



**PUBLIC PROCUREMENT REGULATORY AUTHORITY  
(PPRA)**

**GUIDELINES FOR APPLICATION OF PRICE CAPS IN PUBLIC  
PROCUREMENT FOR STANDARDIZED GOODS, WORKS AND  
SERVICES, 2025**

**JULY 2025**

***Effective Date: 30 July 2025***

## **GUIDELINES FOR APPLICATION OF PRICE CAPS IN PUBLIC PROCUREMENT FOR STANDARDIZED GOODS, WORKS AND SERVICES, 2025**

| <b>Approved by</b> | <b>Title</b>     | <b>Signature</b> | <b>Date</b>   |
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## **ABBREVIATIONS AND ACRONYMS**

|      |   |                                                 |
|------|---|-------------------------------------------------|
| Cap  | - | Chapter                                         |
| G.N. | - | Government Notice                               |
| PPRA | - | Public Procurement Regulatory Authority         |
| PE   | - | Procuring Entity                                |
| PPA  | - | Public Procurement Act, Cap 410                 |
| PPR  | - | Public Procurement Regulation, G.N. 518 of 2024 |

## DOCUMENT VERSION CONTROL

|                                              |                                                                                                                                                                                                                     |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the Document</b>                  | <b>Guidelines for Application of Price Caps in Public Procurement for Standardized Goods, Works and Services, 2025</b>                                                                                              |
| <b>Version</b>                               | First Release, July 2025                                                                                                                                                                                            |
| <b>Document Number</b>                       | PPRA/PSCD/MPS/25/05                                                                                                                                                                                                 |
| <b>Responsibility</b>                        | Authority, Management, PE, Tenderer                                                                                                                                                                                 |
| <b>Developed by</b>                          | PPRA                                                                                                                                                                                                                |
| <b>1<sup>st</sup> Approval (First Issue)</b> | Board, July 2025                                                                                                                                                                                                    |
| <b>Applicability</b>                         | PPRA, Tenderers and PEs                                                                                                                                                                                             |
| <b>Purpose</b>                               | To guide Procuring Entities, Mandated Public Institutions, Other Relevant Public Authorities, and Tenderers on the application of Price caps in the procurement process for standardised goods, works and services. |
| <b>It is part of</b>                         | Public Procurement Guidelines issued by PPRA                                                                                                                                                                        |
| <b>Related Documents</b>                     | PPA, CAP 410, PPR, GN 518 of 2024 (as amended)                                                                                                                                                                      |
| <b>Distribution</b>                          | Board, Management, PEs and Tenderers                                                                                                                                                                                |

