



CHRISTIAN SOCIAL SERVICES COMMISSION (CSSC)

PROCUREMENT POLICY AND PROCEDURES

NOVEMBER, 2021

APPROVAL PAGE

This policy and procedures apply to Christian Social Services Commission Offices. It is the responsibility of all employees to follow the policies and procedures herein.

Approval by Executive Council Chairperson:

Approved.....+ [Signature]..... (signature)

Date.. 30/03/2022

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1.0 PREAMBLE

This Procurement Policy and Procedures (hereinafter to be referred to as the "Policy and Procedures"), as approved by the Executive Council of the Christian Social Services Commission (hereinafter referred to as CSSC), stipulates to all stakeholders in CSSC how goods, services and works will be procured. The stakeholders in this process include user departments, units, management, internal and external customers. The Procurement Policy and Procedures guide all users and sets out an ethical environment to guide all stakeholders.

The Executive Director of CSSC, in consultation with the Senior Management Team, has the responsibility for determining the need and content of the Policy and Procedures. All Heads of Departments have the responsibility for administering the Policy and Procedures in compliance with its content and in a consistent manner for the good of the Department and its employees. The Policy and Procedures are consistent with the CSSC Constitution and policies.

Procurement is the overall process of acquiring goods, (materials, supplies and equipment) services and civil works as required. It also entails supplier relationship management, preparation and award of contract, and all phases of contract administration up to the end of a service contract.

All procurement activities will aim to achieve best value for money in the acquisition of goods, services and works.

Value based and effective procurement of goods, services and works will therefore observe the "Rights of procurement". These are Right specification, Right source, Right price, Right delivery location, Right time, Right quality and Right quantity.

This Policy and Procedures will be reviewed after every five (5) years. However, the Senior Management Team (SMT) may initiate amendments anytime if gaps identified have severe impact to the organization. The Senior Management Team (SMT) may make recommendations to the Executive Director for consideration. Any proposed amendments shall be forwarded to the Executive Council for review and approval. The SMT shall be informed in writing of any amendments to this Policy and Procedures in a timely manner.

2.0 ABBREVIATIONS AND ACRONYMS

BOQ	-	Bill of Quantities
CBS	-	Central Bureau of Statistics
CQS	-	Consultant Qualification Selection
CRB	-	Contractors' Registration Board
CSSC	-	Christian Social Services Commission
EOI	-	Expression of Interest
ERB	-	Engineers Registration Board
ERP	-	Enterprise Resource Planning System
FBO	-	Faith Based Organization
FBS	-	Fixed Based Selection
GRN	-	Goods Receipt Note
LCS	-	Least Cost Selection
NGO	-	Non-Governmental Organization
PR	-	Purchase Requisition or Request
PO	-	Procurement Order
PPP	-	Public Private Partnership
QBS	-	Quality Based Selection
QCBS	-	Quality and Cost Based Selection
RFP	-	Request for Proposals
RFQ	-	Request for Quotations
SBA	-	Summary of Bid Analysis
TER	-	Technical Evaluation Report
TOR	-	Terms of Reference
ZPF	-	Zonal Policy Forum

3.0 INTRODUCTION

3.1 Christian Social Services Commission

Christian Social Services Commission (CSSC) was established in 1992 as an ecumenical body for facilitating delivery of social services focusing on Education and Health.

3.2 Vision statement

A society in which all people have access to quality health and education.

3.3 Mission Statement

To strengthen the delivery of health and education services by Church institutions - through advocacy, capacity building, coordination, and partnerships - inspired by the compassion and love of Christ.

3.4 Objectives

1. To contribute to the physical, mental, social, and spiritual development of Tanzanian people through facilitating the provision of quality social services to all people regardless of colour, race or creed, and;
2. To foster promotion, improvement and expansion of education, health and other social services all over Tanzania

3.5 Activities

With the above-mentioned strategies, CSSC will perform the following activities:

- Advocate and lobby for policies to improve health and education services;
- Offer trainings for personnel of health and education institutions;
- Maintain networking among stakeholders in the education and health sector;
- Support public private partnerships (PPP) between the Government and private health and education services providers;
- Build, rehabilitate and equip church run health and education facilities; and
- Implement of various projects in health and education funded by international organization

3.6 Zones

To harness countrywide broad-based policy dialogue and input, in 2001 CSSC decentralized its set up by establishing policy dialogue forums in five zones as follows:

- Eastern Zone (Dar es Salaam, Coast, Tanga, Morogoro and Dodoma, Lindi, Mtwara and Zanzibar Islands)
- Lake Zone (Mwanza, Geita, Mara, Shinyanga, Simiyu and Kagera)
- Northern Zone (Kilimanjaro, Arusha and Manyara)
- Southern Zone (Iringa, Njombe, Mbeya, Ruvuma, Rukwa and Songwe)
- Western Zone (Singida, Katavi, Tabora and Kigoma)

The role of the Zonal office is to realize CSSC's decentralized structure and allow close support to CSSC's member institutions. It is implementing headquarters' efforts at Zonal level as follows:

- To coordinate between CSSC HQ and stakeholders (Diocesan Senior Leadership, Regional/Local Government and NGOs) on community social services (Education and Health);
- To advocate for the functionality of social institutions and cooperate with stakeholders on awareness regarding health and education service delivery to communities;
- To lobby for inclusion of FBOs in the Government supported Comprehensive Council plans;
- To advocate for Public Private Partnerships (PPPs) in the various available fora;
- To conduct a forum for church leaders (Ecumenism) to share experience, e.g. on addressing the sector Policy Reform on social services;
- To promote CSSC as an instrument of deliberating church's social services as related to social political changes and contribute to its sustainability;

- To advocate for equitable and affordable quality health and education services;
- To monitor the implementation of issues raised from the zonal policy forum (ZPF), CSSC HQ or other relevant partners; and
- To organize capacity building sessions to health and education service providers.

3.7 Definitions

1. **Direct procurement**

Direct procurement occurs when a particular supplier is preferred to provide a good or service or undertake works. It can be used in special circumstances such as when events are held outside the organization that necessitate direct procurement or where one supplier provides a unique service e.g. a hotel. This does not necessarily mean that the supplier is the only one in the market.

2. **Budget Holder**

The Department Director or Zonal Manager or Project Manager with delegated authority to manage Department or Zonal or Project Budget and Finances (Income and Expenditure). Budget Holder is ultimately responsible for ensuring that the budget is followed.

3. **Call off order**

A call off order is an order that is placed for an extended period of time, e.g. one year where partial call-offs are made against that order from time to time.

4. **Non-competitive procurement**

Non-competitive procurement is a form of direct procurement and involves the intention of procuring goods and services from a single supplier, contractor or service provider subject to fulfillment and justification of using the method against other methods.

5. **Sole Source**

Sole Source is a form of direct procurement and involves buying goods or services from the only supplier/sole who is the only one who can provide the goods or services from the market in Tanzania

6. **Dealer or agent**

A dealer or an agent is a supplier appointed by a particular manufacturer to act on their behalf.

7. **Purchase requisition**

A purchase requisition is an official document prepared by the user to start the process of procuring a good, service or works.

8. **Purchase order**

A purchase order is an official contractual document prepared by CSSC in favour of the most competitive bidder or supplier. The purchase order bears the description of the goods, services or works to be procured, quantity, value and delivery timelines.

9. **Order alteration**

An order alteration is an amended purchase order prepared to reflect revised procurement requirements. The order alteration is also used to amend the budget.

10. **Procurement function**

The procurement function is the full cycle of the tasks undertaken by the relevant procurement stakeholders starting from procurement planning, requisition, authorization signatures, sourcing, and contract management through to payment.

11. **Procurement plan**

A procurement plan is a quarterly and annual plan consolidating input from individual users' procurement plans prepared with the objective of achieving economies of scale.

12. Procurement Committee

The Procurement committee is a group of people appointed by the Executive Director (ED) to oversee the procurement process and is responsible for approving procurements over certain defined cost thresholds.

13. Frame Agreement

A frame agreement is a written agreement with an individual supplier negotiated after a competitive process or directly with a dealer for the delivery of a particular good or service for a specified period of time usually for a fixed agreed cost for that period unless otherwise.

14. Goods Receipt Note (GRN)

A goods or service received note is a document used to record the receipt of a particular good or service after they have been confirmed as acceptable. The note is usually completed after the requester or other nominated individual has verified the type, quality and quantity of supplies and deemed them acceptable.

15. Contract

A contract is a legally binding agreement between the procuring entity and the contractor.

16. Request for proposal (RFP)

A request for proposal is the process of inviting consultants to submit proposals against a particular term of reference.

17. Expression of interest (EOI)

An expression of interest is the process of inviting bidders to express their interest in a particular procurement opportunity.

18. Enterprise Resource Planning System (ERP)

The Enterprise Resource Planning System is known as the ERP. It is a business management system that is supported by multi-mode application of software that integrates all the departments and functions of CSSC.

19. Electronic Tender Box

Electronic tender box involves the submission of tender offer documents to a secure system hosted by the CSSC and opening of tenders using electronic and digital technology.

20. Online Procurement

Is part of E-procurement system where goods and services are requested, quotations sought and paid direct to the Supplier/Dealer electronically especially for ICT systems, software's, upgrades, and other related ICT accessories.

3.8 Objectives

The objectives of this Procurement Manual are consistent with the vision, mission and core values of CSSC. The objectives of the Procurement Policy and Procedures reflect fundamental core concepts that CSSC agrees to abide by when procuring goods, services and works. These core concepts are as follows:

1. Procurement will be undertaken in a transparent and fair manner
2. Procurement will be carried using competition to the maximum extent practicable
3. Selection of vendors will be done through best value or lowest price methodology or both
4. Selection of vendors for services or goods will be adequately documented
5. Staff who procure goods and services will not have a perceived or actual conflict of interest with the vendors
6. CSSC has a zero tolerance of fraudulent procurement practices such as kickbacks, bribes, price collusion and other unethical behaviors.
7. Procurement will be accomplished in an efficient basis and responsive to donor requirements
8. Items and services procured will be allowable, necessary for the work being undertaken and at reasonable cost.

9. Internal controls will be consistently enforced
10. Donor regulations will be respected, and procurement activities will follow these regulations.
11. Where the donor regulations are more restrictive, those regulations must be complied with.

3.9 Guiding principles

1. Customer satisfaction

To procure goods, services and works of the appropriate quantity and quality at the right price within the agreed timeframe to satisfy customer requirements.

2. Supplier engagement

To encourage supplier engagement to assist in achieving the objectives of CSSC procurement processes

3. Risk Management

To reduce business risks and the potential for internal and external conflicts of interest through the application of specific and transparent policies.

4. Value for Money

To achieve best value for money in all procurements.

5. Transparency, accountability and integrity

To apply the principles of integrity, transparency, accountability, and efficiency to all decision making on procurements and disposals to minimize corruption and maximize the economic, financial, social and environmental benefits.

- a) **Integrity** – Integrity means that the procurement processes are honest and in compliance with the relevant laws and applicable policies and procedures, consistently applied.
- b) **Transparency** – Transparency means that procurement and disposal decisions are made above board and stand up to the external scrutiny to which they should be subjected.
- c) **Accountability** – Accountability means that those engaged in the procurement processes take responsibility for the correct execution of duties and for the decisions being made.
- d) **Fairness** – Fairness means that all procurement decisions are impartial. CSSC funds will not be used to provide favour to specific individuals or companies; standards and specifications must be non-discriminatory: suppliers and contractors should be selected based on their qualifications and the merit of their offers; and there should be equal treatment of all in terms of deadlines and confidentiality.
- e) **Dealing with suppliers** – To treat suppliers with courtesy, fairness, respect, honesty and professionalism to ensure no supplier has an unfair advantage over its competitors.

4.0 SCOPE

This policy applies to all CSSC Offices. CSSC will adopt modifications in authorization levels and other requirements as appropriate for Head Office and Zonal operations, however, procurement must be compliant with any applicable donor regulations depending on the source of funding.

5.0 POLICY STATEMENT

All procurement of goods, services and consultancies will conform to CSSC procurement policies and procedures, donor requirements and/or country law as applicable. Employees must adhere to CSSC's standards of conduct that include conflict of interest and governs the performance of employees engaged in the selection, award, and administration of procurement activities.

6.0 POLICY DETAILS

1. The procurement policies and procedures are used in conjunction with the appropriate donor policies and procedures.
2. The procurement policies, procedures and forms are included in the appendices.
3. Changes in procurement policies, procedures, threshold levels or procurement processes that are more restrictive than CSSC procurement policies and procedures are allowed with appropriate approval.

4. Changes in procurement policies, procedures, threshold levels or procurement processes that are less restrictive than CSSC procurement policies and procedures are allowed with appropriate approval.
5. The following expenditures are covered by other policies and procedures outside of procurement: payroll, reoccurring rent and utilities, utility-related services, sub-awards, legal services, periodicals and subscriptions, individual travel arrangements including hotel accommodations and flights, and items controlled by government pricing.
6. Changes in procurement policies, procedures, threshold levels and/or procurement processes require the completion and approval of a Waiver or Exception Request Form, Appendix A. Waiver Exception Request form are to be submitted to the Executive Director, Policy Owner. Waivers may not be granted for donor requirements without approval from the specific donor.

7.0 RESPONSIBILITIES OF THE PROCUREMENT UNIT

7.1 Authority of the procurement unit

The procurement unit accountable to the Executive Director. The Procurement Committee reports to the Executive Director under Terms of Reference approved by the Executive Director.

7.2 Management of procurement unit

The Executive Director shall have the overall responsibility for the execution of the procurement processes in CSSC delegating some of the activities to the Zonal Offices if necessary.

7.3 Function of the Procurement committee in the procurement process

The functions of the Procurement committee shall be clearly set out in Terms of Reference and signed by the Executive Director. (Appendix B)

7.4 Functions of the procurement unit

The functions of the procurement unit shall include:

1. Managing all procurement activities in a manner that will achieve best value for money;
2. Scanning the market regularly to keep CSSC abreast with current market prices of goods and services including government guidelines on the same;
3. Managing the register of approved suppliers and associated frame agreements;
4. Managing documents and inviting bids in relation to opportunities that exist for tender, prequalification, and disposal;
5. Coordinating the receipt, closure, and evaluation of bids;
6. Preparing and issuing notices of award to selected bidders after approval;
7. Preparing contract documents in line with award decisions;
8. Implementing the decisions of the procurement committee including coordinating all of their activities;
9. Coordinating internal monitoring and evaluation of the supply chain;
10. Preparing monthly dashboard reports on key performance indicators to the executive director and for the relevant management team.
11. Treat suppliers and users with courtesy, fairness, respect, honesty, and professionalism at all times. Communicate effectively to all stakeholders;
12. Ex officio secretary to the procurement committee and technical evaluation committees;
13. Updating lists of registered suppliers, contractors, and consultants in various specific categories of goods, services and works according to the procurement needs; and
14. The head of the procurement unit shall have day to day responsibility for rendering professional procurement advice to the organization, who shall provide advice to the procurement committee in a manner consistent with the tor and may delegate some of the responsibilities to the procurement officer, but in all shall be accountable for all the undertakings

7.5 Functions of the user departments and units

The user departments and units' responsibility in the procurement process will include:

1. Preparing annual and quarterly procurement plans for the financial year;
2. Initiating the procurement process using the Enterprise Resource Planning (ERP) system by raising purchase requisitions or raising the internal MEMO.
3. Ensuring the presentation of accurate specifications;

4. Confirming that the delivered goods and services meet the required and agreed specifications in liaison with the stores officer and the relevant technical department by approving GRNs or SRNs;
5. Participating as appropriate in the evaluation of bids;
6. Monitoring the progress of the procurement process and take necessary actions, especially as requested by the procurement department; and
7. Treat all stakeholders with courtesy, fairness, respect, honesty and professionalism at all times.
8. Communicate effectively to all stakeholders.

