



Public Procurement Regulatory Authority

Guidelines

For

**Participation of Special Groups in Public
Procurement**

PPRA

October, 2017

**Further information may be
obtained on www.ppra.go.tz**

PART I - INTRODUCTION	
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 as amended in 2016 has introduced preference that covers the special group.</p> <p>1.2. Pursuant to the requirements of Section 64 (2) (c) of Public Procurement Act (PPA) Cap 410 (as amended in 2016) and Regulation 30C of Public Procurement Regulations (PPR) of 2013 (as amended in 2016), 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 legislations have necessitated the Authority to develop guideline for participation of Special Group 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>
PART II - PRELIMINARY	
2. Short Title	2.1. This document 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"> a) To ease understanding of the procedure governing preferential schemes for Special Groups; b) To help special groups organize, plan, prepare and submit responsive bids as well as honor their commitments and obligations to the contracts won; c) To stimulate PE to comply with the preferential scheme requirement;

	<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>
<p>4. Application of the Guidelines</p>	<p>4.1. This guideline shall be applied by procuring entities as a creative approach to enhance efficiency of the procurement from Special Groups.</p>
<p>5. Definitions</p>	<p>5.1. In these Guidelines, unless the context requires otherwise;-</p> <p>“Authority” means the Public Procurement Regulatory Authority.</p> <p>“Bidder” for the purpose of this guideline bidder shall mean a legally constituted entity of 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>“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 body, or unit established and mandated by government to carry out public functions;</p> <p>“Special group preference scheme” is an arrangement where advantage is given to special groups when procuring works, goods and services in a public procurement process.</p> <p>“Special Group Supporting Entity” includes Ministries, Agencies, Government Organizations, Departments responsible for the Development and Empowerment of women, youth, elderly and persons with disability.</p> <p>“Special Groups” includes women, youth, elderly and persons with disability.</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>
PART III - QUALIFICATIONS AND REGISTRATION	
6. Eligibility	<p>6.1. Regulation 30A and 31 of PPR of 2013 as amended in 2016 provide general qualification criteria required for participation under this preference scheme. An individual or a firm shall qualify to benefit from preference for Special Groups if such individual or firm:</p> <ul style="list-style-type: none"> (a) Has constituted itself/themselves into a legal and formal entity; (b) has the necessary qualifications, capability, experience, (c) has the legal capacity to enter into a contract for the procurement; (d) is registered by the appropriate Special Group Supporting Entities (SGSE). (e) has been entered in the special register of the Authority and the Agency upon being registered and submitted by the relevant special groups supporting entity; and (f) 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>6.2 For the purpose of paragraph (e) above, the Special Group Supporting Entities includes Ministries, Agencies, and Government organizations, Departments responsible for empowerment of Women, Youths, Elderly and persons with disabilities.</p>
7. Registration of Special Group Entity	<p>7.1 Pursuant to Regulation 30B (1) of PPR, 2013 as amended in 2016, a legally constituted entity of 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) in a manner to be determined by it using the form set out in Annex 1 of this guideline.</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. PEs shall not award a contract to a legally constituted entity of special group that has not been recorded in the Authority's roll.</p> <p>7.4 SGSE shall issue a registration certificate to a registered legally constituted entity of special groups.</p> <p>7.5 Before issuing a certificate of registration, each relevant SGSE shall ensure they provide necessary training to the registered legally constituted entity of special groups for the better carrying out of their functions in accordance with Regulation 30B (2) of PPR, 2013 as amended in 2016.</p> <p>7.6 Pursuant to Regulation 30B (3) the Authority may request details of the registered legally constituted entities of 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"> (a) Company/group profile (with list of group members, employees and their relevant eligibility status); (b) Citizen Identification Number (NID) of members; (c) Registered constitution of the groups or memorandum and articles of association; (d) Certificate of registration/incorporation from relevant statutory registration bodies; (e) Extracts from the registrar (Company/Group shareholding structure); (f) Business License (to define business type); (g) Tax Identification Number (TIN) certificate;

