailed Technical Evaluation

The detailed technical evaluation is carried out only on proposals that passed the preliminary screening and were confirmed to be substantially responsive to the requirements of the Request for Proposals (RFP). The Evaluation Committee must strictly apply the evaluation criteria, sub-criteria, and weightings specified in the Instructions to Consultants (ITC) and the Proposal Data Sheet (PDS) of the RFP.

Evaluation Procedures for Quality and Cost Based Selection (QBSC)

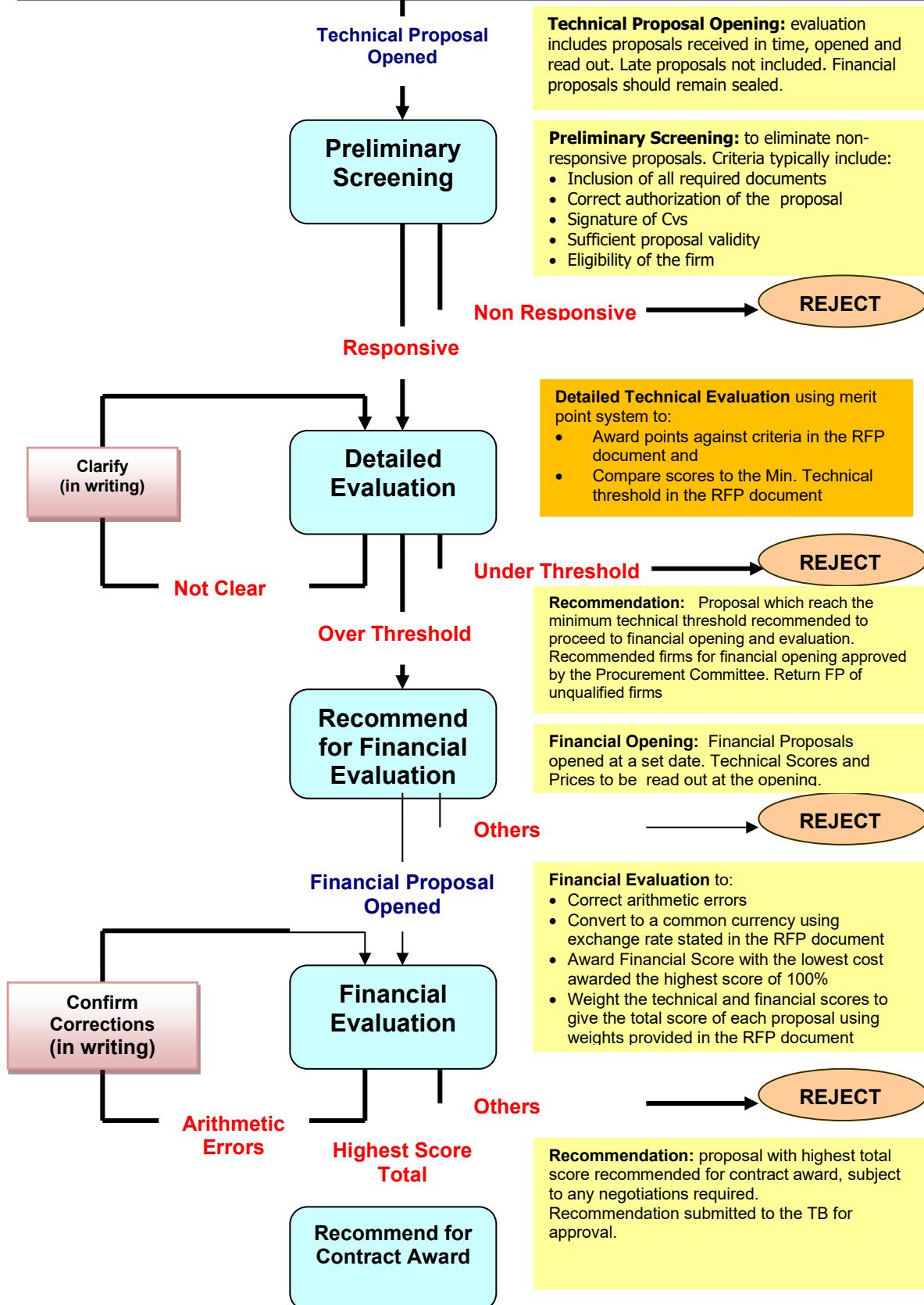


Figure 8.2: Evaluation of Proposals under Quality and Cost Based Selection Method

Evaluation Procedures for Quality Based Selection (QBS)

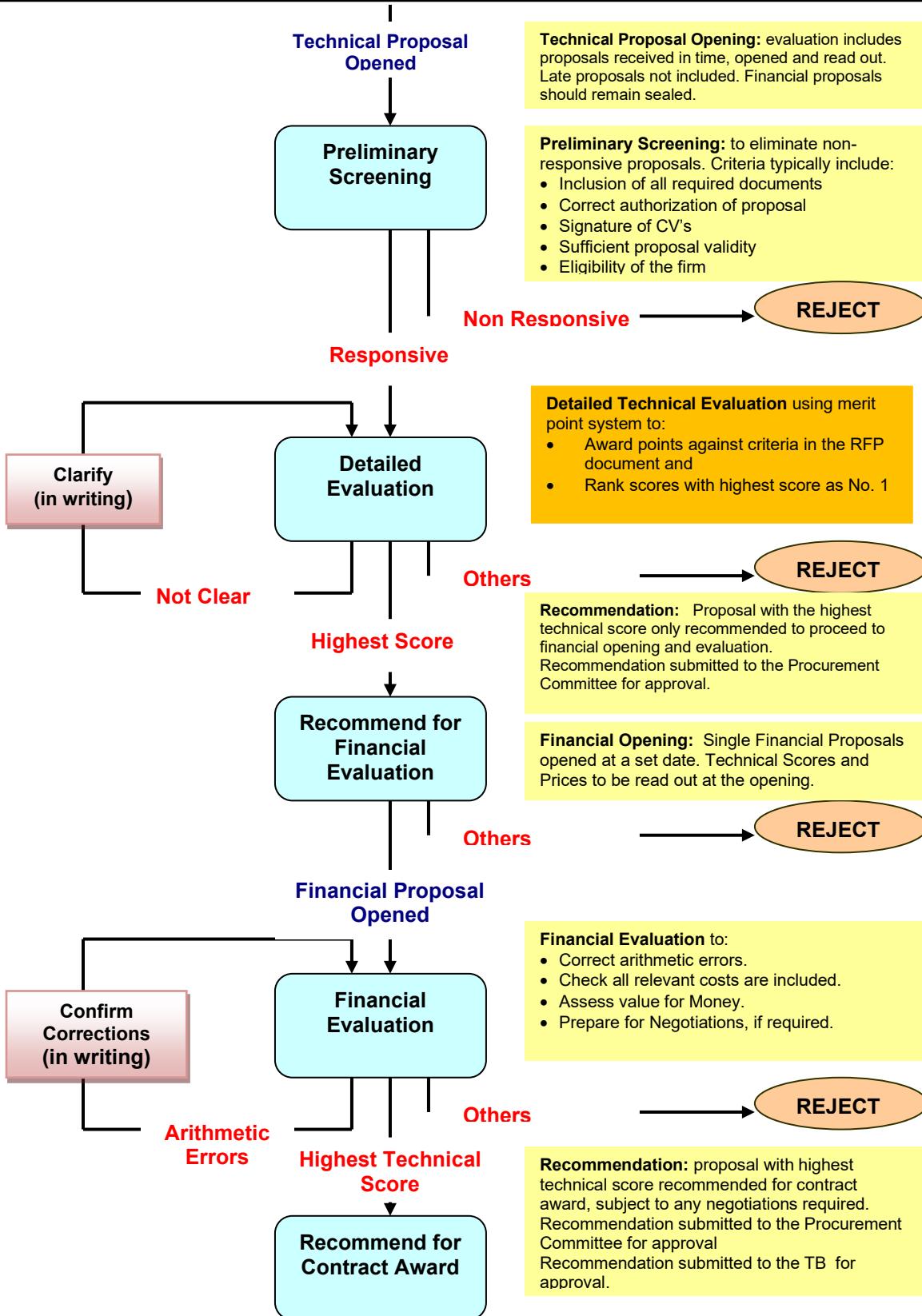


Figure 8.3: Evaluation of Proposals under Quality Based Selection Method

Evaluation Procedures for Least Cost Selection (LCS)

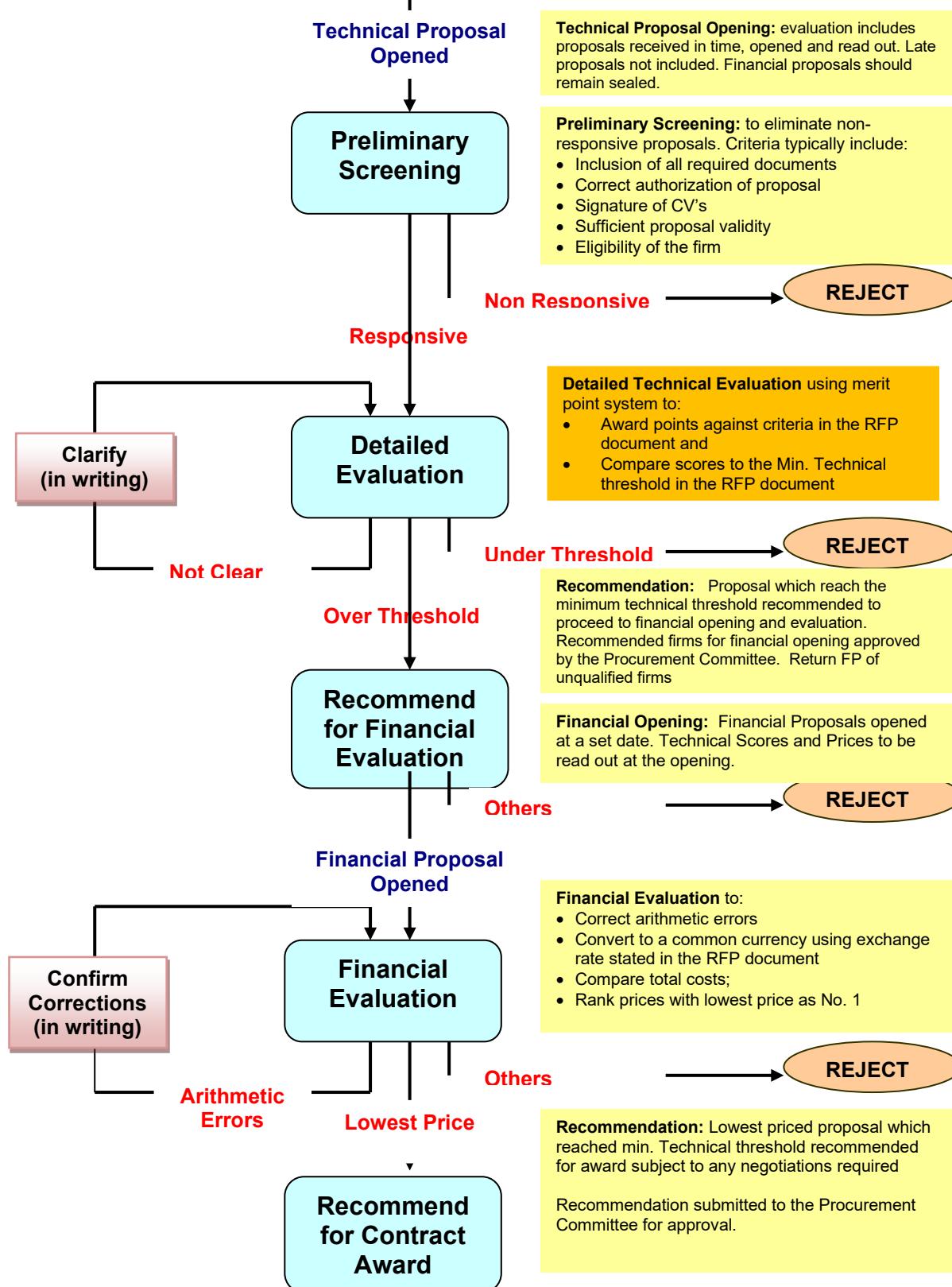


Figure 8.4: Evaluation of Proposals under Least Cost Selection Method

Before beginning the evaluation, it is good practice for the Evaluation Committee to meet—either just before or shortly after the proposal submission deadline—to ensure a shared understanding of:

- the evaluation criteria and sub-criteria;
- the scoring system and weightings;
- the selection method to be applied (QCBS, QBS, FBS, LCS, etc.);
- the Terms of Reference (TORs) and intended outputs of the assignment

During this preparatory meeting, the Committee must also confirm that all members:

- (a) have **no conflict of interest** in the procurement;
- (b) clearly understand the **rating and scoring system** to be used;
- (c) have been issued with the **standard evaluation worksheets**; and
- (d) agree on the approach to be followed in evaluating the proposals.

Each evaluator must then undertake the detailed technical evaluation **individually and independently**, assigning scores using the PPDAA standard scoring format. Evaluators should also record notes on specific strengths and weaknesses of each proposal to justify the scores awarded and support transparent decision-making.

Once individual scoring is completed, the Evaluation Committee shall reconvene to:

- (a) **Compare and consolidate** the individual scores;
- (b) Discuss and resolve any **significant variations** in scoring among evaluators; and
- (c) Reach consensus on the final technical scores for each consultant.

Where large discrepancies occur—such as one evaluator ranking a proposal very highly while others consider it weak—the Committee must examine the reasons for such variations. The Chairperson of the Evaluation Committee should guide this discussion to ensure that scoring is consistent, evidence-based, and aligned with the evaluation criteria. The consolidated scores should reflect the Committee's agreed assessment following these deliberations.

After reaching consensus, the Evaluation Committee prepares the Technical Evaluation Report using the PPDAA standard format. The report must include the final agreed scores, justification for the scoring, and any relevant observations. This report is then submitted to the Procurement Committee for review and approval before proceeding to the financial opening.

Review and Reconciliation of Technical Evaluation Scores

Table 8.9 shows the technical scores awarded independently by four evaluators for four consulting firms, together with the calculated averages:

This pattern of scores shows **significant variations** among evaluators, which requires careful review by the Evaluation Committee before agreeing on the final technical scores.

Key Observations

1. Relative closeness for Firms A, B, and C (but with inconsistencies)

- Firms **A**, **B**, and **C** generally receive mid-to-high scores from Evaluators 1–3.
- Evaluator 4 consistently scores **lower** for A and B, but **higher** for Firm D.
- Evaluators 1–3 are relatively consistent across the three firms.

2. The major anomaly is Firm D

For Firm D:

- Evaluators **1, 2, and 3** all score Firm D very low (60–65 range).
- Evaluator **4** scores Firm D **85**, a complete outlier from the trend.

This suggests:

- Evaluator 4 may have interpreted the evaluation criteria differently,
- OR may have missed key weaknesses noted by the others,
- OR evaluators 1–3 may have overlooked strengths that evaluator 4 identified.

Such a discrepancy requires a structured, evidence-based reconciliation discussion.

STRENGTHS AND WEAKNESSES MATRIX

In order to support transparency and consistency in scoring, each evaluator is required to prepare a **Strengths and Weaknesses Matrix** for every firm evaluated. This matrix outlines the key positive and negative aspects of each proposal, directly linked to the evaluation criteria and sub-criteria in the RFP.

These documented observations serve as the primary evidence for the numerical scores awarded by each evaluator.

During the consensus meeting, the matrices play a critical role in explaining and reconciling discrepancies in scoring among evaluators.

Where large variations occur—such as one evaluator rating a proposal significantly higher or lower than others—the Strengths and Weaknesses Matrix enables the Committee to identify the basis of those differences, verify whether they are justified by the proposal content, and agree on harmonised, evidence-based final scores.

In this way, the matrix not only strengthens individual assessments but also provides the foundation for resolving inconsistencies and ensuring a defensible final technical evaluation.

Table 8.9: Technical Scores Awarded by Evaluators

Firm	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Average Score
A	70	90	80	60	75.0
B	75	80	85	70	77.5
C	79	84	80	75	79.5
D	60	65	62	85	68.0

What the Evaluation Committee Should Do

Hold a consensus meeting to discuss scoring variations	Before finalising scores, the Evaluation Committee must: <ul style="list-style-type: none">• Review each evaluator's justification notes,• Identify the reason for outlier scores,• Determine whether discrepancies arose from misunderstanding of the criteria, inadequate justification, or genuine difference in assessment.
Re-examine the proposals together	For firms with large score variations—especially Firm D—evaluators must jointly: <ul style="list-style-type: none">• Revisit key sections of the proposal (methodology, staffing, experience),• Compare them against the evaluation criteria and sub-criteria,• Ensure each score accurately reflects the evidence.
Require evaluators to adjust scores where necessary	If the variation is due to: <ul style="list-style-type: none">• misinterpretation of criteria,• inconsistent application of scoring,• or insufficient justification, the committee should agree on revised scores that reflect a <i>common interpretation</i> of the criteria.
Document how variations were resolved	The Technical Evaluation Report must clearly record: <ul style="list-style-type: none">• instances of significant variation,• discussions held to harmonise scoring, and• justification for the final agreed scores. This protects the evaluation from audit concerns and ensures transparency

Example of Expected Outcome

After discussion, the Evaluation Committee might conclude that:

- Evaluator 4 over-scored Firm D relative to the criteria, and the score should be aligned more closely with the other evaluators **IF the evidence supports it, OR**
- Evaluators 1–3 under-scored Firm D, and their scores should be adjusted upward **IF evaluator 4's assessment is better supported by the proposal.**

The final scoring must reflect:

- Proper application of criteria,
- Evidence from the proposal,
- Consensus among evaluators,
- Fairness and consistency.

Conclusion

Significant scoring discrepancies—especially those seen for Firm D—require the Evaluation Committee to apply a structured reconciliation process. By reviewing proposal evidence together, clarifying interpretation of criteria, and adjusting scores where justified, the Evaluation Committee ensures that the final technical scores are credible, defensible, and aligned with the PPDA Act and Regulations.

Financial Evaluation

The proposals that proceed to financial evaluation depend on the selection method specified in the Request for Proposals (RFP). Only the proposals that meet the minimum technical score under the applicable method—whether **QCBS, QBS, LCS, or FBS**—qualify for financial opening and evaluation. The purpose of the financial evaluation is to determine the **evaluated price** of each proposal, compare all compliant financial submissions, and identify the proposal that will be recommended for award in accordance with the selection methodology.

For **Quality and Cost-Based Selection (QCBS)**, the financial evaluation follows the procedures set out in the RFP and applied uniformly to all consultants. Unless otherwise specified in the RFP, the evaluated price for each proposal is determined using the following steps:

- (a) Determine the **total price** of the proposal, including or excluding specific cost elements (such as taxes and duties) exactly as instructed in the RFP;
- (b) Correct any **arithmetical errors**, with adjustments made in accordance with the RFP rules;
- (c) Verify that all required cost items are included; where omissions exist, add the cost of missing items to ensure comparability;
- (d) Convert proposal prices to a **single evaluation currency** for comparison, using the exchange rate source and date specified in the RFP;
- (e) Apply any approved **price preference margin**, if applicable;
- (f) Determine the **total evaluated price** for each financial proposal.

