



## **Guidelines**

**for**

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# **Participation of Special Groups in Public Procurement**

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**Public Procurement Regulatory Authority**

**P. O. Box 2865**

**DODOMA**

**May, 2020**

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<b>PART I: INTRODUCTION</b>	
1. Background	<p>1.1. Participation of Youth, Women, Elders and People with Disabilities as a Special Group in Public procurement has been observed to have a great impact on the economy of the Country if it is well managed. Having observed the importance of participation of this group in public procurement, the Public Procurement Act of 2011 was amended to cover these groups.</p> <p>1.2. Pursuant to Section 64 (2) (c) of Public Procurement Act Cap 410 (as amended) and Regulation 30 C of PPR of 2013 (as amended), all Procuring Entities (PEs) shall set aside thirty (30) percent of their annual procurement volume for this group.</p> <p>1.3. These changes in the legislation has necessitated the Authority to develop guideline for participation of Special Groups in Public procurement.</p> <p>1.4. Section 106 of the Public Procurement Act Cap 410 has mandated the Authority to issue guidelines from time to time for the better carrying out of its objectives or any functions under the Act. The guideline is hereby issued to guide participation of Special Groups in public procurement.</p>
<b>PART II: PRELIMINARY</b>	
2. Short Title	2.1 This guideline may be cited as the Guideline for Participation of Special Groups in Public Procurement.
3. Purpose of the Guideline	<p>3.1 The general purpose of this guideline is to guide procuring entities and Special Groups on the implementation of the Public Procurement Act Cap 410 and its Regulations on proper participation of Special Groups;</p> <p>3.2 Specific Purpose of the guideline are:</p> <ul style="list-style-type: none"> <li>a) To ease understanding of the procedure governing preferential scheme for Special Groups;</li> <li>b) To help special groups organize, plan, prepare and submit responsive bids as well as honor their</li> </ul>

	<p>commitments and obligations to the contracts won;</p> <p>c) To stimulate PE to comply with the preferential scheme requirement</p> <p>d) To sensitize and facilitate capacity building of Special Groups on Public Procurement; and</p> <p>e) To lay down with clarity the role of parties involved in these preferential schemes for Special Groups</p>
4. Application of the Guidelines	4.1 These guidelines shall be applied by procuring entities as a creative approach to enhance efficiency of the procurement from Special Groups.
5. Definitions	<p>5.1 In these Guidelines, unless the context requires otherwise:-</p> <p>“Accounting officer” means a government officer appointed in accordance with the provisions of the Public Finance Act or a public officer statutorily appointed to hold a vote or subvention and accounts for all monies expended from that vote or subvention;</p> <p>“Authority” means the Public Procurement Regulatory Authority;</p> <p>“Bidder” for the purpose of this guideline bidder shall mean a legally constituted special group;</p> <p>“Elder” is any citizen of Tanzania aged from 60 years and above;</p> <p>“Person with disability” includes all Tanzanian nationals, male and female whose normal conduct is hindered by his/her biological or physical make up, whether by appearance or proof from any recognized sources;</p> <p>“PMIS” means Procurement Management Information System;</p>
	<p>“Preference Scheme” is an arrangement where advantage is given to local bidders when procuring works, goods and services in a public procurement process;</p> <p>“Procuring entity” means a public body and any other</p>

body, or unit established and mandated by government to carry out public functions;

“Procurement” means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring;

entity and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation and award of contracts;

“Procurement contract” means any license, permit, or other concession or authority issued by a public body or entered into between a public body and a supplier, contractor or consultant, resulting from procurement proceedings for carrying out construction or other related works or for the supply of any goods or services;

“Procurement proceedings” means the proceedings to be followed by a procuring entity or any approving authority when engaging in procurement;

"Procurement process" means the successive stages in the procurement cycle, including planning, choice of procedures, measures to solicit offers from tenderers, examination and evaluation of those offers, award of contract and contract management;

“Special group preference scheme” is an arrangement where sole advantage is given by setting aside certain percentage of procurement to special groups when procuring works, goods and services in a public procurement process;

“Special Group Supporting Entity” includes Ministries, Agencies, Government Organizations, Departments responsible for the Development and Empowerment of women, youth, elderly and persons with disability;

