



**2018
ANNUAL
REPORT**

ZAMBIA PUBLIC PROCUREMENT AUTHORITY



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VISION STATEMENT

To create a conducive public procurement environment that enhances the confidence of stakeholders.

MISSION STATEMENT

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

SHARED CORE VALUES

In regulating public procurement in Zambia, the Authority upholds its shared core values of *fairness, accountability, integrity, mutual respect, transparency, confidentiality, professionalism and excellence*. These values are interpreted in the table below:

<i>Shared Core Values</i>	<i>Interpretation</i>
<i>Fairness</i>	We shall endeavour to be impartial and treat all stakeholders the same without discrimination or favouritism.
<i>Accountability</i>	We shall acknowledge responsibility and be accountable to stakeholders for our actions.
<i>Integrity</i>	We shall be honest and maintain zero tolerance to corruption in our dealings with stakeholders and in fulfilling our mandate.
<i>Mutual respect</i>	We shall treat stakeholders with courtesy, politeness and kindness.
<i>Transparency</i>	We shall endeavour to act in an open and predictable manner in our dealings with stakeholders.
<i>Confidentiality</i>	We shall safeguard confidential information at all times.
<i>Professionalism</i>	We shall demonstrate competence and ethical behaviour in the execution of our duties.
<i>Excellence</i>	We shall endeavour to be outstanding in the execution of our duties.

CHAIRPERSON'S STATEMENT



On behalf of the Board of the Zambia Public Procurement Authority (ZPPA), I am pleased to present the 2018 Annual Report and audited Financial Statements for the year ended 31st December 2018. The publication of the annual report is as per requirement of paragraph 12 (1) of the first schedule of the Public Procurement Act No. 12 of 2008.

Public Procurement in Zambia and the world over, is increasingly emerging as an important agenda. In Zambia, it is estimated that about 15 per cent of the Gross Domestic Product is on procurement related activities. For instance, public sector expenditure on procurement for the year 2014 was projected at K25.5 billion. In 2015, it rose to K43 billion. The projected expenditure for 2016 stood at K53 billion and the figure keeps increasing. It is important therefore, that this high cash flow is utilized prudently in order to deliver goods, works and services to the Zambian people effectively.

Due to the huge amounts involved in public procurement, regulation and monitoring of all processes needs to be effectively done in order to realize the intended results. Effective regulation and monitoring of public procurement processes will guarantee accountability, transparency and ultimately lead to development. Public procurement, if managed prudently and in accordance with the Public Procurement Act No. 12 of 2008 has great potential to expedite the delivery of development in the country.

In this regard, ZPPA during the period under review among other strategic objectives embarked on three major objectives aimed at strengthening public procurement processes. These were:

- i) finalization of the Public Procurement Bill;
- ii) continued implementation of the electronic Government Procurement (e-GP) System; and
- iii) continuation of compliance monitoring assessments in procuring entities (PEs) to assess their adherence to the Public Procurement Act No. 12 of 2008.

This Annual Report, therefore, documents the major milestones achieved under various strategic objectives as outlined in the 2018-2021 Strategic Plan. I wish to take this opportunity to thank my fellow Board members and the members of our Board Committees for their dedication and commitment throughout the year 2018 and I look forward to their continued support in the years ahead. Finally, on behalf of the Board, I wish to thank the management team and staff for their hard work and contribution over the past year.

A handwritten signature in black ink, reading 'M. Mwanakatwe'.

Hon. Margaret D. Mwanakatwe, MP

Minister of Finance and Board Chairperson

DIRECTOR GENERAL'S STATEMENT



The Zambia Public Procurement Authority (ZPPA) is an independent regulatory body established by the Public Procurement Act No. 12 of 2008. The Authority (ZPPA) is responsible for: policy, regulation, standard setting, compliance and performance monitoring, professional development and information management and dissemination in the field of public procurement.

As a regulator of public procurement, the Authority has continued with its public procurement reform programmes in its quest to bring about efficiency and cost effectiveness in public service provision and generally to improve governance in the management of public resources. In this regard, the Authority during the period under review, continued rolling out the electronic Government Procurement (e-GP) System. The objectives of the e-GP System are as follows: reduce the time and cost of doing business for suppliers and procuring entities; realize value for money spent through increased competition; enhance equal opportunities to all suppliers; and enhance transparency, accountability, efficiency and good governance in public procurement.

Further, the Authority during the year under review conducted a review of the 2015-2017 Strategic Plan. The findings from the review of the 2015-2017 Strategic Plan were used as a basis for the development of the 2018 – 2021 Strategic Plan. I am happy to report that the 2018-2021 Strategic Plan was finalised and approved by the Board during the period under review. In this regard, this report focuses on achievements scored in the implementation of the 2018-2021 Strategic Plan.

In conclusion, I wish to convey my sincere and special gratitude to the Board, the Government of the Republic of Zambia and Development Partners for the financial and technical support rendered to the Authority during the period under review. Further, Management and staff wish to convey their special gratitude to the Board of Directors for their continued support and strategic guidance which was vital to the institution in fulfilling its mandate.

Danies K. Chisenda
Director General

4. CORPORATE GOVERNANCE STRUCTURE - Board of Directors



4.1 Board of Directors

The Authority is governed by a Board of Directors which is composed of thirteen (13) part-time members appointed in accordance with the provisions of Paragraph 1(2) of the first schedule to the Public Procurement Act No. 12 of 2008. Subject to the provisions of the Public Procurement Act, a member of the Board holds office for a period of three years from the date of appointment and may be re-appointed for a further period of three years. The Director General is an ex-officio member of the Board.

The Board is responsible for the overall stewardship of the Authority in accordance with corporate governance principles. It oversees the Authority's discharge of its duties and monitors its governance framework, policies, procedures and practices. Further, it is responsible for ensuring that the Authority has appropriate controls and systems in place to effectively execute its mandate as a regulator of public procurement. The Board is ultimately accountable and responsible for the performance of the Authority.

4.2 Board Committees

In carrying out its functions, the Board constituted three (3) committees which meet on a quarterly basis to review submissions from management before submission to the Board for final approval.

4.2.1 Technical Committee

The Terms of Reference for the Technical Committee include the following:

- (i) to review and recommend adoption of an Annual Work Plan for public procurement regulation and monitoring;
- (ii) to review and recommend policy decisions to the Board on technical, operational and other related matters designed to improve public procurement;
- (iii) to review procurement audit reports and recommend corrective actions in order to increase compliance levels in procuring entities, and
- (iv) to monitor quality and quantity of supervision, procurement audit, research work, and capacity building work undertaken by the Authority and procuring entities.

4.2.2 Finance and Administration Committee

The Terms of Reference for the Finance and Administration Committee include the following:

- (I) to review and recommend the approval of budgets, Annual Work Plans and audited Financial Statements for the Authority;
- (ii) to consider and the appropriateness of applied accounting policies and whether the same are prudent and consistent with prior practice, and comply with regulations and legal requirements;
- (iii) to review and recommend an appropriate organisational structure for the Authority commensurate with its mandate; and
- (iv) to ensure that management implements strategies and policies as approved by the Board from time to time.

4.2.3 Audit and Risk Committee

The Terms of Reference for the Audit and Risk Committee include the following:

- (i) to review the scope of internal audit and audit plan;
- (ii) to review significant matters reported by the auditors; (internal and external) and the cooperation and coordination between them;
- (iii) to review systems of internal controls and risk management to ascertain their adequacy and effectiveness; and
- (iv) to review audit reports by ensuring that management is taking appropriate corrective actions in a timely manner to address weaknesses and other lapses identified by both internal and external auditors.

Note: Appendices 1, 2 and 3 indicate names of the Board Committee members during the year 2018.

4.2.4 Board and Board Committee Meetings

The Board Committees are required to meet at least once in every quarter for the transaction of business relating to the Authority. During the period under review, the Technical Committee, Audit and Risk Committee and Technical Committee held four (4) meetings respectively. Further, one special meeting was held by the Finance and Administration Committee and the Risk and Audit Committee respectively.

The Public Procurement Act provides that the Board shall meet at least once in every three months for the transaction of business relating to the Authority. In 2018, four (4) regular meetings of the Board were held. In addition, a special meeting was held in July 2018 to consider the possibility of accelerating the implementation of the Electronic Government Procurement (e-GP) System.

Table 1: Board meetings

Details	Targets	Actuals	Number of Meetings
Quarter 1 Meeting	1	1	1
Quarter 2 Meeting	1	1	1
Quarter 3 Meeting	1	2	1
Quarter 4 Meeting	1	1	1
Total	4	5	4

Table 2: Committee meetings

Committee	Target	Number of Meetings
Technical	4	4
Finance and Administration	4	5
Audit and Risk	4	5

4.3 Executive Management



Mr. Danies K. Chisenda
Director General



Ms. Mwaka Ndhlovu
Board Secretary



Mrs. Idah C. Chella
Director Human Resource
and Administration



Mr. Belia Mulenga
Acting Director - Finance



Mrs. Vida M. Kamanya
Acting Director
Compliance Monitoring



Mr. Mathew Lusambo
ICT Manager



Ms. Ethel K. Nunkwe
Manager - e-GP



Mrs Vivian Mupunda
Manager - Internal Audit

5.0 ADMINISTRATION

5.1 Compliance Monitoring Department

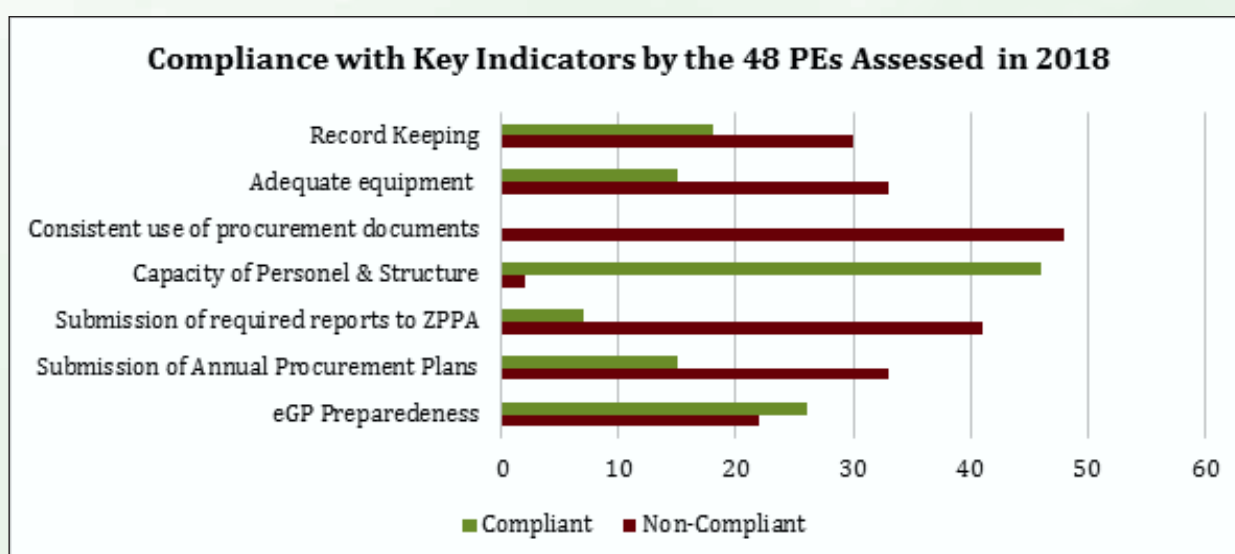
Compliance monitoring is one of the key functions of the Authority in regulating public procurement especially following the decentralisation of the public procurement function to procuring entities. This ensures that the procuring entities are following the laid down procedures as detailed in the Public Procurement Act No. 12 2008 and the Public Procurement Regulations, 2011. Thus, a number of strategic activities are undertaken by the Authority that include compliance and capacity assessments, procurement audits, contract monitoring, capacity building and training of staff in the procuring entities, training of bidders and review of various reports in line with its mandate as prescribed by the Public Procurement Act No. 12 of 2008.

(I) Compliance Monitoring and other activities

(a) Compliance Monitoring Assessments

Compliance monitoring was one of the main activities undertaken during the period under review and the Authority conducted compliance assessments in forty-eight (48) procuring entities compared to fifty-three (53) assessments that were conducted in 2017. The purpose of the assessments was to check the compliance levels of the procuring entities vis-à-vis the requirements of the Public Procurement Act. The assessments covered areas such as procurement procedures, availability of resources, staff adequacy, structure of the procurement unit, Procurement Committee composition, readiness to use the Electronic Government Procurement (e-GP) System, submission of various reports, record-keeping, consistency in the use of procurement documents and other procurement operational areas. Details of the assessments conducted are as indicated in Appendix 4.

Figure 1: Results of the Compliance Assessments on 48 Procuring Entities



The majority of the procuring entities had adequate staff and the procurement units reported directly to the controlling officers as per requirement of the law. However, it was found that all the institutions assessed were inconsistent in the use of procurement documents. A few procuring entities submitted the Annual Procurement Plans and the various reports required by the Authority. It was found that less than twenty (20) procuring entities kept complete procurement records. Similarly, less than twenty (20) procuring entities had adequate equipment to sustain the operations of the procurement units.

(b) Procurement Audits

In line with Section 6 (2), (f) of the Public Procurement Act, the Authority conducted eight (8) procurement audits out of a target of fourteen (14). This exercise involved reviews of entire procurement processes in order to ascertain compliance with the Public Procurement Act and Public Procurement Regulations. The procuring entities that were audited included: Ndola City Council, Indeni Petroleum Refinery Company, Ministry of Broadcasting and Information Services, Ministry of Commerce, Trade and Industry, Zambia Railways Limited, Ministry of Foreign Affairs, Ministry of Energy and Ministry of Fisheries and Livestock.

Out of the eight (8) audits conducted, two (2) were follow-ups on audits conducted in 2015 at the ministries of Fisheries and Livestock, and Energy. The two (2) follow-up audits revealed insignificant improvements in the manner procurements were being conducted in the institutions. In addition, the compliance levels in all the eight (8) audited institutions were generally low. By 31st December 2018, action plans were yet to be agreed upon with all concerned procuring entities to ensure maximum adherence to procurement procedures. Further, the Authority had continued carrying out capacity building strategies aimed at reducing the margin of error in the procurement processes.