	<ul style="list-style-type: none"> (h) Value Added Tax (VAT) number, if applicable; (i) Contact details including phone numbers, e-mail address, postal and physical address; (j) List of activities performed relevant to the group nature and values (where available); (k) Valid tax compliance/exemption certificates/Tax clearance, (where applicable); (l) Original bank statement of not more than 3 months from date of application, (where applicable); (m) Copies of annual return forms, (where applicable); (n) Name and address of the authorized person for communication;
<p>9. Term limit</p>	<p>9.1. An entity registered by SGSE and included in the Authority's register shall be entitled to such benefits for a period of three years, which may be renewed by SGSE.</p> <p>9.2. The registration for Youth category shall lose its eligibility to participate in these schemes when any of its members has exceeded the age of 35 years.</p>
<p>10. Category of Registration</p>	<p>10.1 The SGSE shall register special groups in the following business categories:</p> <ul style="list-style-type: none"> (a) Suppliers category; (b) Contractors category; (c) Non-consultancy services category; and (d) Consultancy services category. <p>10.2 Where it is deemed necessary, the SGSE may create subcategories for each business category stated in subsection 10.1 above.</p> <p>10.3 It is mandatory for registered legally constituted entities of special groups to indicate the business category (ies) of interest during registration for consideration.</p> <p>10.4 The registered legally constituted entities of special groups are allowed to register in more than one business category.</p>

	<p>However, the registered legally constituted entities of special groups must qualify for each business category to be registered.</p> <p>10.5 Any registered legally constituted entities of special groups may bid independently or in joint venture confirming joint and several liability, either with domestic firms and/or with foreign firm.</p>
PART IV – GENERAL PRINCIPLES	
11. Single or More than one preference	<p>11.1. Applicant (Youth, Women, Elders and People with Disabilities) shall be entitled to tender for one preference and reservation scheme at a time in a procurement proceeding.</p> <p>11.2. Where applicant is entitled to more than one preference scheme (e.g. applicant who falls under women and elders category), may opt to apply to the scheme with the highest advantage to the tenderer as indicated in 24.2 [Breakdown of 30%].</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>12.2. No tender securities shall be required from entities owned by special groups participating in procurement proceedings.</p> <p>13.1. Notwithstanding paragraph (1), target groups shall be required to complete and sign the Tender Securing Declaration Form set out in the Annex 2 of this guideline.</p> <p>13.2. Any tenderer from the special group 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>
PART IV – RESPONSIBILITIES OF THE PARTIES	
14. Procuring Entities	<p>14.1. Responsibility of the PE with Regard to the registered legally constituted entities of special groups are:</p> <p>(a) Pursuant to Regulation 30C (1) of GN No. 446 of 2013 and its Amendments of 2016, PEs are bound to</p>

grant an exclusive preference of thirty percent (30%) in its annual procurement of goods, works and services to special groups situated within its jurisdiction.

- (b) Notwithstanding section 14.1(a) above, PEs shall set aside the percentages indicated in section 24.2 of this guideline.
- (c) PEs may unbundle procurements to make them affordable to the registered legally constituted entities of special groups subject to Section 49 (1) (c) of the PPA, 2011 as amended in 2016;
- (d) PEs are required to show in their Annual Procurement Plan (APPs) the contracts set aside for special groups;
- (e) Where a PE fails to meet this conditions stated under Regulation 30C (2) of GN No. 446 of 2013 and its Amendments of 2016, it shall give reason(s) for its failure;
- (f) 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;
- (g) Payment for registered legally constituted entities of special groups shall be made timely for any performed contracts 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;
- (h) PE shall give equal opportunity to all tenderers from the special groups where alternative methods of procurement are used; and
- (i) PEs shall report on a quarterly basis to the Authority the implementation of special group scheme.

<p>15. Special Group Supporting Entities (SGSE)</p>	<p>15.1. The responsibilities of SGSE shall be as shown below:</p> <ul style="list-style-type: none"> (a) To identify the special groups; (b) To register the legally constituted entities of special groups in their respective categories; (c) To issue appropriate certificates to the registered legally constituted entities of special groups; (d) To submit the list of the legally registered constituted entities of special groups including any updates of the list to PPRA; (e) To build capacity of legally registered constituted entities of special groups in their respective business category; and (f) To deregister the defaulted legally constituted entities of special groups where such entities lack required qualifications.
<p>16. Special Group</p>	<p>16.1. Responsibilities of individuals and firms of special groups shall:</p> <ul style="list-style-type: none"> (a) Constitute themselves into legally entities in accordance with laws of Tanzania; (b) Select an appropriate business category indicated in section 10.1 above; (c) Should comply with all requirements of PPA and its Regulations; (d) Participate in SGSE's capacity building programs; (e) Comply with appropriate SGSE's registration requirements; (f) Participate in tender opportunities; (g) Not engage in fraud and corruption including bribery in competing for and executing a contract; and (h) Honor procurement contracts accordingly.
<p>17. PPRA</p>	<p>17.1. Responsibilities of PPRA shall be:</p> <ul style="list-style-type: none"> (a) Maintain a database of legally registered constituted entities of special groups; (b) Make available the roll registered special groups for use by PEs; (c) Monitor and check compliance with procurement laws by PEs with regard to implementation of special group scheme; (d) In collaboration with SGSE, build capacity for registered special groups; and (e) Create awareness on the implementation of special group scheme.

