



KAMUZU UNIVERSITY
OF HEALTH SCIENCES

PROCUREMENT AND ASSET DISPOSAL POLICY

OCTOBER, 2024

Approved by Senate

Policy Name	Procurement and Disposal Policy and Procedure Manual
Policy No.	PL/C.5B.4
Effective Date	
Last Review	
Next Review	Two years
Council Proposal	
Council Approval Date of the Policy	
Employees Subject to this Policy	All members of the University authorized to Procure and Dispose of Goods and Services using University Funds
Responsible Officer(s)	Vice-Chancellor; Registrar; Head of Procurement and Disposal Unit
Responsible Office(s):	Vice Chancellor's Office; Registrar's Office; Procurement and Disposal Unit

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FOREWORD

The policy aims to provide basic strategic procurement management and control procedures for Kamuzu University of Health Sciences (KUHeS).

Based on the best principles of integrity and fairness, and through the use of transparent processes and systems, KUHeS commits itself to the economic, efficient, and cost-effective procurement of goods, works, and services.

The policy applies to all procurements made with funds under control and administered by the University hence applicable to all facilities and projects available. Responsibility and accountability go to all members of the University carrying procurement duties for prudent use of the resources by complying with this policy and other related policies.

It is expected that this policy will be read carefully and understood by the Management and staff of Kamuzu University of Health Sciences especially those involved in the daily procurement activities. Management is also urged to refer to the policy, Public Procurement and Disposal of Public Assets Act 2017, Desk Instructions, and Public Procurement Regulations which underline all procurements by Government entities.

Professor Francis Moto
Chairperson of the Council

PREFACE

In a bid to support the inspiration and align the Kamuzu University of Health Sciences's Vision and Mission, and to further reinforce the Public Procurement and Disposal Act of 2017, the University commits to choosing the value for money, fairness, and transparency as the basis of all decisions made on all procurements supporting its noble aim.

This policy applies to all procurements executed by the University using public funds and is therefore applicable to all stakeholders of the institution. Funds for the procurement of goods, works and services are allocated from University's operational, capital and development budgets. External funds (Research, Grants, and otherwise) which are also used for the procurement of goods, works, and services are at all times also subject to this policy. All members of the University who have procurement needs are expected to familiarise themselves with this policy to smoothen up the execution of the policy.



Professor Macpherson Mallewa

Vice-Chancellor

ACKNOWLEDGEMENTS

The commitment that the team of procurement professionals demonstrated in the development of the Policy is quite commendable. Special thanks go to Mrs. Walusungu Kazembe, Mr. Robert Ntenje, Mr. Oscar Soko, Mr. Boston Ngwira, Mr. Chriffold Nyirenda, Mrs. Rosebay Kasalika, Mr. Alfred Kunje, Mr. Martin Tembo, Mr. Felix Chisoni and Ma Tuntufye Mwambyale for their efforts towards the development of this Policy.

A vote of thanks also goes to KUHeS for the financial support which played a vital role in meeting the costs for developing this Policy.

LIST OF ABBREVIATIONS AND ACRONYMS

E-Procurement	Electronic Procurement
EOI	Expression of Interest
IPDC	Internal Procurement and Disposal Committee
KUHeS	Kamuzu University of Health Sciences
LPO	Local Purchase Order
MSME	Micro, Small, Medium Enterprise
PADE	Procurement and Asset Disposal Entity
PADU	Procurement and Asset Disposal Unit
PI	Principal Investigator
PPDA	Public Procurement and Disposal Authority
RFQ	Request for Quotation
SOP	Standard Operating Procedures

DEFINITIONS

- Bid:** An offer to provide goods, works and services submitted by a bidder in response to an invitation from a procuring and disposing entity and includes a tender, proposal, quotation and, where applicable, an application to pre qualify.
- Bidder:** Any participant who has expressed interest in procurement proceedings by submitting a bid.
- Bidding document:** A tender solicitation document or any other document for solicitation of offers, proposals or quotations.
- Bid notice:** Any advertisement by which eligible bidders are invited to submit written offers to provide or acquire works, services and goods or any combination of them in case of procurement and disposal respectively.

- Controlling Officer:** The head or principal person who is in charge of a procuring and disposing entity.
- Contract:** A legally binding agreement between two or more parties formed by mutual consent of the parties.
- Corrupt practices:** Has the meaning ascribed to the term by the Cap 7:04 Corrupt Practices Act.
- Framework agreement:** An agreement between a procuring and a disposing entity and a supplier and a contractor through which a supplier or contractor undertakes to supply goods, works or services on indefinite quantity basis at an agreed unit price for an agreed period of time.
- Misprocurement:** A procurement that has not followed the laid down procedures and guidelines.
- National supplier:** A supplier registered and operating in Malawi.
- Non-consulting services:** Any object of procurement other than goods, works and consulting services.
- No objection:** Permission to proceed with the intention for contract award.
- Procurement contract:** An agreement between a procuring and disposing entity and a bidder, supplier, or consultant resulting from the procurement proceedings and includes a framework agreement or an agreement to dispose public assets, if applicable in the context.
- Procurement and Disposal Unit:** A division or section in each procuring and disposing entity responsible for the execution of the procurement and disposal function.

- Procuring and Disposing Entity:** A Government ministry, department, agency, any other public body or any sub division thereof engaging in procurement or disposal of public assets.
- Public procurement:** Acquisition by a procuring and disposing entity, of goods, works, services or any combination thereof, funded in whole or in part by public funds.
- Public asset:** Any property, tangible or intangible, owned by the Government or by a procuring and disposing entity, including physical property, shares, proprietary rights and land.
- Small and Medium Enterprise:** An enterprise including its affiliates that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts and qualified as such under the criteria and size standards in the relevant instruments of the Ministry responsible for industry and trade or the National Construction Industry Council of Malawi.
- Supplier:** A natural, or legal person, who has entered into a procurement contract with a procuring and disposing entity.
- User department:** Any department, division, branch or section of the procuring and disposing entity, including any project unit working under the authority of the procuring and disposing entity, which initiates procurement and disposal requirements and is the user of the requirements.

1 BACKGROUND AND SCOPE

According to the Public Procurement and Disposal Act of 2017, Public Procurement means acquisition by the Procuring and Disposal Entity (PDE) of goods, works, services, or any combination thereof funded in whole or in part by public funds. Disposal means the divestiture of public assets, including intellectual and proprietary rights and goodwill, and any other rights of a procuring and disposing entity by any means of sale, auction, or any combination of these (*Public Procurement and Disposal of Public Assets Act, 2017, c2 31st May 2021*)

KUHeS spends large amounts of money on the procurement of goods, works, and services annually and also disposes of obsolete and redundant items. Procurement and disposal must be conducted in a consistent, orderly, transparent, responsible, and cost-effective manner to avoid wasteful expenditures, improve and offer quality services to meet the public needs.

It is of the utmost importance to ensure that all staff members involved in the application of financial resources are properly trained in the University's procurement processes. All University staff involved in procurement must ensure compliance with the Policy.

This Policy will benefit the University in managing its Procurement and Disposal of Assets Operations.

The Policy applies to all procurements undertaken on behalf of the University regardless of the source of funding and is therefore applicable to all departments including:

- a. University Management,
- b. University Employees (contract, permanent, temporary, full time and part-time)
- c. University Clients (includes individual and corporate clients)
- d. University Suppliers of goods, works, and service providers.

2 THE RATIONALE FOR THE POLICY

The rationale of this policy is to ensure that procurement and disposal of assets are done following the Public Procurement and Disposal Act (2017), Public Procurement Regulation (2020), and Desk Instructions for Procurement (2003):

3 KUHeS VISION

A world-class university and centre of excellence in health education, research, and innovation.

4 KUHeS MISSION

To advance knowledge, professional competencies, skills, and innovations in health sciences through high-quality student-centered and innovative education and research that responds to and influences global/national policy, health, and development needs in an efficient, sustainable, and result-oriented manner.

5 AIM OF THE POLICY

The policy aims at guiding the process of procuring goods, works, and services for the University. The emphasis is on the benefits realized from economies of scale, obtaining value for money, open and effective communication, ethical and fair dealing, accountability, reporting, and equity following the Public Procurement and Disposal of Public Assets Act, 2017.

