



# ZAMBIA PUBLIC PROCUREMENT AUTHORITY

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

OFFICE OF THE DIRECTOR GENERAL

## CIRCULAR NO. 9 OF 2022

Our Ref:

3<sup>rd</sup> May, 2022

**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:** DEVIATION FROM THE REQUIREMENT TO SUBMIT PRICE RESONABLENESS ANALYSES TO THE ZAMBIA PUBLIC PROCUREMENT AUTHORITY FOR APPROVAL

Reference is made to the above captioned subject.

1. In accordance with Section 12 (2) of Public Procurement Act No. 8 of 2020 (PPA), a procuring entity is required to procure standard goods, services and works in accordance with the Market Price Index (MPI) issued by the Authority. Further, Section 12 (4) of the PPA provides that a procuring entity shall, where an item to be procured is **not covered** in the quarterly MPI, undertake a **Price Reasonableness Analysis (PRA)** subject to the approval of the Authority, **as prescribed**.
2. The Authority has observed that the process of procuring entities submitting their requests for approval of PRA to the Authority has extended the lead time in the procurement process, which has become a bottleneck in the attainment of efficiency in public procurement proceedings.
3. In order to enhance efficiency in public procurement processes and in accordance with regulation 220 (8) of the Public Procurement Regulations, 2022, the Authority is hereby granting a deviation from the requirement to submit PRA to the Authority for approval. Therefore, procuring entities are guided that the approvals authority for approval of PRA for items that are not covered in the MPI is henceforth devolved from the Authority to the respective **procuring entities' Procurement Committees**.
4. However, procuring entities shall continue to procure standard goods, services and works in accordance with the Market Price Index issued by the Authority. Further, PRAs conducted by a PE shall be in accordance with regulation 12 of the Public Procurement Regulations, 2022 (*except for the requirement for submission to the Authority for approval*) and guidelines and templates prescribed in the Zambia Public Procurement Authority (ZPPA) Circular No. 5 of 2021, for **all items** (*regardless of the value*) that are not covered in the MPI. Thereafter, PRAs should be submitted to Procurement Committees for consideration for approval.

F.C

F.C

5. Procurement Committees are being guided to ensure that the consideration of PRAs should be based on the indicators of price reasonableness from the various approaches and variables as guided by the Authority, including an assessment of current market prices for the attainment of value for money. All PRAs conducted that fail to demonstrate that prices are reasonable and where there is no confirmation of availability of funds prior to award of contract, should be rejected and procurement processes re-tendered or re-commenced.
6. Procuring entities are reminded to maintain records of all PRAs and record the decisions in the Procurement Committee minutes. Procurement Committee minutes should be submitted to the Authority **within 7 days** of the date of the meeting at which the minutes were confirmed in accordance with Section 26 (2) (j) of the PPA.
7. The Authority shall continue to undertake compliance, capacity assessments and procurement audits on procuring entities, including spot checks and inspections on the adherence to the Public Procurement Act, No. 8 of 2020 and Public Procurement Regulations, 2022.
8. The Authority shall continuously review and update the MPI to ensure that goods, services and works that are commonly procured by procuring entities are covered in the MPI for purposes of informed price decisions.
9. This Circular supersedes part 4(h) of Circular No.2 of 2021; part 4 of Circular No.5 of 2021; Circular No. 3 of 2022; and first part of part 5 on approval by the Authority of Circular No.5 of 2022 issued by ZPPA.

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



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

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

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

cc: The Secretary to Treasury  
Ministry of Finance and National Planning  
**LUSAKA**

cc: The Principal Private Secretary  
State House  
**LUSAKA**

F-C

F-C

3