



# E-Bulletin

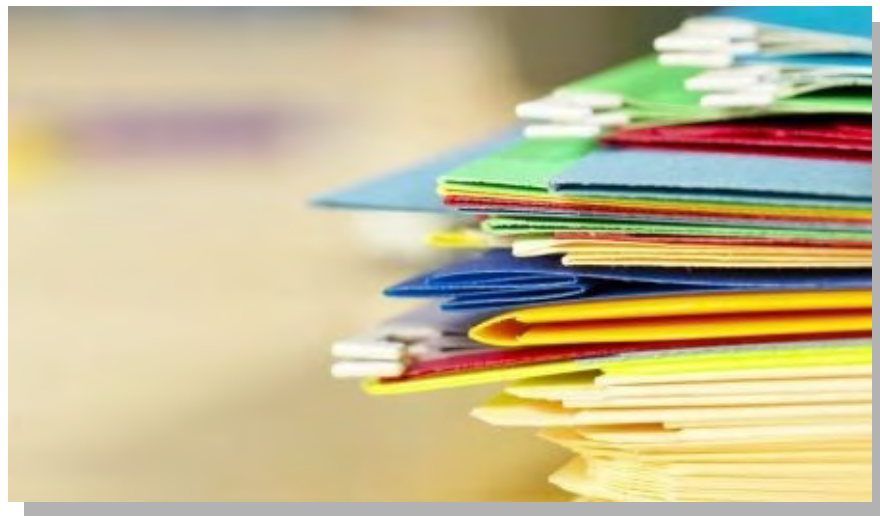


P U B L I C P R O C U R E M E N T A U T H O R I T Y

## DOCUMENTARY REQUIREMENTS FOR EFFECTIVE PUBLIC PROCUREMENT

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**D**ocumentary evidence required in procurement proceedings must comply with the Evidence Decree, 1975 (NRCD 323). Section 22 of the Public Procurement Act, 2003 (Act 663) also enjoins procurement entities to require from tenderers appropriate evidence/other information that it considers useful to satisfy itself that the tenderers are qualified in accordance with the criteria set for a particular tender.

Indeed, for all manner of procurements be they goods, works and services and irrespective of the method of procurement being used be it Price Quotation, National or International Competitive Tendering, Selective Tendering or even Single Source Tendering; documentary requirements

play a vital role as they are copiously specified in all Standard Tender Documents (STDs). Moreover, specified documents forms part of the compliance criteria used to evaluate tenderers capacities leading to the award of contract. Thus, submission of required documents allows tenderers to justify their claims and solidify their viability and competency to execute the procurements they tender. Therefore, service providers who tender should be willing and ready to defend or give credence to their documentations any time they are called upon to demonstrate their qualifications as indicated by their tender, since failure to do this could lead to their disqualification.