6 OBJECTIVES OF POLICY

The Objectives of this policy are:

- a. To guide the procurement of goods, works, and services and disposal of assets in compliance with the Public Procurement and Disposal Act of 2017 legislation and regulations.
- b. To bring awareness on Public Procurement laws, regulations, and procedures to improve the relationship between procurement department and stakeholders, in liaison with PPDA.
- c. To meet the user's demand and guaranteed delivery of high quality and competitive price with minimal lead time in line with the best procurement standards thereby achieving value for money.
- d. To ensure that the procurement of goods, works, and services is from socially and environmentally responsible suppliers when executing their duties and subscribing to the core values in areas of human rights, labor, standards, environment, and anti-corruption.

7 POLICY PRIORITY AREAS

7.1 Procurement Planning and Initiation

For a procurement contract of any kind (procurement of goods, works, and services or lease agreements) to be binding at the University, the following criteria and conditions must be complied with, irrespective of the source of the funds:

- 7.1.1 All user departments shall be oriented on all procurement and asset disposal procedures as specified in this policy and its associated Standard Operating Procedures (SOP)
- 7.1.2 All requests for goods, works, and services at the University must be done using an official KUHeS purchase requisition form. User departments will also be allowed to send their requests electronically.
- 7.1.3 The University's official Local Purchase Order (LPO) form or duly authorized contract is the only acceptable and binding contract between KUHeS and its suppliers.
- 7.1.4 The Procurement and Asset Disposal Unit (PADU) shall prepare a Procurement and Asset Disposal Plan in liaison with the User departments, Project PIs and the Finance Department to achieve maximum value from both public expenditures and disposal proceedings. Goods, works and services will only be procured within approved budgets. Thus, in addition to being responsible for preparing the annual budget, the department and unit heads shall ensure that actual procurements throughout the year remain within the budget.
- 7.1.5 In emergencies, the user departments will be allowed to amend their budgets. An emergency as described in the Public Procurement and Disposal Act of 2017
- 7.1.6 The head of Procurement and Asset Disposal Unit shall share the Procurement and Asset Disposal Plan with the heads of user departments to ensure proper monitoring of the implementation of the procurement and asset disposal plan.
- 7.1.7 The PADU shall obtain a list of all higher value procurements and their budgets and present them to IPDC for approval.
- 7.1.8 The PADU shall not artificially split procurement or disposal requirements to circumvent the use of competitive methods of procurement or disposal as prescribed by the PPDA Act of 2017.

- 7.1.9 The annual procurement and disposal plans shall be submitted to PPDA by the last date of the first month of the new financial year.
- 7.1.10 Local Purchase Orders must be generated and signed before the purchasing of goods, works, and services. If the procurement personnel or the user does not adhere to this provision, the University may reserve the right to take disciplinary action. Where possible, the PADU will be generating the LPO requisitions electronically for signing by all responsible personnel.
- 7.1.11 Verbal instructions to suppliers are not allowed. If a verbal instruction is given depending on the nature of the procurement, a written instruction should follow within seven days. KUHeS reserves the right to refuse payment for any goods, works, or services rendered in the absence of an official Local Purchase Order or duly authorized contract.

Specific exemptions to the requirement to raise an official purchase order are limited to:

- a. Rent or business rates
- b. Utility costs
- c. Works and services executed under a contract
- d. Part-time Lecturers

7.2 Source Identification and Preparation of Invitation Documents

- 7.2.1 User departments in liaison with the technical departments shall include clear specifications when submitting their requisitions and if need be the user departments will provide samples and Bills of Quantities in procurement of works
- 7.2.2 The PADU shall identify the relevant procurement and/or asset disposal method to be used according to the PPDA act of 2017.
- 7.2.3 The PADU shall use the procurement methods below:
- a) International competitive bidding-forty five days;

- b) National competitive bidding-thirty days;
- c) Restricted tender-twenty one days;
- d) Request for proposals-twenty one days;
- e) Request for quotation method-five days;
- f) Single sourcing-five days;
- g) Single sourcing in an emergency-twenty four hours

7.2.4 User departments are not allowed to source quotations from prospective bidders.

7.2.5 PADU shall send the RFQs to prospective bidders through all viable means.

7.2.6 The PADU shall advertise a notice in the widely circulated newspapers to invite tenders for larger thresholds.

7.2.7 The same information shall be provided to all bidders responding to the "invitation to tender", or in the event of pre-qualification proceedings, to all bidders that have been pre-qualified.

7.3 Managing the Tendering Process

- 7.3.1 For all procurements and asset disposals concluded through a tender process, the prescribed tender procedure must be followed. The PADU shall provide support for the administration of all tenders.
- 7.3.2 The PADU shall conduct procurement and asset disposal procedures in a manner that shall maximize competition and achieve value for money.
- 7.3.3 Tendering proceedings shall include all bidders regardless of nationality, race, religion, gender, or any other criterion not related to qualification, except to the extent as provided in the PPDA Act of 2017.
- 7.3.4 The PADU shall choose appropriate procedures and cause the procurement and asset disposal procedures to be carried out diligently and efficiently so that the prices received by procuring and asset disposal units present the best value for money.
- 7.3.5 The bid document shall be charged at a fee that shall only reflect the cost of printing and distributing the documents as prescribed in the PPDA Act of 2017.
- 7.3.6 The PADU shall respond promptly to any requests by a bidder for clarification of the bidding document that is received by the institution before the deadline for the submission of bids and responses to such requests for clarification shall be circulated to all participating bidders.
- 7.3.7 Bid submissions shall be written in English.

7.4 Evaluation of the Offers

Evaluation of the offers will be done by following all the laid down procedures as stipulated by the Public Procurement and Disposal Act of 2017.

7.4.1 An Adhoc Evaluation Team shall be formed of five members as guided by the Public Procurement and Disposal Act of 2017.

7.4.2 The Internal Procurement and Disposal Committee shall appoint an ad-hoc evaluation team whenever there is a procurement or disposal proceeding.

7.4.3 This committee shall be responsible for the evaluation of specific offers submitted.

7.4.4 The committee shall comprise the following members:

7.4.5 The head or representative of the PDU who shall be the secretary.

7.4.6 A member from the user or disposing unit

7.4.7 Three non-IPDC members with technical knowledge of the procurement or disposal bids to be evaluated

7.4.8 The evaluation shall be done according to the methodology and criteria as stipulated in the bid document.

7.4.9 The Adhoc Evaluation team shall produce evaluation reports which shall be presented before the Internal Procurement and Disposal Committee (IPDC).

7.5 Internal Procurement and Disposal Committee

The Internal Procurement and Disposal Committee shall be the decision-making body on all the procurement and disposal matters in the University.

The committee, which shall be appointed by the Controlling Officer, shall comprise the following members:

- a. Senior officer designated by the Controlling Officer as the Chairperson
- b. Head of the procurement and asset disposal department or the representative who shall be the Secretary.
- c. Finance personnel or Budget professional and
- d. Four senior officers.

Except in very exceptional circumstances, and with prior approval of the Public Procurement and Disposal Authority's Director-General, the Internal Procurement and Disposal Committee shall comprise a maximum of seven members.

Their term of office shall be two years and members may be re-appointed to the Committee for two consecutive terms.

The quorum shall be made up of the Chairperson of IPDC, Head of PADU, and the Director of Finance and Investments.

7.6 Contract Award

- 7.6.1 After processing the solicited documents, the PADU shall prepare and issue a Notice of Acceptance to the supplier and after receiving the response from the supplier, the PADU shall prepare and issue a contract document to the supplier.
- 7.6.2 For high-value procurements, the PADU shall publish the Intention to award notice on the PPDA website and/or in the 2 widely circulated Newspapers for 14 days.
- 7.6.3 A Local Purchase Order shall be prepared and awarded for the acquisition of goods, works, and services when RFQs are used for sourcing.
- 7.6.4 When the unsuccessful bidders request for debriefing, The PADU is expected to debrief them after the contract award.
- 7.6.5 All Contracts shall be signed by the office of the Vice Chancellor and the office of the Director of Finance and Investments.
- 7.6.6 PADU shall ensure that directives from PPDA in terms of thresholds of all categories of procurements are adhered to.
- 7.6.7 All goods, works and services shall be received through Stores in the presence of the end-user and Procurement and Asset Disposal Personnel.
- 7.6.8 Goods not meeting the required specifications shall be returned by stores. Services/works not meeting the requirements and specifications for the work shall not be certified.
- 7.6.9 Prepayments shall be discouraged. Where prepayments cannot be avoided depending on the nature of the procurement, approval shall be granted by the Director of Finance and Investments.