8.0 PROCUREMENT PLAN

A Procurement Plan for procurement of goods, works and services needs to be prepared before starting any procurement activities. It should be prepared based on the available budget, type and methods of procurement, time required for the selected method, etc. It needs to be prepared for the overall project and for each year (yearly procurement plan) as well.

CSSC shall prepare its consolidated annual procurement plan and submit along with budget and action plans to Executive Council for approval. The User Departments shall prepare their annual procurement plan as per the format in Appendix C and Appendix D. The Procurement unit shall consolidate the plans as per format in Appendix E and Appendix F.

9.0 PROCUREMENT POLICIES AND PROCEDURES

Wherever possible, sourcing of goods, services or works shall be made using prequalified bidders. Most procurement transactions must be carried out using the Enterprise Resource Planning (ERP) system with exception of open tenders which requires wider bidder participation.

9.1 Prequalification

Prequalification is screening of potential contractors, suppliers or consultants on the basis of factors such as capacity to supply good and service, past experience, financial ability, managerial ability, reputation and cleared by the anti-terror list screening check (for example, Bridger XG) to develop a list of qualified bidders who will receive the invitation to bid documents. CSSC shall prequalify suppliers, contractors and consultants every two years.

The purpose of pre-qualifying is to:

1. Enable CSSC to hold a register of approved suppliers and service providers for the purpose of soliciting bids;
2. Increase the speed and efficiency of procurement of often purchased items;
3. Enable CSSC to anticipate satisfactory performance from potential suppliers and service providers who have been pre-qualified; and
4. Enhance the level of transparency, fairness and accountability in the procurement process.

The following procedures shall be applied during the process of pre-qualifying suppliers:

1. CSSC shall prepare a list of commonly used categories for goods, services and works which must be approved by Procurement Committee;
2. CSSC shall advertise through the website or social media or Local reputable newspapers or any other means of communication approved by Procurement Committee for wider coverage;
3. The invitation to pre-qualify suppliers shall be prepared by the procurement unit and approved by the Procurement Committee and shall be advertised in accordance with the provisions of these procedures. Staff are encouraged to inform known reputable suppliers to participate in the prequalification exercise by following instructions set out in the advert;
4. The tender will be open for a period of fourteen calendar days to give ample time to potential bidders to submit their tenders;
5. The tender document fee will be determined by the Procurement Committee;
6. The tender document shall contain the following information but not limited to:
 - a) Instructions for preparing and submitting pre-qualification applications;
 - b) A summary of the required terms and conditions of the procurement proceedings;
 - c) Statutory mandatory documents;

- d) Any documentary evidence or other information that must be submitted by suppliers to demonstrate their qualifications;
 - e) Any other information that may be required as per the tender document; and
 - f) A statement that those submitting tenders, or their representatives may attend the opening of tenders;
7. When pre-qualification is undertaken, qualification of tenderers shall be based upon the capability and resources of the applicants to perform the particular contract satisfactorily, considering there:
 - a) Experience and past performance on similar contracts;
 - b) Knowledge of local working conditions;
 - c) Capabilities with respect to personnel, equipment, and construction;
 - d) Manufacturing facilities;
 - e) Financial position; and
 - f) Current commitments;
 8. CSSC shall respond to any request by a supplier for clarification of the pre-qualification documents that are received more than one week prior to the deadline for the submission of applications to pre-qualify. The response by CSSC shall be given within three days to enable the supplier to make timely submission of its application to pre-qualify;
 9. Applications received for pre-qualification shall be analyzed by CSSC, using the criteria for qualification explicitly stated in the invitation to pre-qualify; and an evaluation report shall be prepared by the procurement unit or Procurements committee appointed consultant recommending a list of firms to be considered as pre-qualified;
 10. The evaluation report shall be submitted to the Procurements Committee for approval and shall indicate the criteria used as well as the justification or the choice made, in respect of the pre-qualified and the non-pre-qualified firms;
 11. Pre-qualification shall not be used to limit the number of suppliers on a shortlist therefore all firms found capable of performing the contract satisfactorily in accordance with the approved pre-qualification criteria shall be pre-qualified;
 12. The pre-qualified contractors, suppliers or consultants will then be added as Suppliers and assigned Supplier ID in Enterprise Resource Planning (ERP) after the Supplier/Payee Set-Up and Change Form, Appendix G, has been approved by a minimum of 3 members of the procurement committee.
 13. All suppliers who pre-qualify to take part in CSSC tenders shall be invited to bid;
 14. A joint venture of firms may pre-qualify by combining the capabilities and past experience of each of them and they shall be allowed to submit tenders as joint ventures;
 15. Firms which have been individually pre-qualified and may want to form a joint venture in order to submit a tender shall not be allowed;
 16. Successful and unsuccessful firms shall be notified by the procurement department in writing;
 17. A debarred supplier(s) from any recognized institution e.g. UN sanction list, EU, USAID list and public procurement regulatory authority shall not be considered. Due diligence shall be undertaken through site visits to successful suppliers by the procurement committee depending on the nature of the goods or services as outlined in the procurement committee tor;
 18. CSSC shall, upon request, communicate to suppliers that have not been pre-qualified the grounds thereof, but it is not required to specify the evidence or give the reasons for those grounds;
 19. CSSC shall make available to any member of CSSC staff and the public, upon request, the names of all suppliers that have been pre-qualified;
 20. Verification of the information provided in the submission for prequalification shall be confirmed at the time of contract award, and award may be denied to a tenderer that is assessed to no longer have the capability or resources to successfully perform the contract; and
 21. In the event that pre-qualified suppliers do not meet the needs and expectations of CSSC the organization shall buy goods, services or works from non-prequalified suppliers as long as the goods, services and works required are of the desired quality and at the most economical price.

9.2 Approved Suppliers Management

1. If pre-qualified suppliers do not meet the needs and expectations of CSSC, the organization shall buy goods, services or works from non-prequalified suppliers as long as the supplier meets 4 minimum criteria;
 - The vendor has the necessary goods and services.
 - The vendor has acceptable credit and/or payment terms.
 - The vendor is cleared by the anti-terror list screening check (for example, Bridger XG) through the vendor set-up process.
 - The vendor has cost and prices that are reasonable and competitive.

Additional criteria may also be used, depending on the type of purchase or specific need.

2. In instances where the CSSC will no longer transact with a supplier, which may be due to a variety of reasons, e.g., the goods or services are no longer required, the vendor is out of business, poor service or quality has been provided, etc., the procurement committee must approve the discontinuation of the vendor or consultant. The steps to discontinue a vendor or consultant are:
 - a) A recommendation for the discontinuation of a procurement vendor or consultant must be received by the procurement committee in writing. The procurement committee must evaluate the recommendation and must summarize a conclusion in writing. Each member of the committee involved in the decision must sign the document.
 - b) If the procurement committee's decision is to discontinue the use of the vendor or consultant, a Vendor/Payee Set-Up and Change Form must be prepared and approved by the procurement committee. The summarized evaluation must be attached. Then, the vendor or consultant will not be used.
3. Changes to vendor information details in the Vendor/Payee Set-Up and Change Form e.g. change of address, credit or delivery terms, form of payment, etc. require written justification. A Vendor/Payee Set-Up and Change Form must be prepared and approved by the procurement committee. The written justification must be attached to the Vendor/Payee Set-Up and Change Form.

9.3 Procurement Procedures

- 1) Purchase Requisition or Request (PR): The procurement of goods, services or consultancies must be requested through the authorized Purchase Requisition form.
- 2) Summary of Bid Analysis (SBA): The analysis of open and sealed quotations for certain thresholds must be documented as below:
 - For procurement Tshs 1,500,001 to Tshs 25,000,000, Summary Bid Analysis must be approved by the Executive Director.
 - For procurement Tshs 25,000,001 and above, Summary Bid Analysis must be approved by the Procurement Committee.
- 3) Non-Competitive Procurement: Procurement of goods, services or consultancy through non-competitive procedures must be documented with an approved Non-Competitive Procurement Justification Form.
- 4) Required Vendors: A required vendor is a vendor/consultant/supplier that has been selected through a documented competitive bid procurement process with three written quotations and approved by the Procurement Committee. A required vendor provides pre-negotiated goods, services or consultancies for up to Tshs 5,000,000 per transaction. This method must not be used to break down a main transaction into multiple transactions that if total would surpass the seal-bidding threshold of up to Tshs 25,000,000 per funding source. Required Vendors must be reevaluated yearly or more frequently if necessary and rebidding must occur. To keep the status of required, the vendors must honor the negotiated fixed terms, price and

items agreed in a master contract/framework agreement. CSSC may transact with required vendor with only 1 quote during the period of required vendor validity.

- 5) Purchase Order (PO): Procurement of goods, services or consultancies must be through a Purchase Order with attached terms and conditions with appropriate terms and conditions. The form may be altered to meet local requirements through the waiver process.
- 6) Purchase Order Terms and Conditions: Terms and Conditions must be included on all POs to meet local requirements and must contain the following mandatory clauses:
 - Conduct Language
 - Termination Language
 - Applicable donor regulations

The mandatory clauses are highlighted in the Terms and Conditions (Appendix H).

- 7) Consultant Agreement: A Consultant Agreement (Appendix I) must be used to document an agreement between CSSC and an individual consultant or company in which specific tasks are contracted to be performed. A consultant or consultant company performs a particular set of tasks and provide outputs over a defined period of time; usually a relatively short duration.
- 8) General Receipt Note (GRN): Receipt of goods, services, and consultancies must be accompanied by a General Receipt Note. Please see Appendix J for the template.

9.4 Purchase Requisition (PR) Approval Authority

The table below contains the thresholds per the expense items unit value or aggregate value (no split purchases):

Monetary Thresholds (Equivalent)	1 st level Approver	2 nd Level Approver	3 rd Level Approver
Below Tshs 200,000	N/A	N/A	N/A
Tshs 200,001 to 500,000	Budget Holder	N/A	N/A
Tshs 500,001 to 1,500,000		Human Resources and administration Manager or Health Director or Education Director	N/A
Tshs 1,500,001 to 5,000,000			Executive Director
Tshs 5,000,001 to 25,000,000			
Tshs 25,000,001 and above			

An Authorized Signatory Form, Appendix K, is prepared, approved, and maintained in Personnel File of the employee who has the authority to approve procurement transactions.

9.5 Solicitation Methods

The threshold, solicitation method, minimum number of quotations and analysis documentation required for goods, services or consultancies are:

Threshold	Solicitation Method	Minimum Number of Quotations	Analysis Documentation Required For Vendor Selection
Below Tshs 200,000	Through Petty Cash	None Required	Petty Cash Voucher
Tshs 200,001 to 1,500,000	Direct Purchase	One Quote or Invoice	PRF, PO and GRN

Threshold	Solicitation Method	Minimum Number of Quotations	Analysis Documentation Required For Vendor Selection
Tshs 1,500,001 to 25,000,000	Quotations Process	Three Written Quotations	PRF, PO, GRN and Summary Bid Analysis with Executive Director Approval
Tshs 25,000,001 to 100,000,000	Quotations Process	Closed/sealed Three Written Quotations	PRF, PO, GRN and Summary Bid Analysis with Procurement Committee Approval
Tshs 100,000,001 - and above	Open Tender	Sealed Quotations	PRF, PO, GRN and Sealed Quotation or Competitive Proposals if sealed quotation is not appropriate Tracking Sheet and Summary Bid Analysis with Executive Committee Approval

- 1) In instances where individual donor requirement and/or country law are more restrictive, those requirements take precedence over this policy.
- 2) The procurement committee evaluates, selects, adds, changes information, and discontinues procurement vendors and consultants. The number of committee members involved in vendor management must consist of at least 3 staff (1 Technical/Purchasing Staff, 1 finance staff, and 1 program staff) and procurement staff (Secretary of the committee) that serve for a length of time or as needed.
- 3) Although price is a factor in the selection of a vendor, consideration must also be given to vendor integrity, reputation, record of past performance, warranty, financial and/or technical resources, and the ability to deliver the proposed procurement on time.

Details Solicitation Methods

a) Direct Purchase:

For goods, services or consultancies Tshs 200,001 to Tshs 1,500,000 or foreign currency equivalent, purchases are made from an approved vendor without obtaining competitive quotes.

The process of Direct Procurement will be as follows:

- i). the user department/unit shall raise a PR in the ERP;
- ii). the procurement department shall process the PR using the direct procurement module in the ERP;

b) Quotations Process:

For goods, services or consultancies Tshs 1,500,001 to Tshs 100,000,000 or foreign currency equivalent, purchases are made through a competitive quotation process. The minimum number of vendors requested for quotations is 3. In instances where only 2 vendors are available to provide quotations, procurement staff must document the reason for only soliciting 2 quotes. In instances where only 1 vendor is available, a Non-Competitive Procurement Justification Form, Appendix L must be approved by the Executive Director.

Quotations will be solicited from pre-qualified suppliers. If no pre-qualified suppliers exist, the identified potential suppliers will be approved by the Procurement Committee.

The procurement unit shall deal with the request for quotations in accordance with the following:

1. Send an RFQ to pre-qualified suppliers or suppliers approved by Procurement Committee in special circumstances;
2. Send the request to each supplier and give at least three days to prepare a quotation;
3. All quotations must be submitted before the deadline given by the procurement unit and should be done through the ERP system. Quotations received after the deadline will not be considered;
4. For procurement Tshs 1,500,001 to Tshs 25,000,000, procurement personnel must analyze the quotations and justify the vendor selection and approve the Summary Bid Analysis, (Appendix M).

For procurement Tshs 25,000,001 to Tshs 100,000,000, procurement personnel must analyze the quotations. Procurement Committee review the procurement unit analysis, justify the vendor selection, and approve the Summary Bid Analysis, (Appendix M).

All Summary Bid Analysis must be approved by the Executive Director based on one of the following criteria:

- (1) Lowest Quotation: If 3 quotations have been requested and at least 2 quotations are received, this meets the minimum requirement for competition. If the lowest priced quotation is selected, this is sufficient justification to award the purchase order to the vendor.
- (2) Non-Selection of Lowest Quotation: If 3 quotations have been requested and at least 2 quotations are received, this meets the minimum requirement for competition. If the lower priced quotation is not selected, then the basis of the vendor selection must be justified. Reasons could include the vendor's ability to perform successfully under the terms and conditions of a proposed procurement, product quality, speed of delivery, credit terms, or other defined criteria.
- (3) Insufficient Quotations: If 3 quotations have been requested and only one quotation is received, then competition is inadequate, and a Non-Competitive Procurement Justification Form (Appendix L) must be approved by the Executive Director.
5. Quotations received from pre-qualified suppliers should, under the terms of the quotation, be valid for a period of thirty days.
6. In the case of an RFQ or RFP, where an amendment of variation is made to the specifications or closing date of the tender, the user will be required to raise a new PR with new specifications within two days.
7. An amendment for clarification (specification, date, time, and quantity) on the tender document may be made on the procuring entity's own initiative or in response to an inquiry from a vendor.

c) Open Tender:

For goods, services, or consultancies Tshs 100,000,001 and above, or foreign currency equivalent, purchases can be made through a competitive or sealed quotation process.

Open Tender is the preferred procurement method because it reaches the widest possible supplier market. It applies to both local and international tenders.

