

THE GUYANA SUGAR CORPORATION INC.

PROCUREMENT MANUAL

Version 4.2  
SEPTEMBER 2016

## INTRODUCTION

This Manual has been prepared in two volumes. Volume I outlines GUYSUCO's policies and procedures in relation to procurement while Volume II deals with the Corporation's procurement rules. The previous Procurement Manual was last revised in April 2004 and contained a mixture of policies, procedures and rules. It was therefore necessary for the Manual to be revised and to separate out policies and procedures on the one hand, from rules on the other. The latter have mandatory application while the former represent guiding principles. Two attempts were previously made to revise the 2004 Manual but the exercises were not completed.

In accordance with Section 24 of the Procurement Act 2003, public corporations and other bodies in which the controlling interest is vested in the State may, subject to the approval of the National Board (NPTAB), conduct procurement according to their own rules or regulations, except that to the extent that such rules and regulations conflict with the Procurement Act or the regulations, the Act and the regulations shall prevail. If funds are received from the Treasury for a specific procurement, then the corporation or other body shall be obliged to follow the procedure set out in the Act and the regulations. In addition, employees of any procurement entity who by their job descriptions are responsible for procurement shall declare their assets to the Integrity Commission.

The Corporation did not submit its Procurement Policy Manual to the NPTAB for review and approval. In addition, while some effort was made to incorporate aspects of the Procurement Act, it was not comprehensive enough to ensure consistency and proper alignment with the Act.

In his report dated 3 March 2015, the Chief Internal Auditor reiterated his earlier observation that the previous Manual was very much outdated as it did not include the many changes (both electronically and manually) in procurement policy that were made since April 2004. These include: (a) web-based application of suppliers; (b) electronic Request for Quotations; (c) procedures for the opening of tenders and the evaluation of awards; (d) time-frame from the raising of Purchase Requests to the issuing of Purchase Orders; and (d) changes in authority limits.

This Manual has been updated to ensure full compliance and alignment with the Procurement Act. The Materials Management Department (MMD) has been re-designated to Procurement and Contract Management Department (PCMD) to make it clear that this Department has overall responsibility for the procurement of not only materials but also services and construction. The previous Manual provided for the various technical divisions to be involved in procurement. For example, subsection 1.4 makes reference to the Engineering Services Department and the Hydraulics Department being responsible for "the procurement and evaluation of contracts ..." A similar wording pertains to the Marketing Department. In addition, subsection 4.2 refers to these departments advertising annually for services, drawing up lists for the approval of the HOTC based on prequalification, tendering and placing contracts

with selected tenderers, and approving and forwarding invoices and valuation certificates directly to Accounts Payable Section.

There has been a tightening up of the language and an improvement in the structure and content of the Manual. A number of new sections have been included, consistent with the Act, for example, definition of terms, contract splitting, communication with suppliers and contractors in relation to contract awards, and procedures for addressing complaints from dissatisfied suppliers and contractors. An additional tender committee - PCMD Tender Committee - has been established to adjudicate on the award of contracts above \$1 million to \$3.5 million for materials, and above \$300,000 to \$2 million for services. Previously, it was the MMD Manager who made the procurement decision. As in the case of the Estate Tender Committee, the minutes of the PCMD Tender Committee have to be forwarded to the HOTC for ratification.

Certain forms being used have also been redesigned and are reflected as appendices in the Policies and Procedures part of the Manual (Volume I). Shown at Table I is a comparison of the tables of contents of the two Manuals:

**Table I**  
**Comparison of table of contents of the previous Manual**  
**with the present Manual (Volume II)**

Previous Manual	Present Manual (Volume II)
	<b>ARRANGEMENT OF SECTIONS</b>
	<b>PART I - PRELIMINARY SECTION</b>
1. Introduction	1. Purpose
2. Procurement objectives and policies	2. Definition of terms
3. Ethics	<b>PART II - GENERAL PROVISIONS</b>
4. Responsibilities	3. Qualifications of suppliers and contractors
5. Prequalification	4. Pre-qualification proceedings
6. Forms of procurement	5. Participation by suppliers or contractors
7. Public tendering	6. Form of communication
8. Requests for Quotations	7. Rules concerning documentary evidence provided by suppliers or contractors
9. Restricted tendering	8. Record of procurement proceedings
10. Single Source Procurement	9. Publication of contract awards
11. Submission of tenders	10. Inducements from suppliers or
12. Opening of tenders	
13. Evaluation of tenders	
14. Procurement of consulting Services	

15. Limits of authority 16. Tender committees 17. Purchase Orders 18. Award of services contracts 19. Hire of field equipment 20. Records of procurement proceedings 21. Other provisions  Appendixes  I. Form of tender documents II. Code of Ethics of the Chartered Institute of Purchasing and Supply III. Items which may be purchased directly by an Estate IV. Checklist for tender evaluations V. Tender Committee submission VI. Form 1 – Request to hire equipment VII. Form 2 – Scope of work VIII. Form 3 – Evaluation IX. Review/Report on contractors	contractors 11. Rules concerning description of materials, services, or construction 12. Splitting of contracts  <b>PART III - ADMINISTRATIVE STRUCTURE</b>  13. Membership of tender committees 14. Authority limits 15. Annual financial declarations to the Integrity Commission  <b>PART IV - METHODS OF PROCUREMENT OF MATERIALS, SERVICES AND CONSTRUCTION</b>  16. Open tendering 17. Restricted tendering 18. Request for quotations 19. Single source procurement 20. Emergency procurement  <b>PART V - PROCEDURES FOR OPEN TENDERING</b>  21. Invitation to tender 22. Two-stage tendering 23. Tender documents 24. Clarification and modification of Tender documents 25. Submission of tenders 26. Period of effectiveness of tenders, modification and withdrawal of tenders 27. Tender security 28. Opening of tenders 29. Examination and evaluation of tenders 30. Rejection of all tenders 31. Prohibition of negotiations 32. Acceptance of tender and entry into force of procurement contract 33. Notice to other suppliers or contractors  <b>PART VI - METHOD FOR PROCUREMENT OF CONSULTING SERVICES</b>
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	<p>34. Request for proposals</p> <p>35. Contents of the request for proposals</p> <p>36. Criteria for the evaluation of proposals</p> <p>37. Quality-based selection</p> <p>38. Clarification and modification of requests for proposals</p> <p>39. Single source procurement</p> <p>40. Cost verification</p> <p>41. Negotiations</p> <p><b>PART VII - ADMINISTRATIVE REVIEW</b></p> <p>42. Procedures for bid protest review</p> <p>43. Review by Cabinet</p> <p><b>PART VIII - MISCELLANEOUS</b></p> <p>44. Confidentiality</p> <p>45. Payment for construction contracts</p> <p>46. Disclosure of interest in the bidding process</p>
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PROCUREMENT MANUAL  
VOLUME I  
POLICIES AND PROCEDURES

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## **1. Introduction**

- 1.1 The Guyana Sugar Corporation Inc. (GUYSUCO) was incorporated in 1976 under the Companies Act, Chapter 89:01 of the Laws of Guyana and continued under Act 29 of 1991. It is the largest State-owned entity in Guyana and its main business activity relates to the cultivation of sugar cane and the production of sugar, with sugar accounting for approximately 20% of the country's GDP and 40% of agricultural production. The Corporation's operations spread over seven sugar estates, namely, Skeldon, Albion, Rose Hall, Blairmont, Emmore/La Bonne Intention, Wales and Uitvlugt.
- 1.2 Procurement is a significant part of the Corporation's operations, accounting for over US\$30 million each year in the purchase of materials and services, mainly factory and agricultural equipment and spares, fertilizers, agro chemicals and a wide range of products to support an organisation. In addition, the Corporation spends over US\$10 million each year on new factory and agricultural capital equipment. Its inventory also contains over 40,000 line items valued at \$3.5 - \$4 billion. Agricultural requirements include tractors, excavators and spares, implements and tools, vehicles, fertilisers and herbicides. Factory requirements include milling and boiler plant equipment and spares, pumps, gear boxes, turbines, motors, centrifuges, process chemicals, mild steel products, electrical items, bearings, fasteners, valves, jointing and packing materials.
- 1.3 Given the significance of procurement and inventory management, there is a need for policies and procedures on procurement to be set out in a Manual to provide the necessary guidance to all employees, especially those who are involved in procurement and inventory management. This volume of the Procurement Manual is supported by a detailed set of rules which have mandatory application. These are contained in Volume II. In the event there is a conflict between policies and procedures on the one hand and the procurement rules on the other, the latter takes precedence.

## **2. Procurement objectives**

- 2.1 The overall objective is to ensure the availability of materials and services, and the execution of works of right quality at the right time and at right prices for the smooth and uninterrupted execution of activities of the Corporation in accordance with its work plans.
- 2.2 Specific objectives include:
  - (a) Maximizing economy, efficiency and effectiveness in procurement;
  - (b) Ensuring transparency in the procurement process;

- (c) Promoting the integrity of, and fairness and public confidence in, the procurement process as well as competition among suppliers and contractors;
- (d) Fostering and encouraging participation in procurement proceedings by suppliers and contractors, especially participation by suppliers and contractors regardless of nationality; and
- (e) Providing for the fair and equitable treatment to all suppliers and contractors.

### 3. Roles and responsibilities

- 3.1 The PCMD has an authorised staff complement of 47 and is responsible for all the procurement activities of the Corporation, except those that have been delegated to the Estate Managers. It is organised into three sections: purchasing section for field, factory and general operations each headed by a Procurement Manager; inventory and data control; and receiving and distribution. The PCMD Manager reports to the Finance Director.
- 3.2 The PCMD's specific responsibilities as regards the procurement of materials (including medical supplies) and services, and the execution of works are:
  - (a) To arrange for the annual registration and prequalification of suitably qualified suppliers and contractors;
  - (b) To arrange for quarterly prequalification and registration of suitably qualified new suppliers and contractors;
  - (c) To prepare a list of prequalified suppliers and contractors for approval by the Head Office Tender Committee (HOTC);
  - (d) To maintain a vendors' registration database, updated quarterly to include new registrants; and to remove non-active vendors as well as those who have failed to re-register despite issuing written reminders for them to do so;
  - (e) To maintain a database of blacklisted suppliers and contractors as well as supporting documentation of the written authority for such blacklisting and the reasons therefor;
  - (f) To prepare and process Purchase Requisitions for specific factory, agricultural and other needs, including capital items, upon a replenishment basis;
  - (g) To receive and process Purchase Requisitions from the Estates and other user departments for specific requirements;
  - (h) To arrange for tendering or solicitation of quotations from as many suppliers as possible, with no fewer than three quotations to be obtained;
  - (i) To ensure that tender security is included in the solicitation documents for the value of materials and services, and construction exceeding \$20 million;
  - (j) To refer quotations or tenders received to the relevant Evaluation Committees for technical assistance, and to submit the results of the evaluation to the appropriate Tender Committee;

- (k) To maintain adequate records to substantiate the choice of particular suppliers and contractors;
- (l) To place orders and arrange for contracts to be entered into with the selected suppliers and contractors;
- (m) To ensure that performance bonds are secured for orders for materials exceeding \$20 million;
- (n) To ensure that performance bonds are secured for contracts for services and construction exceeding a value of \$6.5 million;
- (o) To ensure that there is provision for liquidated damages for contracts for services and construction exceeding \$12.5 million;
- (p) To ensure that there is provision for a 10% retention to be applied to all contracts for services and construction exceeding \$6.5 million in value, except where the contract is for the hire of equipment on an hourly basis;
- (q) To monitor progress on orders and contracts, and to ensure that enquiries are dealt with expeditiously;
- (r) To prepare monthly reports to management and user departments on the status of outstanding orders, contracts and enquiries;
- (s) To expedite the preparation of Good Received Notes to facilitate the timely payment to suppliers;
- (t) To maintain a database of the status of Purchase Orders and contracts with suppliers and contractors, including the timeframes between the receipt of Purchase Requisitions, the placing of Orders, the receipt of the materials/services and construction, payments to suppliers and contractors, and the release of performance bonds (if any); and
- (u) To maintain a database of the performance of suppliers and contractors for all contracts awarded.

3.3 The Engineering Services Department and the Hydraulics Department are responsible for the preparation of tenders for agricultural, hydraulic and civil works for submission to the PCMD; and for the evaluation of bids also to be submitted to the PCMD for consideration by the relevant Tender Committee. These two departments report to the General Manager, Agricultural Operations.

