



E-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

CELEBRATING 10 YEARS OF PUBLIC PROCUREMENT IN GHANA – BENEFITS & ACHIEVEMENTS

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A decade is always a significant milestone to celebrate in the life of any institution. As PPA turns 10 years on the 4th of August 2014, the Authority has every course to celebrate 10 dramatic and largely successful years of its establishment as an apex body for public procurement implementation.

Charged with the objective of securing a judicious, economic and efficient use of state resources, the PPA has over the years instituted various information systems to ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner.

PPA Successes Include:

- ◆ The development of a bespoke Public Procurement Model of Excellence (PPME) Tool which has been upgraded from an excel spreadsheet to a relational database (web-based) and thus improving its efficiency;
- ◆ Assessment of 1000 procurement entities

using the PPME Tool to inform policy formulation and capacity building efforts;

- ◆ Establishment of an Appeals and Complaint Panel which has provided administrative review and resolution to a number of procurement related complaints and cases;
- ◆ Trained over 20,000 procurement functionaries through our short term training programme;
- ◆ Established a Career Path Progression & a Scheme of Service for procurement practitioners in the Civil, Local and Public Services;
- ◆ Conducted awareness programmes on new policies such as the Framework Agreements and Sustainable Public Procurement initiatives; and
- ◆ Establishment of two (2) Zonal Offices in Kumasi and Takoradi to provide advisory services to entities farther away from the capital;

WAY FORWARD

As we cast our vision for the next decade, the PPA seeks to continue with efforts at:

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- ◇ Institutionalizing capacity building programmes in Public Entities to make them more efficient in Public Procurement;
- ◇ mainstreaming issues of Public Procurement into Public Sector Financial Management in close collaboration with the Ministry of Finance and Economic Planning, Controller and Accountant General Department, the Internal Audit Agency and the Ghana Audit Service which will also address timely payment of contracts;
- ◇ intensify Supervision, Monitoring and Evaluation of Public Procurement across the various Entities using

the PPME Tool to ensure compliance; and

- ◇ Pursue the Sustainable Public Procurement (SPP) and the Electronic Government Procurement (e-GP) Initiatives.

To commemorate this year-long anniversary, we implore you to join us as we reflect on the gains made so far and together chart a new path for a brighter future in public procurement in Ghana.

Happy New Year!

Rhoda Appiah
Principal Public Affairs Officer
PPA

Online Activities

List of entities that have submitted their 2014 Procurement Plans online As At December 31 , 2013

- | | |
|--|--|
| 1. Aflao District Hospital | 26. Korle bu Teaching Hospital |
| 2. Akwapim South District Assembly | 27. Kwahu West District Assembly |
| 3. Atua Government Hospital | 28. Legal Aid Board |
| 4. Bank of Ghana | 29. Management Development And Productivity Institute |
| 5. Bolgatanga Municipal Assembly | 30. Medical School |
| 6. Cocoa Marketing Company (Ghana) Limited | 31. MINISTRY OF JUSTICE AND ATTORNEY GENERAL |
| 7. Copyright Administration | 32. Non Formal Education Division |
| 8. Council of State | 33. Office of the Regional Health Directorate – Ashanti Region |
| 9. Dental School | 34. Prempeh College |
| 10. Dunkwa District Hospital | 35. Public Procurement Authority |
| 11. Dunkwa Nursing Training College | 36. Shama District Assembly |
| 12. East Akim Municipal Assembly | 37. SIC Life Company Limited |
| 13. Economic and Organised Crime Office | 38. St. Joseph's College of Education |
| 14. Effutu Municipal Assembly | 39. Sunyani General Hospital |
| 15. Energy Commission | 40. Sunyani Polytechnic |
| 16. Export Development and Investment Fund | 41. Tain District Assembly |
| 17. Ga East Municipal Assembly | 42. Tarkwa Nsuaem Municipal Assembly |
| 18. Ga South Municipal Assembly | 43. Tema Development Corporation |
| 19. Ghana Civil Aviation Authority | 44. University Ghana School of Pharmacy |
| 20. Ghana Grid Company Ltd. | 45. University of Health and Allied Sciences |
| 21. Ghana Police Service | 46. University of Mines -Tarkwa |
| 22. Ghana Standards Authority | 47. Upper Denkyira East Municipal Assembly |
| 23. Holy Child Colllege of Education | 48. Wa Polytechnic |
| 24. Jukwa Senior High School | 49. Wenchi East District Assembly |
| 25. Komfo Anokye Teaching Hospital | |



BENEFITS OF PROCUREMENT STRUCTURES AS STIPULATED IN THE LAW ACT 663



The Public Procurement Act, 2003 (Act 663) was promulgated 10 years ago to help manage Public Procurement in a judicious, economic and efficient way so that the country can benefit from a fair, transparent and competitive process that usually guarantees value for money.