Financial scores are then calculated using the formula specified in the RFP. Under QCBS, this normally involves assigning a score of **100** to the lowest evaluated price, and awarding proportionally lower financial scores to other proposals using the prescribed formula. The financial scores are thereafter combined with the technical scores using the stated weights to determine the final ranking of the consultants.

$$FS_i = \frac{FP_{min}}{FP_i} \times 100 \quad \text{in which}$$

FS_i denotes the financial score of Firm i ;

FP_{min} is the price of the lowest price proposal;

FP_i denotes the price of the proposal under consideration i.e. firm i

For example, if prices were as follows:

	Firm A	Firm B	Firm C
Submitted Financial Proposal (FP_i)	USD 450 million	USD 500 million	USD 600 million
Financial Score FP_i	$FS_A = \frac{450}{450} \times 100$ =100%	$FS_B = \frac{450}{500} \times 100$ =90%	$FS_{AC} = \frac{450}{600} \times 100$ =75%

Combining Technical and Financial Scores for QCBS

The technical and financial scores must be combined using the weights specified in the RFP. Under QCBS, the technical score is normally assigned a weight within the **70–90%** range, while the financial score carries a weight within the **10–30%** range, with the two always adding up to **100%**. For illustration, assume that the RFP specifies a weighting of **80% for the Technical Proposal** and **20% for the Financial Proposal**, and that the minimum technical score required to qualify for financial opening is **70%**. Based on the earlier technical scoring, **Firms A, B, and C** met the minimum technical threshold and therefore proceed to financial evaluation. **Firm D**, having scored below 70%, is disqualified at this stage and its Financial Proposal is returned unopened.

To obtain the **combined total score**, the technical and financial scores of each qualifying firm are multiplied by their respective weights and then added together. This is calculated using the following formula:

$$TotS_i = (TS_i \times 0.8) + (FS_i \times 0.2)$$

	Firm A	Firm B	Firm C
Technical Score (TS_i)	71%	77.5%	79.5%
Financial Score FP_i	100%	90%	75%
Combined Score TotS_i	76.8%	80%	78.6%

In this example the recommendation for award of contract will be Firm B whose combined Technical and Financial Proposal is 80%.

While QCBS uses a combined technical–financial weighted scoring system, the other consultant-selection methods apply **different principles** for the use of the Financial Proposal. In these methods, the Financial Proposal is **not scored** proportionally or mathematically, but is used strictly in accordance with the selection procedure prescribed in the RFP.

The procedures are summarised below:

Quality-Based Selection (QBS) Under QBS, only the Technical Proposals are evaluated initially, and the Financial Proposal is opened only for the highest-ranked technically qualified consultant.

Financial Evaluation Procedure:

- Only the top-ranked consultant's Financial Proposal is opened.
- Negotiations are conducted to reach agreement on scope, staffing, and price.
- If negotiations fail, the next highest-ranked firm is invited.
- No financial scoring occurs.
- Price is negotiated—not compared.

Key Feature: Price is negotiated, not competitively scored

Fixed-Budget Selection (FBS) In FBS, the PE sets a maximum budget, and consultants must submit Financial Proposals within that limit.

Financial Evaluation Procedure:

- Financial Proposals are opened only for firms that met the minimum technical score.
- Any proposal exceeding the fixed budget is rejected.
- The contract is awarded to the highest-ranked technical proposal within budget.
- No financial scoring or comparison is done.

Key Feature: Technical ranking determines the winner, but the proposal must be within the stated budget.

Least-Cost Selection (LCS)

LCS selects the consultant with the lowest evaluated cost among technically qualified firms.

Financial Evaluation Procedure:

- Only firms that meet the minimum technical score proceed to financial opening.
- Financial Proposals are checked for arithmetic errors and completeness.
- The lowest evaluated price wins.
- No weighted combination with technical scores is used.

Key Feature: Among technically acceptable proposals, the lowest price wins.

Consultant's Qualifications Selection (CQS)

CQS is used for small or simple assignments.

Financial Evaluation Procedure:

- Only one firm—the best qualified—is invited to submit a combined Technical and Financial Proposal.
- Price is reviewed for reasonableness.
- If acceptable, the contract is awarded; if not, negotiations are held.
- Another firm may be invited if negotiations fail.

Key Feature: Only one Financial Proposal is evaluated, and cost is reviewed, not compared.

Selection of Individual Consultants

Individual consultants submit financial quotations after technical evaluation.

Financial Evaluation Procedure:

- The most technically qualified individual is identified.
- Their price quotation is reviewed for reasonableness.
- If acceptable, award is made; otherwise, negotiate.
- If negotiations fail, move to the next-ranked individual.

Key Feature: Technical merit dominates; price is negotiated, not scored.

Recommendation for Award under QBS and QLCS

In the above example was QBS, the Evaluation Committee would have recommended the opening of Financial Proposal of Firm C only which is USD 600 million and return financial proposal of firms A, B and D unopened.

In the case of QLCS, the Evaluation Committee would have recommended the opening of Financial Proposals of Firms A, B and C and the award of contract would have been recommended to Firm A with the lowest financial proposal of USD 450 mil.

Validity of the Proposal

Proposals must be evaluated within the validity period specified in the Request for Proposals (RFP). The proposal validity period stated in the RFP should be long enough to allow the PE to complete the technical and financial evaluations, obtain all required approvals, and proceed to contract award. When properly planned, the evaluation and approval process should be completed within this period, making extensions unnecessary in most cases.

If, however, an extension of the proposal validity period becomes unavoidable, the PE must request all shortlisted consultants to extend the validity of their proposals for a specified additional period. This request must be issued in writing and well in advance of the expiry date to allow consultants reasonable time to respond.

Consultants agreeing to extend their proposal validity must not be allowed to alter their prices, methodology, staffing, or any other aspect of their proposal. A consultant is free to decline the request, in which case their proposal will no longer be considered once the original validity period expires.

If the consultant recommended for award later fails post-qualification—such as by not meeting eligibility, professional capability, or financial capacity requirements—their proposal must be rejected. Post-qualification must then proceed to the next highest-ranked consultant whose proposal remains valid.

8.3.13 Post-qualification of the Best Ranked Consultant

In accordance with Regulation 77 (Post-Qualification) of the PPDA Regulations, the PE may conduct post-qualification on the consultant with the best evaluated proposal to confirm that they are fully qualified to perform the contract. Post-qualification is intended to verify, validate, and ascertain that all statements made and documents submitted by the recommended consultant are true, accurate, and consistent with the qualification criteria set out in the Request for Proposals (RFP).

The criteria for post-qualification shall be those set out in the RFP. The post-qualification process may involve visiting Consultant's offices and facilities, writing to statutory bodies to verify legality of the firms and writing to Clients who have worked with the Consultant in previous assignment to confirm to verify their competence. The guidance given in **Section %.....** is also applicable in the case of Consultants.

This process may include confirming the consultant's legal capacity, eligibility, technical and managerial capability, financial soundness, experience, availability of key experts, and any other requirements specified in the RFP. If, as a result of post-qualification, the best ranked consultant is found not to meet the required criteria or is discovered to have misrepresented information, their proposal shall be rejected and post-qualification shall be carried out on the next highest-ranked consultant, following the same procedure.

8.3.14 Negotiations

In accordance with Regulation 99 of the PPDA Regulations, the PE may enter into negotiations with the consultant who submitted the best evaluated proposal. Negotiations are conducted only after completion of the technical and financial evaluations and confirmation that the proposal meets all substantive requirements of the RFP.

Negotiations must be conducted by a properly constituted negotiation team, typically comprising not fewer than three members, selected by the Accounting Officer. The team should include personnel with the right mix of skills and expertise, such as technical specialists familiar with the assignment, procurement professionals knowledgeable in contracting procedures, and legal officers capable of interpreting contractual obligations. Representation from the User Department is essential to ensure that the final negotiated contract reflects the practical needs of the end user.

Where appropriate, and to ensure continuity, members of the Evaluation Committee may be appointed to the negotiation team, particularly where their familiarity with the RFP, the successful proposal, and the justification for negotiations would reduce preparation time and strengthen the quality of discussions. The size and composition of the negotiation team should reflect the type, value, complexity, and scope of the consultancy assignment, as well as the specific issues identified for negotiation.

To avoid conflicts of interest and preserve accountability, members of the Procurement Committee must not participate in negotiation activities. Their role is limited to reviewing the negotiation report and approving or rejecting the recommendations made by the negotiation team. Allowing Procurement Committee members to negotiate and then approve their own work would undermine the integrity of the process and contravene the principles of separation of duties and impartial oversight.

At the conclusion of negotiations, the negotiation team must prepare a Negotiation Report containing clear recommendations for the Procurement Committee. These recommendations may include:

- (a) proceeding with contract award to the successful consultant, incorporating all revisions agreed during negotiations;
- (b) revising negotiation objectives and conducting further negotiations on specified areas;
- (c) terminating negotiations where no acceptable agreement has been reached, rejecting the consultant, and inviting negotiations with the next best-ranked responsive consultant; or
- (d) cancelling the procurement process if the RFP was found to be deficient, the requirements have materially changed, or available budget is inadequate.

8.3.15 Notice of Intention to Award

In accordance with the PPDA Regulations , once the Procurement Committee has made the award decision and the Accounting Officer is satisfied that the evaluation and approval processes were undertaken in full compliance with the PPDA Act and its Regulations, the Accounting Officer must issue a Notice of Intention to Award. This notice shall be communicated in writing to all consultants who participated in the procurement process.

The purpose of issuing the Notice of Intention to Award is to provide unsuccessful consultants with an opportunity to exercise their right to administrative review before the award is finalized. The Regulations require the PE to observe a mandatory standstill (cool-off) period of ten (10) calendar days from the date the notice is issued. During this period, any participating consultant may submit a complaint in accordance with the administrative review provisions of the PPDA Act and the PPDA Regulations .

If no complaint is lodged within the 10-day standstill period, the Accounting Officer may then proceed to issue the Notification of Award to the successful consultant. However, if a complaint is received, the PE must ensure that the matter is fully addressed and resolved through the

appropriate administrative review mechanism before issuing the Notification of Award. The contract award process may only proceed once the review is completed and the procurement decision is confirmed to be compliant and free of procedural breach.

8.3.16 Complaints by Bidders

Under the PPDA Act and the PPDA Regulations , any bidder or consultant who wishes to challenge any aspect of the procurement process—including the evaluation, the proposed award, or any decision of the PE—may submit a formal complaint. Complaints must be lodged within the 10-day standstill (cool-off) period following the issuance of the Notice of Intention to Award. Any complaint submitted after this period shall not be considered.

Upon receipt of a valid complaint, the Accounting Officer shall immediately suspend the procurement process, including the issuance of the Notification of Award and contract signing. The complainant must be given a fair and reasonable opportunity to present their case in writing, and the PE must provide an initial written response or explanation.

The PPDA Regulations require that the Accounting Officer investigate and address the complaint within ten (10) working days. If the matter cannot be resolved at the level of the PE, or if the complainant is dissatisfied with the decision of the Accounting Officer, the case shall be referred to the Complaints Review Committee (CRC) for independent review in accordance with the PPDA Act.

The CRC is mandated to:

- review the complaint;
- examine the procurement record and the PE's decision;
- provide a determination on whether the process complied with the Act and Regulations; and
- recommend corrective action where necessary.

The CRC may uphold the decision of the PE, require rectification of defects in the procurement process, or order that the process be restarted if material irregularities are established.

Where investigations or review indicate that the recommended consultant or supplier engaged in fraudulent, corrupt, coercive, collusive, or obstructive practices, the PE must refer the matter to the Public Procurement and Disposal of Assets Authority (PPDAA) for appropriate action, including possible debarment proceedings as required under the PPDA Act and PPDA Regulations .

No contract award may proceed until the complaint has been fully resolved and the CRC, where involved, has issued its decision.

8.3.17 Contract Award and Approval

Once negotiations are concluded and the 10-day standstill period has expired with no outstanding complaints, the PU shall prepare the final contract documents and submit them to the appropriate Approving Authority (Procurement Committee or Accounting Officer), in accordance with the thresholds set out in the Regulations.

Before contract signature, the contract must be vetted by the PE's Legal Unit or State Attorney to ensure consistency with the PPDA Act, the Regulations, the RFP, and the negotiated terms. After legal review, the contract is signed by both parties.

Following contract signature, the PE must publish the contract award on its official website or bulletin, and issue formal communication of the outcome to all participating firms to ensure transparency and fairness.

8.4 Conclusion

The procurement of consultancy services does not end with the selection of the Most Advantageous Proposal. Successful delivery depends equally on proper negotiations, timely approvals, adherence to statutory standstill periods, and effective contract management once the assignment begins. This chapter has therefore provided a complete framework that not only guides Procuring Entities through planning, solicitation, evaluation, and award, but also prepares them for the responsibilities that follow contract signing.

By following the procedures outlined in this chapter, Procuring Entities ensure that consultancy services are procured in a manner that is transparent, competitive, fair, and aligned with the PPDA Act and PPDA Regulations . Equally, they establish a strong foundation for contract oversight—ensuring consultants meet their obligations, deliver outputs as specified in the Terms of Reference, and achieve the intended developmental and institutional results.

As PEs continue to strengthen their systems and professional capacity, consistent application of these procedures—across both procurement and contract management—will contribute significantly to better service delivery, enhanced accountability, and sustained public trust in the procurement framework.

CHAPTER 9: MONITORING AND MANAGEMENT OF CONSULTANCY CONTRACTS

9.1 Introduction

The purpose of contract management is to ensure that the contract delivers the desired outcomes as per the terms and conditions of the contract. It also ensures that the payments made to the consultant match the performance.

Implementation of the contract should be strictly monitored, and notices issued promptly whenever a breach of provisions occurs. Monitoring should ensure that consultant adhere to contract terms, performance expectations are achieved (such as timelines, quality of outcomes, discharge of Consultant contracted obligations, and so on) and any problems are identified and resolved in a timely manner.

Without a sound monitoring process, there can be no assurance that "we get what we pay and contract for, and pay for only for what we get."

9.2 Types of Contracts for Consultancy Services

9.2.1 General

There are different basis for linking payments to the performance of services (called types of contracts) – each having different risks and mitigation measures. Proposals are invited and evaluated based on the type of contract. The choice of the type of contract should be based on Value for Money (VfM) with due regard to the nature of assignment.

Adoption of an inappropriate type of contract could lead to a situation of lack of competition, contractual disputes and nonperformance/ failure of the contract. Each type of contract is described briefly in subsequent paras and criteria are suggested for their adoption along with risks and mitigation measures. Mostly used types of contracts are: Lump-sum (Firm Fixed Price) contract; Time based contracts; Percentage Fee contract; Retainer-ship cum Success fee based contract; and Indefinite delivery contract.

9.2.2 Lump-sum (Firm Fixed Price) Contract

Lump Sum Contracts are used mainly for assignments in which both the content and the duration of the services, and the required outputs of the Consultants, are clearly defined. Their main characteristics are:

- (a)** widely used for simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, preparation of data processing systems, etc.
- (b)** Payments are linked to defined outputs (deliverables), such as reports, drawings, bills of quantities, bid documents, and software programs; and
- (c)** simple to administer because payments are due on attainment of clearly specified outputs.

The Lump-sum (firm fixed price) contract is the preferred form of contract and under normal circumstances a PE shall use this form of contract. Lump-sum consultancy contracts are easy to administer because there is fixed price for a fixed scope and payments are linked to clearly specified outputs/milestones/ deliverables such as reports, documents, drawings, bills of quantities, software programs and so on.

Risks associated with the use of this type of contract and mitigation measures are shown in **Table 9.1**

Table 9.1: Risks associated with the use of Lumpsum Contract

Risk	Mitigation
Quality and scope not linked to payment, leading to reduced effort, corner-cutting, and disputes over interpretation.	Use lump-sum contracts only where scope, quality standards, and timelines are clearly defined. Include provisions for evaluating deliverables and issue a certificate of acceptance before payment.
Risk of time over-run due to consultants minimizing resource deployment since time is not tied to payment.	Monitor monthly progress to ensure outputs align with planned timelines and estimated effort, even though payments are deliverable-based.

9.2.3 Time-Based Contract

Time Based Contract is widely used for complex studies, supervision of construction, technical advisory services, and training assignments. It may also be appropriate when:

- (a) It is difficult to define the full scope of services, or the input of the Consultants required to attain the objectives of the assignment;
- (b) The length of services can be precisely defined and deliverables are only incidental to the main purpose of the assignment;
- (c) The services are related to activities by others for which the completion period may vary.

They are appropriate when Lump-sum contract is not feasible due to difficulties in defining the scope and the length of services, either because the inputs required for attaining the objectives of the assignment is difficult to assess or because the services are tied up to activities by others for which the completion period may vary.

Payments for this type of contract are based on remuneration agreed on hourly, daily, weekly or monthly basis, and reimbursable costs for items used to execute the assignment using actual expenses and/or agreed unit prices;.

This type of contract must include a maximum amount of total payments (the contract ceiling) to be made to the Consultants. The contract ceiling usually includes a contingency allowance for unforeseen work and duration, and provision for price adjustments, where appropriate. Time-based contracts need to be closely monitored and administered by a PE to ensure that the assignment is progressing satisfactorily, and payments claimed by the Consultants are appropriate

Time Based Contracts have inherent risks risks which are shown in **Table 9.2** together with their mitigation measures.

Table 9.2: Risks associated with the use of Time- Based Contract

Risk	Mitigation
Quality of outputs not directly linked to payment, creating a risk of reduced quality, incomplete scope, or disputes over deliverables.	Define deliverable requirements clearly and link payments to certified acceptance of outputs. Include quality evaluation provisions in the contract.

Inefficient or unproductive use of billed staff time, since payment is based on time spent rather than outputs.	Closely monitor contract performance to ensure deployed staff and claimed time align with actual progress and productivity. Require monthly reports showing time billed versus work achieved.
Time and cost over-runs, as payments increase with extended time.	Enforce strict supervision, validate time inputs, and ensure timely progress reviews so that the assignment stays within the planned duration and budget.

9.2.4 Percentage Fee Contract

Percentage Fee contracts directly relate the fees paid to the consultant to the estimated or actual project cost, or the cost of the goods procured or inspected. The final selection is made among the technically qualified consultants who have quoted the lowest percentage while the notional value of assets is fixed

These contracts are commonly used for architectural services but may be also used in similar circumstances such as for procurement and inspection agents. They directly relate the fees paid to the Consultant to the estimated or actual project construction cost, or the cost of the goods procured or inspected.

In the case of architectural or engineering services, percentage contracts lack any incentive for economic design or performance. The use of a percentage contract format for architectural services is only recommended if based on a fixed target cost and covers precisely defined services.

The risks associated with the use of this type of contract are shown in **Table 9.3**

Table 9.3: Risks associated with the use of Percentage Fee Contract

Risk	Mitigation
Quality and scope not linked to payment, creating a risk of reduced effort, poor-quality outputs, or disputes over deliverables.	Include clear provisions for evaluating the quality, scope, and timing of deliverables. Issue a certificate of acceptance before any payment is made.
Time over-run due to minimal deployment of resources since time is not tied to payment.	Monitor monthly progress to ensure outputs align with planned timelines and estimated effort.
Bias against economical design under percentage-based architectural/engineering contracts, as payment increases with higher project cost.	Use percentage contracts only where there is a fixed target cost and clearly defined services to avoid incentives for inflated design costs.

9.2.5 Retainer and Success Fee Contract

In Retainer and Success fee contracts, the remuneration of the consultant includes a retainer (time based, monthly payment) and a success fee (Percentage based payment). The latter being normally expressed as a percentage of the estimated or actual Project cost. Thus, this type of contract is a combination of Time Based and Percentage Contracts.

All risks as applicable to both Percentage Contracts and Time Based contracts are encountered in this case. Same mitigation strategies as in both Percentage and Time Based contracts may be adopted in this case

Due to risks and mitigations as discussed, Retainer and Contingency fee contracts are widely used when consultants (banks or financial firms) are preparing companies for sales or mergers of firms, notably in privatization operations. It can also be used for assignments related to organisational restructuring/change.

