

CENTRAL PROCUREMENT BOARD OF NAMIBIA

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PRESS RELEASE

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CLARITY TO AWARD OF CONTRACT: PROCUREMENT OF DIAMOND VALUATOR SERVICES

1. The Central Procurement Board of Namibia (CPBN) seeks to provide clarity on the awarding of the afore-mentioned bid.
2. During 2018, the CPBN invited bids on behalf of the Ministry of Mines and Energy for procurement of Government Diamond Valuation Services by way of Open National Bidding as provided for in terms of Section 29 of the Public Procurement Act, 15 of 2015 (hereinafter referred to as the Act).
3. The process of examination and evaluation of bids was done by an *ad hoc* independent Bid Evaluation Committee (BEC) in accordance with section 26 of the Act. The BEC evaluated the bids based on the criteria in the bidding document as provided for by the Ministry of Mines and Energy, as the experts in this industry.
4. The BEC completed its evaluation and submitted a final report to the Board of the CPBN (hereinafter referred to as the Board) in terms of which **Gem Diamonds Namibia (Pty) Ltd** was recommended as the successful bidder. The Board's decision which was published through a Notice of Intention to Award to all the bidders was subsequently opposed by five (5) bidders who requested the CPBN to reconsider its decision.
5. This request by the unsuccessful bidders was dealt with by the Board which reconfirmed its earlier decision to award to Gem Diamonds Namibia (Pty) Ltd.
6. The final decision of the Board was then taken for review to the Review Panel, which is an independent body which rejected the application of the applicants and found that the Board has acted fairly and correctly in its decision. The Review Panel's decision can be found on our website. (<http://www.cpb.org.na/index.php/bids-management/panel-review-decisions>)

7. In accordance with Section 52 (9) of the Act, every bid is evaluated according to the criteria and methodology set out in the bidding documents and the evaluated cost of each bid is compared with the evaluated cost of other bids to determine the most economically advantageous bid.
8. **The CPBN, thus wishes to highlight the fact that the total bid amount was not at a determining factor in this particular bid. The variables considered were technical compliance, training and development, corporate social responsibility and unit rates offered. Additionally, this bid was a ‘time-based procurement’ and it was not evaluated on a “total bid amount”, but on a “unit-rate”. Because it was a unit rate bid that depends on the volumes of the parcels, the CBPN cannot confirm that the Ministry of Mines and Energy will be paying N\$60-80 million for the services.**
9. With regards to the Technical competence of the bidder, the CPBN can hereby confirm that the bidding document required bidders to comply with a specified minimum requirement of four (4) key personnel with experience in diamond sorting and valuating and the preferred bidder exceeded this minimum requirement.
7. The Board duly exercised its right as contemplated in Section 9(1)(l) (i) and (ii) which is to approve or reject the recommendation of the bid evaluation committee to award a contract or to require the bid evaluation committee where applicable to make further evaluations on specified grounds. And on this basis, the CBPN thus refutes media allegations claiming that ***“it allegedly cooked the scores to favour Gem Diamonds Namibia (Pty) Ltd, which is linked to a known-wheeler-dealer minister and a clique of connected business people”***
8. CPBN wishes to reiterate that the evaluation process was fairly and transparently conducted within the provisions of the Act and that Gem Diamonds Namibia (Pty) Ltd has attained the highest total resultant score on all three phases as set out in the bidding document.
9. Gem Diamonds Namibia (Pty) Ltd was therefore the substantially most responsive bidder for this bid.

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