- 7.6.10 The User department shall inform management and PADU of any imports in form of donations or procurements which shall require customs clearing 14 days before arrival of the consignment.
- 7.6.11 The PADU shall issue instructions to the Clearing Agent to clear or handle goods on behalf of the University.

7.7 Administering Contracts

- 7.7.1 The University will remit 1% PPDA levy to PPDA for every procurement done by the University.
- 7.7.2 The University shall make amendments to an existing contract. The amendments may include adding, removing, or changing the obligations or benefits provided under that existing agreement if both parties to the contract have agreed to the amendments.
- 7.7.3 The University shall terminate a contract in case of fundamental non-performance of terms and conditions in the contract.
- 7.7.4 The University shall consider the contract completed once the supplier has met all requirements of the user and is paid in full.
- 7.7.5 For monitoring and evaluation, the Procurement and Asset disposal Unit shall be preparing Quarterly or periodic reports for PPDA with copies to IPDC and Management.
- 7.7.6 All procurements handled by the Procurement and Asset Unit whether financed by the University or the donors will be handled according to the Public Procurement and Disposal Act of 2017 except incases where the donor has clearly specified which laws to follow.
- 7.7.7 Any Contract amendments or changes shall be approved by the IPDC.
- 7.7.8 All contracts for Outsourced services will be managed by the administration and they shall prepare performance assessment report at the end of each contract. Procurement and Asset Disposal Unit will only assist with awards, amendments and completion of the contracts.
- 7.7.9 All Contracts for works will be managed by Estates office and they shall prepare a completion report at the end of every contract.

7.8 Records Keeping

A PADE shall maintain records of all procurement and disposal proceedings for a period of five years from the date of:

- a) Contract completion or termination;
- b) The decision to cancel the procurement proceedings or disposal process;
- c) The settlement of any dispute under a procurement contract;
- d) The resolution of any complaint, challenge or appeal.

In an event that the period referred to in subsection above has expired but the documentation has not been subjected to an audit, the records of procurement and disposal proceedings shall still be maintained by the procuring and disposing entity.

7.9 Ethics and Integrity

The Procurement and Disposal Personnel involved in requisitioning, planning, preparing, and conducting procurement proceedings, disposal processes, and implementation of procurement and disposal contracts, shall:

- 7.9.1 Discharge their duties impartially to ensure fair and competitive access to procurement opportunities by suppliers.
- 7.9.2 Always act in the public interest, and in accordance with the objectives and procedures set out in the PPDA Act of 2017.
- 7.9.3 At all times, avoid conflicts of interest, and the appearance of impropriety in carrying out their duties and conducting themselves, and shall not interfere in the work of the IPDC.
- 7.9.4 Not commit or abet any corrupt or fraudulent practice, including the solicitation or acceptance of improper inducements.

- 7.9.5 Not interfere with, or exert undue influence on any person to affect a procurement or disposal activity or decision.
- 7.9.6 Keep confidential, any information that comes into their possession relating to procurement proceedings or disposal processes, including bidders' proprietary information, and not get involved in the implementation of a procurement contract on behalf of a private organization with their previous employer for two years after leaving the public service.
- 7.9.7 The Procurement personnel shall disclose to any party with an interest in the procurement or, disposal process, during and after the procurement or disposal proceedings, all the information which may materially affect the implementation of the procurement or disposal process as prescribed in the regulations after getting approval from management.

7.10 Corruption Prevention

Corruption refers, but is not limited to any improper acts and practices including omissions that involve the misuse or influencing of official position or entrusted responsibility for private gain. The following shall be done to ensure that there is no corruption:

- 7.10.1 Management shall ensure that an appropriate environment is created to promote the detection and prevention of fraud and corruption.
- 7.10.2 Management shall, among other measures, ensure that employees understand that internal controls are intended to prevent and detect fraudulent and corrupt activities and encourage employees to report suspected fraud and corruption without fear of disclosure or retribution and require that suppliers and contractors abide by the policy.

- 7.10.3 The internal audit office shall review and recommend policies and procedures to prevent, detect and monitor corrupt conduct and operations within the University. The office shall ensure that an appropriate risk profile for the University exists and is updated annually.
- 7.10.4 Management in liaison with PADU shall develop, disseminate and enforce guidelines for managing conflict of interest, regulating gifts and other forms of entertainment of staff and other persons covered by this policy.

7.11 Micro, Small, Medium Enterprises (MSME) Order 2020

Public procurement and disposal of public assets in Malawi is governed by the Public Procurement and Disposal Act of 2017 and it is a subsidiary legislation that includes Micro, Small, and Medium Enterprise (MSME) Order 2020.

The University will fully comply with the Order which applies to the participation of MSME and marginalized groups (women, youths, and people living with disabilities) in public procurement and also the participation of other enterprises where MSMEs have not been successful for the award of contract.

The University shall prepare the Procurement plan detailing procurements earmarked for MSMEs participation.

The PADU shall publicize adequately the invitation to bid and submit to the PPDA a quarterly report in compliance with the Order.

PADU shall comply with preferences and reservations which may be set on MSME orders from time to time.

7.12 Disposal of Assets (S.31 of the PPDA of 2017)

- 7.12.1 All disposal proceedings shall be conducted in a manner that promotes transparency, accountability, and fairness.
- 7.12.2 All disposal proceedings shall be conducted in a manner to maximize competition and achieve value for money.
- 7.12.3 A bidder shall not be excluded from participating in the disposal based on nationality, race, religion, gender, or any other criterion not related to qualification, except to the extent provided for in this Act.
- 7.12.4 The PADU shall, in all disposal proceedings, choose appropriate procedures and cause the disposal of assets to be carried out diligently and efficiently so that the prices received by the procuring entity represent the best value or net outcome that can reasonably be obtained for the assets disposed of.
- 7.12.5 The PADU shall plan disposal activities to achieve maximum value from any such disposals and other objectives outlined in this Act.
- 7.12.6 The PADU shall take due care of all assets earmarked for disposal of its public assets until such a time when the actual disposal is concluded as prescribed in this Act.
- 7.12.7 The PADU shall use the methods below in conducting the Disposal of Assets:
- Transfer the asset to another procuring and disposing entity;
 - Destruction or writing off of the asset;
 - Trade-in;
 - Conversion or reclassification of asset into another form

8 IMPLEMENTATION GUIDELINES

All public procurement proceedings shall be conducted in a manner that promotes transparency, accountability, non-public discrimination, fairness, open competition, anonymity, economy, efficiency, and responsiveness.

8.1 Transparency

A transparent system has clear rules and mechanisms to ensure compliance with those rules. Records are open to inspection by public

auditors and by others, such as unsuccessful bidders. With transparency provision of information about its activities and governance to stakeholders shall be accurate, complete, and made available in a timely way.

How we will Implement Transparency;

- a. By publicly advertising procurement procedures or soliciting bids from the exhaustive number of suppliers so that procurement personnel is not able to simply contact preferred tenders.
- b. By sending technical specifications to all bidders in advance as stipulated in the PPDA Act and all changes made on the specifications be communicated to all bidders.
- c. Developing evaluating criteria that will ensure that only qualified bidders can compete.
- d. Stating in the tender notices and tender documents all the criteria to be used when selecting the successful bidder.

All procurement personnel shall ensure that procurement of goods, works, and services are conducted transparently.

8.2 Accountability

- a. Accountability refers to being responsible for one's actions and having the ability to provide sound reasoning activities or actions to yield good expected results.
- b. When one is accountable, they should report and/or answer to management on the consequences of those actions and decisions.
- c. University procurement practitioners shall be accountable and thus exposed to disciplinary actions as a remedy for any behavior that contravenes the public procurement and disposal legal framework and principles.

- d. Accountability shall constitute a central pillar of the University's procurement and disposal systems. Without it, it shall be difficult to get stakeholders to assume ownership of their actions because they shall believe they will not face any consequences.