| PART I: PRELIMINARY |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.                  | <b>Background</b>  | <p>1.1 The Public Procurement Regulatory Authority (PPRA), in accordance with Section 130 of the Public Procurement Act, Cap 410, is mandated to develop and issue guidelines for the effective implementation of the Act.</p> <p>1.2 Pursuant to Section 74 of the Public Procurement Act, Cap. 410 (PPA, 2023), and Regulation 31 of the Public Procurement Regulations, G.N 518 of 2024 (PPR, 2024) mandate PPRA to prepare and update price caps for standardised goods, works and services for use by Procuring Entities (PEs) in the procurement process.</p> <p>1.3 Regulation 31 of the PPR, 2024 requires Procuring Entities (PEs) to conduct the public procurement process based on established price caps.</p> <p>1.4 Subject to Clause 1.2 of these Guidelines, PPRA hereby issues these Guidelines for the implementation of price caps in the procurement of standardised goods, works and services.</p> |
| 2.                  | <b>Short title</b> | These Guidelines shall be cited as Guidelines for application of price caps in Public procurement for standardised goods, works and services, 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 3.                  | <b>Application</b> | <p>3.1 These Guidelines shall come into force from the date of approval by the Board of Directors of the Authority.</p> <p>3.2 These Guidelines shall be used by all Procuring Entities, Mandated Public Institutions, Other Relevant Public Authorities, and Tenderers in the procurement of standardised goods, works, and services for which price caps have been established and published in the electronic public procurement system.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| 4. | Definitions | <p>In these Guidelines, unless the context requires otherwise: -</p> <p><b>“Act”</b> means the Public Procurement Act, Cap. 410;</p> <p><b>“Authority”</b> means the Public Procurement Regulatory Authority;</p> <p><b>“Electronic Public Procurement System”</b> means a system developed, hosted and operated by the Authority to enable a procuring entity to carry out procurement and supply functions electronically;</p> <p><b>“Mandated Public Institutions”</b> means public bodies responsible for setting government standards and specifications for use by the procuring entity during the procurement process; as listed in the Second Schedule of the Regulations;</p> <p><b>“Other Relevant Public Authorities”</b> means public bodies responsible for price caps preparations for goods, works, or services;</p> <p><b>“Price Caps”</b> means an established minimum and maximum price or fee which shall be charged for particular goods, works or services;</p> <p><b>“Procurement process”</b> means the successive stages in the procurement cycle, including planning, choice of procedure, measures to solicit offers from tenderers, examination and evaluation of such offers, award of contract and contract management;</p> <p><b>“Procuring Entity”</b> means a public body and any other body, or unit established and mandated by the government to carry out public functions;</p> <p><b>“Regulations”</b> means the Public Procurement Regulations, 2024;</p> <p><b>“Specification”</b> means a description of any commodity, works or services by reference to its nature, quality, strength, purity, composition, quantity, dimensions,</p> |
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|                                    |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                    |                                  | <p>weight, grade, durability, origin, age or other characteristics or to any substance or material of, or with which, or the manner in which, any commodity, works or services may be manufactured, produced, processed, treated, built or installed;</p> <p><b>“Standardized goods, works, and services”</b> means all goods, works and services with required specifications and standards that are prepared and published in the electronic public procurement system;</p> <p><b>“Standards”</b> means a set of established specifications, qualifications, requirements or guidelines that describe the type, design, quality, capacity, safety and similarity of goods, works and services as specified for public procurement.</p> |
| 5.                                 | <b>Purpose of the Guidelines</b> | <p><b>5.1 General Purpose:</b><br/>The purpose of these Guidelines is to guide Procuring Entities, Mandated Public Institutions, Other Relevant Public Authorities, and Tenderers on the application of Price caps in the procurement process for standardised goods, works and services.</p> <p><b>5.2 Specific Purposes:</b><br/>The specific purposes of these Guidelines are: -</p> <ul style="list-style-type: none"> <li>a) to ensure prices for standardised goods, works and services remain transparent to achieve the best value for money.</li> <li>b) to ensure procuring entities acquire standardized goods, works and services at the prevailing market price.</li> </ul>                                                 |
| <b>PART II: GENERAL CONDITIONS</b> |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 6.                                 | <b>Price Caps application</b>    | <p>6.1 Procuring entities shall procure standardised goods, works or services based on the price caps available in the electronic public procurement system.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

