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10 March 2025

PRAZ/B/15/4

CIRCULAR No. OPS/1 of 2025

ATTENTION: ALL ACCOUNTING OFFICERS

PROCUREMENT OF WORKS, GOODS AND SERVICES FROM LOCAL PRODUCERS AND SUPPLIERS TO SUPPORT LOCAL INDUSTRY IN TERMS OF THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS (PPDPA) ACT [CHAPTER 22:23]

1. The Ministry of Finance, Economic Development and Investment Promotion's press statement of 31 January 2025, outlined measures to address the informalisation of the economy. Amongst the measures was the promotion of the procurement of goods and services from local producers and suppliers by Government to support local industry.
2. The First Post-Cabinet Press Briefing of 11 February 2025, advised that the Zimbabwe Cabinet had considered and approved enforcement of the procurement of goods and services from local producers and suppliers as one of the medium-term measures to address challenges in the formal business environment.
3. Section 6 (1)(j) of the PPDPA Act mandates the Authority to develop and advise the Government on ways in which environmental, social and economic policies of Zimbabwe, including those designed for economic empowerment and domestic preferences, may be implemented through public procurement.
4. In view of the above, the Authority supports measures to encourage all procuring entities (PEs) to procure works, goods and services from local producers and suppliers in order to support local industry, as follows: -
 - Section 29 of the PPDPA Act provides that, when evaluating bids, PEs or Government Departments may give preference to bids from Zimbabwean or local suppliers and manufacturers thereby protecting local players in the awarding of tenders. Part V of the PPDPA Act as read with section 20 of the PPDPA (General) Regulations (S.I. 5 of 2018) provides the relevant information to be contained in standard bidding documents with respect to technical requirements and qualification of bidders.
 - Section 8 of the PPDPA (General) Regulations as amended through S.I. 33 of 2022 outlines parameters on how the domestic preference policy can be applied when conducting tenders where the percentage domestic preference allowable shall be: -

(a) up to twenty per centum for the procurement of goods; and



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(b) up to ten per centum for the procurement of contractors' services.

- Section 10 (3) of the PPDPA (General) Regulations as amended through S.I. 33 of 2022 provides thresholds set to protect Zimbabwean or local manufacturers and suppliers as follows: -

(3) Where the price of the procurement requirement is—

(a) above twenty thousand United States dollars but does not exceed ten million United States dollars, in the case of construction works; or

(b) above ten thousand United States dollars but does not exceed five hundred thousand United States dollars, in the case of goods; or

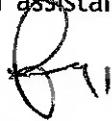
(c) above five thousand United States dollars but does not exceed one million United States dollars, in the case of consultancy and non-consultancy services; procuring entities may invite only Zimbabwean (domestic) suppliers to bid.

- Section 32 (3a) of the PPDPA Act provides for restricted bidding where a procuring entity shall invite bids from a standing list of qualified bidders established and maintained by the procuring entity in accordance with the prescribed procedure.

Accordingly, the Authority, in terms of section 7 (a) of the PPDPA Act, hereby **directs** all procuring entities with immediate effect to: -

- a. Ensure that standard bidding documents and electronic Government Procurement (eGP) system templates for both domestic and international tenders have domestic preference clauses as prescribed under section 29 of the PPDPA Act and section 8 of the PPDPA (General) Regulations.
- b. Uphold provisions of section 10 (3) of the PPDPA (General) Regulations which states thresholds where PEs entities may invite only Zimbabwean (domestic) suppliers to bid.
- c. To consider adopting the restricted bidding method where the procurement requirements can be acquired from a standing list established in terms of section 32 (3a) of the PPDPA Act.

Please be guided accordingly and do not hesitate to contact the Authority for any further assistance.



Dr. C. Ruswa
Chief Executive Officer

PROCUREMENT REGULATORY AUTHORITY OF ZIMBABWE

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