PART IV – PROCUREMENT PROCEDURE	
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 and others as the PEs may determine appropriate.</p>
21. Framework contracts	<p>21.1. PEs shall make use of existing open framework agreements 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 their own framework agreement or will rely on framework agreement entered by GPSA.</p>
22. Methods of Procurement	22.1. Methods and procedures adopted herein under are the same as those provided in the PPA 2011 as amended in 2016 and its Regulations
PART IV – EXCEPTIONS TO SPECIAL GROUP	
23. Exception to the Methods of Procurement	<p>23.1. Tender value above the threshold of exclusive preference stated in the 9th and 13th Schedule to GN No. 446 of 2013 and its amendments of 2016 should not be granted to the registered legally constituted entities of special groups.</p> <p>23.2. However, 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 of 2016.</p> <p>23.3. The registered legally constituted entities of special groups will be required to submit bid securing declaration instead of bid security when participating in tender.</p>

	<p>23.4. PEs should put simple requirements in the tender documents such as past experience of similar nature of procurement.</p>
<p>24. Breakdown of 30%</p>	<p>24.1. PEs are required by law to set aside 30% of its annual procurement to the registered legally constituted entities of special groups;</p> <p>24.2. As a results of the requirements set out in 24.1 above, each category of special group shall be assigned the the following percentage out of the PE's procurement volume::</p> <p>Youth, , Elders and People with Disabilities</p> <ul style="list-style-type: none"> (a) Youth = 10% (b) Women = 5% (c) Elders = 5% (d) People with disability = 10%;

**APPLICATION FORM FOR REGISTRATION OF SPECIAL GROUP TO
SUPPLY GOODS, WORKS AND SERVICES TO PROCURING ENTITIES**

The registration of constituted entities of special groups is aimed at building a profile for each tenderer regarding information on general particulars of the firm. You are advised that it is a serious offence to give false information on this form.

PART I: DETAILS OF THE APPLICANT

1. Name of Applicant
2. Physical Address
3. Postal Address:
4. Postal Code:
5. E-mail:
6. Phone No
7. Fax No
8. Contact Person

9. Overview of the constituted Entity of special groups

Type of firm (please tick one)	Sole Proprietor	[]			
	Partnership	[]			
	Limited Company	[]			
	Others Specify				
Number of employees	[0-5]	[6-25]	[26-49]	[50-59]	[100-250]
	[]	[]	[]	[]	[]
Initial Investments (TZS)					
Total Annual Sales /Turnover (where applicable)(TZS)					
Experience in the sector in years					

Type of Ownership Details

Part 9 (a) – Sole Proprietor
Name of owner in full:
National Identity Number:
Age []

Part 9 (b) – Partnership Details				
Name	Nationality	Age	National Identity Number	% Shares

Part 9 (c) – Registered Company			
State the nominal and issued capital of the company			
Nominal TZS. Issued TZS.....			
Directors' Details			
Name	Nationality	National Identity Number	% Shares

10. Bank Account Name:

11. Branch of the Bank:

12. Bank Account Number:

13. TIN.....

14. VAT Registration Number (if any):

15. Type of registered business:

15. Prepared by (name in capital letter):

Title:

Signature:

Date

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. Company/group profile (with list of group members, employees and their relevant eligibility status);
2. Certified copy of National Identity Number (NID) of owner(s);
3. Certified copy of registered constitution of the groups or memorandum and articles of association;
4. Certified copy of certificate of registration (incorporation);
5. Certified copy of extracts from the registrar (Company/Group shareholding structure);
6. Certified copy of Business License (to define business type);
7. Certified copy of Tax Identification Number (TIN) certificate;
8. Certified copy of Value Added Tax (VAT) number (if any);
9. Contact details including phone numbers, website, postal address, location etc.;
10. List of activities performed relevant to the group nature and values (where available);
11. Certified copy of Valid tax compliance/exemption certificates/Tax clearance (where applicable);
12. Certified copy of original bank statement of not more than 3 months from date of application (where applicable);
13. Certified copy of copies of annual return forms (where applicable);
14. Contact details of authorized person for reference;

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**]*
Corporate 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]