

COMMUNITY-LED ACCELERATED WASH (COWASH)



**Effective and sustainable
WaSH services**

GUIDELINE FOR PROCUREMENT OF GOODS, SERVICES &
WORKS BY WASHCOS USING THE CMP APPROACH IN
COWASH PHASE III

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1. INTRODUCTION

The phases I & II of COWASH project were implemented in number of woredas increasing from year to year and reached 76 in the 2008EFY. Since August 2016 the phase III of the project to last for three years has been started in the same 76 woredas. In the last two phases which had been implemented for 5 years the same community procurement guideline for the whole five years was used. Due to various reasons stated in **section 2** of this guideline, the need for revision of the procurement guideline for the third phase of the project has arisen and is prepared for use in the phase III. Although the guideline has been initially developed by the FTAT, it has been improved by including the comments from the COWASH regions.

2. NEED FOR REVISION OF THE LAST PHASES PROCUREMENT GUIDELINE

The need for revision of the procurement guideline used in the past two phases and the preparation of this new guideline has arisen due to the following reasons.

- The increasing cost of major construction materials and tools demands raising the thresholds of procurement so that WASHCOs can make procurements easily and without delay.
- The inclusion of pocket woredas in the last years of phase II in some regions such as Benishangul Gumuz region woredas demands raised threshold of direct procurement method as it is difficult for WASHCOs to get enough number of suppliers for collection of proforma invoices.
- The initial idea in the CMP approach was that WASHCOs make procurement of construction materials and labor separately but now there has been an increased experience of full contracting by WASHCOs in many woredas which demands the detailing of full contracting procedure of works.
- The procurement guideline in use for low and high tech water supply schemes have been different which sometimes may cause confusion in its use (as high techs will aggressively be implemented in this phase) by woredas and even there is lack of clear demarcation between springs with collection chamber and rural piped schemes (RPSs) from gravity springs to apply the two different procurement guidelines. So there is a need for having one procurement guideline which can be applied for low & high tech water supply schemes and institutional latrines.
- The procurement guideline used in phase I & II does not provide detailed instructions on the open tendering procurement method and there is a need to make this part in detail so that WASHCOs can properly use this method when conditions demand.
- The CMP procurement guideline used in phase I & II does not consider how WASHCOs can sell leftover construction materials if any.

3. WASH PROJECTS FOR WHICH THIS PROCUREMENT GUIDELINE IS TO BE APPLIED

This procurement guideline will be in use for COWASH project when WASHCOs are making procurements for the implementation of the following water supply and institutional WASH facilities.

a) Water supply schemes

- Rehabilitation or digging of new hand dug wells fitted with hand pump
- Rehabilitation or new construction of on spot spring or spring with collection chamber
- Construction of roof water harvesting for institutions.
- Drilling of new shallow wells fitted with hand pump.
- Rehabilitation or new rural piped schemes (RPS) construction from gravity springs with distribution system.
- Rehabilitation or new rural piped schemes (RPS) construction from motorized (non-gravity) springs with distribution.
- Deep well/borehole drilling for rural piped scheme (RPS)
- Rehabilitation or new rural piped schemes (RPS) construction from deep well (borehole) source with distribution system.

b) Institutional latrines

- Construction of new latrines for schools
- Construction of new latrines, placenta pits and incinerators for health facilities

4. DEFINITIONS OF PROCUREMENTS IN THIS GUIDELINE

Based on the experience how the constructions of the water schemes and institutional latrines have been constructed so far, the following definitions of procurements are to be used in this guideline.

4.1 PROCUREMENT OF GOODS

Procurement of goods refers to the procurement of construction materials (both local and industrial), equipment and tools required for the construction or rehabilitation of the water scheme and institutional latrines. This include:-

- Procurement of sand, cement, reinforcement bars, formwork, pumps, generators etc.
- Procurement of hand tools such as bucket, pickaxe, shovel, helmets, nylon rope, hammers etc.

