



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

Procurement Planning - Bedrock For Successful Public Procurement Reforms

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Procurement planning is the process that identifies what needs to be procured, how project needs can best be met, the scope of the goods, works and services required, what procurement strategies or methods to be deployed, setting the time frames, and the responsibilities for the full procurement process”. Simply put, it is an integral part of the procurement cycle that guarantees efficient and economical delivery of goods, works and services in an acceptable and timely manner.

Section 21 of the Public Procurement Act, 2003 (Act 663) provides that public entities plan their procurements in conformity with approved budgets as given by Ministry of Finance and Economic Planning and their institutional strategic plans. These plans must include essential information such as: Contract packages, Estimated cost for each package, the procurement method to used and the processing steps and lead times.

Ideally, procurement plans are expected to be prepared as part of the annual budgeting process, preferably during the last quarter of each year. The Procurement Unit of each entity is required to initiate the process by collating individual user departments’ requirements to be procured in the ensuing year and it is these information that are fed into the procurement plan and then reviewed and approved by the Entity Tender Committee of the procurement entity for onward submission to the Ministry of Finance & Economic planning with copies to the PPA.

For effective transaction of government business, procurement planning plays such an enormous role. First of all, it prevents ad hoc procurements and ensure sanity and discipline in public financial management. Secondly, robust procurement plans provide valuable input for regulatory institutions such as the PPA to monitor public procurement activities being undertaken in the country to check on compliance and make available accurate statistics and information that

could be used to inform government policies and programmes. Thirdly, pragmatic procurement plans also helps players in the private sector who represent the supply side of the procurement process to enjoy timely payment for contracts executed and thereby enable them exert the much needed confidence in the procurement process.

Considering the enormous role that good procurement planning offer and buttressed by the fact that it is supposed to serve as the bedrock to the successful implementation of Ghana’s public procurement reforms, it is regrettable to note that entities prefer to keep a blind eye to this all important provision as they continue to flout it with obstinacy despite numerous reminders and efforts to encourage them to comply with this provision. Indeed, information available indicates that to date, only 66 out of 1,000 entities have so far submitted their plans with the rest living in a state of eccentric oblivion, denying themselves of the inherent benefits that a good procurement plan can afford.

It is to avert this unfortunate trend that the PPA has decided to commit this maiden edition of its E-Bulletin to whipping a renewed enthusiasm among entities towards greater compliance. Thus, by way of commendation, we present to you the list of entities that have so far submitted their procurement plans online, we also share with you “Dividends of Effective Public Procurement Planning”. We also allow you a peep into tender notices posted by Entities for May-June as well as Contract Awards from Jan. –June, 2010 and use this platform to convey some very important information for the attention of Procurement Entities and players in the Private Sector.

It is our hope that this edition will generate the necessary interest as it contributes to national discourse on public procurement issues.

