

1st October, 2017

FROM : THE DIRECTOR OF PUBLIC PROCUREMENT,
PETRODA HOUSE, PRIVATE BAG 383, LILONGWE 3.

TO : PRINCIPAL SECRETARIES, CHIEF EXECUTIVE OFFICERS
OF PARASTATAL ORGANIZATIONS, HEADS OF
DEPARTMENTS AND HEADS OF ALL OTHER
PUBLIC INSTITUTIONS

cc : The Chief Secretary to the Government, Office of
The President and Cabinet, Private Bag 301,
Lilongwe 3.

: The Secretary to the Treasury, P.O. Box 30049,
Lilongwe 3.

: The Auditor General, P.O. Box 30045, Lilongwe 3.

PROCUREMENT THRESHOLDS FOR 2017-2018

Pursuant to Section 9 (1) (c) of the Public Procurement Act and Regulation 10 (2) of the Public Procurement Regulations, this Office has revised the thresholds for procurement of goods, works and services for the 2017-2018 financial year. Procurement thresholds are being regularly revised to generally take into consideration prevailing macro and micro economic fundamentals prevailing in the country. Other factors considered pertain to the performance of the respective procuring entities (PEs) which again largely border on the capacities in their respective procurement units (PUs).

As a result of this review, some PEs have been upgraded to from their current to higher thresholds while others have being downgraded and yet others have again remained stagnant.

This Office has observed that a PE with a well-staffed and strong PU is more likely to provide professional guidance to Management of the PE in general and the IPC in particular than a weak one. This means that generally PEs with well-established PUs have higher thresholds than those which have unqualified procurement personnel in their PUs.

Further, while the thresholds have been set based on the current status quo, this Office is prepared to review these thresholds for any PE at any time if it has been established that there

is marked improvement in any PU's capacity. Finally, thresholds for use of various methods as well as those for IPC approvals have been reviewed as shown in tables 1, 2, 3, and 4 and we provide details for each table as follows:

Table 1

Table one looks at the general thresholds for use of various procurement methods as stipulated by the Public Procurement Act 2003. These thresholds define maximum values for use of each procurement method.

Tables 2 and 3

It should be clarified that each IPC has been given a threshold for final approval of its procurements decisions without seeking our 'No Objection'. Please note that these IPC approval thresholds are separate from those dealing with use of a particular procurement method.

Group A of both Tables 2 and 3 is for procurements under donor-funded projects. This means that any PE implementing a donor-funded project which uses procurement guidelines of the donor, shall seek all necessary clearances from the donor itself unless such a donor specifically authorizes in writing, use of Malawi's national procurement system. Addressees should take note that in either case, the PE shall submit copies of both its Procurement Plan and Quarterly Reports to this Office for records.

Table 4

Table 4 is for a threshold for which every PE shall publish details of contracts of K50 Million and above. The purpose of this threshold is to comply with transparency and accountability requirements that our legal framework demands.

Addressees are, therefore, reminded to ensure that the contents of this circular letter are brought to the attention of all public officers who manage and administer public procurement activities in their respective organizations.



Paul Taalo

DIRECTOR OF PUBLIC PROCUREMENT

PRIOR REVIEW THRESHOLDS – 2017-2018

Table 1: Thresholds for Methods of Procurement

CATEGORY	PROCUREMENT VALUE (MK)	PROCUREMENT METHOD
GOODS		
	Up to K10 Million	Request for quotations (RFQ) – use ODPP registered suppliers list with IPC approval only
	K10 Million – K400 Million	Open Tender using National Competitive Bidding (NCB) – subject to prior review by ODPP
	Above K400 Million	Open Tender using International Competitive Bidding (ICB) –subject to prior review by ODPP
WORKS		
	Up to K15Million	RFQ – use NCIC registered contractors list with IPC approval only
	K15Million – K100 Million	Open Tender (NCB) using Minor Works document and subject to prior review by ODPP
	K100Million – K1.5 Billion	Open Tender using NCB Works document and subject to prior review by ODPP
	Above K1.5 Billion	Open Tender using ICB Works document and subject to prior review by and ODPP
SERVICES:		
Consultancy	Up to K5Million (Individual Consultants)	Short listing – List approved by IPC Only
	Above K5Million (Individual Consultants)	Open Expressions of Interest approval by IPC and ODPP
	Up to K10Million (Firms)	Short listing – List approved by IPC Only
	K10Million – K20Million (Firms)	Request for Proposals (RFP)/ (EoI) – subject to prior review by ODPP (local consultants only)
	K20Million – K100Million	RFP (through international advertising of EoI) – subject to prior review by ODPP
Routine	Up to K10 Million	RFQ- With IPC approval only
	Above K10 Million	NCB – subject to prior review by ODPP
Motor Vehicle Service/ Repair	Up to K5Million	RFQ- With IPC approval only
	Above K5Million	RFQ subject to prior review by ODPP