The procurement of goods does not include those materials and tools agreed to be contributed by communities.

When WASHCOs procure the construction materials, equipment and tools with this method, they will separately procure labor and other services required for the work and the construction of the facility.

4.2 PROCUREMENT OF LABOR (CONSTRUCTION LABOR) AND OTHER SERVICES

Procurement of labor (construction labor) and other services refers to the procurement of skilled labor and other services required for the construction or rehabilitation of the water scheme and institutional latrine.

The labor/construction labor procurement shall include:-

- Labor contracting of private contractors, micro and small enterprises, artisans associations and individual artisans for the construction of water schemes or institutional latrines.

The other services procurement shall include:-

- Renting of equipments/tools for water schemes or institutional latrines construction (e.g. renting of formwork if any).
- Procurement of transport services for the transport of construction materials and equipments for the construction of water schemes or institutional latrines if the cost of procurement of the materials/equipments don't include transport cost.

The labor to be procured does not include the labor agreed to be contributed by the community.

When WASHCOs procure labor and other services with this method, they will separately procure construction materials, equipment and tools required for the work and the construction of the facility.

4.3 PROCUREMENT OF WORKS/FULL CONTRACTING/TURNKEY CONTRACTING

Procurement of works/full contracting/turnkey contracting refers to the type of procurement where the contractors, micro and small enterprises and associations are contracted to supply the required labor, materials, tools and equipments for the whole or the majority of the construction or rehabilitation works of water schemes or institutional latrines.

The contracting of the work does not include those labor, construction materials and tools agreed to be supplied by communities.

5. ELIGIBLE SUPPLIERS, SERVICE PROVIDERS AND CONTRACTORS

5.1 PROCUREMENT OF GOODS & OTHER SERVICES

The following are the eligible suppliers for the procurement of goods and other services.

- For the procurement of goods (industrial materials).
 - Suppliers having valid trade license & TIN number, and registred in the suppliers' list. The woreda finance office has to give information to WASHCOs which suppliers are registired in the list.
- For procurement of local construction materials,
 - Based on the situation of the woreda, sand, stones and eucalyptus if needed can be procured from suppliers without license.
- For procurement of transport services
 - For transport services by pack animals and carts do not need to have license.
 - For car transport services depending on the situation of the woreda (in woredas where it is difficult to get licensed transporters and it is justified by the WWT) the services can be procured from non-licensed individuals and use the developed format receipts.

5.2) PROCUREMENT LABOR (CONSTRUCTION LABOR)

The contactors eligible for the construction of water schemes in labor contact are:-

- Water Works Contractors

- Drilling contractors
- Micro and small enterprises licensed for water works construction
- Artisans' associations licensed for water works construction
- Individual artisans licensed for water works construction
- Individual artisans trained in water point construction and certified by the water bureau or zonal water department or woreda water offices but not having license shall be considered for construction labor contracting **when conditions in 6.2.1.1 is satisfied.**

The contactors eligible for the construction of institutional latrines in labor contact are:-

- Building contractors
- Micro and small enterprises licensed for building construction.
- Micro and small enterprises licensed for latrines construction if any.
- Individual artisans trained in institutional latrines construction or having experience in the institutional latrine construction without taking the training or which are believed to be capable of handling the construction but do not have license shall be considered for labor contracting **when conditions in 6.2.1.1 is satisfied.**

5.3) PROCUREMENT OF WORKS/FULL CONTRACT/TURKEY CONTRACT

The contactors eligible for works/full contracting/turnkey contracting of water schemes construction are:-

- Water Works Contractors.
- Drilling contractors (for well drilling, and casing supply & installation including or excluding well head construction & hand pump installation).
- Micro and small enterprises licensed for water works construction.
- Artisans' associations licensed for water works construction
- Individual artisans licensed for water works construction.

The contactors eligible for works/full/turnkey contracting of institutional latrines construction are:-

- Building contractors
- Micro and small enterprises licensed for building construction.
- Micro and small enterprises licensed for latrines construction if any.