“Special Groups” includes women, youth, elderly and persons with disability as defined in respective laws and policies;

“Tender Board” means the board established by the procuring entity by virtue of the provision of Section

	<p>31 of the Public Procurement Act, Cap 410;</p> <p>Website” means PPRA’s website;</p> <p>“Woman” is any female citizen of Tanzania, ages 18 and above;</p> <p>“Youth” is any Tanzania citizen aged from 18 and 35 years;</p>
<b>PART III: QUALIFICATIONS AND REGISTRATION</b>	
<p>6. Eligibility</p>	<p>6.1 Regulation 30A and 31 of PPR of 2013 as amended provide general qualification criteria required for participation under this preference scheme. An individual or a firm shall be qualified to benefit from the preference scheme for Special Groups if such individual or firm:</p> <ul style="list-style-type: none"> <li>a) Has constituted itself/themselves into a formal entity provided under the Act;</li> <li>b) has the necessary qualifications, capability, experience, and, there appropriate, resources, equipment and facilities to provide the goods, works or services intended to be procured;</li> <li>c) has the legal capacity to enter into a contract for the procurement;</li> <li>d) is not, bankrupt or not the subject of legal proceedings relating to the foregoing;</li> <li>e) is among the persons with whom the procuring entity may enter into a contract, not being precluded from doing so under the requirements of Section 51 of the Act;</li> <li>f) is not debarred from participating in procurement proceedings under Section 62 of the Act; and</li> <li>g) is registered by the appropriate Special Group Supporting Entities (SGSE);</li> <li>h) has been entered in the special register of the Authority and the Agency upon being registered and submitted by the relevant special groups supporting</li> </ul>

	<p>entity; and</p> <p>i) Has at least seventy percent membership of the members forming such special group and headed/managed/run one hundred percent by the relevant special group.</p> <p>6.2 For the purpose of paragraph (g) above, the Special Group Supporting Entities includes but not limited to SIDO, VETA, Ministry responsible for Community Development, Councils in the Local Government Authorities and TARURA</p>
<p>7. Registration of Special Group Entity</p>	<p>7.1 Pursuant to Regulation 30B (1) of PPR, 2013 as amended a special group wishing to participate in public procurement shall apply for registration with the appropriate Special Group Supporting Entities (SGSE);</p> <p>7.2 The registration shall be carried out by the relevant Special Group Supporting Entities (SGSE) after it has received application for registration from the beneficiaries of each group;</p> <p>7.3 After being registered, the SGSE shall forward the list of registered entity of special groups to the Authority for the purpose of being recorded in the roll of registered special groups;</p> <p>7.4 PEs shall not award a contract to a special group that has not been recorded in the Authority's roll;</p> <p>7.5 SGSE shall issue a registration certificate to a registered entity of special groups;</p> <p>7.6 Before issuing a certificate of registration, each relevant SGSE shall provide necessary training regarding the services the group wishing to carry out as well as modality of managing respective activities;</p> <p>7.7 For the better carrying out of their functions in accordance with Regulation 30B (2) of PPR, 2013 as amended, the training in regard to the Special Group shall include but not limited to the following basic skills</p>

	<ul style="list-style-type: none"> <li>a. Leadership and management skills</li> <li>b. Procurement procedures</li> <li>c. Project implementation skills</li> <li>d. Financial management</li> <li>e. Dispute resolutions</li> </ul> <p>7.8 Pursuant to Regulation 30B (3) the Authority may request details of the registered special groups for the purpose of justifying its eligibility for exclusive preference scheme;</p>
<p>8. Requirements for Registration of Special Group Entity</p>	<p>8.1 The following documents/details shall be required for registration consideration by SGSE:</p> <ul style="list-style-type: none"> <li>a) Application letter of each member of a Special Group channeled through Local Government Authority of the nearby area he/she resides and his relevant eligibility status;</li> <li>b) Group profile, (with list of group members, and their relevant eligibility status);</li> <li>c) National Identification Number (NID) of each member;</li> <li>d) Reliable referees recognized by the Local Government Authority of the nearby area;</li> <li>e) Birth Certificate, for persons wishing to be registered under Youth category;</li> <li>f) For regulated works or services, the special group will be required to be registered by the appropriate professional or regulatory authority.</li> </ul>
<p>9. Term limit</p>	<p>9.1 An entity registered by SGSE, included in the Authority's Roll in a target group benefiting from this scheme shall be entitled to such benefits for a period of five years, which may be renewable every after 5 years, subject to SGSE's determination whether the group will have been graduated or ceased to have qualifications;</p> <p>9.2 The registration for Youth category shall lose its eligibility to participate in this scheme after the lapse of term limit provided in this Guideline but shall be eligible for re-newal upon satisfying the requirements under</p>