8.3 Fairness

Fairness is defined as treating bidders equally in the procurement process and it is achieved in many ways and some are as follows:

- a. The PADU shall be making decisions and actions that are unbiased and there shall be no preferential treatment (to individuals or firms) given that public procurement activities are undertaken with public funds.
- b. All the bids shall be considered based on their compliance with the terms of the solicitation documents and a bid shall not be rejected for reasons other than those specifically stipulated in the solicitation documents.
- c. The PADU shall provide equal access to information made available at the same time for all interested bidders.
- d. The PADU shall provide additional information or clarification arising from prospective bidders and where feasible do this in writing whether in hard copy or electronic form
- e. If the closing date of the tender is extended, the PADU shall provide an extension notice to all prospective bidders in sufficient time before the originally published closing date and time.

8.4 Open competition

This is the process of tendering open to all suppliers willing to compete which provides the greatest competition amongst them to try to secure business.

8.5 Economy

This principle places emphasis on the need to manage public funds responsibly such that prices paid for goods, works, and services are reasonable and represent good value (in terms of quality) for the number of public funds.

Economic criterion focuses mainly on price but also includes other criteria which provide economic benefits to the institution, such as:

- a. fitness for purpose (i.e. quality);
- b. delivery and availability;
- c. whole-life costs (e.g. maintenance and running costs);
- d. on-costs (e.g. transport and storage); and
- e. the cost of the procurement activity.

The most economic contract does not therefore always mean the cheapest price. "Value for money" from procurement is often summarised in the "5 Rights", thus the right quantity, the right quality, the right price, the right place, and the right time.

8.6 Efficiency

Efficient public procurement implies a system that operates on time, with a minimum of bureaucracy, while being responsive to the needs of the user of the goods or facilities procured. To embrace efficiency, the PADU shall:

- a. Prepare a market price index annually
- b. Think carefully before making any procurements
- c. Build virtuous supplier relationships
- d. Sharpen or improve negotiation skills
- e. Embrace the use of technology by making orders electronically with a complete audit trail.

8.7 Responsiveness to Modern Information and Communications Technology

The PADU is ready to embrace electronic Public Procurement processes. Electronic Procurement (e-procurement) is the process of buying and selling supplies and services over the internet. E-procurement makes use of a supplier's closed system typically available only to registered suppliers.

When implemented properly, e-procurement opens the lines of communication between a company and a supplier by creating a direct link and facilitating interactions such as bids, purchase orders, and emails.

E-procurement offers substantial benefits such as cost savings, a shorter purchasing cycle, and transparency. This can lead to reduced delays in procurement processes.

8.7.1 Causes of Delays in the Procurement Processes

Delays in the public procurement process are defined as any constraints that prevent procurement events from taking place following the procurement plan and schedule.

- a. Poor planning – User departments' failure to submit their procurement requirements to PDU to start the procurement process on time consistent with the procurement and disposal plan and schedule.
- b. Poor specifications – User departments' failure to specify properly the technical specifications, the scope of work, and terms of reference that they want, which leads to PDU seeking clarifications from them hence the delays.
- c. Approval process – Approval is required at various stages in the procurement process and may sometimes not be granted in time.

- d. Poor quality of delivered materials – Suppliers may deliver poor quality materials which might lead to rejection. The replacement may take time hence delay.
- e. Poor communication – Sometimes documents are held in some offices for a long time without feedback for the delay.
- f. Refusal by the supplier to supply the goods due to long outstanding payments.

Avoiding delays in the procurement process not only saves time and money but also permits the timely award of contracts. All stakeholders involved in the bidding, evaluation, and selection phase are responsible for making every effort to avoid delays in the procurement process. This has to be a collaborative effort as no single department can do this.

Procurement legislation requires that every stage of the procurement process be approached having regard to the principles of equal treatment, non-discrimination, transparency, and proportionality. Benefits of approaching procurement activity efficiently and effectively across the University include:

- a. Consolidating the number of suppliers we use so that we can build stronger relationships and improve the goods and services they offer.
- b. Better value for money and better prices for goods due to volume and leverage.
- c. Recognition of the specialist requirements of a complex institution and bringing that together with the market expertise of procurement specialists.
- d. Compliance with appropriate legislation.
- e. Management of risk.

9 MONITORING AND EVALUATION

Review the Policy every two years to understand the implementation of the Policy. The Head of the Procurement and Asset Disposal Unit should be responsible for monitoring and evaluation of the Policy.

10 FINANCIAL IMPLICATIONS

For the effectiveness of this Policy, the institution would be required to allocate enough finances to put in place an electronic system to be used by the PADU.

APPENDIX: THE PUBLIC PROCUREMENT AND DISPOSAL PROCESSES



STANDARD OPERATING PROCEDURES

1. RAISING A REQUISITION

This provides the procedure for raising a requisition and obtaining approval to proceed with the procurement. This SOP applies to all methods of procurement thus goods, works, routine services and consultancy services. The method of procurement will not have been selected at this stage.

A requisition must be raised to start any procurement process. It serves a number of purposes, including:

- a) Documenting the goods, works or services required;
- b) Confirming the availability of funding, based on the estimated value of the procurement requirement;
- c) Documenting the approval to proceed with the procurement.

The end user is responsible for raising a requisition and obtaining all necessary approvals.

- 1) The procurement process will start with the identification of a need for goods, works or services.
- 2) List the goods, works or services required on a requisition form. Where a long list has already been prepared, such as for stationery, this may be attached to the requisition, with a summary description on the form.
- 3) Prepare an initial description of requirements – see SOP 2A, 2B or 2C for further guidance.
- 4) Estimate the value of the goods, works or services. The estimate may be based on recent, similar contracts, market research or an estimate by a technical specialist, such as an engineer for construction contracts. Seek assistance from the PADU, where required.
- 5) Obtain approval to proceed with the procurement, through the signature of the Head of Department, or other authorised official, on the requisition form.

- 6) Obtain confirmation of the availability of funding for the requirement, through the signature of the DFI or the authorised official on the requisition form.
- 7) Finalise the description of requirements, as far as possible and attach it to the requisition form.
- 8) Pass the requisition to the Procurement and Asset Disposal Unit. The PADU will check the requisition and description of requirements and discuss any clarifications or changes required with the end user.
- 9) The requisition form must be signed by the appropriate official, to provide the following approvals:
 - a. Availability of funding for the procurement requirement, based on the estimated value on the requisition form;
 - b. Confirmation of the need for the goods, works or services listed on the requisition form and approval to proceed with the procurement process for those items.

A requisition form must be completed and passed to the PADU, who will open a procurement file for the requirement. The end user should also keep a copy of the requisition for his own records. The requisition form must include:

- a) The name of the end user department raising the requisition and the contact name for queries;
- b) A list of the goods, works or services required, including quantities and units of measure;
- c) The estimated unit and total value for each item;
- d) The location for delivery or performance of the goods, works or services;
- e) The date or dates for delivery, completion or performance of the goods, works or services;
- f) Confirmation of availability of funding;

- g)** Approval to proceed with the procurement.
- h)** A detailed description of requirements should be attached to the requisition form.
- i)** The Procurement Unit will allocate a procurement reference number to each procurement requirement.
- j)** Prepare a description of requirements to accompany the requisition – see SOP 2A, 2B or 2C:
- k)** Preparing a description of requirements for goods, works or services for guidance. Then go to SOP 3: Selecting a procurement method and planning the procurement

2A. PREPARING A DESCRIPTION OF REQUIREMENTS FOR GOODS

This provides the procedure for preparing a description of requirements for the procurement of goods.

The description of requirements shall be fully prepared at the stage of raising the requisition and shall be finalised during the drafting of the bidding document.

This shall apply to all methods of procurement.

This shall apply to goods only.

The description of requirements shall be a key document, which shall be used throughout the procurement process.

This procedure shall be used to:

- Inform the PADU and IPDC what the end user needs to purchase, providing the basis for the procurement planning and budgeting;
- Inform bidders of the procuring entity's requirements through inclusion in the bidding document;
- Provide the technical standard against which tenders are evaluated;
- Form part of the contract,
- Defining the goods to be supplied;
- Set the technical standard against which the goods supplied can be inspected, prior to acceptance.

The description of requirements for goods shall be prepared by the end user, who shall obtain additional technical advice if required. The end-user shall consult the PADU, if necessary, on the procurement rules which apply to the description of requirements.

