



PPADB CIRCULAR NO. 3 OF 2009

Made in terms of section 28 of the PPAD Act

TBG 142 II (36) Exch

8th April 2009

The Permanent Secretary to the President
All Permanent Secretaries
The Commander, Botswana Defence Force
The Commissioner, Botswana Police Services
The Attorney General
The Auditor General
The Registrar, High Court of Botswana
The Director, Directorate on Corruption and Economic Crime
The Ombudsman
The Clerk of National Assembly
The Secretary, Independent Electoral Commission
All District Commissioners
All MTC Chairpersons

Dear Sir/Madam:

RE: ISSUANCE OF PERFORMANCE BONDS

It has come to light that there exists variance in the provisions of the PPAD Act Regulations and the PPADB Standardized Bidding Packages (SBPs) in relation to the issuance of performance bonds or security for tender purposes. The Regulations and in particular Regulation 88.2 (b) provides thus

“the security shall be in a form and from an institution that is acceptable to the Bank of Botswana”

The standardized bidding packages on the other hand provide in many instances thus

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“performance bonds may be provided only by a bank registered in Botswana” (adopted from form of intent to provide a performance bond).

It becomes clear that the SBPs have replaced “an institution that is acceptable to the Bank of Botswana” with the words “bank registered in Botswana”. In adopting this wording the SBPs restricted issuers of security to banks registered in Botswana a restriction that is not provided for in the Regulations.

In recognition of this, the Board at its sitting of the 6th March 2009 decided to remove this apparent restriction from the SPBs and have them aligned and provide as the Regulations viz, that

“security shall be in a form and from an institution that is acceptable to the Bank of Botswana”.

It should be noted on the other hand that the alignment of the SBPs does not address the queries that are raised by other financial institutions that are not subject to Bank of Botswana.

I thank you.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M. B. Lefhoko', written in a cursive style.

M. B. Lefhoko
Acting Executive Chairman