Tender documents

The procurement department shall prepare tender documents in liaison with the user department or unit. The tender documents shall contain enough information to allow for fair competition among those who may wish to submit tenders. The tender documents shall set out the following:

1. The specification required relating to the goods, services or works being procured and the time limit for delivery or completion;
2. If works are being procured, the relevant drawings and bills of quantities shall be attached;
3. The general and specific conditions to which the contract will be subject, including any requirement that a performance security be provided before the contract is entered into shall be attached; the tender reference number assigned to the procurement proceedings by the procuring entity shall be attached;
4. The tender reference number assigned to that tender shall be determined by the procuring entity which must appear in the tender document;

Instructions for the preparation and submission of tenders shall include the following:

1. The forms of tenders
2. The number of copies to be submitted with the original tender; there should be two separate envelopes for technical and financial proposals where applicable;
3. Any requirement that evidences be provided of the qualifications of the person submitting the tender;
4. An explanation of where and when tenders must be submitted;
5. A statement that the tenders will be opened immediately after the deadline for submitting them and an explanation of where the tenders will be opened;
6. A statement that those submitting tenders, or their representatives may attend the opening of tenders;
7. A statement of the period during which tenders must remain valid;
8. The procedures and criteria to be used to evaluate and compare the tenders;
9. A statement that the procuring entity may at any time, terminate the tender without entering into a contract; and
10. Anything else that the procuring entity may consider necessary for the tender in accordance with the Procurement Policy and Procedures.

Advertisement

The Procurement unit shall bring the invitation to tender to the attention of those who may wish to submit tenders through advertisement as follows:

1. Advertising at least once in a newspaper of general nationwide circulation;
2. On the CSSC website, recommended social media or any other means of communication determined by Procurement Committee; and
3. Posted at any visible place reserved for this purpose in the premises, e.g. notice boards.
4. Advertise internally to staff through their official e-mail to circulate to their networks

Time for preparing tenders

1. The time allowed for the preparation and submission of tenders must not be less than the minimum period provided for under these procedures.
2. To the sub-clause above, the time allowed for the preparation and submission of tenders is the period of time between whatever steps the procuring entity takes to bring the invitation to tender to the attention of those who may wish to submit tenders and the deadline for submitting tenders.
3. If during course of the tender process, it is necessary to change any terms and conditions of the tender including date and time of opening of the tenders, an addendum should be published using the same means of communication as the original published tender. This publication must be done at least seven calendar days before closure of the previous tender. If this time frame cannot be met, a further seven calendar days will be given to tenderers to submit their new bids.

4. An amendment for clarification (specification, date, time, and quantity) on the tender document may be made on the procuring entity's own initiative or in response to an inquiry from a vendor.
5. Any addendum on the tender document shall be deemed to be part of the tender documents.

Provision of tender documents

1. The Procurement Office shall provide copies of the tender documents, or the tenderers can download copies from the website expeditiously and in accordance with the invitation to tender.
2. The fees for tender document shall be provided in the advert and shall depend on the nature or type of procurement being undertaken as determined by the Procurement Committee

Tender security

1. CSSC may include in the tender documents a condition that tenders must be accompanied by a tender security in the form of guarantee issued by a reputable bank, reputable insurance company or any registered financial institution and the amount of such security shall be:
 - a) Tender security (bond) 2 % of the bid price.
 - b) Performance security (bond) — 10 % of the contract price.
2. The type of tender security and issuing institution shall be specified in the tender document. The tender security may include:
 - a) Bank draft:
 - b) Letter of credit:
 - c) Surety bond: or
 - d) Insurance bond.
3. The Procurement Office shall verify the authenticity of the tender security.
4. Any tender security shall be forfeited if a tenderer withdraws its tender within the validity period thereof or rejects a correction of an arithmetic error or, in the case of a successful tenderer, if the tenderer repudiates the contract or fails to furnish performance security, if so required.
5. CSSC shall immediately release any tender security if:
 - a) The procurement proceedings are terminated;
 - b) CSSC determines that none of the submitted tenders is responsive; or
 - c) A contract for the procurement is entered.

Submission and receipt of tenders

1. A tender must be submitted before the deadline for submitting tenders and any tender received after that deadline shall be returned unopened. To facilitate this, all tenders shall be submitted in an inner and outer envelope, the inner one bearing the returning address while the outer has no indication of the bidder. These instructions must be given as a condition in the tender documents.
2. The Procurement Office shall provide an open and accessible place with a securely padlocked box which shall be clearly labeled, "Tender Box" constructed in such manner that it shall have two locks whose keys shall be kept by different officers one from procurement and finance of CSSC and the duplicates of such keys shall be kept in a safe deposit at the Executive Director office or through the electronic e tender box managed by the procurement unit.
3. If a tender or part of a tender is too large to be placed in the tender box it shall be received in the manner set out in the tender documents or the invitation to tender which shall include entering in a register maintained by CSSC at the main reception kept under lock and key. The procurement officer shall be notified about such tenders. The bids shall be submitted

in two separates well labeled (tender number) envelopes i.e. technical and financial where necessary

4. No alterations shall be made to the tender document by the tenderer when tenders are being opened.

Opening of tenders

All open tenders will be opened in accordance with the terms and conditions of the tender dossier.

1. The Tender opening committee shall open tenders in accordance with the following requirements.
 - a) The committee must have at least four members during the opening ceremony namely, finance, procurement, project manager, tender committee representative and technical representative where applicable.
 - b) The project manager will chair the session.; and
 - c) The secretariat shall be provided by the Procurement Office.
2. Upon opening of each bid, the following shall be read out aloud and recorded in the tender opening register the following:
 - a) The name of the candidate submitting the tender and the lot number
 - b) Record bids received in the sealed bid tracking sheet, appendix N
 - c) The tender opening committee will prepare the tender opening minutes.
 - d) The minutes shall be made available to the tenderers or representatives of the tenderers at request.
3. The committee shall code the samples immediately the tender closes where applicable.

Evaluation of Tenders

The Evaluation Committee shall carry out the analysis for all tenders received, both technical and financial proposals. The composition of the evaluation committee shall be as outlined in the Procurement Committee Terms of reference (Appendix B).

1. The evaluation shall be carried out within a maximum of 14 calendar days from the date of opening the tenders.
2. The evaluation and comparison of tenders shall be done using the procedure and criteria set out in the tender documents and no other criteria shall be used. The following requirements shall apply with respect to the procedures and criteria referred to in these procedures:
 - a) The criteria shall, to the extent possible, be objective and quantifiable;
 - b) Each criterion shall be expressed so that it is applied, in accordance with the procedures, taking into consideration price, quality (sample), time, quantity, delivery and service for the purpose of evaluation; and
 - c) Evaluation shall be done individually by the committee members except the secretary
 - d) Prior to the award of the tender the evaluation committee may conduct due diligence and present the report in writing to confirm and verify the qualification of the tenderer;
 - e) The evaluation committee shall prepare an evaluation report (technical and financial report) containing a summary of the evaluation, comparison of tenders and due diligence report (if necessary) which shall be signed by each member of the evaluation committee. The report shall be submitted to the Procurement Committee.

A Technical Evaluation Report

1. A technical evaluation report shall be prepared by the evaluation committee and shall as a minimum contain the following:
 - a) The tender number and description;
 - b) The tender validity expiry date and the tender closing date;
 - c) The date of advertisement and the place where advertised;
 - d) The method or criteria of tender evaluation;
 - e) The number of tenders received and the number of responsive tenders;

- f) The name of the recommended tenderer and key aspects of the recommended tenderer's offer;
 - g) The parameters used for scoring tenderers and the score assigned to each tenderer in respect of each component of the evaluation; and
 - h) The reasons for rejecting or overlooking a tenderer.
2. Each member of the technical evaluation committee shall sign a conflict-of-interest declaration form prescribed in (Appendix O) declaring that he or she does not have a conflict of interest and they shall not disclose any information concerning the evaluation during the evaluation process.
 3. If samples are required as stated in the tender documents, then samples shall be:
 - a) Submitted as part of the tender;
 - b) In quantities, sizes and other details requested in the invitation to tender;
 - c) Evaluated to determine compliance with all characteristics;
 - d) Listed in the invitation to tender;
 - e) Coded before being taken to the evaluation committee;
 - f) Conform to all characteristics referred to in the invitation for tenders and failure to furnish samples by the time specified shall cause a tender to be rejected;
 - g) Produced from materials belonging to the tenderer which are not claimed by the tenderer within a period of three months after notification to collect, shall be the property of CSSC and shall be disposed in such a manner as may be directed by the tender committee; and
 - h) Evaluated by the evaluation committee with the help of a technical expert who will prepare an evaluation report on samples in the form of grading on merit points on all samples, with relevant observations and recommendations
 4. The successful tender shall be one that conforms to the criteria given.
 5. No additional criteria will be introduced that is outside what was mentioned in the tender document nor request a supplier to provide additional information for this invalidate the tender. The criteria should come strictly from the tender document.
 6. Where the required skill or experience is not available within the evaluation committee, an external expert may be invited to assist in the evaluation.

Financial Evaluation

1. A financial evaluation is subjected to the tenderers who will have successfully passed technical evaluation. The lowest bidder concomitant with acceptable quality shall be awarded the tender with all the other factors remaining constant.
2. The two reports (technical and financial) shall be combined and submitted to the Tender Committee for deliberation.
3. When all other factors are equal, CSSC will select the best evaluated bidder based on the set criteria. CSSC is not bound to accept the lowest bidder in financial terms because we seek to optimize value for money.

Clarifications

The Evaluation Committee may request in writing, a clarification of a tender to assist in the evaluation and comparison of tenders. A clarification shall not change the substance of the tender, including price.

Corrections of arithmetic errors

Responsive tender offers shall be checked for arithmetical errors. Such errors shall be corrected in the following manner:

1. Where there is a discrepancy between the amounts in figures and in words, the amounts in words shall govern;
2. If a bill of quantities or schedule of prices applies and there is an error in the line-item total resulting from the product of the unit rate and the quantity, the line-item total shall govern and the rate shall be corrected;

3. Where there is an obviously gross misplacement of the decimal point in the unit rate, the line-item total as quoted shall govern, and the unit rate shall be corrected; and
4. Where there is an error in the total of the prices, either because of other corrections required by this checking process or in the tenderer's addition of prices, the total of the prices shall govern.

Responsiveness of tenders

A tender is responsive if it conforms to all the mandatory requirements in the tender documents. A responsive tender submission is one which;

1. complies with the requirements of the tender data;
2. has been properly and fully completed and signed; and
3. conforms to all the terms, conditions, and specifications of the procurement documents without material deviation or qualification which, in the organization's opinion, would:
 - a) Detrimentially affect the scope, quality, or performance of the works, services or supply identified in the scope of work;
 - b) Change the procuring entities or the tenderer's risks and responsibilities under the contract; or
 - c) Non-responsive tender submissions shall not be subsequently made responsive by correction or withdrawal of the non-conforming deviation or reservation.

Post-qualification survey:

1. Where appropriate, the evaluation committee may undertake a post-qualification survey to determine whether the best evaluated bidder has the capability and resources to carry out the contract.
2. The criteria for post-qualification shall be set out in the tender documents and may include
 - a) Experience and past performance on similar contracts;
 - b) Knowledge of local working conditions;
 - c) Capabilities with respect to personnel, equipment, and construction or manufacturing facilities;
 - d) Financial capability to perform the contract;
 - e) Current commitments;
 - f) Litigation record; and
 - g) Any other relevant criteria.
3. CSSC may seek independent references on a tenderer and the results of reference checks may be used in determining award of a contract.
4. The criteria for post-qualification shall be limited to that which is necessary for performance of the intended contract and shall not be unduly restrictive.
5. Post-qualification shall be undertaken for the most economically advantageous evaluated tenderer only.
6. Where the best evaluated bidder does not meet the post qualification criteria, the tender shall be rejected; and a post-qualification analysis shall be conducted for the next best evaluated bidder.
7. CSSC Procurement Office shall obtain approval from the Tender Committee prior to rejecting any tender and undertaking an additional post-qualification on any other tender.
8. CSSC shall consider:
 - a) Any material changes in circumstances since submission of the prequalification information;
 - b) Any information which has become available since the prequalification submission, which, in the procuring entity's judgment, materially affects the capacity of the tenderer to perform the contract;
 - c) Limiting the number or total value of awards made to any one supplier in cases where that supplier's or asset buyer's resources are known to be or are likely to be insufficient for the additional commitments that would result from the proposed contract. This fact shall be stated in the tender documents; and
 - d) In the cases specified in these procedures the tender committee may recommend that an award be denied to a supplier or asset buyer that is considered no longer to have the capability or resources to perform the contract successfully.

Negotiations with suppliers

1. Negotiations may be undertaken with the most economically advantageous evaluated bidder relating to the following:
 - a) Reduction of quantities for budgetary reasons, where the reduction is more than the quantities provided for in the tender documents; a minor amendment to the special conditions of contract is allowed subject to the limit that the Procurement Committee may deem appropriate;
 - b) Finalizing payment arrangements;
 - c) Mobilization arrangements;
 - d) Agreeing on final delivery or work schedule to accommodate any changes required by the user; and
 - e) The methodology or staffing; or clarifying details that were not apparent or could not be finalized at the time of bidding.
2. Negotiations shall not be conducted:
 - a) To substantially change the specifications or detail of the requirements, including tasks or responsibilities of the tenderer;
 - b) To materially alter the terms and conditions of contract stated in the tender documents;
 - c) Purely for the purpose of increasing prices in case of disposal of assets; or
 - d) To substantially alter anything which formed a crucial or deciding factor in the tender evaluation.
 - e) Negotiations with a tenderer are not permitted until after the procurement committee has approved the evaluation committee's recommendation of the best evaluated bidder(s).
 - f) The procurement committee shall appoint a negotiation team based on appropriate experience depending on the value and complexity of the procurement or disposal requirement.
 - g) The number of members of the negotiation team shall as per the quorum of the evaluation committee as stated in the procurement committee tor;
3. The negotiation team should have the following skills;
 - a) Negotiation skills;
 - b) Procurement and contracting skills;
 - c) Financial management skills;
 - d) Technical skills relevant to the subject of the procurement or disposal; and
 - e) Legal expertise where applicable.
4. Where the required skill or experience is not available within the procuring entity or where there is a conflict of interest, a member of the negotiation team may be co-opted externally to the procuring entity.
5. Members of the negotiation team shall select a chairman from among themselves, who should not be a procurement person and shall be responsible for:
 - a) Ensuring all arrangements for negotiation meetings are made;
 - b) Chairing all negotiations;
 - c) Ensuring the negotiations are conducted in accordance with all legal requirements; and
 - d) ensuring all members are aware of their responsibilities, including;
 - the need for confidentiality;
 - ensuring that all members have common understanding of the process of negotiations and objectives to be achieved;
 - ensuring members understand their own role in the negotiations and the standard approach of the team; managing communications between the negotiation team and the bidder or any other body;

6. Ensuring that the negotiation team has access to adequate resources; and preparing the final report on the negotiation or ensuring that it is prepared.
7. The negotiation team shall prepare a negotiation plan which shall specify the issues to be negotiated and the objectives to be achieved and whenever possible, quantify the objectives and set maximum and minimum negotiating parameters.
8. The Procurement committee may:
 - a) Approve the recommendations;
 - b) Request further negotiations on specific points; or reject recommendations with reasons; or
 - c) Cancel the negotiations in their entirety.
9. The results of any approved negotiations shall be specified in the letter of tender acceptance and incorporated into the contract document.

Notification of award contract

1. Before the expiry of the period during which a tender must remain valid as per the tender document, the Procurement Office shall notify the person submitting the successful tender that his/her tender has been accepted, while at the time the unsuccessful bidders will be issued with regret letters. The letters shall be approved by Executive Director or designate;
2. A seven-day grace period is given to the tenderers to raise any issues with the tender.
3. The notification of the award to the successful candidate shall specify that a formal contract shall be signed after seven days from the date of notification and not later than fourteen days from the date of award save where there is a pending administrative review proceeding or un-determined judicial review proceeding.

