



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 THE PROCUREMENT AUTHORITY

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The Public Procurement Act, 2003, which seeks to promote fair, transparent and non-discriminatory procurement procedures to guarantee best value for state resources, established a number of structures to facilitate corporate decision making on Public Procurement. The Structures include the Procurement Entity which is required to have a Procurement Unit to manage the day to day procurement functions of the Entity, The Entity Tender Committee, which is assisted by an Evaluation Panel and four (4) levels of Tender Review Boards among others.

The Entity Tender Committee is one of the most critical components of the structure such that it is often better described as the “owner” of the procurement process in every Entity.

Composed of persons with varied skills/expertise/exposure, an effective ETC will definitely help in the achievement of the objectives of Public Procurement in Ghana. Poorly performing ETCs give room for mismanagement of the procurement processes, waste and high possibility of corruption.

To enable it function effectively, Act 663 prescribes that the membership of ETC be made up of Internal as well as External persons for a fair and more objective consideration of issues. ETCs are headed by the Heads of the Entities, while

members include the Head of Finance, Technical/Departmental Heads, Legal Persons (for some Entities) from the Attorney General’s office), Member(s) of Parliament and the procurement officer within the Entity.

In the discharge of its duties, the ETC is required to:

- Ensure that entities comply with the procedures detailed in the law.
- Exercise sound judgment in making procurement decisions.
- Where necessary, refer procurements above their thresholds to their Tender Review Board for approval.
- To enable the ETC duly perform these functions the Public Procurement Manual/ has detailed out the following activities:
 - Review and approve procurement plans which is a mandatory/critical tool for managing the procurement process
 - Receive assistance from an Evaluation Panel in the evaluation of tenders
 - Review and approve evaluation reports or forward them to the relevant approval authority or approval.

The ETCs however cannot modify submission by the Procurement unit or Evaluation Panel including recommendations for contract awards or reject any submission without good justifiable reason. In the event that they have an objection to any submission the

(Continued on page 9)



Online Activities

List of entities that have submitted their Procurement Plans online As At 31st August, 2010

- | | | |
|--|---|--|
| 1. Accra Metropolitan Assembly | 33. Ghana Civil Aviation Authority | 69. Komfo Anokye Teaching Hospital |
| 2. Accra Polytechnic | 34. Ghana Cocoa Board | 70. Konongo District Hospital |
| 3. Accra Psychiatric Hospital | 35. Ghana Education Service | 71. Korle bu Teaching Hospital |
| 4. Achimota Hospital | 36. Ghana Free Zones Board | 72. Kumasi Academy |
| 5. Asunafo North (Asunafo) | 37. Ghana Grid Company Ltd. | 73. Kumasi Metropolitan Assembly |
| 6. Aviation Social Centre Limited | 38. Ghana Health Service | 74. Kwaebiiirem |
| 7. Bank of Ghana | 39. Ghana Immigration Service | 75. Land Valuation Board |
| 8. Berekum Tr. College | 40. Ghana Institute of languages | 76. Lands Title Registry |
| 9. Bolgatanga Polytechnic | 41. Ghana Institute of Management And Public Administration | 77. Ledzokuku-Krowor |
| 10. Bureau of National Investigations (BNI) | 42. Ghana Library Board | 78. Maamobi Polyclinic |
| 11. Centre for Scientific Research Into Plant Medicine | 43. Ghana National Fire Service | 79. Mamprobi Polyclinic |
| 12. Controller And Accountant General Dept | 44. Ghana National Petroleum Corporation | 80. Management Services Division |
| 13. Council for Scientific and Industrial Research | 45. Ghana News Agency | 81. Maternal and Child Health Hospital |
| 14. Custom, Excise and Preventive Service | 46. Ghana Police Service | 82. Medical School |
| 15. Dental School | 47. Ghana Prisons Service | 83. MINISTRY OF COMMUNICATION |
| 16. Department for Community Development | 48. Ghana Reinsurance Company Ltd | 84. MINISTRY OF CULTURE And CHIEFTAINCY |
| 17. Department Of Feeder Roads | 49. Ghana Shippers Council | 85. MINISTRY OF EDUCATION |
| 18. Driver and Vehicle Licensing Authority | 50. Ghana Standards Board | 86. Ministry of Employment and Social Welfare |
| 19. E. P. Tr. College Amedzofe | 51. Ghana Statistical Service | 87. MINISTRY OF ENERGY |
| 20. Effa Nkwanta Regional Hospital | 52. Ghana Tourist Board | 88. Ministry of Environment Science and Technology |
| 21. Electoral Commission | 53. Ghana Trade Fair Company Limited | 89. MINISTRY OF FINANCE AND ECONOMIC PLANNING |
| 22. Energy Commission | 54. Ghana Water Company Limited | 90. MINISTRY OF FOOD And AGRICULTURE |
| 23. Environmental Protection Agency | 55. Ghana-India Kofi Annan Center of Excellence | 91. MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION |
| 24. Foods and Drugs Board | 56. GIHOC Distilleries | 92. Ministry of Information |
| 25. Forestry Commission | 57. Grains And Legumes Development Board | 93. MINISTRY OF JUSTICE AND ATTORNEY GENERAL |
| 26. Ga East | 58. GRATIS Foundation | 94. MINISTRY OF LANDS, FORESTRY And MINES |
| 27. Ga West (Ga) | 59. Ho General Hospital | 95. MINISTRY OF ROADS AND HIGHWAYS |
| 28. Ghana Academy of Arts And Sciences | 60. Information Service Department | 96. MINISTRY OF THE INTERIOR |
| 29. Ghana Aids Commission | 61. Institute Of Professional Studies | 97. MINISTRY OF TOURISM |
| 30. Ghana Airports Company Limited | 62. Internal Audit Agency | |
| 31. Ghana Atomic Energy Commission | 63. Internal Revenue Service | |
| 32. Ghana Broadcasting Corporation | 64. Juaben District Hospital | |
| | 65. Judicial Service | |
| | 66. Kaneshie Polyclinic | |
| | 67. Kassena/Nankana | |
| | 68. Koforidua Polytechnic | |