Rhoda E. Appiah-PPAO



Online Activities

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

- | | | |
|---|--|--|
| 1. Accra Metropolitan Assembly | 30. Ghana Prisons Service | 64. |
| 2. Accra Psychiatric Hospital | 31. Ghana Shippers Council | 65. National Board for Professional And Technical Examinations |
| 3. Asunafo North (Asunafo) | 32. Ghana Standards Board | 66. National Council for Tertiary Education |
| 4. Aviation Social Centre Limited | 33. Ghana Statistical Service | 67. National Development Planning Commission |
| 5. Berekum Tr. College | 34. Ghana Tourist Board | 68. National Disaster Management Organization |
| 6. Bolgatanga Polytechnic | 35. Grains And Legumes Development Board | 69. National Film and Television Institute |
| 7. Bureau of National Investigations (BNI) | 36. GRATIS Foundation | 70. National Lottery Authority |
| 8. Centre for Scientific Research Into Plant Medicine | 37. Ho General Hospital | 71. National Vocational Training Institute |
| 9. Controller And Accountant General Dept | 38. Internal Audit Agency | 72. Noguchi Memorial Institute |
| 10. Council for Scientific and Industrial Research | 39. Internal Revenue Service | 73. Nyinahin District Hospital |
| 11. Customs, Excise and Preventive Service | 40. Juaben District Hospital | 74. Office of the Head of Civil Service |
| 12. Dental School | 41. Judicial Service | 75. Office of the Regional Health Directorate – Brong Ahafo Region |
| 13. Department for Community Development | 42. Kaneshie Polyclinic | 76. Office of the Regional Health Directorate – Eastern Region |
| 14. Driver and Vehicle Licensing Authority | 43. Kassena/Nankana | 77. Parliament |
| 15. E. P. Tr. College Amedzofe | 44. Koforidua Polytechnic | 78. Peki Training College |
| 16. Effia Nkwanta Regional Hospital | 45. Komfo Anokye Teaching Hospital | 79. Pharmacy Council |
| 17. Electoral Commission | 46. Konongo District Hospital | 80. Public Procurement Authority |
| 18. Ga West (Ga) | 47. Korle bu Teaching Hospital | 81. Revenue Agency Governing Board |
| 19. Ghana Academy of Arts And Sciences | 48. Kumasi Academy | 82. Ridge Hospital |
| 20. Ghana Airports Company Limited | 49. Kumasi Metropolitan Assembly | 83. Serious Fraud Office |
| 21. Ghana Civil Aviation Authority | 50. Kwaebirem | 84. Shama-Ahanta East Metropolitan Assembly |
| 22. Ghana Cocoa Board | 51. Lands Title Registry | 85. St. Joseph's Tr. College |
| 23. Ghana Grid Company Ltd. | 52. Mamprobi Polyclinic | 86. Suhum Government Hospital |
| 24. Ghana Institute of languages | 53. Maternal and Child Health Hospital | 87. Sunyani General Hospital |
| 25. Ghana Institute of Management And Public Administration | 54. Medical School | 88. Sunyani Polytechnic |
| 26. Ghana Library Board | 55. MINISTRY OF COMMUNICATION | 89. Takoradi Polytechnic |
| 27. Ghana National Petroleum Corporation | 56. MINISTRY OF ENERGY | 90. Tamale Polytechnic |
| 28. Ghana News Agency | 57. MINISTRY OF FINANCE AND ECONOMIC PLANNING | 91. Tema Metropolitan Assembly |
| 29. Ghana Police Service | 58. MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION | 92. University For Development Studies |
| | 59. MINISTRY OF LANDS, FORESTRY And MINES | |
| | 60. MINISTRY OF ROADS AND HIGHWAYS | |
| | 61. Mount Mary College | |
| | 62. Mpohor Wassa East | |
| | 63. Narcotics Control Board | |

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



New CEO for PPA

Mr. Samuel Sallas-Mensah has been appointed as the new Chief Executive of the Public Procurement Authority.

An Accountant by profession, he holds a Bachelor of Business Administration (Accounting Major) from the Wharton Business School, University of Pennsylvania, Philadelphia, [1977], a member of the American Institute of Certified Public Accountants (CPA 1979), the Institute of Chartered Accountants, Ghana (CA 1993) and the Ghana Institute of Taxation (1986).

He distinguished himself as the Member of Parliament of Upper West Akim Constituency for 16 years, from 1993 to 2009.

Before joining the Public Procurement Authority, Mr. Sallas-Mensah was the Executive Secretary to the Revenue Agencies Governing Board. He is a seasoned public and private sector official, having operated in various consulting and substantive capacities as Consultant (Parliament), Member (Government Transitional Team on Economy & Finance - Jan. 2009 to April 2009). Whilst serving as Member of Parliament (MP) for Upper



Mr. Samuel Sallas-Mensah: The new Chief Executive of the Public Procurement Authority

West Akim Constituency he played various instrumental roles in Parliament, including serving as Chairman of the Public Accounts Committee; Minority Spokesperson on Health; Chairman of the Finance Committee; Chairman of the Eastern Regional Parliamentary Caucus; Ghana's Delegate to the African, Caribbean Pacific European Union (Dakar and

Senegal) and Member of the International Parliamentary Oversight Committee of the World Bank and International Monetary Fund, Washington D.C.

