

CENTRAL PROCUREMENT BOARD OF NAMIBIA

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PRESS RELEASE

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The Central Procurement Board of Namibia would hereby like to address the recent media reports and put various matters into correct perspective:

The Public Procurement Act, 15 of 2015 (the Act) created and established the Central Procurement Board of Namibia (CPBN) in terms of Section 8 as a juristic person and its mandate is to conduct the bidding process on behalf of Public Entities for procurement that exceeds the thresholds as prescribed in Categories 1,2 and 3 as defined in the Regulations. The CPBN is further mandated to enter into contracts for these procurements and direct and supervise accounting officers in managing the implementation of procurement contracts awarded by the Board.

Firstly, several newspaper articles have reported on the narrative of awarding of bids to foreign companies and falsely accused CPBN of furthering Chinese interests at the expense of local firms. During the first quarter of 2019, the CPBN awarded two (2) contracts for construction work on Valombola and Nakayale Vocational Centres amounting to N\$27,695,420.10 and N\$37,780,243.33 respectively to **Africa Civil Engineering CC JV China State Construction Engineering Corporation** following the recommendation of two different independent Bid Evaluation Committees as the lowest evaluated substantially responsive bidder. The Board reviewed the outcome of the process and resolved to engage public entities to use Open National Bidding process, particularly section 29(a) which restricts participation to Namibian citizens far as practically possible or motivates deviation from this advantage for works related bids issued by CPBN.

Secondly, it has been reported that the CPBN is characterized by lack of expertise and leadership. In respect of the technical expertise, the CPBN is still finalizing the recruitment of staff and is currently experiencing several challenges, especially with the Procurement Act which is still new to everyone. Support from the stakeholders will be highly valued especially due to lack of the necessary skills and resources, as is the case with any other Public Entities. With response to the challenges of leadership, it must be stated that the CPBN is not a conventional Board which meets 4-6 times a year. For CPBN to fulfil its mandate, the Board is required to meet four (4) times a month, sometimes even more. The Chairperson and the Deputy Chairperson are also the Administrative and Deputy Administrative Heads, which requires that the Board be more involved in the organization, especially during its setup, drawing from the diverse skillset and experience of the Board members.

The organisation has made good progress in areas such as external procurement but falls short in other areas such as governance.

The CPBN rejects further media reports claiming that the institution is paralyzed, and dysfunctional due to the delays resulting in the lengthy procurement processes. These delays are caused by a number of factors, such as the SBDs which are designed by the Procurement Policy Unit (PPU) as a generic bidding document per category of procurement, the understanding and interpretation of the Act, the capacity of procurement staff of the public entities and the shortage of staff at CPBN.

Thirdly, on another separate matter, the CPBN received a directive from the Ministry of Finance in July 2018 that vetting, a security clearance process be conducted on all potential employees, prior to permanent employment being offered by the CPBN as a condition of employment. To date, most of the positions on the structure have been advertised, interviews were conducted, and vetting results are awaited before permanent employment can be offered. In addition, all fixed contracts that came to an end on the 31st March 2019 and extension thereof could not be considered due the abovementioned requirement.

Lastly, we wish to refute the allegations of infighting amongst the Executive Team of the CPBN. It is common practice in every organization for individuals to have differences of opinion and work methodologies, especially since they come from different career or corporate backgrounds and this does not constitute or warrant allegations of infighting.

During the past months, we have received several queries from the media regarding the above stated issues, but due to limited capacity and time constraints we were unable to respond within the timelines provided. It is however, quite disheartening to see the media indulging in negative reporting without obtaining substantiated information as this can be detrimental to the image of the CPBN.

Since the beginning of this year, we have made efforts to strengthen the partnerships between CPBN and the media in keeping the public informed about the operations and the milestones reached by the CPBN. The CPBN has held two different media engagements so far i.e the editors' forum on the 14th February 2019 followed by a press briefing with various media houses on the 08 March 2019.

In conclusion, we herewith reiterate that the CPBN recognizes the crucial role that the media plays in facilitating platforms on which we can educate and inform all our stakeholders.

For further information regarding the above, kindly consult our Communications Division at pr@cpb.org.na or telephone number: **061-447700**