

# Public Procurement and Disposal of Assets Authority

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**Ref. No. PPDA/01/22**

**25<sup>th</sup> October 2022**

FROM : The Director General, Public Procurement and Disposal of Assets Authority, Private Bag 383, Lilongwe 3

TO : All Controlling Officers and Heads of Public Institutions

cc : The Secretary to the President and Cabinet, Office of President and Cabinet, Private Bag 301, Lilongwe 3

: The Auditor General, P.O. Box 30045, Lilongwe 3

: The Secretary to the Treasury, P.O. Box 30049, Lilongwe 3

## **PROCUREMENT LEVY COLLECTION ENHANCEMENT: REPLACEMENT OF PRICE SCHEDULES IN ALL BIDDING DOCUMENTS**

As you are aware, section 16(b) of the Public Procurement and Disposal of Public Assets Act, 2017 (PPD Act) as read together with Regulation 7 of the Public Procurement Regulations, 2020 (PPR 2020) provides for the collection of the levy on public procurement and disposal proceedings.

In order to facilitate computation of the Procurement Levy, the Authority is drafting new Standard Bidding Documents (SBDs) in which the Price Schedule will have a default provision for the Procurement Levy to be used in levy calculation during bidding. However, in the meantime, the Authority wishes to advise all the Procuring and Disposing Entities (PDEs) that effective from 1<sup>st</sup> November 2022 the Price Schedules in all the current SBDs must be replaced with the ones attached to this Circular in respect of each specific SBD which has the one percent (1%) Procurement Levy included for all procurements

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that are leviable. Where the procurement and disposal proceedings are not leviable, you should indicate *Not Applicable* for such a procurement.

Further, the Authority wishes to remind all PDEs of regulation 7(3) of the PPR 2020 which states that: -

***"All the levies shall be collected at the source and the procuring and disposing entity shall be under legal obligation to remit such levies to the Authority within fourteen days from the date of effecting the payment."***

I should also reiterate that Controlling Officers or Heads of PDEs who fail to remit the levy shall be personally liable as provided in regulation 7(4) of the PPR 2020 which states that: -

***"In the event that the procuring and disposing entity has failed to fulfil its obligation under sub regulation (3), the Controlling Officer and the Head of Finance shall be liable to a fine prescribed in the First Schedule hereto."***

I should be grateful if the contents of this Circular are brought primarily to the attention of your Head of Finance and the Internal Procurement and Disposal Committee in addition to all members of staff within your Procurement and Disposal Unit.



**Dr Edington Chilapondwa**  
**DIRECTOR GENERAL**

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**Price Schedule for Consultancy Services**

**F2 Summary of Proposal (or Activity) Price**

**(Breakdown of Lump Sum or Cost Estimates)**

***State activity name or total proposal:***

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<b>Cost item</b>	<b>Cost (currency 1)</b>	<b>Cost (currency 2)</b>	<b>Cost (currency 3)</b>
Fees			
Reimbursables			
<b><i>Subtotal</i></b>			
<b><i>VAT</i></b>			
<b><i>Procurement Levy (1%)</i></b>			
<b><i>TOTAL</i></b>			

*Notes: The Procurement Levy is calculated based on Sub-total before taxes.*



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**Price Schedule for Non-Consultancy Services**  
**Price Schedule**

Date: *[insert date (as day, month and year) of bid submission]*

Procurement Reference No: *[insert Procurement Reference number]*

Name of Bidder: *[Insert full name of the Bidder]*

<b>Activity</b>	<b>Input Qty</b>	<b>Unit of measure</b>	<b>Unit Price</b>	<b>Total Price</b>
<b><i>Sub total</i></b>				
<b><i>VAT</i></b>				
<b><i>Procurement Levy (1%)</i></b>				
<b><i>Total bid price</i></b>				

*Notes: The Procurement Levy is calculated based on Sub-total before taxes.*



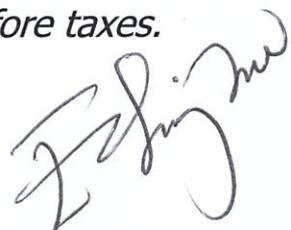
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## Price Schedule for Goods

### Price Schedule for Goods and Related Services

1	2	3	4	5	6	7
Item No.	Good or Related Service	Country of origin	Quantity (No. of units)	Unit price <sup>1</sup>	Import Duties, per unit <sup>1</sup>	Total Price
[Insert number of item]	[name of items, good or related service]	[insert country of origin of this item]	[insert number of units of this item to be purchased]	[insert the unit price of this item, excluding all import duties and taxes, paid or payable in the Republic of Malawi]	[insert all import duties, in the Republic of Malawi on this item]	[insert the total price for this item, which is the sum of columns 5 and 6]
1						
2						
<b>Sub-Total</b>						
<b>VAT</b>						
<b>Procurement Levy (1%)</b>						
<b>Total Bid Price</b>						

Notes: The Procurement Levy is calculated based on Sub-total before taxes.



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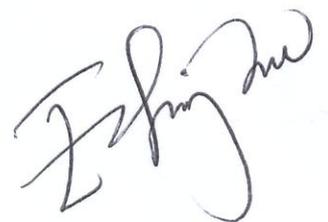
**Price Schedule for Works**

**Priced Schedules  
(Bills of Quantities or Activity Schedule)**

*(The following table shall be used when calculating final Bid Prices for works procurements)*

<b>Description</b>	<b>Total Price</b>
1	
2	
<b><i>Sub Total</i></b>	
<b><i>Procurement Levy (1%)</i></b>	
<b><i>VAT</i></b>	
<b>TOTAL</b>	

*Notes: The Procurement Levy is calculated based on Sub-total before taxes.*



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**Price schedule for Request for Quotation for Goods**

**SECTION D: SCHEDULE OF REQUIREMENTS (TO BE PRICED BY BIDDER)**

<b>Item No</b>	<b>Description of Goods</b> <i>[Attach detailed specification if necessary]</i>	<b>Unit of Measure</b>	<b>Quantity</b>	<b>Delivered Unit Price</b> <i>Kwacha</i>	<b>Delivered Total Price</b> <i>Kwacha</i>
				<i>Sub-Total</i>	
				<i>VAT 16.5%</i>	
				<i>Procurement Levy (1%)</i>	
				<i>Total Bid Price</i>	

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**Price Schedule for Request for Quotation for Services**

**SECTION D: SCHEDULE OF RATES AND PRICES (TO BE PRICED BY BIDDER)**

<b>Item No.</b>	<b>Description of Services</b> (Append detailed specifications, requirements, explanations and/or Terms of Reference as necessary)	<b>Unit of Measure</b>	<b>Quantity</b>	<b>Unit Price Kwacha</b>	<b>Total Price Kwacha</b>
				<i>Sub-Total</i>	
				<i>VAT</i>	
				<i>Procurement Levy (1%)</i>	
				<i>Total Bid Price</i>	

*Notes: The Procurement Levy is calculated based on Sub-total before taxes.*



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