- | | |
|---|--|
| <ul style="list-style-type: none"> 98. Ministry of Transport 99. Ministry of Women and Children Affairs 100. Ministry of Youth and Sports 101. Mount Mary College 102. Mpohor Wassa East 103. Narcotics Control Board 104. National Accreditation Board 105. National Board for Professional And Technical Examinations 106. National Board for Small Scale Industries 107. National Commission For Civic Education 108. National Council for Tertiary Education 109. National Development Planning Commission 110. National Disaster Management Organization 111. National Film and Television Institute 112. National Health Insurance Authority 113. National Identification Authority 114. National Insurance Commission 115. National Lottery Authority 116. National Pensions Regulatory Authority 117. National Population Council 118. National Vocational Training Institute 119. Noguchi Memorial Institute 120. Non Formal Education Division 121. Nyinahin District Hospital 122. Office of the Head of Civil Service 123. Office of the Regional Health Directorate – Brong Ahafo Region 124. Office of the Regional Health Directorate – Eastern Region 125. Parliament 126. Peki Training College | <ul style="list-style-type: none"> 127. Pharmacy Council 128. Public Procurement Authority 129. Revenue Agency Governing Board 130. Ridge Hospital 131. Serious Fraud Office 132. Shama-Ahanta East Metropolitan Assembly 133. SIC Life Company Limited 134. Social Security and National Insurance Trust (SSNIT) 135. South Dayi District Assembly 136. St. Joseph’s Tr. College 137. Students Loan Trust Fund 138. Suhum Government Hospital 139. Sunyani General Hospital 140. Sunyani Polytechnic 141. Takoradi Polytechnic 142. Tamale Polytechnic 143. Tema Metropolitan Assembly 144. Tepa district Hospital 145. Tetteh Quarshie Memorial Hospital 146. University For Development Studies 147. University Of Education Winneba (UCEW) 148. University Of Ghana (UG) 149. University of Ghana Business School(UGBS) 150. University Of Science And Technology (KNUST) 151. Value Added Tax Service 152. Volta- Regional Co-ordinating Council 153. Volta River Authority 154. Wesley Girls High Sch. 155. West Africa Sec. Sch 156. West African Examination Council |
|---|--|

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.

