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Public Procurement and Disposal of Assets Authority

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1st April 2024

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

TO : All Controlling Officers and Heads of Procuring and Disposing Entities

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

The Secretary to Treasury, Ministry of Finance and Economic Affairs,
P.O. Box 30049, Lilongwe 3,

The Auditor General, National Audit Office, Box 30045, Lilongwe 3

The Attorney General, Ministry of Justice and Constitutional Affairs,
Private Bag 333, Lilongwe 3

REVISION OF PROCUREMENT THRESHOLDS EFFECTIVE 1ST APRIL 2024

Pursuant to Section 6 (1) of the Public Procurement and Disposal of Public Assets Act (No. 27 of 2017), the Authority periodically reviews thresholds for the procurement of goods, works and services. The Authority has taken note of the changes in market resulting from the realignment of the Malawi Kwacha with major foreign currencies and adjustment of the fuel prices which have impacted on prices of various goods, works and services. In view of this, the Authority wishes to advise that it has revised upwards thresholds for various Procurements Categories.

You may wish to note that the Authority has adjusted upwards the threshold values for use of various procurement methods as shown in Table 1. This revision recognizes the importance of allowing Procuring and Disposing Entities (PDE) procure more of its requirements locally thereby promoting local businesses.

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The Authority has also considered that PDEs have over time been making steady progress in enhancing capacity in their procurement and disposal function through employment of qualified and knowledgeable personnel. This has demonstrated better management of procurement and disposal activities with provision of professional and technical guidance on matters relating to public procurement and disposal of public assets. It is the Authority's considered view that such strides should allow PDEs take on more responsibility towards the decision making relating to procurements and disposal activities that they undertake. In view of this recognition, the Authority has adjusted the PDE approval thresholds significantly to allow for procurements to be conducted by PDEs without seeking No Objection from the Authority.

Allow me to state that as the Authority's decision is a step towards seeing a more functionally decentralised public procurement and disposal system in Malawi. However, the Authority is going to intensify its oversight function to assure that public resources are being utilised in accordance with the Public Procurement and Disposal Regulatory Framework to ensure achievement of value for money. Any perceived and noted abuse of these thresholds will lead to withdrawal of the set thresholds and subject such PDEs to prior review by the Authority. Be reminded that the Authority has a fiduciary role to play in Public Finance Management. High levels of compliance during the implementation of these new thresholds will form part of the basis for the Authority to migrate such PDEs into unlimited categories. Unlimited Category will only be subjected to Procurement Audits.

I wish to encourage PDEs to ensure that procurements using Request for Quotation (RFQ) Method are to a large extent, reserved for Micro, Small and Medium Enterprises (MSMEs) pursuant to Section 36 of the Public Procurement and Disposal of Public Assets Act 2017 and in adherence to the Public Procurement and Disposal of Public Assets - Participation by Micro, Small and Medium Enterprises Order, 2020.

Let me remind all heads of PDEs of your responsibility pursuant to section 25(2)(b) of the PPD Act 2017 to prepare and submit Procurement and Disposal Reports on a quarterly basis to the Authority based on the template issued by the Authority. Failure to comply this requirement will also be used to determine procurement thresholds for a particular entity on top of other actions provided for by the regulatory framework. As a matter of reminder, the reports fall due on the 15th of the month following the end of a quarter.

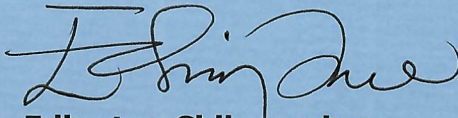
Notwithstanding the upward revision of thresholds, Open Tender remains the default method of procurement in line with Section 37(10) of the PPD Act. The use of a procurement method other than Open Tender, or in the case of consultancy services, a

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method other than Request for Proposal (RFP), is subject to prior approval by the Director General.

The Authority further wishes to remind all heads of PDEs that for Framework Agreements, PDEs should proceed with contracting formalities if the estimated value based on estimated annual quantities falls within the threshold of that PDE. The Authority will subject implementation of such framework agreements to Procurement Audit. However, prior approval of the Authority shall be required where the value of a call-off made under a framework agreement is above the PDE's threshold.

I shall be grateful if the contents of this Circular are brought to the attention of all staff involved in public procurement and disposal activities.