Performance Security

1. CSSC shall ensure the faithful performance by the winning bidders of their obligations under the contract prepared in accordance with the tender documents. A performance security may be required which may be in any of the following forms:
 - a) A guarantee confirmed by a reputable local bank, insurance company, registered financial institution or in the case of a foreign winning bidder, bonded by a foreign bank;
 - b) Irrevocable letter of credit issued by a reputable commercial bank or in the case of an irrevocable letter of credit issued by a foreign bank, the same shall be confirmed or authenticated by a reputable local bank;
 - c) Surety bond callable upon demand issued by any reputable surety or insurance company;
2. The performance security shall be posted in favor of the procuring entity concerned, and shall be forfeited in favor of the procuring entity in the event it is established that the winning bidder is in default in any of its obligations under the contract; and
 - a) The performance security shall be executed in the form prescribed by CSSC in the instructions to bidders; and
 - b) Subject to the conditions of the contract, the performance security may be released by the procuring entity concerned after the issuance of the certificate of acceptance of the goods in the case of procurement of goods or consulting services, provided that there are no claims filed against the contract awardees or the surety company; or, in the case of procurement of works, provided that there are no claims for labour and materials filed against the contractor or the surety company.
3. The winning bidder shall post an additional performance security to cover any cumulative increase of more than ten per cent over the original value of the contract as a result of amendments to order or change orders, extra work orders and supplemental agreements, as the case may be. The winning bidder shall cause the extension of the

validity of the performance security to cover approved contract time extensions. (Refer to Appendix P)

Creation of contract

1. Where applicable a Purchase Order or Service Order shall be issued after the signing of the contract.
2. For purchase of goods, services or works more than Tshs 25,000,001, legally binding contracts will be entered into with the bidders besides the purchase orders. This is also applicable for consultancies.

Debriefing

If after an award of contract an unsuccessful bidder wishes to ascertain the grounds on which its bid was not selected, it should do so in writing within seven days from the date of the regret letter. The procurement office shall promptly provide an explanation which shall be submitted for endorsement by tender committee chair. In the correspondence or discussion, only the bidder's bid can be discussed and not the bids of competitors. The bidder shall bear all the costs of attending such a debriefing meeting. This should be done within the seven days' period during notification of award.

d) Restricted Tendering

CSSC may engage in procurement by means of restricted tendering if any one of the following conditions is satisfied:

1. The procurement is of a complex or specialized nature; or
2. The time and cost required to examine and evaluate many tenders would be disproportionate to the value of goods, works or services being procured; or
3. There are only a few known suppliers of the goods, works or services being procured that are available, registered, or pre-qualified.

The restricted tendering process is that CSSC shall, instead of advertising the invitation to tender, give the invitation to tender to already identified bidders. With the approval of the Tender Committee, these bidders shall be selected in a fair and non-discriminatory manner.

e) Request for proposals (RFP)

Request for proposals is a solicitation made through a bidding process in the procurement of a specialized commodity or service to potential service providers. If the cost of the service exceeds Tshs 100,000,000 the open tender process must be used. If the cost of the service is below Tshs 100,000,000 proposals will be solicited from pre-qualified service providers. If no pre-qualified service providers exist, the identified potential service providers will be approved by Procurement Committee.

Procurement using the RFP route is generally of services or a combination of goods and services and the services to be procured are advisory or consultancy or otherwise of a predominantly intellectual nature.

The process is as follows:

where applicable, the user department in consultation with any technical personnel will develop an EOI for the RFP;

1. The EOI will be sent to potential bidders by the procurement unit outlining the timetable for the submission of proposals;

2. The Evaluation Committee will evaluate the EOI bids received and make shortlist recommendations to the Procurement Committee;
3. An RFP shall be sent to shortlisted service providers to bid;
4. The Evaluation Committee shall evaluate the RFP bids and make recommendations to the Tender Committee for award; and
5. If an RFP which has been sent to pre-qualified suppliers on more than one occasion fails to attract a minimum of three quotations, a waiver will be sought from the Procurement Committee to proceed with the lesser number of quotations.

f) Online procurement

Online procurements are all procurements made direct through electronic payments on off the shelf or ready items from Dealers or authorized dealers/agents especially for ICT related items like software, any upgrades and other related accessories which their technology is moving very fast and buying online is more advantageous in terms of cost, time and genuinely of the products as compared to using other procurement methods.

This method can be used if:

1. The estimated value of goods, works or services being procured are less than or equal to the maximum of Tshs 5,000,000 and
2. The procedure is not being used for the purposes of avoiding competition and there is a minimum of three quotations or one quotation from the dealer.

The process of procurement may be done by the User by requesting the money or paying using a dedicated credit card and later make a retirement of the expenditure.

g) Specially permitted procurement

Specially permitted procurement is the procurement of goods, services or works that are extremely unusual in nature and have unique requirements attaching to them, such as a Proof of Concept. They may include joint procurements and design competitions with partners.

This procedure can be used where exceptional requirements make it impossible, impracticable, or uneconomical to comply with the procurement policy of CSSC.

The process of specially permitted procurement will be as follows:

1. The user department or unit shall raise a PR in the ERP attaching reasons for specially permitted procurement; and
2. The procurement shall process the PR using the specially permitted procurement module in ERP;

The process of approval shall be done by Procurement Committee thereafter by Executive Director.

h) Non-Competitive Procurement

Procurement by non-competitive procedures is through a solicitation of only one vendor. Non-competition must meet one or more of the following criteria listed below. This is documented through a Non-Competitive Procurement Justification Form approved by the Executive Director.

- ii) The item or service is available from a single source.

- iii) A public emergency requirement outside of CSSC's control for the procurement of goods, services or consultancy will not allow the delay that could result from requesting competitive solicitations.
- iv) The donor authorized representative expressly authorizes non-competitive procurement in response to a request from CSSC
- v) Competition is deemed inadequate after the solicitation of quotations from a number of possible vendor sources.

9.6 Consultancies

Consultant is referred as a company or individual who provides professional advice to the organization at a fee. CSSC shall engage the services of consultants in specific areas. The bid documents received come in the form of technical and financial proposals.

The procedure and criteria to be used to compare and evaluate proposals may employ quality and cost-based selection (QCBS), fixed budget selection (FBS), consultants' qualifications selection (CQS), quality-based selection (QBS), least cost selection (LCS) or predetermined rates.

1. **Quality and cost-based selection (QCBS)** uses a competitive process among short listed firms that considers the quality of the proposal and the cost of the services in the selection of the successful firm. Cost as a factor of selection shall be used judiciously. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment.
2. **Fixed budget selection (FBS)** is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed.
3. **Least-cost selection (LCS)** is only appropriate for selecting consultants for assignments of a standard or routine nature for example audits, engineering design of non-complex works, and so forth where well-established practices and standards exist. Under this method, a minimum 'qualifying mark for the 'quality' is established. The prequalified consultant is required to submit financial and technical proposals. The evaluation committee shall determine the minimum qualifying mark. Those securing less than the minimum qualifying mark are rejected. The best evaluated bidder shall then be selected. Under this method, the firms which attain the minimum qualifying marks shall only compete on 'cost'.
4. **Consultants' qualifications selection (CQS)** may be applied where EOI's are required. In such cases only technical evaluations are conducted. The successful bidders are then requested to submit their financial bid.
5. **Quality-based selection** is appropriate for the following types of assignments:
 - a) Complex or highly specialized assignments for which it is difficult to define precise terms of reference and the required input from the consultants, and for which the client expects the consultants to demonstrate innovation in their proposals for example, country economic or sector studies, multi-sector feasibility studies, design of a hazardous waste remediation plant or of an urban master plan, financial sector reforms;
 - b) Assignments that have a high downstream impact and in which the objective is to have the best experts for example, feasibility and structural engineering design of such major infrastructure as large dams, policy studies of national significance, management studies of large government agencies; and
 - c) Assignments that can be carried out in substantially different ways, such that proposals will not be comparable for example, management advice and sector and policy studies in which the value of the services depends on the quality of the analysis.

Predetermined rates: Where an institution such as the ministry or a professional body dealing with matters related to works has established pre-determined rates for works or services, this may be used to establish standard costs of a consultancy. A successful bidder can be selected from a list of pre-qualified consultants, on need basis. A frame agreement will be drawn for all consultants under this category and shall be selected on need basis e.g. content development consultants, facilitators, lecturers, examiners, medical specialists etc.

NB: Where the consultants are not prequalified, the list shall be availed to the Procurement Committee for approval prior to inviting them to bid.

Procedures

1. The user prepares a TOR in conjunction with the head of Monitoring and evaluation
2. The procurement department sends TOR to prequalified suppliers or list approved by Procurement Committee.
3. Evaluation committee prepares the evaluation report of the bids received
4. Procurement Committee decides based on the recommendation of the evaluation committee. If Tender Committee approves, the procurement department prepares a PO in favor of the best evaluated bidder and if Procurement Committee rejects with reasons, the procurement shall act on the recommendation of the Procurement committee.
5. The Procurement unit prepares the consultancy contracts which must be reviewed by the Head of user department or unit and approved by Executive Director.
6. Management and evaluation of the contract is the responsibility of the user and in the event of any dissatisfaction with the quality of work of a consultant must be reported to the Procurement Committee by the user through the Procurement unit.

10.0 PROCUREMENT AWARDING AND CONTRACTING

A contract is a legal agreement between two or more parties which involves the provision of goods, services or works for a consideration.

All procurements made by or on behalf of CSSC need to be set out in a contract. For procurements made solely using a Purchase Order (PO) the contract will be on standard terms and conditions set out on the back of the PO. For all contracts for works, consultancy and, as agreed with the Executive Director, those for goods and services that are of an unusual nature or size, a contract is required. The Executive Director should be consulted as to whether a separate contract is required for all procurements of goods and services over Tshs 25,000,000.

All Contracts (excluding the standard one set out on the back of the PO) shall be signed by Executive Director or delegate.

10.1 Contracting strategies for works

CSSC may use any of the following contracting strategies for works in order to enhance efficiency of the procurement process and project implementation:

1. Design and build

The contractor undertakes most of the design and all construction in accordance with the procuring entity's brief and the detailed tender submission, usually for a lump sum price

2. Develop and construct

This strategy is like design and build except that the procuring entity issues a concept design on which tenders are based.

3. Design by the procuring entity

The contractor undertakes only construction based on full designs issued by the procuring entity.

4. Management contract

A management contractor is appointed to engage and manage several trade contractors to carry out construction based on designs issued by the procuring entity, as and when they are completed. The trade contracts are between the management contractor and the various trade contractors.

10.2 Contracts for goods and services

1. Purchase Order

A purchase supply of goods or services. Terms and conditions shall be printed on the back of the purchase order setting out the legal contract with the supplier. The signatories to the purchase order shall be the Human Resources and Administration Manager and Executive Director or designate.

Purchase Order Approvals: Purchase Order must be approved as follows:

- For any purchase CSSC signature and vendor signature is required on the PO.
- Vendor's digital signature and scanned copy on the PO inclusive Terms and Conditions is accepted. This copy must be attached to the original PO as confirmation of vendor signature.

Monetary Thresholds (Equivalent)	1 st Level Approver	2 nd Level Approver
Below Tshs 200,000	N/A	N/A
Tshs 200,001 to 1,500,000	Human Resources and administration Manager or Education Director or Health Director	N/A
Tshs 1,500,001 to 5,000,000		Executive Director
Tshs 5,000,001 to 25,000,000		
Tshs 25,000,001 - and above		

2. Frame agreement

A frame agreement is a written contractual agreement with a supplier negotiated after a competitive process for the delivery of a particular good or service for a specified period of time. No frame agreement can last for more than 2 years. The signatories to the Frame agreement shall be the Executive Director or designate.

10.3 Contract variation

- Any price variation for a construction contract, where allowed for in the contract, will be based and determined by the prevailing consumer price index obtained from the relevant Central Bureau of Statistics (CBS) or prevailing monthly inflation rate provided by the relevant national statistical body.
- Once a contract has been awarded, any variation of specifications and quantities that result in cost Changes shall be approved in the same manner the original contract was approved. If the variation crosses an approval threshold, the additional approval requirements need to be followed.

10.4 Contract management

The following procedure shall be followed when awarding tenders for contracts:

1. For any tender awarded, the contractor shall honor the contract in accordance with the terms, conditions, and requirements;
2. If the procuring entity determines that the contractor's performance is unsatisfactory due to circumstances within a contractor's control, the procuring entity may take appropriate action in accordance with the provisions of the contract;
3. The user department or the technical personnel shall monitor the contractor's performance under the contract to ensure that the requisite quality standards are attained, and the requirements are satisfied. The user or technical person shall issue a certificate of completion once all works have been completed to the satisfaction of the user department taking technical advice as appropriate;
4. Where, through unforeseeable circumstances, it is necessary to increase or reduce the quantum of work or to perform additional work within the broad scope of the contract, the contractor may be instructed to perform such work under the contract according to the directions of the procuring entity without the need for a further procurement exercise;
5. If, at any point during the term of a contract, it is terminated or cancelled by either the contractor or the procuring entity, a record of the reasons for this cancellation or termination shall be provided and recorded and submitted to procurement committee;
6. On completion of a contract, a record of the key performance indicators relating to time, cost and the attainment of goals associated with the contract shall be made by the user department or technical person and submitted to the procurement department; and
7. A 5% retention fee shall be kept for 6 months to cater of any defects that may arise. If none, the retention fee shall be released to the contractor.

10.5 Dispute resolution

If a dispute arises from a contract, it shall be resolved in accordance with the provisions of the contract. Other alternative means can be pursued as mutually agreed by the parties.

11.0 RECEIVING GOODS AND SERVICES

A goods or service received note is a document used to record the receipt of a particular good or service after they have been confirmed as acceptable. The note is usually completed after the requester or other nominated individual has verified the type, quality and quantity of supplies and deemed them acceptable.

General Receipt Note (Appendix J): Delivery of goods, services or consultancy output must be received by non-procurement personnel.

For the receipt of works, services and consultant outputs, the Certification of Completion section of the GRN must be completed and approved by the user department/unit or technical person.

For the receipt of goods, if a detailed packing list or invoice is provided at the time of delivery that information must be verified and attached to the GRN without transcribing all details to the GRN.

All procurement related documents must be retained as part of financial documentation for a specific period in accordance with Country laws, donor regulations and CSSC's records and destruction policies, whichever is longer.

12.0 ENTERPRISE RESOURCE PLANNING SYSTEM (ERP)

ERP is an amalgamation of the organization's information system designed to bind more closely a variety of functions including inventories, human resources and financials while simultaneously

linking the organization to customers and vendors. All procurements should be made through the ERP except open tendering.

12.1 Standard ERP procedures

These are the steps to be followed when making a procurement request through the ERP:

1. Preparation and uploading of procurement plan into the ERP system by the user;
2. Raising a PR in ERP
3. Approving of the PR by the budget holder;
4. Requestor forwarding to the procurement unit - tor, approved specifications or any other information which needs to be shared with the suppliers through email;
5. Sending of RFQ's to the pre- qualified suppliers by the procurement unit;
6. Analyzing of quotations received by the procurement unit or procurement committee based on the threshold;
7. Approving of analysis by the Executive Director or procurement committee;
8. Preparing PO or Contract by procurement unit
9. Signing of PO by Human Resource and Administration Manager or Executive Director based on the threshold;
10. Raising of GRN for the delivered goods or services by the Administration Staff or user department; and
11. Submitting the invoice to Finance for matching with the PO and GRN for payment.

Approvers should not reject PRs or POs without attempting to discuss the issue with the user.

