

ZPPA

ZAMBIA PUBLIC PROCUREMENT AUTHORITY

Circular No. 2 of 2011

PREFERENTIAL PROCUREMENT GUIDELINES

To: All Permanent Secretaries

Chief Executive Officers of Parastatal and Statutory Bodies

The Auditor General

The Chief Administrator, Judiciary

Secretaries: All Service Commissions

Commission for Investigations

Directors: Electoral Commission of Zambia,

Human Rights Commission.

PREFERENTIAL PROCUREMENT GUIDELINES

IN EXERCISE OF THE POWERS CONTAINED IN Section 19 of the Citizens Economic Empowerment Act No. 9 of 2006 and Section 63 of the Public Procurement Act No 12 of 2008, the Minister, Ministry of Finance and National Planning, issued Statutory Instrument No. 36 of 2011 on preferential procurement regulations herein after called the Regulations. The Regulations came into effect on 15 April 2011.

These regulations are applicable to all public procurements funded by the Government of the Republic of Zambia.

The purpose of this circular is to provide further guidance and interpretation of the clauses in the regulations as follows:

1. Preferential Schemes

In applying Regulation 4, Procuring Entities shall be guided by the Citizens Economic Empowerment Commission certification that shall be issued to bidders categorized as Citizen influenced, Citizen empowered, and Citizen owned companies.

In evaluating bids, Procuring Entities shall apply preferential treatment for bids or tenders that are categorized as National bidding and Selection, Limited National bidding and selection, International bidding and selection, as well as Limited international bidding and selection.

Margins of preference shall be applied at the Financial or Commercial Evaluation stage by way of a discount to the bid sums offered by citizen bidders proportional to the applicable margin.

Regulation 4 sub-regulation (d) shall be applied by using the 15 per centum as indicated in the Regulations, and not more or less per bidder, offering domestically manufactured goods, by, a Citizen influenced, citizen empowered, or citizen owned company.

2. Reservation Schemes

Clauses 5 and 6 of these Regulations shall be applicable to tenders or bids that are reserved for Citizen influenced, Citizen empowered and Citizen owned companies as per thresholds prescribed in regulations 5 sub-regulations (i), paragraph (a) and (b) and Regulation 6. Non Citizen Bidders shall not be eligible to participate in these tenders or bids.

If there is no capacity amongst the Citizen influenced, Citizen empowered and Citizen owned companies, then the bid or tender shall be opened to other bidders. However the procuring entity shall provide documentary evidence that no capacity exists amongst the Citizen influenced, Citizen empowered and Citizen owned companies. This shall be documented and will become

part of the procurement record. The procuring entity shall immediately inform Zambia Public Procurement Authority and Citizens Economic Empowerment Commission of the decision.

3. Evaluation of Bids on Functionality

Functionality in Regulations 8 should be construed to mean specifications and shall be as contained in the solicitation document and used in the evaluation process.

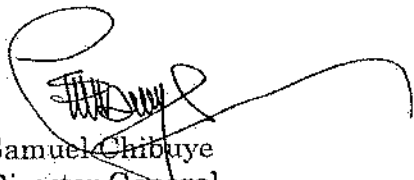
All other clauses contained in the Regulations shall be applied as prescribed.

For purposes of monitoring the extent to which the objectives of the Regulations are met, all Procuring Entities will be required to furnish quarterly reports to Zambia Public Procurement Authority and Citizens Economic Empowerment Commission on the contracts awarded to Citizen influenced, Citizen empowered and Citizen owned companies in relation to non Citizen Companies.

Procurement Entities will be required to include in the solicitation documents instructions to bidders that, bidders should attach CEEC registration certificates when submitting bids or tenders.

All above addressees are strongly advised to ensure that the preference and reservation schemes are effected as above and in accordance with the attached Regulations.

This circular is with effect from 11 July 2011, but procurements already in process are not affected.



Samuel Chibuye
Director General
Zambia Public Procurement Authority

Attachment: Statutory Instrument No. 36 of 2011