[Tendering / Contract Information for September and October 2010](#)

[Tendering Opportunities for Sept-Oct 2010](#)

[Contracts Awarded for Sept-Oct 2010](#)

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

[Expression of Interest Requests Sep-Oct 2010](#)

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



IMPACT OF ACT 663 ON GOOD GOVERNANCE: PRIVATE CONSULTANTS PERSPECTIVE

Introduction

Procuring construction services and general goods has over the years been anchored by professionals based on the financial consideration. In times of old various professional bodies have their own procurement format and documentation. This usually brings discrepancies in the way public procurement is carried out and thereby its effect on the level of transparency.

Procurement of Goods and Services

Since Independence the documentation for procurement of construction works has been handled by construction professionals with the requisite training. The main conditions of contract procurement was the Pink Form or the Standard Ghana Government Conditions of Contract. With the advent of multi-lateral and International support for the development of our national infrastructure and the conditions for such agencies towards ensuring good quality works transparency in the procurement processes other specific conditions were introduced for adoption during public procurement.

For example since the documentation, processes and evaluation of tenders for procurement of goods and services were influenced by the financing agencies like World Bank, IFC, DANIDA, CIDA, JICA etc, depended on other localized and international documentations

for the procurement of construction services and goods. This could lead to excessive duplication of documentations and its attendant conditions on projects that are being funded by more than two international agencies or multi-lateral donors.

Furthermore, there is usually confusion as to which procurement document and processes to be used for the various infrastructure projects, consultancy services and goods.

The lack of coherent and clear direction in the public procurement of goods and service created situations for government agencies and functionaries to use any process and document to procure Government of Ghana projects that are locally funded with impunity and without recourse to the principle of good value for money, fairness and transparency.

Public Procurement Act 663

Due to the inherent challenges in the processes and documentation used for procuring public projects (ie goods and services), the Public Procurement Act 2003 was promulgated to address such challenges.

The key characteristics of the Procurement Act 663 are;

- a. Classification of the works or services for tender
- b. Tender advertising processes



- c. Tender evaluation processes
- d. Tender review processes
- e. Conditions of contract for goods and services
- f. Contract award procedures etc

Public Procurement and Good Governance

The main ingredients of Good Governance are;

- a. Ensuring that the dignity, lives, and security (ie financial and social) of citizens are protected.
- b. Development of infrastructure and allocation of resources are not discriminated on the basis of gender, religion, ethnicity, politics and regional demarcations
- c. Good value for money in the development of public infrastructure.
- d. Reduction in corruption in the procurement of goods, works and services.

From the above analysis, it can be seen that there is a clear relationship between good governance and public procurement. This is because if procurement processes are outlined fairly in a transparent manner, it will enrich good governance.

Impact of Act 663 on Good Governance

We as private Professional Practitioners (ie Quantity Surveyors, Architects, Engineers, Planners, Management Consultants), a departure from the period where different documents and conditions of contract are used in the procurement of goods and services have brought to the fore the following positive impact;

- a. Transparency in the public procurement

b. Harmonization of documents and processes used in the public procurement. This is because there are classifications and procedures for works, goods and services that set the stage for a common platform for all prospective tenderers .

c. Reduction in the cost of tendering and management of the tendering processes.

d. There is always good value for money resulting from the competitive processes as outlined in the Procurement Act 663.

e. Engagement of competent Professionals for the evaluation of tenders for works and goods.

However, the negative impact of the Public Procurement Act, Act 663 is the lack of competent **Tender Evaluation Professionals** for services.

Conclusion

From the foregoing, it could be seen that despite the challenges from the application of all the provisions in the Public Procurement Act the benefits are more than the negatives.

K. Obeng-Ayirebi

Ghana Institution of Surveyors



Views of Service Providers of Impact of Procurement Act (Act 663) On Their Procurement Activities (IPMC, Kingdom Books and Stationary, Korle-Bu Teaching Hospital)

PPA *What sector of the economy do you operate?*

IPMC : Large Scale

KBS : Large Scale

K-Bu: Large Scale (Public Service)

PPA. *What do you know about Act 663?*

IPMC I know the law was passed around 2000/2004, the main aim of the law is to eradicate corruption and get value for money for government.