3.4 The Projects Department is responsible for preparation of tenders for engineering works in the factories for submission to the PCMD; and for the evaluation of bids also to be submitted to the PCMD for consideration by the relevant Tender Committee. It reports to the General Manager, Technical Services.

3.5 The Marketing Department is responsible for the preparation of tenders for the transportation of sugar and molasses for submission to the PCMD; and for the

evaluation of bids also to be submitted to the PCMD for consideration by the relevant Tender Committee.

3.6 The specific responsibilities of the Engineering Services, Hydraulic, Projects, and Marketing and Administration Departments are as follows. These responsibilities do not in any way suggest a reporting relationship with the PCMD:

- (a) To receive from the Estates and user departments descriptions of works to be undertaken;
- (b) To prepare the relevant tender documents for the works to be undertaken;
- (c) To prepare, with assistance from the Estate or user department where required, Engineer's Estimates of the bills of quantities and cost of the works to be undertaken;
- (d) To evaluate the bids received for the works to be undertaken and to forward the results of such evaluation to the PCMD for consideration of the relevant Tender Committee;
- (e) To obtain from the Finance Department the necessary release of funds, except if the work to be done is of a routine nature and within the authority and budget of the persons requesting the services;
- (f) To ensure that tender security is included for the value of all services and construction exceeding \$20 million;
- (g) To ensure that there is provision in the tender documents for performance bonds to be submitted for contracts exceeding a value of \$6.5 million;
- (h) To ensure there is provision for liquidated damages for contracts exceeding \$12.5 million;
- (i) To ensure that there is provision in the tender documents for a 10% retention to be applied to all contracts exceeding \$6.5 million in value, except where the contract is for the hire of equipment on an hourly basis;
- (j) To supervise directly the site works or the provision of services, or through designated managers on the Estates, to ensure that the works undertaken or services rendered are in accordance with specifications and bills of quantities (where applicable); and
- (k) To certify the satisfactory completion and valuation of works undertaken or services rendered as well as invoices, and submit the related documents to the PCMD for the timely payment to suppliers and contractors by the Accounts Payable Section.

#### **4. Ethical considerations**

- 4.1 All procurement activities are to be carried out in a manner consistent with the highest professional, ethical, moral and legal standards. In all transactions, the overriding consideration is the interest of the Corporation.
- 4.2 The Corporation subscribes to the Code of Conduct of the Chartered Institute of Purchasing and Supply (CIPS) of the United Kingdom. The latest updated CIPS Code of Conduct is reproduced at Appendix I. Staff members of the PCMD as well as other employees of the Corporation involved in procurement and inventory management are encouraged to become members of the CIPS or other similar professional bodies.
- 4.3 Under no circumstances are employees permitted to accept a gift in the form of cash or otherwise from a supplier or contractor or any person operating on behalf of a supplier or contractor. This includes soliciting discounts against personal purchases as well as contributions for third party causes. An employee may accept small advertising gifts, bearing the supplier's or contractor's name or logo, or the occasional meal, or a bottle of wine or spirits at Christmas. Any other gift or offer of a gift from a supplier or contractor should be declined and the relevant functional director informed.
- 4.4 All functional directors and managers of the Corporation, and all employees involved in any stage of procurement are required to disclose any potential conflict of interest in any proposed agreement prior to the Corporation entering into such agreement. The Company Secretary maintains a schedule of individual employee or family involvement in businesses that may wish to supply materials or services to the Corporation.
- 4.5 A supplier or contractor may be excluded from consideration for any tender award and disqualified from submitting future tenders or proposals if he/she offers, gives or agrees to give to any current or former employee of the Corporation directly or indirectly including through a family member, a gratuity in any form, an offer of employment or any other thing or service or value as an inducement in relation to any procurement proceedings.

#### **5. Prequalification procedures**

- 5.1 It is the policy of the Corporation for suppliers and contractors to prequalify as part of an annual registration process (or on a quarterly basis in the case of new suppliers and contractors), except for specific contracts where the open tender approach is applied. A supplier or contractor applying for prequalification must provide the following:
  - (a) Confirmation that it has the technical competence, financial resources, equipment and staff to supply the requested materials or service;

- (b) Confirmation that it has the legal capacity to enter into the contract;
  - (c) Audited financial statements for the previous three years; and
  - (d) In the case of domestic a supplier or contractor, confirmation that it has fulfilled its obligations to pay all corporate and employee taxes and social security contributions.
- 5.2 Registration is not automatic and the PCMD must carry out the necessary background checks (including visits to local suppliers' and contractors' premises to verify business activity), to ensure that the information provided at paragraph 5.1 is accurate. In the case of a foreign supplier, alternative checks must be carried out to verify legitimacy of business activity. The results of such checks must be carefully documented and certified by the relevant Procurement Manager and the PCMD Manager.
- 5.3 For newly established businesses, the requirement for the submission of audited financial statements is not applicable. However, additional checks must be carried out to verify the technical competence and financial capability of the supplier or contractor. This may include a request for the submission of a duly audited statement of financial affairs at the time of registration as well as certified copies of bank statements. Under no circumstances, must the PCMD accept unaudited financial statements or information from suppliers and contractors.
- 5.4 As part of the registration process, the PCMD may request samples of the suppliers' products or be sufficiently familiar with the suppliers' products to be able the Corporation to make an informed decision as to the suitability of those products for the its operations.
- 5.5 The Corporation may disqualify a supplier or contractor if it finds at any time that the supplier or contractor knowingly submitted information concerning the prequalification that was materially inaccurate, incomplete or false.
- 5.6 At the end of the annual or quarterly registration exercise, the PCMD must submit the proposed list of pre-qualified suppliers and contractors to the HOTC for approval. For all new registrants, adequate justification must accompany the submission to the HOTC.
- 5.7 Only suppliers and contractors who have been prequalified and registered with the Corporation are invited to participate in procurement proceedings.

## **6. Forms of procurement**

- 6.1 All procurements are based on public tendering either through the prequalification and annual (or quarterly) registration route and using the Request for Quotation (RFQ)

method, or direct tendering for specific contracts as well as those whose estimated values exceed \$12.5 million for materials and \$6.5 million for services.

- 6.2 Invitations to tender must be published in a newspaper of wide circulation, on the Corporation's website and posted in public places and must contain: (a) a brief description of the materials or services to be procured; (b) the closing date for submission; and (c) where the tender documents and additional information regarding the tender may be obtained.
- 6.3 Where foreign suppliers may be interested in submitting tenders, advertisements are to be placed on the Corporation's website, in a newspaper of wide international circulation and in an appropriate trade or professional publication.
- 6.4 ***Requests for Quotations (RFQs)***: RFQs are solicited where the estimated value of materials to be procured does not exceed \$12.5 million. For services, the limit is \$6.5 million. Quotations must be solicited from all qualified suppliers and contractors specialising in the supply of the specific items or services requested. A minimum of three quotes are needed for the consideration of an award, unless the relevant Tender Board, after due consideration decides to make the award based on a lesser number of quotations received. The expected delivery period should be stated in the RFQs. Materials and services in excess of these limits require direct tendering.
- 6.5 No formal RFQ is required for orders up to a value of \$500,000. Orders of a value of up to \$300,000 are considered Low Value Purchase Orders (LVPOs) which are not permitted for inventory items. For orders of a value between \$300,000 and \$500,000, the PCMD must obtain written price indications which are filed with the order. Consistent orders to one supplier should as far as possible be avoided.
- 6.6 Every effort should be made to verify the reasonableness of the prices quoted, either via the Internet or other means. No negotiation is permitted between the Corporation and a supplier or contractor in respect of quotations submitted by the supplier or contractor. The procurement contract is awarded to the supplier or contractor who has submitted the lowest price quotation that complies with requirements of the RFQ.
- 6.7 No quotation is required if: (a) the date of a second Purchase Order for the same materials or services with values not exceeding \$3.5 million or \$2 million respectively is within three months of the closing date of the previous competitive process; (b) the supplier or contractor is willing to hold its price; (c) there is no reason to suppose that the price ought to be reduced; and (d) there are no indications that any other supplier or contractor is able to supply at more competitive prices.

- 6.8 The Corporation must make every effort to ensure that the prices quoted by suppliers or contractors remain valid for 90 days from the closing date for the submission of quotations or tenders.
- 6.9 Quotations are still required for materials which the PCMD has agreed may be purchased directly by an Estate. However, for items of small value not exceeding \$2,500 where attempts to obtain quotations are not rendered cost-effective or because of time constraints, this requirement may be dispensed with in exceptional circumstances on the strength of a certificate from the Estate Manager and/or the Finance Manager attesting to this. Annex II shows the current of items that Estates can procure, subject to the authority limits set out at subsection 7.2.
- 6.10 Small businesses close to Estates which have been supplying Estate requirements for many years, should not be disregarded by the policy of centralized purchasing. In this case, the Estate preparing the Purchase Requisitions must obtain quotations from such suppliers, attach them to the Requisitions and forward them in sealed envelopes to the PCMD for consideration and approval, taking into account transportation costs and delivery times.
- 6.11 The Corporation may engage in two alternative forms of procurement, namely restricted tendering and sole source procurement, on the strength of the necessary documented justifications, as approved by the Head Office Tender Committee.
- 6.12 ***Restricted tendering:*** The Corporation may engage in procurement by means of restricted tendering when the materials or services by reason of their complex or specialized nature are available from only a limited number of suppliers or contractors, in which case all such suppliers or contractors are invited to submit tenders. However, the estimated value should not exceed \$12.5 million for materials and \$6.5 million for services. For values in excess of these limits, public tendering is required.
- 6.13 ***Single source procurement:*** The Corporation may engage in single source procurement in circumstances where:
- (a) The materials or services are available only from a particular manufacturer, supplier or contractor, or a particular supplier or contractor has exclusive rights with respect to the materials or services, and no reasonable alternative or substitute exists; or
  - (b) The materials or services by reason of their complex or specialized nature are available from only one source; or

- (c) In the event of an emergency, there is an urgent need for the materials or services making it making it impractical to use other methods of procurement because of the time involved in using those other methods. However, as soon as practicable, the necessary ex post approval must be sought from the relevant Tender Committee; or
- (d) The Corporation, having procured materials or services from a particular supplier or contractor, determines that it is necessary to procure additional supplies of the same materials or services from that supplier or contractor for reasons of standardization, or because of the need for compatibility with existing equipment or technology.

6.14 Single source procurement is made from suppliers who are designated either Original Equipment Manufacturers (OEMs), or Single Source Suppliers (SSSs) if they are not manufacturers. It is not necessary to obtain prices before placing an Order if the PCMD has price lists of all approved OEMs and SSSs. However, price changes in excess of 10% must have the prior approval of the relevant Tender Committee, except in the case of emergency procurement when ex post approval must be obtained. All OEMs and SSSs must be approved by the HOTC.

## 7. Composition of Tender Committees and authority limits

7.1 The Corporation has established an Estate Tender Committee, a PCMD Tender Committee, a Head Office Tender Committee (HOTC) and a Central Tender Committee (CTC) to adjudicate on the award of contracts for materials, services and the execution of works. The composition of these committees is as follows:

**Estate Tender Committee:** Estate Manager (Chairman), Finance Manager (Secretary), relevant head of department and Union/workers' representative. The quorum shall be three, inclusive of the Estate Manager and the Finance Manager.

**PCMD Tender Committee:** PCMD Manager (Chairman), Finance Controller, relevant Procurement Manager, and Union/workers' representative. The quorum shall be three, inclusive of the PCMD Manager and the Finance Controller. A representative of the Administrative or Legal Department shall function as Secretary of the Committee.

**Head Office Tender Committee:** Chief Executive (Chairman), Assistant Company Secretary (Secretary), Finance Director, Agricultural Operations Director, Agricultural Research Director, Technical Director, Functional Director requesting the purchase, Engineering Services Manager and the PCMD Manager. The quorum shall be five, inclusive of the Chief Executive and the Finance Director. The Head Office Tender

Committee shall act as a Pre-Tender Committee for all contracts requiring the approval of the Procurement & Tender Committee;

**Central Tender Committee:** A non-executive director appointed by the Board (Chairman), two other non-executive directors, Company Secretary (Secretary), Chief Executive, Finance Director, Corporate Planner, and the PCMD Manager. The quorum shall comprise three non-executive directors, the Chief Executive and the Finance Director. Only non-executive directors have voting rights.

