



ZAMBIA PUBLIC PROCUREMENT AUTHORITY

Stand No. 11790 SUB-J, Procurement House, Off Alick Nkhata Road, Longacres,
P.O. Box 31009, Lusaka- Zambia

Our Ref:

CIRCULAR NO. 3 OF 2017

ZPPA/27

1st September, 2017

TO: All Permanent Secretaries and Controlling Officers
All Chief Executives of Parastatal and Statutory Bodies
All Town Clerks and Council Secretaries of Local Authorities

RE: AMENDMENT TO CIRCULAR NO. 1 OF 2013

All addressees are drawn to the attention of Section B (5) of Circular No. 1 of 2013 issued by the Zambia Public Procurement Authority, *herein after* called the Authority, which was directed to all the Procuring Entities to obtain a 'No Objection' prior to the use of the Direct bidding method of procurement. In pursuance of the objective of Direct Bidding, i.e., to achieve timely and efficient procurement, it has become necessary to review Section B (5) of Circular No. 1 of 2013.

Further, the Authority wishes to provide further guidance on Section 5 (2) (e) of Circular No. 1 of 2013 regarding the involvement of Internal Auditors in Evaluation and Procurement Committees.

In view of the above, Circular No. 1 of 2013 is hereby amended as follows:

1. Use of Direct Bidding

1.1. The following circumstances will no longer require applying for a 'No Objection' from the Authority to use Direct Bidding method for the procurement of the respective goods, works and services:

- (a) servicing and maintenance of equipment and motor vehicles under warranty;
- (b) spares from Original Equipment Manufacturers (OEMs) and franchise holders;

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- (c) goods and services where personal preference arising from contractual obligations has to be taken into account i.e. personal-to-holder motor vehicles and household goods arising from conditions of service ;
 - (d) procurements where standardisation and compatibility is required and very important i.e. where additional goods, works or services must be procured from the same source because of the need for compatibility, standardization or continuity;
 - (e) emergency procurements in accordance with Regulation 39 of Statutory Instrument No. 63 of 2011 (The Public Procurement Regulations, 2011) and low value procurements not exceeding *ten thousand Kwacha* (K10,000.00) as prescribed in Schedule 2 of the Public Procurement Regulations of 2011;
 - (f) procurement of certain assets and services (including rental services) not readily available on the open market; and
 - (g) procurements involving renewal of licences/software for systems already acquired by procuring entities.
- 1.2. Apart from emergency procurements, all procurements carried out through Direct Bidding must be contained in the Annual Procurement Plan of every procuring entity. In addition, Procuring Entities must submit to the Authority at the end of each year an updated Annual Procurement Plan showing the planned versus actual procurement activities undertaken.
- 1.3. All other procurements through Direct Bidding which do not fall under the above categories will require **prior** review and “No Objection” by the Authority.
- 1.4. Procuring entities are required to submit monthly reports to the Authority on all procurements undertaken using Direct Bidding procurement method under the circumstances described in 1.1 (a) to (g). The format of the report is attached as an **Appendix** to this circular. Procuring entities can provide additional documentation to justify the use of the Direct Bidding method of procurement.

2. Internal Audit Attendance of Procurement Committee Meetings

- 2.1. Internal Auditors may be appointed to the Evaluation or Procurement Committees **NOT** as members of the Committees but in an advisory capacity so as to provide the necessary guidance whenever appropriate.



3. Signing of Applications for a “No Objection”

- 3.1. All the addressees are being reminded that all applications seeking a “No Objection” for the use of a Direct Bidding method of procurement or to deviate from a procurement method must be signed by the Controlling Officer or Head of the Procuring Entity. When the incumbent is out of station, then the person acting in that position should sign the letters or applications.
- 3.2. All applications not signed in the manner prescribed in 3.1 will not be considered or processed by the Authority.
4. All addressees are urged to ensure that the contents of this Circular are fully implemented and brought to the attention of all staff under their supervision.



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