	Regulation 8.
10. Category of Registration	<p>10.1 The SGSE shall register special groups in the following business categories:</p> <ul style="list-style-type: none"> <li>(a) Suppliers category;</li> <li>(b) Contractors category</li> <li>(c) Non-consultancy services category</li> <li>(d) Consultancy services category; and</li> <li>(e) Any category as may be deemed necessary by SGSE</li> </ul> <p>10.2 SGSE may create subcategories for each business category stated in under 10.1 above;</p> <p>10.3 It is mandatory for registered special groups to indicate the business category(ies) of interest during registration for consideration;</p> <p>10.4 The registered special groups are permitted to register in more than one business category;</p> <p>10.5 Members of the Special group shall not be less than five and shall not exceed twenty.</p>
<b>PART IV: GENERAL PRINCIPLES</b>	
11. Single or More than one preference	<p>11.1 Applicant shall be entitled to tender for one reservation scheme at a time in a procurement proceeding;</p> <p>11.2 Where applicant is entitled to more than one scheme, the scheme with the highest advantage to the tenderer shall be applied.</p>
12. Unbundling of procurements	<p>12.1 For the purpose of ensuring maximum participation of special groups in public procurement, procuring entities may unbundle goods, works and services in practicable quantities pursuant to Regulations 42 of GN 446 of 2013 after obtaining prior approval of the Authority</p>
13. Tender security	<p>13.1 No tender securities shall be required from entities owned by special groups participating in procurement proceedings;</p> <p>13.2 Notwithstanding paragraph (1), target groups shall be required to complete and sign the Tender Securing</p>

	<p>Declaration Form set out in the Second Schedule of this guideline;</p> <p>13.3 Any bidder from the special groups who fails to adhere to the terms of the Tender Securing Declaration Form shall be liable to debarment pursuant to section 62 of the Act.</p>
<b>PART V: RESPONSIBILITIES OF THE PARTIES</b>	
<p>14. Procuring Entities</p>	<p>14.1 Responsibility of the PE with Regard to the registered legally constituted entities of special groups are:</p> <ul style="list-style-type: none"> <li>a) to set aside thirty percent (30%) in its annual procurement of goods, works and services exclusively to special groups situated within its jurisdiction pursuant to Regulation 30C (1) of GN No. 446 of 2013 and its Amendments of 2016, PEs are bound</li> <li>b) to show in their APPs the contracts set aside for special groups;</li> <li>c) unbundle procurements where necessary, to make them affordable to the registered special groups subject to Section 49 (1) (c) of the PPA, 2011 as amended in 2016;</li> <li>d) give reason for its failure to to meet the conditions to set aside as provided under Regulation 30C (2) of GN No. 446 of 2013 and its Amendments of 2016 shall;</li> <li>e) Subject to Regulation 30C (3) of GN No. 446 of 2013 and its Amendments of 2016 the Accounting Officer who contravene this respective Regulation shall be liable for administrative actions;</li> <li>f) Payment for registered entities of special groups shall be made timely for any performed contract for special group's sustainability in according to Regulation 30D (1) of GN No. 446 of 2013 and its Amendments of 2016. In this regard, PEs should ensure the allocation or commitment of funds prior to procurement proceedings;</li> </ul>