(c) Consideration of Appeals

The Authority received and considered a total of thirteen (13) appeals from bidders who were aggrieved by the decisions made by procuring entities during the procurement processes. Seven (7) appeals were ruled in favor of the appellants while six (6) were dismissed for lack of merit. From the successful appeals, two (2) procuring entities were directed to re-evaluate the bids, two (2) procuring entities were advised to re-invite bids in accordance with regulation 181 (2) of the Public Procurement Regulations and two (2) procuring entities were advised to compensate the appellants for costs related to bid preparation for the particular procurements. Appendix 5 provides more details regarding the appeals.

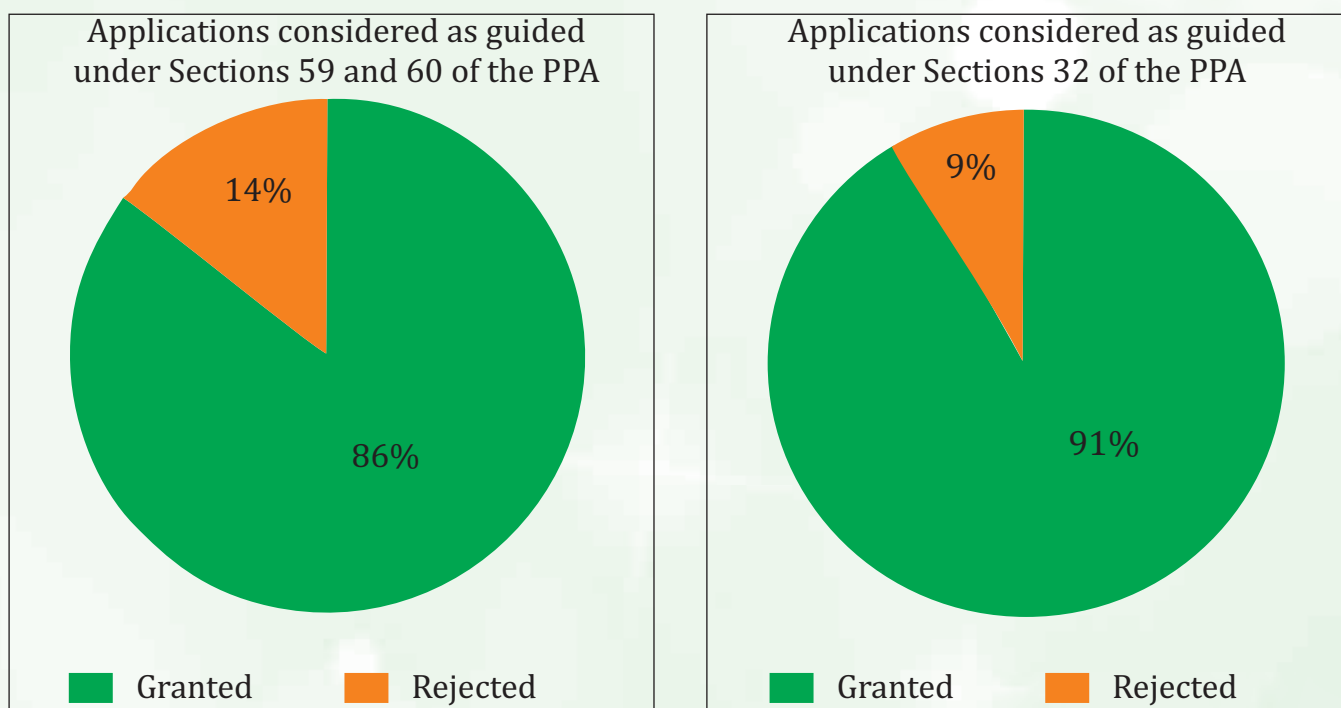
(d) Applications for Deviations, Accreditations and Alternative Procurement Systems (DAAPS) and use of Direct Bidding procurement method

A total of six hundred and fifty-six (656) applications from procuring entities for deviations from procurement rules, methods, processes or documentation, and accreditations of alternative procurement systems in line with Sections 59 and 60 of the Public Procurement Act were considered by the Authority respectively. Deviations and accreditations of alternative procurement systems are meant to provide flexibility and efficiency in the operations of procuring entities. Out of the six hundred and fifty-six (656) applications, five hundred and eighteen (518) were seeking a 'No Objection' for direct bidding as provided under section 32 of

the PPA while one hundred and thirty-eight (138) were for deviations from public procurement requirements. Out of the one hundred and thirty-eight (138) applications received for deviations, one hundred and eighteen (118) were granted authority to deviate while twenty (20) were rejected.

Further, out of the five hundred and eighteen (518) applications for direct bidding as provided, four hundred and seventy-one (471) were granted while forty-seven (47) were rejected. The pie charts below depict the summaries of the applications received.

Figure 2: Distribution of DAAPS and Direct Bidding Applications



(e) Review of Annual Procurement Plans, Minutes of the Procurement Committee Meetings and Quarterly Reports

Review of Annual Procurement Plans

The preparation and submission of Annual Procurement Plans to the Authority is a legal requirement under the Public Procurement Act. The Annual Procurement Plans are reviewed by the Authority and appropriate guidance is given to the procuring entities prior to the execution of the plans. While the Annual Procurement Plans are meant to guide the Authority on key procurements that need to be monitored, they also provide a source of information for purposes of planning by bidders, compliance monitoring and tracking of key procurements.

During the 2018 financial year, a total of two hundred and twenty-one (221) Annual Procurement Plans were submitted and reviewed by the Authority compared to one hundred and forty one (146) Annual Procurement Plans that were submitted in 2017. The procuring entities were advised on the changes that were required before and implementation of the Annual Procurement Plans. However, challenges of late submissions and making errors, non-consolidation of similar procurements, poor adherence to section 42 (2) of the Public Procurement Act and use of inappropriate procurement methods which were not consistent with the estimated cost of procurement requirements, were observed for the majority of the procuring entities.

Review of Minutes of the Procurement Committee Meetings and Quarterly Procurement Reports

A total of three hundred and ninety-three (393) sets of procurement committee minutes and one hundred fifty-one (151) Quarterly Procurement Reports from various procuring entities were received and reviewed, and appropriate guidance was given where necessary. This was compared to five hundred and eighty-nine (589) sets of procurement committee minutes and one hundred and forty-one (141) Quarterly Procurement Reports that were received in 2017.

Minutes of the Procurement Committee meetings are reviewed in order to ensure that the procurement proceedings are conducted in line with the laid down procedures contained in the Public Procurement Act. Additionally, the quarterly procurement reports assist in tracking the annual procurement plans as a comparison is made between the planned and actual.

(f) *Composition of Procurement Committees*

A total of one hundred and three (103) correspondences from procuring entities communicating changes to and appointment of Procurement Committees were reviewed, and feedback was provided where appropriate. It was further observed that the appointed members met the requirements provided in the Public Procurement Act. However, in few instances, the members were re-appointed for a period of two (2) years instead of three (3) years as required by the Public Procurement Act. The Authority guided procuring entities to include external members in the composition of the Procurement Committees.

(g) *Suspension and Barring of Bidders/Suppliers*

During the period under review, there were no companies that were suspended or debarred as investigations were ongoing as at 31st December 2018.

(h) *Investigations*

A total of seventeen (17) cases were investigated during the year arising from reports from procuring entities, bidders and anonymous sources. Of the seventeen (17) investigations conducted, eight (8) were recommendations from procuring entities to bar or suspend bidders. However, no bidder was suspended or debarred as the investigations were ongoing as indicated under (g) above.

The remaining nine (9) cases were allegations of procurement irregularities. The bidders and

procuring entities were cautioned on their non-adherence to the provisions of the Public Procurement Act and Public Procurement Regulations. Details of the investigations are provided in Appendix 6.

(e) Contract Monitoring

In accordance with its mandate to monitor the execution of contracts entered into by procuring entities, the Authority examined a total of forty-four (44) contracts out of a target of forty (40). This is compared to nineteen (19) contracts that were monitored in 2017. The contracts monitored were related to infrastructure projects including roads, buildings, dams, markets and bus stations. The focus of the contract monitoring exercise was on the contract duration, status, costs including variations, and completion of the projects. These parameters were the major focus areas and were reviewed to see the extent to which the monitored projects complied with the provisions of the respective contracts, Public Procurement Act, Public Procurement Regulations and best practices.

(ii) Capacity Building, Training and other activities

(a) Workshops and Trainings

The Authority continued with its capacity building programme by conducting tailor-made trainings in public procurement for different stakeholders. Seven (7) workshops were conducted for seven (7) procuring entities and a total of two hundred and forty-eight (248) participants benefited from the trainings as indicated in table 3 below.

Table 3: Tailor-Made Trainings

SN	Name of Institution	Title of Training Undertaken	Target Group	Number of Participants
1.	ZICTA	Towards Common Understanding of Public Procurement	User departments and PU staff	35
2.	USAID SAFE	Public Financial Management workshop	Internal staff of Provincial Health offices and USAID SAFE	22
3.	Local Government Service Commission	Induction Training for Principal Officers	Town Clerks and Council Secretaries	70
4.	National Youth Entrepreneurial Skills Conference	Public Procurement Procedures	Enterprises owned by the Youth	45
5.	Zambia National Youth Lobby	e-GP Training	Procurement officers from Procuring Entities and Private sector	45

6.	National Road Fund Agency	Public Procurement Procedures	Board Members and Management	18
7.	National Institute for Public Administration	Public Procurement Procedures	Public Officers from various Ministries and other spending agencies	13
Total				248

Workshops conducted on request

Nineteen (19) workshops were also conducted on request for the procuring entities as shown in Table 4 below. A total of three hundred and three (303) staff members participated in the trainings and the areas covered included public procurement procedures, bid evaluation and the use of the e-GP System.

Table 4: Workshops Conducted on request

SN	Name of Institution	Title of Training Undertaken	Target Group	Number of participants
1.	Public Service Micro Finance Company Limited	Public Procurement Procedures	Procurement Committee members and user departments	10
2.	Mulonga Water and Sewerage Company	Public Procurement Procedures	Internal staff of Mulonga Water	19
3.	Evelyn Hone College	Procurement Planning procedures	Internal staff of Evelyn Hone	16
4.	Indeni Petroleum Limited	Public Procurement Procedures	Internal staff	25
5.	Mukuba University	Public Procurement Procedures	Top Management and PU staff	20
6.	Health Professions Council of Zambia	Public Procurement Procedures	User Departments and PU staff	25
7.	Lusaka South Multi-facility Economic Zone	Public Procurement Procedures	Internal staff of LS-MFEZ	11
8.	Zambia Credit Guarantee Scheme	Public Procurement Procedures	User Departments and PU staff	12

9.	Bank of Zambia	Bid evaluation and e-GP Training	Internal staff	15
10.	Teaching Service Commission	Public Procurement Procedures	Procurement Committee members and Staff	18
11.	Development Bank of Zambia	Powers and Functions of the Procurement Committee	Procurement Committee members	8
12.	Zambia Medicines Regulatory Authority	Induction training on Procurement Procedures	Procurement Committee members	7
13.	Western Water and Sewerage Company	Public Procurement Procedures	Internal staff (Regional/Station Managers)	26
14.	Ministry of Home Affairs	Public Procurement Procedures	Internal staff (PU and User depts)	20
15.	Zambia Airports Corporation Limited	Bid Evaluation and Procurement Procedures	Internal staff	25
16.	Chalimbana University	Public Procurement Procedures	Internal staff of the University	15
17.	National Pension Scheme Authority	Bid Evaluation and Award of Contract	User Departments and PU staff	10
18.	Ministry of Community Development and Social Services	Public Procurement Procedures	User Departments and PU staff	15
19.	Kariba North Bank Extension Corporation Limited	Public Procurement Procedures	Internal Staff and PC member (External)	6
Total				303

The Authority conducted six (6) provincial workshops for procurement specialists and end users focusing on the Public Procurement Act and Regulations as shown in Table 5 below.

Table 5: Workshops organised by the Authority

S/N	Province	Number of participants
1.	Eastern	18
2.	Muchinga	11
3.	North Western	29
4.	Copperbelt	31
5.	Western	24
6.	Southern	30
Total		143



Research and Development Programmes

The Authority carried out a study on procurement timelines aimed at finding out how long it took to complete a procurement process under three (3) procurement methods namely; Simplified Bidding, Open National Bidding and Open International Bidding. The survey was conducted in thirty-three (33) procuring entities in order for the Authority to assess the level of adherence to statutory timelines for bid processing in procuring entities.

The results of the study revealed that procurements tended to take longer than desirable. This was attributed to a number of factors. Notable among these factors were:

1. Lack of statutory provisions on when bid evaluation should commence: *This requires the Regulations to clearly state that evaluation of bids should commence within ten (10) days of bid opening;*

2. Poorly prepared solicitation documents (SDs) especially specifications and qualification requirements: *There is need to build capacity in procuring entities in preparing SDs, qualification criteria and specifications;*
3. Non-availability of funds: The Regulations should clearly state what constitutes availability of funds. *The Yellow Book/Budget should be used as a basis for confirmation of availability of funds;*
4. Delay in clearance of contract documents by the Attorney General's Chambers: *ZPPA is reviewing the matter with Ministry of Justice;*
5. Procurements which are financed by Cooperating Partners may require prior review and clearance by the respective financiers: These clearances may result in procurements taking longer than anticipated;
6. In some instances, the approvals authorities may request the evaluation committee to re-evaluate considering the approvals authority's concerns: *Re-evaluation should be conducted within five (05) days from the date of the approvals authority's decision;* and
7. Lack of Capacity by some procurement practitioners in procuring entities: *Capacity building interventions should be targeted at low level subordinates and new procuring entities.*

The study concluded by providing the standard number of days a procurement process takes under the different procurement methods as shown in Table 6 below.

Table 6: Average Number of Days taken to Complete Procurement Process

Procurement Method	Number of days to complete procurement process	
	Now	Ideal
Simplified Bidding	37	18 - 44
Prequalification	81	<ul style="list-style-type: none"> • ≤ 33 ONB • ≤ 38 OIB
Open National Bidding (ONB)	139	74 - 103
Open International Bidding (OIB)	187	84 - 135

(a) Collaboration and Benchmarking with other Institutions

During the period under review, the Authority continued to enhance mechanisms for sharing information in procurement processes in the public sector to curb malpractices. The Authority shared information with the following institutions: Drug Enforcement Commission, Anti-Corruption Commission, Financial Intelligence Centre, Office of the Auditor General and Competition and Consumer Protection Commission.

Study visits were undertaken to Finland and Estonia to benchmark on public procurement matters. The purpose of the study tours was to learn from both countries' experiences of how public procurement regulation was being conducted. The tour provided insight into the basic requirements to be established before e-learning approaches could be successfully designed and implemented by the Authority.

