



PUBLIC PROCUREMENT AUTHORITY

POLICY GUIDELINES ON
MINOR AND LOW VALUE PROCUREMENT
OF
GOODS, WORKS, & TECHNICAL SERVICES

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LVPR	LOW VALUE PROCUREMENT RETURNS
SFMP	STANDARD FORMAT FOR MINOR PROCUREMENT

Subject: POLICY GUIDELINES FOR MINOR AND LOW VALUE PROCUREMENT OF GOODS, WORKS, & SERVICES

POLICY ON MINOR AND LOW VALUE PROCUREMENT OF GOODS, WORKS, CONSULTING AND TECHNICAL SERVICES

1.0 BACKGROUND AND RATIONALE

The Low Value & Minor Procurement Forms were developed for use in the public sector following the inability of procurement entities to capture and document procurement transactions of goods, works and technical services of relatively low value. The concept has been particularly useful in the procurement of items of very low value for which even the use of the Standard Tender Document for Price Quotation has proved problematic and cumbersome. This includes purchases made from suppliers and service providers (Micro, Small and Medium Enterprises (MSMEs), Artisans, Craftsmen, market women etc.) who, for peculiar reasons, are unable to provide formal quotations and other documentation for appropriate record keeping of such transactions by Entities. The category of procurements typically falling under this category, therefore, include purchase of perishable items like fish and vegetables from the market as well as services provided by artisans and craftsmen.

The successful pilot of the Low Value (LV) & Minor Procurement (MP) Forms among Senior High Schools in the country has pointed to the possible wider application of the LV & MP concept within the public sector. The use of the simple LV & MP forms, when used by Entities will assist in the documentation of procurements of relatively low value covering any pre-determined period and for inclusion in procurement plans of Entities under the tag "Low Value Procurement/ Minor Procurement" as they capture very basic data related to such procurements, without flouting the provisions of Act 663 as amended.

It became apparent, for instance, that MSMEs were not capable of handling documentation involved in procurement of goods up to GHS100,000 (under Price Quotation Method) which has 15-pages, whether the amount is GHS100,000 or GHS10 when quotations are requested from them. They will therefore be unable to participate in procurement processes. Similarly, most low-spend entities find the procedures too cumbersome, especially for very low value purchases. They therefore either disregard the prescribed procedures or end up almost always procuring directly from a particular supplier without PPA's approval, thus flouting provisions of Act 663 as amended.

These aforementioned challenges make it difficult for certain Entities to procure their requirements in accordance with the Act, thus risking sanctions. The result is high cost of procurement; in some cases, total misprocurement, and poor or no procurement records keeping.

The PPA by virtue of its regulatory powers under section 3 (a) and (c) of the Procurement Act has formulated this policy on Minor and Low Value Procurement with a view to addressing the foregoing challenges that entities are faced with in the implementation of Act 663 as amended, so as to improve procurement performance.

Minor/Low Value procurement involves relatively low value procurements that are made mainly from suppliers, market women, maintenance / repairs undertaken by Artisans or Craftsmen. These policy guidelines provide the procedures for undertaking Minor and Low Value Procurement of Goods, Works, and Technical Services (All the procurement forms referred to in these guidelines are attached).

1.2 PURPOSE AND OBJECTIVES OF THE POLICY

The purpose of this policy is to resolve the foregoing challenges. It is aimed at:

- a) Ensuring records are kept on low value procurement transactions;
- b) Reducing administrative cost
- c) Instituting efficient methods for procurement of low value and perishable items under the amended Act;
- d) Establishing documentation that is simple enough to encourage participation from small enterprises while ensuring compliance with Act 663 as amended.

2.0 DEFINITIONS

For purposes of implementing this policy, the following definitions are provided for guidance.