	<ul style="list-style-type: none"> <li>g) grant Advance Payments if required, to the Special Group upon submission of advance payment guarantee, before execution of the contract in order to facilitate their operations in the respective Tender;</li> <li>h) give equal opportunity to all bidders of special groups where alternative methods of procurement are used; and</li> <li>i) Report to PPRA on the implementation of special group scheme using Procurement Management Information System (PMIS).</li> </ul>
<p>15. Special Group Supporting Entities</p>	<p>15.1 SGSE shall be responsible for:</p> <ul style="list-style-type: none"> <li>(a) Registration of the Special Groups</li> <li>(b) Training of Special groups before registration</li> <li>(c) Identification of the special groups;</li> <li>(d) Building capacity of registered special groups in their respective business category;</li> <li>(e) Issuance of appropriate certificates to the registered special groups;</li> <li>(f) Monitoring and evaluating performance of Special groups;</li> <li>(g) Submission of the list of registered special groups including any updates of the list to PPRA; and</li> <li>(h) Deregister the defaulted special groups where such entities lack required qualifications.</li> <li>(i) Report to PPRA immediately, any group that is deregistered giving reasons.</li> </ul>
<p>16. Special Group</p>	<p>16.1. Responsibilities of Special Groups shall:</p> <ul style="list-style-type: none"> <li>(a) Constitute themselves into groups and apply for registration to the SGSE in accordance with PPA;</li> <li>(b) Select an appropriate business category as per 3.5 above;</li> <li>(c) comply with PPA and its Regulations;</li> <li>(d) Participate in SGSE's capacity building programs;</li> <li>(e) Comply with appropriate SGSE's registration requirements;</li> <li>(f) Participate in tender opportunities;</li> <li>(g) Dully registered special groups should not engage in fraud or corruption including bribery in competing for and executing a contract; and</li> </ul>

	<ul style="list-style-type: none"> <li>(h) To honor awarded procurement contracts accordingly.</li> <li>(i) To report monthly to SGSE progress of the group and project executed, stages reached and challenges it faces in implementation of its functions.</li> <li>(j) To be honest in their dealings either with the Government or society.</li> </ul>
17. PPRA	<p>17.1. Responsibilities of PPRA shall be:</p> <ul style="list-style-type: none"> <li>(a) Maintain and update a database of registered legally constituted entities of special groups;</li> <li>(b) Make available to the PEs the roll of registered special groups;</li> <li>(c) Monitor and check compliance with procurement laws by PEs with regard to implementation of special group scheme including checking whether PEs complied with requirement to reserve 30% of its procurement for special group;</li> <li>(d) In collaboration with SGSE, build capacity for registered special groups;</li> <li>(e) Create awareness on the implementation of special groups scheme; and</li> <li>(f) Issuance of guidelines and other procurement implementation tools regarding special groups scheme.</li> </ul>
<b>PART VI: PROCUREMENT PROCEDURE</b>	
18. Tender advertisement	18.1 An advertisement relating to tender under this scheme shall state that such tender is restricted to designated special groups registered with the SGSE.
19. Procurement to be Competitive	19.1 Procurement of goods, works and services under these schemes shall be conducted on competitive procedure among the qualified special groups
20. Alternative Procurement	<p>20.1 Notwithstanding provision of paragraph 19 above, PEs may use alternative procurement procedures only if that procedure is allowed and satisfies the conditions stated in the Act and Regulations;</p> <p>20.2 Alternative methods of procurement include restricted tendering, single source for goods and services, direct contracting works, national shopping (quotation), force account, selection of individual consultants, minor value</p>