5.2 Human Resource and Administration Department

The Human Resource and Administration Department continued with its responsibility of overseeing the day to day operations of the organisation by providing a conducive work environment and ensuring that industrial harmony is maintained. Other responsibilities involved recruitment, placement, induction and development of staff.

During the year under review, the Authority had an approved organisational staff establishment of one hundred and eight (108) as at 31st December 2018.

Major activities undertaken by the Authority during the period under review included the following:

(i) Recruitment and Placement

In the period under review, the Authority's approved organisational structure was one hundred and eight (108). However, only sixty-eight (68) positions were filled by 31st December 2018. From the sixty-eight (68) filled positions, seven (7) were on three-year fixed term contracts while two (2) positions were engaged on short term contracts of six (6) months each. In the same year ten (10) positions in the organizational structure were filled internally and externally.

(ii) Human Resource Training and Development

During the year under review, staff were trained in various fields aimed at enhancing their professional skills and competencies. The trainings covered the following areas among others:

1. ZPPA operations, employee engagement, work attitude, financial discipline and office management;
2. International Certified Supply Chain Management;
3. International Public Sector Accounting Standards (IPSAS);
4. Procurement Audit and Control;
5. corporate governance: principles, policies and best practices;
6. Linux System Administration;
7. Balanced Scorecard training;
8. E-Filing and E-Records Management Using Afrisco;
9. leadership, management and emotional intelligence;

From the forgoing trainings some of them were sponsored by the Finnish Government under Finish Institute of Public Administration, HAUS Twinning Project Phase II.

(iii) Development of Policy Documents

The Authority with support from HAUS Twinning Project of Finland developed the 2018 – 2021 Strategic Plan that was approved by the Board on 21st June 2018.

(iv) **Commemoration of International Women's Day and Labour Day**

The Authority joined the rest of the world in commemorating the International Labour Day, International Women's Day and World AIDS Day. For Labour Day, the Authority went further to motivate, appreciate and recognise employee's performance and contribution to the institution by rewarding deserving employees.



ZPPA members of staff during the 2018 International Women's Day celebrations.

5.3 Information and Communications Technology Department

The Information and Communications Technology Department is responsible for planning, operating and supporting the institutional Information and Communications Technology (ICT) infrastructure to enable users carry out their duties efficiently and effectively. Its other role is to ensure that ICT Systems are well secured for the smooth and continued day to day business operations. During the period under review, the following activities were undertaken:

(i) Network Re-design

To enhance system security and improve performance of the Voice Over Internet Protocol (VOIP) and internet, the Authority's Local Area Network (LAN) was redesigned to incorporate network segments for guest users and a demilitarised zone for the data centre. The segmentation of the LAN facilitated effective and efficient mechanisms for security management and restriction of unwanted data traffic between the two network segments.

(ii) Implementation of the Backup and Recovery

To safeguard information systems (IS) and electronic data files stored on computer hard drives and data storage, ZPPA established an automated Remote Data Backup and Recovery with Zambia National Data Centre (ZNDC). The Remote Backup and Recovery at ZNDC is used for the provision of system restoration in an event of system failure or data corruption.

In order to provide backup internet connectivity required for the electronic Government Procurement System, a radio communication system was mounted to act as backup for internet connectivity during downtime of the main internet link.

(iii) Implementation of the Call Centre System

In order to provide effective and efficient technical support services to procuring entities, suppliers and other users of the e-GP System, the Authority implemented a Call Centre during the period under review aimed at providing guidance to users of the e-GP System and attend to all queries regarding the e-GP System.

(iv) Internet Speed Upgrade

During the period under review, the Authority increased internet speed from 5mpbs to 10mpbs in order to provide high quality internet services to support the increased number of users on the e-GP platform. The effective implementation and use of the e-GP System is highly dependent on the internet speed.

(v) Dedicated Optical Fibre Link to ZNDC

The Authority during the period under review, implemented a dedicated 5mbps optical fibre link with ZNDC. The optical fibre is used as a dedicated channel for transmitting data required for backup, restoration and replication of systems at the Disaster Recovery Site.

(vi) Implementation of Information Systems

The Authority also partially implemented the Human Resource Information System (HRIS). It is envisaged that once the system is fully operational, it will contribute to efficiency in Human Resource processes.

5.4 Board and Legal Affairs Department

The role of the Legal and Board Affairs Department is to provide advisory services to the Authority in order to ensure that it performs its functions in accordance with the provisions of the Public Procurement Act and Public Procurement Regulations. In addition, the department is responsible for coordinating Board and Board Committee meetings in line with the Public Procurement Act and principles of corporate governance.

(i) **Legal Services**

During the period under review, the directorate provided advisory services on various matters including appeals and investigations of complaints from bidders and suppliers. There were no legal challenges to decisions made by the Authority on appeals, investigations or any other matter under the Public Procurement Act.

(ii) **Board and Board Committees**

The Board is responsible for the overall stewardship of the Authority and oversees the execution of its corporate mandate by management. The Board is responsible for:

- a the development/approval of the Authority's vision, mission statement, goals and strategic plans, business plans, policies, financial statements and annual budget;
- b guiding management in strategic decision-making;
- c overseeing management's discharge of duties and determining the terms and conditions of service of the staff of the Authority;
- d monitoring the Authority's governance framework, policies, procedures and practices; and
- c ensuring that the Authority has appropriate controls and systems that work effectively.

In line with its mandate, the Board approved the 2018-2021 Strategic Plan which sets out the direction that the Authority will take in the next four (4) years in order to effectively and efficiently regulate public procurement in Zambia. In addition, the Board approved the 2019 budget and work plan and reviewed reports on budget performance, compliance monitoring, internal audit and e-GP System implementation.

(iii) **Public Relations Unit**

In line with the Authority's mandate of promoting professional development and information management and dissemination in the field of public procurement, several electronic, print and public function activities aimed at creating awareness on public procurement were undertaken.

A total of twenty (20) radio programmes focusing on various public procurement related topics were aired on various radio stations. The radio stations included ZNBC Radio 4, Parliament Radio, Radio Christian Voice, Hot FM, Live Radio, BYTA FM, Yangeni, Radio Mano and Radio Icengelo. The Authority aired eight (8) television programmes that focused on various public procurement related topics which included; the e-GP System and the mandate of ZPPA.

For purposes of disseminating information and creating awareness to stakeholders, the Authority produced and distributed 7,000 brochures, 800 quarterly newsletters highlighting various achievements and 400 bi-annual Procurement Journals.

In an effort to reach out to as many stakeholders as possible and sensitise them on the mandate of ZPPA and other public procurement matters, the Authority produced weekly feature articles in the Zambia Daily Mail Newspaper.

For purposes of disseminating information, interacting and obtaining feedback from members of the public, the Authority took part in the following public functions: 92nd Agriculture and Commercial Show in Lusaka, 53rd Zambia International Trade Fair, Public Service Day celebrations and the Central Province Expo and Investment Forum.

Further, a sensitisation and orientation workshop for the media on the Copperbelt Province was held. The purpose was to orient and sensitise the media on the Public Procurement Act No. 12 of 2008, Public Procurement Regulations of 2011, Code of Conduct and the e-GP System.

Figure 3: ZPPA Director General, Mr. Danies K. Chisenda (right), participating as a panelist at the Business Forum during the 53rd Zambia International Trade Fair, Ndola



5.5 Electronic Government Procurement (e-GP) Unit

The Electronic Government Procurement (e-GP) Unit is responsible for managing the implementation and rollout of the electronic Government Procurement System to all procuring entities in line with the institution's mandate of organising and maintaining systems for the management of procurement data, statistics, information and for the publication of data on public procurement opportunities, contract awards and other information of public interest.

During the year under review, the Authority continued implementing the e-GP System in selected procuring entities. The e-GP System is an Information and Communication Technology based system that allows procuring entities to engage bidders or suppliers in the acquisition of goods, works, consulting and non-consulting services required by the public sector. Its advantages include, the following:

- a) reduction in the time and cost of doing business for both suppliers and procuring entities;
- b) realisation of better value for money spent through increased competition;

- c) standardisation of public procurement processes across procuring entities;
- d) enhancement of equal opportunities to all suppliers;
- e) enhancement of transparency (good governance) in public procurement; and
- f) simplification of ways of monitoring compliance.

The activities undertaken during the year were as follows:

(i) e-GP Readiness Assessments

The Authority undertook e-GP readiness assessments in forty-five (45) procuring entities. Based on the spend category derived from the Annual Procurement Plans, thirty-five (35) procuring entities met all the requirements for e-GP System usage while ten (10) did not meet the requirements. The summary of the assessments is as shown in Table 7 below and details are as indicated in Appendix 8.

Table 7: e-GP Readiness Assessments

No.	Category	Working Threshold	No. of PEs Assessed e - GP System readiness	No. of PEs meeting e-GP System usage requirements
1.	High Spending Procuring entities	Annual budget of twenty million Kwacha (K20,000,000.00) and above.	17	17
2.	Medium Spending Procuring entities	Annual budget of between five million Kwacha (K5,000,000.00) and twenty million Kwacha (K20,000,000.00).	13	7
3.	Low Spending Procuring entities	Annual budget of five million Kwacha (K5,000,000.00) and below.	15	11

(ii) Stakeholder Training

During the period under review, the Authority conducted various trainings for stakeholders in order to build capacity in the use of the e-GP System. Details are as indicated in Appendix 10.

a) Procuring Entities

During the period under review, the Authority trained 117 officers from thirty-five (35) procuring entities on Annual Procurement Plan publication and complete e—tendering process (Full e-GP usage). This exceeded the planned annual target of one hundred (100) officers. The breakdown is as indicated in Table 8 below:

Type of Training	Number of Institutions	Annual Target	Quarterly Achievement of staff trained				Cumulative
			Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Annual Procurement Plan Publication	25	100	17	44	12	11	84
Complete e-Tendering (full e-GP usage)	10	10	2	8	12	11	33
TOTAL			19	52	24	22	117

b) Suppliers

The Authority provided training on bid submission to suppliers as indicated in Table 9 below.

Table 9: Supplier Training

Type of Training	Stakeholder	Annual Target	Quarterly Achievement of suppliers trained				Cumulative
			Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Online Bid Submission	Suppliers	3000	680	814	1100	1, 276	3, 870



Participants of a training (centre) flanked by ZPPA officers (1st right & left) show off their certificates after a training on how to use the e-GP System

(iii) Supplier Registration

During the period under review, the Authority continued registering suppliers of goods, works and services on the e-GP System. The e-GP System has simplified the registration process as suppliers are able to register online on the e-GP portal.

By 31st December 2018, the Authority registered a total of 23,074 suppliers. The quarterly break-down of registrations is as indicated in Table 10 below:

Table 10: Registered suppliers on the e-GP System

Description	End of 2017	1 st Quarter 2018	2 nd Quarter 2018	3 rd Quarter 2018	4 th Quarter 2018
Suppliers Registered	15,290	2,225	2,655	1,447	1,427
Cumulative Number of Supplier Accounts on the e-GP System	15,290	17, 515	20,170	21,617	23,044
% Change	Baseline	14.55%	15.2%	7.3%	6.59%

(i) e-Tendering

From the time the e-GP System was officially launched on 8th July 2016 to 31st December 2018, the Authority observed that a total of 482 tenders were published on the system and the breakdown is as indicated in Table 11 below:

Table 11: Number of tenders published on the e-GP System

Procurement Method			Total
Open Tenders (OB)	Limited Bidding	Simplified Bidding (SB)	
72	1	409	482

Details of procuring entities that published tenders on the e-GP System are as indicated in Appendix 9.

(ii) Registration of Procuring entities on the e-GP System

The Authority during the period under review registered a total of 82 procuring entities on the e-GP System. The procuring entities registered as at 31st December 2018 were as indicated in Appendix 11.

5.6 Internal Audit Department

The Internal Audit Department provides an independent assurance on the effectiveness of internal controls, risk management and governance processes of the Authority.

During the year under review, the department conducted post audits for all departments and units. Quarterly reports detailing significant weaknesses and recommendations of remedial actions to be taken were submitted to the Audit and Risk Committee and the Board. Management pledged its commitment to implement remedial actions some of which were implemented as at 31st December 2018. The recommendations that were implemented resulted in improved internal controls, effective utilisation of resources and adequate safeguard of assets.

5.7 Finance Department

The Finance Department is responsible for the overall financial management of the Authority's budgeting, resource mobilisation and preparation of financial reports for decision making.

During the year under review, the Finance Department prepared the Financial Statements for the year ended 31st December, 2018. The Financial Statements were audited by AMG Global Chartered Accountants (Zambia) and were unqualified.

The Authority is up to date with its books of accounts. The 2018 Financial Statements are here to attached to this report.

**ZAMBIA PUBLIC
PROCUREMENT
AUTHORITY**

**Audited Financial
Statements for the Year
Ended December 2018**



**ZAMBIA PUBLIC
PROCUREMENT AUTHORITY**

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2018**

ZAMBIA PUBLIC PROCUREMENT AUTHORITY

FINANCIAL STATEMENTS

31 December 2018

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GENERAL INFORMATION

31 December 2018

Country of incorporation	Zambia
Nature of business	The authorities main activities are to regulate and control the procurement of goods and services for government and parastatal bodies. Zambia Public Procurement Authority (ZPPA/the Authority) was initially enacted through the Zambia National Tender Board Act, Chapter 394 of the Laws of Zambia 1982 as amended in 2008, the Procurement Act of the Laws of Zambia was amended, hence the formation of the Zambia Public Procurement Authority. The Authority's operations are dependent on Government grants.
Registered office	Stand No. 11790 Sub-J; Off Alick Nkhata Road Longacres Lusaka
Business address	Stand No. 11790 Sub-J; Off Alick Nkhata Road Longacres P. O. Box 31009 Lusaka
Postal address	P.O Box 31009 Lusaka
Bankers	Barclay Bank Plc 4644 Eluda Park Corner of Tito Road and Addis Ababa Drive P.O Box 31936 Lusaka Finance Building Society Head Office 2 nd & 3 rd floors Chanik House Cairo Road P.O Box 31060 Lusaka Madison Finance Company Limited Plot 318, Independence Avenue Woodlands P.O Box 34366 Lusaka Standard Chartered Bank Plc Northend Branch Cairo Road P.O Box 32238 Lusaka Zambia National Commercial Bank Plc Cairo Road Branch Cairo Road P.O Box 37932
Auditors	AMG Global Chartered Accountants (Zambia) No. 6, Lagos Road Rhodes Park P.O Box 37893 Lusaka

ZAMBIA PUBLIC PROCUREMENT AUTHORITY

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS
31 December 2018

The Directors are required, in terms of the Public Procurement Act, No. 12 of 2008 (as amended), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRSs). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRSs and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.