2.1 CATEGORY OF AN ENTITY

This is the category (among six categories) into which an entity fits in PPA's grouping of entities towards the delivery of certain policies, including these guidelines. **Please refer to Appendix I.**

2.2 LOW VALUE PROCUREMENT

Low Value Procurement, for the purpose of these guidelines, is any procurement for Goods, Works, and Technical Services of value not exceeding:

- **GHS5,000** for non-perishable items and
- **GHS10,000** for perishables items

2.3 MINOR PROCUREMENT

Minor Procurement, for the purpose of these guidelines, is any procurement for Goods, Works, and Technical Services of value not exceeding **GHS30,000**.

Procurement plans of entities applying this policy shall indicate the items covered.

3.0 STANDARD DOCUMENTS FOR LOW VALUE AND MINOR PROCUREMENT

The following STDs for Low Value and Minor and Procurement shall be used in the manner specified in this document:

- i. Standard Format for Minor Procurement of Goods, Works, and Technical Services (Form SFMP) for all categories (**Ref APPENDIX IIA**).
- ii. Contract Form for Minor Procurement (basis Form SFMP) for all categories (**Ref APPENDIX IIB**).
- iii. Low Value Procurement Returns (LVPR) Form A and Form B for all categories of Entities (**Ref APPENDICES III and IV**).

3.1 RULES ON "REQUEST FOR QUOTATION FOR MINOR PROCUREMENT" (Form SFMP)

Entities shall invite quotations for Minor Procurement using Form SFMP (-ref Appendix IIA), which is "Standard Format for Minor Procurement" of Goods, Works, and Technical Services, as specified below. This procurement is based on comparison of at least three quotations.

Form SFMP shall be used to invite quotations for all minor procurement of goods, works, and Technical services not exceeding **GHS30,000**.

3.2 RULES ON USE OF FORM SFMP (MINOR PROCUREMENT)

Form SFMP (-ref Appendix IIA) shall not be used for the same item more than **once in one month**, once the upper limit is reached; i.e. the aggregate value per item/package per month shall not exceed **GHS30,000**.

Entities are required to apply Framework Contracting, where continuous use of Form SFMP is anticipated for procurement of Minor Goods, Works, and Technical Services.

If the value of procurement of Goods, Works, and Technical services exceeds the above thresholds, the appropriate Standard Tender Documents must be used.

3.3 CONTRACT FORM FOR MINOR PROCUREMENT

Following the use of FORM SFMP to request for quotations, entities shall enter into contractual agreement with Suppliers, Artisans or Craftsmen for minor procurement of Goods, Works, and Technical Services by using the Contract Form for Minor Procurement (ref Appendix IIB)

NB

- i. Form SFMP (-ref Appendix IIA) shall not be used for the same item more than once in one month, once the upper limit is reached; i.e. the aggregate per item/package per month shall not exceed **GHS30,000**.
- ii. The estimated value of each procurement shall not exceed **GHS 30,000**.

- iii. Entities are required to apply Framework Contracting, where continuous use of Form SFMP is anticipated for procurement of Minor Goods, Works, and Technical Services.
- iv. If the value of procurement of goods, works, and technical services is above **GHS30,000**, the appropriate Standard Tender Documents shall be used.

3.3 RULES ON USE OF “LOW VALUE PROCUREMENT RETURNS (LVPR) FORMS”

The LVPR Forms A and B capture all the basic data relating to low value procurement where values are up to **the limits specified below**. The information captured on this form will assist Procurement Auditors and PPA Assessors to conduct their work and also to check abuse. Hence, the records should be well maintained.

LVPR Form A (ref Appendix III). The **LVPR Form A** shall be used to record details of low value procurement of **NON-PERISHABLE** goods, works and technical services up to a limit of **GHS5,000**, undertaken by Entities.

LVPR Form B (ref Appendix IV). The **LVPR Form B** shall be used to record details of all low value procurement of **PERISHABLE** GOODS up to **GH¢ 10,000**, undertaken by Entities.

Low Value Procurement of goods, works, and technical services can be procured without inviting quotations, provided that:

- the prices are reasonable and consistent with the market rates for items of a similar nature;
- price surveys are undertaken regularly to ensure the reasonableness of prices;
- the required goods or services are not split into lots for the purpose of avoiding the application of Minor Procurement or higher methods;
- fairness and ethical dealings are exhibited.