|    |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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|    |                                                         | 6.2 Where price caps are not available for specific goods, works, or services, procuring entities shall procure based on prevailing market prices to ensure transparency and value for money.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 7. | <b>Standards of goods, works and services.</b>          | <p>7.1 The standards and specifications for goods, works, and services to be used by the PEs shall be prepared and published in the electronic public procurement system by mandated public institutions as provided under the <b>First Schedule</b> of these Guidelines.</p> <p>7.2 The Authority may require mandated public institutions governing goods not specified in the <b>First Schedule</b> of these Guidelines to prepare and publish in the electronic public procurement system a list of the standards and specifications of goods, works or services for the use of the procuring entities.</p> <p>7.3 The Authority may review standards and specifications of goods, works and services published by mandated public institutions and advise on necessary actions if so required.</p> <p>7.4 The list of standardised goods, works, and services shall be prepared, updated and published in the electronic public procurement system on or before 31<sup>st</sup> May, and on or before 30<sup>th</sup> November, of each financial year by the mandated public institutions</p> <p>7.5 The list of standardised goods, works, and services shall be published and publicly disclosed to all users of the electronic public procurement system.</p> |
| 8. | <b>Preparation, submission of Tender and evaluation</b> | <p>8.1 Tenderers shall prepare and submit tenders based on the prevailing market prices and fees.</p> <p>8.2 In the case that the quoted prices of items exceed the maximum price caps, such tenders shall be rejected during the evaluation process. The electronic procurement system shall, at the point of bid submission, issue a notification to the tenderer indicating that the quoted price of items exceeds the applicable maximum price caps.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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|                                                                             |                                                                       | <p>8.3 In the case that the quoted prices of items or fees are below the set price caps and are considered abnormally low, the procedure for dealing with abnormally low tenders provided in the PPR, 2024, shall apply.</p> <p>8.4 Quoted price of item or fee shall be considered as abnormally low if it falls from 15% to 30% below the minimum price cap. In case the quoted price of items is more than 30% below the minimum price cap, the bid shall be automatically rejected.</p> <p>8.5 During the finalisation of the evaluation process, the evaluation committee may provide feedback on the applicability of price caps to the Authority through the electronic procurement system using the format provided in the <b>Second Schedule</b> of these Guidelines.</p> |
| <b>PART III: ROLES OF KEY STAKEHOLDERS IN THE APPLICATION OF PRICE CAPS</b> |                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 9.                                                                          | <b>Key Stakeholder Engagement</b>                                     | The Authority shall engage all key Stakeholders responsible for the preparation of standardized goods, equipment and works as stipulated in the First Schedule through the National Electronic Procurement System of Tanzania.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 10.                                                                         | <b>Key Stakeholders and their roles in the price caps application</b> | <p>10.1 The key stakeholders and their roles are: -</p> <p><b>10.1.1 Public Procurement Regulatory Authority (PPRA).</b></p> <p>The roles of the Public Procurement Regulatory Authority in price caps shall be as follows:</p> <ul style="list-style-type: none"> <li>a) to prepare, maintain and update price caps for standardised goods, works, and services for the use of PEs in the procurement process.</li> <li>b) to publish price caps for all standardised goods, works, and services through the electronic public procurement system according to the regions or districts.</li> </ul>                                                                                                                                                                               |

|  |  | <ul style="list-style-type: none"> <li>c) to develop price cap implementation tools (Survey forms, Guidelines, etc.) to support the effective implementation of price caps.</li> <li>d) to conduct price caps capacity building through engagement, training and education programs for stakeholders.</li> <li>e) to monitor compliance with price caps implementation.</li> <li>f) to conduct regular audits to determine compliance with the requirements of these Guidelines.</li> <li>g) to ensure that all stakeholders have access to information and knowledge about the price caps and their application in the procurement processes.</li> <li>h) to coordinate with mandatory public institutions and other relevant authorities to ensure that standards, specifications and price caps for standardised goods, works, and services are duly established and made accessible within the electronic procurement system</li> </ul> <p><b>10.1.2 Procuring Entities (PE's)</b></p> <p>The Procuring Entities shall have the following roles: -</p> <ul style="list-style-type: none"> <li>a) to comply with price caps guidelines issued by the Authority during the procurement process.</li> <li>b) to notify the Authority through the electronic procurement system of any change in the prevailing market price of standardised goods, works and services, along with their corresponding price caps for appropriate guidance.</li> <li>c) to procure standardised goods, works or services in compliance with their respective price caps published through the electronic public procurement system.</li> </ul> |
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|                                                      |                                             | <p><b>10.1.3 Other Relevant Authorities</b><br/>Other relevant authorities' roles in the implementation of the price caps shall include the following:</p> <ul style="list-style-type: none"> <li>a) to submit price caps of various standardised goods, works, and services in the electronic procurement system prepared and maintained within their sectors.</li> <li>b) in collaboration with the Authority, to publish and update price caps for standardized goods, works, and services of their sectors in the electronic public procurement system periodically for use in the procurement process.</li> </ul> <p><b>10.1.4 Mandated public institutions</b><br/>The Mandated public institutions shall have the following roles:</p> <ul style="list-style-type: none"> <li>a) to prepare standards of goods, works or services for use by PE during the procurement process.</li> <li>b) In collaboration with the Authority, publish in the electronic public procurement system a list of the approved standards of goods, works or services for the use of the PE.</li> <li>c) to prepare and publish a list of updated standards of goods, works and services in the electronic public procurement system on or before 31<sup>st</sup> May, and on or before 30<sup>th</sup> November, of each financial year.</li> </ul> |
| <b>PART IV: PREPARATION AND UPDATE OF PRICE CAPS</b> |                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 11                                                   | <b>Preparation of price caps</b>            | The Authority shall prepare and maintain, as it deems appropriate, information on price caps for standardised goods, works and services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 12                                                   | <b>Procedure for Price Caps Preparation</b> | In preparation of Price Caps for standardised goods, works and services, the Authority shall: -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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|----|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                 | <p>a) use the standards and technical specifications of goods, works and services uploaded in the electronic public procurement system by the mandated public institutions as a basis for establishing price caps for goods, works and services.</p> <p>b) prepare the list of standardised goods, works and services.</p> <p>c) conduct a market price survey for a prepared list of standardised goods, works and services in collaboration with public institutions and other stakeholders.</p> <p>d) analyse market price data and develop price caps for the list of standardised goods, works and services.</p> <p>e) publish the list of standardised goods, works and services with their respective price cap in the electronic public procurement system for the use of PEs.</p>                                                                 |
| 13 | <b>Price caps prepared by other relevant Public authorities</b> | <p>13.1 The Authority shall provide access in the electronic public procurement system to other relevant public authorities for uploading, importing or creating price caps for standardised goods, works, and services.</p> <p>13.2 Other relevant public authorities through the electronic public procurement system shall make available price caps for standardised goods, works, and services prepared and maintained by such institutions;</p> <p>13.3 The prepared price caps by other relevant public authorities shall be made available in the electronic procurement system within seven working days upon their approval for use in the procurement process</p> <p>13.4 The Authority shall not prepare price caps for the standardised goods, works, and services whose price caps are established by other relevant public authorities.</p> |