The list of documentary requirements could

*(Continued on page 5)*



## O N L I N E   A C T I V I T I E S

### List of entities that have submitted their 2011 Procurement Plans online As At March, 2011

- |   |  |
|---|--|
| 1. Accra Polytechnic  | 39. Grains And Legumes Development Board                       |
| 2. Adenta   | 40. Ho Polytechnic   |
| 3. Bank of Ghana  | 41. Institute Of Professional Studies                          |
| 4. Berekum Tr. College                                      | 42. Internal Audit Agency                                      |
| 5. Bolgatanga Polytechnic                                   | 43. Juaben District Hospital                                   |
| 6. Cape Coast Metro   | 44. Judicial Service   |
| 7. Centre for Scientific Research Into Plant Medicine       | 45. Koforidua General Hospital                                 |
| 8. Commission on Human Rights and Administrative Justice    | 46. Komfo Anokye Teaching Hospital                             |
| 9. Controller And Accountant General Dept                   | 47. Korle bu Teaching Hospital                                 |
| 10. Council for Law Reporting                               | 48. La Polyclinic  |
| 11. Council for Scientific and Industrial Research          | 49. Ledzokuku-Krowor   |
| 12. Dental School   | 50. Maamobi Polyclinic   |
| 13. Department of Children                                  | 51. Medical School   |
| 14. Driver and Vehicle Licensing Authority                  | 52. MINISTRY OF CULTURE And CHIEFTAINCY                        |
| 15. Effa Nkwanta Regional Hospital                          | 53. MINISTRY OF EDUCATION                                      |
| 16. Effiduase District Hospital                             | 54. MINISTRY OF ENERGY   |
| 17. Electoral Commission                                    | 55. Ministry of Environment Science and Technology             |
| 18. Enchi Tr. College                                       | 56. MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION       |
| 19. Energy Commission                                       | 57. MINISTRY OF HEALTH   |
| 20. Environmental Protection Agency                         | 58. MINISTRY OF JUSTICE AND ATTORNEY GENERAL                   |
| 21. Forestry Commission                                     | 59. MINISTRY OF LANDS, FORESTRY And MINES                      |
| 22. Ga West (Ga)  | 60. MINISTRY OF THE INTERIOR                                   |
| 23. Ghana Airports Company Limited                          | 61. MINISTRY OF TOURISM And DIASPOREAN RELATION                |
| 24. Ghana Atomic Energy Commission                          | 62. Ministry of Transport                                      |
| 25. Ghana Audit Service                                     | 63. Ministry of Women and Children Affairs                     |
| 26. Ghana Broadcasting Corporation                          | 64. Mount Mary College   |
| 27. Ghana Civil Aviation Authority                          | 65. Mpohor Wassa East  |
| 28. Ghana College of Physicians and Surgeons                | 66. Narcotics Control Board                                    |
| 29. Ghana Grid Company Ltd.                                 | 67. National Board for Professional And Technical Examinations |
| 30. Ghana Immigration Service                               | 68. National Board for Small Scale Industries                  |
| 31. Ghana Institute of languages                            | 69. National Cardiothoracic Centre                             |
| 32. Ghana Institute of Management And Public Administration | 70. National Commission on Culture                             |
| 33. Ghana Library Board                                     | 71. National Health Insurance Authority                        |
| 34. Ghana Police Service                                    | 72. National Identification Authority                          |
| 35. Ghana Prisons Service                                   | 73. National Insurance Commission                              |
| 36. Ghana Revenue Authority                                 | 74. National Lottery Authority                                 |
| 37. Ghana Shippers Council                                  | 75. National Petroleum Authority                               |
| 38. Ghana Standards Board                                   |  |



- |  |   |
|--|---|
| 76. National Service Secretariat                               | 99. Tamale Polytechnic                            |
| 77. National Vocational Training Institute                     | 100. Tema Metropolitan Assembly                   |
| 78. Noguchi Memorial Institute                                 | 101. University Ghana School of Pharmacy          |
| 79. Non Formal Education Division                              | 102. University Of Cape Coast (UCC)               |
| 80. Nyinahin District Hospital                                 | 103. University Of Science And Technology (KNUST) |
| 81. Office of the Regional Health Directorate – Eastern Region | 104. Volta River Authority                        |
| 82. Parliament   | 105. Wesley Girls High Sch.                       |
| 83. Pharmacy Council   | 106. West African Examination Council             |
| 84. Public Procurement Authority                               | 107. Western- Regional Co-ordinating Council      |
| 85. Public Utilities Regulatory Commission                     | 108. Wiawso Tr. College                           |
| 86. Registrar Generals Department                              |   |
| 87. Serious Fraud Office                                       |   |
| 88. Shama District Assembly                                    |   |
| 89. SIC Life Company Limited                                   |   |
| 90. Social Security and National Insurance Trust (SSNIT)       |   |
| 91. South Dayi District Assembly                               |   |
| 92. St. Joseph's Tr. College                                   |   |
| 93. Students Loan Trust Fund                                   |   |
| 94. Suhum Government Hospital                                  |   |
| 95. Sunyani General Hospital                                   |   |
| 96. Sunyani Polytechnic  |   |
| 97. Sunyani West   |   |
| 98. Takoradi Polytechnic                                       |   |

