



Newsletter

July - December 2023

**ZPPA suspends
three contractors for
forging compliance
certificates.**

**January 2024 all
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the Secretary to the
Cabinet**



**President
Hichilema assents
to the Public
Procurement
(Amendment)
Bill, 2023**

About Us

The Zambia Public Procurement Authority (ZPPA) is a regulatory body established under the Public Procurement Act No. 8 of 2020. Pursuant to this Act, the Authority is charged with the responsibility of regulating public procurement. The other responsibilities are planning, standard setting, compliance and performance monitoring, professional development and information management and dissemination in the field of public procurement.

Vision

To be a regulatory body that creates and provides a conducive public procurement environment

Mission

To regulate public procurement to ensure compliance and value for money.

Goal Statement

To establish a transparent and competitive public procurement system through the use of information and communications technology.

Shared Value Statement

In its discharge of duties, the Authority staff shall uphold the shared core values, be guided and commit to uphold the values of **Fairness, Integrity, Transparency, Innovation, Mutual Respect, Professionalism, Accountability, Confidentiality and Teamwork (FIT IMPACT).**

e-GP Help Desk

Operating hours

08:00 – 13:00 hours | 14:00 – 16:00 hours

Every week day call the e-GP help desk numbers:

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You can find us on facebook, youtube and LinkedIn.   

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The Director General's Note



Esteemed readers,

I am pleased to present our Bi -annual newsletter for July - December 2023.

We are proud to note that we have scored some significant successes and achieved several milestones as we push towards advancing our mandate. It has not been an easy road, but we celebrate you, our stakeholders in various spheres, our Board of Directors, members of staff and everyone who has contributed to building, growing and making the Authority what it is today.

One of the notable achievements the Authority has made is the review of the Public Procurement Act No.8 of 2020 and the tabling in Parliament of the Public Procurement (Amendment) Bill, 2023. The Bill was assented to by the President of the Republic of Zambia, His Excellency Mr. Hakainde Hichilema on 22nd December, 2023.

Another achievement has been the intensified training of suppliers, contractors and procuring entities on the electronic government procurement (e-GP) system country wide. This has been undertaken with the support of the World Bank under the Zambia Devolution Support programme. The Authority has trained nine hundred and forty-five (945) suppliers and ninety-five (95) procuring entities from July to December 2023 bringing the total number of suppliers trained in 2023 to three thousand eight hundred and ninety-five (3,895). The total number of procuring entities that have since been trained and registered on the system stands at five hundred and thirteen (513). Since April 2021, the use of the e-GP system has been mandatory as provided in the Public Procurement Act No.8 of 2020. However, section 113 (7) of the Public Procurement Act provides for a three (3) year transitional period for procuring entities that are unable to comply with the aforementioned requirement at the commencement of the Act. The transitional period ends in April, 2024.

Since October 2021, the Authority has continued to publish the quarterly Market Price Index. Its purpose is to prevent inflated pricing in public procurement.

ZPPA is eager to collaborate and partner with you, our stakeholders.

We look forward to enhanced collaboration with you to ensure the success of our organization for the benefit of all stakeholders and our country at large.

Enjoy reading this newsletter!

Mrs. Idah C. Chella
Director General

Editor's note



Dear Reader!

It is with great pleasure that I welcome you to the latest edition of the Zambia Public Procurement Authority (ZPPA) newsletter.

In this edition, we bring you insightful articles and updates on key aspects of public procurement, shedding light on the strides made by ZPPA and its partners in promoting transparency, efficiency, and accountability.

We also cover stories that showcase a series of initiatives and activities aimed at creating an environment that not only nurtures professional growth but also prioritizes the health and happiness of all ZPPA employees.

We hope that you find the information both informative and engaging. Your feedback is invaluable to us, and we welcome your suggestions for future topics and improvements.

It is my hope that you find this edition insightful and inspiring.

Pleasant reading!

Inutu Mushambatwa

Editor



ZPPA is urging procuring entities to use the e-GP System. Section 16 of the Public Procurement Act mandates all trained procuring entities to use the system for all procurements. Failure to which office holders shall be sanctioned in accordance with section 105 (1) (c) of the Public Procurement Act



President Hichilema assents to the Public Procurement (Amendment) Bill, 2023

By Lucy Lumbe



President Hakainde Hichilema. Photo courtesy of President Hichilema's Facebook page.