9.2.6 Indefinite Delivery Contract

These contracts, are used when PE need to have “on call” specialized services, the extent and timing of which cannot be defined in advance. This is akin to the system of ‘Rate Contracts’ or framework contracts in the Procurement of Goods

There is no commitment from PE for the quantum of work that may be assigned to the consultant. a PE and the consultant agree on the unit rates to be paid and payments are made on the basis of the time for actually used to execute the services.

PEs can use this type of Contract to retain experienced experts in various fields of its operation and call them for advice when a need arises

These are commonly used to retain “advisers” or avail services “on-call” - for example; expert adjudicators for dispute resolution panels, institutional reforms, procurement advice, technical troubleshooting, Document Management, Tax Services, Temporary Manpower Deployment and so forth – normally over a period of a year or more. The risks associated with this type of contract are shown in **Table 9.4**

Table 9.4: Risks associated with the use of Indefinite Delivery Contract

Risk	Mitigation
Over-utilization due to weaker scrutiny of actual need.	Subject service needs to regular assessment to detect abnormal usage. Closely monitor contract implementation, set a maximum contract value, and require Contract Manager approval before exceeding it.
Quality and scope not linked to payment, creating risk of reduced quality or incomplete outputs.	Include clear provisions for evaluating deliverables and issue acceptance certificates before payment.
Unproductive or inefficient use of resources, since performance in each period is not directly tied to payment.	Monitor progress closely to ensure time billed aligns with actual work delivered. Require monthly reports showing payouts vs. work achieved.
Time and cost over-run, as assignments may extend beyond planned duration and cost.	Include an upper ceiling on total payments. When the ceiling or contract period is reached, require justification and formal review before extending the contract.

9.3 Key Issues to be Addressed in Management of Consultancy Services

Effective management of consultancy contracts requires a structured, proactive, and well-coordinated approach by PE. Unlike goods or works contracts where outputs are physically measurable, consultancy assignments rely heavily on qualitative deliverables, expert performance, and adherence to agreed timelines and scope. This makes contract administration a continuous process of engagement, verification, and quality assurance.

Table 9.5 outlines the key issues that must be systematically managed throughout the life of a consultancy contract—ranging from contract execution and scope control to monitoring time, cost, and post-contract performance. Addressing these issues diligently ensures that the consultant remains aligned with the assignment objectives, contractual obligations are met, risks

are mitigated, and the Procuring Entity obtains value for money. Ultimately, the success of a consultancy assignment depends on consistent oversight, timely decision-making, and the PE's readiness to enforce contractual safeguards, including variations, dispute resolution measures, and remedies for non-performance.

Table 9.5 Issues to be Addressed in the Management of Consultancy Contract

Issue	Coverage
Contract Execution:	<ul style="list-style-type: none"> (a) Issuing the notice to proceed; (b) Meetings and Reviews (c) Amendments/ variations to the contract; (d) Obligations Control: Monitoring that key experts and contracted resources are actually employed. (e) Safeguards for handing over Procuring Entity materials/equipment to contractors; (f) Resolving problems faced by consultants/ service providers; (g) Dispute resolution and arbitration; (h) Breach of contract, remedies, and termination of services prior to the end of the contract; (i) Contract closure upon completion;
Scope Control:	<ul style="list-style-type: none"> (a) Deciding on possible modifications to scope of work and issuing contract variations; (b) Monitor that all deliverables are delivered as per contract - reports including draft final report and the final report. (c) Quality assurance: Review quality of outcomes at inception phase, mid-term and final phase.
Time Control	Monitoring progress and delays in timelines/ milestones of assignment;
Cost Control:	<ul style="list-style-type: none"> (a) Billing, payment and monitoring the expenditure vis-à-vis progress; (b) Release of final payment and guarantees (if any) and closing the contract;.
Post contract evaluation	Post Contract evaluation of the performance of the Consultant is important to establish how the consultant performed but also key take aways by a PE in designing and managing future consultancy assignment.

Due to lack of physically/ tangibly measurable outcomes in consultancy contracts, intense and continuous monitoring of the contract by a PE is essential for the success of the assignment. Suitable provision for this should be made in the contracts which should also take care of the need to terminate/ penalize the Consultant or to suspend payments till satisfactory progress has not been achieved.

9.4 Appointment of Contract Manager

A Contract Manager as provided in Regulation shall be appointed to monitor the performance of the consultant. The user department is required to recommend to the Chief Executive a member of the user department or any other person with appropriate level of expertise and

experience, depending on the value and complexity of the contract to be appointed to be part of the team, contract manager, project manager, or consultant.

The obligations of a contract manager are stipulated in **Regulation**, and with respect to consultancy services he is mandated to monitor the performance of the consultant against the terms of reference stated in the contract, submitting to user department daily, weekly or monthly performance report.

A PE through the Contract Manager, shall monitor the performance of the consultant against the terms of reference outlined in the contract, through daily, weekly, or monthly reports from the managing officer of a PE responsible for the services. If the consultant's performance:

- (a) satisfactory, a PE shall authorise payments by measurement and certification, at the intervals or stages stated in the contract provided further that percentage of each such payment may be retained as retention money, if so stated in the contract; or
- (b) does not meet the contract terms, a PE shall identify any deficiencies to the consultant and may withhold further payments until those deficiencies are rectified.

The contract manager may be external to the PE, where the required skills and experience are not available within PE.

9.5 Monitoring Contract Execution

9.5.1 General

a PE must ensure that there is sufficient time spent planning the implementation of the contract. Some of the internal arrangements that a PE may need to make include:

- (a) assign specific and detailed contract management tasks to the individuals or the team responsible for contract implementation. The tasks assigned would need to be precise and realistic (considering the specific experience, expertise and workload of each individual);
- (b) ensure that counterpart staff are made available, in timely manner, in accordance with the contract;
- (c) ensure that facilities to be provided by a PE are made available, in a timely manner, in accordance with the contract;
- (d) establish sufficient internal procedures (hierarchy, communication, levels of authority, flow of documents, reporting, verification and acceptance procedures, payment procedures, internal audit etc.);
- (e) monitor and evaluate contract implementation risks and ensure effective management and mitigation measures are taken, including assigning responsibility for their enforcement;
- (f) coordinate arrangements with third parties (other agencies, end users, beneficiaries etc.), especially when the Consulting Services are contracted on behalf of end users (e.g. training).

9.5.2 Issuing Notice to Proceed and Kick-off Meeting.

A notice to proceed is required to initiate consultancy services. It is normally issued as soon as possible after the contract has been signed. After the issuance of the notice to proceed, the contract normally commences upon the confirmation of the availability of the consultant team's members required under the description of services.

Kick-Off Meeting

A kick-off meeting with the consultant is critical at the start of the consulting assignment. The Contract Manager and other staff involved in supervision of the consulting assignment would need to be present. It is also good practice to involve end users of the assignment, if any, at this stage. The kick-off meeting may at least cover the following:

- (a) introducing the parties, their roles and responsibilities;
- (b) establishing the communication and reporting procedures;
- (c) review of contract documents to ensure everyone understands the key provisions, the priority and inter-correlation of contract documents; conditions of contract; Terms of Reference; payment schedules and covenants; implementation milestones (deliverables, reports etc.);
- (d) review the consultant's quality plan, if required;
- (e) review applicable legislation and any obligations deriving in connection to the execution of the contract in the client's country (e.g. applicable tax regime, reporting obligations, if any, to other agencies etc.);
- (f) define escalation procedures to resolve critical situations or bottlenecks (delays in performance or in obtaining permits and approvals, abuses of power from the Borrower's Coordinator, non performance of consultants etc.);
- (g) establish clear reporting procedures (level, frequency, templates, minimum information etc.);
- (h) for supervision of Works contracts, ensure that the consultant has a clear understanding of its responsibilities to manage ESHS risks, ESHS reporting requirements and implementation of the ESHS Code of Conduct;
- (i) ensure that all parties involved in the contract implementation share the same understanding of their obligations, roles and responsibilities derived from the contract, as well as each other's expectations of the timeframe and any particular constraints in the implementation.

Notice to Proceed

Before issuing notice to proceed, a PE and the consultant should check that all pre-requisites for the contract execution are in place:

- (a) Supervising/monitoring arrangements (including Contract Manager) are in place;
- (b) a PE's counterpart staff are nominated and are available;
- (c) Facilities to be provided by a PE as per the contract are ready for use by the consultant
- (d) All parties involved in the assignment (users, security team and other relevant departments) are informed;

- (e) All JV members and key experts needed at the beginning of the assignment are effectively participating in the assignment as required by the Contract;
- (f) Guarantees and advance payments, if any, are implemented;
- (g) Data and background information are made available; and
- (h) All authorizations (if needed) are provided.

9.5.3 Review of Inception Phase:

For more complex consultancies, the work is divided into phases, of which one of the most critical is the inception phase. The inception phase covers the submission and review of the work plan with a PE, and the initiation of the field work.

It is common for an inception report to be prepared to cover the consultant's experience and observations during this period, and often a workshop or seminar is held to discuss it. This may also be a milestone for payment.

Resulting from the factual study of ground situation by the consultants, following issues will need resolution at end of the inception phase:

- (a) Overall, Scope of Work;
- (b) Work Plan and Staffing Schedule;
- (c) Specific Terms of Reference;
- (d) Access to Professional and Logistic Support;
- (e) Working Arrangements and Liaison

9.5.4 Reporting and Monitoring of Progress

Monitoring of progress:

The timing, nature, and number of reports that the consultant should provide are normally contained in the consultancy services contract. If the assignment is of a routine nature over a long period (for example, implementation supervision), then monthly, quarterly, and annual progress reports may be required.

On the other hand, if the assignment is to prepare a study or to implement a particular task, a more specific type of reporting may be required. This could entail, besides the inception report mentioned above, interim or midterm reports, design reports, reports at the end of each phase of the work, a draft final report, and a final report. These may be provided in a number of media and formats but normally will entail hard and soft copy versions.

The production or acceptance of various reports is often used as a milestone for payments. The Contract Manager should review the reports as they are produced, to provide feedback, and to monitor the implementation progress of the assignment. Shortcomings in the quality of the work produced or deviations from the implementation schedule should be brought to the immediate attention of the Consultant, so that they can be addressed at the earliest opportunity.

Monitoring Physical Outputs/ Outcomes:

In consultancy services, progress of deliverables/ outcomes/ outputs need to be monitored. There should be a stipulation in the contract for large value works (magnitude to be specified), for the Consultant to submit project specific monthly progress report of the work in a computerized form.

Time-based Contract	As indicated earlier, the performance of a time-based contract may depend on the progress in other contracts (for example, the progress of a construction supervision contract depends on the progress of a construction contract). In such situations, the mobilisation and demobilisation of resources/ key experts and time employed by them should be monitored carefully as it is possible that the contract period and the total amount under the contract are spent fully, and construction work being supervised is not even half complete. These situations could lead to claims and disputes.
Lump-sum Contract	As Lump-sum contract is based on output and deliverables, it important that the quality of draft reports is checked carefully before release of stage payment as subsequent dispute after completion of the task could lead to disputes. In this form of contract, if there are extra additional services, there should be timely amendment to the contract to reflect these increases and to regulate payment.

9.5.5 Issuing Contract Amendments/ Variations

The formal method of making and documenting a change in the consultancy services contract is through a contract variation. There are few Consultancy services contracts of any type that do not require a contract variation at one time or another. Contract variations are issued when there are agreed-upon changes in the scope of work, personnel inputs, costs, timing of the submission of reports, or out-of-pocket expenditures. Normally, these relate to changes that have a cost implication, but when there is a significant change in the timing of an activity or a particular output, these should also be recorded through a contract variation.

9.6 Obligations Control

9.6.1 Deployment of Resources - Substitution of Named Key Personnel

One common type of variation involves a substitution of key personnel identified by name in the contract. Sometimes a change of personnel is unavoidable because of resignation, illness, accident, inadequate performance, or personality conflict. The contract must specifically make provision for terms and conditions under which the staff can be replaced, about the remuneration to be paid etc. When personnel are to be replaced, certain factors need to be considered:

- (a) Any replacement should be as well qualified or better qualified than the person being replaced;
- (b) The remuneration should not be more than that was agreed upon for the person being replaced;
- (c) The consultant should bear all costs arising out of or incidental to the replacement (such as airfares for the substitute expert).
- (d) Substitution of key personnel during execution of consultancy contract: a) Quality in consultancy contracts is largely dependent upon deployment and performance of key personnel, during execution of the contract. b) The following conditions should be incorporated in bid documents for procurement of consultancy services:

Substitution of key personnel can be allowed in compelling or unavoidable situations only and the substitute shall be of equivalent or higher credentials.

9.6.2 Unsatisfactory Performance by Personnel:

Poor performance may involve one or more particular staff from the consultant's team, or the whole team or non-participation by the main qualifying JV member. Based on the provisions of the contract, a PE will advise the consultant to take the necessary measures to address the situation. Poor performance should not be tolerated; therefore, the consultant should be directed to act quickly to comply with a reasonable request to improve the performance of the team or to replace any particular staff member who is not performing adequately. If the consultant fails to take adequate corrective actions, a PE may take up the issue with the top management of the consultant and issue notice to rectify the situation and finally consider terminating the contract.

9.6.3 Changes in Constitution/ Financial Stakes:

The Consultant must proactively keep a PE informed of any changes in its constitution/ financial stakes/ responsibilities during the execution of the contract, since that may vitiate the legal basis of the contract.

Where the consultant is a partnership firm, a new partner shall not be introduced in the firm except with the previous consent in writing of a PE, which shall be granted only upon execution of a written undertaking by the new partner to perform the contract and accept all liabilities incurred by the firm under the contract before the date of such undertaking.

9.6.4 Obligation to Maintain Eligibility and Qualification:

The contract is awarded to the consultant based on specific eligibility and qualification criteria. The consultant is contractually bound to maintain such eligibility and qualifications during the execution of the contract. Any change which would vitiate the basis on which the contract was awarded to the contractor should be pro-actively brought to the notice of a PE, normally within 7 days of it coming to the consultant's knowledge. These changes include but are not restricted to change regarding any declarations in this regard made by it in its proposal.

A typical case would be a situation where the Consultant's registration with relevant professional body is terminated for any reason whatsoever

9.6.4 Avoiding Conflict of interest:

Neither the consultant nor its sub-consultants nor the personnel shall engage, either directly or indirectly, during the term of the contract, any business or professional activities that would conflict with the activities assigned to them under this contract and after the termination of the contract, such other activities as may be stipulated in the contract.

9.6.5 No Assignment/ Sub-contracting:

The consultant shall not, save with the previous consent in writing of a PE, sublet, transfer, or assign the contract or any part thereof or interest therein or benefit or advantage thereof in any manner whatsoever. He shall notify a PE in writing all subcontracts awarded under the contract if not already stipulated in the contract, in its original proposal or later. Such notification shall not relieve the consultant from any of its liability or obligation under the terms and conditions of the contract. Subcontracts must comply with and should not circumvent consultant's compliance with its obligations. If the Contractor sublets or assigns the contract or any part thereof without such permission, a PE shall be entitled, and it shall be lawful on his part, to treat it as a breach of contract and avail any or all remedies thereunder.

9.6.6 Performance Security:

The consultant must maintain the Performance Security of the required amount in specified format during the currency of the Contract. In the event of any amendment issued to the contract, the contractor shall furnish suitably amended value and validity of the Performance Security in terms of the amended contract within the period provided in the contract, usually twenty eight days of issue of the amendment.

If the consultant fails to maintain the requisite Performance Security, it shall be lawful for a PE at its discretion at its discretion to either terminate the Contract for breach of contract and avail any or all contractual remedies, or without terminating the Contract, recover from the contractor the amount of such security deposit by deducting the amount from the pending payments of the consultant under the contract.

9.6.7 Controlling Scope of Supply and Quantity

Scope of Services

The consultant must perform/ delivery Services of the description, scope/ quantum, performance standards and quality outlined in the contract during the contract period. The Services shall conform to performance and quality standards as stipulated in the contract or as per the best standards in the market, where not so specified.

The consultant shall perform the Services and its obligations with all due diligence, efficiency, and economy, observing sound management practices, and employ appropriate advanced technology and safe methods as per the performance standards and quality control parameters stipulated in the contract.

Deployment of Resources and Penalty for Absence

Consultant must deploy the contracted resources, maintaining adequate records of attendance and audit trails. The consultant shall be liable for all kinds of dues payable in respect of all personnel provided under the contract and a PE shall not be liable for any dues for availing the services of the personnel. In the case of absence (apart from allowed leaves) of a resource during project period, no payment will be made for the days a resource is absent.

Quality Control

a PE shall check the quality of the services and shall inspect the consultant's performance according to the Contract. a PE shall promptly notify the consultant of any identified areas of non-performance, requesting the correction of the notified non-performance within a reasonable time.

9.7 Time Control

A PE should monitor implementation against the agreed schedule of work. The following time control checks should be made:

- (a) check compliance with the contract milestone dates (submission of deliverables, reports etc.);
- (b) consider actions to speed up progress and ensure compliance with contractual time for completion of the assignment.

Delays

Consultancy services may be delayed for a variety of reasons, including sometimes delays in discharge of its obligations by a PE. In case of delays attributable to the consultant. a PE may without prejudice to his other rights:

- (a) recover from the contractor liquidated damages;
- (b) treat the delay as a breach of contract.

The consultant should notify a PE and explain the causes of such delays. If corrective action requires extra work and the delay cannot be attributed to the consultant, the extra work should be reimbursed in accordance with the contract.

Extension of Contract Period

If at any time during the contract, the consultant encounters conditions hindering timely execution of services, he shall promptly inform the Contract Manager in writing stating the likely duration and make a request for extension of the schedule accordingly.

On receiving the consultant's communication, a PE shall examine the proposal and, on approval from the Bid Board, may agree to extend the execution schedule, with or without liquidated damages.

Extension of the contract period amounts to amendment of the contract. Such an extension can be only done with the consent of both parties (that is, the PE and the Consultant).

Liquidated Damages

PPR 2024-Reg. 318 mandates a PE to impose liquidated damages for undelivered goods or raw materials, unprovided services, or delayed work. In the case of Consultancy services the liquidated damages to be imposed is 0.10% to 0.20% of the contract value per day of delay, up to a total equivalent to the amount of the performance guarantee. Imposition of liquidated damages must be stipulated in the contract.

9.8 Billing and Payments

Payment is made to the consultant based on a schedule agreed on in contract, often based on certain milestones or outputs. The consultant is required to submit an invoice to a PE detailing the expenditures for personnel and out of pocket items. The Contract Manager will then review the documentation and forwards it to paying authority for ultimate payment.

In normal practice, if any item needs further scrutiny before the Contract Manager can approve payment of undisputed items. The payment of any disputed items will be withheld until the circumstances are clarified.

The terms and conditions of such payments are set out in the contract wherein the amount of advance payment is specified, as are the timing of the payment and the amount of advance payment security to be provided by the Consultancy firm. The advance payment is set off by a PE in equal instalments against monthly billing statements until it has been fully set off. Once an advance has been provided, requests for any additional advance or release of advance payment security are not considered until the consultant liquidates the previous advance. In some contracts there may be provision for mobilization fee to be paid.

Approving payments

Lump sum contracts are paid on the basis of acceptance of deliverables, with no actual verification of the inputs used by the consultants. Conversely, payments under time-based contracts are made after due verification of all supporting documents (reports, timesheets, invoices, receipts etc.). The following aspects are important in the process of verification of payment applications:

- (a) establish internal control mechanisms for the verification and approval of payment applications, such as internal audits, double checking etc.;

- (b) verify professional rates, actual time spent (for remuneration and per diems), unit prices and quantities (for reimbursable expenditures);
- (c) verify supporting documents in time-based contracts (timesheets, reports, invoices, receipts etc.);
- (d) ensure that the appropriate recovery of the advance payment has been deducted from the payment (in time-based contracts);
- (e) check that the requested amounts have not been already paid;
- (f) verify invoices;
- (g) check if the payment request fits the payment schedule/milestones in the contract.