7.2 The minutes of Estate Tender Committee and PCMD Tender Committee must be prepared in detail and in a specified format as determined by the HOTC, and submitted to the HOTC for ratification.

7.3 The authority limits for the Estate Manager, the PCMD Manager and each Tender Committee are as follows:

#	Description	Authority level	Authority limit
1	Low value direct purchases, and services	Estate Manager, or PCMD Manager for centralized procurement	Up to \$300,000 per order up to limit of \$1.5 million per week per Estate.
2	Quotations or tenders for materials.	(a) Estate Tender Committee (b) PCMD Manager for centralised procurement (c) PCMD Tender Committee (d) Head Office Tender Committee (e) CentralTender Committee	Above \$300,000 to \$3.5 million. Above \$300,000 to \$1 million Above \$1 million to \$3.5 million Above \$3.5 million to \$12.5 million Above \$12.5 million
3	Quotations or tenders for services	(a) Estate Tender Committee or PCMD Tender Committee for centralized services (b) Head Office Tender Committee (c) Central Tender Committee	Above \$300,000 to \$2 million Above \$2 million to \$6.5 million. Above \$6.5 million

7.4 The PCMD may periodically review these limits to assess their adequacy and submit its recommendations to the Corporation's board for approval. A copy of the revised limits should be forwarded to the NPTAB for ratification.

7.5 Purchase Requests for materials of an estimated value of between \$3.5 million and \$12.5 million and for services of an estimated value of between \$2 million and \$ 6.5 million must be authorized by the head of the PCMD and the relevant functional

director respectively. For Requests originating from Estates, the Agricultural Operations Director is the authorising official. For Corporation-wide requests, the relevant functional director should authorize the Purchase Requisition while for inventory replenishment the authorising official is the Finance Director.

- 7.6 Purchase Requisitions of an estimated value of over \$12.5 million should be approved by any two functional directors.
- 7.7 In the event of an emergency as certified by the Estate Manager, the value of a Low Value Purchase Order (LVPO) may exceed \$300,000. LVPOs for up to \$300,000 may also be issued by PCMD or a Central Department, in which case the LVPO is approved by the PCMD Manager or the functional director, as appropriate.
- 7.8 Quotations for services valued at up to \$2 million, including plant hire, must be approved by the Estate Manager and the General Manager, Agricultural Operations. For other procuring departments, the relevant functional director and the manager requesting the service are the authorising officials.

## **8. Submission of tenders**

- 8.1 Tenders and quotations must be in writing and be presented in two sealed envelopes with the closing date and the tender or RFQ reference written clearly on both envelopes and marked "Tender for .....". The name of the tenderer must not be stated on the outer envelope but on the inner envelope. Envelopes are to be placed in the appropriate tender box at the location specified in the tender documents, which is normally be at the Head Office or at the Ogle Distribution Centre.
- 8.2 Tenders and quotations may be submitted in any other form specified in the tender documents. Faxed tenders and quotations as well as those sent via e-mail may be accepted if they conform to the procedures specified. When received, they must be placed in the appropriate tender box. However, suppliers and contractors are encouraged to also send sealed bids. Faxed tenders should only be sent to a specified and secure facsimile machine.
- 8.3 Tenders and quotations from suppliers overseas must state the CIF price, and specify any commissions or other charges payable. They should clearly state whether import duties and consumption tax have been included in quoted prices. Failure to do so may result in exclusion from the tender process.
- 8.4 The Corporation may, within a reasonable period of time, request suppliers or contractors for clarifications of their tenders or quotations to assist in its examination and evaluation. No change in the substance of the tender, including changes in prices

or changes aimed at making a non-responsive tender responsive, should be sought, offered or permitted.

- 8.5 Any information provided by suppliers or contractors in response to queries raised in the evaluation of tenders or bids should be confirmed in writing. If time does not permit written confirmation, a note should be made of the name of the representative of the supplier or contractor providing the response as well as the date and time must be recorded.

## **9. Opening of tenders**

- 9.1 The Tender Opening Committee consists of the functional director requesting the items, the Company Secretary, the PCMD Manager and the relevant Procurement Manager for materials whose value is expected to exceed \$12.5 million, or for services exceeding \$ 6.5 million. In all other cases, the PCMD Manager, the Procurement Manager, two Purchasing Supervisors or Superintendents and a representative from the Legal or Finance Department comprise the Tender Opening Committee.
- 9.2 Tenders are to be opened at the date and time specified in the tender documents or in any document advising an extension of the closing date and time, and at the place specified in the tender documents. A tender opening clock should be placed above the tender box on the day of the opening of tenders, and the Committee will be guided by this clock as to the exact time of the opening of the tender box.
- 9.3 The tender box must be opened in the presence of at least three members of the Committee, one of whom should be the Procurement Manager. All suppliers or contractors who have submitted tenders or quotations or their representatives may attend the opening of tenders.
- 9.4 The name and address of each supplier or contractor whose tender is opened and the price must be announced to those present and recorded immediately in the record of the tendering procedures.
- 9.5 A tender or quotation received after the closing date must be so marked and must not be opened except for the purpose of ascertaining the name and address of the bidder as marked on the inner envelope for return to the bidder.
- 9.6 Where there is a provision for a Bid Bond as a condition of the tender, the amounts for such bonds should also be listed (and read out if tenderers are present).

- 9.7 All documents submitted in support of tenders must be listed, including those that provide a description of the products or services, and submitted to the appropriate Evaluation Committee.

## 10. Evaluation of tenders

- 10.1 The procuring department initiating the Purchase Requisition is responsible for the evaluation of tenders, quotations and proposals with the assistance of their evaluation committees. The results of the evaluation must include the following:
- (a) supplier's name and address;
  - (b) quotation price shown at full CIF value;
  - (c) adjustments for materials not included in quotation;
  - (d) adjustments for excess materials included in the quotation;
  - (e) final CIF price for evaluation purposes;
  - (f) currency of quotation;
  - (g) exchange rates (where applicable);
  - (h) import duties and consumption tax (where applicable);
  - (i) interest (where applicable);
  - (k) customs clearance costs (where applicable);
  - (l) transport costs (where applicable);
  - (m) final price for comparison expressed in Guyana dollars;
  - (n) country of origin;
  - (o) delivery date;
  - (p) quotation validity;
  - (q) terms of payment; and
  - (r) recommendation.
- 10.2 Any recommendation for re-tender must be referred to the relevant tender board for approval, along with adequate justifications. No prequalified and registered suppliers or contractors must be excluded from the re-tendering process.
- 10.3 Checklists indicating compliance with the required procedures, including details of current inventory and usage in each of the three previous years and the time taken for each stage of the procurement cycle must be submitted to the PCMD for the procurement of materials.
- 10.4 The results of the evaluation of bids, tenders and proposals are to be submitted to the PCMD for onward transmission to the relevant Tender Committee. The reasons for recommending a particular bidder or contractor must be clearly stated. In the case of services and works, the lowest evaluated tender should be recommended for the award of the contract.

- 10.5 If the value of the lowest acceptable quotation or tender exceeds the authority limit of a particular tender committee, it is the responsibility of the PCMD to forward the quotations or tenders to the next higher tender committee for consideration.
- 10.6 For the purpose of evaluation, quotations or tenders in foreign currency are to be converted at the selling exchange rate published by the Corporation's bank on the closing date. However, if there are significant movements in parities between the closing date and the date on which the relevant tender committee is required to make its decision, the committee must be provided with a schedule showing revised quotations based on the Corporation's bank selling exchange rates on the business day before the date of the meeting.
- 10.7 When evaluating quotations or tenders from foreign suppliers who quote CIF Georgetown, in comparison with domestic suppliers who quote delivery to a location, an amount should be added to the foreign suppliers' quotations to allow for the Corporation's costs of clearing and distribution. Storage costs should also be taken into account if delivery schedules vary.
- 10.8 When comparing prices from foreign and domestic sources, a domestic manufacturer (not supplier) or contractor may be granted a 10% margin of preference, subject to quality considerations and provided such preference had been specified in the tender documents.
- 10.9 The procuring department must correct purely arithmetical errors, which are discovered during evaluation of the quotations or tenders, provided that any such correction should in no manner influence the outcome of the evaluation process. The evaluating procurement department should promptly notify the PCMD of any such corrections which in turn is required to notify the supplier or contractor.
- 10.10 If there is a discrepancy between the unit price and the total price which is obtained by multiplying the unit price and the quantity, the unit price should prevail and the total price should be corrected. If the supplier or contractor does not accept the correction of the errors, its bid or tender must be rejected. If there is a discrepancy between words and figures the amount in words shall prevail.
- 10.11 Payment terms must be taken into account when evaluating quotations or tenders. Interest calculations should assume a rate of 9% p.a.
- 10.12 For major contracts, the two-stage tendering approach may be adopted. The first stage involves a technical proposal. If the technical proposal meets the criteria set out in the tender documents, the second stage, which includes a financial proposal, is considered. The most competitive bid or tender should be recommended for the award of the contract.

- 10.13 The Corporation may regard a tender as responsive only if it conforms to the requirements set out in the tender documents. A tender is considered responsive if it contains minor deviations which do not materially alter or depart from the characteristics, terms, conditions or other requirements set out in the tender documents or if it contains errors or oversights which are capable of being corrected without affecting the substance of the tender.
- 10.14 The relevant Tender Committee may decide whether or not failure to provide a bid bond should disqualify the tenderer; or whether to declare any bid or tender responsive or non-responsive.
- 10.15 The tender which has been identified as the lowest evaluated tender should be accepted. The Corporation may reject the lowest (or any) tender if it offers materials which are unknown to the Corporation or which have not previously been used by the Corporation, provided that the Corporation will in those circumstances purchase a small quantity of the materials being offered for evaluation and possible future use.
- 10.16 The Corporation is not required to notify an unsuccessful supplier or contractor unless the value of the order exceeds \$12.5 million for materials or \$6.5 million for services. Notwithstanding this, the PCMD must promptly arrange to publish on the Corporation's website all contract awards adjudicated on by the Head Office Tender Committee and the Central Tender Committee.

## **11. Award of contracts**

- 11.1 Estates and Head Office Tender Committees must approve on an annual basis (or quarterly basis in the case of new suppliers and contractors) an updated list of approved contractors. At Estates, invitations to tender must be displayed on notice boards in addition to publication in a newspaper of wide circulation and in the Corporation's website. Tenders are to be opened based on the procedures set out at Section 9. In the case of Estates, tenders are to be opened in the Estate Manager's office on the date specified in the tender documents. The contract is awarded to the lowest evaluated bid unless the lowest evaluated bid is disqualified for non-compliance with tender procedures.
- 11.2 For capital expenditure, the works must be identified with the relevant project number and approval received through the Capital Expenditure Review process. For current expenditure, the expense code under which the work has been budgeted should be identified. If the expenditure is not budgeted, the Estate or the Central Department must first seek special financial release from the Finance Director through the relevant functional director. In this case, funds have to be reallocated among the expenditure

heads/subheads under the current expenditure budget. No reallocation of funds is permitted between capital expenditure and current expenditure, unless approved by the Corporation's board.

- 11.3 All works estimated to cost in excess of \$250,000 should be quantified and specified in an Engineer's Bill of Quantities and/or scope of works.
- 11.4 It is not necessary to tender for contracts below \$200,000. These need not go to the Estate Tender Committee but may be dealt with by the Estate Manager, the Finance Manager and one other head of department.
- 11.5 A 10% retention should be applied to all contracts, except where the contract is for the hire of equipment on an hourly basis.

## **12. Procurement of consulting services**

- 12.1 The Corporation may request proposals for consulting services from firms to be included in a short list. Short lists must be prepared on the basis of expressions of interest received in response to an invitation to express interest. Such invitation must be published in the national press and on the Corporation's website. Where foreign firms are expected be interested in providing the services, invitations are to be placed on the Corporation's website, in a newspaper of wide international circulation and in an appropriate trade or professional publication.
- 12.2 The request for proposals must include:
  - (a) The manner in which the proposals should be prepared and submitted;
  - (b) The evaluation criteria and the manner in which they will be applied;
  - (c) the minimum qualifying technical score; and
  - (d) A statement informing the consulting firm that it may be excluded from future participation in the procurement of materials, works, services or consulting services resulting from the assignment for which the request for proposals is issued.
- 12.3 The procuring department is required to evaluate the proposals based on the quality of the proposals, including such considerations as the consultants' relevant experience and the expertise of its staff, the proposed work methodology and the prices of the proposal. The method of selection stated in the request for proposals may be based on either:

- (a) A combination of quality and price according to the relative weights stated in the request for proposals;
  - (b) The quality of the technical proposal within a pre-determined fixed budget specified in the request for proposals, or
  - (c) The best financial proposal submitted by a bidder which has obtained the minimum qualifying score.
- 12.4 A consulting firm may be selected on the basis of restricted tendering, Request for Proposals or Single Source Procurement only if the selected consulting firm agrees to be subjected to cost verification during the provision of its services. The contract should indicate the accounting obligations of the consulting firm, including the obligation to present appropriate accounts or documents allowing the determination of the cost of its services.
- 12.5 The Corporation may negotiate the terms of the contract with the selected consulting firm.