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| 14 | <b>Publication and updates of price caps</b> | <p>14.1 The price caps prepared by the Authority shall be published in the electronic public procurement system after every three (3) months or otherwise as approved by the Authority.</p> <p>14.2 The published price caps shall be per district and shall apply within the respective District.</p> <p>14.3 The price caps that have been prepared and published in the electronic public procurement system shall be used by PEs during the procurement process.</p> <p>14.4 The publication of price caps of standardised goods, works, and services from other relevant public authorities shall be as stipulated in Clause 12.3 of these Guidelines.</p> <p>14.5 Notwithstanding the requirements provided under clause 13.1, the Authority may publish price caps at any time when needs arise.</p> <p>14.6 The Authority shall update the published price caps of standardised goods, works and services after every three months (3) or at any time when needs arise.</p> |
| 15 | <b>Disclosure of Price Caps</b>              | <p>15.1 The published price caps shall be disclosed to staff of the PE registered in the electronic public procurement system while engaging in budget preparation, annual procurement plan preparation, tender initiation, evaluation, and negotiation process</p> <p>15.2 Subject to Clause 14.1 of these Guidelines the disclosure of price caps shall be per specific price/tender items.</p> <p>15.3 The price caps that have been prepared and published in the electronic public procurement system shall not be disclosed to the tenderers.</p>                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 16 | <b>Compliance with price caps</b>            | <p>16.1 Any procurement of standardised goods, works or services shall comply with published price caps.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|    |                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                      | <p>16.2 PE shall request guidance from the Authority through the electronic public procurement system using the format provided under the <b>Second Schedule</b> of these Guidelines, where any of the following circumstances occur;</p> <ul style="list-style-type: none"> <li>a) there is rampant inflation to the extent that the prevailing market price is higher than the published price caps; or</li> <li>b) the price caps published by the Authority differ from the prevailing market price; or</li> <li>c) there is any other circumstance rendering impracticability of the published price caps.</li> </ul> <p>16.3 The Authority shall, within three (3) working days, issue a notice of guidance to the respective PE and where necessary, to all PEs on the application of price caps.</p> |
| 17 | <b>Monitoring by Authority</b>                       | The Authority shall regularly monitor the implementation of these Guidelines.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 18 | <b>Risk Management in Price Cap Applicability</b>    | The Authority shall identify, assess and mitigate risks associated with the formulation, implementation and monitoring of the Price Cap application in the system or otherwise, as the case may be.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 19 | <b>Report on the implementation of the price cap</b> | Price caps implementation status shall form part of the quarterly reports prepared by the PE in the format provided in the <b>Third Schedule</b> of these Guidelines, available in the electronic public procurement system.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 20 | <b>Offence and Penalties</b>                         | Failure to comply with the established price caps shall attract legal actions as provided under PPA, 2023.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 21 | <b>Review of the Guidelines</b>                      | These Guidelines shall be reviewed after every three (3) years or earlier as needs arise.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