To achieve the above, Act 663 prescribed some Procurement Structures through which good governance can be upheld.

The Procurement Structures are:

- ◇ Procurement Entity – Entity Head
- ◇ Entity Tender Committee
- ◇ Tender Evaluation Panel
- ◇ Tender Review Board
- ◇ Procurement Unit

PROCUREMENT ENTITY

A procurement entity is any Institution or individual that has recourse to spend Public funds.

TYPES OF ENTITIES:

- ◇ Ministries, Departments, Agencies
- ◇ MMDA's, State Owned Enterprises
- ◇ Schools and Colleges

- ◇ Public Universities
- ◇ Hospitals and Health Institutions
- ◇ Bank of Ghana and some Financial Institutions

WHO IS HEAD OF AN ENTITY

The Head of an Entity is one who is referred to as the Principal Account Holder as stated under Section 74 in the Financial Administration Act 2003 (Act 654)

With regards to Public Procurement, the key functions of a Principal Account Holder (PAH) includes but not limited to the following:

Ensures that the provisions of the Act are complied with

Is held accountable for effective contract award and management inconsistent with the Act

ENTITY TENDER COMMITTEE (ETC)

Each procurement entity is expected to establish an ETC as set out in Schedule 1

Examples of Composition of ETC for a Ministry/Dept./ Agency

- ◇ Chairperson -A Minister, Chief Executive Officer or Head of Agency



- ◇ Members—Head of Finance/Head of Accounts Division
- ◇ Representative of the Ministry of Justice
- ◇ Three other Heads of Divisions or Departments
- ◇ Two Members of Parliament from the Region
- ◇ Secretary -The Officer Heading the Procurement Unit

KEY FUNCTIONS OF THE ETC:

Plans and reviews Procurement Plans in order to ensure that they support, the objectives and operations of the entity

Ensures that at any stage of the Procurement activity, procedures prescribed in the Act have been followed.

Refer to the appropriate Tender Review Board for approval, any procurement above its approval threshold, taking into consideration the fact that approval above the ETC is a one stop only approval

TENDER EVALUATION PANEL

This panel consists of specialists appointed as and when required to evaluate tender responses and make recommendations for contract award using specified and previously published criteria in the tender documents for evaluation. These specialists can be brought in from outside the entity.

TENDER REVIEW BOARDS

Section 20 and Schedule 2 provides a 4 Tier Tender Review Structure as follows;

- ◇ Central Tender Review Boards
- ◇ Ministerial Tender Review Boards
- ◇ Regional Tender Review Boards
- ◇ District Tender Review Boards

FUNCTIONS

Functions of the Tender Review Boards include:

Review of activities at each step of the Procurement Cycle

Give Concurrent approval

Furnish the PPA with reports in a prescribed format

Section 17, 20 and Schedule 1 & 2, ETCs, TRB's, Procurement Structures. Part II

BENEFITS

Since the inception of the use of the Act 663, the prescribed Procurement Structures have acted as the gate keeper for the application and compliance of the Act 663.

Special mention ought to be made of the Entity Tender committee and the TRB with respect to their functions and its effect on the entity's objective of value for money.

The ETC has the responsibility to make sure that Procurement Plans are made to agree and balance with the approved budget from the Ministry of Finance and any review, is also in line with supplementary budget. This function, if handled well, will go a long way to benefit the Country.

By supervising such plans and budgets, there will be fewer deficits in our overall budget as about 70% of our budget goes into procurement and therefore over runs will be checked.

The Tender Review Boards also have been of benefit to the compliance of the Act 663. As per the Schedule 3 of the Act, Goods above GH¢8m and works above GH¢15m will have to go to the CTRB for concurrent approval. The scrutinization of steps and procedures that the report is taken through as well as their references to the procurement plans of the relevant project is worth mentioning.

The PPA encourages entities to post their procurement plans on-line to make it easy for Regulators and Review Boards to access them and also to make sure that projects tendered for had been planned for and budgets approved before concurrent approval is given.

CONCLUSION

Since no System can effectively run without appropriate structures in place, the structures as mentioned above as stipulated in Act 663, is critical for the realization of the objectives of Act 663.

Mrs. Emelía Nortey

Director, MIS

PPA



BENEFITS OF PROCUREMENT PROCESSES AS STIPULATED IN THE PUBLIC PROCUREMENT ACT, 2003 (ACT 663)



With an objective of ensuring that public procurements are carried out in a fair, transparent and non-discriminatory manner to secure best value for limited state resources, the Public Procurement Act 2003 (Act 663) prescribed in the most unequivocal terms, detailed processes to be followed for the acquisition of goods works and services using public funds.

