

FROM : THE DIRECTOR OF PUBLIC PROCUREMENT,  
PETRODA HOUSE, PRIVATE BAG 383, LILONGWE 3.

TO : PRINCIPAL SECRETARIES, CHIEF EXECUTIVE OFFICERS  
OF PARASTATAL ORGANIZATIONS, HEADS OF  
DEPARTMENTS, AND HEADS OF ALL OTHER  
PUBLIC INSTITUTIONS.

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

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

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

### **PROCUREMENT THRESHOLDS FOR 2016-2017**

In accordance with Section 9 (1) (c) of the Public Procurement Act and Regulation 10 (2) of the Public Procurement Regulations, this Office has revised the thresholds for procurement of goods, works and services. The decision to review the thresholds has been influenced by the prevailing economic environment. As regards thresholds for procuring entities (PEs), the performance of the respective PEs in discharging their procurement functions and the capacity of the procurement units (PUs) have guided this exercise.

As has been the case in previous years, this review has resulted in some PEs being upgraded to higher-value categories, others being downgraded and yet others remaining in the same categories.

We have observed over time that a PE with a fully-fledged PU is more likely to provide professional guidance to the PE in general and the IPC in particular than a weak one. As such, this office is prepared to review these thresholds at any time if we see marked improvement in any PU's capacity.

Finally, thresholds for National Competitive Bidding (NCB) and International Competitive Bidding (ICB) have been raised as detailed in the attached Table 1 and are effective from 1<sup>st</sup> August, 2016, and are clarified as follows:

This table provides the general thresholds for use of various procurement methods as stipulated by the Public Procurement Act. These thresholds define maximum values for use of each procurement method.

**Tables 2 and 3**


In these tables, we detail various thresholds for which IPCs of procuring entities may approve procurements without seeking our 'No Objection'. Further, note that these IPC thresholds do not in any way supersede those defining use of particular procurement methods.

In addition, Group A of both Tables 2 and 3 is for donor-funded projects. Any PE implementing a donor-funded project which uses procurement guidelines of the donor shall seek all necessary clearances from the donor itself unless the donor specifically authorizes in writing use of Malawi's national procurement system. In either case, the PE shall submit copies of both its Procurement Plans and Quarterly Reports to this Office for records.

**Table 4**

This table is for a threshold for which each and every PE shall publish details of contract of K50 Million and above. The purpose of this threshold is to comply with transparency and accountability requirements that our legal framework demands.

Kindly, ensure that the contents of this circular letter are brought to the attention of all public officers who manage and administer public procurement activities in your respective organizations.



Paul Taulo

**DIRECTOR OF PUBLIC PROCUREMENT**