



# 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. 5 OF 2022

**ZPPA/72/2/1**

1<sup>st</sup> March, 2022

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

**RE: QUARTERLY MARKET PRICE INDEX - MPI NO. 2**

The above caption refers and the Authority wishes to advise as follows:

1. Pursuant to Section 12 (3) of the Public Procurement Act No. 12 of 2008 (PPA), the Authority is required to issue a quarterly Market Price Index (MPI) to be used by a controlling officer, chief executive officer and procuring entity for purposes of an informed price decision. Further, section 12 (2) of PPA provides that a procuring entity shall procure standard goods, services and works in accordance with the price index issued by the Authority.
2. The Authority has issued the second MPI covering the 1<sup>st</sup> Quarter of 2022 accessible on the Authority's website ([www.zppa.org.zm](http://www.zppa.org.zm)) and on the electronic Government Procurement (e-GP) platform (<https://eprocure.zppa.org.zm/epps/home.do>). The MPI shall be valid for a period of three (3) months and will be in effect until the Authority issues the next quarterly index.
3. Procuring entities are advised to refer to the Average Prices from their respective provinces. However, where the price(s) for a particular item(s) are not provided for in the respective province, the National Average Prices may be used. Procuring entities are required to **ensure** that the range of prices for goods, works or services are **plus or minus ten percent ( $\pm 10\%$ )** of the prices in the Index.
4. Prices for goods, works or services that have been set by respective government Institutions shall be considered as the prices to be used for benchmark purposes and as part of the MPI. These include, among others, fuel prices as set by the Energy Regulation Board; guidance on minimum insurance rates as set by Pensions and Insurance Authority; rates and prices set by Utility Companies; etc.
5. Further to the guidance provided in ZPPA Circular No. 3 of 2022, procuring entities are reminded to continue to undertake price reasonableness analysis (subject to approval of

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the Authority) **ONLY** where an item to be procured is not covered in the quarterly MPI. Where the item to be procured falls outside the plus or minus ten percent ( $\pm 10\%$ ) range, the procuring entity shall document and justify the recommended next course of action undertaken to the appropriate approvals authority, which should be in accordance with the provisions of the PPA. All procuring entities are reminded of the provisions of section 12 (5) of the PPA which provides that '*...An office holder who willfully or negligently engages or is involved in a transaction in which standard goods, services and works are procured at an inflated price commits an offence...*'.

6. Procuring entities are further reminded of the provisions of Section 72 (2) (d) of the PPA on confirmation of funding and Section 68 (4) (c) of the PPA on conducting of negotiations.
7. The Authority shall continuously review and update the MPI to ensure that goods, works or services that are commonly procured by procuring entities are covered in the subsequent MPIs. Procuring entities are requested to share soft copies, to [RCD@zppa.org.zm](mailto:RCD@zppa.org.zm), in Microsoft Word or Microsoft Excel of commonly procured items not covered in the Market Price Index, for ease of compilation by the Authority. The specifications for the items should be comprehensive and unambiguous

All addressees are urged to ensure that the contents of this Circular are brought to the attention of all staff under their supervision.



Idah C. Chella (Mrs.)  
**DIRECTOR GENERAL**

cc: The Secretary to Cabinet  
Cabinet Office  
**LUSAKA**

The Auditor General  
Office of the Auditor General  
**LUSAKA**

The Secretary to Treasury  
Ministry of Finance  
**LUSAKA**

The Principal Private Secretary  
State House  
**LUSAKA**