### **13. Contract variations**

- 13.1 All modifications intended to be made to any materials or services contract and/or changes in value exceeding 10% in value and/or variation orders exceeding 10% of the award after the award of tender must be referred to the relevant Tender Committee for approval before the additional/modified work is carried out. Variations due to economic factors resulting in increases in prices for materials and salaries or wages should be substantiated by relevant documents from the supplier or contractors.
- 13.2 Variations in payment terms which are less favourable to the Corporation than those reported to the Tender Committee for both materials and services, should be referred to the appropriate Tender Committee for approval.

### **14. Issuing of Purchase Orders**

- 14.1 No payment can be made to a supplier or contractor unless an approved Purchase Order is issued. The Purchase Order must be based on an approved Purchase Requisition which has been entered onto the Corporation's computerized system.
- 14.2 An approved Purchase Order form is a legally binding contract between the Corporation and the supplier or contractor. As such, it must be signed by two authorized signatories for and on behalf of the Corporation, in accordance with the following limitations of authority:

#	Description	Authorised signatory	Authority limit
1	Orders for materials and supplies	PCMD Manager and Purchase Manager	Up to \$3.5 million (or foreign currency equivalent); Between \$3.5 million and \$12.5 million based on approved award by the Head Office Tender Committee; Above \$12.5 million based on approved award by the Central Tender Committee
2	Orders for services	Manager of the procuring department and functional director	Contracts above \$2 million based on approved award by the appropriate Tender Committees.

14.3 Purchase Orders are not required for payment in the following circumstances:

- (a) Contractors' charges based on approved payment certificates submitted to the Accounts Payable section of the Corporation via the PCMD;
- (b) Service contracts, including spares provided under such contracts. Copies of contracts for photocopier rental, pest control services etc. must be submitted to the Accounts Payable Section via the PCMD;
- (c) Car maintenance and repairs;
- (d) Macorp service invoices;
- (e) Utility bills;
- (f) Aircraft charter and airfares;
- (g) Professional fees and expenses;
- (h) Taxi services; and
- (i) Gas cylinder rental.

## 15. Hiring of equipment

15.1 The objective is to ensure that the hiring of equipment is carried out in a professional and fair manner and that the Corporation hires the right type of equipment for the job at the best possible price. This involves taking into account the type of work to be performed; equipment needed; timeframe for the completion of the works; and payment terms.

- 15.2 The Estate Manager is responsible for the hiring of equipment, and his/her responsibilities are:
- (a) To obtain the approval of the general Manager, Agricultural Operations for the hire of equipment (on Form 1 attached as Appendix IV);
  - (b) To certify for each hiring that the Estate does not have either the type of machine to do the job, or the number of machines required to complete the job within the specific time frame;
  - (c) To certify that funds have been approved, and the work to be undertaken is in keeping with the operational plan of the Estate's plan.
  - (d) To distribute the works to be undertaken to approved contractors based on the results of the Estate Tender Committee evaluation;
  - (e) To provide regular reports to the Agricultural Operations Director on progress of work and expenditure concerning contractors;
  - (h) To monitor the quality and quantity of work with the assistance of technical staff as necessary and report thereon to the Agricultural Operations Director;
  - (i) To forward to Head Office for approval of payment, depending on the amounts involved;
  - (j) To authorize payments; and
  - (k) To implement the penalty clause, if appropriate.
- 15.3 The Engineering Services Department must ascertain the rates for the various activities which will serve as a benchmark for the evaluation of tenders. It should also carry out a review of the past performance of contractors, and prepare a list of approved contractors after completion of the work by the Field Equipment Maintenance Section. This Section must ensure that the equipment is mechanically sound. The Estate Workshop Manager and staff should also carry out regular inspections.
- 15.4 At the commencement of each year or such longer period as is considered necessary, the Engineering Services Department must arrange for the advertisement for persons interested in performing field work contracts for the Estate to submit details of the works they have carried out and the type of equipment they own.
- 15.5 The tender documents should clearly define the work to be carried out, the equipment required and the time during which the work should be completed. The closing date for submission should be clearly stated. All tenderers should be invited to be present at the opening of the tender.
- 15.6 Variations equivalent to 10% or more of the original contract value arising from a change in the design or structure must be referred to the Estate Tender Committee for

approval. For contracts above \$2 million, the variation is to be referred to the HOTC or Central Tender Committee, as appropriate.

- 15.7 Variations due to economic factors resulting in increases in prices for materials and salaries or wages must be substantiated by documentary evidence from the contractor.

## **16. Record of procurement proceedings**

- 16.1 The PCMD must maintain a record of the procurement proceedings which includes:
- (a) A brief description of the materials or services to be procured;
  - (b) The names and addresses of suppliers or contractors who submitted tenders, proposals, offers or quotations and the name and address of the supplier or contractor to whom the contract was awarded and the contract price;
  - (c) Information relating to the qualification or lack thereof of suppliers or contractors who submitted tenders, proposals, offers or quotations;
  - (d) The price and a summary of the other principal terms and conditions of each tender or proposal;
  - (e) The means used to solicit suppliers or contractors and a record of any such advertisements;
  - (f) The time and place for the opening of tenders;
  - (g) The names of the suppliers or contractors or their representatives or members of the public attending the opening of tenders or proposals; and
  - (h) The form of tender and those pages containing the original bill of quantities for construction contracts.
- 16.2 If alternative forms of tendering are used, the PCMD must include in the record of the procurement proceedings a statement of the grounds and circumstances on which it relied to justify the use of that particular form of procurement.

## **17. Other provisions**

- 17.1 In the event of unsatisfactory performance, if the supplier or contractor makes satisfactory restitution in good time in the opinion of the Corporation, no sanction may be imposed. A supplier or contractor should be permanently removed from the list of suppliers or contractors if there is a repeat of unsatisfactory performance and the supplier or contractor fails to make satisfactory restitution, or if legal proceedings have been instituted.
- 17.2 The Central Tender Committee reserves the right not to deal with any supplier or contractor if in its opinion it is not in the Corporation's interest to do so. The PCMD is

required to maintain a record of the deliberations of the Committee on the matter, including the relevant justifications.

17.3 If a successful tenderer offers to reduce his prices after a tender award, this should be reported to the relevant Tender Committee for consideration. If the tenderer seeks to increase prices after a tender award, the Corporation may at its option either:

- (a) Enforce the contract, i.e. require that the supplier or contractor provide the materials or services at the price(s) quoted; or
- (b) Retender for the materials or services and debar the defaulting supplier or contractor from submitting a bid for the retender.

17.4 If there are special offers from domestic suppliers, the following procedures should be adopted:

- (a) The offer should be referred to the relevant Procurement Manager for confirmation or otherwise that the materials are of the standard and to the specifications required by the Corporation; and
- (b) If the materials meet the specifications, the PCMD Manager must prepare a presentation for the next HOTC or Central Tender Committee, as appropriate. The presentation should include information on the previous price paid for similar items, the annual rate of consumption of such items, the number of such items in stock at the time; and a recommendation as to the quantity of items that should be purchased.

## APPENDIX I

### THE CHARTERED INSTITUTE OF PURCHASING AND SUPPLY CODE OF CONDUCT

The purpose of this code of conduct is to define behaviours and actions which CIPS members must commit to maintain as long as they are members of CIPS.

As a member of CIPS, I will:

- (a) Enhance and protect the standing of the profession, by:
  - never engaging in conduct, either professional or personal, which would bring the profession or the Chartered Institute of Procurement & Supply into disrepute;
  - not accepting inducements or gifts (other than any declared gifts of nominal value which have been sanctioned by my employer);
  - not allowing offers of hospitality or those with vested interests to influence, or be perceived to influence, my business decisions; and
  - being aware that my behaviour outside my professional life may have an effect on how I am perceived as a professional.
- (b) Maintain the highest standard of integrity in all business relationships, by:
  - rejecting any business practice which might reasonably be deemed improper;
  - never using my authority or position for my own financial gain;
  - declaring to my line manager any personal interest that might affect, or be seen by others to affect, my impartiality in decision making;
  - ensuring that the information I give in the course of my work is accurate and not misleading;
  - never breaching the confidentiality of information I receive in a professional capacity;
  - striving for genuine, fair and transparent competition; and
  - being truthful about my skills, experience and qualifications.
- (c) Promote the eradication of unethical business practices, by:
  - fostering awareness of human rights, fraud and corruption issues in all my business relationships;
  - responsibly managing any business relationships where unethical practices may come to light, and taking appropriate action to report and remedy them;

- undertaking due diligence on appropriate supplier relationships in relation to forced labour (modern slavery) and other human rights abuses, fraud and corruption; and
- continually developing my knowledge of forced labour (modern slavery), human rights, fraud and corruption issues, and applying this in my professional life.

(d) Enhance the proficiency and stature of the profession, by:

- continually developing and applying knowledge to increase my personal skills and those of the organisation I work for;
- fostering the highest standards of professional competence amongst those for whom I am responsible; and
- optimising the responsible use of resources which I have influence over for the benefit of my organisation.

(e) Ensure full compliance with laws and regulations, by:

- adhering to the of countries in which I practise, and in countries where there is no relevant law in place I will apply the standards inherent in this Code;
- fulfilling agreed contractual obligations; and
- following CIPS guidance on professional practice.

Members of CIPS worldwide are required to uphold this code and to seek commitment to it by all the parties they engage with in their professional practice.

Members should encourage their organisation to adopt an ethical procurement and supply policy based on the principles of this code and raise any matter of concern relating to business ethics at an appropriate level within their organisation.

Members' conduct will be judged against the code and any breach may lead to action under the disciplinary rules set out in the Institute's Royal Charter. Members are expected to assist any investigation by CIPS in the event of a complaint being made against them.

**This code was approved by the CIPS Global Board of Trustees on 10 September 2013.**

## APPENDIX II

### APPROVED LIST OF LOW VALUE PURCHASE ORDER ITEMS

- |  |                                      |
|--|--------------------------------------|
| 1. 12V Auto Bulbs                            | 33. Masking tape                     |
| 2. 24V Auto Bulbs                            | 34. Measuring & calibrating utensils |
| 3. 40W, 110 Volts ES Bulbs                   | 35. Mosquito mesh                    |
| 4. 60W, 110 Volts BC Bulbs                   | 36. Nails                            |
| 5. 75W, 110 Volts ES Bulbs                   | 37. Oakum                            |
| 6. 100W, 110 Volts ES Bulbs                  | 38. Padlocks                         |
| 7. Air Freshener (tin)                       | 39. Paint/tar brushes                |
| 8. Battery Lugs                              | 40. PVC paste                        |
| 9. Bib Cocks ½"                              | 41. Vulcanising paste                |
| 10. Bleach                                   | 42. Pitch                            |
| 11. Brake Fluid                              | 43. Pitch forks                      |
| 12. Buckets                                  | 44. Polythene rope                   |
| 13. Cement                                   | 45. Plastic steel                    |
| 14. Chicken Mesh ½"                          | 46. Ply board                        |
| 15. Cleaning Materials                       | 47. PVC pipes and fittings           |
| 16. Door Locks                               | 48. Quarry cleaning                  |
| 17. Electrical Cables/Clips (Domestic)       | 49. Rags                             |
| 18. Electrical Fittings e.g. plugs, switches | 50. Sand                             |
| 19. Emery Cloth                              | 51. Sanding discs                    |
| 20. Fire Buckets                             | 52. Sandpaper                        |
| 21. Fish Line (trimmer line)                 | 53. Smell 'O' Pine                   |
| 22. Fluorescent Bulbs, Ballasts, Starters    | 54. Spades                           |
| 23. Gasket Paste                             | 55. Stationery                       |
| 24. Grinding Discs                           | 56. Stone                            |
| 25. Hacksaw Blades                           | 57. Tar (drum)                       |
| 26. Hand Trucks                              | 58. Thread tape                      |
| 27. Hinges                                   | 59. Toilet paper & soap              |
| 28. Insect Sprays                            | 60. Torchlights & batteries          |
| 29. Insulating Tape                          | 61. Towels                           |
| 30. Laminated Sheets e.g. Arborite           | 62. White lime brush                 |
| 31. Laundry Soap/Soap Powder                 | 63. Washers (1/2" to 1")             |
| 32. Lumber                                   | 64. Wheel barrow                     |
|  | 65. Wire brush                       |
|  | 66. Zinc and zinc sheet              |

**APPENDIX III**  
**SUBMISSION TO ESTATE/HEAD OFFICE/CENTRAL TENDER COMMITTEE**

Project Title: .....