Dr. Edington Chilapondwa
DIRECTOR GENERAL

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ANNEX: PRIOR REVIEW THRESHOLDS FOR 2024/25 FINANCIAL YEAR

Table 1: Thresholds for Methods of Procurement

CATEGORY	PROCUREMENT VALUE (MK)	PROCUREMENT METHOD
GOODS	Up to MK100 Million	Request for Quotations (RFQ) – Use PPDA Registered Suppliers, final approval IPDC.
	Above MK100 Million – MK10Billion	National Competitive Bidding (NCB)
	Above MK10Billion	International Competitive Bidding (ICB)
WORKS	Up to MK300 Million	RFQ – Use NCIC List, final approval IPDC.
	Above MK300 Million – MK1Billion	NCB using Minor Works Standard Bidding Document
	Above MK1Billion – MK30Billion	NCB using Works Standard Bidding Document
	Above MK30Billion	ICB using Works Standard Bidding Document
Consultancy Services	Up to MK100Million (Individual)	Shortlisting – final approval IPDC
	Above MK100Million (Individual)	Open Expression of Interest (EOI)
	Up to MK200 Million (Firm)	Shortlisting – final approval IPDC
	Above MK200 Million – MK2Billion (Firm)	Request for Proposals (RFP) (may begin with Open EOI) – Local consultants only
	Above MK2Billion (firm)	RFP starting with international advertising of EOI). EOI process subject prior review by PPDA.
Non consultancy (Routine) Services	Up to MK200 Million	RFQ – final approval IPDC
	Above MK200Million – MK2Billion	NCB
	Above MK2Billion	ICB

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Table 2: Central and Local Government, and Government Projects Procuring and Disposing Entities (PDEs)

CATEGORY A	CATEGORY B
Goods - MK3BN	Goods - MK2BN
Works - MK10BN	Works - MK5BN
Routine Services - MK2BN	Routine Services - MK1BN
Consultancy Services - MK2BN	Consultancy Services - MK1BN
Ministry of Agriculture	Accountant General's Department
Ministry of Education	Baka Research Station
Ministry of Health	Balaka District Council
Ministry of Lands and Housing	Blantyre ADD
Ministry of Transport and Public Works	Blantyre City Council
	Blantyre District Council
	Blantyre TTC
	Bvumbwe Research Station
	Central East Education Division
	Central Government Stores
	Central Internal Audit Unit
	Central West Education Division
	Chikwawa District Council
	Chiradzulu District Council
	Chitala Research Station
	Chitedze Research Station
	Chitipa District Council

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CATEGORY A	CATEGORY B
Goods - MK3BN	Goods - MK2BN
Works - MK10BN	Works - MK5BN
Routine Services - MK2BN	Routine Services - MK1BN
Consultancy Services - MK2BN	Consultancy Services - MK1BN
	Civil Service Commission Dedza District Council Department of Buildings Department of Civil Aviation Department of Disaster Management Affairs (DODMA) Department of E-Government Department of HIV/AIDS Department of Human Resource Management & Development (DHRMD) Department of Immigration Department of Irrigation & Water Development Department of Statutory Corporation Domasi College of Education Dowa District Council Financial Intelligence Unit Fisheries Department Forestry Department Geological Survey Department Government Press

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CATEGORY A	CATEGORY B
Goods - MK3BN	Goods - MK2BN
Works - MK10BN	Works - MK5BN
Routine Services - MK2BN	Routine Services - MK1BN
Consultancy Services - MK2BN	Consultancy Services - MK1BN
	<p>Health Services Commission Kamuzu Central Hospital</p> <p>Karonga ADD</p> <p>Karonga District Council</p> <p>Karonga District Council</p> <p>Karonga Town Council</p> <p>Karonga TTC</p> <p>Kasinthula Research Station</p> <p>Kasungu ADD</p> <p>Kasungu District Council</p> <p>Kasungu Municipal Council</p> <p>Kasungu TTC</p> <p>Likoma District Council</p> <p>Lilongwe ADD</p> <p>Lilongwe City Council</p> <p>Lilongwe District Council</p> <p>Lilongwe Technical College</p> <p>Lilongwe TTC</p> <p>Livingstonia Technical College</p>

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CATEGORY A	CATEGORY B
Goods - MK3BN	Goods - MK2BN
Works - MK10BN	Works - MK5BN
Routine Services - MK2BN	Routine Services - MK1BN
Consultancy Services - MK2BN	Consultancy Services - MK1BN
	Liwonde ADD Luchenza Municipal Council Lunyangwa Research Station Machinga District Council Machinga TTC Magomero Community Development Centre Makoka Research Station Malawi Defence Forces Malawi Police Service Malawi Prison Service Mangochi District Council Mangochi Town Council Marine Services Department Mbawa Research Station Mchinga ADD Mchinji District Council Meteorological Services Department Department of Climate Change and Metrological Services

