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Secretary for Transport and Infrastructure Development
MINISTRY OF TRANSPORT AND INFRASTRUCTURAL DEVELOPMENT

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Permanent Secretary
DISTRICT DEVELOPMENT FUND AND RELATED INFRASTRUCTURE DEVELOPMENT IN
THE OFFICE OF THE PRESIDENT AND CABINET

ALL ACCOUNTING OFFICERS FOR LOCAL AUTHORITIES

GUIDELINES ON PROCUREMENTS WITH RESPECT TO THE EMERGENCY ROAD
REHABILITATION PROGRAMME (ERRP2) IN VIEW OF STATUTORY INSTRUMENT (S.I.)
47 OF 2021

The Procurement Regulatory Authority of Zimbabwe, herein referred to as the Authority, is aware that the Ministry of Transport and Infrastructure Development (MoTID), the District Development Fund (DDF), Zimbabwe National Road Authority (ZINARA) and all Local Authorities are seized with road rehabilitation works under ERRP2 running from 2021 to 2023.

The Authority is cognisant of the fact that the Government of Zimbabwe (GoZ) declared a state of disaster on all rural and urban road infrastructure network through the Civil Protection (Declaration of State of Disaster: Rural and Urban Areas of Zimbabwe) (Road Infrastructure Network) Notice, 2021 contained in S.I. 47 of 2021. Section 6 of the same instrument granted the Department of Roads (DoR) authority to take over the rehabilitation and construction of major roads in Urban Local Authorities to expedite the maintenance and repair works.

The ERRP2 encompasses various types of works such as general road maintenance, rehabilitation of drainage systems and pothole patching, emergency road rehabilitation due to natural disasters as well as construction of new roads and reconstruction of existing roads.

The Programmes Steering Committee (PSC) on the ERRP2 noted that some of the Procuring Entities (PEs) involved in ERRP2 are still facing difficulties on how to urgently procure ERRP2 works despite being directed to engage the MoTID for guidance through PRAZ Circular No. 2 of 2021.

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The Authority observed that some Accounting Officers procured key requirements including the Hire of Equipment and other road rehabilitation requirements (Aggregates, Bitumen and Emulsions), at the set ceiling rates or above such rates instead of embarking on competitive procurement processes and evaluating submitted bids guided by the rates provided by MoTID in order to achieve public procurement objectives.

Furthermore, the Authority noted that contract performance of some of the hired contractors has been below expectation owing to a number of reasons such as: -

- Over committing to ERRP projects beyond the contractor's capacity
- Less rigorous evaluation of key criteria for such works by PEs
- Use of weak contracts that omit the stipulated requirements stated in Section 78 of the PPDA Act.

The Authority, in view of the above and in terms of Sections 3(7) and 6 of the PPDA Act, has come up with the following interventions which shall be applicable to all PEs involved in the ERRP2.

1. Applicable Procurement Methods for Road Rehabilitation and Construction Works

- The Accounting Officer, in line with Section 30 of the PPDA Act, shall choose the appropriate procurement method depending on the nature and the urgency of the procurement requirement. A report justifying the selected method used should accompany every procurement record.
- Where a PE opts for the Restricted Bidding Method (RBM), authority shall be sought from PRAZ in line with Section 32 of the PPDA Act as read with Section 15 of the PPDA Regulations.

2. Applicable Procurement Methods for Hire of Equipment and procurement of Aggregates, Bitumen and Emulsions

- The Accounting Officer, in line with Section 30 of the PPDA Act, shall choose either the Framework Agreements Method or the Request for Quotations Method (RFQ) depending on the nature of the emergency to be addressed and a detailed report to justify the chosen procurement method should accompany every procurement record.

3. Additional Selection Criteria to be incorporated in the Standard Bidding Documents (SBD) and then applied as Due Diligence on Evaluation of Bids

- Contractors to declare all running and completed contracts on bidding for new contracts
- Contractors to demonstrate capacity to take on new contracts and keep up with schedule on running ones including in the following areas
 - Equipment owned by contractor or ready for lease
 - Management Expertise

- Personnel on the ground
- Funding arrangements to execute contracts.
- Project size to match contractor class as categorised under Ministry of Local Government and Works, Construction Industry Federation of Zimbabwe (CIFOZ) and Zimbabwe Building Contractors Association (ZBCA).

4. Bidding Periods

- The Accounting Officer, when using the RFQ method, shall adopt the prescribed 3 days or where necessary reduce the bidding period to a time frame relevant to the emergency to be addressed.
- The Accounting Officer in selecting the Competitive Bidding Method and the RBM shall either opt for the prescribed 20 days or reduce the bidding period up to 10 days. Only in exceptional circumstances depending on the emergency scenario to be addressed may a shorter period be considered.

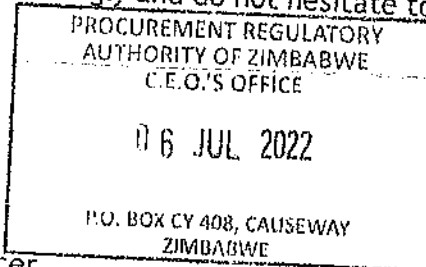
The Authority in terms of Section 3(7) and 7 of the PPDPA Act further: -

- i) Grants all the Accounting Officers authority to conclude ERRP2 procurements and report for review by the Authority *post facto* within 30 days of contract signature.
- ii) Grants all Accounting Officers authority to adopt the RFQ Method above the USD 20 000 (for works) USD10,000.00 (for goods) and USD5,000 (services) thresholds on all ERRP2 procurements.
- iii) Exempts all Accounting Officers from complying with Section 10(4) of the PPDPA Regulations as amended and proceed by engaging local contractors on all ERRP2 works.
- iv) Directs all Accounting Officers to submit all ERRP Framework Agreement tenders for review by the Special Procurement Oversight Committee (SPOC), for prior review, in terms of Section 54 of the PPDPA Act.
- v) Directs all Accounting Officers to ensure that winning bidders pay contract administration fees, before contract signature, in line with Part VI of the PPDPA Regulations as amended.
- vi) Directs all Accounting Officers to adopt competitive processes for Hire of Equipment and procurement of Aggregates, Bitumen, Emulsions and optimise on the rates set by the MoTID as a guideline when evaluating bids in order to achieve the objectives of Public Procurement as stated under section 4 of the PPDPA Act.
- vii) Directs All Accounting Officers involved in ERRP2 to report all newly signed contracts to MoTID for ongoing monitoring.
- viii) Directs all PEs involved in ERRP2 to report progress on all contracts to the Authority through the Monthly Procurement Returns.

All relevant Accounting Officers are also advised that the above interventions and exemptions do not exonerate them from violations on procurement proceedings since Public Procurement is the responsibility of the Accounting Officer in terms of Section 14 of the PPDPA Act.

This Circular replaces PRAZ Circular No. 2 of 2021 (attached).

Please be guided accordingly and do not hesitate to contact the Authority for any further assistance.



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