6. COMMUNITY PROCUREMENT METHODS IN COWASH

6.1 GENERAL ON PROCUREMENT METHODS

The general structure of the procurement methods to be used by WASHCOs for the CMP approach follow that of the Ethiopian Federal Government Procurement and Property Administration Proclamation no 649/2009 and the Federal Government Public Procurement Directive issued by the Ministry of Finance and Economic Development (MoFED) June 2010 but by choosing & adapting some of the methods so that the procurements can be handled easily by WASHCOs considering their limited capacity and the voluntary nature of WASHCOs work.

WASHCO is a water, sanitation and hygiene committee elected by the users of a water scheme to manage the planning, implementation (procurement, contracting and financial management) and O&M of the water scheme. In case of the school water scheme & latrines the body acting as WASHCO is the PTA (Parents', Teachers Association) and in case of health facility water scheme & latrine the body acting as WASHCO is the Health Committee (HC).

The three (3) procurement methods for goods, services and works to be used by WASHCOs are the following.

- **Open tendering.**
- **Proforma invoice/request for quotation.**
- **Direct/single source procurement.**

The contract value amounts/thresholds at which each of the procurement method can be used and some other important conditions are shown in their respective sections of this guideline. For more on the different procurement methods for conditions other than stated in their respective sections of this guideline are required to be referred in the Federal Government Public Procurement Directive issued by MoFED in June 2010 which regions have adopted & translated to their working languages and distributed to each woreda finance office.

In the application of any of the procurements methods the following points which are the main pillars put in the government procurement proclamation and directives need to be taken into consideration.

- Achieve maximum value for money in procurement. I.e. insure economy, efficiency and effectiveness.
- Every procurement is supposed to be well planned and made through **open tendering** method. However the use of other methods (proforma invoice or direct procurement) will be used only where conditions for use of such other methods stipulated under this guideline are satisfied.
- Encourage in procurement local producers and micro & small enterprises which support the national economy through the application of preferential treatment granted by the government procurement proclamation and directive.
- The criteria that bidders are expected to fulfill includes a statement of requirement by the government that bidders competing for bids of contract value Birr 100,000 and above must present value added tax (VAT) registration certificate.
- Tax Identification Number (TIN) requirement have to be applied (except for procurements which may not necessarily require a TIN like procurement of local construction materials such as sand, stones, eucalyptus, procurement of local transportation facility such as carts, pack animals) and local artisans who have not yet got construction license.
- WASHCOs shall not purposely split procurements to take advantage of direct procurement to avoid

procurement by proforma invoice or open tender.

- The decision on the selection of the appropriate procurement methods and decisions taken on each procurement must be made transparent and minuted.
- No Bidder shall be discriminated or excluded from participating in the procurement on the ground of sex (male/female) or other reasons which are not related to the requirements of the tender.

The procurement procedure recommended in this guideline has to be endorsed by BoFED of each region and be sent to the woreda finance office for its usage as an accepted procedure for the implementation of CMP approach in COWASH project. The finance office distributes the guideline to the water, health and education offices.

6.2) PROCUREMENT OF GOODS OR SERVICES INCLUDING CONSTRUCTION LABOR

6.2.1) DIRECT/SINGLE SOURCE PROCUREMENT

Direct or single source procurement for goods or services including labor for construction is applied in the following conditions.

- **For a one time direct procurement of less than or equal to Birr 10,000.**
- **This can also be used for a one time procurement of more than Birr 10,000 in one of the following conditions. In this case the WASHCO has to discuss on the conditions and the decisions have to be minuted.**
 - If procurement by proforma invoice has been tried **twice**, and the proforma must have attracted no bidder, or the bidder or bidders responding to the proforma must have failed to meet the requirements set by the client for that procurement.
 - The supplier is the manufacturer or sole supplier/dealer of the goods
 - The need of the goods or services is one of pressing emergency in which delay would create serious problems and therefore injurious to the performance of the project. For example heavy rain which can cause damage to the project components.
 - When in the absence of competitions for technical reasons that the goods, construction labor or other required services can be supplied or provided only by one candidate, and when it is believed that the candidate will supply the goods or services in a fair price, acceptable quality and delivery time.

