

Public Procurement and Disposal of Assets Authority

Ref. No. PPDA/01/22

12th August, 2019

FROM: THE DIRECTOR GENERAL, PUBLIC PROCUREMENT AND DISPOSAL OF ASSETS AUTHORITY, P/BAG 383, LILONGWE 3.

TO: ALL PRINCIPAL SECRETARIES, CHIEF EXECUTIVES OF PARASTATAL ORGANISATIONS, DISTRICT COMMISSIONERS, HEADS OF DEPARTMENT AND HEADS OF ALL OTHER PUBLIC INSTITUTIONS.

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

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

The Auditor General, National Audit Office, P. O. Box 30045, Lilongwe 3.

PROCUREMENT THRESHOLDS EFFECTIVE 19th AUGUST 2019

Pursuant to Section 6 (1) of the Public Procurement and Disposal of Public Assets Act (No. 27 of 2017), the Authority has revised the thresholds for procurement of goods, works and services. The revision has been necessitated by prevailing economic environment as well as general improvement in how Procuring and Disposing Entities (PDEs) have been discharging procurement functions.

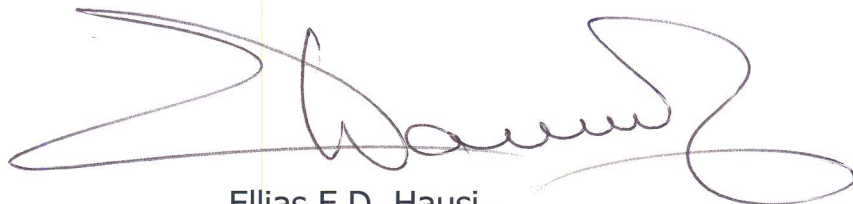
PDEs have been categorized based on assessed capacity to handle procurements of a particular threshold. It is the Authority's considered opinion that PDEs with well qualified staff in their Procurement and Disposal Units (PDUs) are more likely to provide accurate professional guidance to Management of the PDEs in general and the Internal Procurement and Disposal Committees (IPDCs) in particular, on matters relating to public procurement and disposal.

Thresholds for use of various methods as well as those for IPDC approvals have been raised significantly. The threshold for Request for Quotations (RFQ) has been adjusted upwards to K30 million for goods and non-consultancy services, and K50 million for works. PDEs are encouraged to ensure that procurement using this method (RFQ) is reserved for Micro, Small and Medium-sized Enterprises (MSMEs) as long as they have capacity to perform.

Notwithstanding the increase in thresholds, section 37(10) of the PPD Act provides that use of a procurement method other than open tender or in the case of procurement of consultancy services, a method other than request for proposals, is subject to prior approval by the Director General. This provision must be strictly adhered to.

The Authority wishes to advise that with the raised thresholds, it will intensify its Post Procurement Reviews for all procurements below prior review threshold. Heads of PDEs are reminded to keep records of all procurements undertaken in good order, in line with section 32 of the PPD Act. Further, please be reminded that, in accordance with section 37 of the PPD Act, the Authority is required to submit all "single sourcing" and "high value" procurements to the Anti- Corruption Bureau for vetting, before communicating any decision.

I should be grateful if the contents of this circular are brought to the attention of all staff involved in procurement and disposal activities.

A handwritten signature in dark ink, appearing to read 'Elias Hausi', with a large, sweeping flourish extending to the right.

