

OPEN AND EFFECTIVE COMPETITION

A basic principle of public procurement is to provide ample and equal opportunities for participation to interested and qualified suppliers of goods, works or services. This ensures a healthy and effective competition. To help facilitate this process, the Public Procurement Act of 2003 requires that the contractors/suppliers to be considered in the procurement transaction should meet certain qualifications the procuring entity considers appropriate. The criteria concerns: professionalism and technical expertise of the supplier, legal capacity, financial resources, history of past performance, debarment (to be looked at later) and payment of taxes, among others.

To further instill competitiveness, suppliers are required to be registered with, depending on the nature of their business, the Registrar of Companies or any regulatory authority established under the laws of Malawi. As a good procurement policy, The Office of the Director of Public Procurement (ODPP) ensures that these conditions are met by all who wish to do business with the public sector. To ensure that this is procedurally and systematically done, ODPP annually produces an updated list of suppliers who meet the above eligibility criteria.

It is principally through such an open and effective competitive environment that the government, just like any procurer, gets the best value in procurement and at minimum cost while making it possible for the suppliers/contractors to fully benefit from doing business with it in a regulated environment that safeguards them (suppliers/contractors) from unfair competition. Such a mechanism further guards against favoritism and profiteering, and provides equal participating opportunities to every potential and eligible supplier/contractor.

For procuring entities, open and effective competition should therefore aim at obtaining from suppliers the best possible combination of cost and goods and services. Suppliers/contractors competing with each other become market conscious by being innovative, strategic and focused in the delivery of their services. Consequently, they make effort to optimize their price and quality for the procuring entity.

While suppliers/contractors, as a result of market competition, strive to satisfy their anticipated customers, procuring entities need not to sit back. They should be proactive and professionally apt to get the best possible outcome from the market. To facilitate this, ODPP produces an annually updated list of pre-qualified suppliers who meet the eligibility criteria of the Public Procurement Act and other set regulations. Such regulations among others recommend that the procuring entities must ensure that potential suppliers have reasonable access to public procurement opportunities and such available opportunities are widely publicized. Apart from using the local and international media, it is a requirement that procurement opportunities are also publicized in the government Gazette. ODPP is presently instituting its website, which once fully operational, would also be used to post public procurement opportunities as they unfold from procurement entities.

Furthermore the regulations recommended that adequate and timely information is provided to suppliers/contractors to enable them to make necessary and adequate preparations and bid.

It is also recommended that where market circumstances limit competition, procurement entities should recognize that fact and use procurement methods that take account of the market circumstances.