12.2 Tailor made ERP modules

Tailor made ERP modules are modules which have been developed to address a particular type of procurement, generally to hasten the time taken in the procurement process. To date the following modules are in operation:

1. Air tickets

To deliver the PO associated with air ticket purchases and reflecting the procurement process that has already been undertaken in Tanzania to use an agent whose mandate is to achieve value for money for the organization, a specific module has been developed in the ERP that has a much more restricted process. It is as follows:

1. The user raises a purchase requisition in the ERP with a Travel Authorization attached;
2. The agent provides fare options and deadlines;
3. The ERP user selects the value for money option in consultation with the traveler;
4. The procurement department approves the chosen fare and route;
5. The budget holder approves purchase requisition in the ERP;
6. The procurement department prepares the PO;
7. The PO is signed by the Human Resource and Administration Manager or Executive Director (usually electronically);
8. The PO is sent to the agent electronically;
9. The agent issues the air tickets;
10. The Administration Staff or user department raises a GRN for the delivered services; and
11. The agent submits the invoice to the user for approval and onward submission to finance for payment.

The goal of the organization is that steps 1 to 10 in this process will usually take no longer than 24 hours to achieve.

2. Frame agreements

A frame agreement is a written contractual agreement with a supplier negotiated after a competitive process for the delivery of a particular good, service or works for a specified period of time and for an agreed cost for the time period where applicable. No frame agreement can last for more than 2 years.

A frame agreement can be applied in the following ways:

1. with a dealer of goods, services or works for a specified period of time
2. after competitive process where the best bidder (s) are awarded tenders to supply goods or services or works for a specified period of time

The followings steps will be carried out when making purchases through the use of frame agreements:

1. The user raises a purchase requisition through the ERP and by inserting the cost of the items as indicated in the frame agreement, attaching a signed copy of the frame agreement;
2. The budget holder approves the purchase requisition;
3. The procurement department prepares a PO;
4. The PO is the Human Resource and Administration Manager or Executive Director (usually electronically);
5. The PO is sent to the supplier electronically;
6. The supplier delivers the goods, services or works;
7. The Administration Staff or user department raises a GRN for the delivered goods, services or works; and
8. The user submits the invoice to Finance for matching with the PO and GRN for payment

3. Hotels and conferences

The following steps are to be followed when procuring hotel or conference services within the ERP:

1. The user identifies the hotel they would like to use from the prequalified hotels or seeks direct approval from the Procurement unit for a hotel that is not prequalified;
2. The procurement gets a negotiated quotation from the identified hotel;
3. The user raises a purchase requisition by attaching the received quotation;
4. The budget holder approves the purchase requisition;
5. The procurement unit prepares a PO;
6. The PO is the Human Resource and Administration Manager or Executive Director (usually electronically);
7. The PO is sent to the supplier electronically;
9. The Administration Staff or user department raises a GRN for the delivered goods, services or works; and
10. The user submits the invoice to Finance for matching with the PO and GRN for payment

4. Direct procurement

The following steps are to be followed when procuring goods, services or works through the direct procurement method within the ERP:

1. The user raises a purchase requisition;
2. The budget holder approves the purchase requisition;
3. The procurement unit identifies the supplier from the prequalified suppliers and gets a quotation for the goods, services or works to be procured;
4. The procurement unit prepares a PO;
5. The PO is sent to the Human resource and administration manager or executive director (usually electronically);
6. The PO is sent to the supplier electronically;
7. The administration staff or user department raises a GRN for the delivered goods, services or works; and
8. The user submits the invoice to finance for matching with the PO and GRN for payment.

5. Emergency Procurement

After the Board declares an emergency for an affected area, the waiver of procurement policies and procedures may occur for a period as the funding source allows but considering the following: The initial emergency period is not to exceed 90 days. If an extension is required, approval can be requested for subsequent 90 days with a waiver submission to the Executive Council.

Increases in Purchase Requisition and Purchase Order approval thresholds as follows:

Document	Threshold	Authority
Approval of Purchase Requisitions	Below Tshs 200,000	Petty Cash
	Tshs 200,001 to 10,000,000	Budget Holder
	Tshs 10,000, 001 and above	Executive Director
Approval of Purchase Orders	Below Tshs 200,000	Petty Cash
	Tshs 200,001 to 10,000,000	Human Resources and administration Manager or Education Director or Health Director
	Tshs 10,000, 001 and above	Executive Director

1. Inclusion of additional personnel to approve Purchase Requisitions or Purchase Orders.
2. Non-Competitive Procurement Justification Form as per the non-competitive procurement criteria:
 - The item or service is available from a single source.
 - An emergency requirement for the procurement of goods, services or consultancy will not allow the delay that could result from requesting competitive solicitations.
 - The donor expressly authorizes non-competitive procurement in response to a request from CSSC
 - Competition is deemed inadequate after the solicitation of quotations from several possible vendor sources.
3. Decrease the number of required committee members from 3 to 2 for approving new vendors, but not for approving Summary Bid Analysis.
4. Changes to procurement bidding thresholds provided changes are compliant with donor regulations and waiver is approved by the Policy Owner.

If an increase in a Purchase Requisition and/or Purchase Order threshold has occurred and/or if additional, personnel are included to approve Purchase Requisitions or Purchase Orders, then: The Authorized Signatory Form must be prepared and maintained for each employee who has the authority to approve procurement transactions.

13.0 REFERENCES AND ASSOCIATED POLICIES

The following list is the appendices that are addressed in this policy.

Procurement Plan

- Appendix C User Departments annual procurement plan format for Goods
- Appendix D User Departments annual procurement plan format for Consultancy
- Appendix E Consolidate annual procurement plan format for Goods
- Appendix F Consolidate annual procurement plan format for Consultancy

Procurement Approval Authority

- Appendix A Waiver or Exception Request Form,
- Appendix B Procurement Committee Terms of Reference
- Appendix K Authorized Signatory Form

Competitive and Non-Competitive Procurement Procedures, Thresholds, Vendor Selection and Award

- Appendix G Supplier/Payee Set-Up and Change Form
- Appendix J General Receipt Note
- Appendix L Non-Competitive Procurement Justification Form
- Appendix M Summary Bid Analysis
- Appendix N Sealed Bid Tracking Sheet

Procurement Procedures and Documentation

- Appendix H Purchase Order terms and conditions
- Appendix I Consultant Agreement Format
- Appendix O Conflict of interest declaration form
- Appendix P Bidder performance security Format
- Appendix Q Online Procurement procedure



CSSC Policy Waiver Request Form

This is an official form for submitting requests for temporary or permanent waivers from a CSSC Procurement Policy and Procedures. All waivers will be kept on file by the Human Resources and Administration Manager and the owner of the applicable policy.

Policy Name and Version Number:	
Requester:	
Job Function:	
Manager:	
Date Submitted:	

This section is to be completed by the requester:

Description of Waiver Requested:

(Attach diagrams and supporting documents as necessary).

Justification/Benefit of the Waiver:

(Attach diagrams and supporting documents as necessary).

Duration of the Waiver:

(Specify the time period for non-compliance with this policy).

Risk Assessment:

(Describe risk in terms of fraud, loss, disallowed costs etc. Include business impact statement in terms of program impact or monetary measures if applicable).

Risk Mitigation:

(Describe technical and procedural methods for controlling risk).



CSSC Policy Waiver Request Form

Approval: (this section to be completed by Executive Director)

Date submitted to Executive Director:

Date Reviewed by Executive Director:

Approval Recommended: ☐

Modifications Requested: ☐

Comments:

Final Decision:

Approved: ☐

Rejected: ☐

Date:

Additional Comments:



CHRISTIAN SOCIAL SERVICES COMMISSION (CSSC) PROCUREMENT COMMITTEE - TERMS OF REFERENCE

The Procurement Committee of CSSC is charged with carrying out the procurement oversight duties as described in the CSSC Procurement Policy and procedures. These Terms of Reference may be superseded by changes to the CSSC Procurement Policy and procedures as they change, in which case this Terms of Reference document must be updated accordingly.

I. INTRODUCTION

CSSC has established procurement committees in accordance with CSSC Procurement Policy and procedures. The committee has no executive powers, other than those specifically delegated in these terms of reference.

These terms of reference set out the membership, appointment, purpose, responsibilities and reporting arrangements of the committee.

It is acknowledged that the Senior Management Team (SMT) is ultimately accountable for the actions of the Procurement Committee and therefore the Committee will report on its work to the SMT on a bi-annual basis, the work undertaken in the previous period and any procurement challenges, learning or trends that may necessitate changes in policy and practice or the review of the Terms of Reference.

II. OBLIGATIONS AND DUTIES

The CSSC Procurement Committee and committee members have the following obligations and duties:

- A) To evaluate, select, add, change, or discontinue vendors and consultants per the criteria defined in the CSSC Procurement Policy and Procedures.
- B) To participate in and ensure that the threshold, solicitation method, minimum number of quotations and analysis documentation required for goods, services or consultancies is followed as described in the CSSC Procurement Policy and Procedures.
- C) To understand CSSC Procurement Policy and Procedures pertaining to the obligations and duties of the committee.
- D) To understand current audit and spot check findings related to the obligations and duties of the committee and to participate in decisions and activities that will reduce audit findings.
- E) To inform the Senior Management Team (SMT) in the event that Procurement Policies have not been followed and/or where fraud or corruption is suspected.
- F) To inform Senior Management Team (SMT) of any issues with the committee's ability to perform its obligations and duties.

III. RIGHTS

The CSSC Procurement Committee and committee members have the following rights:

- A) To be informed of changes to policies or procedures that impact their obligations and duties.
- B) To request a compliance spot check by an independent reviewer at any time and expect that this spot check would be carried out in a timely, objective, and confidential manner.
- C) To request any and all documentation related to their obligations and duties, both historical and current, and expect that this documentation is provided in a timely manner.

IV. COMPOSITION

The Committee shall be appointed by the Executive Director and shall therefore report to the Executive Director. Committee members shall serve for a period of one year and shall be eligible for reappointment at the discretion of the Executive Director.

As per CSSC Procurement Policy and Procedures, the Committee shall consist of no less than three members whose representation must include Procurement, Finance and Programs and should include Chairperson, Secretary and a member. Additional permanent members may be appointed depending on the need or size of the office. Non-permanent members may be coopted for a specific committee meeting to provide specific technical input. Members of the SMT shall not be members of the Committee to ensure separation of duties. The procurement person in the committee shall be the Secretary to the Committee and shall take minutes of the meetings and provide appropriate support to the Chairman and committee members during and outside of procurement committee meetings.

In the event of the chair of the committee being unable to attend all or part of the meeting, he or she will nominate a replacement from within the membership to chair the meeting.

Below shall be the procurement committee composition and individual roles:

S/N	Committee member	Role	Responsibility
1	Chairperson	Senior member (Program, Finance or Program Support senior staff)	• Ensure minutes are prepared and signed • Guide discussions and decisions • Represent the interest of the organization • Ensure members adhere to the existing policies (code of conduct, anti-terrorism, anti-fraud etc)
2	Secretary	Member (Procurement person)	• Carry out administrative tasks in the committee including preparation of SBA, taking minutes, preparation of documentation for committee meetings etc. • Keep and maintain the minutes and all the records of all committee meetings. • Draft award and regret communication to vendors.

			• Custody and safeguarding of committee records. • Act as the link between the committee and the vendors.
3	Member (s)	From Finance and any other department	• Confirm all figures and ensure accuracy and consistency. • Ensure compliance with financial standards and donor requirement. • Confirm availability of funds for the procurement.
4	Technical person	A technical person (IT, Engineer, Program specialist, PQL specialist, emergency etc)	• Pre-screening and evaluating of bids based on technical specifications. • Offer technical advice to the committee.

All procurement committee members must declare any conflict of interest at the beginning of each procurement process

A. Frequency, notice of meetings and quorum

- Procurement Committee meetings shall be held weekly as long as there are matters to discuss. Additional meetings may be convened for urgent decisions if required. The secretary shall in consultation with the chairperson call for a meeting including facilitating logistics.
- All members are required to attend the meetings. If a member is unable to attend the meeting, his/ her designee will attend the meeting.
- The committee may conduct meetings by way of electronic means if necessary.
- Items of business to be transacted for inclusion on the agenda of a meeting need to be notified to members in advance.
- A quorum shall consist of at least three members provided that the chairperson and Secretary or their designees are present.

B. Authority of the committee

The Committee is authorized by the SMT to make procurement decisions and approve award of contracts following procurement policy, procedures and processes. The Committee is delegated to make procurement decisions ensuring that the procurement policies and donor requirement are strictly followed and not breached. The Committee is responsible for assuring that procurements are carried out to deliver the program needs and that there is appropriate involvement of the requestors and the necessary expertise in the evaluation process for each procurement.

The Committee is authorized to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, if it is considered necessary.

The Committee is required to ensure that conflicts of interest is avoided at all times in their work.

CSSC has zero tolerance to fraud. It is therefore CSSCs policy that all staff involved in procurement shall not have perceived or actual conflict of interest. All procurement committee members are required to sign CSSC's code of conduct.

C. Responsibilities of the committee

- Implement procurement policies and procedures
- Provide capacity building to other staff i.e. procurement training on procurement guide, new procurement policies and lessons learnt.
- Maintain effective relations with key stakeholders and ensure effective communication.
- Develop procurement principles and criteria to be applied when deciding on procurement route to follow.
- Recommend the procurement actions, route and decisions for individual procurements, ensuring that there is sufficient evidence to support the decision.
- Review and oversee procurement processes in accordance with policy, ensuring compliance to policies, procedures and donor requirement.
- Regular debriefing to SMT and or Executive Director on procurement matters and to share any challenges, lessons learnt, compliance issues or need for the review of policy and practice.
- Liaise with external and internal auditors during audits in relation to procurement and contracting activities.
- Review, evaluate, select, add, remove procurement vendors and consultants in accordance with procurement policies and procedures.
- Participate in annual vendor review, assess vendor performance and compliance statuses and propose Approved Vendor List (AVL) to the Executive Director for approval.
- Participate in any procurement discussion which is deemed complicated or having issues requiring broader discussion, irrespective of value or any other procurement related matter as may be referred to the committee by the SMT or the Executive Director.
- Ensure integrity, efficiency, confidentiality, compliance and value for money in procurement.

V. CODE OF CONDUCT

All employees must follow CSSC's codes of conduct which are outlined below:

A. Procurement Code of Conduct

You may not select a vendor of goods or services for any reason other than its ability to fulfill the organization's needs. You may not personally accept any goods or services or other forms of compensation or favors from a vendor, other than as a usual contribution to CSSC.

Fees, commissions, kickbacks, or any form of bribes intended to induce or reward favorable decisions and governmental actions, are unacceptable and prohibited. No staff person may, in violation of any law, pay or offer to pay, or give anything of value to a donor, governmental entity, or political party.

The provision is not intended to prohibit routine, modest business gifts of minor value, customary in local business relationships, provided that no applicable law, regulation, or CSSC policy is violated and full disclosure is made to the employee's immediate manager.

Before and during the procurement process of issuing tenders, sealed bids, request for proposals and any other solicitation process, no employee or procurement committee member shall accept gifts, money or services from such vendors or vendors. The procurement process must be transparent and have no actual or perceived appearance of impropriety.

B. Losses & Fraudulent Acts

CSSC's reputation is an enormously valuable asset. We must all work to maintain the

highest degree of accountability to our donors, and avoid or prevent situations that may compromise our position. This policy applies to any irregularity, or suspected irregularity, involving not only employees, but also vendors and other outside parties. Investigations will be conducted without regard to length of service, position, title, or relationship.