The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and places considerable importance on maintaining a strong control environment. To enable the Authority to meet these responsibilities, the Board sets standards for internal controls aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by Management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Authority's cash flow forecasts for the year ending 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Authority's financial statements. The financial statements have been examined by the Authority's external auditors and their report is presented on pages 5 to 7.

The financial statements, set out on pages 8 to 30 which have been prepared on the going concern basis, were approved by the Board on 19/08/2019 and were signed on its behalf by:



.....
DIRECTOR GENERAL



.....
BOARD CHAIRPERSON

DIRECTORS' REPORT

31 December 2018

Directors have pleasure in submitting their financial report for the year ended 31 December 2018.

1. Principal Mandate

The mandate of the Authority is to coordinate, regulate and monitor standards of Public Procurement in Zambia in accordance with the Public Procurement Act No. 12 of 2008 (as amended).

2. Financial Results

The Authority's results for the year were as follows:-

	2018 ZMW	Restated 2017 ZMW
Income	43 392 830	37 693 042
Total comprehensive surplus	1 650 254	635 175

3. Property, plant and property

During the year the Authority acquired property, plant and equipment worth ZMW1 569 192 (2017:ZMW4 177 571).

4. Employees

The average number of employees during the year was 66 (2017: 65) and their total remuneration was ZMW31 845 024 (2017: ZMW27 793 042).

5. Gifts and Donations

There were no gifts and donations during the financial year (2017:Nil).

6. Directors and Secretary**6.1 The Directors and Secretary of the Authority who served during the year were as follows:-**

Hon. Margaret Mwanakatwe	Chairperson
Hon. Christopher Yaluma	Board Member
Hon. Ronald K. Chitotela	Board Member
Hon. Vincent Mwale	Board Member
Dr. Ronald Msiska	Board Member
Mr. Likando Kalaluka	Board Member
Mrs. Kayula Siame	Board Member
Mr. Mukuli Chikuba	Board Member
Mr. Richard Chizyuka	Board Member
Dr. Denny Kalyalya	Board Member
Mr. Danies K. Chisenda	Ex-officio
Ms. M. Ndhlovu	Secretary

DIRECTORS' REPORT

31 December 2018

6.2 The Authority has the following sub-committees whose members were:

Finance and Administration

Mr. Mukuli Chikuba
 Dr. Tukiya Kankasa – Mabula
 Mr. Chrispin Chilikwela
 Ms. Agness Bambala Mulenga
 Mr. Danies K. Chisenda
 Ms. Mwaka Ndhlovu

Technical Committee

Mr. Richard M. Chizyuka
 Ms. Agnes Musunga
 Mr. Jones Kalyongwe
 Mr. Bwalya Lumbwe
 Mr. Danies K. Chisenda
 Ms. Mwaka Ndhlovu

Risk and Audit Committee

Ms. Kayula Siame
 Mrs. Judith Katambo
 Mr. Sydney Chisenga
 Mr. Martin Libinga
 Mr. Danies K. Chisenda
 Ms. Mwaka Ndhlovu

6.3 Management of the Board

The management of the Board was as follows:

Mr. Danies K. Chisenda	-	Director General
Mrs. Idah C. Chella	-	Director Administration
Mr. Belia Mulenga	-	Director Finance (Acting)
Mrs. Vida M. Kamanya	-	Director Compliance Monitoring (Acting)
Ms. Mwaka Ndhlovu	-	Board Secretary
Mr. Mathew Lusambo	-	Manager –ICT
Mrs. Vivian M. Mupunda	-	Manager – Internal Audit
Ms. Ethel Nunkwe	-	Manager - eGP

7. Other material facts, circumstances and events

The directors are not aware of any material facts, circumstances or events which occurred between the accounting date and the date of this report which might influence an assessment of the Authority's financial position or the results of its operations.

9. Annual Financial Statements

The Annual Financial Statements are set out on pages 8 to 30.

10. Auditors

The Authority's auditors, AMG Global Chartered Accountants (Zambia), have indicated their willingness to continue in office and a resolution for their reappointment may be proposed at an appropriate Board Meeting.

By order of the Board:

SECRETARY

Date: 14/08/19

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ZAMBIA PUBLIC PROCUREMENT AUTHORITY

We have audited the accompanying financial statements of Zambia Public Procurement Authority, set out on pages 8 to 30, which comprise the statement of financial position as at 31 December 2018, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zambia Public Procurement Authority (ZPPA) as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) (modified to take into account the nature of the organisation) and the requirements of Public Procurement Act, No. 12 of 2008 (as amended).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Restatement of financial statements

<i>The key audit matter</i>	<i>How the matter was addressed in the audit</i>
<p>As disclosed under Note 18, the Authority restated its prior year financial statements to fully comply with International Accounting Standard (IAS) 20: Accounting for Government Grants and Disclosure of Government Assistance. The Standard requires the Authority to recognise grants in the profit or loss on a systematic basis over the periods in which the Authority recognizes the expenses for the costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income. The restatement separated capital grants from revenue grants.</p> <p>We have therefore identified a key audit matter in relation to compliance with IFRSs, particularly IAS 20, as it enhances fair presentation, comparability and reliability of financial statements.</p>	<p>Our audit procedures have been designed to confirm the Authority's compliance with IFRSs. The procedures performed comprise:</p> <ul style="list-style-type: none"> • Reviewing the Authority's compliance with IAS 20; and • Focusing on the Authority's disclosures in the financial statements to support restatement of prior year figures. The disclosures are detailed under Notes 3.6, 6.3, 15 and 18.

A list of the names of partners is available at the office address



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in the manner required by the Zambia Public Procurement Act, No. 4 of 2013 (As amended), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ZAMBIA PUBLIC PROCUREMENT AUTHORITY**

We also provide Those Charged with Governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of the Zambia Public Procurement Authority as of 31 December 2018 have been, in all material respects, properly prepared in accordance with the provisions of the Public Procurement Act, No. 12 of 2008 (As amended).

**AMG Global
Chartered Accountants**

**Dr. Friday Nvambe
PARTNER
M/PC No. 0000569**

DATE 27 August 2019

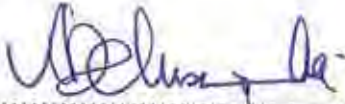
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2018

	Note	2018 ZMW	Restated 2017 ZMW
Income	6	43 392 830	37 693 042
Administrative costs	7	(43 088 329)	(37 396 857)
Other operating costs	8	(1 143 408)	(1 232 026)
Total expenditure		(44 231 737)	(38 628 883)
Operating deficit		(838 907)	(935 841)
Net financing income	9	2 489 161	1 571 014
Total comprehensive surplus		1 650 254	635 173

STATEMENT OF FINANCIAL POSITION
 as at 31 December 2018

	Note	2018 ZMW	Restated 2017 ZMW
ASSETS			
Non current assets			
Property, plant and equipment	10	21 550 748	22 069 159
Loan receivables	11	3 910 562	4 109 179
		<u>25 461 310</u>	<u>26 178 338</u>
Current assets			
Inventory	12	387 566	511 808
Accounts receivables	13	422 833	532 685
Cash and cash equivalents	14	14 486 284	12 540 570
		<u>15 296 683</u>	<u>13 585 063</u>
Total assets		<u>40 757 993</u>	<u>39 763 401</u>
EQUITY AND LIABILITIES			
Equity			
Capital grants	15	21 550 748	22 069 159
Revaluation reserves		316 298	316 298
Accumulated fund		15 035 922	13 385 668
Total accumulated funds		<u>36 902 968</u>	<u>35 771 125</u>
Current liabilities			
Accounts payables	16	3 855 025	3 992 276
Total liabilities		<u>3 855 025</u>	<u>3 992 276</u>
Total Equity and liabilities		<u>40 757 993</u>	<u>39 763 401</u>

The financial statements on pages 8 to 30 were approved by the Board on 19/08/2019 and were signed on their behalf by: -



DIRECTOR GENERAL



BOARD CHAIRPERSON

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018

	Accumulated fund ZMW	Revaluation Reserve ZMW	Capital grant ZMW	Total ZMW
Balances as at 31 December 2016	21 032 669	316 298	10 981 667	32 330 634
Prior year adjustment of capital grant	(8 282 174)	-	8 282 174	-
Surplus for the year	635 173	-	-	635 173
Received during the year	-	-	4 177 571	4 177 571
Amortisation of grants	-	-	(1 368 954)	(1 368 954)
Released to income statement	-	-	(3 299)	(3 299)
Balances as at 31 December 2017	<u>13 385 668</u>	<u>316 298</u>	<u>22 069 159</u>	<u>35 771 125</u>
Surplus for the year	1 650 254	-	-	1 650 254
Received during the year	-	-	1 569 192	1 569 192
Amortisation of grants	-	-	(2 083 012)	(2 083 012)
Released to income statement	-	-	(4 591)	(4 591)
Balances as at 31 December 2018	<u><u>15 035 922</u></u>	<u><u>316 298</u></u>	<u><u>21 550 748</u></u>	<u><u>36 902 968</u></u>

STATEMENT OF CASH FLOWS
for the year ended 31 December 2018

		2018 ZMW	Restated 2017 ZMW
NET CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Operating cash flows			
Operating deficit		(838 907)	(935 841)
Adjustments for items not affecting cash flows:			
Depreciation on property, plant and equipment	10	2 083 012	1 368 954
Loss on disposal of property, plant and equipment		1 531	-
Amortisation of capital grant	15	(2 083 012)	(1 368 954)
Release from capital grant	15	(4 591)	(3 299)
Net operating cash flows before reinvestment in working capital		(841 967)	(939 140)
Decrease/(increase) in inventory		124 242	(101 462)
Decrease/(increase) in accounts receivables		109 852	(157 571)
(Decrease)/increase in accounts payables		(137 251)	1 456 070
Net cash flows from operations		(745 124)	257 897
Return from investments and servicing of finance			
Net financing income	9	2 489 161	1 571 014
Net cash flows from operating activities		1 744 037	1 828 911
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		3 060	3 299
Purchase of property, plant and equipment	10	(1 569 192)	(4 177 571)
Net cash from investing activities		(1 566 132)	(4 174 272)
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash received/(issued) from loans receivable		198 617	(707 785)
Proceeds from capital grant	15	1 569 192	4 177 571
Net cash flows from financing activities		1 767 809	3 469 786
Increase in cash and cash equivalents		1 945 714	1 124 425
Cash and cash equivalents at the beginning of the year		12 540 570	11 416 145
Cash and cash equivalents at the end of the year	14	14 486 284	12 540 570

1 STATUS AND ACTIVITIES

The principal activity of the Authority is to regulate and control the procurement of goods and services for the Government and Parastatal Bodies. The Authority operates under the Act of Parliament, the Public Procurement Act No. 12 of 2008.

The Authority is an Agency of the Government of the Republic of Zambia. The address of its registered office is Stand No. 11790, off Alick Nkhata Road, (behind UN building), Lusaka Zambia.

2 GOING CONCERN

The financial statements have been prepared on the going concern basis, which assumes that the Authority will continue in operational existence for the foreseeable future. The validity of the going concern assumption is dependent upon the Authority being able to attract continued support from the Government of the Republic of Zambia in order to meet the Authority's financial obligations. The Government of the Republic of Zambia (GRZ) is committed and willing to continue to provide the necessary financial support to the Authority to meet its financial obligations.

If the Authority were unable to continue in operational existence for the foreseeable future, adjustment would have to be made to reduce the statement of financial position values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify assets and long term liabilities as current assets and liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The financial statements of Zambia Public Procurement Authority have been prepared in compliance with International Financial Reporting Standards (IFRSs) and the requirements of the Public Procurement Act, No. 12 of 2008.

The principal accounting policies of the Authority, which are set out below, are consistently followed in all material respects.

3.2 Basis of measurement

These financial statements were prepared under the historical cost convention, except for financial assets classified as fair value through profit or loss (FVTPL).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Authority takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Zambia Kwacha (ZMW), which is also the Authority's functional currency.

3.3 Judgement and estimates

The preparation of financial statements in compliance with IFRS requires Management to make certain critical accounting estimates. It also requires Management to exercise judgment in applying the Authority's accounting policies. The areas involving critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are:

- The classification of financial assets and liabilities;
- The residual values, the useful lives of property, plant and equipment and whether assets are impaired; and
- The classification of financial assets at FVTPL, which includes assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest on the principal amount outstanding.

The classification of financial instruments is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

In addition, the disclosures that Management deemed to be immaterial were excluded from the notes to the financial statements. The determination of the relevance and materiality of disclosures involved significant judgment.

3.4 Adoption of new accounting standards

Accounting standards, interpretations, and amendments effective for accounting years beginning on or after January 1, 2018 did not materially affect the Authority's financial statements.

IFRS 9 Financial Instruments

On January 1, 2018, the Authority adopted IFRS 9, Financial Instruments (IFRS 9), which supersedes IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, new guidance for measuring impairment on financial assets, and new hedge accounting guidance.

On adoption of IFRS 9, in accordance with its transitional provisions, the Authority has not restated prior periods but has reclassified the financial assets held at January 1, 2018, retrospectively, based on the new classification requirements and the characteristics of each financial instrument as at the transition date. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements. The Authority did not choose the option of designating any financial liabilities at FVTPL. As such, the adoption of IFRS 9 did not impact the Authority's accounting policies for financial liabilities.

(i) Classification and measurement of financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and FVTPL.

The following table shows the original classification and carrying amount under IAS 39 and the new classification and carrying amount under IFRS 9 for each class of the Authority's financial assets and financial liabilities as at January 1, 2018:

Financial Instrument	Note	IAS 39		IFRS 9	
		Category	Amount ZMW	Category	Amount ZMW
Financial assets					
Cash and cash equivalents	14	Loans and receivables	12 540 570	Amortised cost	12 540 570
Accounts receivables	13	Loans and receivables	532 685	Amortised cost	532 685
Loans and advances to staff	11	Loans and receivables	4 109 179	Amortised cost	4 109 179
Financial liabilities					
Accounts payables	16	Other financial liabilities	3 992 276	Amortised cost	3 992 276

(ii) Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. This applies to financial assets classified at amortized cost and debt instruments classified at FVTOCI. Under IFRS 9, credit losses are recognized earlier than under IAS 39. This change did not have a material impact to the Authority's financial statements.