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CATEGORY A	CATEGORY B
Goods - MK3BN	Goods - MK2BN
Works - MK10BN	Works - MK5BN
Routine Services - MK2BN	Routine Services - MK1BN
Consultancy Services - MK2BN	Consultancy Services - MK1BN
	Ministry of Defence Ministry of Economic Planning and Development Ministry of Energy Ministry of Finance Ministry of Foreign Affairs Ministry of Gender, Children and Social Welfare Ministry of Home Affairs and Internal Security Ministry of Information, Communication & Technology Ministry of Justice and Constitutional Affairs Ministry of Labour Ministry of Local Government Ministry of Mining Ministry of Forestry and Natural Resources Ministry of Persons with Disabilities and the Elderly Ministry of Sports and Youth Development

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CATEGORY A	CATEGORY B
Goods - MK3BN	Goods - MK2BN
Works - MK10BN	Works - MK5BN
Routine Services - MK2BN	Routine Services - MK1BN
Consultancy Services - MK2BN	Consultancy Services - MK1BN
	Ministry of Tourism Ministry of Trade and Industry M'Mbelwa District Council Mulanje District Council Mwanza District Council Mzuzu ADD Mzuzu Central Hospital Mzuzu City Council Mzuzu Technical College Namitete Technical College Nasawa Technical College National Public Events National Audit Office National Intelligence Services National Local Government Finance Committee (NLGFC) National Registration Bureau National Statistics Office Neno District Council Ngabu ADD

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CATEGORY A	CATEGORY B
Goods - MK3BN	Goods - MK2BN
Works - MK10BN	Works - MK5BN
Routine Services - MK2BN	Routine Services - MK1BN
Consultancy Services - MK2BN	Consultancy Services - MK1BN
	<p>Nkhata-Bay District Council</p> <p>Nkhotakota District Council</p> <p>Northern Region Education Division</p> <p>Nsanje District Council</p> <p>Ntcheu District Council</p> <p>Ntchisi District Council</p> <p>Nutrition HIV/AIDS Department</p> <p>Office of the Director of Public Officers' Declarations (ODPOD)</p> <p>Office of the President and Cabinet (OPC)</p> <p>Office of the Vice President (OVP)</p> <p>Phalombe District Council PVHES</p> <p>Queen Elizabeth Central Hospital</p> <p>Registrar General's Department</p> <p>Road Traffic and Safety Services Directorate</p> <p>Rumphi District Council</p> <p>Salima ADD</p> <p>Salima District Council</p>

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CATEGORY A	CATEGORY B
Goods - MK3BN	Goods - MK2BN
Works - MK10BN	Works - MK5BN
Routine Services - MK2BN	Routine Services - MK1BN
Consultancy Services - MK2BN	Consultancy Services - MK1BN
	<p>Salima Technical College</p> <p>Shire Highlands Education Division</p> <p>Shire Valley ADD</p> <p>Soche Technical College</p> <p>South West Education Division</p> <p>Staff Development Institute</p> <p>State Residences</p> <p>Surveyor General's Department</p> <p>The Judiciary</p> <p>Thyolo District Council</p> <p>Zomba Central Hospital</p> <p>Zomba City Council</p> <p>Zomba District Council</p> <p>Zomba Mental Hospital</p>

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Table 3: Parastatals and State-Owned Enterprises

CATEGORY A	CATEGORY B
Goods – MK5BN	Goods – MK3BN
Works – MK10BN	Works – MK5BN
Routine Services – MK4BN	Routine Service – MK2BN
Consultancy Services – MK4BN	Consultancy Services – MK2BN
Roads Authority (RA)	Airports Development Limited
Electricity Supply Corporation of Malawi (ESCOM)	Anti-Corruption Bureau
Electricity Generation Company (Malawi) Limited (EGENCO)	Malawi Investment and Trade Centre
Central Medical Stores Trust (CMST)	Air Cargo Malawi Limited
Blantyre Water Board (BWB)	Censorship Board
Lilongwe Water Board (LWB)	Competition and Fair-Trading Commission
Malawi Revenue Authority (MRA)	Copyright Society of Malawi
Malawi Communications Regulatory Authority (MACRA)	Export Development Limited
Central Region Water Board (CRWB)	High Court and Supreme Court of Malawi
Southern Region Water Board (SRWB)	Higher Education Loans & Grants Board (HELGB)
Greenbelt Authority (GA)	Institute of Chartered Accountants in Malawi (ICAM)
Malawi Electoral Commission (MEC)	Lilongwe Handling Company Limited
Malawi Institute of Education	Malawi Accountants Board
Reserve Bank of Malawi (RBM)	Malawi Broadcasting Corporation (MBC)
University of Malawi (UNIMA)	Malawi Catering Services Limited
Kamuzu University of Health Sciences (KUHeS) - Blantyre Campus	Malawi College of Accountancy