Step-by-Step Instructions:

- The preparation of the description of requirements shall normally start with a general, summary description of the requirement.
- Preparation of a complete list of the items required.
- Consideration on the purpose the goods are being purchased for and any special requirements.
- Preparation of a specification for each item required.
- Preparation of the required delivery schedule.

- Sending the description of requirements, along with the requisition, to the PADU.

GUIDELINES FOR THE DESCRIPTION OF REQUIREMENT FOR GOODS

List of Goods

The list of goods shall briefly describe each of the goods that the procuring entity requires and specify the quantities of each.

Consideration shall be given to including any spare parts or consumable items required, either by specifying the items required or requesting the spares or consumables normally required for a specified period of operation.

The list of goods shall also describe any incidental works or services required, such as installation and commissioning, preparation of the site for installation or user training.

Each item shall be numbered sequentially on the list for reference purposes. Along with the quantity, the unit of measure shall also be specified

Specifications

The specifications shall define the technical characteristics and quality standards of the goods required by the procuring entity.

Well-prepared specifications shall facilitate the preparation of tenders by bidders and the evaluation of tenders by the procuring entity. Where required, the end user shall seek technical advice external specialists in preparing specifications.

Technical specifications shall specify the minimum requirements of the procuring entity. The evaluation will then assess whether tenders reach this standard.

Technical specifications shall contain a complete, precise and unambiguous description of the goods required, by specifying:

- the functions or characteristics required
- the performance required
- the quality standards for equipment, materials or workmanship.

Specifications must be generic as they shall not refer to a particular trademark, brand name, make or model, patent, catalogue number or any other detail which would limit the specification to a specific manufacturer.

In exceptional cases, where there is no sufficiently precise way of describing the goods without use of a brand name or similar, the words "or equivalent" must be included. The use of particular makes or models may also be permitted for reasons of compatibility.

Standards specified must not be restrictive. Where possible, recognised international standards should be used. Where other standards are used, they should normally be followed by a statement that "other authoritative standards that ensure at least a substantially equal quality will also be acceptable".

Specifications shall also include:

- The purpose and intended use of the goods.
- Details of the conditions in which the goods must operate
- Descriptions of required manufacturing processes, workmanship or materials.
- Drawings of the goods, including site plans for installation.
- Any environmental or safety features required of the goods.
- Packaging, marking and labelling requirements
- Details of inspection or testing requirements, including performance parameters, including outputs, timescales, and any indicators or criteria against which the satisfactory performance of the goods will be tested.
- Any documentation required
- Where appropriate, procuring entities shall make use of standardised specifications or specifications used previously.

Delivery Schedule

The delivery schedule shall specify the delivery period and place for each of the goods. Where any related works or services are included, the delivery schedule should also state the completion period and the site.

In preparing the delivery schedule, the following guidance should be taken into account:

- The delivery and completion periods shall be realistic. Unrealistically short delivery or completion expectations may result in restricted competition or may prompt complaints from prospective bidders.
- The delivery and completion periods shall be best expressed as a number of days, weeks or months from the date of contract award, as precise dates cannot be determined until the contract has been placed.
- The delivery period shall take into account whether the procurement is of standard, readily available goods or goods which are likely to be manufactured to order.
- Where appropriate, different delivery periods shall be given for different items or the total requirement shall be split into several batches, with phased deliveries.
- The delivery period shall take into account whether the goods are likely to be available in Malawi or require importing. Where the goods shall likely be sourced internationally, the location of the goods and likely transport times shall be considered.
- When the description of requirements is included in a bidding document, the Procurement Unit should check that the delivery period specified takes into account the Incoterm specified for delivery.

For open tendering the final description of requirements included in the bidding document shall be reviewed by the IPDC, when approving the invitation document.

A copy of the description of requirements shall be attached to the requisition form, which shall be kept on the procurement file. The end user shall also retain a copy of the requisition and description of requirements for their own reference.

2B. PREPARING A DESCRIPTION OF REQUIREMENTS FOR WORKS

Description of the requirement shall be fully designed by the procuring entity, prior to inviting tenders.

The description of requirements shall be fully prepared at either the stage of raising the requisition or during the drafting of the bidding document.

The description shall be prepared by the User and alternative specialist advice shall be sought for the preparation of a description of requirements for design and building contracts.

This shall apply to all methods of procurement.

The description of requirements shall be a key document, which shall be used throughout the procurement process.

Description of Requirements shall be used to:

- Inform the PADU and IPDC what the end user needs to purchase, providing the basis for the procurement planning and budgeting;
- Inform bidders of the procuring entity's requirements through inclusion in the bidding document;
- Provide the technical standard and, for some requirements the estimated quantities, against which tenders are evaluated;
- Form part of the contract, defining the works to be performed and the technical standard against which the works can be inspected prior to acceptance; and
- Provide, for some types of contracts, the rates and estimated quantities against which actual work is measured for payment purposes.

The description of requirements for works shall be prepared by Estates or engineer with appropriate technical qualifications and experience. Where the end user department does not have an appropriate member of staff, external technical advice should be sought. The end-user should consult the PADU, if necessary, on any procurement rules which apply to the description of requirements.

Step by step preparation of description

- The preparation of the description of requirements normally start with a general, summary description of the requirement.
- Preparation of a bill of quantities or activity schedule.
- Preparation of the required completion schedule.
- Preparation of an overall scope of works, which shall form the first part of the description of requirements.
- Send the description of requirements, along with the requisition, to the PADU.

Guidance Notes On Preparation Of Description

1. Drawings for Works

Technical drawings shall be required to define the works required by the procuring entity. The construction drawings, even if not fully developed, must show sufficient detail to enable bidders to understand the type and complexity of the work involved and to price their tenders.

When preparing the bidding document, it shall be a normal practice to insert a list of drawings.

2. Specifications for Works

A set of precise and clear specifications shall be a prerequisite for bidders to respond realistically and competitively to the procuring entity's requirements without qualifying or conditioning their tenders. Specifications shall be drafted to permit the widest possible competition and, at the same time, present a clear statement of the required standards of workmanship, materials, and performance of the related goods and services to be procured. Only if this is done will the objectives of economy, efficiency, and fairness in procurement be realised, responsiveness of tenders be ensured, and the subsequent task of evaluation be facilitated. The specifications shall require that all goods and materials to be incorporated in the Works be new, unused, of the most recent or current models, and incorporate all recent improvements in design and materials unless provided otherwise in the Contract.

Care shall be taken in drafting specifications to ensure that they are not restrictive. In the specification of standards for goods, materials, and workmanship, recognised international standards shall be used as much as possible. Where national, or other, standards are used, the specifications shall state that goods, materials, and workmanship that

meet other authoritative standards, and which ensure substantially equal or higher quality than the standards mentioned, shall also be acceptable.

Most specifications shall normally be written specially to suit the specific works in hand.

3. Bills of Quantities

A bill of quantities shall be prepared for inclusion in the bidding document, where the requirement is to be contracted as an admeasurement contract – for lump sum contracts. Bidders shall then be required to price the bill of quantities in their tenders and the priced bill of quantities shall become part of the contract. Payment shall then be made using the rates in the priced bill of quantities, but based on the quantity of work actually performed, which shall be measured on a regular basis.

The objectives of the bill of quantities shall be:

- to provide sufficient information on the quantities of Works to be performed to enable tenders to be prepared efficiently and accurately.
- to provide a priced bill of quantities for use in the periodic valuation of Works executed, once a Contract has been entered into.

Works shall be itemised in the bill of quantities in sufficient detail to distinguish between the different classes of Works.

The layout and content of the bill of quantities shall be as simple and brief as possible.

4. Activity Schedule

An activity schedule shall be prepared for inclusion in the bidding document, where the requirement is to be contracted as a lump sum contract. Bidders are required to tender a lump sum price, based on the activity schedule and the successful bidder's tender price becomes the contract price.

Therefore, the objective of the activity schedule shall be to provide a breakdown of the activities and their associated cost that form the Works to be paid on a lump sum basis.

The breakdown shall be intended to be used:

- As the basis for certifying interim payment to the supplier,
- To assist in valuing any ordered variations.

5. Completion Schedule

The completion schedule shall specify the completion period of the works.