Non-perishable goods procured under LVPR should, where possible, be obtained through price comparison.

NB.

1. *No procurement of value exceeding the **threshold** shall be made from a single person or enterprise or organisation in one week, using LVPR forms.*
2. *Non-perishable goods, or services, shall not be split into lots for the purpose of avoiding the application of Minor Procurement Procedure or higher Procurement methods*

THRESHOLD GROUPING OF ENTITIES

CATEGORY A (Special Constitutional Bodies)

1. Legislature
2. Judiciary
3. Council of State
4. Bank of Ghana

CATEGORY B

1. Independent Constitutional Bodies
2. Office of the President
3. Central Management Agencies
4. Ministries
5. State Owned Enterprises
6. Regional Coordinating Councils
7. Statutory fund management bodies

CATEGORY C

1. Head offices of Subvented Agencies and Government Departments¹
2. Teaching Hospitals
3. Tertiary Institutions including autonomous schools, institutes, colleges and campuses of universities²

CATEGORY D

1. Regional Offices of Subvented Agencies and Government Departments¹
2. Regional Hospitals
3. Colleges

CATEGORY E

1. District Offices of a Subvented Agency and Government Departments
2. District Hospitals
3. Second Cycle Schools or institutions

CATEGORY F

1. Metropolitan Assemblies
2. Municipal Assemblies and District Assemblies

REPUBLIC OF GHANA

FORM SFMP



PUBLIC PROCUREMENT AUTHORITY STANDARD FORMAT FOR MINOR PROCUREMENT

**(FOR MINOR PROCUREMENT OF GOODS, WORKS, AND
TECHNICAL SERVICES)**

Use of Document

This document, FORM SFMP, should be used for procurement of goods, works, and technical services **whose estimated value does not exceed GHS30,000 for all categories of Entities. Procurement using Form SFMP should be carried out by inviting at least three quotations, and the names of the invited suppliers/providers should be specified in the SFMP document.**

The SFMP shall not be applied for the same item more than once in one month, once the upper limit is reached; i.e. the aggregate per item/package per month shall not exceed **GHS30,000**. The estimated value of each procurement shall not exceed **GHS30,000**. Entities are required to apply Framework Contracting, where continuous use of Form SFMP is anticipated for procurement of Minor Goods, Works and Technical Services. Procurements which are above the Head of Entity threshold but not more than the upper limit threshold for Standard Request for Quotations (RFQ) should be done by using the standard RFQ document in accordance with procedures specified in the Public Procurement Manual.

Explanation:

In the SFMP form, the contents of the brackets “[]” or “{ }” denote *information to be inserted* when drafting the RFQ, or *an explanation to procurement staff* when preparing the RFQ, or *an explanation to the tenderer* when preparing the quotation.



FORM SFMP

Name of Procurement Entity:

Address of Procurement Entity:.....

REQUEST FOR QUOTATIONS FOR MINOR PROCUREMENT OF GOODS, WORKS, & TECHNICAL SERVICES

Package Number:				
Procurement Entity	Department/Project	Financial Year	Type of Procurement	Tender/RFP NO.

Date: *[Date of Transaction]*

To: *[names of suppliers]*

.....

.....

.....

.....

.....

.....

The *[name of Procurement Entity]* invites you to submit your quotation/proposal for the supply of:

.....

.....

(See Section C of this document for details). Partial Quotations shall be rejected, and the Procurement Entity reserves the right to award a contract for selected items only. Any resulting order shall be subject to the Government of Ghana General Conditions of Contract covering procurements under Price Quotation (available on request) except where modified by this Request For Quotation.

