

KNOWLEDGE CENTRE

Award of Contract

AC:3

Relevant Facts or Questions Asked

A Procuring Entity (PE) sought guidance as follows:

- I. A Procuring Entity (PE) conducted a procurement proceeding which was to be awarded in lots;
- II. Guidance was sought in relation to whether the tier 2 approval would be needed where the total of all the lots aggregate to above the approval limit for tier 1.

Issues Arising

Whether, in accordance with Section 43 of the Public Procurement Act, 2015 (the Act) the approval of the Tier 2 or Tier 3 authorities would be required, where the total contract price of the lots aggregates to a sum that exceeds the threshold for the Tier 1 approval.

Advice

1. In GoJ procurement, "Lots" are separate contracts that are packaged as one tender process, where each lot is awarded and performed independently of the other lots.
2. This means that each lot would be subject to the provisions set in Section 43 of the Act, (as amended) ("the Act") which treats with the approval of contract awards. In GoJ procurement policy, the contract price would be the basis on which approval for award is sought. Please see the Second Schedule of the Public Procurement Regulations, 2018 (as amended), which sets out the approval tier limits and respective authority.
3. Note:-
In this instance, the individual contract sums for each lot falls below the tier 1 approval limit, and as such, would only need the approval of the Head of PE for contract award.

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