



E-Procurement Bulletin



P u b l i c P r o c u r e m e n t A u t h o r i t y

THE ROLE OF ENTITY TENDER COMMITTEE (ETC) IN PUBLIC PROCUREMENT

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An Entity Tender Committee is officially established to govern procurement activities in an Entity. It represents the Entity to make sure that rules and procedures are duly followed in accordance with the Public Procurement Act 663, 2003. Members of the Committee are appointed by the procuring Entity that ensure strict compliance with the Act 663.

Every Procurement Entity is expected to establish an Entity Tender Committee in accordance with Section 17 (1) of the Public Procurement Act 663, states that “Each procurement entity shall establish a Tender Committee in the manner set out in Schedule 1”

The structure of the Committee varies depending upon the type of the Procurement Entity. Schedule 1 of the Public Procurement Act 663 defines the structures of the various Procurement Entities.

It comprises the chairperson, 7 – 9 members and secretary. Depending on the Procurement Entity, the Head of Entity will be the chairperson and the Head of Procurement the secretary to the Committee.

The chairperson chairs and summarises discussions at the meeting while he/she ensures that the secretary to the Committee prepares agenda and minutes of the meeting.

The secretary also arranges for meetings in consultation with the chairperson. He /She prepares agenda and circulate documents prior to meetings and records minutes.

Section 18 of the Public Procurement Act 2003, Act 663 states that “The Tender Committee shall meet at least once every quarter and notice of the meetings shall be given at least two weeks prior to the scheduled date for the meeting.

The Committee plays a very important role in the procurement process of the Procurement Entity. The Section 17 of the Public Procurement Act states the functions or the role of the Committee as follows:

In the performance of its functions, a Tender Committee shall

“(a) ensure that at every stage of the procurement activity, procedures prescribed in this Act have been followed;

(b) “exercise sound judgment in making procurement decision; and

(c) “refer to the appropriate Tender Review Board for approval, any procurement above the Threshold of the Entity Tender Committee requires a one stop approval.

In other words, the Entity Tender Committees are supposed to ensure that:

- Procurement activities are done in accordance with the Act 663.
- Approvals are sought from the appropriate Tender Review Board
- Disposal of stores and equipment is done in compliance with the Act 663
- Approve annual procurement plans
- Approve invitation documents – tenders, RFQs, RFPs and pre-qualification
- Review evaluation reports and award contracts up to their threshold
- Approve contract amendments
- Facilitate contract administration

The Committee may approve, reject or approve subject to clarification/minor amendment

The Committee can not modify the submission or reject without good justification.

A member of the Committee needs to declare any conflict of interest in any submission and leave the meeting while that submission is being considered.



Online Activities

List of entities that have submitted their Procurement Plans online As At 30th June, 2010

1 Accra Metropolitan Assembly	32 Ghana Institute of languages	63 Management Services Division
2 Accra Polytechnic	33 Ghana Institute of Management And Public Administration	64 Maternal and Child Health Hospital
3 Accra Psychiatric Hospital	34 Ghana Library Board	65 Medical School
4 Asunafo North (Asunafo)	35 Ghana National Petroleum Corporation	66 MINISTRY OF COMMUNICATION
5 Aviation Social Centre Limited	36 Ghana News Agency	67 MINISTRY OF EDUCATION
6 Berekum Tr. College	37 Ghana Police Service	68 Ministry of Employment and Social Welfare
7 Bolgatanga Polytechnic	38 Ghana Prisons Service	69 MINISTRY OF ENERGY
8 Bureau of National Investigations (BNI)	39 Ghana Shippers Council	70 Ministry of Environment Science and Technology
9 Centre for Scientific Research Into Plant Medicine	40 Ghana Standards Board	71 MINISTRY OF FINANCE AND ECONOMIC PLANNING
10 Controller And Accountant General Dept	41 Ghana Statistical Service	72 MINISTRY OF FOOD And AGRICULTURE
11 Council for Scientific and Industrial Research	42 Ghana Tourist Board	73 MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION
12 Custom, Excise and Preventive Service	43 Ghana-India Kofi Annan Center of Excellence	74 MINISTRY OF LANDS, FORESTRY And MINES
13 Dental School	44 Grains And Legumes Development Board	75 MINISTRY OF ROADS AND HIGHWAYS
14 Department for Community Development	45 GRATIS Foundation	76 MINISTRY OF TOURISM And DIASPOREAN RELATION
15 Driver and Vehicle Licensing Authority	46 Ho General Hospital	77 Ministry of Transport
16 E. P. Tr. College Amedzofe	47 Institute Of Professional Studies	78 Ministry of Women and Children Affairs
17 Effa Nkwanta Regional Hospital	48 Internal Audit Agency	79 Ministry of Youth and Sports
18 Electoral Commission	49 Internal Revenue Service	80 Mount Mary College
19 Energy Commission	50 Juaben District Hospital	81 Mpohor Wassa East
20 Forestry Commission	51 Judicial Service	82 Narcotics Control Board
21 Ga West (Ga)	52 Kaneshie Polyclinic	83 National Accreditation Board
22 Ghana Academy of Arts And Sciences	53 Kassena/Nankana	84 National Board for Professional And Technical Examinations
23 Ghana Airports Company Limited	54 Koforidua Polytechnic	85 National Council for Tertiary Education
24 Ghana Broadcasting Corporation	55 Komfo Anokye Teaching Hospital	86 National Development Planning Commission
25 Ghana Civil Aviation Authority	56 Konongo District Hospital	87 National Disaster Management Organization
26 Ghana Cocoa Board	57 Korle bu Teaching Hospital	88 National Film and Television Institute
27 Ghana Education Service	58 Kumasi Academy	89 National Health Insurance Authority
28 Ghana Free Zones Board	59 Kumasi Metropolitan Assembly	90 National Identification Authority
29 Ghana Grid Company Ltd.	60 Kwaebiiirem	
30 Ghana Health Service	61 Lands Title Registry	
31 Ghana Immigration Service	62 Mamprobi Polyclinic	

