



## Press Release

### **ZPPA publishes the Market Price Index for the first quarter of 2024**

#### **For Immediate release**

**Wednesday, 17<sup>th</sup> January 2024.** The Zambia Public Procurement Authority (ZPPA) has released the market price index for the first quarter of 2024.

The issuance of the Market Price Index is in accordance with section 12(3) of the Public Procurement Act as read with the Public Procurement (Amendment) Act No.17 of 2023 which requires the Authority to issue a quarterly Market Price Index to be used by a Controlling Officer, Chief Executive Officer and procuring entities for purposes of making informed price decisions.

The publication of the Market Price Index is meant to curb inflated pricing in public procurement. The Market Price Index provides indicative prevailing average prices on the market and is to be used as a tool for purposes of making informed price decisions.

Procuring entities are guided that the tolerable range of prices for goods, works or services in the Market Price Index which is plus or minus ten percent ( $\pm 10$ ) of the average prices is indicated as minimum and maximum prices for each item.

The Authority wishes to advise procuring entities not to apply the plus or minus ten percent range pertaining to prices in the Market Price Index but to use only the tolerable price when conducting the Price Reasonable Analysis.

ZPPA has further advised procuring entities to adhere to the Public Procurement Act, public procurement guidelines, infomercials, circulars as well as the Price Reasonableness Analysis templates provided on the Authority's website [www.zppa.org.zm](http://www.zppa.org.zm) when utilizing the Market Price Index and Price Reasonableness Analysis.

ZPPA wishes to state that the issued Market Price Index shall be in effect until the Authority issues the next quarterly Market Price Index.

The Market Price Index is accessible on the ZPPA website which is <http://www.zppa.org.zm>, and on the electronic Government Procurement(e-GP) platform ([e-GP Platform - e-GP System \(zppa.org.zm\)](http://www.zppa.org.zm)). Full details of the circular on the first quarter Market Price Index can be obtained on the ZPPA website.

Issued by:

Original copy signed.

Lucy Lumbe (Ms.)

### **What is Market Price Index?**

The Market Price Index (MPI) is a metric that represents the price position relative to competitors across key categories and brands, suppliers of goods, works and services. The MPI is a key component in the tender pricing strategy which looks at prices of commonly procured items, common units of measurements & specifications and common brand names - that are standardized and it consists of items that are commonly procured by procuring entities in different categories.

### **About the Price Reasonable Analysis**

Price Reasonableness Analysis is a review of prices proposed by a supplier to ensure that the prices offered in the bids are fair and reasonable considering the prevailing market forces, effort required to complete the task and the quality of the bid or proposal.

Section 12 of the Public Procurement Act states that a procuring entity shall where an item to be procured is not covered in the Market Price Index, undertake a Price Reasonableness Analysis subject to the approval of the Authority,