



GOVERNMENT OF LESOTHO

**GOVERNMENT CODE
OF GOOD PRACTICE
PROCUREMENT**

November 2006

Introduction to the Code

What is the Code?

The Government Code of Good Practice Procurement sets out the core values and behaviour for all members of the government's supply chain: both government organisations and their suppliers.¹ It is a code of conduct for all members of the supply chain which encourages all participants to work together openly and co-operatively.

It also represents a commitment that government is serious about wanting to be better customers and that the business sector is serious about wanting to be better suppliers. The Code has been developed jointly by the Ministry of Finance and Development Planning and the Chambers of Commerce in Lesotho.

The Code is not intended to have legal effect although it is consistent with the Public Procurement Regulations 2006 and procurement policy guidelines as set out in the Lesotho Procurement Manual.

Why have a Code?

Suppliers play an important role in delivering government's core business throughout the Kingdom. They contribute to the government's aim of providing high quality, efficient, responsive and services for the public. Therefore, the way in which government and suppliers throughout the chain work together and the relationships which are developed are critical. By establishing a Code of Good Practice for the whole supply chain, it is hoped that members of the chain can jointly achieve:

- ↳ the creation of true and effective partnering relationships
- ↳ more successful delivery
- ↳ reduced procurement timescales
- ↳ a reduction in the costs of competing for government business
- ↳ better value for money.

¹ Throughout the document, the term 'Supplier' is taken to mean both the immediate supplier to the customer and any sub-contracts or contracted third parties

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Who does the Code apply to?

The Code is intended for all those in government supply chains, including government procurement staff, contract and project managers whether in central Ministries, the Districts or state-owned enterprises, and to supplier and sub-contractor managers and staff. As a statement of good practice it should be shared openly between the existing and potential members of the supply chain. The Procurement Policy and Advice Division (PPAD) of the Ministry of Finance and Development Planning and representative bodies such as the Chambers of Commerce will promote the adoption of the Code as widely as possible.

What if one party does not follow the Code?

It is hoped that all members of the supply chain will see the mutual benefits of following the practices set out in this Code, and will attempt to resolve any compliance issues locally. Where this is not possible, and where one party in a relationship believes the other to be in breach of the Code, they are advised to bring this to the attention of PPAD or the relevant representative body as appropriate.

Who can you contact about the Code?

If you have an enquiry about the Code or its implementation on specific contracts/projects, you should contact the Head of Procurement in the government organisation you are dealing with, the relevant representative body or PPAD.

When working within government, all customers, suppliers and their suppliers throughout the supply chain shall commit themselves to these core values:

fairness
honesty and openness
efficiency and effectiveness
professionalism

1. Fairness

The members of the supply chain will act fairly during the competitive process and throughout the business relationship. They will do this by:

Jointly

- 1.1 Managing and participating in competitions in a fair manner.
- 1.2 Providing accurate and timely information, in appropriate detail.
- 1.3 Respecting the confidentiality of third parties and members of the supply chain, particularly where some information may be covered by intellectual property rights or represent a supplier's specific commercial advantage.
- 1.4 Understanding the need for government organisations to comply with the regulations and policy guidelines, and their

objective of developing Basotho business so that they are encouraged to tender for appropriate work either directly or in conjunction with others.

Customers

- 1.5 Being objective, even-handed and transparent when making decisions and making sure that each competition is run without favouring any one supplier.
- 1.6 Applying Lesotho domestic policy and meeting international obligations.
- 1.7 Ensuring genuine competition by selecting the appropriate number of tenders, taking into

account the legal requirement, and seeking to reduce unnecessary costs (to the customer and potential suppliers) by restricting competitions to a reasonable size.

Suppliers

- 1.8 Striving to ensure that customers continue to obtain business benefit in all relationships with suppliers.

2. Honesty and openness

The members of the supply chain will be honest and open when conducting business with each other. They will do this by:

Jointly

- 2.1 Working together to manage expectations.
- 2.2 Advising each other of any significant reservations about requirements and assumptions in a constructive fashion at any time during the contract/project, and being genuinely receptive of that advice.
- 2.3 Working together to ensure that pricing structures are aimed at realising and demonstrating value for money for the customer and a reasonable return for the supplier.
- 2.4 Sharing views of risk and contingency plans for procurement and contract performance, and working to achieve a realistic position on

the appropriate allocation and management of risk.

- 2.5 Raising any issues of concern at an early stage so as to enable constructive joint resolution.
- 2.6 Being open about any interest they may have which may have a bearing on the relationship.
- 2.7 Dealing with each other in good faith about their capabilities, skills, products and resources, and their respective strengths and limitations throughout the relationship.

Customers

- 2.8 Sharing plans with potential suppliers at as early a stage as possible, consulting with and listening to the observations of

those suppliers. Reflecting those observations in the planned approach where appropriate and explaining where this is not possible.