KBS To assist the government in getting value for money in a transparent manner. To eliminate corruption

K-Bu As far as Public Procurement is concerned, we know much, everything we do in terms of threshold, invitation of tenders, tender opening, Procurement plan has been highlighted in the Act. The procedural manual explains what is in the Act. The Act is helpful during evaluation exercise; paneling is seen in the procurement manual

PPA. *Do you participate in Public Tenders?*

IPMC Yes, almost all the time. It will interest you to know that is how I do know more about the Law and the Act.

KBS YES

K-Bu Yes, as an entity we conduct Public Tender , and invite Suppliers, Consultants and Contractors.

PPA *Where do you get the information about the tenders?*

IPMC We normally get information about tenders from the newspapers-Daily Graphic and Ghanaian Times.

KBS We always get them from the newspapers

K-Bu Not Applicable

PPA *Have you participated in any tender opening (Yes/No) If Yes, How transparent was the process*

IPMC YES

PPA *Have you participated in any tender opening (Yes/No) If Yes, How transparent was the process.*

IPMC YES, It's always transparent in all the opening we have attended. They will open the bid; they will declare the various quotations and tell you about the bid bond. These three things tell us about the transparency of the tender opening.

KBS YES

It is some times transparent, because we heard that some officials from the various entities collude with the suppliers .e.g. if I work at the Ministry of Education and there is a contract to be awarded, I will secretly give out some of the information to my favorite supplier in order to have an upper hand over the rest. They don't also write to us to inform us as to who won or otherwise. We also get a fair idea on bid security. They don't give us details of the process, evaluation results, its sometimes very discouraging, because of that now we don't really go to bid for tenders.

K-Bu Tenders are opened in presence of the tenderers in a specified venue and time for tender submission and opening.

PPA *Have you had any training on Act 663?*

IPMC. NO, But we will appreciate it if your outfit will give us some training on the law.

KBS No formal training, But we will be grateful if you can give us some training so that we be abreast with the law.

K-Bu Yes, PPA organized Procurement Training on the Act 663 at Alisa Hotel. Another at an office opposite Musiga office, certificates were provided after the course.

Recently another training was organized by ABM Consult at Labone Course taught were Procurement Planning, how to prepare tender document, tender evaluation, notification of Award, contract execution management

World Bank Procurement Training in 2001

PPA *Do you think the Public Procurement process is fair?*

IPMC Yes it is fair, but just that sometimes we don't get to know who the contract was awarded to and when it was awarded. It is only in some few institutions who writes to



to who won or not.

KBS It is not fair enough; this is because in some instances they even know those who will win even before the contract is awarded. Furthermore, because if we don't get any feedback it is difficult for us to know whether the supplier who won really participated in the whole process.

K-Bu Is fair in the sense that if you look at the criteria for participation, government is spending taxpayer's money through procurement activities. In that sense it is fair to say that business entities do honour their tax obligation. If you are a start up, this criteria is not used against you. You just submit the requirement to contribute to the process. It gives the supplier the opportunity to find out, probably seek clarification as to what went wrong. Seeking redress is also important.

It is fair as the criteria that are set qualifies every entity to every one. It has no barrier that it is across board. It sets rule for every entity to comply. Every tenderer who emerges as a winner poses no problem.

PPA *Have you won any public contract?*

IPMC Yes, several of them, from GCB, ADB, and Ministry of Finance. In all these contracts we supplied IT products.

KBS A whole lot like, Ministry of Education, University of Ghana, SSNIT, Regional Maritime University, in all these we supplied office furniture and stationary.

K-Bu Not Applicable

PPA *Do you visit the Public Procurement Authority's website (Yes/No)?*

If Yes, do you visit the General Opportunities link?

How useful is the General Opportunities information

IPMC YES We get to know that some of the entities that have advertised or placed their tenders. We have also realized that some of the tenders placed on your website does not have address of the entity advertising. So we plead that you correct it so we can always follow up. We don't visit that link

KBS NO

K-Bu Yes, to submit our Procurement Activities

PPA *Has the Act helped your business with government?*

IPMC In some place it has. I must say this is a difficult

question. The law brings some sanity in the procurement business.

There are instances where even though you have the lowest price with the best specification (technically) you will still be denied the contract. Here Government is likely to purchase inferior goods and therefore will not get value for money.

