



REPUBLIC OF NAMIBIA

MINISTRY OF FINANCE

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Enquiries: **Mr. Hamukoto (2463)**.....

Our Ref.:

OFFICE OF THE MINISTER**PROCUREMENT POLICY UNIT**

Your Ref.:

 Head Office,
 Moltke Street,
 Private Bag 13295,
Windhoek,
 NAMIBIA
14 March 2018
 Hon. Ministers
 Your Worship The Mayors
 Chairpersons of Boards
 Chairpersons of Regional Councils

Att: All Accounting Officers

SUBJECT: EXEMPTION TO ALL PUBLIC ENTITIES WITH REGARD TO APPLICATION OF BID SECURITY (BANK GUARANTEE) // IN TERMS OF SECTION 45 OF THE PUBLIC PROCUREMENT ACT, 2015.

1. Reference is made to the above-mentioned subject matter, with regard to the application of *section 45(1) bid security or bid securing declaration* pending the finalization of the National Preferential Policy.
2. Section 4(2) of the Public Procurement Act, 2015 states:
"The Minister may, with or without condition, as the Minister may determine, grant a general or specific exemption by way of a directive for specific types of procurement or disposal from the application of certain provisions of this Act that are not practical or appropriate for the purpose for which such goods are let, hired or disposed of, including goods, works and services being procured."
3. The Procurement Policy Unit is fast-tracking the development and subsequent adoption of the codes of good practice on preferences. In the absence of the preferential policy, the Bid Security (Bank Guarantee) requirement under regulation 37(1)(a) of the public procurement regulations has proven to be a limiting measure with regards to participation by small and upcoming entities.


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All official correspondence must be addressed to the Permanent Secretary.

4. The Procurement Policy Unit informs your Public Entity that in terms of Section 4(2) of the Public Procurement Act, 2015 exemption is granted to deviate from the application of regulation 37(1)(a) (bid security – bank guarantee) of the afore-mentioned Act.
5. In the preparation of bidding documents, Public Entities must utilize a bid securing declaration for all procurement values until such time that the codes of good practice has been issued in terms of Section 70 of the Public Procurement Act, 2015.

Please accept the assurance of my highest consideration.

Yours faithfully


CALLE SCHLETTWEIN, MP
MINISTER

