

CENTRAL PROCUREMENT BOARD OF NAMIBIA

MEDIA BRIEFING

**PROGRESS REPORT FOR THE YEAR ENDED 31 MARCH
2018**

BY

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CHAIRPERSON OF CENTRAL PROCUREMENT BOARD OF
NAMIBIA**

13 JUNE 2018

Deputy Chairperson

Management of CPBN

Members of the Media

1. Good morning and thank you for having honoured the invitation to attend the Central Procurement Board's first media briefing.
2. The CPBN recognises the crucial role that media play in facilitating a platform on which we can educate and inform our all our stakeholders. So, we trust that this will be the beginning of a continued partnership in keeping the public informed on the milestones reached by CPBN in realising its mandate.
3. It has been fifteen months since the establishment of the Central Procurement Board and it is within this context that we wish to provide an overview of the Board's operations and activities during the year.
4. Ladies and Gentlemen. The Act created and established three separate entities, The Central Procurement Board of Namibia, the Procurement Policy Unit and the Review Panel, each with its own mandate and responsibilities.
5. The CPBN is still inundated with various questions related to procurement bids that were previously conducted by Public Entities or on whether the CPBN grants exemptions to Public Entities, and as such, it is important to clarify the roles and responsibilities of the CPBN.
6. The principle objects of CPBN are to conduct the bidding process on behalf of Public Entities for the procurement that exceeds the thresholds prescribed in Categories 1, 2 and 3 as defined in the Regulations; enter into contracts for the procurement and direct and supervise accounting officers in managing the

implementation of procurement contracts awarded by the Board. The CPBN therefore, does not grant exemptions to any Public Entity as it is not mandated to do so.

7. The Procurement Policy Unit (PPU) is mandated, amongst others, to advise the Minister on any procurement or disposal which includes the monitoring of compliance with the Act, the reviewing of the procurement system, the assessing of the impact of the procurement system on the socio-economic policy objectives of the Government, the promotion of the fundamental principles of procurement governing the administration of procurement and the reviewing, monitoring and assessing methods of disposal of assets. The functions of the PPU are listed under Section 7 of the Act and include the proposal of various thresholds; preparation of guidelines regarding procurement matters; advising public entities on all procurement policies, principles and practices; set mandatory training standards; and issuance of standardised bidding documents for mandatory use by every public entity, to mention a few.
8. The Review Panel is mandated to adjudicate on application for review of procurement matters from bidders and public entities.
9. Each public entity has been mandated to procure up to the value a specified threshold, using the internal structures (i.e. Procurement Committee – similar to the Procurement Board, Procurement Management Units and Bid Evaluation Committees). The thresholds, according to Annexure 2 of the Act, are:

Category of Public Goods	Works	Consultancy services	Non-consultancy services
Category 1	<N\$25 mil	<N\$35 mil	<N\$20 mil
Central Procurement Board of Namibia	>N\$25 mil	>N\$35 mil	>N\$20 mil
Category 2	<N\$20 mil	<N\$30 mil	<N\$15 mil
Central Procurement Board of Namibia	>N\$20 mil	>N\$30 mil	>N\$15 mil
Category 3	<N\$15 mil	<N\$20 mil	<N\$10 mil
Central Procurement Board of Namibia	>N\$15 mil	>N\$20 mil	>N\$10 mil

10. If the procurement value is above the particular threshold, the public entity must submit an Individual Procurement Plan (IPP) to the Board for the approval of the procurement method. A key feature in the PPA, is the certification of the availability of funds by the Accounting Officer, before the commencement of a procurement process.

Ladies and Gentlemen, let us look at some of the activities of the CPBN:

Procurement Statistics as at 31 March 2018

11. CPBN approved seventeen Individual Procurement Plans (IPP) to the value of N\$2,5 billion and awarded a total of 28 extensions, variation orders, price increases and new procurement awards valued at an estimated N\$1,46 billion at its 29 meetings.