The Authority urges all other entities who have not submitted their plans as yet to emulate the example of the above listed entities and comply accordingly



91 National Insurance Commission	110 Social Security and National Insurance Trust (SSNIT)
92 National Lottery Authority	111 St. Joseph's Tr. College
93 National Pensions Regulatory Authority	112 Suhum Government Hospital
94 National Population Council	113 Sunyani General Hospital
95 National Vocational Training Institute	114 Sunyani Polytechnic
96 Noguchi Memorial Institute	115 Takoradi Polytechnic
97 Nyinahin District Hospital	116 Tamale Polytechnic
98 Office of the Head of Civil Service	117 Tema Metropolitan Assembly
99 Office of the Regional Health Directorate – Brong Ahafo Region	118 Tepa district Hospital
100 Office of the Regional Health Directorate – Eastern Region	119 University For Development Studies
101 Parliament	120 University Of Education Winneba (UCEW)
102 Peki Training College	121 University Of Ghana (UG)
103 Pharmacy Council	122 University of Ghana Business School(UGBS)
104 Public Procurement Authority	123 University Of Science And Technology (KNUST)
105 Revenue Agency Governing Board	124 Value Added Tax Service
106 Ridge Hospital	125 Volta- Regional Co-ordinating Council
107 Serious Fraud Office	126 Volta River Authority
108 Shama-Ahanta East Metropolitan Assembly	127 West Africa Sec. Sch
109 SIC Life Company Limited	128 West African Examination Council
	129 West Tamale District Hospital

Tendering / Contract Information for July and August 2010

[Tendering Opportunities for Jul-Aug 2010](#)

[Contracts Awarded for Jul-Aug 2010](#)