Other issues to be considered in direct procurement

- The quality of the goods to be procured, the technical capability of the contractor/artisan for the work, fairness of the price etc. has to be taken in to consideration.
- The WWT/WWO has to establish a unit cost data base through market survey to assist WASHCOs in price verification during the procurement of goods or services.
- Specifically in the construction labor contracting the WWO in collaboration with the regional water bureau can prepare construction labor cost estimate/guideline to assist WASHCOs in price verification for

labor contracting. The same has to be done for institutional latrines construction by health and education offices.

- The WASHCO shall prepare a description of its needs and any special requirement of quantity, quality, terms and time of delivery for the goods or services.
- The WASHCO is free to negotiate on the price and conditions of offer of the goods or services with the suppliers of goods or services.

6.2.1.1) LABOR CONTRACTING TO NON-LICENSED ARTISANS

As there has to be an accountability of contractors and also people involved in the construction sector are required to contribute to the tax collection system of the country, there is high effort being made by the government for licensing of artisans involved in the construction of water schemes as private contractors or Micro and Small Enterprises (MSEs). There are new artisans being trained in the project woredas and/or already trained by others and effort has to be made to support these artisans to be organized in MSEs. But establishing enterprises may take some time and trained artisans may remain without license for some time and there will be high risk of the water schemes and institutional latrines planned in number of woredas not to be implemented due to lack of licensed & experienced contractors if such artisans are not contracted for work. A part from strongly promoting & supporting the artisans to be organized in MSEs, non-licensed artisans trained in the construction & rehabilitation of water points and institutional latrines can be contracted for the following:-

- a) For a labor contract up to one time of direct procurement of less than or equal to Birr 10,000 for hand dug wells, springs and rural piped schemes. Artisans trained in the construction of institutional latrines or having experience in the institutional latrine construction without taking the training or which are believed to be capable of handling the construction can be also included in the construction of institutional latrines.
- b) Can also be contracted in labor of any amount for water schemes (hand dug wells, springs and rural piped schemes) & institutional latrines construction using the flat unit rate (artisans' payment guideline) prepared by the water, health or education bureaus or their respective zonal or woreda offices.

But there are regions which start organizing artisans in to MSEs as soon as they are selected for the training and almost all the artisans in these regions are members of MSEs & have already practiced tendering/competition among them; in this case the regions are not obliged to contract non-licensed artisans if any.

6.2.1.2) USE OF PRE-PREPARED FLAT RATE UNIT PRICES (PAYMENT GUIDELINE) FOR CONSTRUCTION LABOR CONTRACTING

Nowadays preparation of flat unit rate of different construction activities and contracting of eligible contractors in the different construction activities is widely practiced in the country. Very recently the Ministry of Water, Irrigation and Electricity prepared a guideline for labor contracting of MSEs and private contractors in the construction of water schemes. This practice has been well used in the Amhara region for contracting the construction of water schemes and institutional latrines in the CMP approach. So labor contracting of individual artisans, MSEs and private contractors using pre-prepared flat rate payment guideline can be one option of labor

contracting with the following conditions.

- For the construction of water schemes the payment guideline/flat unit rates have to be prepared by the water bureau and be sent to woredas formally and be updated when necessary.
- For the construction of school latrines the payment guideline/flat unit rates have to be prepared by the education bureau and be sent to woredas formally be updated when necessary.
- For the construction of health facility latrines the payment guideline/flat unit rates have to be prepared by the health bureau and be sent to woredas formally be updated when necessary.

In this case the water schemes and institutional latrines to be constructed shall be distributed/shared among the eligible contractors, MSEs or individual non-licensed artisans (**when condition put in 6.2.1.1 of this guideline is satisfied**) by the woreda water office, health office or education office depending on the type of project, the location of the project and the experience of the contractors, MSEs or individual artisan/s.