Actions that may be deemed as fabrication, misappropriation, or are fiscal irregularities include, but are not limited to:

- Any dishonest or fraudulent act;
- Forgery or alteration of any document or account belonging to CSSC (including, but not limited to timesheets, payroll and associated leave records and accounts, travel and expense reports, advance records and accounts, procurement documents, agricultural commodity records, spare parts or project materials and equipment inventory records, food commodity management and monitoring reports, etc.);
- Forgery or alteration of a check, bank draft, or any other financial documents;
- Misappropriation or misuse of funds, commodities, securities, supplies, spare parts, project materials and equipment, or other assets;
- Impropriety in the handling or reporting of money, financial transactions, or bidding procedures;
- Accepting or seeking anything of material value from vendors or persons providing services/materials to CSSC (exceptions: perishable gifts intended for a group of employees, such as candy or flowers);
- Destruction or misappropriation of records, furniture, fixtures, or equipment;
- Diversion, alteration, or mismanagement of documents or information, and/or any similar or related irregularity.

C. Conflict of Interest

You must scrupulously avoid any conflict between your individual interests and the interests of CSSC (a "conflict of interest"). If you, or a member of your family, have a possible conflict or even the appearance of a conflict with CSSC interests, you must fully disclose the circumstances to your manager. For the purposes of this policy, your family includes a spouse, brother or sister, parent, child or domestic partner.

A conflict of interest can arise in a variety of situations wherever CSSC interests, such as relying on staff duties of loyalty and confidentiality, compete with the personal or other professional activities or engagements of CSSC staff. A clear conflict of interest arises when you or a member of your family directly or indirectly:

- Participate in CSSC or related entity evaluation, selection, award, or administration of a contract, loan, purchase, sale, investment order, donation, or other transaction that will directly or indirectly benefit you or your family.
- Have a financial or other commercial interest (except ownership of less than five percent of the stock of a publicly held company) or are in a position of power, authority, influence, governance or control as to any party doing business with CSSC, its programs or related entities and you as CSSC staff are engaged or potentially influence the transaction.
- Stand to gain personally or individually from any transaction in which CSSC, a CSSC program or a CSSC related entity is a party.
- Accept gifts, favors, or anything of monetary value from CSSC donors or vendors, including contractors, (except for unsolicited gifts of a nominal value, training, travel, materials, or other items provided for the benefit of CSSC with supervisor approval).
- Owe fiduciary or other duties of loyalty to another entity that is partnering, lending, donating, investing, negotiating or otherwise transacting business with CSSC and you

as CSSC staff are engaged or potentially influence the transaction.

- Heightened scrutiny is applied to procurement staff, and employees who periodically requisition goods or services for CSSC.
- You must withdraw from any participation in CSSC decisions related in an actual or perceived conflict, and take appropriate steps to eliminate the conflict. This requirement should not be construed as preventing you from stating your position regarding the matter, nor from answering your manager's pertinent questions, if your personal knowledge may be of assistance to CSSC in reaching its decision.
- An impartial person or committee may be appointed to review a situation involving conflicts of interest if appropriate or necessary.

D. Confidential Information

CSSC has records and information that are confidential and you must treat such materials accordingly. This pertains to all verbal or written communication including, but not limited to, work created as part of your job, financial data, computer files, contracts, procurement materials (vendor lists, purchase orders, etc.), marketing and donor information (donor names, mailing lists, contributions, etc.), program material (project reports, grant applications, etc), personnel or staff information (personnel files, salary information, etc), and general corporate documents (internal policies, procedures, minutes of meetings, documents, notes, files).

You are expected to protect and keep applicable information in strict confidence and exercise a reasonable degree of CSSC to prevent disclosure of any information regarding CSSC in any manner adverse to the interest of, or detrimental to, or those with whom CSSC works. You are prohibited from reproducing any confidential information for use inside or outside of CSSC for any purpose other than the performance of your duties at CSSC.

You will be subject to appropriate disciplinary action, up to and including dismissal, for knowingly or unknowingly revealing information of a confidential nature. If you are unsure about the confidential nature of specific information, ask your supervisor for clarification.

E. Reporting Violations of the Above Policies

Each employee has an obligation to report losses, illegal acts, and other violations of the above policies if they believe that these have occurred, if they have observed such conduct, or received any information about such conduct. Violations must be reported to a supervisor, management at a higher level or HR representative. The report may be verbal or in writing, and should provide details of what happened, including date, location and the names of any witnesses.

CSSC Line

CSSC is committed to detecting and correcting fraud, misappropriations, discrimination, sexual harassment and exploitation, and other wrongful conduct (collectively "wrongful conduct"). Wrongful conduct should be reported to a supervisor, manager at a higher level or HR representative. If you feel unable to report violations of policies to anyone in personal, you can report, anonymously if desired, on the internet or by phone.

Allegations of wrongful conduct will be taken seriously, and an investigation will be conducted. Reports will be kept confidential to the greatest extent possible, consistent with the need to conduct an adequate investigation. Allegations must be made in good faith. No employee who in good faith reports a violation will suffer harassment or retaliation.

Three options for reporting:

1. Speak to the appropriate manager or Human Resources
2. Log on to <https://cssc.or.tz/whistleblow>
3. Call +255 22 212 7720

Reports will be kept confidential to the greatest extent possible and may be submitted anonymously. This feature should not be used to communicate general grievances against supervisors unless related to a violation of an existing policy.

I have read and understood my obligations, duties, rights and the Code of Conduct.

Full Name.....

Signature.....

Date.....

User Departments annual procurement plan format for Goods

Project ID/Department Name:

[illegible]

User Departments annual procurement plan format for Consultancy

[illegible]

Appendix F

Consolidate annual procurement plan format for Consultancy

[illegible]



Vendor/Payee Set-Up and Change Form(INTERNAL USE ONLY)

Vendor ID:

Page 1 of 2

Vendor/Payee Type	New	Change	Discontinue	Approval Responsibility
Procurement Vendor				Procurement Committee
Consultant				Procurement Committee
Discontinue Vendor				Procurement Committee
National Employee				Human Resources
International Employee				Human Resources
Sub-Grantee				Program
Donor				Program
Utility				Administration
Landlord				Administration
Bank				Finance

Vendor/Payee Details (note some information may not be applicable)

Vendor/Payee Name	
Vendor/Payee Physical Address	
Vendor/Payee e-mail Address	
Vendor/Payee website	
Vendor/Payee Phone/Fax	
Vendor Short Name	
Owner Name if Different	
Trade Class (see list)	
Vendor Nationality	
Persistence	Regular
Vendor Status	Approved Inactive
Currency of Payment	
Payment Method	
Payment Terms	
Vendor/Payee Bank Name	
Vendor/Payee Bank Address	
Bank Account Number	
International Bank Account Number	
Bank Code	
Branch Name & Address	
Swift Code	
Tax ID Number (TIN) and VAT	
Business Registration Number	

Sub-Recipient Information

Employer Identification Number (EIN)

DUNS Number

PADOR Number

Vendor/Payee Selection Criteria
Vendor/Payee Anti-Terror Check Completed (note this is done through the Vendor Set-Up in PeopleSoft) OFFLINE ONLY
Vendor/Payee has the Necessary Goods and/or Services
Vendor/Payee Credit and Payment Terms
Vendor/Payee costs and prices are reasonable and competitive

Yes

Procurement Committee Approval (Procurement Vendors and Consultants Only)

Name

Title

Signature

Date

Name

Title

Signature

Date

Name

Title

Signature

Date

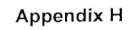
Human Resources, Program, Administration or Finance Approval (As Appropriate)

Name

Title

Signature

Date



Address:

Vendor Name & Address:	Consignee:
Phone/Fax:	Phone/Fax:
email:	email:

Attention: Vendors must submit all invoices and EFD Receipt to CSSC Reception.

Vendor: The Terms and Conditions on the reverse side of this Purchase Order and on any attached sheets are made part of this contract to which Vendor agrees by signing below.		Purchase Order (PO) Executed on behalf of CSSC	
Accepted - Vendor Name:		Approved by:	Date:
By-Signature of Officer of Vendor or Consultant::	Date:	Countersigned (if required) by:	Date:

PURCHASE ORDER TERMS AND CONDITIONS

Appendix H

ORDER. This Purchase Order ("Order") is an offer of Christin Social Service Commission ("CSSC") to purchase the Goods described herein from Vendor. CSSC's placement of this Order with Vendor is expressly conditioned on Vendor's acceptance of all of the terms contained in this Order, including without limitation, this Order shall not be filled at prices higher than stated in this Order or for different quantities. Any additional or different terms or conditions in any communication from Vendor are expressly objected to and are not effective or binding unless CSSC agrees in writing, and no such additional or different terms are part of a contract between CSSC and Vendor even if CSSC accepts Goods under this Order. Any objection by Vendor to the terms hereof shall be ineffective and is deemed waived by Vendor when Vendor accepts this Order. Each Order terminates sixty (60) days after the Delivery Date, except as set forth herein or as CSSC shall notify Vendor in writing. The Order Number above shall be shown on all invoices, communications, packing lists, containers, bills of lading and other similar documents.

PRICE. The prices stated in this Order are complete and Vendor shall add no additional charges of any kind. Vendor warrants that the prices to be charged for Goods are competitive with prevailing market rates and do not exceed prices charged to other customers for a similar quantity and quality of Goods. In connection with any cash discount specified in this Order, time will be computed from the date of the complete and final delivery of the Goods, or from the date correct final invoices are received in the CSSC's Accounting Department, if later. Vendor shall specify all applicable costs, including taxes, duty, export and transportation fees and other charges on Vendor's invoice as separate items, and shall bear all such costs as part of the total Price charged.

QUALITY. Vendor warrants the Goods are (a) free of all deficiencies and defects in materials, design and workmanship for the period of one (1) year from the date CSSC accepts the Goods, (b) does not infringe the rights of any third parties, and (c) are free of any lien or encumbrance. Vendor warrants it shall vest all title and rights to the Goods in CSSC. If no quality is specified in this Order, the Goods delivered must be of the best quality as recognized by the market and conforming to or exceeding all specifications provided by Vendor.

SHIPPING AND PACKING. Unless otherwise stated in this Order, all Goods shall be shipped freight prepaid Delivery Duty Unpaid (DDU) Destination, and CSSC will pay no charge for packing, boxing or cartage. Vendor is responsible for loss of or damage to any Goods before receipt by CSSC at Destination. Each package of Goods will contain documentation showing shipper's name, contents of package, and the Order Number. A copy of the bill of lading, invoice, customs and import/export confirmations, or similar documentation shall be sent at time of shipment to CSSC at the address stated in this Order as well as to the Destination, if different.

DELIVERY. Time is of the essence and delivery of Goods shall be strictly in accordance with this Order. Delays in shipment or otherwise shall be reported immediately to CSSC, and the Order payment shall be subject to a late arrival penalty if specified on the Order. Partial deliveries may not be accepted; contact CSSC in advance if a partial delivery is requested.

INSPECTION AND ACCEPTANCE. All Goods shall be subject to CSSC inspection and test at any time and place, including at place of manufacture. Vendor will make available to the CSSC inspectors copies of drawings, specifications, and processes applicable to the Goods and shall promptly provide CSSC any resulting inspection certificates. Further, all Goods are subject to final inspection and acceptance at the Destination notwithstanding any payment or other prior inspections. CSSC may reject and hold at Vendor's expense, subject to Vendor's disposal, all Goods not conforming to this Order or other applicable specifications, drawings, samples, or descriptions.

DEFECTIVE WORK. If any Goods are defective in material or workmanship or otherwise do not conform to this Order, CSSC may: (a) require Vendor to repair or replace at Vendor's cost any such nonconforming Goods; (b) require Vendor to refund the price of any such Goods; or (c) elect to retain and correct any such Goods with an appropriate price reduction to offset CSSC's costs of making correction(s). Nothing, including any final inspection, shall relieve Vendor from its responsibility to correct or replace Goods defective as a result of fraud, recklessness or latent defects.

PAYMENT TERMS. Invoices in duplicate are required. CSSC will pay Vendor as specified in this Order, including pursuant to any discount terms; if no time of payment is indicated, payment shall be made within thirty (30) days after CSSC accepts the Goods at the Destination. Any adjustments in Vendor's invoices due to shortages, late deliveries, rejection or other failure to comply with the requirements of this Order may, at CSSC's option, be made by CSSC before payment, but failure to do so shall not deprive CSSC of the right to do so later.

CHANGES. CSSC may at any time make changes or amendments to this Order, but no such change or amendment will be allowed without the written authorization of CSSC. CSSC may also make changes in the method of shipping or packing and place of delivery by means of written communication (or, if accepted by Vendor, verbal communication) prior to shipment of Goods. If any such change by CSSC affects the cost or delivery schedules of this Order, an equitable adjustment shall be made, provided Vendor makes a written claim therefore within thirty (30) days from the date of CSSC's communication of the change.

CSSC NAME. The Vendor shall not use the CSSC name or trademarks publicly or publicly disclose information relating to the Order without CSSC's prior written consent.

COMPLIANCE WITH LAWS. Vendor shall comply with all laws, regulations, and orders applicable to its performance hereunder.

INDEMNIFICATION. Vendor will indemnify and hold harmless CSSC and its related CSSC entities from and against any claims, losses, damages, expenses, penalties, causes of action or liabilities arising from: (a) Vendor's breach by of any obligations or warranties hereunder, or violation of trade secrets, patent, trademark or other intellectual property rights, or (b) any other acts or omissions of Vendor, its agents, employees, subcontractors, or guests, relating to this Order. In no event shall CSSC be liable for Vendor's lost profits or consequential or incidental damages. Any action by Vendor against CSSC arising out of or in connection with this Order must be commenced within one (1) year after the cause of action has accrued or such action shall be deemed waived.

ASSIGNMENT. Vendor shall not assign this Order or any of its obligations hereunder, without the prior written consent of CSSC.

APPLICABLE LAW AND DISPUTES. This Order, and the application and interpretation of any contract between CSSC and Vendor arising in connection with this Order, shall be governed exclusively by the laws of the United Public of Tanzania. The parties shall first try to resolve any controversy or claim arising out of or relating to this Order, or the breach or alleged breach thereof, by good faith negotiation among senior managers unrelated to the dispute, and failing that, by arbitration. The parties shall select a mutually acceptable arbitrator and work in good faith with the arbitrator to resolve the dispute. The location of the arbitration shall be Atlanta, Georgia. To the extent permitted by law, the arbitrator's decision shall be final and binding and may be entered in any court having competent jurisdiction.

ENTIRE AGREEMENT. This Order, together with its attachments, contains the entire agreement of the parties related to the subject matter hereof, and no other representation, inducements, promises or agreements, oral or otherwise, shall be of any force or effect. This Order may be supplemented, amended or modified only by written agreement of the parties. Each attachment is incorporated by reference herein and forms a part of this Order. If any provision of this Order or its application to any party or circumstances shall be invalid, illegal, or unenforceable to any extent, the remainder of this Order and its application shall not be affected and it shall be enforceable to the fullest extent permitted by law. This paragraph and paragraphs 8, 9, 13, 16 and 18 shall survive the completion or termination of this Order.

CONDUCT. Vendor and its employees shall maintain and comply with a written code of conduct that prohibits giving anything of value, directly or indirectly, to any person or entity, including government officials or CSSC staff, in the form of a bribe or kickback; establishes appropriate limitations on transactions with relatives of Vendor employees or businesses or ventures related to Vendor or its employees; and otherwise properly governs the performance of its employees engaged in soliciting, awarding or administering contracts, and receiving gifts. Vendor shall inform CSSC in writing of any violations relating to its obligations hereunder. Vendor certifies that it has not knowingly provided and will not knowingly provide, in violation of applicable laws, material support or resources to any individual or organization that advocates, plans, sponsors, engages in, or has engaged in an act of terrorism.