In a significant landmark achievement in public procurement, President Hakainde Hichilema on December 22, 2023 assented to the Public Procurement (Amendment) Bill, 2023.

The objective of this momentous milestone is to enhance the effectiveness of public procurement processes, focusing on transparency, efficiency, and increased local participation.

The amended Public Procurement Act introduces several key changes aimed at addressing critical aspects of the procurement system:

- a) revised period for conducting a procurement process;
- b) restrict subcontracting to procurement of works;

- c) extending subcontracting to local bidders; and
- d) provide for matters connected with, or incidental to, the foregoing.

President Hichilema said the new law will help Constituency Development Funds (CDF) projects.

"We've signed into law, the Public Procurement Act to speed up [the] CDF implementation [process]. This effectively stops excuses for poor CDF absorption," The President said in an online post.

Mr. Hichilema has previously called for the revision of procurement guidelines which will allow more Zambian entities to tender for public contracts.

According to the ZNBC news dated 26th July 2022, President Hichilema called for the review of the procurement guidelines to allow more local contractors participate in public procurement.

Some of the benefits of the amendments in the Public Procurement Act (Amendment) No. 17 of 2023 are as stated below:

- I. The Act provides for revised definitions for Limited Bidding, Limited Selection and a definition for Government to Government procurement. The definitions provide clarity on the interpretation of the provisions in the Public Procurement (Amendment) Act.

- II. The Act provides for a revision of Sections 4(1) and (2) of the Act by the removal of the requirement for clearance of contracts by the Treasury. This will address the delays in the clearance of the contracts and subsequently reduce the time taken for conducting procurements.
- III. The Act provides for the amendment of Section 12 of the Act by removing the Authority from being part of the approval process in procurements undertaken by procuring entities. The current Section 12(4) goes against the policy of decentralization in public procurement and does not promote efficiency (which is one of the fundamental principles of public procurement).
- IV. The Act provides for the removal of the requirement for procuring entities to advertise an Invitation to Tender in a foreign newspaper or journal if it is an international bidding or selection method of procurement. This is because the administrative costs or logistics involved are a strain on the procuring entities' time and resources.
- V. The Act provides for limitation of the disqualification of bidders to existing procurement proceedings as disqualifying a bidder from participating in future procurement proceedings is a harsh penalty.

Further, the Public Procurement Act and Public Procurement Regulations, 2022 are silent on the procedure for the disqualification of a bidder under section 18. Therefore, the revision of the Bill has introduced a new subsection

which will enable the Authority to prescribe the procedure for disqualification of a bidder.

- VI. The Act provides for the enhancement of Section 19 (6) of the Act by the inclusion of an associate with respect to conflict of interest to a procurement. This is in order to align the Section with the provisions on conflict of interest in the Anti-Corruption Act for effective implementation.
- VII. The Act provides for the removal of the restriction for procuring entities to only appoint a procurement agent or procurement service provider from an existing procuring entity. This will allow a procuring entity to have the option of engaging a procurement agent that is not a procuring entity.
- VIII. The Act has provisions that will enhance the participation of citizen and local bidders or suppliers in public procurement, economic empowerment, skills transfer and retention of funds within the country. Participation in open national bidding/selection shall be limited to citizen and local bidders. However, citizen bidders shall be given priority in the evaluation of bids, and the procedure for the evaluation of bids will be prescribed in the Public Procurement Regulations. This will shorten the procurement process as there will be no need to undertake two (2) procurement processes successively in the event that there are no successful citizen bids.
- IX. The Act provides for a reduction

in the period within which a bidder who is aggrieved by a decision of a procuring entity can submit an application for an appeal to the Authority, from ten (10) working days to five (5) working days. This will reduce delays in procurement processes as there is a tendency by bidders to wait up to the tenth day to lodge appeals which results in delays in concluding tender processes.

Furthermore, the Public Procurement (Amendment) Act No. 17 of 2023 has a requirement for a local bidder awarded a procurement contract to partner with a citizen bidder under Open National Selection. This will enhance participation of citizen bidders in public procurement through partnership with local bidders.

Additionally, it is expected that there will be a reduction in the overall turnaround time for conducting procurement processes by removing cumbersome layers of approval. This will thereby enhance efficiency, timely delivery and value for money in procurement processes.