6.2.2) PROFORMA INVOICE/REQUEST FOR QUOTATION

The use of procurement by Request for Quotation for goods or services including labor for construction is applied in the following conditions.

For a onetime procurement of more than Birr 10,000

- At least three bidders/candidates have to be requested formally for their price quotation.

Other conditions required

- The request shall contain a clear statement & /specification of the requirements of the WASHCO as to quantity, quality, terms and time of delivery of the goods or services.
- Unless justified with past procurements for quoting lesser prices, avoid collecting quotation from the same suppliers/service providers repeatedly, so that other suppliers in the suppliers list may have also the opportunity of competition.
- The WASHCO shall give adequate time to candidates to prepare their quotations. The time can be from one day to 5 calendar days of the request for quotation given to the candidates.
- The contract will be awarded for a bidder with the lowest evaluated price, out of the bidders meeting the quality standards of the WASHCOs requirements as described in the price quotation/specification.
- Each candidate shall be allowed to quote a firm price which may not be changed. No negotiation shall be allowed between the WASHCO and the candidate on the price quoted by the candidate.
- The client (WASHCO) shall not disclose the identity of candidates invited to participate in procurement by Proforma invoice.
- The WWT/WWO has to establish a unit cost data base through market survey to assist WASHCOs in price

verification during procurement.

6.2.1) OPEN TENDER

Procurement by open tendering for goods or services including labor for construction may be applied in the following conditions.

- **For a one time procurement of any amount if open tendering is believed/expected by WASHCOs to be advantageous to the project in terms of cost, quality of the goods or services and the time taken in the open tender process does not affect the project implementation.**

Other conditions required

- The WASHCO assisted by the Woreda finance and other sector offices shall prepare a standard bidding document.
- The invitation to bid has to be advertised at least in the woreda and adjacent woreda capitals and be open to all bidders. If possible advertising at the zonal and region capital is also very much encouraged.
- Bidders must be given adequate time to prepare bid documents in response to the invitation to bid. But the bids should be advertised on air at least for 10 days and preferably for 15 days. Invitation to bid shall be advertised/posted at least in the woreda capital and adjacent woredas. Advertising at the zones and even at the regional capital is also encouraged.
- Each candidate shall be allowed to quote a firm price which may not be changed. No negotiation shall be allowed between the WASHCO and the candidate on the price quoted by the candidate.
- Where an invitation to bid attracts only one bidder, the WASHCO may sign contract with that bidder if the proposal submitted by such bidder is satisfactory to the WASHCO and the price offered by the bidder is comparable to or less than the market price of the required object of procurement; it being necessary to make sure that the failure of the bid to attract bidders is not due to the fact that the content of the bidding document is restrictive of open competition.
- The contract shall be awarded to the lowest evaluated price which fulfills all other requirements put in the bidding document.
- The WWT/WWO has to establish a unit cost data base through market survey to assist WASHCOs in price verification during procurement by open tender.

6.3) PROCUREMENT OF WORKS/FULL CONTRACTING/TURN KEY CONTRACT

6.3.1) DIRECT/SINGLE SOURCE PROCUREMENT

Direct or single source procurement for works or full contracting or turnkey contracting is applied in the following conditions. In this case the conditions have to be discussed & decision has to be minuted by WASHCOs and the WWT has to approve the decision that the WASHCOs to go for direct procurement.

For one time procurement of works less than or equal to Birr 250,000 in one of the following conditions.

- If procurement by proforma invoice has been tried twice, and the proforma must have attracted no bidder, or the bidder or bidders responding to the proforma must have failed to meet the requirements set by the client for that procurement or
- The need for contracting of the works a pressing emergency in which delay would create serious problems and therefore injurious to the performance of the project. For example heavy rain which can cause damage to the project components.
- When in absence of competitions for technical reasons the works contracting or turnkey contracting services can be supplied or provided only by one candidate, and when it is believed that the candidate will perform the work in a fair price, acceptable quality and delivery time.