- 11.1. Eighteen extensions of contracts to the value of N\$ 848 334 945.75
- 11.2. Three variations orders were approved amounting to N\$ 21 079 362.63
- 11.3. Two matters for price increases amounting to N\$ 15 373 327.33
- 11.4. Five procurement awards were made amounting to N\$ 572 586 414.39

Challenges and Appeals

12. One of the five awards concluded by the Board, valued at N\$ 111 377 518.27 was challenged by a bidder. The Review Panel set the decision of the Board aside, where-after the Board challenged the decision in the High Court. We await the outcome of this court ruling during the next financial year.

Procurement of Anti-Retroviral (ARV) Medicine

13. Thirteen bids were received for the ARV bid which closed on the 17th of January 2018. A copy of the Bid Opening report is available on the website of CPBN. The bid was however cancelled to ensure that the Board complied with the provisions of the Act to ensure that the bidders were given an opportunity to participate in a fair, transparent and competitive bidding process. The revised bidding documents will be issued once the process has been completed.

Capacity of CPBN

Ladies and Gentlemen,

14. The CPBN is a procuring agent, it is therefore of utmost importance for CPBN to collaborate with the Public Entity to execute the procurement. The Public Entity prepares the Individual Procurement Plan according to their own strategic plans and budget, after which they prepare the bidding documents with the specifications

and the evaluation criteria. The role of the Board is to ensure that the specifications and the evaluation criteria encourages fair competition and compliance to the Act.

15. The staff compliment of the organisation has been sufficient for the workload CPBN had to deal with in 2017/18, however, the current influx of individual procurement plans has necessitated the organisation to revisit its recruitment strategy and accelerate the recruitment process of staff.
16. The specific areas in which the organisation will requires manpower are in the core functional areas of the CPBN, being procurement officials and professionals in certain technical fields. The first round of adverts closed on Friday, 8 June 2018, and more will follow soon.
17. Further to the above, the organisation requires a pool of experts to evaluate the bids conducted on behalf of the public entities. In accordance with Section 26(8) of the PPA, and I quote: “For the sake of an independent evaluation process and avoidance of conflict of interest, a member of the Board may not form part of a bid evaluation committee of the Board”. So far, our list comprises of 67 professionals, but given the increase in the IPPs and the requirement listed in regulation 13 that such a committee must have between 3 and 7 evaluators, the organisation issued “An Expression of Interest” for interested professionals to apply. Through this exercise, the Board received another 80 applications. However, to strengthen and enlarge this capacity of the CPBN to evaluate bids across the spectrum of procurement required, we require a pool of approximately 1000 professionals, from where the Board could elect the desired mixture of skills and appoint them as an Ad Hoc Bid Evaluation Committee in terms of the Act to evaluate a procurement bid and submit a bid evaluation report to the Board for consideration and approval.

18. We, therefore, appeal to the professionals in the country, from Engineers, Quantity Surveyors, Architects, Pharmacists, Accountants, Lawyers, IT professionals, Geologist, Aviation experts, to mention a few, to download the registration form for the CPBNs website, complete it and forward it to our offices.

Ladies and Gentlemen,

19. For CPBN to execute its mandate, it cannot function and operate on its own. The organisation therefore recognises the support from the Ministry of Finance, the Procurement Policy Unit and the Public Entities. It also appreciates the engagements of the Public Entities over the year and the open communications between the organisation and its stakeholders. We pledge to standardise our processes more to enable shorter decision time and therefore reducing the time taken to procure goods and services.

20. As I conclude, ladies and gentlemen, allow me to assure the stakeholders that the CPBN will work tirelessly to execute its mandate, and we will foster stronger working relationships with all the stakeholders whilst remaining within the ambit of the Act.

21. We remain grateful to the members of the Board for their leadership and guidance during this challenging inception phase. We are also grateful to all the stakeholders, the Government and partners for the confidence that they have shown in us over the year.

I thank you all for your attention,

God bless you.