In preparing the completion schedule, the following guidance shall be taken into account:

- The completion periods shall be realistic. Unrealistically short completion periods may result in restricted competition or may prompt complaints from prospective bidders.
- The completion periods shall best expressed as a number of days, weeks or months from the date of contract award, as precise dates cannot be determined until the contract has been placed.

6. Scope of Works

The scope of works shall provide a description of the works, approximate quantities of major items a background narrative to the work required and the objectives of the works required.

- The scope of works shall normally form the first part of the description of requirements.
- The final description of requirements shall be included in the bidding document which shall be reviewed by the IPDC, when approving the invitation document.

Documentation and Record keeping

A copy of the description of requirements shall be kept on file, along with the requisition form. The end user shall also retain a copy of the requisition and description of requirements for their own reference.

2C. PREPARING A DESCRIPTION OF REQUIREMENTS FOR SERVICES

This provides the procedure for preparing a description of requirements for the procurement of services, both routine and consultancy.

The description of requirements shall be fully prepared at the stage of raising the requisition and finalised during the drafting of the bidding document.

This procedure applies to all methods of procurement.

This procedure applies to routine and consultancy services.

The description of requirements is a key document, which is used throughout the procurement process.

These description of requirements shall be used to:

- inform the PADU and IPDC what the end user needs to purchase, providing the basis for the procurement planning and budgeting;
- inform bidders of the procuring entity's requirements through inclusion in the bidding or request for proposals document;
- provide the terms of reference against which tenders or proposals are evaluated;
- form part of the contract, defining the services to be supplied;
- set the technical standard and deliverables against which the services performed can be judged, prior to acceptance.

The description of requirements for services shall be prepared by the end user, who shall obtain additional technical advice if required. The end-user shall consult the PADU, if necessary, on the procurement rules which apply to the description of requirements. It is important that the recipient or manager of the services is involved in drafting or checking the description of requirements, as it shall reflect the requirements of the intended contract.

Step-by-Step Instructions:

- The preparation of the description of requirements shall normally start with a general, summary description of the requirement.
- The preparation of detailed terms of reference for the services.
- Send the description of requirements, along with the requisition, to the PADU.

GUIDANCE NOTES

Terms of Reference for Routine Services

The terms of reference shall provide sufficient information to enable bidders to understand the services required by the procuring entity and shall be complete, precise and clear.

Well-prepared terms of reference will facilitate the preparation of tenders by bidders and the evaluation of tenders by the procuring entity.

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

- the purpose of the assignment and what it is expected to achieve;
- a description of the scope of the services required;
- the location or locations for performance of the services e.g. specify the address, where services are to be performed on the procuring entity's premises;
- the role, qualifications and experience of any key staff required, such as supervisors;
- the duration of the contract or expected completion date;
- the hours of work or hours when the supplier will have access to the site;
- an estimate of the amount or value of work involved, where the scope of the services cannot be precisely defined
- any facilities, services or resources to be provided by the procuring entity;
- any particular equipment to be provided by the supplier
- any required performance targets or response times
- arrangements for reporting to the procuring entity, including lines of communication and the contact point for management and administration of the assignment;

Terms of Reference for Consultancy Services

The terms of reference shall provide sufficient information to enable bidders to understand the services required by the procuring entity.

They shall be complete, precise and clear, but shall not be over-prescriptive, where the success of an assignment is largely dependent on the skills and experience of the consultants.

Well prepared terms of reference shall facilitate the preparation of proposals by bidders and the evaluation of proposals by the procuring entity.

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

- the background to the assignment, including details of any larger project which the assignment shall be part of;
- the objectives of the assignment and what it is expected to achieve;
- a description of the scope of the services required;
- the specific deliverables required, such as study reports and recommendations, software, databases, bidding documents, drawings, specifications, maps, software, training materials etc.
- the dates by when they are required;
- requirements for the transfer of knowledge or training programmes;
- the role, qualifications and experience of any key staff required;
- the period of the assignment and expected completion dates;
- any facilities, services or resources to be provided by the procuring entity, including any counterpart staff;
- arrangements for reporting to the procuring entity, including lines of communication and the contact point for management and administration of the assignment;
- a schedule of any reports required, including inception, progress and final reports;

The final description of requirements included in the bidding, request for proposals or request for quotations document shall be reviewed by the IPC, when approving the invitation document.

Documentation and Records keeping

A copy of the description of requirements shall be attached to the requisition form, which shall be kept on the procurement file. The end user shall also retain a copy of the requisition and description of requirements for their own reference.

3A. CONDUCTING A PRE-QUALIFICATION

The pre-qualification procedure obtains and assesses information on the qualifications of potential bidders, in order to restrict actual bidding to a list of qualified bidders.

This is achieved through the publication of a pre-qualification notice, the receipt of submissions and the evaluation of submissions against pre-defined criteria.

Pre-qualification may be used under the Open Tendering method, for procurement of a particularly high value or complexity, but its use is not mandatory.

A decision on whether or not to use pre-qualification should be made at the procurement planning stage.

Pre-qualification may also be used under the Two-Stage Tendering method.

Purpose of Procedure:

- Pre-qualification is used to identify bidders who have adequate capabilities, resources and experience to perform a contract, prior to the invitation and submission of detailed tenders. This can be beneficial for high value or complex procurement, as: the preparation of detailed tenders can be costly and this may discourage competition if bidders feel that they are competing against a large number of bidders.
- The evaluation of a large number of detailed tenders can require excessive time and resource from the procuring entity.
- The supplier's capabilities, resources and experience may be key to the successful performance of the contract and therefore bidding should be limited to qualified bidders.
- Pre-qualification for a group of similar contracts can be beneficial, as it avoids the need for repeated pre-qualification procedures and also allows a bidder to be pre-qualified up to a certain value or size of contract or contracts.

The PADU manages the pre-qualification process, consulting with the end-user or other technical specialist, on drafting the pre-qualification criteria.

The pre-qualification process is effectively a mini tendering process, involving the invitation, receipt and evaluation of applications to pre-qualify datasheet, the qualification criteria and a description of the type of goods, works or services to which the pre-qualification applies.

- Draft an invitation to pre-qualify notice
- Submit the pre-qualification document and invitation to pre-qualify notice to the IPC for approval, prior to issue.
- Publish the notice.

- Issue pre-qualification documents to all bidders who request them.
- Receive applications up until the deadline – Late applications must not be accepted.
- Open the applications and record the names of all applicants. No public tender opening is required.
- Assess each application against the criteria defined in the pre-qualification document and determine whether each bidder is qualified or not qualified
- Record the results of the evaluation.
- Prepare a list of pre-qualified bidders and obtain IPDC approval for the evaluation and the pre-qualified list. This approval can normally be obtained at the same time as approval for the bidding document.

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

The pre-qualification document must be drafted using the appropriate standard prequalification document of the Government of Malawi. A copy of the approved prequalification document, and the IPDC's written approval, must be retained on the procurement file.

The procurement file must also contain records of:

- i. the potential bidders to whom the pre-qualification document is issued;
- ii. the potential bidders submitting applications;
- iii. the evaluation of applications;
- iv. the list of pre-qualified bidders.

3B. OBTAINING AND ASSESSING EXPRESSIONS OF INTEREST

The expression of interest procedure obtains and assesses information on the qualifications and experience of potential bidders, in order to restrict actual bidding to a list of qualified bidders.

This is achieved through the publication of a notice calling for expressions of interest, the receipt and assessment of expressions of interest and the development of a limited shortlist.

The expressions of interest procedure may be used under the Request for Proposal's method only. Its use is not mandatory, but it is recommended for all but the smallest and simplest assignments.

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

The EOI procedure offers the following benefits:

- Publication of a notice calling for EOI's assists the procuring entity in identifying potential bidders.
- Consultancy assignments can vary greatly and be highly complex or specialized, making the identification of sources difficult.
- Only a limited number of bidders are required to prepare detailed proposals and keep key staff available for the validity period.
- Bidders are more likely to commit resources to proposal preparation and keep staff available if they feel that they are only competing against a limited number of bidders;
- The PADE does not require excessive time and resource for the evaluation of a large number of detailed proposals, including complex methodologies and several CV's;
- Bidding is limited to suppliers likely to have the capabilities, personnel and experience required for the successful performance of the contract.
- The qualifications of both the supplier and its key staff are critical in the delivery of consultancy assignments.