KBS YES, at least once supply is done; payment is fast. There is less ambiguity such as you didn't supply this so we will not pay you

K-Bu Yes, it gives legal protection. Your job is designed in certain parameters. In procurement of goods, when you are comparing, you can't go to price comparison to select who is given the competitive price, negotiate on price, where a specific method you can operate. Outside the parameter will amount to acting not in accordance with the provisions of the Act.

PPA. *Do you think the Act should be maintained (Yes/No)? Are there any changes you will want to suggest If No, what do you think should be done?*

IPMC YES, The law has to be maintained. In fact there will be a whole lot of anarchy without the law. It has brought some sense and fear in the whole business. Here are some few suggestions

- The tender document should be paid in draft or cheque instead of the physical money.
- The cost of the tender document should commensurate with the total cost of the contract.
- We should have online submission of tenders as it is done with the multi-national companies
-

KBS YES, It is definitely better as compared to the past where someone can give contract to the brother or cronies. That use to breed corruption and the government do not get value for money. 99% of the problem is at the entity level, I think the entity tender committees are not doing better. Feedback should be enforced, so that bidders will know the status of their bid.

The evaluation should be transparent

Right of bidders to recourse should be stated in the tender documents.

K-Bu Yes, Threshold reduces competition

Threshold of price quotation should be increased.



PPA *In your opinion, is the procurement process too long?
(Yes/No/Just OK)*

IPMC It is OK

KBS NO, but sometimes the payment delays especially the government institutions.

K-Bu Just ok, because if you plan your requirement, then the current lead- time should not pose a challenge. You know the month, days to prepare adequately.

PPA *Have you had a prblem with the procurement process (Yes/No)?*

If Yes who did you complain to?

Was the issue addressed? (Yes/No)

Were you satisfied with the outcome (Yes/No)?

IPMC YES, I cannot discuss it here, but to a higher authority of this country.

Definitely no, but how can we complain

We were not satisfied, how do you expect us to be satisfied when we were denied a contract that we were suppose to win. Let me tell you, the government would have saved thousand of dollars if we were awarded this contract.

KBS YES, but will not want to talk about it.

K-Bu No

IPMC It is OK

KBS NO, but sometimes the payment delays especially the government institutions.

K-Bu Just ok, because if you plan your requirement, then the current lead- time should not pose a challenge. You know the month, days to prepare adequately. Do good projection then will not be justification we need this immediately.

Suppliers Change Management finds it difficult in managing the Procurement Planning without the current procurement processing Step.

PPA *Have you had a prblem with the procurement process (Yes/No)?*

If Yes who did you complain to?

Was the issue addressed? (Yes/No)

Were you satisfied with the outcome (Yes/No)?

IPMC YES, I cannot discuss it here, but to a higher authority of this country.

Definitely no, but how can we complain

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KBS YES, but will not want to talk about it.

K-Bu No



(Continued from page 1)

ETC shall communicate their finding/reasons for a reconsideration of the submission or the Evaluation Report.

Over the years, ETCs have effectively led the management of procurement in Entities, despite numerous challenges which include;

Difficulty in getting the external members i.e. Parliament and Attorney General's Representatives on relevant ETCs. Recommendations have been made for a review of this Membership by the PPA. This notwithstanding a quorum is obtainable without these, therefore Entities are required to document efforts to get these members until the amendments are made to the law.

Some Entities are also unable to empanel the number of members considering their sizes or skills available. Notable among these are smaller health and educational institutions. This challenge is being addressed by the review.

Heads of Entities' desire to break bulk such that no or very few procurements are forwarded for consideration by

ETC. To curtail this, as required under the Act, ETCs must insist on proper procurement planning and implementation.

Lack of capacity of ETC has remained a challenge. However with the intensive training currently on-going by the Public Procurement Authority, Entities are encouraged to make their members available for the training to enhance performance and achievements of objectives.

Payment of relevant sitting allowances has also been a source of concern. However the advantages of an effective procurement process far out weigh the cost of the process. Entities are also advised to organize their procurement such that a number of issues/tenders are considered at a sitting to reduce frequency of ETC meeting.

ETCs account for every success in Entities procurement and should be given every support to perform.

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