SECTION A: QUOTATION REQUIREMENTS:

- 1) Place of delivery for the *Goods/Works/Technical Services*:
- 2) Price basis: {(i) Ex-works*, or (ii) Delivered to [*.....name and place of procurement entity*]}.
- 3) The delivery period required is from date of order.
- 4) Quotations must be valid for from the Closing Date for submission of Quotes.
- 5) The warranty/guarantee offered shall be:
- 6) Quotations and supporting documents as specified in Section B must be marked with the Procurement Number above and indicate your acceptance of the terms and conditions.
- 7) Closing Date for Submission of Quotes: The Quotations, which must be in sealed envelopes, shall be submitted latest by.....*[time]* on *[date]*.
- 8) Quotations must be delivered to: [*Entity details and place*]
- 9) The attached Schedule of Requirements at Section C, details the items to be purchased. You are requested to quote your price for these items by completing and returning Sections B and C.

Quotations that are responsive, qualified and technically compliant will be ranked according to price. Award of contract will be made to the lowest evaluated quotation, using the Public Procurement Authority’s Document titled “CONTRACT FORM FOR MINOR PROCUREMENT OF GOODS, WORKS AND TECHNICAL SERVICES”.

Payments will be made within thirty () days of receipt of an invoice supported by a delivery receipt or dispatch documentation (Way bill) and a certificate of satisfactory completion issued by [*Authority responsible for certifying goods*].

Signed:..... Name:..... Title/Position:

For and on behalf of

**Ex-Works implies entity will receive the items at the supplier’s premises.*

Your quotation is to be returned on this Form by completing and returning Sections B and C below, including any other information /certification required within this Request for Quotation.

SECTION B: QUOTATION DETAILS

1. Total Tender Amount offered (in words and figures) -----

2. Delivery period offered: Days/weeks/months from date of Purchase Order.

3. The validity period of this Quotation is: Days from Closing Date for submission of Quotations.

4. Warranty period (where applicable):..... months.

5. We enclose the following documents:

- i. A copy of Trading Licence;
- ii. A copy of Annual Tax Clearance Certificate (for last Financial Year);
- iii. [A list of recent contracts performed (preferably government contracts), if any];
- iv. [Insert any other documentation required by the Procurement Entity].

6. We confirm that our quotation/proposal is based on the terms and conditions stated in your Request for Minor Procurement (Form SFMP).

7. We confirm that the prices quoted are fixed for the duration of the validity period and will not be subject to revisions or variation within this period.

Authorised by:

Signature: _____ Name: _____

Position _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf:

Company: _____

Address:.....
.....
.....

[If any additional documentation is attached, a signature and authorisation at Section B and Section C is still required as confirmation that the terms and conditions of this RFQ prevail over any attachments. If the Quotation is not authorised in Section B and Section C, the quotation may be rejected].

SECTION C: SCHEDULE OF REQUIREMENTS (TO BE COMPLETED BY TENDERER)

Item No.	Description of Goods (Attach specification if necessary)	Unit of Measure	Quantity	Unit Price [*state basis] (GHS)	Total Price (GHS)
Sub-total					
Discount (if any)					
-- % VAT					
-- % NHIL					
Total Tender Amount [*basis.....]					

* Price basis could be either “Ex-Works”, or “Delivered To [Entity’s premises]”

Authorised by:

Signature: _____

Name: _____

Position _____

Date: _____

(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

[The Table in this section may be adapted to suit entity’s requirement]

REPUBLIC OF GHANA

PUBLIC PROCUREMENT AUTHORITY



**CONTRACT FORM FOR MINOR PROCUREMENT
OF
GOODS, WOR, AND TECHNICAL SERVICES**



CONTRACT FOR MINOR PROCUREMENT

CONTRACT NO:

CONTRACT DATE:

BETWEEN

NAME & ADDRESS OF ENTITY (PURCHASER)

AND

NAME & ADDRESS OF SUPPLIER/CONTRACTOR/CONSULTANT
.....
.....