(iii) Hedge accounting

The new hedge accounting model which replaces hedge accounting guidance in IAS 39 did not impact the Authority's financial statements.

(iv) Disclosure

Amendments were also made to IFRS 7 introducing expanded qualitative and quantitative disclosures related to IFRS 9, which the Authority has also adopted for the annual period beginning January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 superseded the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Authority recognises revenue from the following major sources:

- Grants from Government; and
- Various fees from services provided.

The implementation of this Standard did not have a material impact on the financial statements of the Authority.

3.5 Foreign currencies

The financial statements of the Authority are presented in the currency of the primary economic environment in which the entity operates (its function currency). For the purpose of the financial statements the results and financial position of the Authority are expressed in *Zambian Kwacha (ZMW)* which is the functional currency and the presentation currency for the financial statements.

In preparing the financial statements of the Authority, transactions in currencies other than the Authority's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date monetary items denominations in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences are recognised in the income statement in the year in which they arise.

3.6 Income

Grant income are recognised when there is reasonable assurance that conditions pertaining to them will be complied with and that the grants will be received. When the terms of the grants do not specify the expenditure they are intended to support such a grant is assumed to contribute towards the expenditure that forms the basis of that payment.

Government and other grants received in cash are recognised as income in the year in which they are received.

Grants for revenue expenditure are recognised in the statement of comprehensive income during the period in which they are received. Grants for capital expenditure and donations of non-monetary assets are credited to the Capital Grant account at their cash or fair values. The Capital Grant is transferred to the statement of comprehensive income each year on a systematic and rational basis over the useful lives of the related assets.

3.7 Other income

Income from Consultancy, Training, Appeals, Supplier registration, Interest from staff debtors and sale of tender documents are recognised when receipt is reasonably assured.

Rental income is recognised on a straight line basis over the lease period. Interest income is recognised on a time proportion basis using the effective interest method.

3.8 Net financing income/costs

Net financing income/costs comprise interest payable on borrowings calculated using the effective interest rate method, bank interest receivable, foreign exchange gains and losses that are recognised in the statement of comprehensive income.

3.9 Property, plant and equipment

Items of property, plant and equipment are measured at historical cost/ or revalued amounts less accumulated depreciation and any impairment losses.

An assessment is made by the directors at each reporting date whether there is any indication that the asset may have been impaired. If any such indication exists, the Directors carry out a revaluation of the recoverable amount of the asset by independent valuers.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation reserves in equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from 'other reserves' to retained earnings'.

Expenditure on repairs or maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the asset is recognised as an expense when incurred.

Depreciation

Depreciation on property, plant and equipment is provided on a straight line basis to write off the gross book value less the expected residual value of the various assets over the period of their expected useful lives as follows:

Leasehold land and building	2%
Office furniture and equipment	25%
Motor vehicles	25%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Authority's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

This category also contains equity investments. The equity investments were measured at cost less any impairment charges under IAS 39, as it was deemed that its fair value could not be estimated reliably.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Authority accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is hold to collect the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset. This category includes listed securities and debentures that were previously classified as ‘available-for sale’.

Impairment of financial assets

IFRS 9’s new impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss’ (ECL) model. This replaces IAS 39’s ‘incurred loss model’. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Authority first identifying a credit loss event. Instead the Authority considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Authority’s financial assets fall into this category. ‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Guidance note: Credit losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it actually expects to receive (‘cash shortfalls’). This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Trade and other receivables and contract assets

The Authority makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Authority uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial assets at fair value through other comprehensive income

The Authority recognises 12-month expected credit losses for financial assets at FVOCI. As most of these instruments have an outstanding credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Authority assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Authority relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Authority only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Authority would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Authority considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrower's operating results. Should any of these indicators imply a significant increase in the instrument's credit risk, the Authority recognises for this instrument or class of instruments the lifetime ECL.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Authority's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Authority's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Authority designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Derivative financial instruments and hedge accounting

The Authority applies the new hedge accounting requirements in IFRS 9 prospectively. All hedging relationships that were hedging relationships under IAS 39 at the 31 December 2017 reporting date meet the IFRS 9's criteria for hedge accounting at 1 January 2018 and are therefore regarded as continuing hedging relationships. Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the reporting periods under review, the Authority did not have any hedging investments.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

3.11 Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average cost basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of the business less any selling expenses.

3.12 Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date taking into account the risk and uncertainties surrounding the obligation.

3.13 Employee benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Authority pays fixed contributions into an independent entity in relation to the State Plan. The Authority has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that relevant employee services are received. The cost of gratuity and annual leave are recognized during the period in which the employee renders the related service. Accruals for employee entitlement to gratuity and annual leave represent the present obligation, which the Authority has to pay as a result of the employee services provided to the reporting date.

The Authority also has an Occupational Pension Scheme where the employee and employer make contributions at rates to be determined from time to time.

4. RISK MANAGEMENT POLICIES

The Authority's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and fair value price risk), credit risk, liquidity and cash flow risks. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance. Risk management is carried out under policies approved by the Directors.

4.1 Market risk

a) Foreign exchange risk

The Authority is exposed to foreign exchange risk arising from various currency exposures, primary with respect to the United States Dollar. Foreign exchange risk arises from commercial transactions, recognised assets and liabilities in the procurement of commodities for the Central Government. Management has set up a policy to manage their foreign exchange risk against their functional currency. To manage their foreign risk arising from commercial transactions and recognised asset and liabilities, the Authority ensures that it keeps adequate mix of funds in foreign and local currencies in its bank accounts. Foreign exchange risk arises when commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

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At 31 December the financial assets denominated in foreign currencies for the Authority were as follows:

	2018 ZMW	2017 ZMW
US Dollar Bank balances with ZANACO	-	25 781

b) Fair value price risk

The Authority is not exposed to fair value price risk as it does not hold publicly-traded equity or commodity instrument that is subject to change in base price from the date of entering into the contract and when the contract is liquidated or right exercised.

c) Interest rate risk

The Authority is exposed to interest rate risk as it holds variable interest earning bank deposits and fixed interest staff loans. The Authority's interest-bearing assets are composed of deposits held with Standard Chartered Bank, Zambia National Commercial Bank, Cavmont Bank, Finance Building Society, Madison Finance and Barclays Bank.

4.2 Credit Risk

Credit risk is the risk of financial loss to the Authority if a counterparty to a financial instrument defaults on its contractual obligations. The Authority is subject to credit risk through its trading and investing activities. The Authority's primary exposure to credit risk arises through its investment securities, cash deposits, accounts receivables and cash equivalents. The Authority evaluates counterparties for credit worthiness where credit risk arises and there are no credit ratings readily available. The counterparties for investment securities and cash equivalents are Bank of Zambia (BOZ), commercial banks and financial institutions licensed by Bank of Zambia.

The Authority does not hold any collateral to cover its credit risk associated with accounts receivables in respect of staff loans and advances except that the credit risk is mitigated by ensuring that staff loans and advances do not exceed the terminal benefit payable to employees.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2018 ZMW	2017 ZMW
Accounts receivables	3 910 562	4 109 179
Amount due from related parties	422 833	532 685
Cash and cash equivalents	14 486 284	12 540 570
	<u>18 819 679</u>	<u>17 182 434</u>

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4.3 Liquidity and cash flow risk

Prudent liquidity management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Authority's liquidity reserve and cash and cash equivalents on the basis of expected cash flow. In addition, the Authority's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet liabilities.

The table below analyses the Authority's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On demand ZMW	Due within 3 months ZMW	Due between 3 – 12 months ZMW	Due more than 12 months ZMW	Total ZMW
Financial assets as at 31 December 2018					
Loan receivables	-	-	-	3 910 562	3 910 562
Accounts receivables	-	-	422 833	-	422 833
Cash and cash equivalents	14 486 284	-	-	-	14 486 284
	<u>14 486 484</u>	<u>-</u>	<u>422 833</u>	<u>3 910 562</u>	<u>18 819 679</u>
Financial liabilities as 31 December 2018					
Accounts payables	-	-	3 855 025	-	3 855 025
	<u>-</u>	<u>-</u>	<u>3 855 025</u>	<u>-</u>	<u>3 855 025</u>
Liquidity gap	<u>14 486 284</u>	<u>-</u>	<u>(3 432 192)</u>	<u>3 910 562</u>	<u>14 964 654</u>
	On demand ZMW	Due within 3 months ZMW	Due between 3 – 12 months ZMW	Due more than 12 months ZMW	Total ZMW
Financial assets as at 31 December 2017					
Loan receivables	-	-	-	4 109 179	4 109 179
Accounts receivables	-	-	532 685	-	532 685
Cash and cash equivalents	12 540 570	-	-	-	12 540 570
	<u>12 540 570</u>	<u>-</u>	<u>532 685</u>	<u>4 109 179</u>	<u>17 182 434</u>
Financial liabilities as 31 December 2017					
Accounts payables	-	-	3 992 276	-	3 992 276
	<u>-</u>	<u>-</u>	<u>3 992 276</u>	<u>-</u>	<u>3 992 276</u>
Liquidity gap	<u>12 540 570</u>	<u>-</u>	<u>(3 459 591)</u>	<u>4 109 179</u>	<u>13 190 158</u>

5 NEW RELEVANT STANDARDS NOT YET EFFECTIVE**IFRS 16 Leases**

IFRS 16 replaces existing leases guidance including IAS 17 *leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 *Revenue from contracts with Customers* at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payment. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e, lessors continue to classify leases as finance or operating leases.

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	2018 ZMW	Restated 2017 ZMW
7.2 Staff emoluments and allowances		
Basic salaries	17 828 568	15 600 216
Allowances	10 135 497	8 902 552
Leave pay	2 377 035	1 991 093
NAPSA – Employer contribution	635 763	529 921
Pension	868 161	769 260
	<u>31 845 024</u>	<u>27 793 042</u>
7.3 The average number of employees during the year was 66 (2017:65).		
8. OTHER OPERATING COSTS		
Entertainment expenses	94 966	56 365
General office expenses	1 048 442	1 175 661
	<u>1 143 408</u>	<u>1 232 026</u>
9. NET FINANCING INCOME/(COSTS)		
Foreign exchange (loss)/gain	(6 013)	320
Interest received from investments	2 275 122	1 418 545
Interest received from staff loans	220 052	152 149
	<u>2 489 161</u>	<u>1 571 014</u>

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings ZMW	Furniture and fittings ZMW	Motor vehicles ZMW	Total ZMW
10.1 Cost/valuation				
At 31 December 2017	17 795 912	8 590 791	5 244 062	31 630 765
Additions	321 796	1 247 396	-	1 569 192
Write off/disposals	-	(3 581 951)	-	(3 581 951)
At 31 December 2018	<u>18 117 708</u>	<u>6 256 236</u>	<u>5 244 062</u>	<u>29 618 006</u>
10.2 Depreciation				
At 31 December 2017	745 106	6 687 463	2 129 037	9 561 606
Charge for the year	359 136	944 380	779 496	2 083 012
Write off/disposals	-	(3 577 360)	-	(3 577 360)
At 31 December 2018	<u>1 104 242</u>	<u>4 054 483</u>	<u>2 908 533</u>	<u>8 067 258</u>
10.3 Net book amount				
At 31 December 2018	<u>17 013 466</u>	<u>2 201 753</u>	<u>2 335 529</u>	<u>21 550 748</u>
At 31 December 2017	<u>17 050 806</u>	<u>1 903 328</u>	<u>3 115 025</u>	<u>22 069 159</u>

10.4 The Authority's land and buildings (189A Ibex Hill Property) was revalued in April 2005 by Government valuers on the basis of an open market value. The surplus was credited to revaluation reserves. In the opinion of the directors of the Authority, the fair value of leasehold land and building has not changed from valuation date.

	2018 ZMW	Restated 2017 ZMW
11. LOANS RECEIVABLES		
Staff loans	<u>3 910 562</u>	<u>4 109 179</u>
12. INVENTORY		
Stationery, safety clothing and consumables	<u>387 566</u>	<u>511 808</u>

	2018 ZMW	Restated 2017 ZMW
13. ACCOUNTS RECEIVABLES		
13.1 Analysis		
Staff advances (Note 13.2)	359 338	480 429
Other receivables	63 495	52 256
	<u>422 833</u>	<u>532 685</u>
13.2 Staff advances		
Gross amount	424 338	633 404
Less: Provision for expected credit losses	(65 000)	(152 975)
	<u>359 338</u>	<u>480 429</u>
14. CASH AND CASH EQUIVALENTS		
14.1 Analysis		
Cash and bank balances (Note 14.3)	3 672 806	2 704 436
Short-term deposits (Note 14.2)	10 813 478	9 836 134
	<u>14 486 284</u>	<u>12 540 570</u>
14.2 Short term fixed deposits		
Madison Finance	8 126 588	4 622 504
Finance Building Society	2 686 890	4 547 781
Caymont Bank	-	665 849
	<u>10 813 478</u>	<u>9 836 134</u>
14.3 Cash and bank balances		
Zambia National Commercial Bank	1 815 798	1 110 111
Standard Chartered Bank	1 851 444	1 587 431
Barclays Bank	3 777	6 300
Petty cash	1 787	594
	<u>3 672 806</u>	<u>2 704 436</u>

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	2018	Restated 2017
15. CAPITAL GRANT		
Opening balance (Note 18.4)	22 069 159	19 263 841
Grant received during the year (Note 10)	1 569 192	4 177 571
Amortisation for the year (Note 10)	(2 083 012)	(1 368 954)
Released to income statement	(4 591)	(3 299)
	<u>21 550 748</u>	<u>22 069 159</u>
16. ACCOUNTS PAYABLES		
Trade payables	421 708	1 855 240
Accruals	3 023 425	1 935 345
Other payables	409 892	201 691
	<u>3 855 025</u>	<u>3 992 276</u>
17. RELATED PARTY TRANSACTIONS		
<p>The Zambia Public Procurement Authority is a Statutory Body which was created by an Act of Parliament and is controlled by the Government of the Republic of Zambia (GRZ). There are other entities that are related to the Authority through common shareholdings or common directorships.</p> <p>During the year the following transactions occurred:-</p>		
Grants from the Government of Republic of Zambia		
Direct grant – MOF	41 480 820	39 501 890
Transfer to capital grant	(1 569 192)	(4 177 571)
Amortisation for the year	2 083 012	1 368 954
Released to income statement	4 591	3 299
	<u>41 999 231</u>	<u>36 696 572</u>
Director's remuneration		
Authority allowances – Technical	466 540	370 290
Authority Board allowances	601 150	303 928
	<u>1 067 690</u>	<u>674 218</u>

18. RESTATEMENT OF FINANCIAL STATEMENTS

18.1 The Authority changed its policy on grant recognition to comply with International Accounting Standard (IAS) 20: Accounting for Government Grants and Disclosure of Government Assistance. Grants are now recognised on a systematic basis over the periods in which the Authority recognises expenses and related costs for which the grants are intended to compensate. Previously, there was no distinction between revenue and capital grants.