For one time procurement of works more than Birr 250,000 in one of the following conditions

- If procurement by open tender has been tried twice, and the tender must have attracted no bidder, or the bidder or bidders responding to the tender must have failed to meet the requirements set by the WASHCO for that procurement. And if collection proforma or advertising for the third time is expected/assumed not to bring potential bidders from the experience in the two tenders advertised. This has to be appreciated and the direct procurement has to be approved by the WWT.

Other issues in direct procurement

- The WWT (the respective woreda WASH sector office) with the support of the zone departments or bureaus have to estimate the cost of the project to assist WASHCOs in price verification during the procurement.
- The WASHCO shall prepare a design, specification, bill of quantity of the works and related terms and give to the bidder to use to estimate the price of the work. The respective WASH sector office experts have to assist WASHCOs in this respect.
- The technical capability of the contractor/artisan for the work, fairness of the price, the timely execution of the work etc. has to be taken in to consideration.
- The WASHCO is free to negotiate on the price and other conditions of the works with the contractor.

6.3.2) PROFORMA INVOICE/REQUEST FOR QUOTATION

The procurement by Request for Quotation for works or full contracting or turnkey contracting is applied in the following conditions.

For one time procurement of works less than or equal to Birr 250,000

- At least three bidders/candidates have to be requested formally for their price quotation.

Other conditions required

- The WWT (the respective woreda WASH sector office) with the support of the zone departments or bureaus have to estimate the cost of the project to assist WASHCOs in price verification during the procurement.
- The WASHCO shall prepare a design, specification, bill of quantity of the works and related terms and give to the bidder to use it in price quotation of the work. The WASH sector office experts have to assist WASHCOs in this respect.
- The WASHCO shall give adequate time to candidates in which to prepare their quotations. The time can be from one day to 7 calendar days of the request for quotation given to the candidates.
- The contract will be awarded for a bidder with the lowest evaluated price, out of the bidders meeting other requirements as described in the price quotation/specification.
- Each candidate shall be allowed to quote a firm price which may not be changed. No negotiation shall be allowed between the WASHCO and the candidate on the price quoted by the candidate.
- The client (WASHCO) shall not disclose the identity of candidates invited to participate in procurement by Proforma invoice.

6.3.3) OPEN TENDER

Procurement by open tendering for works or full contracting or turnkey contracting is applied in the following conditions.

For one time procurement of works more than Birr 250,000

Other conditions required

- The WWT (the respective woreda WASH sector office) with the support of the zone departments or bureaus have to estimate the cost of the project to assist WASHCOs in price verification during the procurement.
- The WASHCO assisted by the Woreda finance and other sector offices shall prepare a standard bidding document including but not limited to design, specification, bill of quantity of the works and related terms.
- Invitation to bid shall be advertised locally and outside their local areas such as the woreda capital, adjacent woredas, zones and even at the regional capital and should be posted in places which are accessible to potential bidders. In order to increase the chance of the advertisements to be read posting the tender advertisement in the WASH sector offices notice board is also highly recommended. Depending on the type of technology & size/cost of construction work to be tendered advertising tender at least once in a newspaper having regional and/or national coverage is recommended. The national newspaper can be Addis Zeman, and the regional newspapers can be Bekur in Amhara, Mekal in Tigray and the like. In order to decide on the mode of tender advertisement the WWT has to advise WASHCOs and in case the WWT does not have clear information to advise WASHCOs on the availability of potential bidders, it can request advice from the water bureau. The decision and the reason/justification on the mode of advertisement decided have to be minuted by WASHCOs. The tender is to be advertised in the language the bidding document is prepared.