Justification: .....

Capital budget reference: ..... CER reference: ..... Budget allocation: .....

No. of bidders invited: ..... No. of bids received: ..... Engineer's Estimate: .....

#	Name of tenderer & bid amount	Current work assignment	Previous work undertaken	Remarks

Recommendation and justification by Procurement Department/Evaluation Committee:

.....  
 .....  
 .....

Approved: ..... Not approved: .....

Reason for non-approval and recommendation of Tender Committee:

.....  
 .....  
 .....

Name of awardee: ..... Contract sum: .....

.....

Chairman of Tender Committee

Secretary of Tender Committee

Date

APPENDIX IV

FORM 1 – REQUEST TO HIRE EQUIPMENT

Name of Estate: .....

Date: .....

To: **Agricultural Operations Director**

Permission is hereby sought for the hire of equipment for the following works to be undertaken.

Description of works: .....

.....

Location (section & field no. etc.): .....

Amount of work to be undertaken (units): .....

Approved budget: .....

Account code: .....

(6) Type of equipment needed: .....

(7) Expected start date: ..... (8) Expected completion date: .....

(9) Justification for hire: .....

.....

.....

.....

.....

.....

Estate Manager

Field Manager

Approval granted: .....

Approval not granted: .....

Reason for non-approval and recommendation:

.....

.....

.....

.....

Agricultural Operations Director

.....

Date

**APPENDIX V**  
**FORM II - INVITATION TO UNDERTAKE WORKS**

Tenders are invited for the following works to be undertaken:

Name of Estate: ..... Location of works: .....

Type of works: .....

Equipment required: .....

Amount of work to be done: -----

Commencement date: ..... Completion date: .....

Tenderers are requested to include in their submissions the following information:

Name of tenderer: .....Address: .....

Unit cost: ..... Types of equipment: .....

Experience and other relevant information:

.....  
.....  
.....

Hours of work and time required to complete the job:

.....  
.....

Tenderers are required to provide their own 'back up' services including security.

.....  
Estate Manager

.....  
Date

NOTE: All tenders must be returned to the Estate Manager in a plain sealed envelope marked "Tender for ..... by ..... 'o' clock on .....  
The Corporation reserves the right to accept or reject any or all of the tenders without assigning any reason; and to not necessarily to award the contract to the lowest bidder.

## APPENDIX VI

### FORM III - CONTRACTORS' PERFORMANCE REPORT

*A report in the format set out below must be completed by all Estates on a monthly basis and sent to the Company Secretary for consolidation and submission to the Management Committee.*

Name of Estate..... Date: .....

Name of contractor: .....

Address of contractor: .....

Contract Ref. & date: ..... Job Ref.: ..... Code Ref.: .....

Contract Amount: ..... Completion date in contract: .....

Amount paid to date: ..... Balance due: .....

Comments on quality of work:

.....  
.....  
.....  
.....  
.....

Is it anticipated that the works will be completed on time? Yes/No

If no, what are the reasons for the delay and how much more time should be allowed?

.....  
.....  
.....

.....

Estate Manager

.....

Field/Factory Manager

PROCUREMENT MANUAL

VOLUME II

PROCUREMENT RULES

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## **PART I - PRELIMINARY**

## **1. Purpose**

- 1.1 The purpose of these Rules is to provide for the regulation of the procurement of materials, services and the execution of works; and to promote competition among suppliers and contractors as well as fairness and transparency in the procurement process. Specific objectives are:
- (a) to maximise economy and efficiency in procurement;
  - (b) to foster and encourage participation in procurement proceedings by suppliers or contractors, regardless of nationality;
  - (c) to promote competition among suppliers and contractors for the supply of materials, services, or construction to be procured;
  - (d) to provide for the fair and equitable treatment of all suppliers and contractors;
  - (e) to promote the integrity of, and fairness and public confidence in, the procurement process; and
  - (f) to achieve transparency in the procedures relating to procurement.
- 1.2 In accordance with Section 24 of the Procurement Act 2003, where there is a conflict between these Rules and the Procurement Act, the latter shall take precedence.

## **2. Definition of terms**

- 2.1 The following definitions shall apply for terms used in these Rules:
- (a) “appropriate tender committee” refers to Estate Tender Committee, Procurement and Contract Management Tender Committee, Head Office Tender Committee, and Central Tender Committee;
  - (b) “construction” means all works associated with the construction, reconstruction, demolition, repair or renovation of a building, structure or works, such as site preparation, excavation, erection, building, installation of equipment or materials, decoration and finishing;
  - (c) “consulting services” means services of an intellectual nature which do not lead to a physically measurable result;
  - (d) “Corporation” means the Guyana Sugar Corporation Inc. and includes its procurement departments;
  - (e) “currency” means monetary unit of account;
  - (f) “closing date” means date and time specified in tender or other documents as the deadline for submitting bids or proposals;
  - (g) “domestic supplier” means a supplier having his principal place of business in Guyana;
  - (h) “Engineer’s Estimate” means an independent estimate of the works to be carried out, including bills of quantities, prepared by a competent and

experienced person or group of persons to be used as a guide in the evaluation of tenders;

- (i) “functional director” includes Chief Executive; Director of Finance, and General Managers and Head of Department of Agricultural Operations; Agricultural Research, Factory Operations Marketing and Administration, Personnel, and Industrial Relations;
- (j) “invoice” means official statement from a supplier or contractor for materials supplied or services rendered to be used as a basis for the settlement of an amount due to that supplier or contractor;
- (k) “lowest evaluated tender” means the tender that has been ranked lowest using criteria in addition to price that are quantified in monetary terms for the procurement of materials, services and construction;
- (l) “materials” includes raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, or gaseous form, and electricity;
- (m) “prequalification” means the application of specific procedures in order to identify, prior to the submission of tenders in procurement proceedings, suppliers and contractors that are qualified to participate in such proceedings, either as part of an annual registration process, or for specific contracts;
- (n) “procurement” means the acquisition of materials by any means including purchase, rental, lease or hire-purchase, and the acquisition of construction, consulting, and other services;
- (o) “procurement contract” means a contract between the Corporation and a supplier or contractor resulting from the procurement process;
- (p) “Procurement and Contract Management Department” means the department that has overall responsibility for the procurement of materials, services and construction;
- (q) “procuring department” includes the following departments or other unit or sub-division thereof that engage in procurement: Procurement and Contract Management Department; Engineering Services Department; Hydraulics Department; Projects Department; and Marketing Department.
- (r) “Purchasing Manager” refers to the managers in the Procurement and Contract Management Department responsible for the procurement for field, factory and general operations;
- (s) “restricted tendering” refers to a form of procurement where the materials, construction or services by reason of their highly complex or specialized nature, are available only from a limited number of suppliers or contractors, in which case all such suppliers or contractors are invited to submit tenders;
- (t) “services” means services of a general nature other than consulting and construction services;
- (u) “single source procurement” refers to a form of procurement where the materials or construction are available only from a particular supplier or

contractor, or a particular supplier or contractor has exclusive rights with respect to the materials or construction, and no reasonable alternative or substitute exists; or where the services, by reason of their highly complex or specialized nature, are available from only one source;

- (v) “supplier or contractor” means, according to the context, any party or potential party to a procurement contract with the Corporation and includes a consultant.
- (w) “tender security” means a security provided to the procuring entity to secure the fulfilment of any obligation and includes such arrangements as bank guarantees, surety bonds, stand-by letters of credit, cheques on which a bank is primarily liable, cash deposits, promissory notes, and bills of exchange.

## **PART II - GENERAL PROVISIONS**

### **3. Qualifications of suppliers and contractors**

3.1 Every supplier or contractor wanting to participate in procurement proceedings of the Corporation must qualify by meeting the following criteria:

- (a) It possesses or has access to the technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience, and reputation, and the personnel, to perform the contract;
- (b) It has legal capacity to enter into the contract;
- (c) It is not insolvent, in receivership, bankrupt or being wound up, its affairs are not being administered by a court or a judicial officer, its business activities have not been suspended, and it is not the subject of legal proceedings for any of the foregoing;
- (d) It has fulfilled its obligations to pay taxes and social security contributions of its employees;
- (e) It has not, and its directors or officers have not, been convicted of any criminal offence related to its professional conduct or the making of false statements or misrepresentations as to its qualifications to enter into a procurement contract within a period of ten years preceding the commencement of the procurement proceedings, or has not been otherwise disqualified pursuant to administrative suspension or debarment proceedings in this or other jurisdictions over the last three years; and
- (f) Its past performance substantiated by documentary evidence would commend it for serious consideration for the award of the contract.

3.2 Subject to the right of suppliers or contractors to protect their intellectual property or trade secrets, the Corporation may require suppliers or contractors participating in procurement proceedings to provide such appropriate documentary evidence or other

information as it may deem useful to satisfy itself that the suppliers or contractors are qualified in accordance with the criteria set forth in subsection 3.1.

- 3.3 Any requirement mentioned in this section shall be set forth in the prequalification documents, if any, or in the solicitation documents and shall apply equally to all suppliers or contractors. The Corporation shall impose no criterion, requirement or procedure with respect to the qualifications of suppliers or contractors other than those set forth in this section.
- 3.4 The Corporation shall establish no criterion, requirement or procedure with respect to the qualifications of suppliers or contractors that discriminates against or among suppliers or contractors or against categories thereof on the basis of nationality.
- 3.5 The Corporation may disqualify a supplier or contractor if it finds at any time that the supplier or contractor knowingly submitted information concerning the qualifications of the supplier or contractor that was materially inaccurate, incomplete, or false. A supplier or contractor that has been disqualified pursuant to this paragraph may be subject to such sanctions as the Corporation may impose.
- 3.6 The Corporation may not disqualify a supplier or contractor on the ground that information submitted concerning the qualifications of the supplier or contractor was inaccurate or incomplete in a non-material respect. The supplier or contractor may be disqualified if it fails to remedy such non-material deficiencies promptly upon request by the Corporation.

#### **4. Prequalification proceedings**

- 4.1 The Corporation may engage in prequalification proceedings in order to identify, prior to the submission of tenders in procurement proceedings, suppliers and contractors that are qualified to participate in such proceedings, either as part of an annual registration process, or for specific contracts.
- 4.2 The Corporation shall solicit invitations to prequalify by causing an invitation to prequalify to be published in its website and at least one newspaper of wide circulation, and posted in public places. Such solicitations shall reach the area impacted by the procurement.
- 4.3 When the Corporation engages in prequalification proceedings, it shall provide, on payment therefor, a set of prequalification documents to each supplier or contractor that requests them in accordance with the invitation to prequalify.
- 4.4 The prequalification documents shall include the following information:

- (a) Instructions for preparing and submitting prequalification applications;
  - (b) A summary of the required terms and conditions of the contract to be entered into as a result of the procurement proceedings;
  - (c) Any documentary evidence or other information that must be submitted by suppliers or contractors to demonstrate their qualifications; and
  - (d) The manner and place for the submission of applications to prequalify and the deadline for such submission, expressed as a specific date and time and allowing sufficient time for suppliers or contractors to prepare and submit their applications, taking into account the needs of the Corporation.
- 4.5 The Corporation shall respond to a valid query by a supplier or contractor for clarification of the prequalification documents that is received by the Corporation within a reasonable time prior to the deadline for the submission of applications to prequalify. The response shall be given within a reasonable time so as to enable the supplier or contractor to make a timely submission of its application to prequalify and shall, without identifying the source of the query, be communicated to all suppliers or contractors to which the Corporation provided the prequalification documents.
- 4.6 The Corporation shall make a decision with respect to the qualifications of each supplier or contractor submitting an application to prequalify. In reaching that decision, the Corporation shall apply only the criteria set forth in the prequalification documents.
- 4.7 The Corporation shall promptly notify each supplier or contractor submitting an application to prequalify whether or not it has been prequalified and shall make available to any member of the general public, upon request, the names of all suppliers or contractors that have been prequalified. Only suppliers or contractors that have been prequalified are entitled to participate further in the procurement proceedings.
- 4.8 The Corporation shall, upon request, communicate to any supplier or contractor that has not been prequalified the grounds therefor.
- 4.9 Should the Corporation decide that a supplier or contractor does not satisfy the prequalification requirements, the supplier or contractor may, upon request, obtain a review of that decision pursuant to section 42.
- 4.10 The Corporation may require a supplier or contractor that has been prequalified to demonstrate again its qualifications in accordance with the same criteria used to prequalify such supplier or contractor. The Corporation shall disqualify any supplier or contractor that fails to demonstrate again its qualifications if requested to do so. The Corporation shall promptly notify each supplier or contractor requested to demonstrate again its qualifications as to whether or not the supplier or contractor has

done so to the satisfaction of the procuring entity. Where a supplier or contractor is disqualified for failing to demonstrate again its qualifications, the Corporation shall, upon request, communicate the grounds therefor.