18.2 The effects of the change were to reduce the grants received by the portion of the capital grants and create a capital grants account, which is amortised systematically over the useful lives of the related property, plant and equipment as follows:

	2018 ZMW	Restated 2017 ZMW
18.3 Government Grant		
Before restatement	41 999 231	39 721 890
Net transfers to Capital Grant	-	(3 025 318)
After restatement	<u>41 999 231</u>	<u>36 696 572</u>
18.4 Capital Grants Opening Balance		
Before restatement	22 069 159	10 981 667
Transfer from Accumulated Fund (Note 18.5)	-	8 282 174
Restated opening balance	<u>22 069 159</u>	<u>19 263 841</u>
18.5 Accumulated Fund Opening Balance		
Before restatement	13 385 668	21 032 699
Transfer to Capital Grant (Note 18.4)	-	(8 282 174)
Restated opening balance	<u>13 385 668</u>	<u>12 750 525</u>

19. TAXATION

The Authority is exempt from taxation under the Income Tax Act (as amended) Section 5 (i) of Part III Second Schedule of Chapter 323 of the Laws of Zambia.

20. CAPITAL DISCLOSURE

The Authority is financed mainly through Government grants. It neither has debt nor subordinated instruments. The Authority's objective in managing capital are:

- to meet its objectives as set in the Authority's Act; and
- to meet obligations as and when they fall due.

21. COMMITMENTS

There were no capital commitments as at 31 December 2018. (2017:Nil).

22. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2018. (2017:Nil)

23. COMPARATIVE FIGURES

Comparative figures are restated where necessary to afford a reasonable comparison.

24. EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Authority, the results of those operations or the state of affairs of the Authority in subsequent financial years.

APPENDICES**Appendix 1: Technical Committee**

1	Mr. Richard M. Chizyuka	Chairperson
2	Ms. Agnes Musunga – Permanent Secretary, Ministry of Works and Supply	Member
3	Mr. Jones Kalyongwe - Zambia Institute of Purchasing and Supply	Member
4	Mr. Bwalya Lumbwe – Engineering Institution of Zambia	Member
5	Mr. Danies K. Chisenda – Director General, ZPPA	Ex officio
6	Ms. Mwaka Ndhlovu – Board Secretary	Secretary

Appendix 2: Finance and Administration Committee

1	Mr. Mukuli Chikuba - Permanent Secretary - Economic Management and Finance	Chairperson
2	Ms. Agnes Bambala Mulenga - Zambia Institute of Chartered Accountants	Member
3	Mr. Chrispin Chilekwa – Zambia Institute of Human Resources Management	Member
4	Dr. Tukiya Kankasa Mabula - Bank of Zambia	Member
5	Mr. Danies K. Chisenda – Director General, ZPPA	Ex officio
6	Ms. Mwaka Ndhlovu - Board Secretary	Secretary

Appendix 3: Audit and Risk Committee

1	Mrs. Kayula Siame – Permanent Secretary - Ministry of Commerce, Trade and Industry	Chairperson
2	Mrs. Judith Katambo – Zambia Institute of Chartered Accountants	Member
3	Mr. Sydney Chisenga – Law Association of Zambia	Member
4	Mr. Martin Libinga – Pensions and Insurance Authority	Member
5	Mr. Danies K. Chisenda – Director General, ZPPA	Ex officio
6	Ms. Mwaka Ndhlovu – Board Secretary	Secretary

Appendix 4: Compliance Monitoring Assessments conducted in 2018

No.	Performance Area	Findings	Implication	Recommendations
1	Capacity of Personnel/Structure	Forty-four (44) out of the 48 procuring entities had adequate staffing in the Procurement Unit.	<p>Most Procurement Units have the ability to carry out their procurement activities effectively and efficiently due to adequate staff.</p> <p>However, for procuring entities with inadequate staff, non-procurement personnel conducting procurements contrary to Section 12 of the Public Procurement Act.</p>	<p>The procuring entities lacking adequate staff should ensure vacancies are filled.</p> <p>More procurement officers should be employed in the Procurement Units.</p>
2	Procurement Process	All the forty-eight (48) procuring entities assessed were inconsistently using procurement documentation (Purchase Requisitions, Request for Quotations, Goods Received Notes/proof of service delivery, Local Purchase Orders and Analysis Sheets).	Poor management of the procurement process, inaccurate /inconsistent quotations.	Controlling Officers should ensure that all procurement documentations are used and kept in line with Regulation 18 of the Public Procurement Regulations (PPR).
3	Record keeping	Only eighteen (18) out of the 48 procuring entities assessed kept their own procurement records for low value procurements.	High levels of poor records management.	PU should start keeping their own procurement records for the entire procurement cycle in line with Regulation 18 of the PPR.

4	Reporting	Only seven (7) out of the forty-eight (48) PEs assessed submitted reports required by ZPPA (Procurement Committee Minutes and Quarterly Reports).	ZPPA unable to monitor compliance and provide necessary feedback to most PEs.	PEs should ensure that all reports required by the Authority are submitted pursuant to Regulation 6 of the PPR.
5	Resources and Equipment	Only fifteen (15) out of 48 procuring entities assessed had adequate resources and equipment in the PU (dedicated motor vehicle, office space, filing cabinets, phone lines and office equipment).	Inefficiencies in the procurement process and delays. Poor working environment leading to failure by officers to execute duties diligently.	procuring entities should provide adequate equipment for efficient Procurement Unit operations.
6	Procurement Planning	Only fifteen (15) out of the 48 procuring entities assessed submitted procurement plans to ZPPA for the periods under review.	Non-compliance to Section 42 of the Public Procurement Act (PPA). Lack of procurement planning exposes to risks of wrong usage of procurement methods and high costs of items procured.	All PEs should ensure timely submission of Annual Procurement Plans to ZPPA in accordance with Section 42 (2) of the PPA and Circular No. 3 of 2015 issued by the Authority.
7	e-GP Preparedness	Twenty-six (26) out of the 48 procuring entities assessed had internet connectivity and pre-requisite ICT equipment for use of the e-GP System.	Some procuring entities contravened Circular No. 1 of 2016 thereby hampering participation of users on the e-GP System	The lacking procuring entities should ensure that they urgently procure internet services and enough ICT equipment in readiness for the full roll out of the system.

Appendix 5: Appeal Cases Handled in 2018

S/N	Procuring Entity	Appeal/Allegations	Decision	Status
1	Ministry of Fisheries and Livestock	The appellant stated that Ministry of Fisheries and Livestock (MFL) did not take note of all the requests for clarifications that were received by the procuring entity. The Appellant also stated that MFL did not take into account the average bid price for the bids received.	It was established that the evaluation was conducted in accordance with the solicitation document, PPA and PPR. The appeal was therefore not upheld in whole.	Concluded
2	ZAMTEL	Cancellation of the tender disqualifying Sharon Solutions Limited was unfair. Cancellation of the tender, violation of norms and award of contract to other competitors at higher prices.	The appeal was upheld in full.	Concluded
3	Bank of Zambia	Award of Tender No.BOZ/ICT/LB/08/2017 - Tender for the supply, delivery and installation of ICT Network Elements; Some part numbers which were validated by the original equipment manufacturer some months before the tender was released had become end of life and were not available for sale.	The tender was evaluated in accordance with the provisions of the Solicitation Document. The appeal was therefore dismissed in whole.	Concluded
4	Bank of Zambia (BOZ)	The appellant (Executive Fit and Tailors Limited) stated that the bid validity exceeded 90 days but Bank of Zambia did not notify suppliers of the extension. Executive fit stated that they were failed at Technical evaluation stage due to non-compliance with specifications and submission of used shoes.	The appeal was upheld in part because BOZ did not request bidders to revalidate their bids in line with clause 20.2 of the instruction to Bidders in the Solicitation document. However, the committee noted that the evaluation was conducted in accordance with the provisions of the Solicitation document, addenda and clarifications.	Concluded

5	Road Development Agency (RDA)	Tender for the proposed Mwami/Muchinji One Stop Border Post (OSBP) Packages 2: Zambia OSBP Facilities Tender No. RDA/ICB/CE/004/18.	The Authority established that RDA made the corrections to the bid price in line with the requirements of the Solicitation document, PPA and PPR.	Concluded
6	Office of the President Central Provincial Administration	A request for the evaluation report for the tender was made and the Central Province Provincial Administration (CPPA) did not provide a copy. On the day of bid opening the proposed bidder to be awarded the tender did not submit a bid security. The proposed bid sum for the proposed best evaluated bidder was far too high as compared to the actual sum mentioned on bid opening day.	The appeal was upheld. The Authority decided that CPPA cancels the procurement proceedings in accordance with Regulation 181 (2) (a) and (d) of the PPR.	Concluded
7	Lusaka South Multi - Facility Zone Limited (LSMFEZ)	Mart Speed Construction's bid was the most responsive in terms of price and LSMFEZ intends to award a bidder with a higher price. Mart Speed Construction was disqualified for providing a duration of 48 weeks which was within the period of 12 months stated in the solicitation document - Section viii, clause GCC 1.1(v). Inadequate Communication; Mart Speed did not receive any formal communication from LSMFEZ on the intention to award Astro Works Limited despite other bidders being communicated to.	The appeal was upheld in part. The LSMFEZ was advised to re-evaluate the bids received in accordance with Regulation 181 (2) (a) of the PPR and use only the evaluation criteria indicated in the Solicitation document.	Concluded
8	Lusaka South Multi - Facility Zone Limited (LSMFEZ)	Appeal against cancellation of Tender No.LSMFEZ/TECH/04/18 for the design, supply and installation of 33kv overhead transmission lines, in the LSMFEZ Limited.	The appeal was upheld in part.	Concluded

9	Ministry of Higher Education	Appeal against the award of contract for the supply, delivery, installation and commissioning of training equipment for trades training institutes.	The appeal was upheld in whole as the evaluation criteria under ITB. 16.2 in the Bid data Sheet of the Solicitation document was not clear contrary to Section 50(2) of the PPA. Furthermore, the Ministry was advised to re-evaluate all the bids for lot 3 because the evaluation criterion under ITB. 16.2 in the bid data sheet of the solicitation document was not clear.	Concluded
10	National Pension Scheme Authority (NAPSA)	Appeal against the Notice of the Best Evaluated bidder for the tender for resurfacing and reconstruction of Levy Business Park parking lots.	The Authority established that NAPSA evaluated the bid in line with the requirements of the SD, PPA and PPR. Therefore, the appeal was dismissed.	Concluded
11	Road Development Agency (RDA)	Tender for rehabilitation of 36.8 KM Chilanga access road.	The appeal was upheld in full. The Authority further noted that the tender was re -evaluated. However, the criteria in the solicitation document was found to be inadequate by the Evaluation Committee. Therefore, RDA was advised to re -advertise the tender and ensure that the revised conditions of the Solicitation document adequately assessed the capacity of bidders. RDA was further advised to refund bidders any fee paid on the Solicitation Documents in line with Regulation 183(9) of the Public Procurement Regulations.	Concluded

12	Kitwe City Council (KCC)	Tender for the Supply Installation and Commissioning of various traffic signals in Kitwe: Tender NO. KCC/DES/PSU/103/35/18/003 – ES/RDS.	The appeal was upheld in whole. The Authority noted that Bric-Tech Construction Limited was not informed about the outcome of the tender contrary to Section 53(1) of the Public Procurement Act. KCC was advised to compensate the applicant for costs related to the preparation of the bid.	Concluded
13	ZAMTEL	Appeal against the award of contract for the supply and delivery of Copper cables and accessories.	The appeal was dismissed. The Authority noted that Zamtel Limited conducted the evaluation process in line with the provisions of the solicitation document, PPA and PPR.	

APPENDIX 6: Investigations conducted

S/N	Procuring Entity	Complaint	Decision	Status
1	NAPSA	Allegations against Pyanga Cleaning Services for under performance.	The investigation was concluded and the outcome communicated to the parties involved. The decision was that Pyanga Cleaning Services could not be barred by the Authority on the basis of non-performance because both NAPSA and Pyanga did not meet contractual obligations during execution of the contract.	Concluded
2	INDENI	Complaint by BQ Contractors Limited that the price submitted by the proposed best evaluated bidder was Exclusive of VAT under the tender for upgrade of LPG facilities and Deluge System hence the evaluation was irregular.	The investigations were concluded and the outcome communicated to the parties involved. The PE was advised to re-evaluate the tender due to some inconsistencies that were observed in the tender process and also taking into consideration the findings of the Authority.	Concluded
3	Kitwe Teaching Hospital	Investigation into the alleged non – performance by Precise Product Limited in the contract for the construction of a skills Laboratory for the School of Nursing at Kitwe Teaching Hospital.	The Authority concluded that despite there having been delays in the completion of the project, stringent contract management was lacking especially due to lack of regular site meetings. There was no evidence to prove the alleged non performance by the contractor.	Concluded
4	Ministry of Works and Supply	Complaint by ZAL Elevators on the evaluation process regarding the tender for the supply and installation of lifts to the new office block for Zambia Police Division Headquarters in Chinsali, Muchinga Province	The Ministry was advised to ensure that all criteria included in the Solicitation Document do not conflict with other relevant laws.	Concluded

5	Ministry of Health	Alleged under performance of CK Scientific Group Zambia Limited (CKSGZ).	The Authority concluded that CKSGZ substantially performed on the contracts and therefore, the recommendation by Ministry of Health (MoH) to either suspend or debar CKSGZ could not be upheld. CKSGZ was informed that the Authority could not enforce Section 66 and 67(1) of the PPA as MoH failed to substantiate their claim that the supplier under-performed on the two contracts.	Concluded
6	Ministry of Home Affairs	Complaint on pricing in the procurement of beans and rice under the Zambia Correctional and Zambia Police Services.	The Authority established that there were anomalies in the pricing of beans and rice. The Ministry was advised to ensure that there was value for money, transparency and fairness in the procurement of these food stuffs.	Concluded
7	Copperbelt Province, Provincial Administration (CPPA)	Alleged under performance of Mhungu Ni Mhungu Varieties Limited (MNMVL) on the contract for the construction of art-working shelter at masala cultural village in Ndola.	The Authority established that both parties to the contract had erred prior to and during execution of the contract. The committee therefore decided that section 66 and 67 could not be invoked on MNMVL as CPPA and the Provincial Buildings Engineer did not provide sufficient evidence to substantiate their claim that the contractor had under performed.	Concluded
8	ZAMTEL	Complaint on Telepin's failure to submit a bid in response to the tender for design, supply and delivery of hardware and software installation of mobile money system due to system down time	The audit report generated from the e-GP system showed that the system was fully operational during the bid submission period for the tender in question. It was therefore, not the e-GP	Concluded