- Bidders must be given adequate time to prepare bid documents in response to the invitation to bid. But the bids should be advertised on air at least for 15 days and preferably for 21 days.
- Each candidate shall be allowed to quote a firm price which may not be changed. No negotiation shall be allowed between the WASHCO and the candidate on the price quoted by the candidate.
- Where an invitation to bid attracts only one bidder, the WASHCO may sign contract with that bidder if the proposal submitted by such bidder is satisfactory to the WASHCO and the price offered by the bidder is comparable to or less than the market price of the required object of procurement; it being necessary to make sure that the failure of the bid to attract bidders is not due to the fact that the content of the bidding document is restrictive of open competition.
- The contract shall be awarded to the lowest evaluated price which full fills other requirements put in the bidding document.

6.3.3.1) MORE ON OPEN TENDER

Every procurement is supposed to be well planned and made through open tendering method assisted technically by Woreda water office experts and CMP supervisor and other sector offices experts depending on the type of the project. However when situations make it necessary, it is allowed to use the other methods by properly justifying the cause and taking a minute record of this by WASHCO members. In the open bid process the following need proper attention.

a) Bidding Documents

The bidding documents shall contain sufficient information to enable competition among the bidders to take place on the basis of complete, neutral and objective terms. In particular, bidding documents must include:-

- Instruction to bidders
- Technical specifications
- Price schedule/bill of quantity for price filling
- Sale of bidding document
- Sealing of bids/envelopes
- Modification of bidding documents
- Language of bid
- Validity period of bid
- Amount and form of bid security/bid bond
- Submission and Receipt of Bids
- Bid opening

- Examination and Evaluation of Bids
- Re-advertising bids
- Address and the procedure for inquiry by bidders
- Confidentiality
- Disqualification of bidders
- Amount of performance bond/security and the form of security required
- Amount of advance payment and the form of advance payment security/guarantee required
- Notification of Award and Signing of Contract.

b) Tender notice/Invitation to bid

Once a bid document having the above important points is prepared the tender notice can be advertised as follows.

Invitation to bid shall be advertised locally and outside their local areas such as adjacent woredas, zones and even at the regional capital and should be posted in places which are accessible to potential bidders. Depending on the type of technology & size/cost of construction work to be tendered advertising tender at least once in a newspaper having regional and/or national coverage is recommended. In order to decide on the mode of tender advertisement the WWT has to advise WASHCOs and in case the WWT does not have clear information to advise WASHCOs on the availability of potential bidders, it can request advice from the water bureau. The decision and the reason/justification on the mode of advertisement have to be minuted by WASHCOs. The tender is to be advertised in the language the bidding document is prepared.

- The notice shall include:-
 - The name and address of the procuring entity/WASHCO
 - The nature, quantity and delivery place of the goods or services, or the nature and site of construction work
 - Conditions to be fulfilled to obtain the tender document and the place where this document is available
 - The price to be paid for the tender document
 - The type, amount and payment method of the bid security required
 - The language required to be used by bidders to prepare their proposals
 - The place where to submit bidders' proposals and the date of bid opening
 - The right of the procuring entity/WASHCO to wholly or partially reject the bid

7. DELEGATED PROCUREMENTS

In case the WASHCO lacks the capacity to manage the proforma collection or open tendering of goods, services or worksite can delegate the WWT to manage the procurement process on their behalf. In this case WASHCO representatives (at least the chairperson & secretary) must be invited to attend the tender opening and the material procurement or service agreement is to be signed between the WASHCO and the service provider or supplier. If the WASHCO finds it not possible to sign the agreement, it can even delegate the WWT to sign the agreement on its behalf.

In case the delegated WWT by WASHCOs does not have the capacity to handle the procurement, it can delegate the Zone Water Office or water bureau and even if the zone water office does not have the capacity it can delegate the water bureau to conduct the procurement on WASHCOs behalf.

The delegation has to fulfill the following or has to follow the following procedure

- The delegation has to be given before the woreda/zone/bureau starts the procurement process/tender.
- The delegation has to be in formal writing and be addressed to the WWT.
- The delegation letter has to clearly state the delegated activity/activities.
- The reason/s for delegation has/have to be clearly stated in the letter.