9.9 Disputes and Conflicts

Disputes between the consultant and the client may arise for a number of reasons as outlined below:

- (a) technical and administrative matters such as interpretation of contract, payment for services or substitution of key experts – all of which should be dealt with promptly and amicably between the contracting parties in terms of contract provisions.
- (b) delays prompted by weaknesses on the part of the consultant or a PE; by a lack of funds; by delays in getting key approvals, data, or information; or by causes beyond anyone's control such as natural disasters.
- (c) deviations from the scope of work or work plan by the consultant or out-of-course requests for deviations by a PE.

All reasonable efforts should be made to avoid disputes in the first place; both parties should attempt to deal with problems as they arise on a mutually constructive basis. If this is not possible, GCC sets clear procedures for dealing with disputes. This entails provision of a notification of dispute by one party to the other and provision for a mutual resolution at higher levels of authority within the consultant and a PE. Finally, if the dispute cannot be amicably settled between the consultant and a PE, then provision is made for arbitration under the Arbitration Clause. The award decided by arbitration tribunal is binding.

9.10 Force Majeure

A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an Act of God (like a natural calamity) or events such as war, strike, riots, crimes (but not including negligence or wrong-doing, predictable/seasonal rain and any other events specifically excluded in the clause).

The firm has to give notice of FM as soon as it occurs. There may be a FM situation affecting a PE only. In such a situation, a PE is to communicate with the Consultant along similar lines as above for further necessary action.

Notwithstanding the punitive provisions contained in the contract for delay or breach of contract, the Consultant would not be liable for imposition of any such sanction so long as the delay and/or failure of the Consultant in fulfilling its obligations under the contract is the result of an event covered in the FM clause.

9.11 Terminating Services Prior to End of Contract

At times, a decision is taken to terminate a contract prior to its conclusion and the completion of the Consultancy assignment. This may be for various reasons, for example:

- (a) Termination due to External factors: External factors (like natural disasters) which are beyond the control of the consultant or a PE;
- (b) Termination for convenience: a PE may also terminate a contract for convenience for reasons like shortage of budget;
- (c) Termination due to breach of contract: Failure/inability of one party or the other.

In some cases, termination is the optimal choice; in others, it is detrimental to the overall intent of the assignment. This implies a missed opportunity and a waste of the funds already expended on the assignment. For these reasons, termination should be avoided if possible, even if this means a considerable restaffing of the Consultancy team.

Termination may be initiated by any party. Termination must be undertaken within the terms of the contract document. These provide for a notice period of 30 (Thirty) days, the payment by a PE of any legitimate outstanding fees and costs to the consultant and the payment of legitimate costs to wind-up the Consultancy (unless the termination was occasioned by the default of the consultant). The Contract Manager would indicate which of the final billings by the firm are eligible for payment and which are not. In case of dispute over what is or is not a legitimate expense, eligible for payment, the dispute mechanism is invoked and, if it is not possible to resolve the matter amicably, the issue is submitted for arbitration. The contract will remain valid until the arbitration decision is made.

9.12 Concluding the Assignment

The contract is normally considered closed on the day after the completion date listed in the contract. Any expenditure incurred after the completion date are unlikely to be paid. It is therefore, important, under all types of assignments, for the consultant to request an extension of the completion date if it appears that additional items will need to be billed after the completion date. The consultant should submit the final claim promptly after completing the assignment as provided in the contract.

The Contract Manager shall close out a procurement contract after completion of contract implementation. The contract closure shall involve the following:

- (a) ensure that the services have been completed and accepted;
- (b) ensure that all of the rights, including copyrights, and other intellectual and industrial property rights that were secured during the implementation of the contract are devolved to the ownership of a PE;
- (c) Ensure return to a PE of its assets that were made available to the consultant in the context of execution of the contract and check that these have not suffered damages;
- (d) ensure that all of the documentation like maps, blueprints, diagrams, specifications, plans, statistical data, calculations, operation and maintenance manuals and any other relevant document during the implementation of the contract have been submitted to a PE;
- (e) ensure completion certificate or acceptance certificate for goods supplied (if any) is issued;
- (f) ensuring that a performance report of the Consultant is prepared;

- (g) ensuring that all issues arising during the contract execution have been addressed and no outstanding claims remain;
- (h) ensure that all payments have been effected and the performance guarantee has been returned to the Consultant; and
- (i) ensuring that a final project and financial report is prepared

9.13 Performance Evaluation of Consultants

PEs are required to conduct evaluations and maintain records of the performance of consultants for services funded by the Government or any public organization. The Contract Manager shall ensure that performance evaluation is done,

Postmortem Meeting

A post-mortem or project review is one of the most valuable steps of the project closure process. This is a time to review the successes, failures, and challenges of the project and identify opportunities for improvement going forward. As part of post-mortem, team members will need to consider the following questions:

- (a) What went well?
- (b) What were the challenges or failures?
- (c) How well did the team communicate?
- (d) Did the team follow the outlined processes and plan?
- (e) Was the a PE satisfied with the results?
- (f) What would you change or improve for future projects?

To avoid repetition, it should be noted that post-mortem meetings are equally important for contracts involving goods, works, and non-consultancy services, and the same principles outlined here apply to those contracts as well.

With the project performance and feedback in mind, you can then identify lessons learned and opportunities for the future. Keep in mind that the goal of a post-mortem is not to assign blame for any mistakes. Instead, it is a learning opportunity for everyone to improve on future projects. Document your project review with the performance measurement, feedback, and improvement plan.

9.14 Conclusion

Effective monitoring and management of consultancy contracts is critical to ensuring that Procuring Entities obtain the expected outputs, maintain control over scope, quality, time, and cost, and ultimately achieve value for money. Because consultancy services often lack tangible deliverables that can be physically measured, the chapter emphasizes the need for continuous oversight, clear reporting arrangements, timely review of deliverables, and proactive resolution of performance issues. The choice of contract type—whether lump-sum, time-based, percentage fee, retainer, or indefinite delivery—must be aligned with the nature of the assignment, with each type carrying specific risks that must be mitigated through robust contract provisions and diligent supervision.

The Contract Manager plays a central role in coordinating implementation, monitoring obligations, controlling variations, verifying payments, managing delays or disputes, and ensuring compliance with contractual requirements, including staffing, performance securities, and quality standards. Proper contract closure, performance evaluation, and post-mortem review enable the PE to document lessons learned and strengthen future procurement processes. Ultimately, effective contract management safeguards public resources while ensuring that consultancy assignments contribute meaningfully to institutional objectives.

CHAPTER 10: MANAGING RISKS IN THE PROCUREMENT OF CONSULTANCY SERVICES

10.1 Introduction

Effective procurement of consultancy services is essential for ensuring that public institutions obtain high-quality technical expertise that supports sound decision-making, programme implementation, and strategic reforms. However, consultancy assignments also present a unique set of risks due to their complexity, high value, specialised inputs, and reliance on professional judgment. Without a structured approach to identifying and managing these risks, Procuring Entities (PEs) may face delays, poor-quality outputs, financial losses, or non-compliance with the PPDA Act 2018 and Regulations 2024.

This chapter introduces the principles, objectives, and practical tools for managing risks throughout the consultancy procurement cycle. It highlights the importance of early risk identification, clear allocation of responsibilities, continuous monitoring, and adherence to regulatory requirements. Through a combination of risk summaries, detailed matrices, and role assignments, the chapter provides a comprehensive framework that PEs can apply to safeguard the integrity of consultancy engagements.

Ultimately, the purpose of this chapter is to strengthen institutional capacity by promoting transparency, predictability, accountability, and value for money. By systematically managing risks, PEs enhance not only procurement outcomes but also the credibility of the public procurement system as a whole.

10.2 Objectives of Risk Management

Risk management in the procurement of consultancy services aims to ensure that the process is predictable, transparent, compliant, and capable of delivering quality outcomes. Consultancy assignments often involve high-value inputs, technical expertise, and strategic decision-making; therefore, managing risks effectively is essential for achieving institutional and project objectives.

The key objectives of implementing risk management in consultancy procurement are to:

Objective	Explanation
Strengthen efficiency, transparency, and compliance throughout the procurement process	Risk management helps Procuring Entities (PEs) to streamline procedures, eliminate bottlenecks, and ensure that all actions adhere to the Public Procurement and Disposal of Assets Act (PPA) 2018 and Public Procurement Regulations (PPR) 2024. Efficient risk identification and mitigation reduce procedural delays, enhance documentation quality, and support fair, open, and accountable procurement processes
Reduce the likelihood of mis-procurement, audit observations, and reputational harm	Many consultancy procurement risks—such as inadequate TORs, weak evaluation processes, or non-transparent negotiations—can lead to mis-procurement, complaints, sanctions, or negative audit findings. Effective risk management ensures early detection of irregularities, strengthens internal oversight mechanisms, and protects the PE from reputational and institutional damage.
Safeguard the achievement of project results and protect public resources	Consultancy services directly influence project design, implementation, monitoring, technical decisions, and capacity-building outcomes. Poorly managed procurement risks can jeopardize project performance, delay implementation, or result in

	poor-quality deliverables. By proactively identifying and managing risks, the PE protects public funds, ensures alignment to project objectives, and promotes successful project completion.
Ensure value for money (VfM) in the selection and engagement of consultants	Risk management helps ensure that the PE engages consultants who are qualified, competitively selected, and capable of delivering quality results within agreed timelines and budgets. Effective mitigation measures—such as clear TORs, objective evaluation criteria, diligent contract management, and performance monitoring—contribute to achieving optimal value for money and maintaining accountability for public expenditure.

10.3 Summary of Key Risks in Procurement of Consultancy Services

The procurement of consultancy services follows defined procedural steps, each of which may present distinct risks. These risks must be identified and managed proactively to ensure successful procurement outcomes.

Table 10.1 highlights the main categories of risks at various stages of the consultancy procurement cycle. A more detailed analysis—including causes, effects, mitigation strategies, and responsible officers—is provided in Table 10.3 (Risk Matrix).

Table 10.1: Potential Risks in the Procurement of Consultancy Services

Procurement Stage	Key Risks
Needs Identification & Planning	Weak or incomplete TORs; inaccurate cost estimates
Selection Method	Application of an inappropriate or unjustified method
Shortlisting	Inclusion of unqualified firms; biased selection processes
RFP Preparation	Unclear instructions; inconsistencies in documents
Proposal Evaluation	Use of unauthorized criteria; breach of confidentiality
Negotiation	Negotiating beyond the permissible legal scope
Contract Award & Signing	Delays in award issuance; incomplete contract documentation
Contract Management	Weak supervision; undocumented variations or changes
Performance Review	Absence of systematic consultant performance evaluation
Payment & Contract Closure	Delayed payments; failure to complete contract closure procedures

10.4 Roles and Responsibilities in Managing the Risks

Effective risk management requires all stakeholders to understand and undertake their responsibilities while strictly adhering to ethical and procedural requirements. Table 11.2 outlines key responsibilities and prohibited actions for actors involved in consultancy procurement.

Table 10.2: Responsibilities of Key Actors in Consultancy Procurement

Stakeholder	Key Responsibilities	Prohibited Actions
PU	Use PPDA standard documents; apply updated templates; ensure compliance with PPA 2023 and PPR 2024.	Using outdated, unapproved, or altered RFP templates.
UDs	Conduct needs assessments; collaborate with PU to develop TORs; monitor contract execution and verify deliverables.	Initiating or approving payments without confirming receipt and quality of deliverables.
Evaluation Committee	Evaluate proposals strictly based on RFP criteria; maintain confidentiality; sign complete and accurate evaluation reports.	Using informal or unapproved criteria; disclosing proposal information to unauthorized persons.
Negotiation Teams	Conduct negotiations within the limits of the law; document all negotiation proceedings.	Acting outside the scope of Regulation 232 of PPR 2024.
Accounting Officer & Legal Unit	Review and approve contract documents promptly; ensure legal and regulatory compliance.	Delaying approvals or bypassing mandatory legal and procedural review

10.5 Risk Monitoring and Review

The PE must continuously monitor all identified risks and assess whether the mitigation measures put in place are effective. Procurement audits, post-procurement reviews, and consultant performance evaluations should inform improvements to future procurement processes. Lessons learned must be documented and integrated into planning, TOR development, evaluation procedures, and contract management practices to strengthen internal controls and enhance procurement outcomes.

10.6 Conclusion

The procurement of consultancy services involves multiple decision points that carry strategic, financial, and operational risks. A structured risk management framework is therefore essential to protect the interests of the Procuring Entity (PE) and to ensure that consultancy assignments deliver the expected results.

This chapter has outlined the key risks that may arise at different stages of the consultancy procurement cycle and has provided guidance on how these risks can be identified, assessed, and mitigated. By applying these measures, PEs can strengthen compliance with the PPDA Act 2018 and Regulations 2024, improve the quality of procurement processes, and achieve greater value for public funds.

Sustained improvement requires continuous monitoring, periodic evaluations, and institutional learning. As PEs document lessons learned and refine their procedures, the integrity and effectiveness of consultancy engagements will be reinforced, contributing to better project outcomes and stronger public confidence in the procurement system.

Table 10.3: Detailed Risk Matrix for Procurement of Consultancy Services

Procurement Stage	Risk	Cause	Likely Consequence	Mitigation Measures	Responsible Person(s)
Needs Identification and Planning	Artificial or exaggerated need	Collusion or lack of internal controls	Mis-procurement, Waste of public funds	Maintain clear records, Involve stakeholders including finance and procurement officers	UD Head, Planning Officer
	Delays in assessment of needs	Poor planning or lack of capacity	Project delays, Missed budgets	Establish timelines; Assign accountability for approvals	Head of UD
	Inadequate Terms of Reference (TOR)	Lack of stakeholder consultation; Insufficient technical input	Engagement of unqualified consultants, Poor quality consultancy outputs	Involve relevant technical departments to draft TOR; Peer review of TOR Validate tors before advertisement	UD, PU Technical Staff
	Underestimation of consultancy budget	Inaccurate cost estimates or Lack of market research	Funding shortfall; Stalled procurement	Benchmark similar assignments; Consult framework rates if available	UD, PU
Selection Method and Planning	Inappropriate selection method	Selection method not suitable for assignment Misinterpretation of the nature and complexity of the assignment	Engagement of unsuitable consultants; Poor value for money Non-compliance; Inefficiency;	Provide training on selection methods; Use guidance provided in the Regulations	PU UD
Expression of Interest (EOI)	Weak Expression of Interest (EOI) Advertisements	Poorly drafted or vague EOI notice	Failure to attract competent firms; Limited competition	Use standard templates; Ensure wide and timely publication	PU
	Conflict of Interest (COI) undeclared	Lack of awareness, deliberate concealment	Unfair competition, Corruption	Mandatory COI declaration forms at EOI and proposal stage	PU, Evaluation Team
	Unjustified Shortlisting Criteria	Arbitrary or unclear criteria in EOI evaluation	Complaints from bidders; Loss of credibility; Litigation	Apply approved riteria	Evaluation Committee; PU
	Non-transparent shortlisting	Bias, Conflict of interest, Inadequate criteria	Disputes, appeals, Loss of credibility	Standardize shortlisting criteria; Ensure diverse Evaluation Committee	PU, Evaluation Committee
	Shortlisting unqualified firms	Lack of due diligence	Unresponsive proposals or re-bidding	Check references, experience and capacity during shortlisting	PU, Evaluation Committee
	Exclusion of capable ones in shortlist	Inadequate market research	Reduced competition; potential disputes	Establish clear shortlisting criteria; Conduct thorough market analysis	PU, Evaluation Committee
	Qualification leasing	Firms using others' credentials without real participation	Poor delivery, reputational damage	Record contributions from each partner in the JV	PU, Evaluation Committee
	Delayed Approval of Shortlist	Inefficient internal review processes	Delays in procurement process; Failure to meet project timelines	Set timelines; Use tracking tools like nest; Escalate where needed	Accounting Officer; PU

Procurement Stage	Risk	Cause	Likely Consequence	Mitigation Measures	Responsible Person(s)
Preparation and Issuance of RFP	Ambiguous or incomplete RFP documents	Inadequate understanding of project requirements; Copy-paste errors, Lack of review	Misinterpretation by consultants; substandard proposals	Utilize standardized RFP templates; Involve technical experts in preparation; Conduct quality control checks	PU; UD
	Non-transparent Request for Proposal (RFP) Process	Inadequate documentation or Unclear instructions	Bidders confused; Poor quality proposals; Disputes	Use standard RFP templates; Provide pre-proposal clarifications	PU; UD
Submission of Proposals	Short or poorly publicized submission procedures	Failure to follow statutory deadlines	Low participation, complaints	Allow time as provided in the Regulations Publish widely via nest	PU
Evaluation of Proposals	Use of unapproved evaluation criteria	Evaluators deviating from RFP	Evaluation invalidated; complaints	Stick to criteria in RFP; Brief Evaluation Committee	PU, Evaluation Committee
	Qualification leasing	Firms using others' credentials without real participation	Poor delivery, reputational damage	Record contributions from each partner in the JV	PU, Evaluation Committee
	Key experts not from main qualified JV firm	Misrepresentation	Lower quality output	RFP to require key staff from main qualifying firm	PU, Evaluation Committee
	Unsigned cvs submitted	Consultant manipulation or oversight	Uncommitted personnel, Quality risk	Exclude unsigned CVs from evaluation	PU, Evaluation Committee
	Evaluation subjectivity	Poorly defined criteria	Bias, Unfair results	Clear marking scheme and scoring moderation	PU, Evaluation Committee
	Inadequate proposal evaluation	Evaluation criteria not aligned with tor; Scoring inconsistencies	Wrong consultant selected; Poor value for money	Use standard evaluation criteria and ensure evaluation committee training	Evaluation Committee; PU
	Breach of confidentiality	Discussing proposals externally	Audit queries; Possible annulment	Sign confidentiality forms; Restrict access	PU, Evaluation Committee
	Poor documentation of evaluation process	Neglect or inadequate training	Audit issues; Disputes	Prepare full Evaluation Report; All members to sign	PU, Evaluation Committee
Negotiations	Overstepping permissible negotiation scope	Lack of awareness the provision of the Regulations	Mis-procurement risk; Audit flags	Train team; document allowable topics	PU, Negotiation Team
	Substitution of key staff during negotiations	Staff unavailability, poor planning	Quality dilution, Non-compliance	Reject unless justified; must meet qualifications	PU, Contract Negotiator
	Undocumented negotiations	Lack of proper record of the negotiation's documents including negotiation minutes	Audit queries; Contract disputes	Record all negotiation minutes; Follow Provisions of the Regulations	PU; Legal Officer; UD
Selection Method & Contract Type	Inappropriate selection of method	Misjudgment of complexity	Poor value for money, Litigation	Align selection method with assignment needs	PU, AO TB
	Use of Single Source Selection without justification	Avoidance of competition	Overpricing, favoritism	Require full justification and prior approval	PU, AO TB
Contract Award and Approval	Delays in approval or contract signing	Bureaucratic processes	Consultant backs out;	Streamline approval timelines;	PU, Legal Unit AO

Procurement Stage	Risk	Cause	Likely Consequence	Mitigation Measures	Responsible Person(s)
Contract Implementation and Monitoring		Unclear roles and responsibilities	Delayed project	Engage Legal Unit early Assign clear responsibility for contract finalization and approvals	
	Lack of contract supervision	No focal point appointed	Poor service delivery	Appoint and assign contract supervisor for each contract	UD, MU
	Poor contract management	No monitoring tools; unclear deliverables	Delays, disputes, poor quality output	Use contract management plan and periodic performance reviews	UD PU; Contract Supervisor
	Substitution of key experts during implementation	Staff attrition or poaching	Reduced quality, integrity concerns	Allow only under exceptional cases like medical incapacity	Contract Manager, UD PU
	Cost/time overruns in Time-Based contracts	Poor contract management	Budget blowouts, inefficiency	Cap payment ceilings, review justification for extension	Contract Manager, AO
	Dilatory use of staff in Time-Based contracts	Lack of deliverable linkage to payment	Wastage, project delays	Monitor deliverables monthly against time input	PU, Contract manager
	Over-utilization of Indefinite Delivery Contracts	Lack of procurement Inadequate controls and oversight planning No cap on call-off assignments or budget usage	Escalation of costs and budget overruns; Audit queries	Set ceiling values or usage thresholds per contract Require justification and approval for each call-off	PU, UD AO TB
	Inflated prices in Single Source Selection (SSS) contracts	Absence of competitive pricing	Poor VFM	Use market rate benchmarking, allow negotiation	PU, Evaluation Committee
	Scope creep or variations	Weak change control systems	Cost/time overruns	Set variation approval thresholds; Require AO clearance	PU, Accounting Officer
Consultant Performance Evaluation	Lack of Performance Evaluation	No structured feedback on consultant	Repeat of poor service in future contracts	Maintain consultant performance records	UD
	No structured performance review	Lack of tools or focus	Rehire of underperforming consultants	Use standard evaluation forms; Document feedback	PU, UD
Payment and Closure	Delayed payments	Poor coordination with Accounts Unit	Loss of consultant trust; penalties	Define payment timelines; Monitor with checklist	Accounts Unit, PU, UD
	Failure to close contract properly	Missing deliverables or documentation	Audit issues; incomplete procurement file	Verify final reports and clear deliverables before closing	UD, PU

PART 4:

MONITORING OF PROCUREMENT AND RECORDS KEEPING

CHAPTER 11: MONITORING OF PROCUREMENT AND RECORDS KEEPING

11.1 Introduction

Effective monitoring of procurement and robust records management are fundamental pillars of a sound public procurement system. The PPDA Act and PPDA Regulations place strong emphasis on transparency, accountability, integrity, and value for money—principles which can only be upheld when Procuring Entities maintain clear oversight of procurement processes and preserve accurate, verifiable records.