Apart from Part 1 of the Act, that establishes the Board, all the other eight (8) Sections provide a framework, a business process or a collection of structured activities or tasks that guide public officials or persons who have recourse to public funds to achieve the objective of effectively managing the public purse.

Part II of the Act clearly spells out the various procurement structures within which public institutions operate as far as procurement is concerned. Part III sets clear rules for public procurement practice, while Part IV defines the methods of procurement. Part V (longest part) discusses the procedures for tendering, while VI focuses on the method for engaging consultants. The rights of the Supplier, Contractor or Consultant as far as seeking redress is concerned have been well elaborated on in Part VII and Part VIII provides for disposal of stores, plant and equipment. Of course the concluding part takes care of other useful

miscellaneous provisions that are relevant to achieving the objective of this critical Act which spell out appropriate procedures to direct public procurement which consumes about 70% of the budget of the country after salaries etc.

The above mentioned Parts of the Act summarize the processes to follow whenever there is a decision to procure. This paper may not allow us to discuss all the components extensively but provides some highlights which enable us to zero-in on what exactly the benefits of following these processes are to the tax payer and the citizenry as a whole.

Procurement Structures

Act 663 requires that all procurement decisions are taken corporately. Hence it identified what an Entity is and defined the roles played by a Head of Entity (HoE) who is the Principal Account Holder or Spending Officer, Entity Tender Committees (ETC) and Tender Review Boards (TRBs). These structures are responsible for ensuring that Entities' procurement follow the provisions in the Act and also approve or review decisions of Heads of Entities as and when necessary. For instance Procurement Units collate information on needs of the Entity, prepares Procurement Plans which reflect the Strategy of the Entity for a period. The plans are approved by ETCs, while based



on the threshold either the HoE, ETC or TRB approves the procurement process to inform the award of a contract. This ensures that the various players in the process are duly checked to avoid errors and “abuse of office” as the case may be.

Procurement Rules

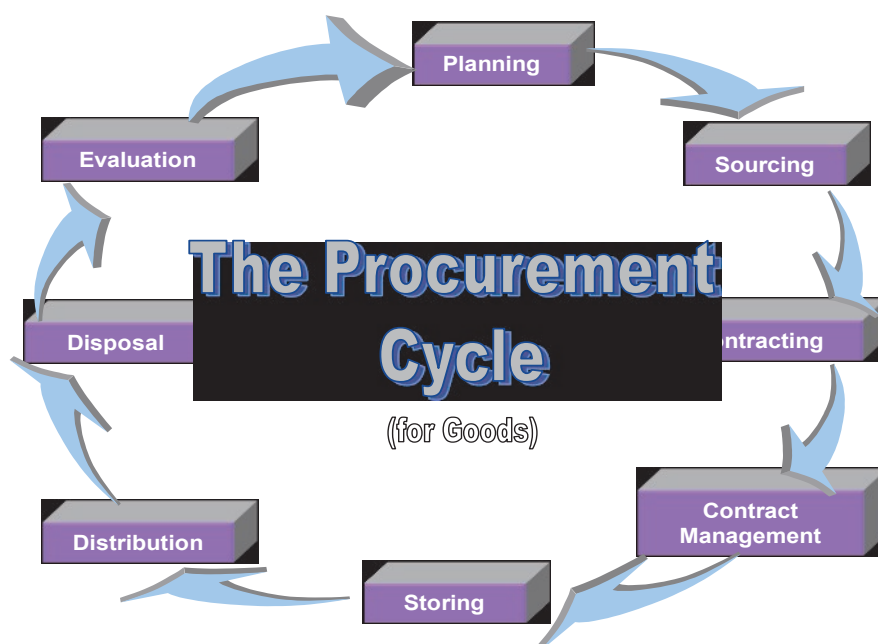
To avoid a “jungle situation” and ensure order in “the very expensive game of procurement,” the Rules as detailed in Sections 21 to 34 of the Act, discuss the actual processes that lead to the acquisition of goods, works and services. Beginning with procurement planning, the Act makes it mandatory that Entities plan for all procurements annually. These plans are drawn from the budgets and could be revised within the year. Planning ensures that Entities have ample time and are able to follow through processes that will lead to the selection of the best supplier contractor or consultant and also monitor the contract execution process effectively.

