

PILLARS OF PUBLIC PROCUREMENT

The realisation of the vision and mission of the Office of the Director of Public Procurement (ODPP) which is a procurement system that is transparent, accountable, efficient and corrupt-free rests on the five procurement pillars that the Directorate is striving to see established in the public sector. The five pillars are key to achieving a reformed public procurement system. The pillars encompass core principles and behaviours expected of those entrusted with procurement responsibilities. As pillars, the absence of one makes the entire procurement system tumble. The five pillars are:

1. Value for money;
2. Open and effective competition;
3. Ethics and fairness; and
4. Accountability, transparency and reporting
5. Equity

The Public Procurement Act (2003) and other legal frameworks ODPP formulates prescribe minimum standards to be followed in any public procurement transaction with the view of reinforcing the foundation of the five pillars. The pillars are further supported by other legal provisions that exist to ensure prudent financial management in the public sector.

In the series we will look at each of the five pillars to determine their significance in public sector procurement and supply management.

VALUE FOR MONEY

This is an essential test against which procuring entities must justify a procurement outcome. Price alone is not a sound indicator and procuring entities cannot necessarily get the best value for money by accepting the lowest price or bid. Best value for money therefore means going beyond the price to get the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

It is therefore the responsibility of any set procurement structure like Internal Procurement Committees (IPC) to ensure that procurement proposals in the organisation reflect the best value for money and high quality possible. IPC as a structure that is sanctioned to ascertain the availability of funds to pay for procurements at the organisation should ensure that payments, as dictated by their thresholds, are commensurate with approved specifications, value and quality of goods, works or services.

As such, attitudes of those who sit in IPC and procuring units must demonstrate the spirit of upholding value for money and cost effectiveness. It is disheartening on the part of taxpayers and deserving masses to get disservice from their government simply because those entrusted with procurement activities abuse their offices and systems, and in other instances, connive with some irresponsible suppliers/contractors to rip off public resources through unrealistic price bloat-ups saying, '*Zaboma izi*'. This smacks of lack of patriotism. A responsible attitude towards public procurement is therefore the first step towards its decency. If poverty is to be eradicated and development spread, it is the responsibility of all Malawians to live up to the spirit and letter of the Public Procurement Act and other legal provisions.

If public procurement is to be consciously done to achieve value for money, procuring entities and structures should at all cost: avoid any unnecessary costs and delays for themselves and suppliers; monitor the supply arrangements and revisit them if they stop to provide the expected benefits; and ensure continuous improvement in the efficiency of internal processes and systems.