**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 AND CONTRACT INFORMATION FOR PERIODS INDICATED**

[Tendering Opportunities for Mar - Apr 2011](#)

[Contracts Awarded for Jan-Apr 2011](#)

[Restricted Tender Awards Jan-Apr 2011](#)

[Expression of Interest Requests Mar -Apr 2011](#)

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



# DEVELOPING PROCUREMENT SPECIFICATIONS

**S**pecification of items to be procured forms a vital part of the procurement function. Many contracts run into difficulties because the technical specification has been written without sufficient care or consideration of what is really required.

A specification is a document that clearly and accurately describes the essential technical requirements for items, materials, or services including the procedures by which it can be determined.

A specification does not contain features that directly or indirectly discriminate in favor of or against any supplier, product or process.

General Factors to be Taken into Account in developing and reviewing Specification

- Clarity and consistency
- Innovation and reliability
- Standardization
- Avoid the use of brand names
- Environment
- Packaging
- Maintenance provision

## Importance of Technical Specifications

Specifications of items have to respond to the following objectives in accordance with basic procurement principles:

Define with precision and clarity the products, works, services or performance capacity which the procuring entity wishes to procure;

Drafted in a manner that they will **maximize competition**; and provide equal opportunity for all potential suppliers to offer a product or service which satisfies the needs of the user.

Enable the purchaser to compare and evaluate tenders in an objective and transparent manner, since the products, works or services proposed by the tenderer in its tender must substantially comply with the; specifications.

## TYPES OF SPECIFICATIONS

**Technical**, provides indicative technical and physical characteristics of a product in terms of physical dimensions, capacity parameters, input and output, chemical formula, printing format, type of material to be used in manufacture, the location and purpose, etc.

**Functional**, which define the function(s) to be performed by the product, e.g. machine tool, a medical operating block, automated records keeping system.

**Performance**, defines the performance required of an item, e.g. a compressor, a photocopy machine, a meat grinder suitable to grind three kilograms of fresh meat trimmings per minute through a cutter plate with 0.25 cm holes.

**In summary**, when writing technical specifications, do not try and use a simple formula approach. Do not be over detailed in the means required. Instead, put the emphasis on what is to be achieved. Be careful in evaluating tenders to ensure that the means proposed by the suppliers, contractor and consultant are consistent with meeting your objectives (but remember, he should know his job better than you do, otherwise why are you using him?).

*Minawara Adams*

*Procurement Officer*

*PPA*



## DOCUMENTARY REQUIREMENTS FOR EFFECTIVE PUBLIC PROCUREMENT

*(Continued from page 1)*

be endless. However, for a tender to be considered as being substantially responsive, members of an evaluation panel during preliminary examinations of the tenders expect to find fully completed tender documents and copies of any of the following depending on the requirements of the tender namely;

- Valid Tax Clearance Certificate;
- Valid Certificate of Commencement of Business;
- Valid VAT Registration Certificate and SSNIT Registration Certificate; and
- Tender Security and Manufacturer's Authorization where applicable.

The importance of having such documentary evidence goes without saying. For instance, tender securities and other securities ensure that the procurement entity is sufficiently protected against the risk of failure to abide by the terms of the tender. Performance bond on the other hand provides security and assurance to the procurement entity that goods and related services will be provided in accordance with the contractual requirements within a stipulated time frame.

Tax Clearance Certificates and SSNIT certificates also gives a favourable indication that the bidding firm is a good corporate citizen that honors its obligation and therefore worthy to transact business with a state institution. Finally, evidence of an authentic manufacturers' authorization also provides the assurance that goods procured will obtain required after sales services as the entity considers the life time cost of the products.