WHEREAS the invited Quotations for and has accepted a Quotation by in the sum of [GH¢.....], (hereinafter called “the Contract Price”) viz.:

No.	Description of Item / Service/Works	Quantity	Unit Price GH¢	Total Price GH¢ [state basis]
TOTAL TENDER AMOUNT [basis]				

NOW THIS CONTRACT WITNESSES as follows:

- The following documents shall be deemed to form and be read and construed as part of this Contract, viz.:
 - The Standard Format For Minor Procurement of Goods, Works, and Technical Services/maintenance (Form SFMP) issued by the Purchaser;
 - Completed Section A of Form SFMP by Purchaser;
 - Completed Sections B and C of Form SFMP by Supplier (i.e. the Supplier’s Quotation);
 - Purchaser’s Notification of Award.
- Payment shall be made within thirty () days of receipt of the Supplier’s invoice supported by a Delivery Receipt, Dispatch documentation, a certificate of satisfactory completion, issued by [*Authority responsible for certifying goods*].
- In consideration of the payments to be made by the Entity as above mentioned, the Supplier hereby covenants with the Entity to provide the .. [*subject matter of the procurement*] and to remedy defects therein in conformity in all respects with the provisions of the Contract.
- The Purchaser hereby covenants to pay in consideration of the completion/supply of [*subject matter of the procurement*] and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this contract to be executed in accordance with the laws of Ghana on the **date first above written.**

On behalf of the Purchaser

On behalf of the Supplier/Contractor/Supplier

Signature.....

Signature.....

Name.....

Name.....

Designation.....

Designation.....

WITNESSED FOR ENTITY BY:

WITNESSED FOR SUPPLIER BY:

Name.....

Name.....

Signature

Signature

Designation.....

Designation

REPUBLIC OF GHANA

LVPR FORM A



REPUBLIC OF GHANA

PUBLIC PROCUREMENT AUTHORITY (PPA)

LOW VALUE PROCUREMENT RETURNS FORM

FOR PROCUREMENT OF NON-PERISHABLES ITEMS NOT EXCEEDING GHS5,000 PER ITEM/PACKAGE

NAME OF ENTITY.....

BUDGET PERIOD.....

PURPOSE/USE.....

DETAILS OF PROCUREMENT

NO	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT PRICE (GH¢)	TOTAL PRICE (GH¢)	NAME AND ADDRESS OF SUPPLIER	DATE OF TRANSACTION

ATTACH HONOUR CERTIFICATE OR RECEIPTS (where applicable)

PREPARED BY (NAME).....POSITION.....SIGN.....
DATE.....

CERTIFIED BY (NAME).....POSITION.....SIGN.....
DATE.....

APPROVED BY (NAME).....POSITION.....SIGN.....
DATE.....

1. No procurement of value exceeding the **threshold** shall be made from a single person or enterprise or organisation in one week, using LVPR forms.
2. No procurement of value exceeding **the threshold** shall be made from a single person or enterprise or organisation in one week using this LVPR forms.
3. Entities are required to apply Framework Agreements where continuous use of LVPR Forms is anticipated.

REPUBLIC OF GHANA

LVPR FORM B



PUBLIC PROCUREMENT AUTHORITY (PPA)

LOW VALUE PROCUREMENT RETURNS FORM

FOR PROCUREMENT OF PERISHABLE ITEMS NOT EXCEEDING GHS10,000 PER ITEM OR PACKAGE PER WEEK

NAME OF ENTITY.....

BUDGET PERIOD.....

PURPOSE/USE.....

DETAILS OF PROCUREMENT

NO	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT PRICE (GH¢)	TOTAL PRICE (GH¢)	NAME AND ADDRESS OF SUPPLIER	DATE OF TRANSACTION

ATTACH HONOUR CERTIFICATE OR RECEIPTS (where applicable)

PREPARED BY (NAME).....POSITION.....SIGN.....
DATE.....

CERTIFIED BY (NAME).....POSITION.....SIGN.....
DATE.....

APPROVED BY (NAME).....POSITION.....SIGN.....
DATE.....

4. No procurement of value exceeding the **threshold** shall be made from a single person or enterprise or organisation in one week. using LVPR forms.
5. No procurement of value exceeding **the threshold** shall be made from a single person or enterprise or organisation in one week using this LVPR forms.
6. Entities are required to apply Framework Agreements where continuous use of LVPR Forms is anticipated.