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

Step-by-Step Instructions:

- i. Draft a notice calling for expressions of interest

- ii. Submit the EOI notice to the IPC for approval, prior to publication.
- iii. Publish the notice
- iv. Receive EOI's up until the deadline - Late EOI's must not be accepted.
- v. Open the EOI's and record the names of all applicants. No public tender opening is required.
- vi. Assess the EOI's for the key skills, experience or capabilities required for the assignment.
- vii. Prepare a shortlist of three to six bidders who are the best qualified for the proposed assignment. Obtain IPC approval for the shortlist when obtaining approval for the Request for Proposals document.

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

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

The IPDC must approve the notice calling for EOI's before publication. They will also approve the shortlist of bidders, when approving the subsequent Request for Proposals document.

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

The procurement file must also contain records of:

- i. the potential bidders submitting EOI's;
- ii. the evaluation of the EOI's;
- iii. the shortlist of bidders.

4A. DRAFTING A BIDDING DOCUMENT OR REQUEST FOR PROPOSALS DOCUMENT

Bidding documents are required for Open Tendering, Restricted Tendering and Two-Stage Tendering. The request for proposals document used for the Request for Proposals method is also a bidding document and therefore this SOP applies.

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

- the precise description of the goods, works or services required;
- the rules for the tendering process;
- the evaluation criteria and methodology which will be applied;
- any qualification criteria which will be applied;
- the type and conditions of the proposed contract.

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

The PADU is responsible for drafting the bidding document or request for proposals, in consultation with the end-user who raised the requisition. The PADU should seek advice from technical specialists, where required. The PADU is responsible for obtaining approval from the IPDC, prior to issue of the document.

Choice of Standard Bidding Document:

The Government of Malawi has issued the following standard bidding documents for use in public procurement:

- Standard Bidding Document for the procurement of goods;
- Standard Bidding Document for the procurement of goods (framework contract);
- Standard Bidding Document for the procurement of works;
- Standard Bidding Document for the procurement of minor works;
- Standard Bidding Document for the procurement of routine services;
- Standard Request for Proposals for consultancy services (complex, time-based assignments);
- Standard Request for Proposals for consultancy services (complex, lump sum assignments); etc

IPDC approval for the bidding documents must be obtained, prior to its issue or the publication of any invitation to tender notice. Approval for any invitation to tender notice, shortlist or list of pre-qualified bidders should be sought at the same time.

A copy of the approved bidding document, along with the IPC's approval, must be retained on the procurement file.

4B. DRAFTING A REQUEST FOR QUOTATIONS DOCUMENT

This SOP is for drafting a request for quotations document, using one of the standard documents issued by the Government of Malawi. It also provides the procedure for obtaining approval for the completed document, prior to issue.

Method:

A Request for Quotations document is required for the Request for Quotations method only.

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

The request for quotations document is critical to the success of the procurement process. It informs bidders of:

- the precise description of the goods, works or services required;
- the rules for the procurement process;
- the evaluation criteria and methodology which will be applied;
- any qualification criteria which will be applied; and
- the type and conditions of the proposed contract (purchase order).

A well drafted RFQ document should result in a successful procurement process.

The PADU is responsible for drafting the request for quotations document, in consultation with the end-user who raised the requisition. The PADU should seek advice from technical specialists, where required.

Step-by-Step Instructions:

- Select the appropriate standard document for the requirement, which will be the RFQ document for goods, works or routine services.
- Consult with the end-user, and technical specialists if required, regarding finalisation of the description for inclusion in the document.
- Complete details of the procurement process

RFQ documents must be drafted using the appropriate standard document of the Government of Malawi. A copy of the approved RFQ document, must be retained on the procurement file.

5. PUBLISHING AN INVITATION TO TENDER NOTICE

This standard operating procedure outlines the rules for publishing an invitation to tender notice.

The publication of an invitation to tender notice is required under the Open Tendering method, where no pre-qualification has been conducted. An invitation to tender notice may also be published under the Two-Stage Tendering method.

This standard operating procedure also applies to the publication of invitation to pre-qualify notice under Open Tendering and notices calling for expressions of interest under Request for Proposals.

No publication of notices is required for other methods.

The publication of notices may apply to goods, works, routine services and consultancy services.

Invitation notices are published in order to:

- Attract the widest possible competition, which should assist the procuring entity in obtaining value for money or in preparing a strong shortlist of bidders
- Offer all potential bidders a fair opportunity to tender or pre-qualify for government funded contracts.

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

Steps to be followed

- **PADU** shall arrange for publication of the notice in the local press by consulting the user to raise a requisition in R- Plus system which shall facilitate a pre-payment to the press.
- When the advert is published the **PADU** shall display the notice publicly in all the university's notice boards.
- For international tendering, the **PADU** shall arrange publication in appropriate publications of wide international circulation, such as internationally recognised newspapers, specialised trade journals, the internet etc.
- The **PADU** shall seek approvals from IPDC of the draft of notice of the publication of the notice.
- **PADU** shall keep a copy of the published notice in file.

6. ISSUING INVITATION DOCUMENTS

This standard operating procedure provides the procedure for the physical issue or sale of bidding documents to bidders and keeping records of the documents issued.

The standard operating procedure applies equally to the issue of other invitation documents, such as pre-qualification, Request for Proposals documents.

This applies to the following sourcing methods; Open Tendering, Restricted Tendering, Two Stage Tendering, Request for Proposals methods and applies to categories of procurement i.e. goods, works, routine services and consultancy services.

PADU shall make sure that Bidding and other invitation documents must be issued or sold promptly, to provide bidders with sufficient time to prepare and submit their tenders as delays in issuing bidding documents result in reduced competition, which itself leads to the cancellation of a tendering process.

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

PADU shall make sure that records are kept of the documents issued, in case of queries or complaints from bidders.

The **PADU** shall be responsible for managing the issue of bidding documents.

The **PADU** shall delegate to accounts department the collection of fees for the documents and issuance of the receipt to the bidders.

Steps to be followed:

- Where documents are being issued to bidders on a shortlist or pre-qualified list, the documents must be dispatched to all bidders by the **PADU** at the same time and a record must be kept of the issue of documents.
- Where an invitation to tender or pre-qualify notice is being published, **PADU** shall allow bidders to preview the documents prior to purchase. Arrangements must be put in place to permit previews, at the address and time stated in the published notice.

- The **PADU** shall ensure that sufficient copies of the bidding document will be available by the date of publication of the first notice.
- Where a fee is charged for the documents, **PADU** shall arrange to put in place measures for receiving and confirming payments and issuing receipts. The precise arrangements will depend on the method of payment.
- The **PADU** shall make sure that documents are dispatched promptly to all bidders who respond to any notice and pay any required fee.
- The **PADU** shall make sure that documents are dispatched within five days of receipt of the request or payment of the fee, whichever is later and a record is kept of the issued documents.
- A record of the issued bidding documents shall be completed and kept on file.
- At a minimum, this record must include:
 - the name and address of each bidder, to whom the document was issued;
 - the date of receipt of the request for the documents, where applicable;
 - confirmation of the payment of any required fee;
 - the date of issue of the document;
 - the method of dispatch of the document;
 - the signature of the official responsible for the issue of the documents.

7. MANAGING A PRE-BID CONFERENCE AND SITE VISIT

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

The Pre-bid conferences and/or site visits may be conducted under Open Tendering, Restricted Tendering, Two-Stage Tendering and Request for Proposals.

The need for pre-bid conferences or site visits must be considered at the procurement planning stage and appropriate provisions included in the bidding document.

Pre-bid conferences and/or site visits may be required for goods, works, routine services or consultancy services.

Pre-bid conferences and site visits are intended to provide a structured way of providing additional information for bidders, which cannot easily be included in a bidding document.

A pre-bid conference or site visit can offer the following benefits:

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

The **PADU** Shall be responsible for managing pre-bid conferences and site visits. The end user, or other technical specialist, must be closely involved to provide responses on technical issues.