To this end, it is essential to emphasize that, tenderers in their bid to win government contracts must pay critical attention to all documentary requirements stated in the tender documents in order to remain RESPONSIVE. This is because, it is only when a tender fully complies with all the technical specifications and the commercial certifications required that it can be considered as being technically and commercially responsive and viable for evaluation of its financially proposals. In others words, price must not be the most decisive element in public procurement but rather the ability of the tender to be compliant with all requirements of the procuring entity as specified in their tender documents.

*Rhoda Appiah*  
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*PPA*



## “LANDMINES” IN THE PROCUREMENT PROCESS

**P**ublic Procurement has both economic and social impact on the growth of a country's economy. In 1996 the then Ghana Government launched the Public Financial Management Reform Programme (PUFMARP) which identified weaknesses in the procurement system. In order to control these weaknesses the Public Procurement Act 2003, (Act 663) was passed in 2003. The Act establishes public procurement processes and procedures that need to be followed when applying public funds wholly or partly in the procurement of goods, works and services.

### PROCUREMENT PROCESS

Entities (Public organizations/institutions) that undertake public procurement must ensure that they are guided by the following procurement processes;

- ◆ **Procurement Planning** - This is where procurement requirements are determined and specified by the user departments/agencies which are collated and grouped according to their similarities called contract packaging. It also takes into account the procurement rules and method which would be applied in procuring goods, works and services.
- ◆ **Sourcing** - This stage includes pre-qualification of potential suppliers, preparation and issue of tender documents, requests for quotation or requests for proposals, evaluation of responses and the selection of the successful tenderer. Negotiations may be required.
- ◆ **Contract & Contract Management** - This is a stage where formal contract documents are

drawn up, using the agreed terms and conditions, and signed by both parties. The awarded contract is managed, to ensure that both the buyer and supplier perform their contractual obligations.

- ◆ **Storing** - This phase is where goods that are not being used immediately are stored to ensure that no damage or loss occurs.
- ◆ **Distribution** - Goods in storage need to be delivered to their final destination in accordance with customer or user requirements.
- ◆ **Disposal** - Unserviceable, obsolete or surplus stocks need to be disposed of. Depending on the nature of the goods and their condition, they may be sold by public tender or auction, transferred to another public organisation or destroyed.
- ◆ **Evaluation** - It is vital to evaluate how well the procurement process has gone, identify any weaknesses or problems and agree actions to prevent similar problems in the future.

### THE “LANDMINES”

Since Public Procurement is very technical in nature, it requires a great deal of knowledge, skills and experience for it to be successfully managed. It is therefore important for practitioners to be aware of the following landmines in the procurement process.

- ◆ When the user department is not conversant with the technical specification of the required items.
- ◆ Difficulties in contract packaging since some packages can be classified as either goods or services.
- ◆ Difficulties in drafting technical specification. This normally led to application for variations in the work being executed. In some instances service providers may over specify by including





unnecessary details which do not add value but rather increase cost.

- ◆ Lack of procurement plan: A lot of entities fail to prepare their annual procurement plan as a result procures items haphazardly.
- ◆ Inadequate knowledge in contract packaging.
- ◆ Insufficient knowledge in tender evaluation. Most entities do not constitute competent or skilful evaluation panel to evaluate tenders. This often leads to difficulties in contract management.
- ◆ The cost involved in engaging specialist or consultant to assist in the drawing of technical specifications which requires the skills of technical expertise.
- ◆ When procurement is not properly plan it delay the procurement process which normally led to emergency procurement.
- ◆ Conflict between user departments and the procurement units upon receipt of goods and services that do not meet user's expectations.
- ◆ Delays in paying for executed contract.

## RECOMMENDATION

In other to overcome these landmines, procurement practitioners must ensure that they adhere to best practice. The following recommendations would help eliminate the landmines that procurement practitioners often go through.

- ◆ User departments should be involved in the tendering process to avoid conflict.
- ◆ Introduction of e-procurement in which almost

the entire procurement process is done online there by reducing/eliminating paper usage or human intervention.