Monitoring serves as an essential mechanism for ensuring that procurement governance structures operate as intended. It enables Procuring Entities, PPDAA, internal auditors, and other oversight institutions to assess compliance, detect weaknesses, prevent irregularities, and continuously improve the performance of the procurement system. Without systematic monitoring, inefficiencies and integrity risks remain hidden, undermining public trust and exposing the institution to serious administrative or legal consequences.

Equally important is the establishment of a comprehensive and disciplined system for records keeping. Procurement records form the evidentiary backbone of every transaction, documenting what was procured, how it was procured, from whom, and under what conditions. Well-maintained records enhance institutional memory, support decision-making, strengthen audits and investigations, and serve as a safeguard against fraud, corruption, and misuse of public resources.

This chapter provides detailed guidance on the mandates of Procuring Entities and PPDAA in procurement oversight, the audit process, internal monitoring responsibilities, and the critical importance of maintaining complete procurement and contract files. It further clarifies the roles of key actors—Accounting Officers, Heads of Procurement Units, User Departments—and outlines how a robust records retention and disposal system must be developed and implemented.

Ultimately, this chapter aims to reinforce a culture of accountability, transparency, and professionalism within Procuring Entities by ensuring that procurement processes are properly monitored and that records are meticulously created, maintained, safeguarded, and archived.

11.2 Monitoring Of Procurement

11.2.1 Mandate of a Procuring Entity to Comply with the PPDA Act

All Procuring Entities (PEs) as defined in the Public Procurement and Disposal of Assets Act, 2018 (PPDA Act) are required to conduct public procurement and disposal of assets strictly in accordance with the Act and the PPDA Regulations .

Under the PPDA Act, the Accounting Officer (AO) has overall responsibility for the execution of public procurement and disposal processes in the Procuring Entity, including: establishing the Procurement Committee; ensuring the Procurement Unit is properly staffed; managing the procurement budget and plan; appointing Evaluation Committees; and ensuring contracts are implemented in accordance with the terms of award.

It is therefore the responsibility of the AO, and any person involved with procurement activities of a PE, to ensure compliance with the Act, the Regulations and any directives issued by the Public Procurement and Disposal of Assets Authority (PPDAA). Failure to comply exposes the PE and responsible officials to administrative, disciplinary or other sanctions as provided under the PPDA Act and the Regulations.

11.2.2 Mandate of PPDA in Ensuring Compliance with the PPDA Act

The PPDA Act establishes PPDA as the national regulatory body for public procurement and disposal of assets. Among its core objectives are:

- To ensure the application of fair, competitive, transparent, non-discriminatory and value-for-money procurement and disposal standards and practices; and
- To monitor compliance of Procuring Entities with the PPDA Act and the PPDA Regulations .

The specific functions of PPDA directly related to monitoring of procurement include:

PPDA's Mandate to Ensure Compliance with the PPDA Act

- Monitoring and reporting on the performance of the public procurement and disposal system in the Republic of South Sudan and advising on desirable reforms and improvements;
- Conducting periodic inspections and audits of procurement records and proceedings of Procuring Entities to ensure full and correct application of the PPDA Act and the Regulations;
- Monitoring the **award and implementation of public contracts**, to ensure that:
 - Contracts are awarded impartially and on merit;
 - The circumstances in which each contract is awarded, varied or terminated do not involve impropriety or irregularity; and
 - The implementation of each such contract conforms to the terms and conditions of the contract;
- Instituting, as necessary:
 - **Procurement audits** during bid preparation;
 - **Contract audits** during execution;
 - **Performance/value-for-money audits** after completion of the contract.

PPDA Regulations further elaborate the Authority's monitoring and audit powers and set out the procedures for undertaking compliance and value-for-money audits.

The purpose of this Chapter is to assist a PE to prepare for and respond to the audits and monitoring activities carried out by PPDA.

11.2.3 Objectives of PPDA's Procurement Compliance Audits

The **primary objective** of PPDA's procurement compliance audits is to:

- Provide PPDA with independent information, assurance and opinion about **economy, efficiency and effectiveness** in the use of public funds;
- Ensure that all eligible suppliers, contractors and service providers are given **equal opportunity** to compete; and
- Ensure **integrity, accountability, fairness and transparency** in the procurement and disposal process.

The secondary objective is to identify weaknesses and non-compliance with the PPDA Act and the PPDA Regulations and to recommend corrective measures, including capacity-building interventions or system improvements within PEs.

11.2.4 The Procurement Compliance Audit Process

Procurement and supplies audits are a central accountability mechanism through which PPDAA ensures that PEs conduct procurement and disposal activities in full compliance with the PPDA Act, the PPDA Regulations , and established best practices. These audits are not merely fault-finding exercises; rather, they are designed to promote transparency, strengthen institutional performance, enhance value for money, and support continuous improvement across the public procurement system.

To achieve these objectives, PPDAA follows a structured, predictable, and regulation-based audit process that allows PEs to understand what is expected of them, respond appropriately, and take corrective measures where needed. Similarly, PEs play an important role in facilitating the audit by maintaining complete procurement records and cooperating fully with the audit team.

The following subsections outline (a) the audit process followed by PPDAA and (b) the preparations expected of a PE to ensure an efficient, comprehensive, and credible procurement audit.

The Process

The approach to be followed by PPDAA in carrying out procurement and supplies audits is prescribed in the PPDA Regulations . In practice, it encompasses the following:

PPDAA's Audit Process

1. **Notification of Audit:** Before embarking on the audit, PPDAA notifies the PE of:
 - The intention to conduct an audit;
 - The objectives of the audit; and
 - The compliance and performance indicators to be used.
2. **Provision of Documents by the PE:** The PE must make available **all documents** requested for the audit in a timely manner.
3. **Entry (Kick-Off) and Exit (Wrap-Up) Meetings:** There are usually two formal meetings with the PE's Management Team:
 - A **kick-off meeting**, to brief management on the scope, methodology and timelines of the audit; and
 - A **wrap-up meeting**, to present key preliminary findings and obtain management comments before the report is finalised.
4. **Submission of Draft Audit Findings:** On completion of field-work, PPDAA submits to the PE a set of **draft audit findings** for comments and clarifications.
5. **PE's Response:** The PE is required to respond to PPDAA's audit findings within **21 days** of receiving the draft audit report, providing explanations and proposed corrective actions.
6. **Final Report and Board Consideration**

- The final audit report is submitted to the relevant Committee of the PPDAA Board for consideration and approval.
- The approved report, together with recommendations, is then communicated to the PE and other relevant oversight bodies, as appropriate.

To facilitate the audit process, a PE should:

- Provide a **dedicated office space** for the auditors and for safe keeping of documents during the audit; and
- Designate at least **one liaison officer** to work with the auditors and ensure all requested documents are produced promptly.

PE's Preparation for the Procurement Audit

A PE is required to make available comprehensive information to PPDAA to facilitate the audit process. Experience shows that many PEs begin compiling information only after receiving the audit notification, which often leads to delays and gaps.

Good practice requires a PE to **keep the procurement audit in mind** while carrying out its day-to-day procurement activities and to continuously maintain up-to-date records and information.

Information Commonly Required by PPDAA for Audits

- A list of all actual procurement (classified into goods, works, consultancy services and non-consultancy services) and their respective values;
- The approved Procurement Plan;
- All bid/procurement files for the period under review;
- The PE's detailed budget;
- All bid evaluation reports;
- Minutes of all bid-related meetings (e.g., bid opening, evaluation, negotiations, Procurement Committee meetings);
- External and internal audit reports, special reviews and investigation reports;
- Signed contract documents and any amendments;
- Bid notices and advertisements;
- Delivery certificates/notes and final payment certificates;
- Inspection reports;
- Notifications of bid awards;
- The bidders' register;
- Status reports on all awarded contracts (e.g., ongoing, completed, terminated, under dispute);
- Minutes of all negotiation meetings;
- The PE organization chart;
- A list of rejected/cancelled bids and reasons;
- General procurement correspondence files;
- Stock verification reports;
- A complaints log;
- Summary of payments made, classified by supplier and by bid; and
- Originals/copies of bid securities, performance securities, warranties, etc.

11.2.5 Procurement Audit Tool

The Compliance Assessment Tool has been developed to provide PEs with a clear, structured, and standardized mechanism for measuring adherence to PPDA Act and its Regulations. By offering an objective and comprehensive assessment framework, the tool helps identify strengths, highlight performance gaps, and guide targeted interventions to improve procurement governance, efficiency, and accountability across the public sector.

The framework is organized around nine critical components that collectively reflect the essential pillars of a well-functioning procurement system. Each component carries a weighted score, contributing to a consolidated compliance rating of 100%. Through this systematic approach, PEs can better monitor their performance, strengthen institutional capacity, and ensure full alignment with the national public procurement legal framework.

- a) **Institutional Setup and Performance** – Establishment and functionality of Procurement Committees, Procurement Units, budget allocations, and internal audit arrangements.
- b) **Knowledge of the PPDA and Regulations** – Training and awareness of Tender Committees, Procurement Units, and Internal Audit staff.
- c) **Compliance with Mandates and Independence of Organs** – Separation of duties and independence of key actors.
- d) **Annual Procurement Plan (APP) Development and Implementation** – Preparation, approval, and execution of APPs using PPDA templates.
- e) **Tender Process Appropriateness** – Integrity of initiation, documentation, advertisement, evaluation, and award processes.
- f) **Contract Management and Implementation** – Vetting, monitoring, time management, quality control, and cost control.
- g) **Records Management** – Completeness, organization, and secure storage of records.
- h) **Implementation of PPDA Systems (e-GP/PMIS)** – Submission of required reports and use of digital tools.
- i) **Handling of Complaints and Emergency Procurements** – Compliance with statutory provisions for managing complaints and emergencies.

Each component is assigned a weighted score, contributing to an overall compliance score of 100%.

The Audit tool is included at the end of this Chapter

Sample Compliance Scoring Framework

Table 11.1 illustrates how the Procurement Audit Tool will present compliance results. The Compliance Scoring Framework provides a structured method for assessing the performance of procuring entities across eight key components, including institutional setup, knowledge of PPDA regulations, planning, tender processes, contract management, records keeping, use of PPDA systems, and handling of complaints. Each component is weighted to give a total compliance score of 100 percent.

To ensure consistency in interpretation, PPDA will apply a standardized rating scale: scores of 85–100 percent are rated Excellent, 70–84 percent Good, 50–69 percent Moderate, and below

50 percent Poor. For illustration, Entity C achieved 86 percent (Excellent), Entity A scored 76 percent (Good), and Entity B scored 54 percent (Moderate). This framework will guide future audits in identifying strengths, gaps, and corrective actions required to enhance compliance across the procurement system.

Table 11.1: Illustration of the Scoring Using the Procurement Audit Tool

Component	Maximum Score (%)	Entity A Score (%)	Entity B Score (%)	Entity C Score (%)
1. Institutional Setup and Performance	10	9	6	8
2. Knowledge of PPDA & Regulations	10	8	5	9
3. Compliance with Mandates & Independence	10	9	6	8
4. Annual Procurement Plan (APP)	15	12	9	14
5. Tender Process Appropriateness	25	20	13	22
6. Contract Management & Implementation	20	15	11	17
7. Records Management	5	4	3	5
8. Implementation of PPDA Systems (e-GP/PMIS)	5	4	2	5
Subtotal (Positive Compliance Areas)	100	81	55	88
9. Complaints & Emergency Procurement (Penalty)	<i>Deduction up to -10</i>	-2	-3	-1
Total Compliance Score	100	79	52	87

How this works:

- **Entity A** scored 81/100 but lost -2 points for mishandling complaints → **Final = 79%.**
- **Entity B** scored 55/100 but lost -3 points for emergency procurement issues → **Final = 52%.**
- **Entity C** scored 88/100 but lost -1 point → **Final = 87%.**

11.2.6 Investigation of Procurement Activities

As the regulator, PPDAA is mandated under the PPDA Act to **investigate** any aspect of public procurement or disposal of public assets where there are indications of:

- Non-compliance with the Act or Regulations;
- Fraud, corruption, collusion or other integrity breaches; or
- Systemic weaknesses affecting value for money and fairness.

PPDAA may initiate investigations:

- **On its own initiative**, based on audit findings, complaints, media reports, red-flag analysis or other intelligence; or
- Pursuant to requests from budget-approving authorities, oversight institutions or other competent bodies.

In carrying out investigations:

- PPDAA may request **information and documents** from any member of a PE or any other person it considers able to assist;
- The PPDA Act and Regulations oblige such persons and institutions to **cooperate and provide information** within specified timeframes;
- Obstruction of investigations or failure to provide required information may constitute an **offence** under the Act or related legislation.

PPDA Regulations further emphasise the need for PPDAA to coordinate and cooperate with other law enforcement organs, such as:

- The **Auditor General** (National Audit Chamber);
- Relevant anti-corruption agencies;
- Professional and regulatory bodies.

After an investigation, PPDAA submits a **written report** of its findings and recommendations to the competent authorities. Possible recommendations may include:

Possible Disciplinary or Corrective Recommendations by PPDAA

- Disciplining of the Accounting Officer, chairperson or members of the Procurement Committee, the Head of the Procurement Unit, members of Evaluation Committees or any other officer involved in the procurement process;
- Replacement of the Head of the Procurement Unit or members of key procurement organs, where their continued presence poses a risk to integrity and compliance;
- Termination of ongoing procurement proceedings or contracts, where continuation would be illegal or severely prejudicial to the public interest;
- Rectification of specific contraventions by taking necessary remedial measures;
- Suspension of specific officers from participating in procurement-related activities for a defined period; and
- Debarment or recommendation for debarment of providers, in accordance with the PPDA Act and PPDA Regulations .

Competent authorities are expected to respond within specified timelines (e.g., 14 days) indicating actions taken and to submit periodic implementation status reports to PPDAA.

11.2.7 Internal Monitoring of Procurement by a PE

Monitoring of procurement is **not only an external regulatory function**; it is also an internal responsibility of each PE.

Under the PPDA Act:

- The **Accounting Officer** is responsible for ensuring that procurement and disposal processes in the PE comply with the Act and Regulations;
- The PE must have internal control arrangements, including **internal audit functions**, to regularly review procurement activities and provide assurance on compliance and value for money.

11.2.8 Monitoring of Procurement by the Auditor General

In addition to internal monitoring and PPDAA oversight, procurement activities are also subject to scrutiny by the **Auditor General** through annual statutory audits and special audits.

The Auditor General's role in monitoring procurement includes:

- Reviewing the PE's compliance with the PPDA Act and the PPDA Regulations , as part of the financial and performance audits;
- Examining PPDAA's **Annual Performance Reports**, which contain procurement audit findings and recommendations relating to PEs;
- Verifying whether PEs maintain adequate **records of procurement proceedings and contracts** in accordance with the **PPDA Act**, which requires PEs to maintain, for at least seven years, a comprehensive record of each procurement process, including the subject of procurement, list of bidders, reasons for the chosen method, evaluation and award decisions, complaints, standstill and contract details.

These provisions reinforce the central role of **records and reporting** in enabling effective external oversight of public procurement.

11.3 Procurement Records Keeping

11.3.1 The Need for Records Keeping

"Records" are any information created, received and maintained in the course of business, regardless of form or medium, that provide **evidence** of decisions and actions taken.

In procurement, records document:

- What was procured;
- How it was procured;
- From whom it was procured;
- At what price and under what conditions; and
- How the contract was managed and closed.

According to **ISO 15489-1**, "Records Management" is the field responsible for the efficient and systematic control of the creation, receipt, maintenance, use and disposition of records, including

processes for capturing and maintaining evidence of and information about business activities and transactions.

The purpose of **procurement records management** is to:

- Enhance **accountability, transparency and efficiency** in the execution and support of a PE's procurement activities;
- Protect the PE's **operational, legal and financial interests**; and
- Preserve and manage the PE's **knowledge and institutional memory**.

11.3.2 Importance of Records

A PE's ability to function effectively and account for its actions is undermined if sound records management principles are not applied.

Procurement records:

- Serve as **evidence** of purchases of goods, works and services;
- Support **sound decision-making**, planning and budget execution; and
- Enable the PE to demonstrate that procurement has complied with the law and internal policies.

Poorly managed records mean:

- The organization lacks ready access to authoritative information to support delivery of programmes and services;
- Meaningful audits and investigations cannot be properly conducted; and
- Suspected irregularities or fraud cannot easily be proven.

Effect of the Absence of Proper Procurement Records

- There can be no rule of law and no accountability if decisions cannot be evidenced.
- Officials are forced to take decisions on an ad hoc basis without the benefit of institutional memory.
- Fraud and corruption cannot be effectively investigated or proven; meaningful audits cannot be carried out.
- Procurement actions are not open to review, undermining transparency.
- The effectiveness of development projects suffers, as there is no reliable way to verify that funds were used as intended.
- Lack of proper records management is directly linked to the persistence of corruption and fraud; well-managed record systems are central to anti-corruption strategies because they provide verifiable evidence and can lead investigators to the root of wrongdoing.

11.3.3 Procurement Records Management

The overall goal of procurement records management is to make the procurement process more transparent, ensure accountability, and reduce wastage of public resources. The PPDA Act and the PPDA Regulations require PEs to manage procurement records properly and effectively.