Mr. Sallas-Mensah also has a distinguished career in taxation, management consulting and audit services. He was Assistant Commissioner, Internal Revenue Service in charge of Tax, Examination & Investigation, Ghana [1986 to 1992], Management Consultant, Deloitte Haskins & Sells, Chartered Accountants, Ghana [1983 to 1986], Consultant, Deloitte Haskins & Sells, Chartered Accountants, Nigeria [1979 to 1983] and Auditor, Peat Marwick Mitchell & Co., CPA, United States [1977 to 1978].

A seasoned politician, Mr. Sallas-Mensah has served on several public committees, including as Chairman of the Ghana Research Advocacy Program and Member - Trade, Tax & Tariff Review Committee; the Value Added Tax National Oversight Committee; the Governing Board of Customs, Excise and Preventive Service (CEPS) and of the 1991/92 Consultative Assembly which drafted the 1992 Constitution, respectively.

Tendering / Contract Information for May and June 2010

[Tendering Opportunities for May-June 2010](#)

[Contracts Awarded for May-June 2010](#)

[Restricted Tender Awards May-June 2010](#)

[Expression of Interest Requests May-June 2010](#)

[Pre-Qualification Requests May-June 2010](#)

The links above will take you directly to the PPA Website Reports for the months of May



PROCUREMENT ENTITIES TO NOTE

The Public Procurement Authority wishes to bring to the attention of Procurement Entities (PE's) and Suppliers the following very important announcements:

Entity Tender Committees

In accordance with Section 17 (1) "each Procurement Entity shall establish a Tender Committee in the manner set out in Schedule 1" of the Public Procurement Act, 2003 (Act 663). Entities are hereby reminded to submit the list of their ETC members to the PPA to enable us to update our database;

Annual Procurement Plans

The Authority notes with great concern that despite numerous reminders, a number of entities continue to breach the provisions for the preparation and submission of Annual Procurement Plans as per Section 21 of the Act 663. In view of that, it has been passed for the information of all PEs that, effective April, 2010, the Governing Board of the PPA will not consider the applications for the use of Sole Source & Restricted Procurements unless due reference is made to those Packages as captured in their approved procurement plans;

Price Database

The PPA in accordance with Act 663, has developed a web-based Price Database to serve as a guide on price averages of Common User items on the market. These prices are meant to be only **INDICATIVE** and not serve as the mandatory prices that the items are to be procured. It


is expected that the PE's will use the information available on this database to analyze tenders in their efforts to obtain Value for Money and make good savings for government.

Service Providers

Database

Section 3 (p) & (t) of the Public Procurement Act provides that the PPA maintains a database of suppliers, contractors & consultants; and assist the local business community become competitive. In view of this, the PPA is calling on all Suppliers, Contractors and Consultants (individuals and firms) who do or intend to do business with Government Departments, Agencies and Institutions to furnish the Authority with details about themselves or their organizations for the compilation of a comprehensive database of service providers. Interested Parties should use the registration format available on our website: www.ppaghana.org or call personally at our Offices to pick up registration forms.

The PPA is by this notice urging all Procurement Entities (PEs) & Service Providers to take note of this very important announcement and comply appropriately.

For further information, please contact the PPA on: **Tel:** 0302-765641/2 or **Email:** info@ppaghana.org. 



DIVIDENDS OF EFFECTIVE PUBLIC PROCUREMENT PLANNING



Public procurement has become more strategic than a clerical activity in recent times. The perception some people have is that procurement units or sections are reactive rather than proactive and this leads many organizations to pay little or no attention to the planning, execution and monitoring of their procurement process and procedures.

Lack of planning, implementing and monitoring procurement actions often result in a total failure of the whole procurement system which eventually leads to undue delays in delivery, shortages and or excess stocks, poor quality products, and other associated problems.

When this happens, procurement is then perceived as non-performing, cumbersome and cost consuming activity of the organization.

To forestall such difficulties, Procurement Planning has proven to be the best panacea. Indeed it is one of the most effective means for deciding how best to divide or combine goods, works and services into contract packages; what method of procurement is most appropriate for each; and the timing of procurement activities, taking into account the need to coordinate delivery and completion dates.