# FIRST SCHEDULE

*(made under clause 7 of these Guidelines)*

## PREPARATION AND APPROVED SPECIFICATION CRITERIA OF THE GOODS, EQUIPMENT AND WORKS PROCURED BY THE GOVERNMENT

| No. | Goods, equipment, and works                                     | Responsible Government institution                                                                |
|-----|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 1.  | Furniture and fixtures                                          | The Ministry responsible for public service management and good governance                        |
| 2.  | Equipment for ICT and related goods                             | Ministry or entity responsible for ICT                                                            |
| 3.  | Buildings and Construction                                      | Ministry or entity responsible for building and works                                             |
| 4.  | Vehicles, equipment, spare parts, plant and Machinery.          | The Ministry or entity responsible for the vehicles, equipment, spare parts, plant, and machinery |
| 5.  | Stationery                                                      | Ministry or entity responsible for publication in the Government                                  |
| 6.  | Health commodities                                              | Ministry or entity responsible for health commodities                                             |
| 7.  | Supplies used in the education sector                           | Ministry or entity responsible for education                                                      |
| 8.  | Petroleum products, energy and water                            | The Ministry or entity responsible for petroleum products, energy and water                       |
| 9.  | Food for schools, training institutions, hospitals, and prisons | The entity responsible for food security                                                          |

## SECOND SCHEDULE

*(made under clause 8 of these Guidelines)*

### Price Caps Discrepancy Notification on the Electronic Public Procurement System

| S/N | PE Name and Physical Address | Tender No. | Tender Description | Estimated Contract Sum | Item (Goods or Service) | Specifications | Current Price Cap Range | Location of project implementation | Prevailing Market Price | Justification/ Remarks/ additional informational/ reasons for discrepancy |
|-----|------------------------------|------------|--------------------|------------------------|-------------------------|----------------|-------------------------|------------------------------------|-------------------------|---------------------------------------------------------------------------|
| 1.  |                              |            |                    |                        |                         |                |                         |                                    |                         |                                                                           |
| 2.  |                              |            |                    |                        |                         |                |                         |                                    |                         |                                                                           |
| 3.  |                              |            |                    |                        |                         |                |                         |                                    |                         |                                                                           |
| 4.  |                              |            |                    |                        |                         |                |                         |                                    |                         |                                                                           |
| 5.  |                              |            |                    |                        |                         |                |                         |                                    |                         |                                                                           |

# THIRD SCHEDULE

(made under clause 17 of these Guidelines)

## Price caps implementation report

\_\_\_\_ Quarter for FY \_\_\_\_

| SN | Tender No. | Tender Description | Procurement Category | Item Code "Standardised " | Item Description | Minimum Price Cap | Maximum Price Cap | Price Awarded | Reason/Remarks/Justification |
|----|------------|--------------------|----------------------|---------------------------|------------------|-------------------|-------------------|---------------|------------------------------|
| 1  |            |                    |                      |                           |                  |                   |                   |               |                              |
| 2  |            |                    |                      |                           |                  |                   |                   |               |                              |
| 3  |            |                    |                      |                           |                  |                   |                   |               |                              |
| 4  |            |                    |                      |                           |                  |                   |                   |               |                              |
| 5  |            |                    |                      |                           |                  |                   |                   |               |                              |
| 6  |            |                    |                      |                           |                  |                   |                   |               |                              |
| 7  |            |                    |                      |                           |                  |                   |                   |               |                              |
| 8  |            |                    |                      |                           |                  |                   |                   |               |                              |

Prepared By: .....

Signature: .....

Designation: .....

Date: .....