The rules also spell out guidelines to qualify Tenderers and what will lead to disqualification of a tenderer from a competitive process and description of requirements to generate sufficient healthy competition. The fact that communication among Entities and Service providers must specifically be confirmed in writing is also prescribed. It’s interesting that at this point, the need to keep proper records is given a lot of attention to ensure that a proper trail of this whole legal process is maintained. These rules if followed make public procurements transparent and reduce the likelihood of bias and manipulation of the system.

Methods and Tendering Procedures

There are clearly defined methods for any procurement to be made. These methods may be non-competitive (such as sole or single source) or competitive. Open competitive methods allow for maximum competition either nationally and internationally while restricted competition allow just a level of competition among selected Service Providers. The choice of a method is driven by either carefully described cir-

Procurement Cycle



cumstances or the thresholds to promote the attainment of best value.

A combination of a right method and tendering procedure that generates open, fair and transparent processes is a guarantee for selecting the most suited supplier, contractor or consultant.

Review

A very comforting provision within the process is the ability of Service Providers to complain about the procurement process or seek redress where the rules are broken by any Entity. This part of the process allows for fairness that is so critical for generating competition which is necessary for settling on who or what offers best value for money.

Disposal of Stores and Equipment

There have always been arguments about including issues on disposal in the procurement process. I agree with the school of thought and Act 663 which suggest that until the items are fully utilized with obsolete and obsolescent ones, done away with, the procurement process is incomplete. When all is said and done, the Act provides that unserviceable items or those that are no more needed by an Entity must not be allowed to occupy space, rot or become an environmental hazard. Entities must make conscious efforts to assess, value and dispose off these items by dumping or destroying, transfer to

another public institution (which needs them), sale by public tender or public auction. These open procedures will bring closure to the acquisition of the item and also possibly generate some income for the state.

It is worth noting that the whole process of procurement as prescribed by Act 663 and its benefit enumerated above, cannot be compromised if state institutions intend to maximize the little resources available for public acquisitions and projects. Procurement practitioners have therefore simplified the process (for goods) in the cycle below to guide spending officers on how to effectively manage procurement to secure best value. Every part of the cycle fits into the process identified by the various Sections of the Act.

Some practitioners have bemoaned the (perceived) challenges with following the processes. Experience have however revealed that the few issues notwithstanding, following the process through gives maximum benefits and practice will make practitioners more perfect and thereby confirm the ease of the procurement processes. Until State Institutions are ready to follow open and competitive procurement processes, the objective of the Act will not be achieved and Ghana will lag in its growth aspirations.

Yvonne Vanderpuye

Head HR&A -PPA



Benefits of Records Keeping as stipulated in the Law



Introduction

Records keeping is an important aspect of any process. Records keeping in the Procurement Process is no exception. In line with this, Section 28 of the Public Procurement Act, 2003 (Act 663) stipulates what must be kept during procurement proceedings. The aim of this section is to ensure that every event in the procurement process from Tender Invitations, through Tender Openings, Evaluation Reports and Approvals as well as records of Contract Management are recorded and all records appropriately filed. This article will briefly explore some benefits of records keeping as stipulated in the Procurement Act.

Benefits

Procurement record keeping brings with it a number of benefits to the entity, regulator and the country as a whole.

Procurement entities are enjoined by Act 663 to keep records of all proceedings on procurement. It is therefore the responsibility of the Procurement Officer to ensure that all documents pertaining to a specific procurement are placed in one file. Documents in a procurement file should be placed in a logical order outlined in the records keeping manual developed by PPA, in collaboration with the Public Records and Archives Administration (PPRAD-Ghana), to reflect the sequence of the transactions of the procurement action. With this action, the Procurement Officer will therefore be in a good position to account for every procurement transaction.

Other derived benefits from procurement records keeping include an indication of professionalization, improved decision-making and policy formulation based on reliable information as well as heightened accountability in the public procurement process. For instance, Section 28 (6) of Act 663 clearly specifies how a well maintained records system could encourage institutions of states such as the PPA, Auditor-General's Office, and Ministry of Finance & Economic Planning as well as officials of Development Agencies to conduct effective verifications and reviews of procurement activities that take place within the public sector.

Conclusion

Procurement records can critically help to reveal the history of past procurement and disposal requirements performance for efficient and effective procurement management. Entities must therefore keep proper records on all procurement proceedings to ensure transparency and accountability in all procurement activities.

<http://www.procurementclassroom.com/procurement-record-keeping/>

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Tendering and contract Information for periods indicated

[Tendering Opportunities for Jan - Feb 2014](#)

[Contracts Awarded for Jan - Dec 2014](#)

[Restricted Tender Awards Jan - Dec 2014](#)

[Expression of Interest Requests Jan - Feb 2014](#)

The links above will take you directly to the PPA Website Reports for the months of period indicated.



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