Elias E.D. Hausi

DIRECTOR GENERAL

Table 1: Thresholds for Methods of Procurement

CATEGORY	PROCUREMENT VALUE (MK)	PROCUREMENT METHOD
GOODS	Up to K30 Million	Request for quotations (RFQ) – use PPDA registered suppliers, with IPDC approval only
	K30Million – K500 Million	National Competitive Bidding (NCB)
	Above K500Million	International Competitive Bidding (ICB)
WORKS	Up to K50Million	RFQ – use NCIC List with IPDC approval only <i>(For contractors in categories up to K100m on NCIC Register)</i>
	K50Million – K100Million	NCB using Minor Works Standard Bidding Document <i>(For contractors in up to K200million NCIC category)</i>
	K100Million – K5Billion	NCB using Works Standard Bidding Document
	Above K5 Billion	ICB using Works standard bidding Document
SERVICES		
Consultancy	Up to K20Million (Individual)	Short listing – List approved by IPDC
	Above K20Million (Individual)	Open Expression of Interest
	Up to K20Million (Firm)	Short listing – List approved by IPDC
	K20Million – K100Million (firm)	Request for Proposals (RFP)/ (through Expression of Interest) – (local consultants only)
	Above K100Million	RFP (through International advertising of Expression of Interest-mandatory) Expression of Interest subject to prior review by PPDA
Routine	Up to K30 Million	RFQ – with IPDC approval only
	K30 Million – K100Million	NCB
Motor Vehicle Repair	Up to K5Million	RFQ with IPDC approval only
	Above K5Million	RFQ subject to prior review by PPDA

Note:

1. Micro procurements – single source - up to K10,000 (IPDC approval only)
2. Publication of Intention to Award Notice on the PPDA website: minimum of K50 million
3. Publication of Intention to Award Notice in newspapers of wide national circulation: minimum K200million
4. Publication of actual award minimum K100million

THRESHOLDS FOR PRIOR REVIEWS

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

Group A	Group B	Group C
No Prior Reviews up to NCB only PDEs MUST submit their Procurement Plans and quarterly reports only)	Goods – K150M Works – K100M Routine Service – K100M Consultancy – K100M	Goods – K100M Works – K80M Routine Service – K80m Consultancy – K40M
All Malawi Government donor funded projects using donor procurement guidelines	Blantyre City Council Ministry of Agriculture Ministry of Education Parliament Kamuzu Central Hospital Education Infrastructure Management Unit	Central Internal Audit Unit Central Government Stores Civil Service Commission Department of Buildings Department of Civil Aviation Department of E-Government Department of HIV/AIDS Department Irrigation & Water Department of Disaster Preparedness DHRMD Domasi College of Education Financial Intelligence Unit Fisheries Department Forestry Department Geological Survey Department Government Press Health Services Commission Immigration Department Lilongwe Technical College Magomero Comm. Dev. Cent Malawi Defence Force Malawi Police Service Malawi Prison Service Metrological Department

		Ministry of Economic Planning and Development Ministry of Finance Ministry of Foreign Affairs Ministry of Gender, Children and Social Welfare Ministry of Health Ministry of Home Affairs and Internal Security Ministry of Industry & Trade Ministry of Information and Civic Education Ministry of Justice and Constitutional Affairs Ministry of Labour Ministry of Local Government Ministry of National Defence Ministry of Natural Resources Energy and Mining Ministry of Persons with Disabilities and the Elderly Ministry of Tourism Ministry of Transport and Public works Ministry of Youth Development and Sports Mzuzu Central Hospital National Audit Office National Intelligence Services National Registration Bureau National Statistics Office Office of the Vice President OPC PVHES Queen Elizabeth Central Hospital
--	--	---

		Registrar Generals Dept. Road Traffic Directorate Staff Development Institute State Residences Statutory Corporations Surveyor General's Office The Judiciary Zomba Central Hospital Balaka District Council Blantyre District Council Chikwawa District Council Chiradzulu District Council Chitipa District Council Dedza District Council Dowa District Council Karonga District Council Karonga Town Council Kasungu District Council Kasungu Municipal Council Likoma District Council Lilongwe City Council Lilongwe District Council Luchenza Municipal Council M'mbelwa District Council Machinga District Council Mangochi District Council Mangochi Town Council Mchinji District Council Mchinji District Council Mulanje District Council Mwanza District Council
--	--	---

		Mzuzu City Council Neno District Council Nkhata-Bay District Council Nkhotakota District Council Nsanje District Council Ntcheu District Council Ntcheu District Council Ntchisi District Council Phalombe District Council Rumphi District Council Salima District Council Thyolo District Council Zomba City Council Zomba District Council Zomba Mental Hospital Nasawa Tech. College South West Education Division Shire Highlands Education Division Central East Education Division Central West Education Division Northern Region Education Division Salima Technical College Mzuzu Tech College Livingstonia Technical College Soche Technical College Marine Services Department Machinga TTC Lilongwe TTC Karonga TTC Kasungu TTC
--	--	---