However, many PEs face major weaknesses in records management, such as:

Indicators of Failure to Manage Procurement Records Effectively

- Non-maintenance of accurate, comprehensive and complete files for each procurement;
- Non-compliance with regulatory and legal requirements for records management;
- Huge backlogs of un-filed procurement documents;
- Absence of records-keeping policy and procedures;
- No specific officer or office assigned procurement records-keeping responsibilities;
- Officials storing procurement records in personal folders, desks or private storage;
- Lack of coordination among units dealing with records (registry, stores, accounts, procurement);
- Disorganised storage and inadequate accommodation for closed records;
- Mixing active and closed files, making retrieval difficult;
- Absence of an official file classification scheme or failure to use and update it;
- Inadequate accommodation and security safeguards for records;
- Lack of senior management support for records management;
- Fragmentation of procurement records, where documents relating to the same procurement are scattered across different offices (accounts, registry, stores, user departments, etc.);
- Existence of different versions of the same information and absence of a definitive or authentic version;
- Unauthorized access, alteration or destruction of records;
- Inability to locate and retrieve needed documents;
- Weak or non-existent records control systems;
- High incidence of lost or missing files leading to multiple temporary files;
- Inadequate file-movement control procedures;
- Unqualified or insufficient staff in charge of records;
- Huge backlogs of closed and unorganised files; and
- Inappropriate, dilapidated and inadequate filing equipment.

A well-structured record-keeping system is a **key component** of effective and efficient service delivery and a foundation for accountable and transparent administration. It is therefore essential to have:

- Clear **procedures and control systems** to ensure complete, accurate and comprehensive records are created and maintained;
- Reliable systems to ensure records can be **easily located and retrieved**;
- Arrangements ensuring records are not destroyed while still needed; and
- Clear assignment of **responsibility** for records management.

11.3.4 Procurement Records to be Kept

Section 54 of the PPDA Act requires a Procuring Entity to maintain, for seven (7) years, a comprehensive record of each procurement and disposal process, using standardised forms and documents issued by PPDA. The record must include, among others: the subject matter, list of bidders, reasons for the procurement method, evaluation summaries, standstill, complaints and appeal decisions, and the signed contract with key terms.

PPDA Regulations (e.g., Regulations 11 and 14) further emphasise that PEs must keep procurement records to ensure transparency and fairness, and specify the types of records to be maintained and how they may be disclosed.

For effective management, a PE is required to open and maintain at least two sets of files for each procurement requirement:

1. A **Procurement File** – opened at the start of the procurement and used for processing the requirement up to contract award; and
2. A **Contract File** – opened once the contract is signed and used to record contract implementation and closure.

Information to be contained in the procurement and contract files is provided in **Table 11.2** below, based on PPDA guidance.

Table 11.2: Details of Records to be Included in the Procurement and Contract File

A. Records to be Maintained in the Procurement File

1. Copy of the Annual Procurement Plan;
2. Minutes of Management Meeting approving the Procurement Plan;
3. Requisition or request to initiate the procurement process;
4. Approval of the procurement method;
5. Minutes of Procurement Committee/Technical Board meeting approving:
 - o Bid advertisement,
 - o Bidding documents (including specifications, TORs, statements of requirements);
6. Copies of advertisements/invitations for bids/quotations (including where non-open methods were used);
7. Bidding Documents/Request for Proposals (RFP) issued to bidders, where applicable;
8. Clarifications received from and issued to bidders;
9. Minutes of pre-bid meeting(s), if any;
10. Amendments/addenda to bidding documents/RFPs, including notices of extension of bid submission deadlines;
11. Minutes of bid opening;
12. Copies (or register) of bids submitted;
13. Letter/decision appointing the Evaluation Committee;

14. Evaluation Report with all necessary attachments, particularly all correspondence with bidders regarding correction of arithmetic errors and their acceptance;
15. Deficiencies noted by the Procurement Unit when reviewing the evaluation report and related correspondence with the Evaluation Committee;
16. Any Declaration of Interest by members of the Evaluation or Procurement Committee before adjudicating on a particular bid;
17. Deficiencies noted by the Procurement Committee while adjudicating on the bid and its directives to the Procurement Unit;
18. Minutes of the Procurement Committee meeting approving the recommendations for award;
19. Letter of appointment of the negotiation team, if any;
20. Approval of the Negotiation Plan;
21. Letter inviting the selected bidder to negotiations (Letter of Intent to Negotiate);
22. Minutes of negotiations;
23. Approval of contract-award recommendation;
24. Letter of Intent to Award (Best Evaluated Bidder Notice/notice of intention to award);
25. Record/report on any complaints received from bidders and how they were handled;
26. Letter of award/Letter of Acceptance;
27. Letters of Notification to unsuccessful bidders.

B. Records to be Maintained in the Contract File

28. Final Contract documents;
29. Approval of contract documents;
30. Approvals of contract amendments (if any);
31. Copies of performance securities/guarantees, where applicable;
32. Copy of the signed contract;
33. Copy of any advance payment guarantee, where applicable;
34. Records of site hand-over (for works or applicable services);
35. Notice(s) to commence works/services, where applicable;
36. Instructions or formal communications (including site instructions, variations, letters, emails that form part of the contract record);
37. Approvals of variation orders/contract amendments;
38. Variation orders/change orders;
39. Progress reports (technical and financial), where applicable;
40. Letter of appointment of Inspection and Acceptance Committees for goods, where applicable;
41. Inspection and Acceptance Committee reports;

42. Certificates/Delivery Reports/Goods Receiving Notes;
43. Payment Certificates (for buildings and civil works), accompanied by test results and measurement sheets where applicable;
44. Letters of Credit, invoices, payment vouchers and any supporting payment documentation (especially for goods);
45. Claims submitted by the supplier, contractor, consultant or service provider;
46. Claim valuation reports;
47. Records of disputes and how they were handled – including settlement agreements, mediation or arbitration records;
48. Snag lists (lists of defects to be corrected during the defects-liability period), where applicable;
49. Final inspection and hand-over report;
50. Final account and contract closure report.

11.3.5 Accountability for Procurement Records Management

Many users rely on procurement records, including the Procurement Unit, User Departments, Finance Unit, Internal and External Auditors, PPDAA and other authorized oversight bodies. However, **accountability** for procurement records is clearly defined as follows:

1. Accounting Officer

- Under the PPDA Act, the AO has overall responsibility for procurement and disposal processes in the PE and is required to ensure that the PE complies with the Act, the Regulations and any directives of PPDAA.
- This includes ensuring that requirements relating to keeping procurement and contract records under Section 54 of the PPDA Act and the PPDA Regulations (e.g., Regulation 14) are fully complied with.

2. Head of Procurement Unit (PU)

- The Head of the Procurement Unit is responsible for the overall management and safekeeping of procurement records.
- Section 30 of the PPDA Act requires the Procurement Unit to, *inter alia*, maintain and archive records of public procurement and disposal processes in the PE, using standard forms and systems prescribed by PPDAA.

3. User Departments

- User Departments are responsible, among others, for managing contract implementation records related to their specific projects, including technical reports, acceptance certificates and performance documentation.
- Section 32(1)(f)–(g) of the PPDA Act requires user departments to maintain and archive relevant information and provide support to procurement functions, which includes maintaining proper records of contract performance within the User Department.

In summary, while multiple actors use procurement records, the AO, Head of Procurement Unit and User Departments have primary accountability for ensuring that procurement and contract records are properly created, maintained, safeguarded and made available to authorised users.

11.3.6 Records Retention and Disposal Scheduling

Effective records management requires controlling records throughout their **life** cycle, including creation, use, maintenance, review, appraisal, preservation and disposal.

To avoid uncontrolled accumulation of records and to free up valuable office space while still preserving essential documentation, each PE should develop and implement a Records Retention and Disposal Schedule.

A records retention and disposal schedule is a policy document that:

- Prescribes the retention periods for specified categories of records; and
- Indicates the applicable disposal action (e.g., destruction, transfer to archives, or permanent preservation).

Objectives of a Records Retention and Disposal Schedule

- To facilitate identification, selection and retention of records needed for the conduct of business and for accountability;
- To minimise requirements for filing equipment and storage space by transferring inactive records to departmental records rooms or national archives and destroying records that are no longer needed;
- To ensure that records of no further fiscal, legal or administrative value are destroyed in a controlled and authorised manner.

A records retention and disposal schedule should be as comprehensive as possible and cover all records of a PE, including:

- Procurement and contract files;
- Financial and payment records related to procurement;
- Asset disposal records; and
- Electronic records (emails, e-procurement system records, databases) relating to procurement and contract management.

11.4 Conclusion

Monitoring and record keeping are not peripheral administrative tasks—they are central to the credibility and effectiveness of the public procurement system. As demonstrated in this chapter, proper oversight and accurate documentation ensure compliance with the PPDA Act and PPDA Regulations, promote transparency, safeguard public funds, and strengthen institutional integrity.

PPDA's audits, investigations, and performance reviews rely heavily on the availability of complete and authentic procurement records. Internal monitoring by the Accounting Officer, Procurement Unit, User Departments, and the Internal Audit function similarly depends on well-organized, accessible information that reflects every stage of the procurement cycle. When records are incomplete or poorly maintained, audits become ineffective, accountability is weakened, corruption risks increase, and decision-making is impaired.

By maintaining standardized procurement and contract files, adhering to retention and disposal schedules, and ensuring collaboration among all responsible units, Procuring Entities create an

environment in which procurement processes are transparent, verifiable, and defensible. Strong monitoring practices further ensure that any deviations, irregularities, or weaknesses are detected early and addressed before they compromise the integrity of the procurement system.

PROCUREMENT AUDIT TOOL

1. Preamble

The Public Procurement and Disposal of Assets Authority (PPDAA) of the Republic of South Sudan is established under Chapter II, Section 6 of the Public Procurement and Disposal of Assets Act. In line with its statutory mandate, the Authority is entrusted with the responsibility to regulate, monitor, and enforce compliance in all matters relating to public procurement and disposal of assets across government institutions.

Public procurement constitutes a critical mechanism for the delivery of public services, the promotion of economic growth, and the advancement of good governance. To safeguard integrity and efficiency in the use of public resources, procurement processes must adhere to the principles of fairness, competitiveness, transparency, accountability, and non-discrimination as outlined in Section 7 of the Act. The Authority is further mandated to harmonize procurement systems, build institutional and human resource capacity, and ensure that procurement opportunities empower special groups, including business women, youth, and persons with disabilities.

In executing these objectives, Section 8 of the Act empowers the Authority to formulate standards and policies, issue guidelines, maintain supplier registers, undertake procurement research, and conduct inspections and reviews of procuring entities. Equally, under Section 9, the Authority holds investigative and enforcement powers, including requiring information, summoning witnesses, and instituting contract performance reviews. Section 10 further reinforces this oversight role by mandating the Authority to recommend corrective and disciplinary measures in cases of persistent breaches of procurement law.

The **Public Procurement Audit Tool** has therefore been developed as a strategic instrument to operationalize these statutory functions and powers. It serves as a framework for systematically reviewing, assessing, and reporting on the performance of procuring entities, while promoting compliance with legal, regulatory, and ethical standards. The tool is designed to provide evidence-based insights into procurement practices, identify risks of mismanagement, collusion, or inefficiency, and recommend corrective actions to safeguard public resources.

Ultimately, this Audit Tool strengthens PPDAA's oversight role by fostering a culture of accountability and continuous improvement in public procurement. It ensures that procurement systems contribute to the national goals of transparency, good governance, and inclusive economic participation, in line with the Authority's mission to uphold the highest standards of integrity and professionalism in South Sudan's public procurement and disposal system.

2. Overview of the Public Procurement Audit Tool

The Public Procurement Audit Tool of the PPDAA has been designed to provide a structured and evidence-based mechanism for assessing the performance, compliance, and integrity of procurement entities in South Sudan. Anchored in the PPDAA Act, 2018 and its Regulations, the tool evaluates institutional, procedural, and operational aspects of procurement against established legal and regulatory benchmarks. It is organized into nine key components, each with measurable indicators and scoring percentages that cumulatively reflect the overall compliance level of a procuring entity.

Component	Description
1. Institutional Setup and Performance	This component examines whether the core procurement governance structures are properly established and functional. It covers the establishment of Procurement Committees, Procurement Units, budget allocation, and internal audit arrangements. The aim is to ensure that procuring entities have an adequate institutional foundation for transparent and efficient procurement.
2. Knowledge of PPDAA and Regulations	The tool assesses the extent to which procurement stakeholders—Tender Committee members, Procurement Unit staff, and Internal Audit staff—have received appropriate training on PPDAA requirements. This ensures that decisions are informed by professional knowledge and consistent with legal standards.
3. Compliance with Mandates and Independence of Organs	This section reviews the independence of key organs (Accounting Officer, Tender Committee, Procurement Unit, and Internal Audit Unit). It ensures separation of duties and avoidance of conflicts of interest, in line with the governance provisions of the PPDAA Act.
4. Annual Procurement Plan (APP) Development and Implementation	The tool measures whether procuring entities prepare, approve, and implement APPs using PPDAA-issued templates. It checks for adherence to planned activities, documentation of approvals, and the management of deviations.
5. Tender Process Appropriateness	This is a core compliance check, covering initiation and approvals, quality of tender documents, advertisement practices, integrity of evaluation processes, and award notifications. It ensures that tenders are conducted transparently, competitively, and fairly in accordance with PPDAA standards.
6. Contract Management and Implementation	This component evaluates post-award performance, focusing on contract preparation and legal vetting, monitoring mechanisms, time management, quality assurance, and cost control. It ensures that contracts deliver value for money and are managed in line with contractual obligations.
7. Records Management	Effective records management is essential for accountability. The tool checks whether procurement records are complete, well-maintained, and securely stored in physical or electronic archives.
8. Implementation of PPDAA Systems (e-GP/PMIS)	This section measures compliance with reporting obligations (APPs, monthly, quarterly, and annual reports) and adoption of digital procurement tools, supporting data-driven oversight and efficiency.
9. Handling of Complaints and	The final component evaluates how entities manage procurement complaints and emergencies. It checks adherence to Sections 53–56

Component	Description
Emergency Procurements	and 60 of the PPDAA Act, with deductions applied for mishandling, reflecting the critical importance of fairness and legality in these sensitive areas.

3. Scoring and Compliance Rating

Each component carries a weighted maximum score, collectively amounting to 100%. Entities are evaluated against these benchmarks, with compliance gaps clearly identified. High scores demonstrate effective governance, while low scores highlight risks of inefficiency, non-compliance, or malpractice.

The tool therefore provides PPDAA with a practical and standardized framework to:

- Benchmark procurement performance across entities.
- Identify systemic weaknesses and training needs.
- Recommend corrective and disciplinary measures.
- Promote accountability, value-for-money, and inclusivity in public procurement.

Audit Tool Framework with Evidence Checklist

Component	Sub-Component	Reference	Check/Verification	Evidence Required	Max Score (%)
1. Institutional Setup and Performance (10%)	1.1 Properly Established Procurement Committee	Sec. 26(1), PPDAA Act 2018	Existence of PC with appointed members by AO	Appointment letters, AO directives	2.0
	1.2 Notification to PPDAA	Sec. 26(4), PPDAA Act 2018	Notification within 14 days of PC formation	PPDAA acknowledgement, submission letters	0.4
	1.3 Establishment & Staffing of Procurement Unit (PU)	Sec. 29, PPDAA Act 2018	PU existence, staffing, qualifications of Head	Organogram, HR records, CVs/certificates	0.4
	1.4 Budget Allocation for PU	PPDAA Regulations	PU has an operational budget line	Approved budget, vote book	3.6
	1.5 Internal Audit Unit	PFMAA	IA Unit existence, staff qualifications	IA organogram, qualifications, TORs	3.6
2. Knowledge of the PPDAA and	2.1 Training of Tender Committee Members	—	Certificates of participation in	Training certificates, attendance lists	3.3

Component	Sub-Component	Reference	Check/Verification	Evidence Required	Max Score (%)
Regulations (10%)			PPDAA-related training		
	2.2 Training of PU Staff	—	Training certificates; knowledge assessment	Certificates, assessment reports	3.3
	2.3 Training of IA Staff on Procurement	—	Relevance of IA reports to procurement	IA reports referencing procurement	3.4
3. Compliance with Mandates & Independence of Organs (10%)	3.1 Independence of AO, PC, PU, IA	Sec. 35, PPDA Act 2018	Independence of key organs demonstrated	Decision-making records, delegation letters	10.0
4. Annual Procurement Plan (APP) (15%)	4.1 APP Preparation Using PPDAA Templates	—	Use of PPDAA template and tender codes	APP documents, PPDAA codes	5.0
	4.2 Approval by Budget Approving Authority	—	Approval documented in minutes	Signed minutes, budget approval records	5.0
	4.3 APP Implementation	—	Adherence to APP; reasons for deviations	Implementation reports, deviation justifications	5.0
5. Tender Process Appropriateness (25%)	5.1 Initiation & Approvals	—	Initiation by user dept.; AO approval	User requests, AO approval memos	2.0
	5.2 Tender Documentation Quality & Standards	PPDAA SBDs	Completeness, neutrality, clear criteria	SBDs, TORs, bid documents	10.0
	5.3 Tender Advertisement & Timeliness	—	Use of PPDAA portal/press; adherence to timelines	Tender notices, portal/press adverts	2.0
	5.4 Evaluation Process Integrity	—	Evaluation vs. published criteria; signed CoC	Evaluation reports, signed CoC	10.0
	5.5 Award & Notifications	—	Award approval; bidder notifications	Award letters, bidder notifications	1.0

Component	Sub-Component	Reference	Check/Verification	Evidence Required	Max Score (%)
6. Contract Management & Implementation (20%)	6.1 Contract Preparation & Vetting	MoJ/Legal Unit	Vetting of contracts	MoJ/Legal vetting letters, signed contracts	2.0
	6.2 Contract Monitoring & Performance	—	Supervisors, site meetings, reports	Monitoring reports, site visit minutes	3.0
	6.3 Time Management	—	Timely start, adherence, justification for delays	Work schedules, extension approvals	5.0
	6.4 Quality Control	—	Inspection reports, QA plans	Inspection certificates, QA checklists	5.0
	6.5 Cost Control	—	Payment certification, retention, variations	Payment certificates, variation orders	5.0
7. Records Management (5%)	7.1 Record Keeping per Tender	—	Documentation from initiation to completion	Procurement files, digital archives	2.5
	7.2 Storage Facility	—	Adequacy of archive	Archive register, ICT backup evidence	2.5
8. Implementation of PPDAA Systems (5%)	8.1 Submission of Reports	—	APP, Monthly, Quarterly, Annual Reports submitted	Submission receipts, PPDAA confirmations	5.0
9. Handling of Complaints & Emergencies (Penalty Mechanism)	9.1 Complaints Management	Sec. 53–56, PPDAA Act	Process for handling complaints	Complaints register, PPDAA decision letters	Deduction up to –5.0
	9.2 Emergency Procurement Handling	Sec. 60, PPDAA Act	Application of emergency procedures	Emergency procurement files, AO approvals	Deduction up to –5.0

TOTAL SCORE = 100% (before deductions)

⚠ Note on Scoring Flexibility:

- Non-compliance with complaints handling or emergency procurement will **reduce the obtained score** (deductions applied from the total out of 100%).

PPDAA reserves the right to **reallocate weightings in future** to reflect evolving priorities. For example, once all Procuring Entities have formed Procurement Committees and trained members, more weight may be shifted to areas such as **contract management, records, or digitalization**.

PART 5:
DISPOSAL OF ASSETS

CHAPTER 12: DISPOSAL OF PUBLIC ASSETS

12.1 Introduction

Disposal of Public Assets is a fundamental component of the asset lifecycle and a critical accountability mechanism within public financial management. While considerable focus is often placed on procurement and acquisition, equal attention must be devoted to managing how public assets are retired, replaced, or written off. If not properly governed, disposal activities can expose Procuring Entities (PEs) to risks of asset loss, fraud, environmental hazards, and reputational damage.