**5. Participation of suppliers and contractors**

- 5.1 Suppliers and contractors are permitted to participate in procurement proceedings without regard to nationality.

**6. Form of communication**

- 6.1 Subject to the other provisions and any requirement of form specified by the Corporation when first soliciting the participation of suppliers or contractors in the procurement proceedings, documents, notifications, decisions and other communications referred to in these Rules to be submitted by the Corporation to a supplier or contractor or by a supplier or contractor to the Corporation, shall be in a form that provides a record of the content of the communication. This shall include forms of electronic communication provided that a record of the content is produced.
- 6.2 Communications between suppliers or contractors and the Corporation may be made by a form of communication that does not provide a record of the content of the communication provided that, immediately thereafter, confirmation of the communication is given to the recipient of the communication in a form which does provide a record of the confirmation.
- 6.3 The Corporation shall not discriminate against or among suppliers or contractors on the basis of the form in which they transmit or receive documents, notifications, decisions or other communications.

**7. Documentary evidence provided by suppliers and contractors**

- 7.1 If the Corporation requires the authentication of documentary evidence provided by suppliers or contractors to demonstrate their qualifications in procurement proceedings, the Corporation shall not impose any requirements as to the authentication of such evidence other than those provided for by law.
- 7.2 The Corporation may require authentication of documentary evidence only of the lowest evaluated bidder recommended to be awarded the tender.

**8. Record of procurement proceedings**

- 8.1 The Corporation shall maintain a record of the procurement proceedings, including:

- (a) A brief description of the materials, services, construction, or consulting services to be procured;
- (b) The names and addresses of suppliers or contractors that submitted tenders, proposals, or quotations, and the name and address of the supplier or contractor with which the contract is entered into and the contract price;
- (c) Information relating to the qualification, or lack thereof, of suppliers or contractors that submitted tenders, proposals, offers or quotations;
- (d) The price and a summary of the other principal terms and conditions of each tender or proposal;
- (e) The means used to solicit suppliers or contractors and a record of any such advertisement;
- (f) The time and place for the opening of tenders;
- (g) The names of the suppliers or contractors or their representatives or members of the public attending the opening of tenders or proposals; and
- (h) The form of tender and those pages containing the original bill of quantities for construction.

8.2 The portion of the record referred to in Sub-section 8.1 (a) and (b) shall, on request, be made available to any person after a tender has been accepted and a public notice has been published, or after procurement proceedings have been terminated.

8.3 The record referred to in Sub-section 8.1 shall, on request, be made available to suppliers or contractors that submitted tenders, or applied for prequalification, after a tender has been accepted or procurement proceedings have been terminated. However, except when ordered to do so by a competent court, and subject to the conditions of such an order, the Corporation shall not disclose:

- (a) information if its disclosure would be contrary to law, would impede law enforcement, would not be in the public interest, would prejudice legitimate commercial interests of the other parties or would inhibit fair competition; or
- (b) information relating to the examination or evaluation of tender proposals, but this non-disclosure shall not be construed as preventing the disclosure of scoring sheets or rankings, or any other documents that provide a qualitative or quantitative comparison of the tender proposals.

8.4 Where the Corporation has acted in good faith, it shall not be liable to suppliers or contractors for damages solely for a failure to maintain a record of the procurement proceedings in accordance with the provisions of these Rules.

**9. Publication of contract award**

- 9.1 The Corporation shall publish notice of procurement contract awards within seven days of awarding such contracts.

**10. Inducements from suppliers or contractors**

- 10.1 The Corporation through the relevant Tender Committee shall reject a tender, if the supplier or contractor that submitted it offers, gives or agrees to give, to any current or former officer or employee of the Corporation directly or indirectly including through a family member, a gratuity in any form, an offer of employment or any other thing or service or value, as an inducement with respect to an act or decision of, or procedure followed by such Tender Committee in connection with the procurement proceedings. Such rejection of the tender or proposal and the reasons therefor shall be recorded in the record of the procurement proceedings and promptly communicated to the supplier or contractor.

**11. Prohibition of certain description of materials, services or construction**

- 11.1 Any specifications, plans, drawings and designs setting forth the technical or quality characteristics of materials, services, or construction to be procured, and requirements concerning testing and test methods, packing, marking or labelling or conformity certification, any symbols and terminology, that create obstacles to participation, including obstacles based on nationality, by suppliers or contractors in the procurement proceedings, shall not be included or used in the prequalification documents, solicitation documents or other documents for solicitation of tenders.
- 11.2 To the extent possible, any specifications, plans, drawings, designs and requirements shall be based on the relevant objective technical and quality characteristics of the materials, services, or construction to be procured. There shall be no requirement of or reference to a particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the materials, services, or construction to be procured and provided that the words such as “or equivalent” are included.
- 11.3 Standardized features, requirements, symbols and terminology relating to the technical and quality characteristics of the materials, services, or construction to be procured shall be used, where available, in formulating any specifications, plans, drawings and designs to be included in the documents for the solicitation of tenders.
- 11.4 Due regard shall be had for the use of standardized trade terms, where available, in formulating the terms and conditions of the procurement contract to be entered into

as a result of the procurement proceedings and in formulating other relevant aspects of the documents for solicitation of tenders.

## 12. Prohibition of contract splitting

- 12.1 The Corporation shall not split or cause to split contracts or divide or cause to divide its procurement into separate contracts where the sole purpose for doing so is to avoid the application of any provision of these Rules, or to circumvent the involvement of the relevant Tender Committee.

## PART III - ADMINISTRATIVE STRUCTURE FOR PROCUREMENT

## 13. Membership of tender committees

- 13.1 There is hereby established an Estate Tender Committee, a Procurement & Contract Management Tender Committee, a Head Office Tender Committee and a Central Tender Committee. The composition of these committees shall be as follows:

**Estate Tender Committee:** Estate Manager (Chairman), Finance Manager (Secretary), relevant head of department and Union/workers' representative. The quorum shall be three, inclusive of the Estate Manager and the Finance Manager.

**Procurement and Contract Management Department Tender Committee:** Procurement and Contract Management Department Manager (Chairman), Finance Controller, relevant Procurement Manager and Union/workers' representative. The quorum shall be three, inclusive of the Procurement and Contract Management Manager and the Finance Controller. A representative of the Administrative or Legal Department shall function as the Secretary of the Committee.

**Head Office Tender Committee:** Chief Executive (Chairman), Assistant Company Secretary (Secretary), Finance Director, Agricultural Operations Director, Agricultural Research Director, Technical Director, Functional Director requesting the purchase, Engineering Services Manager and the Procurement and Contract Management Manager. The quorum shall be five, inclusive of the Chief Executive and the Finance Director. The Head Office Tender Committee shall act as a Pre-Tender Committee for all contracts requiring the approval of the Central Tender Committee.

**Central Tender Committee:** A non-executive director appointed by the Board (Chairman), two other non-executive directors, Company Secretary (Secretary), Chief Executive, Finance Director, Corporate Planner, and the PCMD Manager. The quorum

shall comprise three non-executive directors, the Chief Executive and the Finance Director. Only non-executive directors have voting rights.

- 13.2 Minutes of the Estate and the Procurement and Contract Management Department tender committees shall be prepared in detail and in the format as determined by the Head Office Tender Committee, and shall be forwarded to the Head Office Tender Committee for ratification.

#### 14. Authority limits

- 14.1 The authority limits for the Estate Manager and each Tender Committee shall be as follows:

#	Description	Authority level	Authority limit
1	Low value direct purchases, and services	Estate Manager, or the PCMD Manager for centralized procurement	Up to \$300,000 per order up to limit of \$1.5 million per week per Estate.
2	Quotations or tenders for materials (As many quotes as possible, but minimum of three.)	(a) Estate Tender Committee (b) PCMD Manager for centralised procurement (c) PCMD Tender Committee (d) Head Office Tender Committee (e) Central Tender Committee	Above \$300,000 to \$3.5 million. Above \$300,000 to \$1 million Above \$1 million to \$3.5 million Above \$3.5 million to \$12.5 million Above \$12.5 million
3	Quotations or tenders for services	(a) Estate Tender Committee or PCMD Tender Committee for centralized services (b) Head Office Tender Committee (c) Central Tender Committee	Above \$300,000 to \$2 million Above \$2 million to \$6.5 million. Above \$6.5 million

- 14.2 The Corporation may periodically review the limits set out in sub-section 14.1 to assess their adequacy and submit its approval the revised limits for ratification by the National Procurement and Tender Administration Board.

#### 15. Annual financial declarations to the Integrity Commission

- 15.1 All members of the Estate Tender Committees, Head Office Tender Committee and Central Tender Committee, and all employees of the procurement departments who have responsibility for the procurement of materials, services and construction, shall

make annual declarations to the Integrity Commission in accordance with Part III of the Integrity Commission Act 1997.

#### **PART IV - METHODS OF PROCUREMENT OF GOODS, CONSTRUCTION AND SERVICES AND THEIR CONDITIONS FOR USE**

##### **16. Open tendering**

16.1 Subject to the requirements of sections 17 to 20, public tendering, whether in response to an invitation to tender or to prequalify, is mandatory.

16.2 The Corporation may use a method of procurement other than open tendering, in which case it shall include in the record required under section 8 a statement of the grounds and circumstances on which it relied to justify the use of that particular method of procurement.

##### **17. Restricted tendering**

17.1 The Corporation may engage in procurement by means of restricted tendering when the materials, construction or services by reason of their highly complex or specialized nature, are available only from a limited number of suppliers or contractors, in which case all such suppliers or contractors shall be invited to submit tenders. The Head Office Tender Committee shall approve of all procurement using this method.

17.2 When the restricted tendering procedure is used, only suppliers or contractors invited by the Corporation due to their qualifications can submit tenders. All other steps and requirements applicable to open tendering, shall be complied with, including the adjudication by the relevant Tender Committee.

##### **18. Requests for quotation**

18.1 The Corporation may engage in procurement by means of a request for quotations provided that the estimated value of the procurement contract does not exceed such amounts prescribed at subsection 14.1.

18.2 Before awarding a contract under this section, the Corporation shall obtain and compare quotations from as many qualified suppliers or contractors as feasible, but not fewer than three.

18.3 The Corporation shall make its best efforts to check prices on the Internet to ensure the reasonableness of quoted prices and shall publish the price of its most recent procurement at least once every quarter in the Corporation's website.

18.4 Each supplier or contractor is permitted to give only one price quotation and is not permitted to change its quotation. No negotiations shall take place between the

Corporation and a supplier or contractor with respect to a quotation submitted by the supplier or contractor.

- 18.5 The procurement contract shall be awarded to the supplier or contractor that submitted the lowest-priced quotation that complies with the requirements of the invitation.

19. **Single source procurement**

- 19.1 The Corporation may engage in single-source procurement when:

- (a) The materials or construction are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights with respect to the materials or construction, and no reasonable alternative or substitute exists;
- (b) The services, by reason of their highly complex or specialized nature, are available from only one source; and
- (c) The Corporation, having procured materials, services, equipment or technology from a supplier or contractor, determines that additional supplies must be procured from that supplier or contractor for reasons of standardization or because of the need for compatibility with existing materials, services, equipment or technology, taking into account the effectiveness of the original procurement in meeting the needs of the procuring entity, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the unsuitability of alternatives to the materials in question.

