

SPPRA CIRCULAR NO.: 1/2015

ADDRESSED TO: THE HEAD OF THE TECHNICAL SECRETARIAT, THE
CHAIRMAN OF THE GOVERNMENT TENDER BOARD
AND ALL CONTROLLING OFFICERS AND CHIEF
EXECUTIVE OFFICERS OF PROCURING AND
REQUESTING ENTITIES

SUBJECT: CONTROL OF PRICES PAID BY PROCURING ENTITIES
TO PREVENT AWARDING OF CONTRACTS TO
TENDERERS THAT OFFER PRICES ABOVE MARKET

EFFECTIVE DATE: 10 JUNE 2015

STATUTORY REFERENCE: SECTION 66 AS READ WITH SECTION 3(2)(b) OF THE
PROCUREMENT ACT, 2011

1. This SPPRA Circular has been issued in terms of Section 66 as read with Section 3(2)(b) of the Public Procurement Act, 2011, which requires that all public procurement be conducted in a manner to achieve economy, efficiency and maximum competition to ensure value for money in the use of public funds.
2. In light of the foregoing, the Agency has noted that there is no mechanism for monitoring prices paid by procuring entities. As a result, procuring entities have been noted by the Agency to be procuring goods at prices above normal market prices. This is in contravention of Section 3(2)(b) of the Act.
3. This circular serves as an instruction to all procuring entities to ensure that, prior to an award of a contract, irrespective of the procurement method utilised by that entity, the entity must comply with the following:

- a) During the bid evaluation stage, procuring entities must, in the first instance, compare the prices offered by tenderers. Prior to the award of any contract, the procuring entity is hereby instructed to ensure that the price offered by the best evaluated tenderer is more favourable or at the very least comparable to prevailing market prices for the required goods.
 - b) In order to achieve the objective of instruction (a) hereinabove, the technical, functional, and performance specifications must be clearly defined in the invitation documents to ensure tenderers submit bids that are comparative in price to prevailing market prices.
4. All procuring entities are obliged to adhere to the above evaluation methodology in order that incidences whereby prices of awarded contracts outweigh relative market prices in respect of the same required goods are prevented.

B.J. Motsa

EXECUTIVE DIRECTOR

SWAZILAND PUBLIC PROCUREMENT REGULATORY AGENCY