The PPDA Act and the PPDA Regulations (Regulations 159–172) establish a structured, transparent, auditable, and accountable framework for disposing of government assets. These laws ensure that disposal activities uphold the core principles of **value for money, fairness, competition, ethics, and transparency**. This chapter provides comprehensive guidance on procedures, responsibilities, approved disposal methods, and practical examples relevant to PEs in South Sudan.

12.2 Legal Basis for Disposal of Public Assets

The PPDA Act defines an asset as any property, movable or immovable, tangible or intangible, with monetary value belonging to a Government Institution. Disposal refers to the legally regulated process of discarding or transferring such assets when they become **obsolete, unserviceable, surplus to requirements, uneconomical to maintain, expired, unsafe, or beyond repair**.

Disposal must always be conducted in accordance with:

- Part VII of the **PPDA Act**, and
- **Chapter XIII: Disposal of Public Assets** of the PPDA Regulations (Regs. 159–172).

A sound disposal system enhances government efficiency, prevents asset leakage, and protects public funds.

12.3 Principles Governing Disposal of Public Assets

Disposal of public assets must be conducted in a manner that upholds the highest standards of governance and aligns with the objectives of the PPDA Act and Regulations. To ensure credibility, fairness, and optimal value recovery for the Government, all disposal activities shall be guided by the following core principles:

Transparency	Disposal processes must remain open, fair, and easily subject to public scrutiny. Whenever bidding or auction methods are used, appropriate public notices must be issued to ensure equal access to information.
Accountability	Officers involved in disposal are required to document decisions, justify actions taken, and maintain complete records to ensure the entire process can withstand internal and external audit review.
Value for Money	Disposal decisions must aim to maximize financial returns or derive appropriate social value from obsolete, surplus, or unserviceable assets.
Competition	Where practical, disposal methods should promote competition among potential buyers to secure the most advantageous outcome for the Government.

Integrity	Public officers must uphold ethical conduct, avoid conflicts of interest, and ensure government assets are not misused, undervalued, or disposed of in a manner that undermines public trust.
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12.4 The Board of Survey

The disposal cycle begins with the constitution of a **Board of Survey** by the Accounting Officer in accordance with **Regulation 159**. This Board is tasked with technically and administratively assessing assets proposed for disposal.

Functions of the Board of Survey

The Board of Survey plays a critical role in ensuring that disposal of public assets is justified, well-documented, and compliant with the PPDA Act and Regulations. Its mandate extends beyond merely listing items for disposal; it provides the technical and administrative basis upon which disposal decisions are made. Specifically, the Board must:

- (a) Physically inspect, verify, and examine each asset to confirm its existence, condition, and availability for disposal. This includes verifying serial numbers, asset tags, quantities, and comparing actual assets with inventory records.
- (b) Assess and classify the condition of each asset—whether obsolete, damaged, surplus to requirements, unsafe, uneconomical to repair, unserviceable, or beyond economic life. The Board must provide clear justification for the classification assigned.
- (c) Establish whether the asset possesses any remaining economic or residual value, taking into account repair costs, market demand, technological relevance, and its potential for continued use within the Procuring Entity or elsewhere in the public sector.
- (d) Recommend the most appropriate disposal method in line with Regulations 160–165, considering asset type, condition, estimated value, market dynamics, risks, and cost-effectiveness. The recommendation must be well-reasoned and supported by evidence collected during inspection.
- (e) Prepare and submit a comprehensive Board of Survey Report, which serves as the formal and authoritative record for initiating disposal. The report must include inspection findings, classification of assets, valuation details where applicable, recommended disposal methods, and any risks or special considerations.

No disposal process may commence without an approved Board of Survey Report, as it forms the legal and procedural foundation for all subsequent reviews, approvals, and actions taken by the Procurement Unit and the Procurement Committee.

12.5 Disposal Planning

Every Procuring Entity is required, under Regulation 160, to prepare an Annual Disposal Plan (ADP) as an integral component of its Annual Procurement Plan. The ADP provides a structured forecast of all disposal activities anticipated during the financial year and ensures that disposal is conducted in a systematic, transparent, and well-coordinated manner, rather than through ad hoc or reactive decisions. Proper planning also facilitates budgeting, oversight, and timely decision-making by management.

The Annual Disposal Plan must include the following key elements:

- (a) A comprehensive list of assets identified for disposal: Derived from inventory reviews, Board of Survey findings, and departmental submissions. The list should categorize assets by type (e.g., vehicles, ICT equipment, furniture, plant, and machinery).
- (b) Justification for disposal: Clear reasons must be documented, such as obsolescence, being surplus to requirements, irreparable condition, high maintenance costs, safety risks, or technological redundancy.
- (c) Estimated value of each asset or lot: This may be based on valuation reports, market assessments, book value analysis, or expert input. Estimated value informs the choice of disposal method and assists in budgeting expected revenue.
- (d) Recommended disposal method: Selection must be consistent with PPDA Regulations and based on factors such as asset value, condition, market demand, and security considerations. Methods may include public bidding, auction, direct sale, transfer to another PE, trade-in, recycling, or destruction.
- (e) Planned timeframes for each disposal activity: The schedule should align with the fiscal year, availability of budget for associated costs (e.g., valuation, advertising, transportation), and operational needs of the Procuring Entity.
- (f) Responsible officers or units: The plan must specify individuals or committees accountable for initiating, coordinating, and executing disposal actions—including User Departments, Board of Survey, Procurement Unit, and Stores/Assets Management personnel.

Effective disposal planning improves the overall efficiency of asset management by:

- (a) Reducing unnecessary storage and maintenance costs.
- (b) Preventing asset deterioration, loss, or misuse by ensuring timely disposal.
- (c) Enhancing audit readiness and compliance by providing a clear trail of planned and executed activities.
- (d) Improving revenue forecasting and supporting better decision-making at management and ministerial level.

An approved Annual Disposal Plan is therefore a key accountability tool that strengthens transparency and ensures disposal activities contribute to good public financial management.

12.6 Initiation and Approval of Disposal

12.6.1 Initiation by User Department

In accordance with Regulation 161, the disposal process formally begins with the User Department, which is responsible for identifying assets that are no longer required for operational purposes. The initiation stage ensures that disposals are justified, properly documented, and aligned with the Procuring Entity's asset management practices. To commence the process, the User Department must submit a complete and well-supported disposal request to the Procurement Unit. The submission must include:

- (a) **A written disposal request:** A formal communication requesting disposal of specific assets, indicating the reasons for disposal and confirming that the assets are no longer needed for the department's functions.

- (b) **Asset inventory details:** Accurate information drawn from the Procuring Entity's asset register, including asset descriptions, identification numbers, acquisition dates, cost, location, and current custodian. This ensures proper verification during inspection.
- (c) **Maintenance or inspection records:** Documentation demonstrating the asset's service history, condition, and any repairs undertaken. These records help establish whether the asset is functional, uneconomical to repair, or beyond serviceable condition.
- (d) **Justification for disposal:** A clear rationale for why the asset should be disposed of—for example, obsolescence, damage, redundancy, unsafe condition, high maintenance costs, or replacement by newer technology.
- (e) **Any supporting documentation:** Additional evidence relevant to the disposal decision, such as photographs, technical assessments, insurance reports, Board of Survey recommendations from previous years, or internal memos confirming non-utilization.

This complete submission forms the basis upon which the Procurement Unit verifies the asset information and the Board of Survey conducts its inspection, ensuring that disposal actions are properly justified and compliant with PPDA requirements.

12.6.2 Verification by the Procurement Unit

After receiving the disposal initiation documents from the User Department, the Procurement Unit is responsible for conducting an initial verification to ensure that the request is valid, complete, and compliant with PPDA requirements. This verification step is essential because it prevents improper disposals, strengthens internal controls, and ensures that only eligible assets proceed to the Board of Survey.

The Procurement Unit must therefore confirm the following:

- (a) **Authenticity of the inventory details:** The Procurement Unit cross-checks the submitted asset information against the official asset register and inventory records to verify that the assets exist, are recorded accurately, and belong to the Procuring Entity. Any discrepancies must be resolved before further action.
- (b) **Accuracy of asset classification:** The Unit ensures that the asset classification provided by the User Department (e.g., obsolete, damaged, surplus, beyond repair) is reasonable and supported by evidence such as maintenance records or inspection reports. Misclassification may lead to incorrect disposal decisions.
- (c) **Completeness of documentation:** All required documents—disposal request, inventory details, maintenance records, justification, photographs, and other supporting evidence—must be present and consistent. Incomplete submissions are returned to the User Department for correction.
- (d) **Eligibility for disposal:** The Procurement Unit determines whether the asset legally qualifies for disposal under PPDA Regulations. This includes confirming that the asset is not under active use, not required by another department, not part of ongoing investigations, and not subject to contractual or legal restrictions (e.g., donor-imposed conditions).

Once verification is complete and the request is deemed compliant, the Procurement Unit forwards the asset information to the Board of Survey for physical inspection and assessment.

12.6.3 Approval by the Procurement Committee

Once the Board of Survey has completed its assessment and submitted its report, the next mandatory step is the approval by the Procurement Committee. No disposal action may proceed without this formal authorization. The Procurement Committee provides an oversight function to ensure that disposal recommendations are justified, appropriate, and compliant with the PPDA Act and Regulations. In executing its mandate, the Committee:

- (a) **Reviews the Board of Survey Report:** The Committee examines the findings, classifications, valuations (where applicable), and recommended disposal methods. It ensures the report is complete, factual, and supported by adequate evidence.
- (b) **Approves or rejects disposal:** Based on the review, the Committee determines whether the identified assets should indeed be disposed of. If the justification is insufficient or further clarification is needed, the Committee may defer approval and request additional information.
- (c) **Approves the disposal method:** The Committee must confirm that the disposal method recommended—whether public bidding, auction, transfer, trade-in, direct sale, recycling, or destruction—is appropriate for the asset's condition, value, and market circumstances, and is consistent with Regulations 160–165.

Formal approval by the Procurement Committee authorizes the commencement of disposal proceedings by the Procurement Unit. This approval also becomes part of the disposal record for audit, reporting, and compliance verification purposes.

12.7 Selection of Disposal Method

In accordance with Regulation 162, the Procurement Committee is responsible for selecting the most appropriate and compliant method for disposing of public assets. This decision is central to ensuring transparency, accountability, and value for money in disposal proceedings. The Committee must apply sound judgment and base its decision on objective criteria, including:

- (a) **The asset's estimated value:** Higher-value assets generally require more competitive and transparent disposal methods—such as public bidding or auction—while low-value items may justify simpler approaches such as direct sale or recycling.
- (b) **Market demand:** The Committee considers whether there is sufficient interest from potential buyers to warrant competitive methods. Assets with high demand attract better prices through bidding, whereas items with limited market appeal may require specialized disposal approaches.
- (c) **Asset condition:** Whether the asset is functional, repairable, obsolete, damaged, or beyond economic use influences the appropriate method. Usable or repairable assets may attract competitive pricing, while scrap or hazardous items may require controlled disposal or destruction.
- (d) **Associated risks (security, health, environment):** Assets that pose safety, environmental, or security concerns—such as chemicals, medical equipment, ICT assets with data, or security-sensitive items—must be disposed of through methods that mitigate these risks and comply with sector requirements.
- (e) **Cost-effectiveness:** The Committee must assess whether the chosen method is economical relative to the expected proceeds. For example, conducting a public auction may not be cost-effective for very low-value items where advertising and logistical costs outweigh revenues.
- (f) **Opportunities for competition:** Where feasible, the Committee must favor disposal methods that promote competition among potential buyers, thereby maximizing value and ensuring fairness.

The justification for the selected disposal method must be fully documented, providing a clear audit trail and demonstrating compliance with PPDA Regulations. This justification forms part of

the official disposal records and must accompany the approval submitted to the Procurement Unit for execution.

12.8 Approved Disposal Methods

Disposal of public assets must be guided by the PPDA Act and Regulations 163 to 174, which provide a comprehensive framework for selecting and implementing appropriate disposal methods. The objective is to ensure that public assets are disposed of in a manner that is transparent, competitive, accountable, and capable of delivering value for money, while safeguarding public interest, health and safety, security, and environmental considerations.

Each disposal method has distinct procedures, controls, and applicability criteria designed to address the wide range of asset types, conditions, and disposal circumstances faced by Procuring Entities. The choice of method must therefore be based on an objective assessment of factors such as the asset's estimated value, condition, market demand, associated risks, and cost-effectiveness. The Procurement Committee must document the rationale for the selected method as part of the official disposal record to ensure audit readiness and compliance with regulatory requirements.

Below are **detailed descriptions of each disposal method provided under Regulations 163 to 174**, including their key features, applicability, procedural requirements, and practical examples to guide Procuring Entities in applying the most appropriate approach:

Disposal Method	Applicability and Examples
Disposal Through Public Bidding (Regulation 163)	<p>Public bidding is used when a procuring entity needs a competitive, transparent, and widely accessible method to dispose of public assets—particularly where the asset is remote, has a dispersed market, or requires special conditions or restrictions for sale.</p> <p>Key Features of the Method</p> <ol style="list-style-type: none">When Public Bidding Applies: It is suitable where the asset's location, buyer market, restrictions, or need for post-bid negotiations justify a broad and structured solicitation process.Public Invitation and Advertising<ul style="list-style-type: none">The procuring entity must publish an invitation notice in at least one widely circulated national newspaper and may use additional media to increase competition.Notices must also be posted on the PE's notice board and the Authority's website.For international bidding, publication must be in internationally circulated media or websites, in English.Notices may also be sent directly to potential bidders, with records kept for transparency.Access to Bidding Documents<ul style="list-style-type: none">The notice must clearly state how bidders can obtain documents.PE must ensure the documents contain adequate information to allow fair and open competition.Bidders may inspect documents before purchase, and a reasonable fee may be charged.

Disposal Method	Applicability and Examples
	<ul style="list-style-type: none"> ○ Bid deposits (bid security) may be required, expressed as a fixed amount. <p>4. Handling Bid Deposits</p> <ul style="list-style-type: none"> ○ For successful bidders, the deposit forms part of the sale price. ○ Those who decline an award forfeit the deposit. ○ Unsuccessful bidders receive refunds as per the bidding document. <p>5. Content of the Bidding Documents: The documents must provide complete instructions and details, including:</p> <ul style="list-style-type: none"> ○ Full description and condition of the asset ("as is, where is"); ○ Eligibility requirements and required documents; ○ Inspection arrangements; ○ Health, safety, and environmental considerations; ○ Bid security requirements; ○ Deadline and instructions for submission; ○ Bid opening procedures; ○ Evaluation method (always price-only); ○ Payment and handover conditions; ○ Responsibility of the buyer for dismantling and removal. ○ Standard bidding documents issued by the Authority must be used. <p>6. Award and Contract Management: If the successful bidder fails to pay as per contract terms, the PE shall terminate the contract and offer the asset to the next highest bidder.</p> <p>7. Fallback to Public Auction: If open bidding fails to attract successful bidders, the Accounting Officer must dispose of the asset through a public auction within six months.</p>

Examples:

1. **Sale of Government Vehicles:** Disposal of ten used 4x4 vehicles that still function but have exceeded recommended lifespan.
2. **Sale of Office Equipment:** Selling laptops, printers, desks, and filing cabinets that are outdated but usable.
3. **Sale of Industrial or Workshop Machinery:** An old welding machine, drilling equipment, and workshop tools are auctioned through competitive bidding.

Disposal by Public Auction
(Regulation 164)

Public auction is used as a disposal method where fast, open competition is desirable—particularly when the asset is low-value, many bidders are expected, or multiple items are located at one site, making an onsite auction efficient.

Key Features of the Public Auction Method

1. **When Public Auction Applies:** It is suitable where:
 - There is a large pool of potential bidders;
 - Asset value is low;
 - Multiple assets are being disposed from one location; or
 - Onsite auction avoids costly transport.
2. **Use of a Reserve Price:** All auction sales must be conducted at or above a **reserve price**, providing minimum value protection for the Procuring Entity (PE).

Disposal Method	Applicability and Examples
	<p>3. Public Invitation and Advertising</p> <ul style="list-style-type: none"> ○ An invitation notice must be published in a widely circulated national newspaper and may be shared through additional media to increase bidder participation. ○ The notice must also be posted on the PE's notice board and the Authority's website. <p>4. Appointment of a Licensed Auctioneer</p> <ul style="list-style-type: none"> ○ The PE must procure and appoint a licensed auctioneer to conduct the auction. ○ The auctioneer must issue a receipt upon taking custody of the asset. ○ Selection considers commission rate, location and transport costs, facilities, ability to maximize returns, performance history, and business viability. ○ The auctioneer must provide a performance security using the Authority's standard format. <p>5. Inspection Period: The PE must allow potential bidders at least 10 working days to inspect the assets before the auction date.</p> <p>6. Auction Conduct</p> <ul style="list-style-type: none"> ○ Bidding is oral, based on rules set by the auctioneer. ○ Negotiations are not permitted. ○ The auctioneer announces the highest bidder as the successful buyer. <p>7. Payment and Collection of Assets</p> <ul style="list-style-type: none"> ○ Immediately after award, the successful bidder must pay at least 50% of the contract price. ○ The bidder has at least 14 days to pay the balance, take possession, and remove the items. ○ Failure to comply results in forfeiture of the deposit, and the asset may be offered to the second-highest bidder. ○ The asset is not released until full payment is received.
	<p>Examples:</p> <ol style="list-style-type: none"> 1. Auction of Mixed Scrap Materials: Scrap metal, obsolete machine parts, and broken furniture disposed of in bulk. 2. Auction of Confiscated Goods: Customs confiscates textiles, accessories, or electronics and disposes of them via auction. 3. Auction of Damaged or Fire-Affected Assets: Partially damaged office furniture, tools, and equipment are auctioned to recover residual value.
Disposal by Direct Negotiation <i>(Regulation 166)</i>	<p>Direct negotiations are used as a special disposal method applied only in situations where public interest or sensitive considerations require selling an asset to a specific bidder rather than conducting a fully competitive process.</p>
	<p>Key Features of Direct Negotiations</p> <ol style="list-style-type: none"> 1. When Direct Negotiations Apply: This method is permitted only where disposal to a particular bidder is necessary due to:

Disposal Method	Applicability and Examples
<p>Disposal by Sale to Public Officers <i>(Regulation 167)</i></p>	<ul style="list-style-type: none"> ○ National security concerns; ○ Public interest priorities; ○ Health and safety requirements; ○ Legal or human rights issues; ○ Environmental considerations. <p>2. Mandatory Asset Valuation: Before negotiations begin, the procuring entity must obtain a valuation of the asset to ensure the sale price is fair and defensible.</p> <p>3. Issuance of Bidding Documents</p> <ul style="list-style-type: none"> ○ Even though negotiations are direct, the PE must issue bidding documents using the standard format provided by the Authority. ○ This ensures structure, transparency, and documentation of the negotiation process. <p>4. Minimum Bidding Period: A minimum of three working days must be allowed for the bidder to respond.</p> <p>5. Evaluation Method: The evaluation is strictly "price only," meaning negotiations focus solely on achieving value for money based on the offered price.</p> <p>6. Failure of the Successful Bidder to Pay: If the awarded bidder does not pay according to contract terms, the PE must terminate the contract and dispose of the asset using another appropriate disposal method.</p> <p>Examples:</p> <ol style="list-style-type: none"> 1. Specialized Research Equipment: A laboratory microscope discarded and sold directly to a university that uses compatible equipment. 2. Sale to a Recycler: Damaged plastic or metal items sold to a recycling company that refurbishes waste materials. 3. Unique Industrial Generator: A generator with rare specifications sold directly to the only factory that can use it. <p>his disposal method allows public officers to purchase certain low-value or limited-quantity public assets where selling to the general public would not yield value for money or where the officer's personal use of the asset directly enhances job performance. The process remains controlled, transparent, and subject to restrictions to prevent commercial misuse.</p> <p>Key Features of the Method</p> <ol style="list-style-type: none"> 1. When Sale to Public Officers Applies: It is allowed where: <ul style="list-style-type: none"> ○ Assets are few or low-value, making public sale uneconomical; or ○ Personal use of the asset by the officer improves their performance in executing official duties. 2. Restriction to Personal Use <ul style="list-style-type: none"> ○ Assets sold must be for personal, non-commercial use. ○ Commercial intent is presumed where a public officer: <ul style="list-style-type: none"> ▪ Buys an excessive number of similar items in a short period, or ▪ Purchases more than one similar item in the same disposal process.