- 19.2 The Head Office Tender Committee shall approve of all procurement using this method. All other steps and requirements applicable to open tendering, shall be complied with, including the adjudication by the relevant tender committee.

20. **Emergency procurement**

- 20.1 The Corporation may engage in emergency procurement where owing to a catastrophic event, there is an urgent need for the materials, services or construction, making it impractical to use other methods of procurement referred to in sections 16 to 19 because of the time involved in using those methods.
- 20.2 When the Corporation engages in emergency procurement, as soon as is practicable, the matter shall be referred to the relevant Tender Committee for the necessary ex post approval of the procurement of the related materials, services or construction.

## **PART V - PROCEDURE FOR OPEN TENDERING**

### **21. Invitation to tender**

- 21.1 The Corporation shall solicit tenders by causing an invitation to tender to be published in its website and a newspaper of wide circulation, and posted in public places. The invitation to tender or to prequalify, as applicable, shall contain a brief description of the materials or construction to be procured and shall state the deadline for submission and where the solicitation documents and additional information regarding the tender may be obtained.
- 21.2 Whenever foreign tenderers are expected to be interested in the contract, the invitation to tender or invitation to prequalify, shall be published in the Corporation's website, at least one newspaper of wide circulation and in at least one journal of wide international circulation dedicated to publishing international tendering. Contracts in which only national tenderers are expected to be interested may be advertised only nationally, pursuant to subsection 21.1.

### **22. Two-stage tendering**

- 22.1 The Corporation may engage in open tendering by means of two-stage tendering when it is not feasible for the procuring entity to formulate detailed specifications due to the complex nature of the contract in order to obtain the best performing solution for the procurement contract. Two-stage tendering may be preceded by prequalification proceedings.
- 22.2 During the first stage of a two-stage tender, suppliers and contractors shall be invited to submit technical proposals on the basis of a conceptual design or performance-based specifications provided in the tender documents, without submitting prices. These proposals may then be subject to further specification on technical and commercial requirements. During the second stage, suppliers and contractors shall be invited to submit final technical proposals with prices on the basis of the tender documents, as revised by the Corporation following the first stage.

### **23. Tender documents**

- 23.1 The Corporation shall provide tender documents to suppliers or contractors subject to the payment of the cost of printing and providing them. If prequalification proceedings have been engaged in, the Corporation shall provide a set of bid documents to each prequalified supplier or contractor.

## **24. Clarification and modification of tender documents**

- 24.1. A supplier or contractor may request a clarification of the tender documents from the Corporation. The Corporation shall respond within a reasonable time to any query by the supplier or contractor for clarification of the tender documents that are received by the Corporation so as to enable the supplier or contractor to make a timely submission of its tender and shall, without identifying the source of the query, communicate the clarification to all suppliers or contractors to which the Corporation has provided the solicitation documents.
- 24.2 At any time prior to the deadline for submission of tenders, the Corporation may, for any reason, whether on its own initiative or as a result of a request for clarification by a supplier or contractor, modify the tender documents.
- 24.3 If the Corporation convenes a pre-bid meeting of suppliers or contractors, it shall prepare minutes of that meeting containing the queries submitted at the meeting for clarification of the tender documents, and its responses to those queries, without identifying the sources of the queries. The minutes shall be provided promptly to all suppliers or contractors to which the Corporation provided the tender documents, so as to enable those suppliers or contractors to take the minutes into account in preparing their tenders.
- 24.4 All modifications of tender conditions made by the Corporation whether on its own initiative, as a result of clarification requested by the tenders, or provided during a pre-tender meeting, shall be issued in the form of all suppliers or contractors to which the Corporation provided the tender documents, so as to enable those suppliers or contractors to take the minutes into account in preparing their tenders.
- 24.5 All modifications of tender conditions made by the Corporation, whether on its own initiative, as a result of clarification requested by the tenders, or provided during a pretender meeting, shall be issued in the form of amendments to the tender documents, which shall be provided to all prospective bidders who purchased the tender documents. Such addendum shall be binding upon all tenders.

## **25. Submission of tenders**

- 25.1 Tenders must be formulated and submitted in English.
- 25.2 The Corporation shall fix the place for, and a specific date and time as the deadline for, the submission of tenders. For every submission, there shall be the original and two copies of the tender.
- 25.3 If the Corporation issues a clarification or modification of the tender documents, or if a meeting of suppliers or contractors is held, it shall, prior to the deadline for the submission of tenders, extend the deadline if necessary to afford suppliers or

contractors reasonable time to take the clarification or modification, or the minutes of the meeting, into account in their tenders.

- 25.4 The Corporation may, in its absolute discretion, prior to the deadline for the submission of tenders, extend the deadline where it considers, based on documentary evidence, that a supplier or contractor was prevented from meeting the deadline by factors beyond its control.
- 25.5 Notice of any extension of the deadline shall be given promptly to each supplier or contractor to which the Corporation provided the solicitation documents.
- 25.6 Subject to Subsection 25.7, a tender shall be submitted in writing, signed and in a sealed envelope clearly marked "Tender For ...". The name of the tenderer must not be stated on the envelope.
- 25.7 Without prejudice to the right of a supplier or contractor to submit a tender in the form referred at Subsection 25.6, a tender may alternatively be submitted in any other form specified in the solicitation documents that provided a record of the content of the tender and at least a similar degree of authenticity, security and confidentiality.
- 25.8 The Corporation shall record the time and date when the tender was received, and on request, provide to the supplier or contractor a receipt showing that information.
- 25.9 A tender received by the Corporation after the deadline for the submission of tenders shall be so marked and shall not be opened except for the purpose of ascertaining the name and address of the bidder for the return of the tender.
- 25.10 No bid shall be rejected at the public opening ceremony.

**26. Period of effectiveness of tenders, modification and withdrawal of tenders**

- 26.1 Tenders shall be in effect during the period of time specified in the solicitation documents.
- 26.2 Prior to the expiration of the period of effectiveness of tenders, the Corporation may request a supplier or contractor to extend such period for an additional specified period of time. A supplier or contractor may refuse the request without forfeiting its tender security, and the effectiveness of its tender will terminate upon the expiration of the unextended period of effectiveness.
- 26.3 Suppliers or contractors that agree to an extension of the period of effectiveness of their tender shall extend or procure an extension of the period effectiveness of tender security provided by them or provide new tender security to cover the extend period of effectiveness of their tenders. A supplier or contractor whose tender security is not

extended, or that has not provided a new tender security, is considered to have refused the request to extend the period of effectiveness of its tender.

- 26.4 Unless otherwise specified in the solicitation documents, a supplier or contractor may modify or withdraw its tender prior to the deadline for the submission of tenders without forfeiting its tender security. The modification or notice of withdrawal is effective if it is received by the Corporation prior to the deadline for the submission of tenders.

## 27. **Tender security**

- 27.1 When the Corporation requires suppliers or contractors submitting tenders to provide a tender security:

- (a) The requirement shall apply equally to all such suppliers or contractors;
- (b) the solicitation documents may stipulate that the issuer of the tender security and the confirmer, if any, of the tender security, as well as the form and terms of the tender security, must be acceptable to the Corporation; and
- (c) Notwithstanding paragraph (b), a tender shall not be rejected by the procuring entity on the grounds that the tender security was not issued by an issuer in Guyana if the tender security and the issuer otherwise conform to the requirements set forth in the solicitation documents.

- 27.2 The Corporation shall specify in the solicitation documents any requirements with respect to the issuer and the nature, form, amount and other principal terms and conditions of the required tender security. Any requirement that refers directly or indirectly to conduct by the supplier or contractor submitting the tender shall not relate to conduct other than:

- (a) Withdrawal or modification of the tender after the deadline for submission of tenders, or before the deadline if so stipulated in the solicitation documents;
- (b) Failure to sign the contract if required by the Corporation to do so; and
- (c) Failure to provide a required performance bond for the performance of the contract after the tender has been accepted or to comply with any other condition precedent to signing the contract specified in the solicitation documents.

- 27.3 The Corporation shall make no claim to the amount of the tender security, and shall promptly return, or procure the return of, the tender security document, at such time as whichever of the following occurs earliest:

- (a) The expiration of the tender security;

- (b) The entry into force of a contract and the provision of a security for the performance of the contract, if such a security is required by the solicitation documents;
- (c) The termination of the tendering proceedings without entry into force of a procurement contract; or
- (d) The withdrawal of the tender prior to the deadline for the submission of tenders, unless the solicitation documents stipulate that no such withdrawal is permitted.

27.4 Tender securities in an amount between one and two percent of the estimated cost of the contract shall be required only for contracts the value of which exceeds \$20 million.

## **28. Opening of tenders**

28.1 Tenders shall be opened in public at the time specified in the solicitation documents as the deadline for the submission of tenders, or at the deadline specified in any extension of the deadline, at the place and in accordance with the procedures specified in the solicitation documents.

28.2 All suppliers or contractors that have submitted tenders, or their representatives, may attend the opening of tenders.

28.3 The name, address and bid number of each supplier or contractor whose tender is opened and the tender price shall, in accordance with the bid documents, be announced to those persons present at the opening of tenders, and communicated to suppliers or contractors that have submitted tenders but are not present or represented at the opening of tenders, and recorded immediately in the record of the tendering proceedings.

## **29. Examination and evaluation of tenders**

29.1 The Corporation shall establish Evaluation Committees where it considers that technical and/or professional input is needed in the assessment of tenders. Where such committees are established, the Corporation shall transmit to the relevant Evaluation Committee all tenders received from contractors or suppliers promptly following the bid opening ceremony, for the evaluation.

29.2 The Evaluation Committee shall, using only the evaluation criteria outlined in the tender documents, evaluate all tenders, determine which tenderer has submitted the lowest evaluated tender, and convey its recommendation to the relevant Tender Committee within a reasonable period of time, but not longer than fourteen days.

- 29.3 The Tender Committee, through the Corporation shall, if it agrees with the Report of the Evaluation Committee, publicly disclose the name of the tenderer identified by the Evaluation Committee as the lowest evaluated tenderer. If the Tender Committee does not agree with the Evaluation Committee's determination, the Tender Committee shall issue an advisory recommendation to the Evaluation Committee regarding which bidder should be the lowest evaluated bidder, which recommendation the Evaluation Committee shall observe.
- 29.4 The Corporation may ask, within a reasonable period of time, suppliers or contractors for clarifications of their tenders in order to assist in the examination and comparison of tenders. No change in a matter of substance in the tender, including changes in price and changes aimed at making a nonresponsive tender responsive, shall be sought, offered or permitted.
- 29.5 The Evaluation Committee shall correct purely arithmetical errors that are discovered during the examination of tenders except that any such correction shall in no manner influence the outcome of the evaluation process. The Evaluation Committee shall give prompt notice of any such correction to the supplier or contractor that submitted the tender.
- 29.6 The Evaluation Committee may regard a tender as responsive only if it conforms to the requirements set forth in the tender documents. The Evaluation Committee may regard a tender as responsive even if it contains minor deviations that do not materially alter or depart from the characteristics, terms, conditions and other requirements set forth in the solicitation documents or if it contains errors or oversights that are capable of being corrected without altering the substance of the tender.
- 29.7 A tender shall be rejected if:
- (a) The supplier or contractor that submitted the tender is not qualified;
  - (b) If the supplier or contractor that submitted the tender does not accept a correction of an arithmetical error made pursuant to subsection 29.5; and
  - (c) In the circumstances referred to in section 10.
- 29.8 All evaluation criteria for the procurement of materials, services and construction in addition to price, will be quantified in monetary terms and the tender will be awarded to the lowest evaluated tenderer.
- 29.9 The Corporation may grant a margin of preference not exceeding ten percent to tenders submitted by domestic contractors or for the benefit of tenders for domestically produced materials, provided that such preference is specified in the tender documents. If the lowest evaluated tender was submitted by a foreign tenderer, the Evaluating Committee will apply the margin of preference to the prices submitted

by all foreign tenderers, for evaluation purpose. If, after applying the margin of preference, the lowest evaluated tender was submitted by a domestic tenderer, such tenderer shall be awarded the contract. Otherwise, the foreign tenderer who has submitted the lowest evaluated tender shall be awarded the contract.