			System's failure that led to Telepin's inability to submit the bid. The bidder was informed that they could not participate in the tender as they did not submit any bid for the tender as at the closing deadline.	
9	Rural Electrification Authority (REA)	Recommendation for suspension of Changa Management Services Limited from participating in Public Procurement for allegedly submitting false information in the tender for consulting services for the review of the 2014 - 2018 REA Strategic Plan	<p>The recommendation to suspend Changa Management Services Limited from participating in public procurement was rejected as there were no firm grounds to compel the Authority to invoke the provisions of Regulation 165 (b) of the PPR and Section 66 (a) of the PPA from the evidence submitted by the Procuring Entity (PE).</p> <p>The PE was advised to ensure that evaluations of bids were comprehensively conducted with proper verification of bids and proposals. Furthermore, the PE was advised to ensure that all correspondences were reduced to writing in order to authenticate information on which decisions were being made.</p>	Concluded
10	Kafue Town Council	Alleged reports on irregularities in the management of Procurement and Stores at the Kafue Town Council.	<p>Kafue Town Council and the Procurement Officer both erred:</p> <ul style="list-style-type: none"> the Council did not comply with Section 39 (1) of the PPA by not communicating with bidders in writing when requesting for a debt swap by either the Council or Pine Roads General The Procurement Officer participated in the procurement 	Concluded

			<p>writing when requesting for a debt swap by either the Council or Pine Roads General</p> <ul style="list-style-type: none"> • The Procurement Officer participated in the procurement of hire of equipment for road works in Hill View Phase 1 and 2 and Avic area without declaring interest to Section 73 of the PPA. The PE was advised to always adhere to the provisions of the PPA and PPR. Further, it was recommended that further investigations be undertaken by CCPC 	
11	Ministry of Home Affairs: Registrar of Societies	Allegations of corruption and abuse of authority in the procurement of ICT Local Area Network infrastructure at the Registrar of Societies.	The Authority found that Budocoro Enterprises and R. Phiri Enterprises connived in order to interfere with the participation of other bidders in the procurement of ICT Local Area Network infrastructure at the Registrar of societies. Therefore, the two companies were suspended from participating in public procurement for one year.	Concluded
12	Ministry of Finance	Recommendation for debarring due to undelivered office materials to Ministry of Finance by ICT Logistics Limited.	The Authority decided that ICT Logistics Limited should not be permanently barred from participating in public procurement pursuant to section 67 (1) (b) of the PPA. The Supplier was however, advised to adhere to the terms and conditions of the contracts signed with procuring entities in line with section 74(1) (a) of PPA.	Concluded

13	Ministry of Fisheries and Livestock	Alleged Irregularities in the manner the tender for provision of night time aerial spraying services to control tsetse flies (<i>Glossina Morsitans</i> and <i>G. Pallidipes</i>) in a 9,293 Km ² area covering parts of Rufunsa, Luano and Nyimba Districts.	The Ministerial Procurement Committee did not act in accordance with the provisions of the PPA and PPR when it introduced new evaluation criteria and overturned the recommendation of the evaluation committee. There was an irregularity in the contract award process. The Ministry was advised to seek a legal opinion from the office of the Attorney General on how to proceed with the matter and the options available considering that the contract had already been signed.	Concluded
14	ZESCO	Recommendation for debarment of Walkerville Enterprises for alleged non-performance under the contract for the supply and delivery of Desktop Computers.	Walkerville Enterprises signed the contract on assumption that contract price would be revised by ZESCO. Further, the Authority noted that the tender process took one (1) year four (4) months to conclude therefore factors in the business environment could have changed including the prices of desktop computers. The Authority decided not to bar the supplier and cautioned them to ensure that they adhered to terms and conditions of the contracts signed with procuring entities.	Concluded
15	Kabwe Municipal Council (KMC)	Investigation into the appointment of Nshinda Debt Collectors by Kabwe Municipal Council following a complaint by Kabwe Central Member of Parliament who wanted to know whether or not KMC	The Authority advised the complainant that KMC was not exempted from being compliant with the PPA and PPR when undertaking its procurement of goods, works and services.	Concluded

		was exempted from adhering to the PPA and PPR.	Further, the Council was advised to adequately prepare the statement of requirements in accordance with section 44 and 45 of the Public Procurement Act and ensure that all other relevant provisions of the PPA and PPR were adhered to.	
16	Provincial Administration, Western Province	Investigations into the complaint by Mutayachalo Contractors and General Dealers over the addition of K300, 000.00 to their total bid sum for the external works which were not included for the pricing in the Bills of Quantities (BOQ) of their bid without the bidder's knowledge contrary to Regulation 67(4) of the PPR under the tender for the proposed rehabilitation of dormitory and warehouse at Namushakende Farm Institute in Mongu.	There were irregularities in the evaluation process for this tender as the Evaluation Committee introduced a new criterion during the evaluation contrary to Section 50(3) of the PPA. The Provincial Administration was advised to re-evaluate all the bids in accordance with the Solicitation Document without taking into consideration Bill No. 5 as it was not part of the scope of works described in the BOQ.	Concluded
17	Ministry of Fisheries and Livestock	Anonymous Complaint over alleged non adherence to the public procurement procedures and corrupt practices during the tender process for the supply, delivery, installation and commission and on-site staff training for 150 litres per hour Industrial Liquid Nitrogen Plant in Mazabuka	Public Procurement procedures were not followed during the evaluation process of the tender. The Ministry was advised to ensure that public procurement procedures are followed, and officers involved in the procurement exhibit high levels of confidentiality as guided by the Code of Conduct issued by the Authority and Section 72 of the PPA	Concluded

Appendix 7: Contracts Monitored

S/N	Contract/Project Monitored	Name of Procuring Entity
1	Construction of a Modern Bus Station in Kasama	Ministry of Local Government
2	Construction of three (3) semidetached staff houses in Kasama	Zambia Revenue Authority
3	Construction of two (2) semidetached staff houses in Chinsali	Zambia Revenue Authority
4	Construction of office block in Chinsali	Zambia Revenue Authority
5	Construction of Kapiri Mposhi Urban Local Court	The Judiciary
6	Construction of Ndola Main Urban Local Court	The Judiciary
7	Construction of Twapia Urban Local Court in Ndola	The Judiciary
8	Construction of Nkana Rural Local Court - Lufwanyama	The Judiciary
9	Construction of two (2) storey office block for Shiwang'andu District Administration, PAMU 006-13	Muchinga Provincial Administration
10	Rehabilitation of Mpika District Commissioner's office block in Mpika	Muchinga Provincial Administration
11	Construction of a modern market in Mungwi District	Ministry of Local Government
12	Periodic maintenance of selected feeder roads in Luwingu District of Northern Province - Chifwile to D043 via Fikonkota, road 38 Km	Ministry of Local Government
13	Construction of market shelter and ablution facilities at UB market in Mansa District	Ministry of Local Government
14	Proposed remodelling of the 3rd floor at Revenue House in Lusaka	Zambia Revenue Authority
15	Remodelling of the 9th floor at Revenue House in Lusaka	Zambia Revenue Authority
16	Construction of Kenneth Kaunda International Airport in Lusaka	Ministry of Infrastructure and Housing
17	Construction of one (1No.) Milk Collection Centre at Malashi in Mpika District of Muchinga Province	Ministry of Fisheries and Livestock
18	Electrification of Mpepo in Mpika District of Muchinga Province	Rural Electrification Authority
19	Construction of five (5No.) District Veterinary Laboratories in the Northern and Muchinga Provinces of Zambia (Lot 4: Mpika District)	Ministry of Fisheries and Livestock
20	Construction of one (1No.) Milk Collection Centre at Musa in Kasama District	Ministry of Fisheries and Livestock
21	Completion of the construction works at the Regional Veterinary Laboratory in Kasama district	Ministry of Fisheries and Livestock

22	Construction of (1No.) Livestock Services Training Centre (Tier 3) at Chipompo in Kasama District	Ministry of Fisheries and Livestock
23	Electrification of Kaso/Kayambi Chinsali/Mungwi District of Muchinga/ Northern Province, Zambia Lot 3	Rural Electrification Authority
24	Electrification of Mundu III in Chinsali District of Muchinga Province	Rural Electrification Authority
25	Contract for the designing and construction of Airport Infrastructure (Green field) in Ndola	Ministry of Housing and Infrastructure Development and Zambia Airports Corporation Limited
26	Construction of Two (02) District Veterinary Laboratories at Kasama and Mporokoso Districts	Ministry of Fisheries and Livestock
27	Construction of One (01) Quarantine Station and One (01) Veterinary Check Point in Mbala District (Kaseshya Border Post)	Ministry of Fisheries and Livestock
28	Construction of Livestock Market Centre in Mbala District	Ministry of Fisheries and Livestock
29	Construction of one (1) Veterinary Check Point (VCP) in Mpika district	Ministry of Fisheries and Livestock
30	Construction of two (2) slaughter facilities in Nakonde and Kasama Districts of Zambia. (Lot 2: Kasama)	Ministry of Fisheries and Livestock
31	The Construction of Pambashe Boarding Secondary in Kawambwa District of Luapula Province	Ministry of General Education
32	Construction of two (2) slaughter facilities in Nakonde and Kasama Districts of Zambia. (Lot 1: Nakonde)	Ministry of Fisheries and Livestock
33	Construction of two (2) Livestock Market Centres in Mbala and Nakonde Districts of Zambia. (Lot 2: Nakonde)	Ministry of Fisheries and Livestock
34	Construction of one (01) Veterinary Quarantine Station (VQS) in Nakonde district	Ministry of Fisheries and Livestock
35	The Construction of five (5) District Veterinary Laboratories in Northern and Muchinga Provinces of Zambia (Lot 5: Nakonde district)	Ministry of Fisheries and Livestock
36	Construction of Kaumba Boarding Secondary in Monze District	Ministry of General Education
37	Construction of one (01) Livestock Service Centre Tier 2 in Isoka District of Muchinga Province	Ministry of Fisheries and Livestock
38	Construction of Ndoni Boarding Secondary School in Pemba District	Ministry of General Education
39	Construction of Gwembe District Hospital Phase II and Associated external works in Southern Province	Ministry of Health
40	Construction of two double storey blocks of flats at Kola Court for the Workers' Compensation Fund Control Board in Kitwe	Workers' Compensation Fund Control Board
41	Construction of two storey office block with associated external works for Drug Enforcement Commission in Choma	Ministry of Housing and Infrastructure Development
42	Construction of four storey office blocks for Police Division Headquarters in Choma	Ministry of Housing and Infrastructure Development
43	Construction of six storey office blocks for Provincial Administration in Choma	Ministry of Housing and Infrastructure Development
44	Construction of Shungu Namutitima Day Secondary School in Livingstone	Ministry of General Education

Appendix 8: e-GP Readiness Assessment Findings

No.	Procuring Entity	Internet and ICT Infrastructure	2018 Annual Procurement Budget (K)	No. of Staff in the Procurement Unit	Recommendations
1	Electoral Commission of Zambia	Reliable with a speed of upto 10mbps provided by Hai. The Procurement Unit has five (5) functioning Computers	29,000,000.00	Five (5) officers	Meets the requirement for e-GP System usage and Rollout
2	National Pension Scheme Authority	Reliable with a speed of up to 10mbps provided by Zamtel, Zamnet and i-Connect. The Procurement Unit has twelve (12) functioning Computers	680,000,000.00	Eleven (11) officers	Meets the requirement for e-GP System usage and Rollout
3	Food Reserve Agency	Reliable with a speed of up to 10mbps provided by Zamtel The Procurement Unit has nine (12) functioning Computers	200,000,000.00	Nine(9) officers	Meets the requirement for e-GP System usage and Rollout.
4	ZCCM-IH Investments	Reliable with a speed of up to 5mbps provided by Hai The Procurement Unit has three (3) functioning Computers	77,493,567.94	Three(3) officers	Meets the requirement for e-GP System usage and Rollout.
5	National Assembly	Reliable with a speed of up to 10mbps provided by Zamtel and CEC Liquid The Procurement Unit has six(6) functioning Computers	71,041,746.99	Six(6) officers	Meets the requirement for e-GP System usage and Rollout.

6	Office of the President, Northern Province	Reliable with a speed of up to 10mbps provided by Zamtel and MTN. The Procurement Unit has five (5) functioning Computers	20,194,108.00	Six (6) officers	Meets the requirement for e-GP System usage and Rollout
7	Chililabombwe Municipal Council	Reliable with a speed of up to 10mbps provided by Zamtel and Zamnet. The Procurement Unit has three (3) functioning Computers	50,000,000.00	Three (3) officers	Meets the requirement for e-GP System usage and Rollout
8	Lusaka Water and Sewerage Company Limited	Reliable with a speed of up to 10 mbps provided by Zamtel. The Procurement Unit has six (6) functioning Computers	33,294,279.00	Seven (7) officers	Meets the requirement for e-GP System usage and Rollout.
9	Lusaka City Council	Reliable with a speed of up to 10 mbps provided by Zamtel. The Procurement Unit has twelve (12) functioning Computer	404,000,000.00	Twenty Five (5) officers	Meets the requirement for e-GP System usage and Rollout.
10	Southern Water and Sewerage Company Limited	Reliable with a speed of upto 512 kbps provided by Hai, Microlink and MTN. The Procurement Unit has two (2) functioning Computers.	42,441,248.00	Ten (10) officers	Meets the requirement for e-GP System usage and Rollout
11	Livingston City Council	Reliable with a speed of up to 8 mbps provided by Zamtel. The Procurement Unit has one (1) functioning Computer	74,913,131.00	Seven (7) officers	Meets the requirement for e-GP System usage and Rollout.