Disposal Method	Applicability and Examples
	<p>3. Invitation and Access to Public Officers</p> <ul style="list-style-type: none"> ○ The PE must publish an invitation notice in at least five procuring entities accessible to public officers, and on the Authority's website. ○ Bidding documents are provided free of charge. <p>4. Bidding Documents and Lotting Rules</p> <ul style="list-style-type: none"> ○ Documents must follow the Authority's standard format. ○ Assets are sold individually—not in lots—except when items are extremely low-value, form a natural set, or would lose value if sold separately. ○ Except for items grouped in lots, a public officer cannot buy more than one similar asset in a single disposal exercise. <p>5. Bidding Process</p> <ul style="list-style-type: none"> ○ Minimum bidding period is seven working days. ○ Evaluation is strictly price-only, and no negotiations are allowed. <p>6. Verification to Prevent Commercial Use</p> <ul style="list-style-type: none"> ○ Before recommending award, the Evaluation Committee must check the Authority's Register of Sales to Public Officers to confirm that the bidder is not purchasing for commercial purposes. ○ If concerns arise, the Committee must report to the Procurement Committee. <p>7. Contract Award and Payment: If the successful bidder fails to pay, the PE terminates the contract and offers the asset to the next highest bidder.</p> <p>8. Authority's Register: The Authority maintains a national register recording:</p> <ul style="list-style-type: none"> ○ Names of public officers awarded contracts; ○ Dates of contracts; ○ Types of assets sold; ○ Any other relevant information.
	<p>Examples:</p> <ol style="list-style-type: none"> 1. Sale of Old Office Desks and Chairs: Certified unserviceable furniture sold to staff members at a residual value. 2. Sale of Obsolete Desktop Computers: Computers too slow for office use but adequate for academic work sold to staff. 3. Sale of Old Motorbikes or Bicycles: Old postal or inspection motorbikes sold to employees after valuation.
Disposal by Destruction <i>(Regulation 168)</i>	<p>Destruction is a last-resort disposal method used when an asset cannot be sold, transferred, donated, or converted, or when destroying it is necessary to protect national security, public health, safety, legal rights, or the environment. It ensures that unusable or sensitive assets are removed in a controlled and accountable manner.</p>
	<p>Key Features of the Method</p> <ol style="list-style-type: none"> 1. When Destruction Applies: Destruction may be used where:

Disposal Method	Applicability and Examples
	<ul style="list-style-type: none"> ○ It serves national security, public interest, health and safety, legal or human rights, or environmental protection; or ○ The asset has no residual value and cannot be reused, transferred, converted, or donated in any meaningful way. <p>2. Who Conducts the Destruction</p> <ul style="list-style-type: none"> ○ The PE may destroy the asset directly, or ○ Engage a competent authority or provider to carry out the destruction. ○ When a provider is used, they must be selected in accordance with the procurement rules under the Act and Regulations. <p>3. Approval Requirement: The Accounting Officer must formally approve the destruction before it is carried out, using the standard procedural form prescribed by the Authority.</p> <p>4. Certificate of Destruction</p> <ul style="list-style-type: none"> ○ If a competent authority or provider performs the destruction, they must issue a certificate of destruction. ○ This certificate becomes part of the official disposal record to ensure traceability, transparency, and audit compliance.

Examples:

1. **Destruction of Expired Drugs:** Pharmaceuticals past their expiry date incinerated to protect public health.
2. **Destruction of Counterfeit Goods:** Fake branded items seized by regulatory bodies destroyed to prevent illegitimate market use.
3. **Destruction of Classified Information:** Hard drives, CDs, documents shredded or incinerated to protect confidential data.

Disposal by Transfer to Another PE
(Regulation 169)

Transfer is a disposal method used when another Procuring Entity (PE) can continue to use the asset, thereby maximizing value for the Government and avoiding unnecessary procurement of similar assets. It is a non-commercial disposal option focused on efficient public resource utilization.

Key Features of the Transfer Method

1. **When Transfer Applies:** Transfer is used when the receiving PE will **make further use** of the asset, ensuring continued value and avoiding waste.
2. **Pre-Transfer Agreement Between Entities:** Before the transfer, both PEs must agree on:
 - **Subsidiary or linked assets** to be included or excluded;
 - **Date of transfer**;
 - **Responsibility for transportation** of the asset;
 - **Handover procedures**, including required documentation;
 - **Responsibility for legal obligations** associated with the asset being transferred.
3. **Documentation and Records**
 - All arrangements must be formally recorded using the **procedural form issued by the Authority**.

Disposal Method	Applicability and Examples
	<ul style="list-style-type: none"> ○ This ensures transparency, accountability, and proper audit trails.
Disposal by Conversion or Reclassification <i>(Regulation 170)</i>	<p>Examples:</p> <ol style="list-style-type: none"> 1. Transfer of Still-Functional Desktops: A ministry upgrades computers and transfers working older units to a rural school or training center. 2. Transfer of Vehicles: A PE with surplus pickups transfers one to another PE that has none. 3. Transfer of Office Furniture: Excess desks or cabinets transferred to a newly established government office.
	<p>This method is used when a public asset cannot be effectively sold in its current state, but can generate value if converted, reclassified, or transformed. It is also applied where conversion serves broader national, legal, or environmental interests.</p>
Key Features of the Method	<ol style="list-style-type: none"> 1. When Conversion or Classification Applies: This disposal method is appropriate when:
	<ul style="list-style-type: none"> ○ Conversion or reclassification serves national security, public interest, health and safety, legal/human rights, or environmental objectives; or ○ The asset has no residual value in its current form, but could acquire sale value after conversion into another form (e.g., scrap metal, components, repurposed materials).
<ol style="list-style-type: none"> 2. Who Performs the Conversion 	<ul style="list-style-type: none"> ○ The PE may carry out the conversion itself; or ○ Engage a competent authority or a provider to perform the conversion. ○ If a provider is used, they must be procured through the appropriate method under the Act and Regulations.
	<ol style="list-style-type: none"> 3. Documentation and Records
<ul style="list-style-type: none"> ○ The authority or provider undertaking the conversion must submit formal evidence of the conversion or classification. ○ This evidence must be recorded using the procedural form issued by the Authority. ○ The documentation forms part of the official record of disposal proceedings, ensuring transparency and audit readiness. 	
Examples:	<ol style="list-style-type: none"> 1. Vehicle Dismantling for Parts: A non-functional government vehicle stripped and usable parts converted into spares.
	<ol style="list-style-type: none"> 2. ICT Equipment Converted to Scrap: Dead computers stripped for reusable metal components.
<ol style="list-style-type: none"> 3. Old Machinery Reclassified as Scrap Metal: A lathe machine beyond repair reclassified and sold by weight. 	

Disposal Method	Applicability and Examples
Disposal by Trade-In <i>(Regulation 171)</i>	<p>Trade-in is a disposal method used when an old, surplus asset is exchanged to offset the purchase price of a new asset. It is suitable where this approach provides a convenient, economical, and efficient upgrade of assets while ensuring value for money in procurement.</p>

Key Features of the Trade-In Method

- When Trade-In Applies:** Trade-in is used where:
 - A new asset will replace an old one;
 - Exchanging the old asset reduces the cost of the new asset;
 - The process provides convenience, efficiency, and economic benefit.
 Trade-in **must not** be used if it undermines competition or value for money.
- Initiation and Justification**
 - The **user department** must justify the use of trade-in and submit recommendations to the **Procurement Committee** through the Head of the Procurement Unit.
 - The justification must reflect both the **need to procure** and the **need to dispose** the old asset.
- Procurement and Negotiation Options:** Trade-in may be conducted in two ways:
 - **Through direct procurement**, where the Accounting Officer approves negotiation with a selected bidder and the trade-in value is mutually agreed; or
 - **Opened to all bidders** in the related procurement process, where each bidder quotes the trade-in value of the surplus asset.
- Evaluation of Trade-In Proposals:** The Evaluation Committee must conduct a detailed **cost–benefit analysis**, considering:
 - Cost of trade-in versus normal procurement transactions;
 - Cost of disposal without trade-in (e.g., sale, destruction);
 - Estimated standalone sale value versus the trade-in discount offered;
 - Any other factors affecting value for money.
 The Committee prepares an evaluation report summarizing:
 - Cost–benefit analysis;
 - Evaluation results;
 - Recommended disposal method;
 - Condition of the asset;
 - Proposed reserve price;
 - Any other relevant information.
- Reserve Price Requirement**
 - A **reserve price** must be established and disclosed to bidders.
 - Negotiations may occur if the bidder does not accept the reserve price, but **the reserve price itself cannot be changed**.
- Failure to Reach Agreement:** If negotiations fail, the PE must **cancel the disposal proceedings**, subject to approval by the Procurement Committee.

Disposal Method	Applicability and Examples
	Examples:
Disposal by Donation <i>(Regulation 172)</i>	<ol style="list-style-type: none"> Trade-In of Office Printers: Five old printers traded in when procuring modern multifunction devices. Trade-In of Old Government Vehicles: PE trades old Land Cruisers for newer models with lower maintenance costs. Trade-In of Medical Imaging Equipment: Old ultrasound machine traded in towards acquisition of a new, improved model.
	<p>Donation is a disposal method used only when a public asset cannot be sold, transferred, or otherwise disposed of through the usual methods, and when giving it away provides a practical and cost-effective way to clear the asset from the procuring entity's inventory. It is intended for assets that still have some utility but no market or transfer value.</p>
	Key Features of the Donation Method
	<ol style="list-style-type: none"> When Donation Applies: Donation may be used only where: <ul style="list-style-type: none"> The procuring entity cannot obtain payment for the asset using any other disposal method; or The asset cannot be transferred to another procuring entity. Identifying and Confirming the Recipient <ul style="list-style-type: none"> The PE must identify a willing recipient and confirm that they accept the terms and conditions of the donation. Cost Limitation <ul style="list-style-type: none"> Donation should not cause the PE to incur expenses, except when: <ul style="list-style-type: none"> There is no other feasible disposal method; and The cost of donation is less than the cost of destruction. Exclusion Clause: These regulations do not apply to assets that were originally procured specifically for the purpose of donation. Documentation Requirement: The PE must confirm the donation using the procedural form issued by the Authority, which becomes part of the official disposal record.
	Examples:
	<ol style="list-style-type: none"> Donation of School Furniture: A ministry donates desks and chairs to a public school. Donation of Hospital Equipment: Working but outdated beds or trolleys donated to a rural clinic. Donation of ICT Equipment: Old but functional computers donated to a vocational ICT training center.

Table 12.1 provides a consolidated summary of all approved methods for the disposal of public assets under the PPDA Act and Regulations. It offers a quick reference guide outlining the circumstances under which each method is applied, the key procedural requirements, evaluation approaches, and mandatory documentation. This table is intended to support PEs in selecting the

most appropriate, economical, and compliant disposal method while ensuring transparency, accountability, and value for money in all disposal proceedings.

Table 12.1: Summary of Approved Public Asset Disposal Methods

Disposal Method	When Used	Key Requirements	Evaluation Method	Documentation Required	Special Rules / Notes
Public Bidding	Remote/dispersed market; restrictions; conditions; negotiations	Publish notices; SBD docs; inspection; bid deposits	Price only	Notice; docs; deposits; evaluation	As-is; deposit rules; fallback to auction
Public Auction	Many bidders; low value; same location; onsite efficiency	Notice; licensed auctioneer; 10 days inspection; oral bids	N/A	Auctioneer receipt; records; payments	50% immediate; 14 days; forfeiture
Direct Negotiations	Security/public interest/safety/legal/en v.	Valuation; SBD docs; 3 days period	Price only	Valuation; negotiation; evaluation	If fail to pay use other method
Sale to Public Officers	Low-value; enhances officer performance	Notice in 5 PEs; free docs; single items	Price only	Sales register; evaluation	Prevent commercial use; limits on qty
Destruction	Security/public interest/no value	AO approval; competent authority	N/A	Approval form; destruction certificate	Certificate mandatory
Transfer to Another PE	Receiving PE will use asset	Agreement on items, date, transport, handover, obligations	N/A	Transfer form	Ensures continued utility
Conversion/Classification	Value gained after conversion; public interest	Competent authority/provider	Price only (post-conversion sale)	Conversion evidence	Used for scrap/obsolete assets
Trade-In	Upgrade by offsetting old asset	Justification; reserve price; CBA; open/direct	Price only	CBA; evaluation; reserve	Negotiation allowed; reserve fixed
Donation	No payment possible; cannot transfer	Recipient confirmation; minimal cost	N/A	Donation form	Not for assets procured for donation

12.9 Governance, Compliance and Ethical Considerations

Effective governance and strict compliance are essential to ensuring that disposal of public assets is conducted transparently, economically, and in accordance with the PPDA Act and Regulations. All PE must uphold the highest standards of integrity throughout the disposal cycle. The following principles and requirements guide the process:

Mandatory Valuation and Due Diligence	Before commencing any disposal method, the PE must obtain a proper valuation of the asset to determine its fair market price and ensure that the chosen method achieves value for money. Valuation must be documented and approved, particularly for methods involving negotiation or sale.
Comprehensive Record Keeping	To support transparency, auditability, and accountability, PEs must maintain a complete disposal file that includes, where applicable: <ul style="list-style-type: none">• Board of Survey reports and recommendations;• Approvals by the Accounting Officer or Procurement Committee;• Valuation reports;• Publication notices, bidding documents, attendance lists, and evaluation records;• Receipts, sales contracts, certificates of destruction, or transfer/donation forms;• Any correspondence or documentation relating to negotiations or clarifications. These records form part of the official disposal archive and must be retained for the period prescribed under public finance and audit requirements
Avoidance of Conflict of Interest	Disposal processes must be conducted free from bias, favouritism, or personal interest. <ul style="list-style-type: none">• PE staff, members of the Procurement Unit, Evaluation Committee, and Procurement Committee must not participate in disposal processes where they have a direct or indirect interest.• Public officers bidding for assets must comply with all restrictions to prevent commercial misuse and ensure fairness.• Any potential conflict must be declared and addressed in line with ethical guidelines.
Ethical Handling of Revenue and Assets	All proceeds from the disposal of public assets must be promptly remitted to the designated government account in accordance with applicable financial regulations. <ul style="list-style-type: none">• No funds should be retained at the entity level unless expressly permitted by law.• Cash handling during auctions or direct sales must follow strict internal controls, including issuance of receipts and segregation of duties.
Oversight, Monitoring and Enforcement by PPDA	The Authority has the mandate to monitor disposal processes to ensure full compliance with the Act and Regulations. This oversight may include: <ul style="list-style-type: none">• Pre-disposal reviews;• Random or targeted inspections;• Investigations into irregularities or complaints;

- Audits of disposal records;
- Recommendations for corrective actions or sanctions where non-compliance is detected.

Entities must fully cooperate with PPDA during inspections and must address any findings or compliance gaps identified.

Accountability and Transparency Obligations

Procuring Entities must uphold principles of openness and accountability throughout the disposal process. This includes:

- Providing fair access to information on available disposal opportunities;
- Ensuring equal treatment of bidders;
- Applying established procedures consistently;
- Documenting all decisions and reasons for selecting a disposal method.

Transparent governance safeguards public resources and reinforces public trust in disposal operations.

12.10 Completion and Reporting of Disposal

Once a disposal process has been concluded and the asset has been lawfully handed over to the successful recipient or buyer, the PE must complete a series of governance, financial, and record-management tasks to ensure full compliance with the PPDA Act, Regulations, and Public Financial Management (PFM) laws. These post-disposal actions are essential for transparency, audit readiness, and maintaining the integrity of government asset records.

1. Preparation of a Disposal Completion Report

A formal **Disposal Completion Report** must be prepared immediately after the disposal process. This report should provide:

- A summary of the disposal method used;
- Details of the asset(s) disposed of;
- Valuation information and sale price achieved;
- Names of the successful bidder or recipient;
- Confirmation of payment and handover;
- Any deviations, challenges, or lessons learned.
- The report forms part of the official disposal record and is used for audit and monitoring purposes.

2. Updating the Asset Register

The PE must update its **Fixed Asset Register** to reflect the disposal. This includes:

- Removing the asset from the register;
- Recording the method of disposal;
- Recording the disposal date and reference number;
- Indicating proceeds received or other relevant financial information.
- This ensures accurate reporting of government assets and compliance with asset management standards.

3. Remittance and Accounting for Disposal Proceeds

All proceeds from disposal must be:

- Properly receipted;
- Deposited into the appropriate **Government bank account**;
- Recorded in accordance with **Public Financial Management (PFM) laws**, Treasury Instructions, and financial regulations.

- No proceeds may be retained for discretionary use unless explicitly authorized by applicable laws.

4. Reporting to PPDA (Quarterly Reports)

Disposal results must be incorporated into the PE's **Quarterly Procurement and Disposal Reports** submitted to PPDA, in accordance with Regulation 9. These reports must include:

- The disposal method used;
- Value realized;
- Number and types of assets disposed;
- Any cancellation or failure of disposal methods;
- Challenges encountered.

This reporting supports national oversight and benchmarking of disposal performance.

5. Archiving of Disposal Records

All documents generated throughout the disposal process must be **properly archived** to ensure complete audit trails. Documents to be archived include:

- Board of Survey reports;
- Approvals;
- Valuation reports;
- Notices and bidding documents;
- Evaluation reports;
- Contracts or handover certificates;
- Receipts and payment confirmations;
- Destruction certificates or donation forms, where applicable.
- Records must be stored in accordance with government records-management policies and be readily accessible for PPDA, internal audit, or the National Audit Chamber.

12.11 Conclusion

The disposal of public assets is not simply an administrative exercise—it is a core governance function that safeguards the integrity of public resources and reinforces accountability within the public sector. When conducted in accordance with the PPDA Act and PPDA Regulations, disposal becomes a transparent, competitive, and ethical process that protects government interests, prevents misuse of assets, and ensures value for money.

This chapter has demonstrated that effective disposal requires proper planning, rigorous valuation, strong internal controls, clear documentation, and strict compliance at every stage—from initiation and approval to the selection of disposal methods and final reporting. When Procuring Entities apply these procedures consistently, they strengthen public trust, improve audit readiness, and contribute to more efficient management of government assets. Ultimately, responsible disposal is a vital component of sound public financial management and a key pillar of good governance.



PPDAA
Public Procurement &
Disposal of Assets Authority

Vision

A center of excellence for the advancement of a public procurement and disposal of assets system for sustainable national development.

Mission

To regulate public procurement and disposal of assets to promote compliance and achieve value for money.

Core Values

Integrity	Serving stakeholders in an ethical, honest, and fair manner.
Teamwork	Working collaboratively, sharing experiences, and respecting one another to achieve institutional goals
Accountability	Performing duties with readiness to take responsibility for actions.
Professionalism	Executing regulatory functions with knowledge, skills, and a positive attitude.
Transparency	Promoting openness and fairness in all engagements with stakeholders.

Promoting Transparency, Integrity, Fairness , Competitiveness, Accountability and Value for Money in Public Procurement