With the increased CDF allocation for this year which stands at K30.6 million for each constituency, experts and stakeholders are optimistic that the enactment of the Public Procurement (Amendment) Act will leave a lasting impact on the socio-economic development of the nation through the promotion of local participation in public procurement.

This is well aligned with President Hichilema's vision for a more prosperous and equitable Zambia.

(The Public Procurement (Amendment) Act, 2023 can be accessed on the Authority's website

January 2024 all systems go e-GP says the Secretary to the Cabinet

By Iñutu Mushambatwa



Mr. Patrick Kangwa, Secretary to the Cabinet. Photo courtesy of Zamtel

The Secretary to the Cabinet, Mr. Patrick Kangwa has said that Government institutions that will not start using the Electronic Government Procurement (e-GP) system by the end of 2023 will not be allowed to hold procurement committee meetings this year.

Speaking during the official opening of the Integrity Committee Chief Executive Officers' (CEOs) forum held at Mulungushi International Conference Centre on Wednesday 22nd November 2023, held under the theme, "Preventing Corruption through Implementation of e-Governance and Integration of Government Systems," Mr. Kangwa has said that all Government institutions must put in place the e-GP system by December 31, 2023.

"The Act gives you up to April, as Government our decision is close of business is 31st December 2023. 1st January 2024, systems go e-GP, don't say you were not told and please be assured we won't allow you to hold a Procurement Committee meeting until you go e-GP", Mr. Kangwa said.

He says the e-GP system provides a centralised platform for managing public procurement, promotes fair competition, reduces the risk of corruption in the procurement process and ensures better value for public funds.

Mr. Kangwa has emphasized on the need for both public and private institutions to harness technology as a means to combat corruption

effectively.

"Government is currently implementing various e-Government reforms such as the Public Financial Management (PFM) system, e-GP system and Integrated National Registration Information System (INRIS), aimed at reducing human interface, lessening opportunities for corruption at promoting efficiency, transparency, and accountability in public service delivery and reducing corruption associated crimes," he said.

Mr. Kangwa has emphasized on the need for both public and private institutions to harness technology in order to combat corruption effectively.

ZPPA suspends three contractors for forging compliance certificates.

By Lucy Lumbe



Image Source - <http://bit.ly/2X7dON2>

The Zambia Public Procurement Authority (ZPPA) has in a space of two months suspended three contractors from participating in public procurement for a period of one year.

The suppliers that were suspended are Build at Home Investments Limited, Roof connect Contractors and General Suppliers Zambia Limited and Photo Four Enterprise.

In November 2023, ZPPA suspended Build at Home Investments Limited and Roof connect Contractors and General Suppliers Zambia Limited from participating in public procurement for a period of one year.

The grounds for the suspension were that the two contractors submitted National Pension Scheme Authority (NAPSA) compliance certificates that were not genuine in the tender for the supply and delivery of building materials for the construction of a 1000 sitter capacity examination hall at Mulungushi University.

ZPPA instituted investigations into the tender in October 2023 following a complaint from a bidder. The Authority established that Build at Home Investments Limited and Roof connect Contractors and General Suppliers Zambia Limited falsified compliance certificates in the tender.

Similarly, in December 2023, ZPPA suspended Photo Four Enterprise from participating in public procurement for one year.

The decision was made following an investigation undertaken by ZPPA in October 2023, this is after Mufumbwe Town Council made a submission to the Authority in the tender for the construction of two (2) 1x3 classroom blocks, a police post, a market shelter, a mini hospital, a staff house and a maternity annex.

The submission of false information in a contract or procurement process, is contrary to section 96 of the Public Procurement Act Number 8 of 2020 which provides that:

“A bidder or supplier shall be suspended from participating in public procurement where the bidder or supplier has –

(b) provided false information in a bid or any other document submitted to a procuring entity in connection with a procurement process or contract.”

The suspensions included ‘any successor in interest’ including any entity which employs, or is associated with any partners, directors or other officers considered as successors in interest.

The suspensions do not in any way limit the suspended companies from performing outstanding contracts that were entered into before the date of their suspension.

Therefore, all procuring entities have since been advised to enforce the suspension by ensuring that they do not award contracts, sell or issue solicitation documents or in any other way invite bids from the suspended contractors.