	and others as the PEs may determine appropriate.
21. Framework contracts	<p>21.1 PEs shall make use of existing framework contracts with special groups wherever appropriate to provide an efficient, cost effective and flexible means to procure goods, works and services that are required repeatedly or continuously over a set period of time;</p> <p>21.2 Whether PE will run its own framework agreement or will rely on framework agreement entered by GPSA.</p>
22. Methods of Procurement	22.1 Methods and procedures adopted herein are the same as those provided in the PPA and PPR save that they are restricted to Special Groups only.
<b>PART VII: EXCEPTIONS TO SPECIAL GROUPS</b>	
23. Methods of Procurement	<p>23.1 PE may split the tender into affordable packages pursuant to subject to Section 49 (1) (c) of the PPA, 2011 as amended in 2016 and Regulation 73 (3) of GN No. 446 of 2013 and its Amendments;</p> <p>23.2 The registered special groups will be required to submit bid securing declaration instead of bid security when participating in tender;</p> <p>23.3 PEs should put simple requirements in the tender documents such as past experience of similar nature of procurement and where applicable PEs shall use Kiswahili Bidding Documents available from the PPRA Website, or where necessary, customize their own and seek approval from the Authority.</p>
24. Breakdown of 30%	<p>24.1. PEs are required by law to set aside 30% of its annual procurement to the <b>registered</b> special groups;</p> <p>24.2. Out of this 30%, PE shall set aside one third (i.e. 10% of its procurement volume) to people with disability, and the remaining two third (20%) to Women, Youth and Elders;</p> <p>24.3. The break down for the two third (20% of PEs procurement volume) of special groups will be as follows:</p> <p style="margin-left: 40px;">(a) 10% for Youth;</p> <p style="margin-left: 40px;">(b) 5% for Women; and</p>

	<p>(c) 5% for Elders.</p> <p>24.4. The Authority will revise these distributions from time to time based on the statistical population data obtained from National Bureau of statistics (NBS).</p>
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## **SCHEDULES**

Version No. : PPRA: GL/05/2020/PSG  
Effective Date: 22<sup>nd</sup> May, 2020

## First Schedule

### PART I

#### PROPOSED FORMAT OF SUBMISSION OF THE LIST OF REGISTERED SPECIAL GROUPS BY SPECIAL GROUPS SUPPORTING ENTITY

Name of Special Group Supporting Entity:.....
Year Of Registration: .....

S/N	NAME OF SPECIAL GROUP	REGION	DISTRICT	GROUP CATEGORY (TICK)				RATIO OF THE GROUP			LEADERSHIP COMPOSITION		BANK ACCOUNT (if any)		REGISTRATION STATUS			Contact Number, Email and Physical Address		
				YOUTH	WOMEN	ELDERLY	DISABLED	RELEVANT GROUP CATEGORY	OTHERS	TOTAL	PERCENTAGE OF LEADERS FROM RELEVANT GROUP	OTHERS	Type of Bank	Account Number	Registration Number by SGSE	TIN Number	Registration with Professional Body, if any.		Date of Expiry of Registration	
																				Qty

## **PART II:**

### **LIST OF ATTACHMENTS**

The following attachments are essential for appraisal and you are required to ensure that they are all attached, failure to which your application may be rejected:

1. group profile (with list of group members, employees and their relevant eligibility status);
2. National Identity Number (NID) of members;
3. Contact details including phone numbers, website, postal address, location etc.;

## Second Schedule

### Bid Securing Declaration Form

*[The Bidder shall fill in this Form in accordance with the instructions indicated.]*

Date: *[insert **date** (as day, month and year)]*

Bid No.: *[insert **number of bidding process**]*

Alternative No.: *[insert **identification No if this is a Bid for an alternative**]*

To: *[insert **complete name of Purchaser**]*

We, the undersigned, declare that:

We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

We accept that we will automatically be suspended from being eligible for bidding in any contract with the Purchaser for the period of time of *[insert **number of months or years**]* starting on *[insert **date**]*, if we are in breach of our obligation(s) under the bid conditions, because we:

- (a) Have withdrawn our Bid during the period of bid validity specified in the Form of Bid; or
- (b) having been notified of the acceptance of our Bid by the Purchaser during the period of bid validity, (i) fail or refuse to execute the Contract, if required, or (ii) fail or refuse to furnish the Performance Security, in accordance with the ITB.

We understand this Bid Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of our Bid.

Signed: *[insert signature of person whose name and capacity are shown]* in the capacity of *[insert legal capacity of person signing the Bid Securing Declaration]*

Name: *[insert **complete name of person signing the Bid Securing Declaration]***

Duly authorized to sign the bid for and on behalf of: *[insert **complete name of Bidder]***

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ *[insert **date of signing]***

Group seal (where appropriate)

*[Note: In case of a Joint Venture, the Bid Securing Declaration must be in the name of all partners to the Joint Venture that submits the bid]*