

# REPUBLIC OF RWANDA



## RWANDA PUBLIC PROCUREMENT AUTHORITY (RPPA)

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30 Apr 2015

Kigali, on  
N° 010/2014 -2663/RPPA

**Chief Budget Manager (All)**  
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Dear Sir/Madam,

### Re: Use of framework agreement

As you know, article 37 of the law n°05/2013 of 13/02/2013 completing article 56 ter of the law n°12/2007 of 27/03/2007 on public procurement allows procuring entities to enter into framework agreements with suppliers/contractors for purchasing goods that are needed frequently over a period of time, but where the quantity and timing cannot be defined in advance. This reduces procurement operation costs or lead times for a requirement which is needed repeatedly or continuously over a period of time.

However, RPPA has noticed that some procuring entities use these framework agreements inappropriately where they award tenders to suppliers on the basis of summation of unit prices without having estimate of quantities that will be needed for each item. In most cases, this leads to loss of money.

From the above background, RPPA would like to request all procuring entities that award tenders through framework agreement to take care of the following:

- i. Before advertising any tender to be awarded through framework agreement, procuring entity must have a rough estimate of annual quantities of each item that it will need during the fiscal year'
- ii. The tender document should indicate a list of items and their quantities against which bidders will provide their unit prices. The total bid price for each item should be the product of the quantity and the quoted unit price for that particular item and the sum of the total prices will make a basis of comparison of bid prices submitted by different bidders and a basis for the selection of the lowest evaluated bidder to be awarded the framework contract,
- iii. To forecast the quantity of each item that will be needed throughout the fiscal year, procuring entity may use the past consumption analysis to predict the future purchases,

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- iv. This is used for items that have an independent demand which are consumed on a continuous basis. **These quantities are not unchangeable but are estimated to help in comparison of the total contract amounts,**
- v. The framework agreement shall be concluded for a period not exceeding three (3) years prior to a new competition. This should be well indicated in the advertised tender document and for best practice, **RPPA advises to sign a contract for one year renewable once or two times depending on the satisfaction of the procuring entity for the services offered by the supplier.**

**SEMINEGA Augustus**  
Director General of RPPA

