

Number 14 – 27th November 2022

Published by Centro de Integridade Pública, Maputo, Mozambique

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Elections business: CNE/STAE made awards without tenders worth 8.1 billion meticaís to the Artes Gráficas – Laxton consortium

The consortium was the only body invited by STAE to present a bid to supply Mobile IDs, services to improve the computer application, to maintain and supply mobile ID accessories and printed material for the 2023/2024 Voter Registration, including the 2022 pilot registration.

The total value of the contract awarded, without any public tender, is 8,121,897,991 Meticaís (eight billion, one hundred and twenty one million, eight hundred and ninety seven thousand, nine hundred and ninety one meticaís), equivalent to 128 million dollars. It involves two packages. The first, valued at 3.5 billion meticaís, is to supply the voter registration material for 2023 and for the pilot – which should be held in 2022, but will be delayed to 2023 (see Bulletin No. 12). This includes improving the application, tests of the application and equipment (pilot registration, 2022), training and voter registration material for 2023/2024, plus the material for testing the application and the equipment.

Supply of pilot voter registration material 2022 & 2023 (Summary)	
Item	VAT
Sub-total 1: Servers & Software & CPDs	502,332,640.00
Sub-total 2: Pilot 2022	41,930,360.00
Sub-total 3: Training	2,966,355.00
Sub-total 4: Voter registration 2023	2,177,197,345.00
Sub-total 5: Equipment and accessories	160,050,000.00
Sub-total 6: Assistance and logistics	104,625,450.00
Sub Total	2,989,102,150.00
VAT	508,147,365.50
Total amount	3,497,249,515.50

The second package is valued at 4.6 billion meticaís and seeks to supply the equipment for the voter registration of 2024, for the general elections of that year. This package includes training material for the voter registration of 2024, equipment and accessories, technical assistance and logistics.

Supply of pilot voter registration material for 2024 (Summary)	
Item	VAT
Sub-total 2.1 Training 2024	7,358,400.00
Sub-total 2.2 Voter registration 2024	3,805,074,780.50
Sub-total 2.3: Equipment and accessories	49,707,805.00
Sub-total 2.4: Assistance and logistics	90,550,000.00
Sub-total	3,952,691,005.50
VAT	671,957,470.94
Total amount	4,624,648,476.44

Consortium representative at the assessment of the bid

On 7 June of this year, while the polemical public tender was under way for the selection of the General Director of the Electoral Administration Technical Secretariat (STAE), the jury opened the technical and financial bids presented by the Artes Gráficas-Laxton consortium for their assessment. In the room where the jury was assessing the bid, the representative of the two companies who formed the consortium was also present, as can be read in the report of the tender jury (which did not reveal his name).

“The Jury opened the bid at 14.15 on 7 June of this year, in the presence of the representative of Artes Gráficas, as stated in the appended minutes of the opening. Once the bid had been opened, the work on assessing the bid followed”.

The result is that the consortium, the sole candidate, was approved with a high score in all the factors assessed, with the exception of the financial part, which was considered high.

Item	Weighting (%)	Score	Weighted
		Score	Weighted
Technical Specifications	55	19	10.45
Financial bid	30	11	3.30
Technical Assistance	10	19	1.90
Experience of the Company	2.5	20	0.50
Experience of the staff	2.5	20	0.50
Total			16.65

The jury that decided

For the decision on the tender, a jury was appointed consisting of the following members of STAE staff:

1. Leonardo Eugénio Bila (Chairperson)
2. Bartolomeu Gabriel Chichava
3. Constantino António Zandamela
4. Ernesto Júlio Bambo

Even without elements for comparison with other bidders, the jury considered that the consortium presented a robust technological solution for undertaking the voter registration which guarantees the security of the electoral data along the entire chain – that is, from the Mobile IDs to the provincial and central servers. Likewise, argued the jury, the bidder (Artes Gráficas/Laxton) “has been a partner of the Electoral Administration and Management bodies for many years. It has been working on the elections, and for this reason the Electoral Administration Technical Secretariat today possesses a robust voter registration

application, thanks to the tests held in the pilot registration of 2017 and the consolidation undertaken in the 2018 and 2019 voter registrations.”

Difficulties in comparing prices and the assumption for justifying the consortium

The jury that assessed the bid from the consortium says it presented significantly higher figures for the prices of the Mobile IDs and their accessories, when compared with the prices charged in 2019.

Asked to explain, Artes Gráficas/Laxton, in a letter dated 13 June, said that the significant variation in the price, in the space of three years, was due to the following factors:

- a) The rise in the price of lithium, an essential component in the manufacture of batteries and other electronic components;
- b) The shortage of semiconductors and electronic components;
- c) The high demand for processors;
- d) The rise in the value of the US dollar against the metical;
- e) The increase in the price of fuel; and
- f) The increased price of transport.

Without other elements of comparison, the jury had to accept this justification of the consortium. It said it requested discounts, but without altering the quality or the quantity of the materials. The bidder agreed to discount 7,150 MT for each Mobile ID, which, in total, amounts to a discount of 31.5 million meticals.

If the tender had been opened to more bidders, there should have been no resort to the prices charged in 2019, because that would have allowed comparison based on the bids presented by other companies.

In general, direct awards are used to avoid the appearance of more attractive bids which might shake up the tender and make it difficult to award the contract to the preferred bidder, the body that already has an agreement in advance with particular companies.

How is the direct award justified?

There is no explanation of the reasons for resorting to the direct award without a tender. According to the report from the jury, STAE “made the request to the Artes Gráficas, Lda.-Laxton consortium (...) under article 94, paragraph a), taken together with article 95 paragraph a), both of Decree no. 5/2016, of 8 March, which approves the regulations on the Hiring of Public Works contractors, the Supply of Goods and Provision of Services to the State.” However, it does not refer specifically to any of the eight lines of the same article that forced the resort to a direct award (see the appended articles).

Direct Award

Article 94

(Direct award)

Direct award is the form of hiring applicable whenever hiring in any of the other forms laid down in the present regulations proves not to be viable, under the following circumstances:

- a) If the object of the hiring can only be obtained from a single public works contractor, supplier of goods or provider of services, or if the Hiring Body has already previously contracted the acquisition of goods or provision of services from an entity, and maintaining the uniformity of standards is justified;
- b) In an emergency situation, which might cause irreparable damage, or damage difficult to repair, to state or to society, and only to satisfy the object of the emergency and while it lasts;
- c) In time of war or serious disturbance of public order;
- d) If, in a previous tender, no bidders appeared, and it cannot be repeated without damage to the public interest;
- e) If the object of the hiring concerns defence and national security, particularly in undertaking confidential military work, uniforms and their components, acquisition, maintenance and repair of military equipment for the exclusive use of the armed forces and the police;


- f) If the object of the hiring is intended for the supply of military ships, vessels, aerial units or troops and their means of travel when staying for short periods in ports, airports or localities different from those of their nationality, and only for the object of the emergency and as long as it lasts;
- g) If the hiring body is the State Security and Intelligence Service;
- h) In a lease contract.

Article 95

(Phases)

Hiring by Direct Award shall observe the following phases:

- a) Request for bids;
- b) Reception of bids;
- c) Acceptance of bids
- d) Verification of sufficient qualification to comply with the object of the contract;
- e) Award, cancellation, or invalidation; and
- f) Signing the contract

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