Zambia Institute of Purchasing and Supply (ZIPS) led by the institute president Daniel Kabamba paid a courtesy call on the Zambia Public Procurement Authority (ZPPA) Director General Mrs Idah Chella on 11th December 2023.



World Bank officials with ZPPA staff during the launch of the electronic learning modules on 8th December 2023 at Procurement House in Lusaka.



Manager Contracts and Procurement Audit Mr. Gilbert Mbewe during a radio programme recording session at Phoenix FM in Lusaka.



Principal Officer – Public Relations Inñutu Mushambatwa during a media interview conducted by a ZNBC media crew at an e-GP system supplier training in Ikelenge district in September 2023.



ZPPA DG Mrs. Idah Chella presenting a gift to former ZPPA Director - Human Resource and Administration Mr. Kelvin Shamizhinga on 1st December 2023.



ZPPA staff during the Pre-Independence Day celebrations.

ZPPA trains town councils country wide in e-GP system use

By Iñutu Mushambatwa



e-GP supplier training on Chilubi Island

Government has made decentralization by devolution a key piece of its governance strategies. To counter implementation failures, low institutional capacities and weak incentives for key actors, especially in rural districts, the Ministry of Local Government and Rural Development in collaboration with the Zambia Public Procurement Authority (ZPPA) has been building the capacity of ninety-six (96) town councils country wide.

The objective is to strengthen the capacities of the Local Authorities and promote citizen engagement. This is being undertaken under the Zambia Devolution Support Programme which is funded by the World Bank.

The component that is being managed by ZPPA involves the training of the ninety-six (96) councils in the rural districts of Zambia in the full usage of the Electronic Government Procurement (e-GP) system. The training which commenced in July 2023 is tailored for bidders, contractors, suppliers and procuring entities in the rural districts. The training includes remote areas such as Chilubi Island, Ikelenge, Lukulu, Shangombo and Nsama districts.

Commenting on the e-GP system supplier training that attracted over forty (40) participants in Chilubi Island in September 2023, Chilubi Council District Administration Officer Drodane Kapashya said the Council was ready to embrace progressive methods in public procurement regardless of its geographic location.

In another training in Ikelenge district, the Chief Administration Officer at Ikelenge Town Council Musonda Mino said it was high time the rural councils migrated from manual to online procurement.

"We are very happy that our suppliers and contractors in the district are learning how to use the e-GP system because it provides a platform for them to compete for tenders at national level", Mr. Mino said.

One supplier in Ikelenge district, Trust Hambozi said he was more than happy to be registered on the e-GP system and that the training enlightened him on the benefits of the e-GP system as a supplier.

"I did not know that I could submit bids for a tender in Lusaka city or Solwezi

town under open national bidding when am based in Ikelenge district. I thought once a Council advertises a tender, it is only the suppliers that are based in that particular town who can participate in the tender. I am happy to learn that I can participate in many tenders in various districts in Zambia as long as participation is restricted to a Zambian citizen and I have what it takes in terms of documents and skills," Mr. Hambozi said.

The e-GP system supplier training in Mporokoso district attracted close to fifty (50) participants whose interest was mainly on how to access tenders online and how to participate in procurements related to Constituency Development Fund (CDF). One supplier proposed that there was need to revise the Public Procurement Act No.8 of 2020 to enable more participation of citizen suppliers.

Procuring entities (procurement officers) countrywide converged in provincial capital towns for intensive training in e-GP system use. Most procurement officers were elated about the training.

The number of suppliers trained so far under this component is seven hundred and eight six (786) and procuring entities that have been trained and added to the e-GP system under the Zambia Devolution Support programme are six hundred and sixty-one (661).



e-GP supplier training on Chilubi Island

ZPPA and ZUFIAW signs new Collective Agreement

By Lucy Lumbe



ZPPA DG Mrs. Idah Chella and Zambia Union of Financial Institutions and Allied Workers (ZUFIAW) Secretary General Kasapo Kabende during the signing of the Collective Agreement.

Zambia Public Procurement Authority (ZPPA) Director General Idah Chella has said the Authority remains committed to ensuring that a fair bargaining process is conducted to enhance the welfare of staff.