Table 2: Central and Local Government, and Government Projects PEs

Group A	Group B	Group C	Group D
No Prior Reviews up to NCB only (PEs MUST submit their Procurement Plans and Quarterly Reports only)	Goods – K70M Works – K70M Routine Services – K30M Consultancy Services – K30M	Goods – K40M Works – K30M Routine Services – K20M Consultancy Services – K20M	Goods – K20M Works – K30M Routine Services – K15M Consultancy Services – K15M
All Malawi Government donor funded projects using donor procurement guidelines	Ministry of Agriculture (Fisheries/Livestock) Ministry of Health Ministry of Education Blantyre City Council	Kamuzu Central Hospital Parliament Central Government Stores EIMU National Statistics Office OPC (+NIS) State Residences Office of the Vice President (+DODMA + Public Events) Ministry of Foreign Affairs Ministry of Natural Resources, Energy and Mining (Forestry Dept) Ministry of Lands, Housing and Urban Dev (+Surveyor General) Ministry of Transport and Public Works (+DRTSS + Marine Dept) Malawi Police Service Department of HIV/AIDS and Nutrition Ministry of Local Government Lilongwe D. Council M'mbelwa D. Council Zomba D. Council Salima D. Council Nkhata-Bay D. Council Dowa D. Council Kasungu D. Council Ministry of Justice and Constitutional Affairs	Mzuzu Central Hospital Zomba Central Hospital Queen Elizabeth Central Hospital Malawi Prison Service Ministry of National Defence Ministry of Industry, Trade & Tourism Department of Buildings Ministry of Home Affairs and Internal Security Ministry of Civic Education & Culture Department of Irrigation & Water Development Ministry of Information, Communications & Technology Domasi College of Education Immigration Department Malawi Defence Force Blantyre TTC Government Press Lilongwe City Council Ministry of Finance, Economic Planning & Development Ministry of Labour, Youth, Sport and Manpower Development The Judiciary Karonga D. Council Mulanje D. Council Mangochi D. Council Zomba Mental Hospital

		Ntcheu D. Council	Ministry of Gender, Children and Persons with Disabilities
		Chikwawa D. Council	Mzuzu City Council
		Dedza D. Council	Financial Intelligence Unit
			Department of Statutory Corporations
			Department of Civil Aviation
			DHRMD
			National Audit Office
			Staff Development Institute
			Geological Survey Department
			Metrological Department
			Civil Service Commission
			National Registration Bureau
			Health Services Commission
			Magomero Community Development Centre
			Zomba City Council
			Chiradzulu D. Council
			Thyolo D. Council
			Ntchisi D. Council
			Nkhotakota D. Council
			Mchinji D. Council
			Phalombe D. Council
			Blantyre D. Council
			Chitipa D. Council
			Rumphi D. Council
			Mwanza D. Council
			One Village One Product
			PVHES
			Central Internal Audit Unit
			Neno D. Council
			Balaka D. Council
			Mangochi Town Council
			Nasawa Tech. College