TERMINATION AND DEFAULT. In addition to any other remedy available by law or in equity, CSSC may cancel this Order, in whole or in part, at any time by written notice to Vendor, including without limitation in any of the following circumstances: (a) Vendor failure to deliver the Goods as specified herein; (b) in CSSC's good faith judgment, Vendor failed to perform, or jeopardized performance of, this Order in compliance with its terms, and did not cure such failure within ten (10) days after notice from CSSC; (c) Vendor becomes insolvent or makes an assignment for the benefit of its creditors, or has bankruptcy, reorganization, readjustment of debt or insolvency proceedings instituted against it under law of any jurisdiction. On receipt of such notice, Vendor shall discontinue all work, cancel any sub-orders and terminate any subcontracts relating to this Order. Upon such termination, full and complete settlement of all Vendor's claims shall be made as follows: a) Vendor shall be paid full

compensation for Goods conforming to this Order and materials relating thereto approved by CSSC, such as work-in-progress, plans, drawings, and specifications, and b) title shall vest in CSSC for all such Goods and materials for which CSSC has paid.

NON EXCLUSION: I, the undersigned, declare on my honor that the company and the members of its Executive Board listed have not found themselves or have not been in any of the following situations: bankrupt or being wound up; been convicted of an offence concerning their professional conduct; been guilty of grave professional misconduct proven by any means which CSSC can justify; have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the grant beneficiary (CSSC) or those of the country where the contract is to be performed; have not been found guilty of fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the institutional donor and/or CSSC's financial interests; following another procurement procedure or grant award procedure financed by an institutional donor, they have been declared to be in serious breach of contract for failure to comply with their contractual obligations.

UNITED STATES OF AMERICA GOVERNMENT (USG) PROVISIONS FOR GOODS AND SERVICES [including Consultants]

If this purchase or agreement is funded with US Government (USG) donor funds, certain donor requirements may apply. These requirements apply to Purchase Orders and Service/Consultant Agreements. Requirements for USG donors:

- 1) **Non-US Vendor:** All goods and services must originate from the host country and Vendor must be a citizen of that country, unless CSSC otherwise approves in writing.
- 2) **US Vendor:** All goods and services must originate from the United States or the host country and Vendor must be a citizen of the US or that country, unless CSSC otherwise approves in writing.
- 3) Vendor shall provide CSSC with a report on or before April 1 of value-added taxes and custom duties (not sales tax) valued at \$500 or more charged by the government on purchases hereunder during the prior fiscal year (October to September), and any reimbursement of such taxes or duties by the government. Alternatively, Vendor may itemize such taxes and/or duties on individual invoices submitted to CSSC.
- 4) This agreement shall be terminated immediately if the USG terminates or suspends funding to CSSC. All goods or services rendered prior to that date will be paid to Vendor on a prorated basis.
- 5) During this agreement and for three years after it, CSSC, the USG or their representatives on request may access and review any information and records of Vendor directly related to the agreement.
- 6) Vendor certifies that neither it nor its officers, board members or key staff is barred, suspended, proposed for debarment, ineligible, or otherwise excluded from doing business with the USG or its agencies or departments.
- 7) These provisions must be passed to Vendor's lower tier Subcontractors.
- 8) At CSSC's request, Vendor shall sign any certificates or documents and such take actions as are required by the donor.
- 9) In addition to the foregoing, depending on the USG funding, Vendor is required to comply with the requirements contained in the following referenced publications
 - a) **Non-US Vendor:** Mandatory Standard Provisions. See <http://www.usaid.gov/policy/ads/300/303mab.pdf>.
 - b) **US Vendor:** 22 CFR 226 - Administration of Assistance Awards to US Non-Governmental Organizations (USAID).
 - c) U.S. Federal Acquisition Regulation ("FAR") at <http://acquisition.gov/far/index.html> [Vendor may be required to have additional insurance for its workers performing hereunder outside the US and provide CSSC evidence of such insurance. USG waivers may be available if workers are not US citizens or residents and receive adequate protection.]
 - d) USAID Acquisition Regulation (AIDAR) at <http://www.usaid.gov/policy/ads/300/aidar.pdf>
 - e) Centers for Disease Control: http://www.access.gpo.gov/nara/cfr/waisidx_07/45cfr74_07.html [Vendor cannot use funds provided by the USG to lobby for, promote or advocate the legalization or regulation of prostitution as a legitimate form of work. Vendor must obtain a written declaration to such an effect from its subcontractor(s).]
 - f) Bureau of Population, Migration and Population: http://www.access.gpo.gov/nara/cfr/waisidx_09/22cfr145_09.html

Vendor: The Terms and Conditions on the Purchase Order and on any attached sheets are made part of this contract to which Vendor agrees by signing below.

Accepted by Vendor

Approved by CSSC:

Signature _____

Signature _____

Date _____

Date _____

CONSULTANT/SERVICE PROVIDER AGREEMENT

CSSC [ADDRESS],

and

Full Legal Name of Contractor: _____

Address: _____

(the "Contractor") ("Party" means either CSSC or Contractor, as appropriate, and "Parties" collectively means CSSC and Contractor) hereby agree to the following herein and as set forth in the Attachments (together the "Agreement"), effective on the date the last Party signs it:

1. **Scope of Work.** Contractor shall complete the work as set forth in **Attachment A**, as it may be modified or amended in a writing signed by the Parties from time to time, which is attached hereto and incorporated herein by reference (the attached Attachment A and any amendment(s) thereto shall be referred to as "Attachment A").
2. **CSSC Standard Terms and Conditions.** The Parties agree to CSSC's Standard Terms and Conditions set forth in **Attachment B**, incorporated herein by reference.
3. **Compensation. Contractor** shall only be entitled to the anticipated maximum compensation and reimbursements specified in **Attachment A**. Any change increasing CSSC's charges or other costs under this Agreement must first be approved in a writing signed by CSSC. In the event of a dispute between the Parties, CSSC may withhold payments otherwise due to the Contractor until a settlement of that dispute has been reached.
4. **Taxes.** The Parties agree that: (1) CSSC will treat Contractor as an independent contractor for tax purposes, and (2) Contractor will file all tax information returns and forms and hold sole responsibility to pay all applicable taxes on that basis (income, payroll, unemployment, etc.). Contractor agrees to indemnify and hold CSSC, its contractors, employees, officers, directors, agents, and representatives harmless of and from any and all costs, liabilities, damages and/or penalties arising out of any failure by Contractor or CSSC to timely and/or properly file and pay taxes applicable to any payments made to Contractor hereunder.
5. **Invoice Statements and Adjustments.** Contractor shall provide CSSC with periodic and final invoice statements in a form determined by CSSC indicating services performed, expenses incurred (if reimbursable pursuant to **Attachment A**), past payments made and any other information CSSC shall reasonably request. Contractor shall provide a final invoice statement whenever requested by CSSC up to sixty (60) days after the date set for the completion of the work on **Attachment A**. The receipt or payment by CSSC of any invoice statement shall not preclude CSSC from questioning the correctness thereof at any time. In the event that any invoice statement is found to be incorrect, that invoice statement shall be corrected immediately and an appropriate payment or adjustment shall be made between the Parties.
6. **Expiration and Termination.** This Agreement shall expire on the date set forth on **Attachment A**, or any amendment thereto, for the completion of the work. Either Party may earlier terminate this Agreement at any time for any reason, upon five (5) days prior written notice to the other Party. The provisions of this Agreement that are intended by their nature to

survive expiration or termination of this Agreement shall survive the expiration or termination of this Agreement.

7. **Entire Agreement.** This Agreement, together with the Attachments, state the complete agreement of the Parties and supersedes any prior or contemporaneous agreements, whether oral or written, with respect to the subject matter hereof. This Agreement may not be amended or modified except by a writing signed by all Parties hereto. If any provision of this Agreement shall be held invalid, illegal or unenforceable, then the validity, legality and enforceability of the remaining provisions of this Agreement will not in any respect be affected or impaired thereby. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Parties are entitled to rely on a counterpart executed and delivered by facsimile to the same extent as a counterpart with an original signature.

**CHRISTIAN SOCIAL SERVICE COMMISSION (CSSC). CONTRACTOR/SERVICE
PROVIDER**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT A

1. **Scope of Work.** Contractor shall perform the following duties and complete the following work, as requested by CSSC pursuant to the terms hereof:
[Insert detailed description of duties and work to be completed. Be sure to include clear "deliverables" the Contractor will provide.]

Time. Contractor shall commence the duties on the following date: [INSERT DATE HERE]

All work shall be completed by the following date: [INSERT DATE HERE]

Assigned Employees. If names of Contractor's employees are filled in below, then Contractor agrees that such employees shall perform the duties under this Agreement. The failure of such employees to perform the duties shall be deemed a breach of this Agreement by Contractor; provided, however, that CSSC may, by prior written approval, agree to accept different employees of Contractor to perform the duties under this Agreement.

[INSERT NAME(S) OF ASSIGNED EMPLOYEE(S), IF APPLICABLE.]

2. **Anticipated Compensation.** In exchange for complete and satisfactory performance of the work described in this SOW, Contractor shall receive the following anticipated maximum compensation for the work, unless this SOW is earlier terminated pursuant to the Agreement:

[Specify total sum or breakdown of partial payments, etc. If there is a price listing or a breakdown of costs per specific service(s) provided, indicate here or refer to it in an attachment.]

3. **Expenses.** Contractor shall be reimbursed reasonable expenses for:

[Insert total sum of reimbursable expenses. For example, nothing. Or total sum of transportation between such and such place, per diem allowance for lunch or dinner, hotels, copies, training materials, faxes, phone calls etc.]

No reimbursable expense in excess of _____ shall be incurred without CSSC's prior written approval. If Contractor travel reimbursement shall be made under this Agreement, then Contractor shall follow CSSC's travel policies and be subject to CSSC per diem rates.

4. **Manner of Payment.** Contractor's compensation and reimbursable expenses shall be paid:

Unless the Parties otherwise agree in writing, CSSC shall pay Contractor **net thirty (30) days** after receipt of proper approved invoice and/or receipt of completed and approved expense report. Note that all expense reports must be submitted with original invoices/receipts for each expense in excess of _____.

Payments in foreign currency will be paid as follows:

Downpayment ____%
Second instalment ____%
Third and Final Payment ____%

Contractors will be paid in the foreign currency specified in the contract provided that payments will be made to those that have a foreign currency bank account in their name or their company's name as per the contract.

No foreign payments to proxy or nominated individuals will be made.

Contractors and/or companies that do not have foreign currency bank account will be paid in local currency that is calculated on the date of contract signature.

Payments in local currency will be paid as per standard procedure. Contractor shall provide CSSC with periodic and final invoice statements indicating Services performed, expenses incurred (if reimbursable pursuant to Schedule A), past payments made and any other information CSSC shall reasonably request. Contractor shall provide a final invoice statement whenever requested by CSSC up to sixty (60) days after the date set for the completion of the Services in this SOW.

5. **Good Faith Estimate of Maximum Payments.** The following is a good faith estimate of the maximum payments to be made by CSSC under this Agreement, unless earlier terminated pursuant to this Agreement:

Anticipated Compensation (Section 2 above): Tshs _____

Reimbursable expenses (Section 3 above) Tshs _____

Maximum Sum of Contract/Purchase Order Tshs _____

ATTACHMENT B

CSSC Standard Terms and Conditions

- 1) Relationship of the Parties. The Parties are independent contractors of each other, and nothing in this Agreement creates an employer/employee, partnership, agency, or joint venture relationship. Neither Party has authority to enter into any agreement in the name of the other, or to create or assume any obligation of any kind, express or implied, on behalf of the other, except as specifically provided in this Agreement. Contractor and its employees are not entitled to CSSC employee benefits such as vacation, sick pay, insurance, allowance, or any other benefit provided to CSSC employees. Contractor is solely responsible for obtaining insurance coverage (including liability, medical, travel, life, workers' compensation insurance) as required by law and/or to cover its activities under this Agreement.
- 2) Ownership of Work. Contractor represents and warrants that: (1) all Work created pursuant to this Agreement shall be original work, (2) no third party shall hold any rights in or to such work, and (3) Contractor has secured appropriate license(s) to the extent any third-party holds rights to any material within the Work. Unless otherwise agreed to in this Agreement or subsequently by written agreement signed by the Parties, (1) all right, title, and interest in and to the Work (as defined below) shall vest with CSSC, (2) each Party will take any actions, approved by CSSC and at its expense, required to protect CSSC's right in the Work, and (3) upon request, Contractor shall provide CSSC all originals, copies, or other media containing or comprising the Work. "Work" shall include all services and/or deliverables performed under this Agreement, as well as data, materials, documents, files, notes, summaries, and any copies.
- 3) Confidential Information/Property. Neither Party shall disclose Confidential Information (as defined below) of the other Party to anyone or make use of such Confidential Information for its own purposes without the owner's prior written consent; provided, however, that Confidential Information may be disclosed to government authorities if the disclosure is required by law and the disclosing party has provided the owner notice and a reasonable opportunity to defend against such disclosure. Confidential information shall include information specifically designated confidential by the owner or that the receiving party knows or reasonably should know is not generally known to the public. Each Party agrees to immediately return and not retain copies of any Confidential Information and/or property of the other Party upon the termination of this Agreement and/or upon the owner's request.
- 4) Books and Records. The Contractor shall keep complete and accurate books of account and records relating to this Agreement and shall retain all records and supporting documentation for a period of 7 years after the submission of the final reports required by the Agreement. During the term of this Agreement (including renewals and extensions, if any) and for seven years thereafter, CSSC or its agents, with reasonable prior notice and during normal working hours, shall have full and free access to inspect, audit, and make extracts from such books and records.
- 5) Use of Name, Trademark, or Logo. Neither Party shall use the name, trademark, or logo of the other in any form of publicity relating to the work under this Agreement without the other Party's written consent.

- 6) Compliance with CSSC Policies and Laws. Each Party shall comply with all laws, regulations, and orders applicable to its performance under this Agreement. Contractor agrees to comply with CSSC policies and procedures applicable to this Agreement and made known to Consultant
- 7) Anti-Terrorism Certification. Each Party certifies that it has not provided and will not provide material support or resources to any individual or organization with the knowledge or intent that the support or resources be used to prepare for or carry out an act of terrorism in violation of applicable laws.
- 8) Conduct. The Contractor represents and warrants in connection with its work, that it:
- a) Shall not discriminate based on race, ethnicity, religion, national origin, gender, age, sexual orientation, marital status, citizenship status, disability, or military status.
 - b) Shall comply with the Statement of Commitment on Eliminating Sexual Exploitation and Abuse by UN and Non-UN personnel. Both parties commit to develop and/or disseminate organization-specific strategies or messages to prevent and respond to sexual exploitation and abuse, ensure that complaint mechanisms for reporting sexual exploitation and abuse are accessible, investigate allegations of sexual exploitation and abuse in a timely and professional manner, take appropriate action against perpetrators of sexual exploitation and abuse and protect victims and informants from retaliation.
 - c) Shall perform and complete its work hereunder in accordance with generally accepted industry standards, practices, and principles applicable to similar work.
 - d) Shall not carry-on propaganda or try to influence legislation of any government except as specifically provided in this Agreement.
 - e) Shall not participate or intervene in any political campaign for or against any candidate for public office.
- 9) Anti-Corruption. Contractor shall maintain and comply with a written code of conduct that prohibits giving anything of value, directly or indirectly, to any person or entity, including government officials, in the form of a bribe or kickback; establishes appropriate limitations on transactions with relatives or related businesses or ventures; and otherwise properly governs the performance of its employees engaged in soliciting, awarding or administering contracts, and receiving gifts. Contractor shall promptly inform CSSC in writing of any violations relating to its obligations hereunder and shall perform and cooperate with any investigation CSSC, in its discretion, may require.
- 10) Assumption of Liability. Each Party assumes all liability for all loss, damage, cost and expense arising out of or in any way connected with the operation or performance of, or the failure to perform, any duty, obligation, or activity on that Party's part, its subcontractor(s), agent(s), or employee(s) in connection with this Agreement. Each Party recognizes that activities associated with the Agreement may expose Contractor and its personnel, vendors, and/or agents to both direct and indirect safety and security risks. Each Party is solely responsible to ensure that adequate measures are taken to provide for the safety and security of anyone working on its behalf and/or direction. Neither Party will provide any assistance or support to the other in the area of safety and security without the prior express written agreement. Contractor assumes all risks, including damage to person and property, resulting from any political or social unrest. Contractor is solely responsible for the safety of its property and employees, if any, and

for obtaining any desired insurance protections with respect to Contractor's work in such circumstances.