Mrs. Chella said sacrifices have been made by management to ensure that the conditions of unionized workers are made favorable to promote productivity.

She said this during the signing of the collective agreement between ZPPA and Zambia Union of Financial Institutions and Allied Workers (ZUFIAW) in October, 2023.

The revised collective agreement is effective April 2023 to March 2025.

“On three occasions management has decided not to give themselves anything for the sake of the union so that we improve their conditions of service,” Mrs. Chella said.

She said the Authority endeavors to involve unionized staff in key decision-making processes in order to uphold integrity and professionalism.

“I wish to thank management for their efforts in this bargaining issue, it is not always a win-win situation but that’s why it is called bargaining,” Mrs. Chella said.

“I am glad we are here now and we are toasting to the Collective Agreement because it has been finally given,” she said.

And ZUFIAW Secretary General Kasapo Kabende commended ZPPA

for improving the conditions of service for unionised staff through the revised Collective Agreement.

Mr. Kabende said ZUFIAW remains resolute in ensuring that the process of free collective bargaining is well defended.

“As a union we are always there to ensure that you negotiate good conditions of service that will be favorable for our employees,” he said.

“Our commitment even as you conduct your duties [as union members] is to support you in the best way possible so that you remain relevant,” Mr. Kabende said.

He said ZUFIAW will continue to protect and defend the interest of its union members to ensure they are entitled to good conditions of service.

ZPPA, training providers ink MoU

By Iñutu Mushambatwa



Representatives of training service providers with ZPPA DG Mrs. Idah Chella (second left) during the signing of the Memorandum of Understanding.

The Zambia Public Procurement Authority (ZPPA) has signed a Memorandum of Understanding with three training service providers to train procuring entities in procurement and supply chain management.

The three (3) training service providers include ARKB Consult, Olympus Management Consultancy Limited and SIMANOT Solutions and Consultancy Limited.

Speaking during the signing ceremony at ZPPA, ZPPA Director General Idah Chella said that the objective of the MoUs were to provide a framework for co-operation and coordination between the parties concerning training in procurement and supply chain management, and to partner with ZPPA in order to provide facilitation in various forms of stakeholder engagement programmes.

Mrs. Chella said that the demand for public procurement training from stakeholders was high, hence the need for ZPPA to partner with training

service providers in providing training services to stakeholders country wide.

She added that ZPPA and the service providers will have specific responsibilities in order to ensure that the objective of the MoUs is achieved.

“Some of the responsibilities of the training service providers will be to supply participants with training and evaluation materials, maintain participants’ records on individuals successfully completing courses and to monitor the quality of the training provided and records maintained by their certified instructors to verify that the training and records are in compliance with the established standards,” Mrs Chella said.

“Some of ZPPA’s responsibilities will be to recognise the training service providers’ certificates of completion issued to participants who successfully complete the training programme and monitor the quality of the training provided and records maintained by the training provider to verify that the

training and records are in compliance with the established standards,” she said.

And speaking at the same event SIMANOT Solutions and Consultancy Limited Director Ms. Sibeso Nkwilimba said that she was hopeful that the partnership and cooperation among the organisations will be a cornerstone in improving the much-needed capacity in in the procurement and supply chain cadre that will contribute to improved service delivery.

“As partners in the initiative, the training service providers will provide quality public and supply chain management training that will be a force in building a competent procurement and supply chain cadre,” Ms. Nkwilimba said.

“Public procurement is one of the enablers of economic development and therefore, the training in public procurement is important in addressing the economic challenges that the Government faces today,” Ms. Nkwilimba said.

ZPPA DG commissions works on the Authority's annex building project

By Lucy Lumbe



ZPPA DG Mrs. Idah Chella during the commissioning of the annex building project.

Zambia Public Procurement Authority (ZPPA) Director General Idah Chella has assured employees over the Authority's commitment to create a conducive working environment which boosts productivity and staff morale.

Mrs. Chella said a good work space positively impacts employees work culture, productivity and efficiency.

She said this when she graced the groundbreaking ceremony and laying of the foundation stone of the Authority's double storey annex building project in October this year.

Mrs. Chella said the double-storey

annex building which is being constructed at the value of K13.6 million will consist of the twenty-three (23) offices for various members of staff.

She said other facilities will include a board room, a resource centre, a kitchen, an electronic government procurement (e-GP) training laboratory and other amenities.