Table 3: Parastatals and Other Public Organizations

Group A No Prior Reviews up to NCB only PDEs MUST submit their Procurement Plans and quarterly reports only)	Group B Goods – K200M Works – K500M Routine Services – K100M Consultancy – K100M	Group C Goods – K100M Works – K200M Routine Services – K100M Consultancy – K100M
<p>All Malawi Government donor funded projects using donor procurement guidelines</p> <p>PPP Commission</p>	<p>Airports Development Limited (ADL)</p> <p>Anti-Corruption Bureau</p> <p>Blantyre Water Board</p> <p>Central Medical Stores</p> <p>Central Region Water Board</p> <p>Chancellor College</p> <p>College of Medicine</p> <p>ESCOM</p> <p>Kamuzu College of Nursing</p> <p>Lilongwe Water Board</p> <p>LUANAR</p> <p>Malawi Communications Regulatory Authority</p> <p>Malawi Electoral Commission</p> <p>Malawi Institute of Education</p> <p>Malawi Revenue Authority</p> <p>Malawi University of Science & Technology</p> <p>Mzuzu University</p> <p>NOCMA</p> <p>Malawi Investment and Trade Centre</p> <p>Northern Region Water Board</p> <p>Polytechnic</p> <p>Reserve Bank of Malawi</p> <p>Roads Authority</p> <p>Smallholder Farmers Fertilizer Revolving Fund of Malawi</p>	<p>ADMARC</p> <p>Censorship Board</p> <p>Competition and Fair Trading Commission</p> <p>Copyright Society of Malawi</p> <p>ICAM</p> <p>MACOHA</p> <p>Malawi Accountants Board</p> <p>Malawi Broadcasting Corporation</p> <p>Malawi Bureau of Standards</p> <p>Malawi College of Accountancy</p> <p>Malawi College of Health Sciences</p> <p>Malawi Energy Regulatory Authority</p> <p>Malawi Gaming Board</p> <p>Malawi Housing Corporation</p> <p>Malawi Human Rights Commission</p> <p>Malawi Industrial Research and Technology Development Centre</p> <p>Malawi Institute of Management</p> <p>Malawi Law Commission</p> <p>Malawi National Council of Sports</p> <p>Malawi National Examinations Board (MANEB)</p> <p>Malawi Posts Corporation</p> <p>MEDF</p> <p>Medical Council of Malawi</p>

		Blantyre TTC Karonga ADD Mzuzu ADD Kasungu ADD Salima ADD Lilongwe ADD Liwonde ADD Blantyre ADD Ngabu ADD Bvumbwe Research Station Baka Research Station Lunyangwa Research Station Chitedze Research Station Chitala Research Station
--	--	---

Note: Procurement of Local Foodstuffs and Firewood are not subject to prior reviews. These do not include catering services and other processed foods

PDEs without a Procuring and Disposing Unit **should not conduct procurement**, but seek guidance from the Authority on how to execute its procurement and disposal activities (section 27(6) of the PPD Act)

All PDEs without internal capacity in building works **MUST** seek assistance from the Department of Buildings

	Southern Region Water Board TEVETA The Malawi Polytechnic	National Commission for Science and Technology National Food Reserve Agency National Herbarium and Botanical Gardens National Library Service National Youth Council NCIC Nurses and Midwives Council of Malawi Ombudsman Pharmacy Medicines and Poisons Board Roads Fund Administration Tobacco Commission University of Malawi
--	---	---

Note: Procurement of Local Foodstuffs and Firewood are not subject to prior reviews. These do not include catering services and other processed foods

PDEs without a Procuring and Disposing Unit **should not conduct procurement**, but seek guidance from the Authority on how to execute its procurement and disposal activities (section 27(6) of the PPD Act)

All PDEs without internal capacity in building works **MUST** seek assistance from the Department of Buildings