South West Education
Division

Shire Highlands Education
Division

Central West Education
Division

Central East Education
Division

Northern Region Education
Division

Salima Technical College

Mzuzu Technical College

Lilongwe Technical College

Livingstonia Technical College

Soche Technical College

Namitete Technical College

Machinga TTC

Lilongwe TTC

Karonga TTC

Kasungu TTC

Phalombe TTC

Chiradzulu TTC

Nalikuti TTC

Registrar General's
Department

Kasungu Municipal Council

Luchenza Municipal Council

Nsanje D. Council

Machinga D. Council

Likoma D. Council

Karonga ADD

Mzuzu ADD

Kasungu ADD

Salima ADD

Lilongwe ADD
Machinga ADD

			Blantyre ADD Shire Valley ADD Byumbwe Research Station Baka Research Station Lunyangwa Research Station Chitedze Research Station Chitala Research Station
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Note: Procurement of Foodstuffs and Firewood are not subject to prior reviews

Table 3: Parastatal and Other Public Organizations

Group A	Group B	Group C	Group D
No Prior Reviews up to NCB only PEs MUST submit their Procurement Plans and quarterly reports only)	Goods – K80M Works – K100M Routine Services – K30M Consultancy Services – K30M	Goods – K50M Works – K60M Routine Services – K20M Consultancy Services – K20M	Goods – K30M Works – K40M Routine Service – K20M Consultancy Services – K20M
All Malawi Government donor funded projects using donor procurement guidelines	Northern Region Water Board Malawi Communications Regulatory Authority (MACRA) Reserve Bank of Malawi Blantyre Water Board Kamuzu College of Nursing The Malawi Polytechnic Airports Development Limited (ADL) Mzuzu University PPP Commission NOCMA Central Medical Stores Trust ESCOM Malawi National Examinations Board (MANEB)	Southern Region Water Board Roads Fund Administration Malawi Bureau of Standards Malawi Revenue Authority Central Region Water Board Malawi University of Science & Technology Smallholder Farmers Fertilizer Revolving Fund of Malawi Malawi Energy Regulatory Authority ENGECO Malawi Institute of Education Anti-Corruption Bureau Chancellor College LUANAR Malawi Electoral Commission Malawi Postal Corporation Malawi Investment and Trade Centre National Council for Higher Education	Lilongwe Water Board Roads Authority ADMARC Green Belt Initiative Authority Malawi Housing Corporation Malawi Human Rights Commission National Herbarium and Botanical Gardens College of Medicine NCIC MEDEF Malawi Broadcasting Corporation The Ombudsman National Food Reserve Agency University of Malawi Pharmacy Medicines and Poisons Board Malawi Institute of Management TEVETA National Commission for Science and Technology Nurses and Midwives Council of Malawi Medical Council of Malawi Malawi College of Accountancy MACOHA

			Malawi National Commission for UNESCO Copyright Society of Malawi Malawi Gaming Board National Youth Council ICAM Malawi Accountants Board Malawi Universities Development Program Malawi National Council of Sports Competition and Fair Trading Commission Tobacco Control Commission Malawi Law Commission Malawi College of Health Sciences National Library Service Malawi Universities Development Program
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Note: Procurement of Foodstuffs and Firewood are not subject to prior reviews

Table 4: Threshold for publication by ALL PEs of contract awards in print media

Category	Value (K)
All categories	50 Million

Ref. No. ODPP/01/22

1st February 2018

FROM: ACTING DIRECTOR OF PUBLIC PROCUREMENT, PRIVATE BAG
383, LILONGWE 3

TO: ALL CONTROLLING OFFICERS AND HEADS OF PUBLIC
INSTITUTIONS

cc: The Chief Secretary to the Government, Office of President and
Cabinet, P/Bag 301, Lilongwe 3

The Auditor General, P. O. Box 30045, Lilongwe 3

The Secretary to the Treasury, P. O. Box 30049, Lilongwe 3

**ENACTMENT OF THE PUBLIC PROCUREMENT AND DISPOSAL OF
PUBLIC ASSETS ACT**

You might be aware that Government has been undertaking a series of reforms in public procurement as part of the broad public finance management reform programme. One of the key outcomes of these reforms is the passing of the Public Procurement and Disposal of Public Assets Bill (2016) by Parliament into the Public Procurement and Disposal of Public Assets (PPDA) Act (2017) in June, 2017.