Mrs. Chella lamented that currently the Authority is grappling with limited office space resulting in some offices being congested.

"As ZPPA employees we are all aware that the Authority has been grappling with limited office space resulting in

the congestion of some offices which has become a matter of concern," she said.

"I am excited that once this building project is completed, it will address the issues arising from the inadequate office space and create a conducive working environment which boosts productivity and employee morale," Mrs. Chella said.

Mrs. Chella said that the construction works commenced on August 13th, this year and are scheduled to run for a period of ten (10) months.

She said construction works are expected to be completed by July next year.

The Implementation of the Electronic Government Procurement System

By Iñutu Mushambatwa

A major element of Zambia's broader strategy for socio-economic development is the use of digital technologies in the public sector. This is evidenced by the information and communication technology (ICT) programmes that are included in Government policies, strategic frameworks and national development plans such as the Vision 2030 and the Eighth National Development Plan (8NDP).

One of the functions of the Zambia Public Procurement Authority (ZPPA) is to organise and maintain systems for the management of procurement data, statistics and information and for the publication of data on public procurement opportunities, contract awards and other information of public interest.

To actualize part of this function, on 8th July 2016, ZPPA with support from the World Bank, launched the implementation of the Electronic Government Procurement (e-GP) system.

Section 16 of the Public Procurement Act No.8 of 2020 provides for the mandatory usage of the e-GP system in procurement proceedings by procuring entities. However, section 113(7) of the Public Procurement Act provides for a three (3) year transitional period for procuring entities that are unable to comply with the aforementioned requirement at the commencement of the Act. The transitional period will end in April 2024.

The e-GP system is an internet-



based platform that allows public institutions to engage suppliers in the acquisition of goods, works, consulting and non-consulting services required by the public sector, thereby:

- enabling automatic viewing of all tenders online including past data for reference as all tender related information is available online;
- it simplifies the publication of information to bidders/suppliers and the general public;
- reduces time for finalization of tenders;
- provides an effective audit trail;
- enhances citizen trust in Government, because of transparency in public

procurement through the publication of information at each stage of the tender process;

- reduces corruption – malpractice associated with the procurement process; and
- its accessible at any location leading to increased opportunities for bidders and suppliers.

The initial implementation of the project involved seven (7) pilot sites. Thereafter, the e-GP system was gradually rolled out to other procuring entities in order to provide a secure, interactive, transparent and dynamic environment for conducting public procurement. In order to get buy-in from suppliers and the civil society on the implementation of the e-GP system, several sensitization



and training workshops were held in all the ten provinces of Zambia.

The introduction of the e-GP system was necessitated by some of the following factors:

- unethical conduct by procuring entities and bidders resulting in non-adherence to procurement plans and loss of time on a project implementation/delivery due to appeals and complaints;
- mishandling of procurement processes, procedures and records which resulted in various audit queries;
- human interface at every stage leading to loss of objectivity;
- Government spending more on overpriced goods and services;
- delays in finalization of tenders leading to several visits by bidders to procuring entities;
- lack of transparency;
- disadvantage for geographically spread bidders to participate in various opportunities; and
- growing trend of sophisticated bidders and their pricing mechanizations.

To enhance the participation of local businesses in public procurement and as part of the ongoing reforms, ZPPA has been implementing the e-GP system which is beneficial to

bidders and suppliers as it provides real time opportunity for:

- bid submission from anywhere;
- one common place to access all Government tenders; and
- easy preparation of bids because of standardized e-bidding processes.

In order to enhance the usage of the e-GP system by procuring entities and suppliers, ZPPA has provided self-initiated e-learning modules for the two stakeholders. This was also done with the support from the World Bank. The modules enable continuous learning on the e-GP system and enhance the learner's understanding of the principles, aims and various procurement methods of public procurement. The e-learning modules which are accessible on the ZPPA website, address challenges that may be encountered by procuring entities and suppliers when using the e-GP system. The modules provide a step-by-step guide to the users of the e-GP system.

ZPPA provides e-GP training and technical support to suppliers and procuring entities in various parts of the country. In addition, the Authority has a helpdesk which is specifically meant to address challenges encountered by users of the e-GP system.