- ◆ Implementation of record keeping procedures for easy reference.
- ◆ The review of the Standard Tender Documents to reduce the bulkiness.
- ◆ To avoid the delay, the procurement process needs to be started as planned.
- ◆ Entities should acquire the services of specialist when dealing with complex assignments.
- ◆ Entities should have annually refresher training in order to be abreast with current issues with public procurement.

## CONCLUSION

In conclusion, entities should partner effectively with the Public Procurement Authority (PPA) which is the regulator of public procurement in Ghana to be trained and guided on how to effectively and efficiently manage their procurement activities. In order to overcome these landmines, entities should also be guided by Act 663, PPA's Standard Tender Documents (STDs), Manuals, in their procurement activities. These materials can be downloaded on the Authority's website [www.ppaghana.org](http://www.ppaghana.org) or can be assessed at the offices of the Authority.

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## Benefits of e-Procurement to the Public Sector

It is an established fact that procurement is a significant governmental action. Public procurement also forms a greater portion of the nation's GDP. Government is therefore looking for innovative ways to improve efficiency and transparency of this important process. Since the mid-1990s, many governments have begun to actively adopt various e-procurement tools, such as Web-based proposal requests and Internet bidding, digital signatures for procurement documents, reverse auctions, electronic ordering, automated procurement systems, purchasing cards, etc. As the Ghana government is anticipating implementation of e-procurement for government procurement, we review some of the benefits that the Public Sector is expected to derive.

E-Procurement offers a number of benefits to the Public Sector. Among these are;

### Improved Efficiency and Transparency

E-procurement provides an effective and efficient way of improving procurement while saving taxpayers money, all the more crucial as government faces increasing spending pressures.

Use of online services for procurement activities gives wider participation of service providers leading to increased competition. It also saves businesses time by speeding up order to delivery times and is a more sustainable way of doing business for government.

Transparency is ensured as evaluation and award process is conducted online without any human intervention. Information made available online by the e-procurement process enables interested parties such as civil societies, suppliers, contractors etc, to instantly access information associated with each tender and award process.

### Reduced administrative procedures

Requests for tenders or proposals can be placed on the Web or emailed to service providers, eliminating the need for traditional mail (post, courier or hand) delivery waiting periods, which may take up to couple of weeks, between the announcement of a contract and the acceptance of tenders.

E-Procurement will also streamline the purchase order process resulting in less duplication of effort and improved accuracy.

Tenderers can be notified immediately by email.

### Reduced transaction cost

There are a number of costs associated with the traditional procurement process such as;

Publishing of tenders in newspapers

Printing of tender documents

Printing of Contract Award documents

Costs associated with evaluation meetings

Other costs

These costs will be eliminated with the establishment of e-procurement as tendering and evaluation processes will be conducted online. The government will also be able to reach a wider audience rather than a limited local readership most of whom will not be in the business of tendering on state procurement opportunities. The use of the internet provides multiple opportunities for companies in the business of supplying government needs to participate, thus leading to a broadening of the supplier database and lower prices as a result of the increased competition.

E-procurement can also significantly reduce the price of materials and supplies. Government agencies can more easily identify the best value when they have access to more suppliers. This not only results in





increased competition, but new visibility also creates opportunities for small businesses that were previously unavailable. Using online reverse auctions, buyers and sellers can quickly exchange information and bids, which often results in significant savings.

### Sharing of Information

Use of a single portal for e-Procurement allows government registered agencies on the portal to share common information including;

Supplier database

Price database

e-catalogues

E-Procurement allows government entities to aggregate their purchases to obtain better prices from

suppliers. Additionally, E-Procurement allows greater visibility into nation-wide procurement information, allowing the nation to negotiate better term contract savings. Purchase orders will be processed and sent to vendors in a fraction of the time

Digitized transactions provide a complete, instantaneous, and far more accurate audit trail that allows management to track the status of orders, and identify and fix problems sooner.

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