- 2.9 Indicating clearly when inviting suppliers to tender how their offers will be evaluated and stating the relative priorities of the selection and award criteria.
- 2.10 Making sure that formal competitions are launched only when there is a clear intent to award a contract. Doing so within published timescales, where appropriate advising potential suppliers of the degree to which this may be subject to subsequent political decisions or changing investment priorities.
- 2.11 Providing successful and unsuccessful candidates and tenderers with feedback which is as helpful as possible and designed to promote future improvement.
- 2.12 Making clear at the outset how the successful supplier's performance will be judged and providing regular feedback throughout the life of the contract/project.

Suppliers

- 2.13 Being open about their aims, objectives, strategies and business alliances as they relate to government business.
- 2.14 Making clear any assumptions, dependencies and/or risks on the customer which underpin the supplier's ability to deliver the required goods, works or services.
- 2.15 Fully respecting the need for public sector procurement activity to be conducted, and to be seen to be conducted, with integrity, probity and fairness.

3. Efficiency and effectiveness

The members of the supply chain will contribute to improving the efficiency and effectiveness of government procurement. They will do this by:

Jointly

- 3.1 Striving for the highest standards of performance and best practice, within the context of best value for money.
- 3.2 Seeking to mitigate disruption, delays and additional costs, however they may be caused. In particular, keeping procedures as simple as possible and taking other actions as appropriate to eliminate all unnecessary costs to both parties.
- 3.3 Taking into account, as far as is reasonable, the wider business goals of the other party.
- 3.4 If the need to consider or propose changes to the contract arises, doing so constructively and in consultation with the other party, seeking to maintain value for money and to minimise the adverse impact on performance, cost and timescale.
- 3.5 Working to secure appropriate business relationships

generally, including developing longer-term

collaborative and strategic partnerships where such arrangements are best suited to deliver value for money.

3.6 Meeting commitments in a timely manner and making sure, wherever possible, that published procurement and implementation timetables are kept to.

3.7 Working together to manage contracts in a way which does not duplicate resources and effort and which properly reflects the division of responsibilities and risks and ensures that all partners share common objectives and purpose.

Customers

3.8 Implementing best practice as promulgated by government.

3.9 Making sure that requirements and outputs or benefits are specified in a way which enables suppliers to propose the best value for money solution, adopting innovative approaches where appropriate.

3.10 Making sure that proposed timetables are realistic.

3.11 Where appropriate, utilising electronic commerce techniques to improve the efficiency of the interface with suppliers and the integration of related processes.

3.12 Keeping to the government's target of 48 hours to notify suppliers if invoices are incorrect and 30 days for the payment of bills.

Suppliers

3.13 Pursuing continued improvement and seeking actively to identify, and share with the customer, experiences, innovations and market advances.

3.14 Being proactive in the suggestion and the use of measures to improve the efficiency of the contractual relationship.

3.15 From the earliest possible stages, working with any potential sub-contractors or other business partners to promote an integrated supply chain approach and to make most effective use of skills and resources.

3.16 Submitting correctly completed invoices supported by all the certification and other documents required under the contract.

4. Professionalism

The members of the supply chain will work to a high standard of professionalism. They will do this by:

Jointly

4.1 Acting at all times with courtesy, consideration and integrity.

Encouraging professional and ethical

behaviour by staff in all their dealings throughout the supply chain, and by complying with the government's Code of Conduct for Procurement Staff and

the codes of practice of relevant professional bodies.

4.2 Actively respecting people, for example through health and safety and training commitments.

4.3 Adequately resourcing the planning, preparation and delivery stages of projects, fulfilling commitments on staffing levels, skills and competencies.

4.4 Avoiding unrealistic and unnecessary changes in dates or timescales, particularly in the event that requirements change. Ensuring that key decisions are communicated promptly to all parties in the event that the programme is revised.

4.5 Making sure that roles and responsibilities are clear and understood.

4.6 Making sure that there is adequate continuity of staff through the

whole lifecycle of projects – before, during and after the procurement phase.

4.7 Filling posts on projects with staff who have the necessary experience, knowledge and expertise.

4.8 Ensuring that there is appropriate management backing for

projects from the outset and until completion.

4.9 Working actively together to solve problems at the earliest possible stage and seeking to resolve contractual disputes using alternative disputes mechanisms wherever appropriate.

4.10 Responding promptly and courteously to communications and making sure that appropriate contact details are always given.

4.11 Behaving ethically in all business dealings.

Customers

4.12 Continuing to award work on the basis of value for money (whole life cost and quality) criteria and not simply the lowest purchase price.

4.13 Making sure that, where appropriate, specifications and value for money award criteria include relevant sustainability and environmental factors in accordance with government legislation and/or guidance in force at the time.

Suppliers

4.14 Fostering high levels of professional competence and being proactive in training supplier staff to enable them to understand and

effectively deliver against agreed customer targets.

4.15 Only proposing solutions which they know they can deliver, and continuing to behave in such a way as to maintain customers' confidence throughout the life of the contract.

4.16 Working collaboratively with the customer and other parties as appropriate to ensure that the focus is maintained ultimately on the public interest at all times.