This year, ZPPA intensified training

of procuring entities and suppliers in all parts of the country to ensure that the e-GP system is fully utilized. As at 28th December, 2023, over sixty-eight thousand (68,000) suppliers were registered on the e-GP system and two hundred and thirty (230) procuring entities out of five hundred and seventy-nine (579) procuring entities have published at least one tender on the e-GP system. In addition, since 2016, the total number of procuring entities trained by ZPPA in e-GP system use is five hundred and thirteen (513). The initial target was to train five hundred and nineteen (519) in 2016.

This article was first published in the Zambia Daily Mail Newspaper under the ZPPA Newspaper Column of 14th November, 2023.



The Author is Inutu Mushambatwa

Principal Officer - Public Relations at ZPPA.

For more information and queries, contact us on info@zppa.org.zm or call 0211 377400.

Preference and Reservation Schemes in public procurement

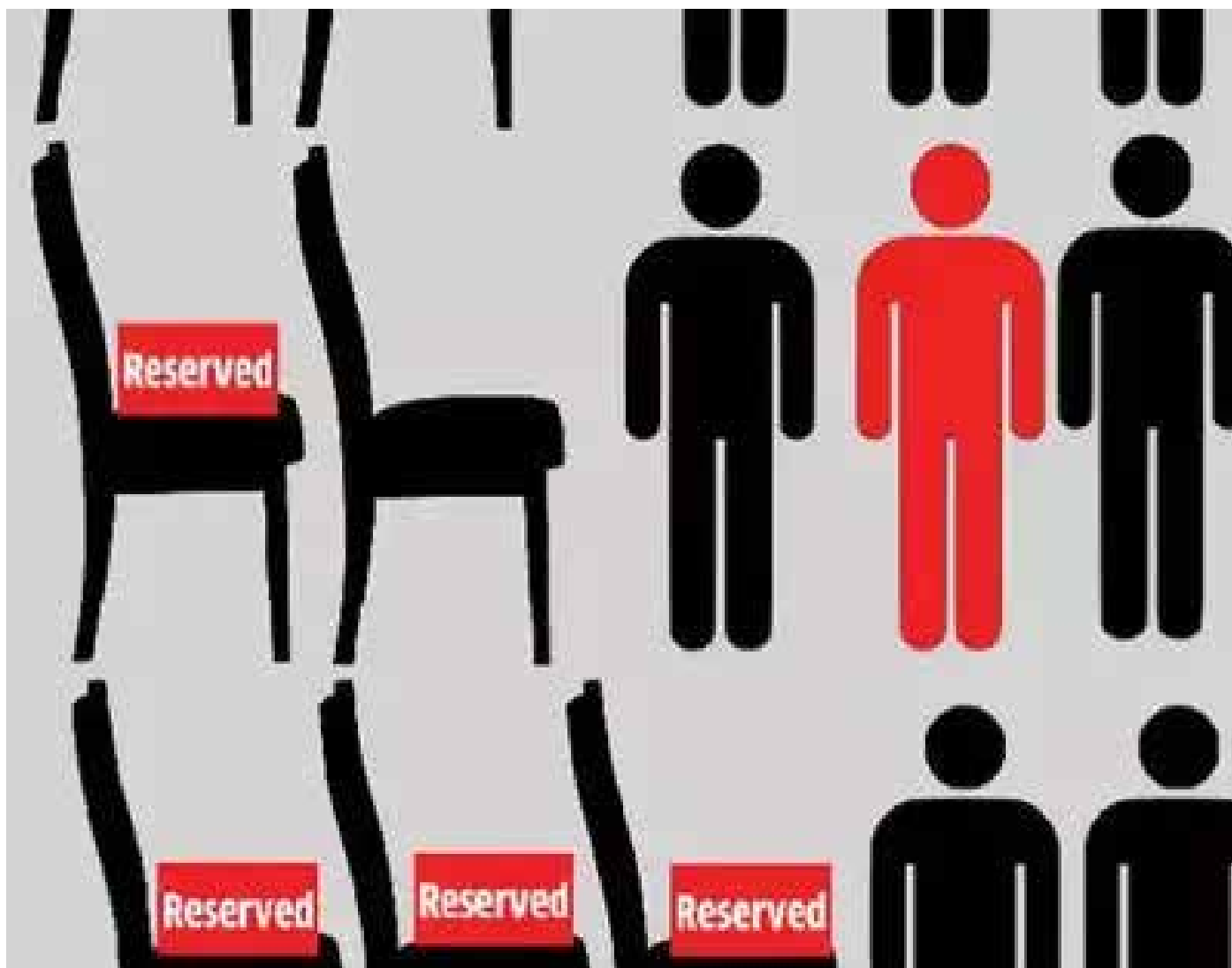


Image source - <https://economictimes.indiatimes.com/news/india/assam-government-scrap-economically-weaker-section-reservation-in-jobs/articleshow/96463601.cms?from=mdr>