- 11) Limitation of Liability. Neither Party will be liable to the other Party for any consequential, indirect, incidental, or special damages of any kind. In no event shall CSSC's liability to Contractor shall exceed the maximum anticipated compensation to Contractor set forth in the disputed and/or applicable SOW, whether in contract, tort, under any warranty, or any other theory of liability.
- 12) Indemnification. A Party ("Indemnitor") shall fully indemnify, hold harmless, and defend the other Party, its subsidiaries, and affiliates, and each of their respective officers, directors, employees, and agents ("Indemnitee") from and against any and all third-party claims, demands, liabilities, and expenses (including reasonable attorneys' fees) that arise from or are in any way related to the negligence, recklessness, intentional wrongdoing, fraud, infringement or misappropriation of intellectual property, and/or breach of any obligation under this Agreement by Indemnitor and/or its subcontractor(s), agent(s), or employee(s).
- 13) Non-Waiver. Failure by either Party to insist upon strict compliance with any of the terms of this Agreement shall not be deemed a waiver of such terms, nor shall any specific waiver or relinquishment be deemed a blanket waiver or relinquishment of such right or power. No waiver shall be binding unless in writing and signed by the Party granting the waiver.
- 14) Governing Law. This Agreement shall be governed by the laws of the United Republic of Tanzania
- 15) Dispute Resolution.

If the Contractor resides in and/or is organized under the laws of any jurisdiction other than the United States, all disputes arising out of or in connection with this Agreement ("Dispute") shall be finally settled under the Rules of Court of Tanzania. Judgment on the award may be issued in any court of competent jurisdiction.

Prior to commencing arbitration or litigation, the Parties will first attempt in good faith to resolve the Dispute through confidential negotiation for a period of forty-five (45) calendar days. Such negotiation shall be between the Parties' senior management, each of whom must have authority to settle the Dispute.

Notwithstanding the forgoing, either Party may commence proceedings prior to or during such negotiation if doing so is necessary in order to avoid the running of a statute of limitations, to seek urgent interim relief from a court or arbitrator as permitted or otherwise to protect a legal right that may be lost as a result of the passage of time.
- 16) Subgrant and Subcontracts; Assignment. Contractor shall not Subgrant/subcontract any portion of its performance without the prior written consent of CSSC, except as set forth in the Agreement. Notwithstanding the foregoing, Contractor may enter into contracts with third parties as required to conduct its normal operations and on customary business terms without the consent of CSSC. Contractor shall not transfer or assign its interest in this Agreement in whole or in part without the prior written consent of CSSC. All terms and conditions of this Agreement shall be binding upon the respective Parties hereto, their personal representatives, successors, and assigns.



ATTACHMENT #13

GENERAL RECEIPT NOTE

Receiving Entity	
Receiving Location	

GRN #	
Date	

Vendor #		P. O #	
Vendor Name		Proc. Req. #	
Address		RFQ #	
		Invoice #	
		Total Amount	

Received the Goods / Services as mentioned below:

Item #	Stock Inventory Code	Description of Goods / Nature of Service	Unit	Quantity		Difference	Unit Cost	
				Ordered	Received			
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								

Remarks/Observations:

Certification of Service / Consultant Completion: (Attach Cover Sheet and Table of Contents/Summary Page if consultant produced a report.)

"Services have been completed in accordance with the agreement, and I have attached required documentation to support the completion of this work."

Program Manager Signature

Date

Delivered by		Received by		Checked by		Entered by	
Name		Name		Name		Name	
Veh. #		Signature		Signature		Sign.	
Date		Date		Date		Date	
Time		Time					

ORIGINAL

Fin.-attach to Invoice

COPY - 1

Stores Keeper/Inventory

COPY - 2

Proc. Section

COPY - 3

Receiving Location



CSSC
Authorized Signatory Form [ASF]

Employee Name:

Title / Position:

Employee Number:

Project / Department:

Date:

Document Approval	TZS
1. Purchase Request	TZS
2. Purchase Order	TZS
3. Vendor Agreement	TZS
4. Petty Cash Voucher	TZS
5. Summary of Bid Analysis	TZS
6. Staff Employment Agreement	TZS
7. Stores Receipt/Disbursement	TZS
8. Payroll (Salary Advance)	TZS
9. Finance Voucher	TZS
10. Cheque	TZS
11. Travel Expense Report	TZS
12. Cash/Disbursement Request	TZS
13. Donor Agreement	TZS
14. Sub agreement	TZS

Specimen Signature & Date	
--------------------------------------	--

Specimen Initials & Date	
-------------------------------------	--

Approved by (ED) Signature & Date	
--	--

Note: The specimen signature and employee initials are the employee's official signature/initials and should be the same that will routinely be used for payment and other document approvals. Also, the TZS limit amount may not relate to some document approvals, e.g. stores receipt/disbursement, inventory, human resource, etc. In those instances, leave the amount blank.



NON-COMPETITIVE PROCUREMENT JUSTIFICATION FORM

Name of Project Requesting Approval			
Estimated Cost		Currency	TZS/USD
Project No.	Fund Code	Donor Name	
Vendor Name & ID			
Purchase Request #		Date of PR	
Type of Material, Service or Consultancy:			

[Note: The estimated cost indicated above cannot exceed the approved donor budget. If there is an increase, the requestor should provide additional justification and provide the source/s of these additional funds.]

1	Procurement by non-competitive procedures is through a solicitation of only one source and meets one or more of the following criteria below (mark all that apply). ☐ The item is available from a single source. ☐ An emergency requirement for the procurement of goods, services or consultancy will not allow the delay that could result from competitive solicitations. ☐ The donor expressly authorizes non-competitive procurement in response to a request from CSSC. ☐ Competition is deemed inadequate after the solicitation of quotations from a number of possible vendor sources.
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2	Provide the specifications of the goods, services or consultancy required.
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3	Provide below, the justification as to why a Non-Competitive Procurement is required
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	Name	Position/Title	Date
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	Name	Position/Title	Date
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	Name	Executive Director	Date
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Purchase Requisition Number:

Section II: Recommended Vendor / JustificationPage 1 of 1



Bid Closing Date	
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Purchase Requisition Number:	
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[illegible]

Approval of Procurement Committee Members		
Name	Signature	Date
1.		
2.		
3.		

Date Sealed Bids Opened	
^a Time Opened	

**Conflict of interest declaration form**

Prior to proposals/ bids being opened and evaluated, this form is to be completed by each member of the Tender Committee or evaluation committee.

Procurement Requisition No:	
RFP Title and Number	
Date Submitted:	

CSSC operates a procurement process which is fair, transparent and open. The organisation requires that anyone participating in its procurement process makes a declaration of any potential conflicts of interest.

Failure to complete this declaration will lead to automatic disqualification from participating further in the procurement process. Potential conflicts of interest include the following (the list is not exhaustive): -

1. Relationship/ Association with any of the bidders.
2. Previously worked with/for any of the bidders.
3. Involvement in earlier phases of the project for which bids/proposals were sought.
4. Knowledge of a bid or proposal before it was formally opened
5. Interaction any of the bidders regarding their bid.
6. Shareholder/ Board Member/ Office bearer of firm which is bidding.

If you are in any doubt about whether something is a potential conflict of interest, you are advised to declare it below. Please complete Section A and delete Section B or delete Section

A. I wish to declare the following conflict(s) of interest: -

- 1:
- 2:
- 3:
- 4:

B. I have no conflicts of interest to declare.

Staff / Committee Member: _____

Signature:Date: _____

Confirmed by TC Chair / CD: _____

Conclusion:

Performance Bank Guarantee Template

Date:

To (Name of Employer):
Address of Employer

Dear Sir,

WHEREAS..... (hereinafter called "the Contractor") has undertaken pursuance of Contract No..... datedto execute.....(hereinafter called "the works")

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee: NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of TZS (***amount of Guarantee in figures***) TZS.....

(***amount of Guarantee in words***), and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of Tanzania Shillings(***amount of Guarantee in words***) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein. We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand. We further agree that no change, addition or other modification of the terms of the Contract or of the Works to be performed there under or of any of the Contract documents which may be made between you and the Contractor shall in any way release us from any liability under this Guarantee, and we hereby waive notice of any change, addition, or modification.

This guarantee shall be valid until the date of issue of the Certificate of Completion.

SIGNATURE AND SEAL OF THE GUARANTOR

Name of Bank

DRAFT AGREEMENT FORM FOR CONSTRUCTION ARTICLES OF AGREEMENT

1. This deed of agreement is made in the form of agreement on _____ day _____ month _____ 20____, between the _____ (Employer) or his authorised representative (hereinafter referred to as the first party), and _____ (Name of the contractor), s/o _____ resident of _____ (hereinafter referred to as the second party), to execute the work of construction of _____ (hereinafter referred to as works) on the following terms and conditions:

2. Cost of the Contract

The total cost of the works (herein referred as the "total cost") is TShs. _____ as reflected in Annex-A.

3. Payments under its contract:

3.1. Payment to the second party for the construction work will be released by the first party in the following manner:

On signing of agreement	: 25% of the total cost
On reaching plinth level (1 st stage)	: 25% of the total cost
On reaching lintel level (2 nd stage)	: 25% of the total cost
On reaching roof level (3 rd stage)	: 15% of the total cost
Plastering & completion of whole work (4 th stage)	: 10% of the total cost

(The above has been drafted for construction of school buildings; modify this suitably for other works)

3.2. Payments at each stage will be made by the first party:

- (a) on the second party submitting an invoice for an equivalent amount;
- (b) on certification of invoice (except for the first installment) by the Engineer nominated by the first party with respect to quality of works in the format in Annex-B; and
- (c) upon proper and justified utilization of at least 50% of the previous instalment and 100% of any prior instalment.

4. Notice by Contractor to Engineer

The second party, on the works reaching each stage of construction, issues a notice to the first party or the Engineer nominated by the first party (who is responsible for supervising the contractor, administering the contract, certifying the payments due to the contractor, issuing and valuing variations to the contract, awarding extensions of time etc), to visit the site for certification of stage completion. Within 15 days of the receipt of such notice, the first party or the Engineer nominated by it, will ensure issue of stage completion certificate after due verification.

5. Completion time

The works should be completed in _____ [insert either months, weeks/days] from the date of this agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

6. If any of the compensation events mentioned below would prevent the work being completed by the intended completion date, the first party will decide on the intended completion date being extended by a suitable period:
- a) The first party does not give access to the site or a party thereof by the agreed period.
 - b) The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.
 - c) Ground conditions are substantially more adverse than could reasonably have been assumed before issue of letter of acceptance and from information provided to the second party or from visual inspection of the site.
 - d) Payments due to the second party are delayed without reason.
 - e) Certification for stage completion of the work is delayed unreasonably.
7. Any willful delay on the part of the second party in completing the construction within the stipulated period will render him liable to pay liquidated damages at TShs * ___ day which will be deducted from payments due to him. The first party may cancel the contract and take recourse to such other action as deemed appropriate once the total amount of liquidated damages exceeds 2% of the contract amount.

(Note: *The amount of liquidated damages per day should be determined at 0.05% of the contract value of the works and indicated here)

8. Duties and responsibility of the first party

8.1 The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visits of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is per the norms.

8.2 The first party shall issue 3 sets of drawings, specifications and guidelines to the second party for the proposed works

8.3 Possession of the site will be handed over to the second party within 10 days of signing of the agreement.

8.4 The Engineer or such other person as may be authorized by the first party shall hold meetings once a month where the second party or his representative at site will submit the latest information including progress reports and difficulties if any, in the execution of the work. The whole team may jointly inspect the site on a particular day to take stock of activities.

8.5 The Engineer shall record his observations/instructions at the time of his site visit in a site register maintained by the second party. If the deviations are not rectified, within the time specified in the Engineer's notice, the first party as well as the engineer nominated by it, may instruct stoppage or suspension of the construction. It shall thereupon be open to the first party or the engineer to have the deviations rectified at the cost of the second party.

9. Duties and responsibilities of the second party

9.1. The second party shall:

- a) Take up the works and arrange for its completion within the time period stipulated in Clause 5

- b) Employ suitably skilled persons to carry out the works
- c) Regularly supervise and monitor the progress of work
- d) Abide by the technical suggestions/direction of the supervisory personnel including engineers, etc. regarding building construction
- e) Be responsible for bringing discrepancies to the attention of the representative of the first party and seek necessary clarification
- f) Ensure that the work is carried out in accordance with specifications, drawings, and within the total of the contract amount without any cost escalation
- g) Keep the first party informed about the progress of work
- h) Be responsible for all security arrangements at site till handing over of the building to the first party
- i) Maintain necessary insurance against loss of materials/cash, etc or workman disability compensation claims of the personnel deployed on the works as well as third party claims.
- j) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (first party will effect deduction from running bills in respect of such taxes as may be imposed under the law).

10. Variations/Extra Items

The works shall be carried out by the second party in accordance with the approved drawings and specifications. However, if, on account of site conditions or any other factors, variations are considered necessary, the following procedures shall be followed:

- a) The second party shall provide the Engineer with a quotation for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request before the Variation is ordered.
- b) If the quotation given by the second party is unreasonable, the Engineer may order the Variation and make a change to the Contract Price which shall be based on Engineer's own forecast of the effects of the Variation on the Contractor's costs.
- c) The second party shall not be entitled to additional payments for costs which could have been avoided by giving early warning.

11. Securities

The Performance Security shall be provided to the employer no later than the date specified in the letter of acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee.

12. Termination

- 12.1. The Employer may terminate the contract if the other party causes a fundamental breach of the Contract.
- 12.2. Fundamental breaches of Contract include, but are not limited to the following:
 - a) The contractor stops work for 28 days and the stoppage has not been authorized by the Engineer;
 - b) The contractor has become bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
 - c) The Engineer gives notice that failure to correct a Defect is a fundamental breach of Contract and the contractor fails to correct it within a reasonable period of time determined by the Engineer;
 - d) The Contractor does not maintain a security which is required.

- 12.3. Notwithstanding the above, the Employer may terminate the contract in its sole discretion and any reason whatsoever, decides to terminate the contract.
- 12.4. If the Contract is terminated the Contractor shall stop work immediately, make the site safe and secure and leave the Site as soon as reasonably possible.

13. Payment upon termination

- 13.1. If the Contract is terminated because of a fundamental breach of Contract, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law.
- 13.2. If the Contract is terminated at the Employer's convenience, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the works, and the Contractor's costs of protecting and securing the works and less advance payments received up to the date of the certificate, less other recoveries due interims of the contract, and less taxes due to be deducted at source as per applicable law.

14. Dispute settlement

If any dispute over the works arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation.

In the event of agreement not being reached, the matter will be referred for arbitration by a Sole Arbitrator not below the level of retired Professional Engineer/Architect/Quality Surveyor, to be appointed by the first party. The Arbitration will be conducted in accordance with the National Construction Council (NCC). The decision of the Arbitrator shall be final and binding on both the parties.