The new Act was assented to by His Excellency, the State President Prof. Arthur Peter Mutharika on 18th August 2017. Further, the Act was gazetted on 22nd August 2017 and took effect on 21st December 2017. The notice of the effective date which was published in the Gazette on 29th January, 2018, through Government Notice No. 71, has been duly attached for your ease of reference.

The major effect of the PPDA Act is that it replaces the Public Procurement Act of 2003. The new law, among others, establishes the Public Procurement

and Disposal of Public Assets Authority (PPDA) effectively replacing the ODPP. Further, Internal Procurement Committees (IPCs) are replaced with Internal Procurement and Disposal Committees (IPDCs). IPDCs shall be responsible for making all decisions pertaining to procurement and disposal of public assets on behalf of the Procuring and Disposing Entities (PDEs), formerly known as Procuring Entities (PEs). All Controlling Officers are, therefore, advised to establish IPDCs through re-designation and/or reconstitution of the existing IPCs while bearing in mind that they themselves are not allowed to be Chairpersons under the new law.

While subsidiary legislation (Regulations, Desk Instructions and Standard Bidding Documents) under the new Act is in the final stages of development, the Regulations and other instruments issued under the Public Procurement Act (2003) shall remain in force to the extent that they are consistent with the new law till such time that they are replaced. You will, accordingly, be advised once this is finalised. In the meantime, as a transitional arrangement, every undertaking by the Director of Public Procurement shall continue to have effect or be deemed to be undertaken by the Director General in accordance with the provisions of the new Act. While a formal sensitization programme has been planned, this Office is available for any clarification on matters related to public procurement or disposal of public assets.

Kindly note that printed copies of the Act will be made available to you soon, but in the meantime a soft copy of the same has been uploaded and can be downloaded from this Office's website (www.odpp.mw).

I should be grateful if the contents of this Circular are brought to the attention of all members of staff within your organisation.


A.M. J. Chirwa

ACTING DIRECTOR OF PUBLIC PROCUREMENT

29th December, 2017

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4.0 Site/Location of measuring devices

Distance between the devices the receiving water and a water body or the environment
_____ (m)

Date of installation of the measuring _____

Installation approved/ inspected by _____ (on behalf of the Authority)

Date _____

Dated this _____ day of _____, 2017.

(FILE REF. NO WRB/1)

JOSEPH MWANAMVEKHA
*Minister of Agriculture,
Irrigation and Water Development*

GOVERNMENT NOTICE NO. 71

PUBLIC PROCUREMENT AND DISPOSAL OF ASSETS ACT
(No. 27 OF 2017)

NOTICE OF COMMENCEMENT

IN EXERCISE of the powers conferred by section 1 of the Public Procurement and Disposal of Assets Act, 2017, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development appoint the 21st day of December, as the date on which the Act shall come into operation.

Made this 20th day of December, 2017.

(FILE NO. ODP/0/13/16)

GOODALL. E. GONDWE
*Minister of Finance, Economic
Planning and Development*

Ref. No. ODPP/01/22

30th June 2017.

FROM: THE DIRECTOR OF PUBLIC PROCUREMENT, P/ BAG 383,
LILONGWE

TO : ALL CONTROLLING OFFICERS, HEADS OF
DEPARTMENTS AND CHIEF EXECUTIVES OF
PARASTATAL ORGANIZATIONS

CC : The Chief Secretary, Office of the President and Cabinet,
Private Bag 301, Lilongwe 3.

INCLUSION OF URDG 758 IN BANK GUARANTEED BID SECURITIES

It has come to my attention that some bidders are providing bank guaranteed bid securities that include provision of URDG 758.

Please be informed that the ICC URDG 458 was superseded by URDG 758 for all demand guarantees in 2010. This Office has confirmed that the current URDG 758 originates from the UNCITRAL Model.

You are therefore advised not to penalize bidders if they bring Bid Security Guarantees that make reference to URDG 758 instead of URDG 458. The ODPP's standard bid security form is currently under review to duly take such changes into account.

I appreciate your usual cooperation.



P. L. Taalo

**DIRECTOR
OFFICE OF PUBLIC PROCUREMENT**