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CATEGORY A	CATEGORY B
Goods – MK5BN	Goods – MK3BN
Works – MK10BN	Works – MK5BN
Routine Services – MK4BN	Routine Service – MK2BN
Consultancy Services – MK4BN	Consultancy Services – MK2BN
Kamuzu University of Health Sciences (KUHeS) - Lilongwe Campus	Malawi College of Distance Education
LUANAR	Malawi College of Health Sciences
Malawi University of Science & Technology	Malawi Council for the Handicapped (MACOHA)
Mzuzu University	Malawi Gaming Board
National Oil Company of Malawi (NOCMA)	Malawi Housing Corporation
Northern Region Water Board (NRWB)	Malawi Human Rights Commission
Malawi University of Business and Applied Sciences (MUBAS)	Malawi Industrial Research and Technology Development Centre
Malawi Energy Regulatory Authority (MERA)	Malawi Institute of Management
Smallholder Farmers Fertilizer Revolving Fund of Malawi (SFFRFM)	Malawi Law Commission
Technical, Entrepreneurial and Vocational Education Training Authority (TEVETA)	Malawi National Council of Sports
Malawi Bureau of Standards (MBS)	Malawi Posts Corporation
Agricultural Development and Marketing Corporation (ADMARC)	Medical Council of Malawi
Malawi National Examinations Board (MANEB)	Montfort Special Needs Education College
	National Aids Commission (NAC)
	National College of Information Technology (NACIT)
	National Commission for Science and Technology
	National Construction Industry Council (NCIC)

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CATEGORY A	CATEGORY B
Goods – MK5BN	Goods – MK3BN
Works – MK10BN	Works – MK5BN
Routine Services – MK4BN	Routine Service – MK2BN
Consultancy Services – MK4BN	Consultancy Services – MK2BN
	<p>National Council for Higher Education (NCHE)</p> <p>National Economic Empowerment Fund (NEEF)</p> <p>National Food Reserve Agency (NFRA)</p> <p>National Herbarium and Botanical Gardens</p> <p>National Library Service</p> <p>National Youth Council</p> <p>Nurses and Midwives Council of Malawi</p> <p>Ombudsman</p> <p>Parliament of Malawi</p> <p>Pesticides Control Board (PCB)</p> <p>Pharmacy and Medicines Regulatory Authority</p> <p>Plant and Vehicle Hire & Engineering Services</p> <p>Power Market Limited</p> <p>Roads Fund Administration</p> <p>St Joseph Teachers</p> <p>Training College</p>

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CATEGORY A	CATEGORY B
Goods – MK5BN	Goods – MK3BN
Works – MK10BN	Works – MK5BN
Routine Services – MK4BN	Routine Service – MK2BN
Consultancy Services – MK4BN	Consultancy Services – MK2BN
	Teaching Service Commission
	Tobacco Commission
	Cannabis Regulatory Authority (CRA)
	National Water Resources Authority (NWRA)

THRESHOLDS FOR PUBLICATION OF INTENTION TO AWARD NOTICE AND ACTUAL AWARD OF CONTRACTS NOTICE

Pursuant to section 48 of the PPD Act 2017 and regulation 21 of Public Procurement Regulations 2020 PDEs are required to publish an Intention to Award Notice in newspapers of wide circulation and on the Authority's website and publish a notice of award of contract with seven days of signing of contract, respectively.

Table 4: Intention to Award Notice and Contract Award Notice

Publication Description	Procurement Value (Mk)
Publication of Intention to Award Notice	500Million
Publication of Actual Contract Award Notice	500Million
Publication of Actual Contract Award Notice	All other contracts should be published on PDE's, Government and PPDA websites at least once a quarter

HIGH VALUE THRESHOLDS FOR BOARD APPROVAL AND ACB VETTING

Pursuant to section 6(1) and section 37(12 of the PPD Act 2017), the Authority set the monetary thresholds for prior review and for high value respectively for Board Approval and ACB vetting as presented in Table 5. Below these values, the Director General would proceed issuing a No Objection on behalf of the Authority.

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Table 5: High Value Procurements for Prior Review by the Authority and Vetting by Anti-Corruption Bureau

No.	Type of Procurement	High Value Thresholds
1	Goods	MK5BN
2	Works	MK10BN
3	Services	MK4BN

Note:

*PDEs without Procurement and Disposal Units **shall** seek guidance from the Authority on how to execute their procurement and disposal activities in line with Section 27(6) of the PPD Act 2017.*

*All PDEs without technical capacity in any specialized procurement **must** seek assistance from any relevant Government Ministry or Department or Agency with the required technical capacity.*

Procurement of local food stuffs for consumption and local materials such as sand, timber, bricks and firewood are not subject to prior review. They will be the subject of procurement post review or audit stage.

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