12	Office of the President, Lusaka Province	Reliable with a speed of up to 10mbps provided by Zamtel and i-Connect The Procurement Unit has five (5) functioning Computers	15,135,044.00	Six (6) officers	Meets the requirement for e-GP System usage and Rollout.
13	Eastern Water and Sewerage Company	Reliable with a speed of up to 2mbps provided by Zamtel, Airtel and MTN The Procurement Unit has two (2) functioning Computers	19,000,000.00	Four (4) officers	Meets the requirement for e-GP System usage and Rollout
14	Office of the President, Eastern Province	Reliable with a speed of up to 10mbps provided by Zamtel and i-Connect The Procurement Unit has five (5) functioning Computers	5,500,000.00	Eight (8) officers	Meets the requirement for e-GP System usage and Rollout
15	Ministry of Finance	Reliable with a speed of up to 10mbps provided by Zamtel. The Procurement Unit has ten (10) functioning Computers	833,547.58	Six (6) officers	Meets the requirement for e -GP System usage and Rollout. The Ministry has six (6) projects that coordinate their own procurements and they should be done through the e-GP System
16	Ministry of Works and Supply	Reliable with a speed of up to 10mbps provided by Zamtel. The Procurement Unit has ten (10) functioning Computers.	17,000,000.00	Eight (8) officers	Meets the requirement for e -GP System usage and Rollout
17	Zambia Qualification Authority	Reliable with a speed of up to 2mbps provided by i-Connect. The Procurement Unit has One (1) functioning Computer	4,300,000.00	One (1) officers	Meets the requirement for e-GP System usage and Rollout

Appendix 9: Tenders uploaded on the e-GP System by Procuring Entities

Usage By PE	Annual Procurement Plan	Open Tenders (OB)	Limited Bidding	Simplified Bidding (SB)	Total Number of Tenders
Bank of Zambia	Uploaded	7	1	3	11
Eastern Water and Sewerage Company Limited	Uploaded	-	-	1	1
Electoral Commission of Zambia	Uploaded	-	-	1	1
Ministry of General Education	Uploaded	4	-	-	4
Ministry of Health	Uploaded	8	-	-	8
Ministry of Higher Education	Uploaded	1	-	2	3
Ministry of Works and Supply	Uploaded	-	-	-	0
Muchinga Provincial Administration	Uploaded	10	-	-	10
Ndola City Council	Uploaded	11	-	-	11
Road Development Agency	Uploaded	1	-	-	1
Workers Compensation Fund Control Board	Uploaded	8	-	3	11
Zambia Information and Communications Technology Authority	Uploaded	9	-	1	10
Zambia Public Procurement Authority	Uploaded	7	-	79	86
Zambia Qualifications Authority	Uploaded	-	-	10	10
Zambia Revenue Authority	Uploaded	9	-	-	9
ZAMTEL	Uploaded	8	1	307	316
Food Reserve Agency	Uploaded	-	-	-	0
Pensions and Insurance Authority	Uploaded	-	-	2	2
Zambia Airports Corporation	Uploaded	-	-	-	0
Ministry of Finance	Uploaded	-	-	-	-
National Council for Construction	Uploaded	-	-	-	-
National Road Fund Agency	Uploaded	-	-	-	-
General Nursing Council	-	-	-	-	-
National Assembly of Zambia	Uploaded	-	-	-	-
Ministry of Transport and Communication	-	-	-	-	-
Rural Electrification Authority	Uploaded	-	-	-	-
TOTAL		72	1	409	494

Appendix 10: e-GP Stakeholder Training

First Quarter		
No.	Procuring Entity	Participants
1.	Bank of Zambia	7
2.	Ministry of General Education	7
3.	Zambia Qualifications Authority	4
4.	Ministry of Health	7
5.	Electoral Commission of Zambia	4
6.	Ministry of Finance	1
7.	Zambia Qualifications Authority	4
8.	Zambia Revenue Authority	4
9.	Electoral Commission of Zambia	4
10.	National Pensions Scheme Authority	4
11.	Ministry of Works and Supply	6
12.	Lusaka Provincial Administration	5
13.	Eastern Water and Sewerage	5
14.	Chipata Provincial Administration	6
15.	The Copperbelt University	8
16.	Nkana Water and Sewerage Company Limited	4
17.	Kafubu Water and Sewerage Company Limited	4
18.	Copperbelt Waste Management Company	4
19.	Kitwe City Council	5

Appendix 11: Registration of Procuring entities on the e-GP System for Annual Procurement Plan (APP) Uploads and Notices

The following procuring entities registered for uploading of Annual Procurement Plans and advertising on the e-GP system

1.	Zambia National Broadcasting Corporation
2.	Ministry of Energy
3.	Central Provincial Administration
4.	Public Service Micro Finance Company Limited
5.	Eastern Province Provincial Administration
6.	Provincial Administration Lusaka
7.	Financial Intelligence Centre
8.	Isoka Town Council
9.	National Pension Scheme Authority
10.	Zambia Qualifications Authority
11.	Ministry of Transport and Communications
12.	Food Reserve Agency
13.	National Council for Construction
14.	National Road Fund Agency
15.	Ministry Of Mines And Minerals Development
16.	Ministry of Health
17.	Ministry of Foreign Affairs
18.	Senga Hill Town Council
19.	Provincial Health Office - Kasama
20.	Mungwi Town Council
21.	Ministry of Agriculture
22.	University Teaching Hospital - Adult Hospital
23.	Local Authorities Superannuation Fund
24.	Chambeshi Water And Sewerage Company
25.	Chainama Hills College Hospital
26.	ZCCM Investments Holdings PLC
27.	Northern Technical College
28.	Office of the Auditor General
29.	Electoral Commission of Zambia
30.	Public Service Pensions Fund
31.	Pensions and Insurance Authority
32.	Mwense Town Council
33.	Nakonde town Council
34.	Mafinga District Council
35.	Chinsali Municipal Council
36.	Shiwangandu Town Council
37.	Provincial Agriculture Coordinating Office Lusaka
38.	Public Service Pensions Fund Board
39.	Eastern Water and Sewerage Company Limited
40.	Rural Electrification Authority

41.	National Savings and Credit Bank
42.	Ministry of Chiefs and Traditional Affairs
43.	Ministry of Tourism and Arts
44.	Zambia Environmental Management Agency
45.	Indeni Petroleum Refinery Company Limited
46.	Nitrogen Chemicals of Zambia Limited
47.	Development Bank of Zambia
48.	Evelyn Hone College Management Board
49.	Zambia Industrial Commercial Bank
50.	Kafubu Water And Sewerage Company Ltd
51.	Nkeyema Town Council
52.	The Copperbelt University
53.	Kitwe City Council
54.	Nkana Water and Sewerage Company
55.	Kafubu Water And Sewerage Company
56.	Copperbelt Solid Waste Management Company Limited
57.	Southern Water and Sewerage Company
58.	Choma Town Council
59.	Livingston City Council
60.	Mazabuka Municipal Council
61.	Monze Town Council
62.	Zimba Town Council
63.	Pemba Town Council
64.	Chirundu District Council
65.	Kitwe College of Education
66.	Office of the Vice President
67.	National Housing Authority
68.	Samfya Town Council
69.	Mpongwe Town Council
70.	Lunte Town Council
71.	Luwingu Town Council
72.	Public Service Management Division
73.	Mwinilunga Town Council
74.	Kasama College of Education
75.	Provincial Administration Luapula Province
76.	Mporokoso Town Council
77.	Nsama Town Council
78.	Northern Provincial Administration
79.	Drug Enforcement Commission
80.	Kaputa Town Council
81.	Mpulungu District Health Office
82.	Mpulungu District Hospital

Appendix 12: Medium spend (K5 – K20million)

No.	Procuring Entity	Internet and ICT Infrastructure	2018 Annual Procurement Budget (K)	No. of Staff in the Procurement Unit	Recommendations
1	Office of the President, Central Province	Reliable with a speed of up to 10mbps provided by Zamtel and i-Connect The Procurement Unit has five (5) functioning Computers	15,135,044.00	Six (6) officers	Meets the requirement for e-GP System usage and Rollout.
2	Chambeshi Water and Sewerage Company	Reliable with a speed of up to 1mbps provided by Zamtel The Procurement Unit has three (3) functioning Computers	5,813,00.00.00	Four (2) officers	Meets the requirement for e-GP System usage and and rollout
3	Muchinga Provincial Health Office	Reliable with a speed of up to 1mbps provided by MTN. The Procurement Unit has ten (2) functioning Computers.	17,724,702.00	Two (2) officers	Meets the requirement for e-GP System usage and and Rollout
4	National Council for Construction	Reliable with a speed of up to 10mbps provided by ZAMREN The Procurement Unit has five (5) functioning Computers	7,861,582.52	Five (5) officers	Meets the requirement for e-GP System usage and Rollout.
5	Mwense Town Council	No internet connectivity. The Procurement Unit has no Computers	5,281,521.00	Two (2) officers	Did not meet the requirement for e-GP System usage and Rollout
6	Chingola Municipal Council	Reliable with a speed of up to 10mbps provided by Zamtel	7,500,000.00	Three (3) officers	Meets the requirement for e-GP System usage and Rollout

Appendix 12: Medium spend (K5 – K20million)

7	Choma Municipal Council	Reliable with a speed of up to 1 mbps provided by Zamtel and Zamnet The Procurement Unit did not have any Computers	15,000,000.00	Three (3) officers	Did not meet the requirement for e -GP System usage and Rollout
8	Kalomo Town Council	No internet connectivity service The Procurement Unit did not have any Computers	10,000,000.00	Two (2) officers	Did not meet the requirement for e -GP System usage and Rollout
9	Pemba Town Council	Unreliable internet with a speed of up to 256 mbps provided by MTN The Procurement Unit has one (1) functioning Computer	4,062,510,00.00	Two (2) officers	Did not meet the requirement for e -GP System usage and Rollout
10	Livingstone Central Hospital	Reliable with a speed of up to 512 kbps provided by ZAMREN The Procurement Unit has one (1) functioning Laptop	6,696,000.00	Six (6) officers	Meets the requirement for e-GP System usage and Rollout.
11	Mazabuka Municipal Council	Reliable with a speed of up to 5 mbps provided by CEC Liquid The Procurement Unit has one (1) functioning Computer	13,538,380.00	Three (3) officers	Meets the requirement for e-GP System usage and Rollout.
12	Kazungula Town Council	Reliable with a speed of upto 1 mbps provided by Zamtel. The Procurement Unit has no Computers.	13,200,000.00	Three (3) officers	Did not meet the requirement for e -GP System usage and Rollout
13	Zimba Town Council	Reliable with a speed of upto 1 mbps provided by Zamtel. The Procurement Unit has no Computers.	13,200,000.00	Three (3) officers	Did not meet the requirement for e -GP System usage and Rollout

Appendix 13: Low spend (K0 – K5million)

No.	Procuring Entity	Internet and ICT Infrastructure	2018 Annual Procurement Budget (K)	No. of Staff in the Procurement Unit	Recommendations
1	Provincial Health Office Luapula	Reliable with a speed of up to 5mbps provided by Zamtel and MTN The Procurement Unit has two (2) functioning Computers	1,800,000.00	Two(2) officers	Meets the requirement for eGP System usage and Rollout.
2	Muchinga Provincial Education Office	Reliable with a speed of up to 1mbps provided by Zamtel, Zamnet and i-Connect. The Procurement Unit has two (2) functioning Computers	2,000,000.00	Two (2) officers	Meets the requirement for eGP System usage and Rollout
3	Office of the President, Copperbelt Province	Reliable with a speed of up to 0mbps provided by Zamtel The Procurement Unit has ten(10) functioning Computers	190,000.00	Nine (9) officers	Did not meet the requirement for eGP System usage and Rollout
4	Kaputa District Council	Reliable with a speed of upto 1mbps provided by MTN. The Procurement Unit has five (5) functioning Computers	2,000,000.00	Two (2) officers	Meets the requirement for eGP System usage and Rollout
5	Luapula Water and Sewerage Company	Reliable with a speed of upto 2mbps provided by Zamtel. The Procurement Unit has two (2) functioning Computers	500,000.00	Two (2) officers	Meets the requirement for eGP System usage and Rollout

Appendix 13: Low spend (K0 – K5million)

5	Luapula Water and Sewerage Company	Reliable with a speed of upto 2mbps provided by Zamtel. The Procurement Unit has two (2) functioning Computers	500,000.00	Two (2) officers	Meets the requirement for e-GP System usage and Rollout
6	Rural Electrification Authority	Reliable with a speed of up to 10mbps provided by iSAT The Procurement Unit has four (4) functioning Computers	955,000.00	Four(4) officers	Meets the requirement for e-GP System usage and Rollout.
7	Chipili Town Council	No internet connection. The Procurement Unit has one (1) functioning Computer.	4,504,840.00	One(1) officers	Did not meet the requirement for e-GP System usage and Rollout
8	Manyinga Town Council	No internet connection. The Procurement Unit has no Computers	4,080,000.00	Three (3) officers	Did not meet the requirement for e-GP System usage and Rollout
9	Northern Provincial Education Office	Reliable with a speed of up to 1mbps provided by Zamtel. The Procurement Unit has five(5) functioning Computers	2,000,000.00	Two (2) officers	Meets the requirement for e-GP System usage and Rollout.
10	Kitwe College of Education	Reliable with a speed of up to 10 mbps provided by Zamtel The Procurement Unit has one (21) functioning Computer	12,310,500.00	Five (5) officers	Meets the requirement for e-GP System usage and Rollout.
11	Monze Town Council	No internet connectivity service The Procurement Unit has one (1) functioning Computer	K 3,317,423.00	Three (3) officers	Did not meet the requirement for e-GP System usage and Rollout

Appendix 13: Low spend (K0 – K5million)

12	Copperbelt Provincial Health Office	Reliable with a speed of up to 5 mbps provided by Zamtel The Procurement Unit has two (2) functioning Computer	4,000,000.00	One (1) officer	Meets the requirement for e-GP System usage and Rollout.
13	Provincial Administration Southern Province	Reliable with a speed of upto 10 mbps provided by Zamtel. The Procurement Unit has four (4) functioning Computers	3,000,000.00	Five (5) officers	Meets the requirement for e-GP System usage and Rollout
14	Provincial Health Office Southern Province	Reliable with a speed of upto 2 mbps provided by Zamtel. The Procurement Unit has one (1) functioning Computer and one (1) functioning Laptop	1,836,655.00	One (1) officer	Meets the requirement for e-GP System usage and Rollout
15	Mazabuka General Hospital	Reliable with a speed of up to 2 mbps provided by Liquid Telecoms The Procurement Unit has one (1) functioning Computers	1,043,840.00	Two (2) officers	Meets the requirement for e-GP System usage and Rollout



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