Steps to be followed

- The **PADU** shall consider the need for a pre-bid conference or site visit at the procurement planning stage and include details of the location, date and time in the bidding document and any invitation to tender notice.
- They should be held early during the bidding period, to allow bidders time to take the information into account in preparing their tenders. Where both a pre-bid conference and a site visit are to be held, they should be arranged to coincide wherever possible, particularly where international bidders are likely.
- The **PADU** shall ensure that arrangements are made in advance, including booking a meeting room, ensuring that sufficient, appropriate staff are available, ensuring that access to the site is possible at the appointed time, making appropriate safety arrangements on site if required, preparing an agenda for the conference.
- The **PADU** shall brief all staff involved on the procedure for the pre-bid conference and/or site visit, including the responsibilities of each staff member and anticipated questions and answers.
- The **PADU** shall make sure that the management of the pre-bid conference will be determined by the agenda. Typically, this might include opening and welcome remarks by the University, a brief presentation by the university on the procurement requirement, questions by bidders and closing. Where requests for clarification have been received prior to the conference, these may be used to determine the agenda and prepare responses.
- The management of any site visit will be determined by the nature and size of the site and the type of procurement envisaged. Bidders should be given a tour of as much of the site as possible and allowed to view any facilities which are being provided by the procuring entity.
- Following completion of the pre-bid conference and/or site visit, **PADU** shall issue a record of the meeting to all bidders who were issued with bidding documents, regardless of whether they attended the conference. The record issued must include all questions raised and the formal clarifications issued.
- Where necessary, the **PADU** shall issue a formal modification of the bidding document and/or extension to the bidding deadline.

PADU shall keep a record of the pre-bid conference and/or site visit in the procurement file and distributed to all bidders who were issued with the bidding document. At a minimum, this record must include:

- The date, time and location of the pre-bid conference and/or site visit a list of all persons who attended, including both procuring entity staff and bidders;
- A list of all questions asked and the responses given to bidders.

8. HANDLING BIDDER CLARIFICATIONS, MODIFICATIONS AND EXTENSIONS

This procedure shall establish standard operating procedures for responding to bidder clarifications, issuing modifications to a bidding document and granting extensions of the bid deadline.

- Bidder clarifications are requests from bidders for clarification of a particular element of the bidding document, to which the procuring entity shall be required to issue a formal response to all bidders;
- Modifications are formal amendments to the bidding document, which the procuring entity may choose to make, either in response to a bidder clarification or on its own initiative;
- Extensions are formal extensions by the procuring entity of the deadline for submission of tenders, to give bidders more time in which to prepare their tenders, normally in response to a bidder clarification or modification.

This procedure applies to goods, works, routine services and consultancy services.

This procedure may apply under any method of procurement where a formal invitation document has been issued.

These shall be:

- Open Tendering.
- Restricted Tendering.
- Two-Stage Tendering.
- Request for Proposals.
- Request for Quotations.

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

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

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

PADU shall manage requests for clarifications and the issue of any modifications to the bidding document or extensions to the bid deadline.

PADU shall consult with the end user, or other technical specialist, where required on clarifications or modifications to be issued.

PADU shall first consult the IPDC where any substantial change shall be made to the original and approved bidding document.

STEP BY STEP PROCEDURES

- A clarification or modification can be issued, or an extension of the bidding deadline given, either in response to a request for clarification from a bidder or on the procuring entity's own initiative. Where a request is received from a bidder, ensure that it is received before the latest date for clarifications stated in the bidding document. Where it is received later, send a reply stating that the request was received after the latest date for clarification requests and that therefore no response can be given.
- Agree on the appropriate response to the request for clarification, or agree any modification that the procuring entity considers necessary. Consult with the end user, or technical specialist, where appropriate.
- Consider whether the clarification or modification is likely to have a significant impact on the preparation of tenders and therefore, whether an extension to the bidding deadline should be given.
- Draft a formal clarification or modification. Where the clarification is in response to a request from a bidder, ensure that the response includes a description of the request, but without identifying the bidder who made the request. Ensure that any extension to the bidding deadline is clearly stated, giving the time and date of the new deadline. State also the revised time and date for any public tender opening.
- If the clarification or modification involves a substantial change to the bidding document, obtain IPC approval before issue.
- Issue the same clarification, modification or extension to all bidders at the same time, keeping a record of its issue. Where a pre-bid conference shall be held formal issue of the clarification, modification or extension may be delayed until after the pre-bid

conference. However, the procuring entity shall still prepare the clarification, modification or extension, as information will need to be provided at the pre-bid conference and a formal clarification, modification or extension shall be issued after the conference.

If any extension to the bidding deadline has been given, ensure that arrangements for the receipt of tenders and any public tender opening are revised.

IPDC approval shall be required for any clarification or modification which involves a substantial change to the original bidding document.

A record shall be kept on the procurement file of the issue of all clarifications, modifications or extensions to the bid deadline. At a minimum, this record must include a copy of the clarification, modification or extension letter sent and evidence of dispatch to all bidders.

9. RECEIVING TENDERS

This section provides a standard operating procedure for the receipt of tenders, closing tendering at the time of the deadline and safe-keeping of tenders until the time for tender opening.

The formal receipt of tenders applies to all the methods of procurement.

This Procedure applies to goods, works, routine services and consultancy services.

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

- a) It ensures that submitted tenders are kept unopened until the time for the public tender opening, to promote fair competition;
- b) It ensures that tendering is closed at the precise date and time of the deadline and that no late tenders are accepted;
- c) It ensures that a record is kept of all tenders submitted on time, to help avoid the opening of any late tenders submitted at the opening.

The PADU will manage the receipt of tenders, the closing of tendering and shall be responsible for the safe-keeping of tenders until they are delivered to the Internal Procurement Committee for opening.

Procedure:

- i. Make a locked tender box available during the tendering period, to allow bidders to deposit their tenders in the box.
- ii. The tender box must be in a location which is accessible to the public during normal working hours.
- iii. The tender box must be labelled with the procurement reference number, particularly where several tender boxes are in use at any one time, for tenders closing at different times.
- iv. Ensure that staff are available during normal working hours to issue receipts for tenders, prior to their placement in the tender box.
- v. Ensure that a standard format of receipt is available.
- vi. Ensure that arrangements are in place for the receipt of tenders, or other packages such as samples, which are too large to fit in the tender box.
- vii. A record must be kept of all tenders, or other items, not placed in the tender box and these items must be kept securely and taken with the tenders to the location for tender opening at the appointed time.

- viii. Ensure that staff have been nominated to manage the tender closing and that they know the date and time of the closing. These staff must be at the location for tender receipt before the time of tender closing.
- ix. Seal the tender box at the precise date and time of the deadline for tendering.
- x. Take the sealed tender box, along with any tenders or other items which were too large for the tender box, to the location for the tender opening and deliver it into the custody of the IPDC member responsible for the tender opening. The tender box must not be opened or left unsupervised between the tender closing and the tender opening.

Tender Boxes

- The tender box must have three different locks and the three keys must be held by the three different Procurement Professionals.
- The tender box must have an opening which is sufficiently large to allow the deposit of most tenders, but no so large that a person could reach inside the tender box and remove a tender.

No approvals are required, although the member of the IPDC responsible for the tender opening may wish to witness the closing of tendering at the time of the deadline.

A record must be kept on the procurement file of all tenders, or other items, which are received, but not placed in the tender box. Copies of all receipts issued to bidders must also be kept on the procurement file.

At a minimum, receipts for tenders submitted must include:

- i. the name of the bidders;
- ii. the precise time and date of receipt of the tender;
- iii. the name and signature of the official receiving the tender and issuing the receipt; and
- iv. the number of envelopes/packages received.

10. TENDER OPENING

- a) Bids shall be opened at the time and place indicated in the bidding document, and the time of opening of the bids shall coincide with deadline for submission of bids.
- b) IPDC member shall be chosen and be the chairperson of the tender opening proceedings.
- c) Opening with the word of prayer.
- d) The chairperson welcomes the members who have come to attend the meeting.
- e) Introduction of members from both sides Procurement and Disposal Entity and the bidders.
- f) Signing of attendance Register forms by both bidders or their respective representatives and members of the IPDC who have chosen to attend the opening of the bids.
- g) All the bids that have been opened shall be recorded with an individual number.
- h) Opening of the bids at which the names and addresses of the bidders who have submitted the bids and their prices, shall be read out and recorded.
- i) Bidders are given an opportunity to ask the questions if they have any.
- j) The chairperson thanks the members and closes the meeting.
- k) Minutes of the tender opening meeting proceedings shall be produced by the secretariat of the PADU and signed by a representative of the Bidders, The Chairperson of the bid opening and the Secretariat.