Public procurement is a fundamental component of democratic governance, poverty reduction and sustainable development. It is a key element of public expenditure which accounts for an estimated 15 percent of Zambia's Gross Domestic Product (GDP).

While public procurement plays a significant role in the management of public resources, it is important to ensure that there is inclusivity and fairness in a procurement process in order to achieve sustainable economic growth.

Procuring entities are required to identify procurements which will be subject to a

preference or reservation scheme. The procedure for a preference or reservation scheme is provided for in section 91 of the Public Procurement Act No.8 of 2020.

A procuring entity shall as prescribed:

- a. grant a margin of preference for the benefit of bids by a target group offering goods, works or services manufactured or performed by the target group;
- b. grant a prescribed margin of preference to a bidder offering goods, works or services with local content; and
- c. reserve or set aside certain procurement requirements for a target group, by restricting bidding to the target group.

This is in accordance with section 91(1) of the Public Procurement Act. Procuring entities are required to identify procurements which will be subject to a preference or reservation scheme and include such procurements in the Annual

Procurement Plan as provided in section 57(1) of the Public Procurement Act.

The Public Procurement Regulations, 2022 provides that the procurement of goods, works or services may be subject to a preference or reservation scheme consistent with the Government's economic and social policies.

In accordance with section 91(2) of the Public Procurement Act:

"A target group for any preference or reservation scheme shall be determined in accordance with Government economic and social policies and may include—

- (a) citizen or local suppliers;*
- (b) goods, works or services manufactured in or provided from the Republic or a particular region or performed by citizens or persons from a particular region;*
- (c) citizen suppliers in a particular industry or economic sector;*
- (d) small and medium sized enterprises;*
- (e) enterprises owned by women, youths or persons with disabilities; or*
- (f) any other group designated by Government policy.*

It is important to note that Zambia Public Procurement Authority (ZPPA) may, in

consultation with the Government bodies responsible for economic and social policy,

formulate a preference or reservation scheme.

Consequently, the Public Procurement Act provides that a preference and reservation

scheme shall state —

- a) the target group and eligibility requirements;
- b) the percentage of the preference, where applicable;
- c) the period for the operation of the scheme; and
- d) the objectives of the schemes and the means of measuring its effectiveness in achieving those objectives.

In an event that preference is to be granted between a citizen or local suppliers, the margin of preference will be applied as follows;

- I. greater preference shall be granted to citizen suppliers than local suppliers, with no preference to foreign suppliers;
- II. the preference to be accorded shall be proportional to the percentage of the contract to be actually executed by citizen or local suppliers; and
- III. greater preference shall be granted where citizen or local suppliers form part of a joint venture or association agreement, than where they are subcontracted by foreign suppliers.

Additionally, the Authority may in consultation with the relevant authorities, recommend other measures to facilitate private sector participation in public procurement and to further the development of the country's economic capacity.

It is worth mentioning that the Authority issued Circular No.1 of 2023 where Local Authorities were advised to consider reserving tenders relating to Constituency Development Funds (CDF) projects to bidders resident or domiciled within the respective locality. For instance, Mazabuka district, may restrict bidding to bidders domiciled in the district.

Pursuant to regulation 227(9) of the Public Procurement Regulations:

"The Authority shall publish the levels of percentages for preference schemes, set under this regulation, in a daily newspaper of general circulation in the Republic and the Authority's website and [electronic] e-procurement portal."

Similarly, Regulation 228(6) of the Public Procurement Regulations provides that:

"A procuring entity shall publish in a daily newspaper of general circulation in the Republic, on its website and [electronic] e-procurement portal, a procurement plan for procurement of goods, works and services that are reserved for target groups."

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