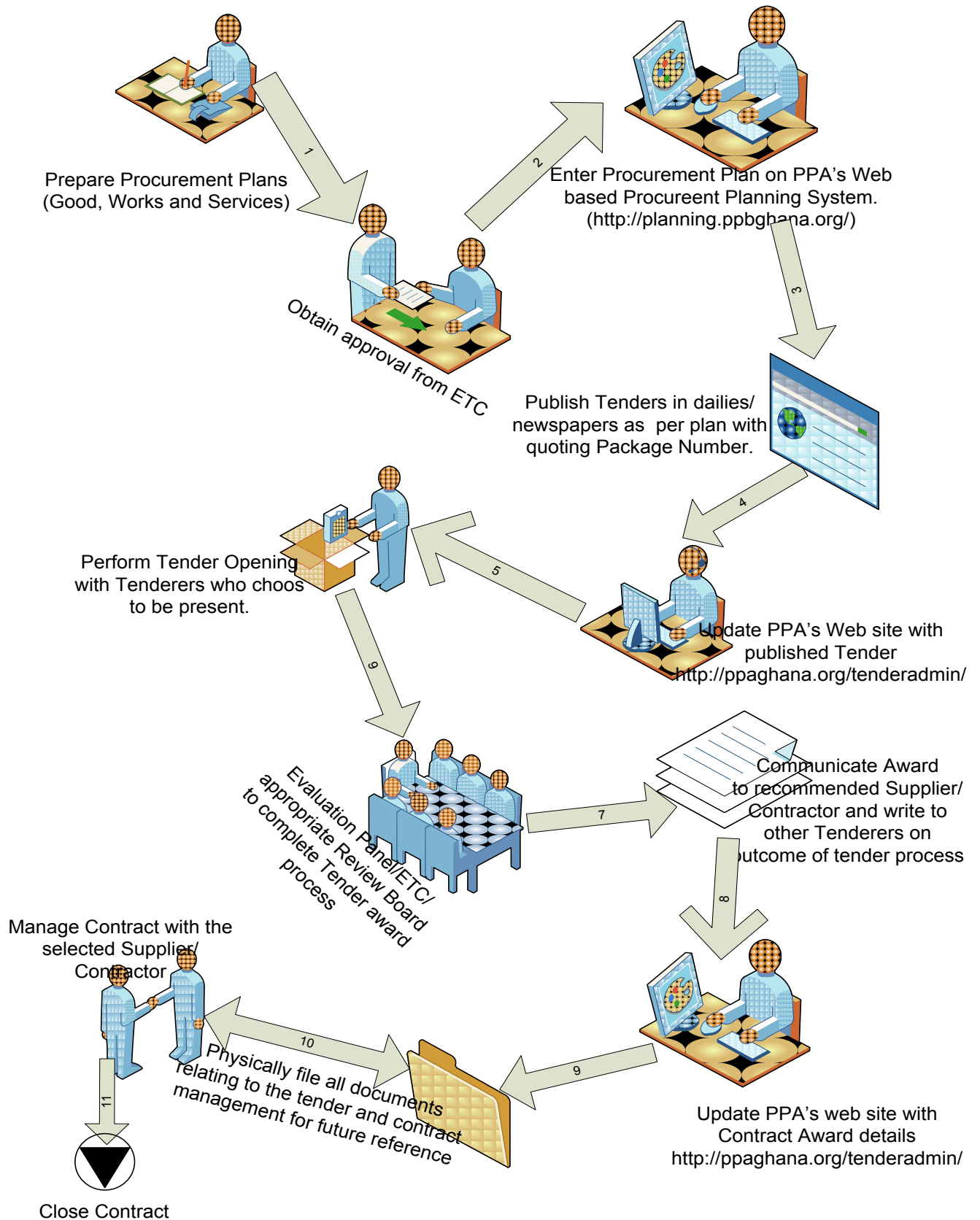
[Restricted Tender Awards Jan-Sept 2010](#)

[Expression of Interest Requests Jul-Aug 2010](#)

The links above will take you directly to the PPA Website Reports for the months of July to and September 2010



Procurement Process for Open Tenders



After Obtaining Approval From The Public Procurement Authority For Single Source/ Restrictive Tender, What next?

The source of the Law on which Act 663 and the single source / restricted tenders rules are based can be traced to the United Nations Commission on International Trade Law (UNCITRAL) and its Guidelines.

Section 40 (1) of the Public Procurement Act 663 states that “A procurement entity may engage in Single Source procurement under section 41 with the approval of the Board. The section goes further to explain circumstances under which this approval can be sought. Coupled with the Guidelines on application for single source issued by the Public Procurement Authority, an application can be granted or rejected.

Single Source Procurement Guideline states that “The Act requires institutions to secure approval from the Board before they adopt single source procurement. The Minister of Finance and Economic Planning issued guidelines on 17th September, 2004 to explain the process for application of Single Sourcing. However, most applications for single source procurement submitted to the Board fail to satisfy the basic requirements for approval. This sometimes results in delays during the approval process. In order to ensure that single source requests satisfy the key provisions of the Public Procurement Act, 2003 (Act 663), this article provides detailed Guidelines on single source and restrictive.

Institutions are required to satisfy three main conditions when applying for single sourcing:

Justification under Clause 40 of Act 663
Capability and Qualification of Proposed Firm
Conditions of Contract and Financial Proposal

Justification under Clause 40 of Act 663

Under this condition institutions are required to demonstrate that their proposed application for single source can be justified under at least one of the provisions set below.

(a) Where goods, works or services are only available from a particular supplier or contractor, or if a particular sup-

plier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists;

(b) Where there is an urgent need for the goods, works or services and engaging in tender proceedings or any other method of procurement is impractical due to unforeseeable circumstances giving rise to the urgency which is not the result of dilatory conduct on the part of the procurement entity;

(c) Where owing to a catastrophic event, there is an urgent need for the goods, works or technical services, making it impractical to use other methods of procurement because of the time involved in using those methods;

(d) Where a procurement entity which has procured goods, equipment, technology or services from a supplier or contractor, determines that:

(i) Additional supplies need to be procured from that supplier or contractor because of standardization’.