Moreover, to avoid the ill perception that people often associate with public procurement and to ensure effectiveness and efficiency of procurement, the Public Procurement Act, 2003 (Act 663) attaches a lot of emphasis on Procurement Planning. Section 21 and Section 3(1-2) of the Public Procurement Act and the Procurement Manual respectively give detailed rules and procedures for the planning of an entity's procurement.

The Public Procurement Authority (PPA) the regulatory body for Ghana's Public Procurement System has also developed a for-

mat for Procurement Planning as part of its Standard Documents.

Furthermore, the PPA in its quest to keep up with global trends in Public Procurement has introduced an E-Procurement Planning Software which is designed to enable practitioners to effectively plan and submit their plans in a timely manner that will facilitate its Benchmarking, Monitoring and Evaluation of Public Procurement Practice in Ghana.

These detailed guidelines for procurement planning with time-scales for each activity make public procurement planning workable for all entities.

Public institutions which have actually drawn their procurement plans and have implemented them accordingly find it less difficult to procure whatever product that they want.

In order to avoid delays, procurement plans for the ensuing year should be prepared and submitted to the Entity Tender Committee not later than one month to the end of the current financial year. It is based on the approved budget that the procurement plan is drawn.

Prior to the development of the budget, the procurement unit or section should circulate memorandum to all the departments or units within the organization asking them to provide their needs for the following year. At this point, it is very necessary that departments or units endeavour to give a detailed list of all their procurement requirements for the following year. These detailed procurement needs then forms the basis for the Entity's budget. The various entities' budgets will then be consolidated to form the National Budget.

Therefore, various user departments in collaboration with the procurement department must appropriately forecast procurement demand for the next year. Of course, it may happen that some products may be in need of certain items in the course of the year which might not be captured in the procurement plan. It for this reason that the Public Procurement Act 2003, (Act 663) mandates that procurement plans are reviewed every quarterly.

Once the budget is approved, Entities procurement plans must be drawn to capture all goods, works and consultancy services needed for the next year. All items must be grouped into packages – thus all like items which are likely to attract particular market (supplier, contractor or consultant) must be consolidated into one lot. Appropriate name and number should be given the contract package. An estimated amount of the contract package

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has to be determined; and such amount will also determine the procurement method to be used as well as indicate the Appropriate Approving Authority for that particular purchase.

If a method of procurement requires advertisement in the newspapers, then, it is up to the procurement practitioner(s) to make sure that the publication is done earlier to give enough time to potential tenderers to submit good and responsive tenders. It is also prudent that the practitioner (s) or whoever places the advert in the newspapers ensures that the right space is selected and used to reduce advertisement cost.

The PPA has observed that often times some organization buy large spaces of newspapers only to publish very few items that could fit a smaller space at a lower fee. For example, advertisements for one vehicle or few items are published on full pages of newspapers which is obviously not cost ineffective.

If there is the need to use Sole/Single Sourcing or Restricted Sourcing, then application must be submitted to Public Procurement Authority using guidelines set up by the Act 663.

Estimated lead times for all methods of procurement are also

stated in the procurement manual to enable practitioners and users forecast how long it will take each procurement process. Once the lower and upper limits of the lead times are determined through the planning, then appropriate actions can be taken either to reduce or increase them to ensure that organizational needs are met appropriately. Therefore, procurement planning must take into account every single item which is needed by the entity be it equipment, stationery, vehicles, drugs, computers, detergents, entity equipment from stationery, construction, maintenance, repairs, consultancy services, fixtures and fittings and others.

Practitioners should solicit assistance from end- users when drawing up procurement plan however; users should also endeavour to submit to practitioners all that they want to buy with the right specifications.

The availability of the right specifications or terms of references will make the preparation of tender documents easier to prepare and also to help supplier, contractors and consultants to quote well. Thus, in brief, effective Public Procurement Planning would in no doubt reflect in quality procurement of Goods, Works & Services as well as guarantee timely delivery.



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