As much as possible in any of the delegations given by WASHCOs once the payment requested by the contractor/supplier/service provider is certified by the sector office experts or supervisors assigned by the bureau/zone, the WASHCO chairperson approves the payment and the WASHCO transfers the money to the contractors/supplier/service provider.

In the case of RPSs from motorized sources and shallow/deep well drillings where the technical complexity of the schemes, less possibility of getting a drilling company for a single well and the onetime payment to be paid to the contractors is high and community does not feel comfortable to handle such huge amounts of fund transfers and where community clearly in writing want to delegate the actual fund transfers of the project to the WWT or water bureau the payment fund transfers can be done by the WWT/water bureau. In this case WASHCOs shall clearly in writing delegate the WWT (which will in turn delegate the water bureau) to handle the procurement process and payment transfers to the contractor. The water bureau can effect/transfer the payment to the drilling company or the contractor only with the written approval of the WASHCO chairperson for each transfer. The full understanding of the WASHCO in approving each fund transfer shall be maintained and in this case it cannot be taken as a violation of the CMP approach/principles.

8. SELLING OF LEFTOVER CEMENT, REINFORCEMENT BAR AND OTHER CONSTRUCTION MATERIALS

As much as possible all the construction materials have to be bought with the exact required quantity to avoid wastage and leftover of materials after the construction ends and for this the existing practice of giving technical advice to WASHCOs by woreda water office and other relevant experts has to continue and be encouraged. But due to various reasons there may be some industrial materials such as cement, reinforcement bar and the like which may be leftover after the construction ends. These leftover materials have to be sold properly by WASHCOs and the money has to be returned to the WWT CMP account at Micro Finance Institution (MFI). As the sold leftover materials were initially procured by the money withdrawn from the MFI & receipts may have already been settled at the water office, the water office & MFI sub branch have to work more closely in reconciling the financial balance of the specific project where materials are sold and money collected from the sell is to be deposited back

at the MFI sub branch. The selling of such leftover materials will be handled as follows.

- In selling the materials a detailed specification of the materials to be sold must be prepared and materials with an estimated value of less than or equal to Birr 10,000 would be sold by negotiating with the buyer in their local areas with the assistance of one Woreda Water Office Expert and CMP supervisor. The negotiation is case is to get a buyer who can buy at a better/higher price.
- However if the estimated cost of the materials to be sold is above Birr 10,000 they will be sold by open bid by WASHCOs in main woreda town with the assistance of one Woreda Water Office Expert and CMP supervisor. The procedures of open bid shall be:-
 - Advertise the bid by posting in different places at the woreda capital
 - Bidders shall be at least 3
 - The winning bidder shall be that whose price is the highest

In both cases there should be minute of the WASHCO for discussion and decision on the selling of the leftover materials like the minuets of meeting when they make decision to procure construction materials & tools.

As WASHCOs do not have printed receipts for collecting money from the sell of the leftover materials which are required to be returned to the MFI once the selling has been accepted by the water office or WWT, the format shown in Annex 1 of this manual can be used as legal receipts for the collected money from the sell of the leftover materials.

COWASH Project Phase III

**Annex 1. Receipt for the Sell of Leftover Construction Materials by
WASHCOs/PTAs/HCs**

Date _____

Receipt No. ____/2009____

Name of WASHCO selling the items _____

Name of buyer of the items _____

It. No.	Name of item	Unit	Qty.	Unit price (Birr)	Total price (Birr)
Total price (Birr)					

Amount in words _____

Prepared by (WASHCO accountant) _____

Approved by (WASHCO chairperson) _____

Received by (WASHCO cashier) _____

NB. 1. This receipt will be prepared in three copies. One copy will be given to the buyer, one copy will be given to the water office when settling the account and one copy will be in the hands of the WASHCO.

2. When WASHCOs are reporting the collected money to the water office with this receipt, the minutes of the WASHCO discussion and decision for the selling of the leftover items has to be attached with this receipt.