29.10 The currency of the bid shall be in accordance with the bid documents.

29.11 Whether or not it has engaged in prequalification proceedings pursuant to section 4, the Corporation may require the supplier or contractor submitting the tender that has been found to be the successful tender to demonstrate again its qualifications in accordance with criteria and procedures conforming to the provisions of subsection 4.10. The criteria and procedures to be used for such further demonstration shall be set forth in the solicitation documents. Where prequalification proceedings have been engaged in, the criteria shall be the same as those used in the prequalification proceedings.

29.12 If the lowest evaluated tenderer is requested to demonstrate again its qualifications but fails to do so, the Evaluation Committee shall reject its tender and determine which of the remaining tenders is the second lowest evaluated tender. The second lowest evaluated tender shall also be required to demonstrate again its qualification.

### **30. Rejection of tenders**

30.1 If so specified in the solicitation documents, the Corporation may reject all tenders at any time prior to the acceptance of a tender. The Corporation shall upon request, communicate to any supplier or contractor that submitted a tender the grounds for its rejection of all tenders, but is not required to justify those grounds.

30.2 The Corporation shall incur no liability, solely by virtue of its invoking subsection 30.1, towards suppliers or contractors that have submitted tenders.

30.3 Notice of the rejection of all tenders shall be given promptly to all suppliers or contractors that submitted tenders.

### **31. Prohibition of negotiations**

31.1 Subject to subsection 41.1, there shall be no negotiation between the procuring department and any of the bidders.

**32. Acceptance of tender and entry into force of procurement contract**

- 32.1 The tender that has been identified as the lowest evaluated tender shall be accepted. Notice of acceptance of the tender shall be given within fourteen days to the supplier or contractor submitting the tender.
- 32.2 The solicitation documents may require the supplier or contractor whose tender has been accepted to sign a written contract conforming to the tender. In such cases, the Corporation and the supplier or contractor shall sign the contract within a reasonable period of time after the notice referred to in subsection 32.1 is dispatched to the supplier or contractor.
- 32.3 Where a written contract is required to be signed, the contract enters into force when the contract is signed by the supplier or contractor and by the Corporation. Between the time when the notice referred to in subsection 32.1 is dispatched to the supplier or contractor and the entry into force of the contract, neither the Corporation nor the supplier or contractor shall take any action that interferes with the entry into force of the contract or with its performance.
- 32.4 Where the solicitation documents stipulate that the contract is subject to review by the Cabinet, the contract shall not enter into force before such review is completed.
- 32.5 A contract in accordance with the terms and conditions of the accepted tender enters into force when the notice referred to in subsection 32.1 is dispatched to the supplier or contractor that submitted the tender, provided that it is dispatched while the tender is in force. The notice is dispatched when it is properly addressed or otherwise directed and transmitted to the supplier or contractor, or conveyed to an appropriate authority for transmission to the supplier or contractor.
- 32.6 If the supplier or contractor whose tender has been accepted fails to sign a written contract, if required to do so, or fails to provide any required security for the performance of the contract, the Corporation shall refer the matter to the Evaluation Committee to determine which of the remaining tenders is the second lowest evaluated tender based on the evaluation criteria outlined in the bid documents, subject to the Corporation's right to reject all remaining tenders. The notice provided for in subsection 32.1 shall be given to the supplier or contractor that submitted that tender.

**33. Notice to other suppliers or contractors**

- 33.1 Upon the entry into force of the contract and, if required by the tender documents, the provision by the supplier or contractor of a security or performance bond for the performance of the contract, notice shall be given to the other suppliers or contractors,

who had tendered specifying the name and address of the supplier or contractor that has entered into the contract and the contract price.

## **PART VI – PROCUREMENT FOR CONSULTING SERVICES**

### **34. Requests for proposal**

- 34.1 The Corporation shall request proposals from consulting services firms to be included in a short list. Short lists shall be prepared on the basis of expressions of interest received in response to an invitation to express interest published in the Corporation's website and a newspaper of wide circulation. The notice shall include the name and address of the Corporation, and a brief description of the services to be procured.
- 34.2 When foreign firms are expected to be interested in providing the services, the notice shall be published in the Corporation's website, a newspaper of wide circulation and an appropriate trade or professional publication of wide international circulation.

### **35. Content of the request for proposal**

- 35.1 The request for proposals shall include:
- (a) The manner in which the proposals shall be prepared and submitted;
  - (b) The evaluation criteria and the manner in which they will be applied;
  - (c) The minimum qualifying technical score;
  - (d) A statement informing the consultants that they may be excluded from future participation in procurement of materials, works, services or consulting services resulting from the assignment for which the Request for Proposals was issued; and
  - (e) The draft contract.

### **36. Criteria for the evaluation of proposals**

- 36.1 The Evaluation Committee shall evaluate the proposals based on technical quality of the proposal, including such considerations as the consultant's relevant experience and the expertise of its staff, the proposed work methodology and the price of the proposal. The method of selection stated in the Request for Proposals may be based on either:
- (a) A combination of quality and price, according to the relative weights stated in the Request for Proposals;
  - (b) The quality of the technical proposal within a predetermined fixed budget specified in the Request for Proposals; or

- (c) The best financial proposal submitted by a bidder that has obtained the minimum qualifying score and specified in the Request for Proposals.

**37. Quality-based selection**

- 37.1 Where the consulting services are of an exceptionally complex nature, will have a considerable impact on future projects, or may lead to the submission of proposals, which are difficult to compare, the Corporation may select the consultant based exclusively on the technical quality of the submitted proposal.

**38. Clarification and modification of requests for proposals**

- 38.1 A consultant who has been requested to make a proposal, may request from the Corporation a clarification of the Request for Proposals. The Corporation shall respond to any such request within a reasonable time prior to the deadline for submission of proposals so as to enable the consultant to make a timely submission of its proposal. The Corporation shall also, without identifying the source of the request, communicate the clarification to all consultants to which it has provided the Request for Proposals.
- 38.2 At any time prior to the deadline for submission of proposals, the Corporation may, for any reason, whether on its own initiative, or as a result of a request for clarification by the consultant, modify the request for proposals by issuing an amendment. The amendment shall be communicated promptly to all consultants to which the Corporation has provided the Request for Proposals and shall be binding on them.
- 38.3 If the Corporation convenes a pre-bid meeting, it shall prepare minutes of the meeting containing the requests submitted at the meeting for clarification of the Request for Proposals, and its responses to those requests, without identifying the sources of the requests. The minutes shall be provided promptly to all consultants participating in the procurement proceedings, so as to enable those consultants to take the minutes into account in preparing their proposals.

**39. Single source procurement**

- 39.1 The Corporation may engage in single source procurement where the services to be procured require that a particular consultant be selected due to the consultant's unique qualifications or where it is necessary to continue a project with the same consultant.

**40. Cost verification**

- 40.1 Contracts may be awarded following the procedures set forth in sections 37.1 and 39.1 only if the selected contractor agrees to be subjected to cost verification during the performance of the services. The contract shall indicate the accounting obligations of the contractor including the obligation to present appropriate accounts or documents allowing the determination of the cost of the services.

**41. Negotiation**

- 41.1 The Corporation may negotiate the terms of the contract with the selected consultant. The Corporation shall not engage in negotiations with more than one candidate simultaneously.

**PART VII - ADMINISTRATIVE REVIEW**

**42. Procedures for bid protest review**

- 42.1 A bidder whose tender or proposal has been rejected may submit a written protest to the Corporation. The protest may pertain to the pre-qualification or tendering proceedings or to the method of procurement selected by the Corporation. The protest must be submitted within five business days following publication of the contract award decision.
- 42.2 The Corporation shall appoint an internal three-person Bid Protest Committee from among persons who are knowledgeable in procurement but who are not involved in the Corporation's procurement and adjudication in the award of contracts. It is the duty of the Bid Protest Committee to examine complaints from suppliers and contractors in relation to the award of contracts by Estate, PCMD and Head Office Tender Committees, and determine the merit or otherwise of the complaints.
- 42.3 The Corporation shall appoint an external three-person Bid Protest Committee from among persons who are knowledgeable in procurement to examine complaints from suppliers and contractors in relation to the award of contracts by the Central Tender Committee.
- 42.4 Upon receipt of a bid protest, accompanied by a registration fee as determined by the Corporation's Board and posted on the Corporation's website, the Corporation shall suspend the final contract award pending the outcome of the review, unless the procuring department certifies that the procurement should proceed in the interest of the Corporation. In this case, the certification must state the grounds therefor.

- 42.5 The Bid Protest Committee shall conclude its review within five business days of the receipt of the bid protest in the case of an internal Bid Protest Committee, and fifteen business days in the case of an external Bid Protest Committee. The decisions of the Committee shall be final and immediately binding upon the procuring department.
- 42.6 In the event the Bid Protest Committee considers that there is merit in the bid protest, it shall decide whether the Corporation should retender for the procurement or provide compensation to the rejected bidder. Damages may include only compensation to recover the cost of the bid preparation.
- 42.7 The Corporation shall communicate the results of the review by the Bid Protest Committee to the bidder who has submitted the bid protest.
43. **Review by the Cabinet**
- 43.1 The Cabinet shall have the right to review all procurements that are financed by external loans or grants either to the Corporation or to the Government on behalf of the Corporation. The Cabinet shall conduct its review on the basis of a streamlined tender evaluation report to be submitted by the Corporation.
- 43.2 In conducting a review under subsection 43.1, the Cabinet may object to the award of the procurement contract only if it determines that the Corporation failed to comply with applicable procurement procedures. If the Cabinet objects to an award, the matter shall be referred to the Corporation for further review. The Cabinet may not object later than twenty-one days after it is informed of the proposed award.

## **PART VIII - MISCELLANEOUS**

44. **Confidentiality**
- 44.1 It shall be an offence for the Tender Committees, Evaluation Committees or persons concerned with the administration of these Rules, not to regard as secret and confidential all documents, information and things disclosed to them in the execution of any provisions of these Rules or to divulge such information or the contents of any document to any person except to the extent necessary to discharge its or his functions under the Rules or any other written law or for the purpose of prosecution for any offence or other legal proceedings.
- 44.2 Any official of the Corporation who receives any information or anything contained in a document, knowing or having reasonable ground to believe at the time he receives it, that it is communicated to him in contravention of this section shall, unless he proves that the communication to him of the information or anything contained in the document, was contrary to his desire, be guilty of an offence.

44.3 Any official of the Corporation who contravenes the provisions of subsections 44.1 to 44.2 shall be subject to disciplinary action as the Corporation deems fit.

44.4 Any person who, with the intention of gaining any advantage or concession for himself or any other person, offers an official the Corporation a gift of money or other thing with respect to a matter that is expected to come before the Corporation, commits an offence and shall, in addition to being disqualified from being awarded a contract, be liable for other penalties as may be determined by the Corporation.

44.5 A person who:

- (a) attempts to commit;
- (b) conspires with any other person to commit;
- (c) solicits, incites, aids, abets or counsels any other person to commit or;
- (d) causes or procures or attempts to cause or procure the commission of,

an offence under subsection 44.4 shall, in addition to being disqualified from being awarded a contract, be liable for other penalties as may be determined by the Corporation.

44.6 An official of the Corporation shall not be personally liable for any act or omission of any act if such act or omission has been done in good faith in the course of the operations of the Corporation.

#### 45. **Payment for construction contracts**

45.1 Contracts for construction works shall be paid in instalments at least monthly, as certified in accordance with the contract, except for contracts providing an execution period of less than three months, in which case payment of instalments is optional.

45.2 The aggregate amount of the instalments shall not exceed the value of the services for which the contract is awarded, once the sum representing advance payments, if any, is deducted.

45.3 Where the instalments are paid according to the predetermined execution phases and not according to material execution, the contract may determine, in the form of a percentage of its initial price, the amount of each instalment.

45.4 The contractor may not use the supplies for which any advance payments or instalments have been paid for any work other than those provided in the contract. Any breach of this provision may lead to the termination of the contract fully and entirely.

46. **Disclosure of interest in the bidding process**

- 46.1 It shall be the duty of an official of the Corporation who is in any way whether directly or indirectly interested in any deliberations regarding the bidding process to declare the nature of his interest at the meeting of the Tender Committee at which bids are being considered or at the earliest opportunity thereafter.
- 46.2 A member of the Tender Committee shall not vote in respect of any of the matters referred to in subsection 39.1 in which he is interested either directly or indirectly and if he shall so vote his vote shall not be counted nor shall it be counted in the quorum at the meeting.
- 46.3 The members of a Tender Committee and the concerned member who fail to comply with or contravenes this section is guilty of an offence and shall be subject to disciplinary action as the Corporation deems fit.