(ii) There is a need for compatibility with existing goods, equipment, technology or services, taking into account the effectiveness of the original procurement in meeting the needs of the procurement entity;

(iii) The limited size of the proposed procurement in relation to the original procurement provides justification;

(e) Where the procurement entity seeks to enter into a contract with the supplier or contractor for research, experiment, study or development, except where the contract includes the production of goods in quantities to establish commercial viability or recover research and development costs; or

(f) Where the procurement entity applies this Act for procurement that concerns national security, and determines that single-source procurement is the most appropriate method of procurement.

(Continued on page 6)



(Continued from page 5)

(g) A procurement entity may engage in single-source procurement with the approval of the Board after public notice and time for comment where procurement from a particular supplier or contractor is necessary in order to promote a policy specified in section 59(4)(c), (d) or 69(2) (c)

(i), And procurement from another supplier or contractor cannot promote that policy.

Capability and Qualification of Proposed Firm

Institutions shall provide detailed information and demonstrate that the proposed supplier, consultant, or contractor possesses the required experience and capability to carry out the work. Evidence should include:

- a. name of the proposed firm
- b. professional and technical qualifications and competence;
- c. financial resources;
- d. equipment and other physical facilities;
- e. managerial capability, reliability, experience in the procurement object and reputation; and
- f. the personnel to perform the procurement contract;
- g. have the legal capacity to enter the contract;
- h. be solvent, not be in receivership, bankrupt or in the process of being wound up, not have its business activities suspended and not be the subject of legal proceedings that would materially affect its capacity to enter into a contract;
- i. have fulfilled its obligations to pay taxes and social security contributions and any paid compensation due for damage caused to property by pollution;
- j. have directors or officers who have not in any country been
 - convicted of any criminal offence relating to their professional conduct or to making false statements or misrepresentations as to their qualifications to enter into a procurement contract, within a period of ten years preceding the commencement of the procurement proceedings; or
 - disqualified pursuant to administrative suspension or disbarment proceedings.

Conditions of Contract and Financial Proposal

Institutions applying for single source procurement shall also provide the following information:

- Detailed cost of the proposed procurement,
- Demonstration that the proposed cost represents value for money. For example institutions can do this by comparing the proposed cost with recent similar projects carried out through competition, or by comparing the proposed cost with available national and international standards, a comparative cost analysis.
- Proposed draft terms and conditions of contract – these should be consistent with agreed international terms and conditions e.g. Government of Ghana/FIDIC/World Bank.”

(The single source and selective tendering guidelines may be found on the Public Procurement Authority website, www.ppaghana.org)

After approval of Single Source what next?

On receipt of approval for single source, the entity then writes to the company they chose to have the contract with together with technical specifications and terms of reference to proceed. There is no need to seek concurrent approval from any other Tender Review Board.

In case there is a variation or modification of the Contract flowing from the initial application which was made to the Public Procurement Authority for single source approval, then by operation of Section 87 (2) such variation must be approved by the PPA. Section 87 (2) states that “in case of contracts which are not originally subject to review by a Tender Review Board, any proposed modification of contract which will make the revised contract price exceed the procurement method threshold or the threshold of the procurement entity shall be cleared with the appropriate Tender Review Board. Since the law does not impose any threshold in respect of single source procurement and which is subject to Public Procurement Authority approval, variations or modifications on or of such contracts must be approved by the Public Procurement Authority.

On receipt of Approval for Restricted Tender, what next?



Section 38 of the Act 663 states that “A procurement entity may for reasons of economy and efficiency and subject to the approval of the Board engage in procurement by means of Restricted Tendering” under the circumstances stated under Section 38 (a) or (b) an application can be granted or rejected.

On receipt of Approval for Restricted Tender, an entity will issue tender documents together with a personalised letter to the short listed contractors simultaneously, either by registered post or by hand in return for a written receipt. Section 4.7 (Page 40) of the Public Procurement Manual states that “The Tender Document for a Restricted Tender must be issued to all short listed tenderers simultaneously”.

An entity that has been granted permission by the Board to use Restricted Tendering Method for intended procurement activity is supposed to follow the normal tendering process to allow competition and transparency with the

An entity that has been granted permission by the Board to use Restricted Tendering Method for intended procurement activity is supposed to follow the normal tendering process to allow competition and transparency with the exception of advertisement as required under Section 47 of the Public Procurement Act 663 as stated in section 39 (3) of the Act.

An entity upon receipt of approval from the Authority should strictly adhere to the approved list. In case an entity wants to invite another supplier or contractor apart from the approved list, then the entity should inform the Public Procurement Authority.

Entities are advised to seek concurrent approval from appropriate Tender Review Board as per the value of the intended procurement activity after completion of the tendering process according to Schedule 3 (2 & 3) of the Act 663.



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