



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

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AN ENCOUNTER WITH STAKEHOLDERS 2012 PPA PUBLIC FORUM



As far as Public Procurement is concerned, “we may not have reached where we desire to be, but we certainly are not where we used to be—and that is progress!”. The Hon. Minister of Finance & Economic Planning made this known at the 5th Public Forum organized by the Public Procurement Authority (PPA) on the Thursday, 23rd of August, 2012 at the Great Hall of the Kwame Nkrumah University of Science & Technology (KNUST), Kumasi.

According to him, given the pivotal role that public procurement plays in Ghana’s Economy, there is the urgent need to encourage all stakeholders to keep to work at entrenching the principles of accountability and competition into the

process in order to maximize the benefits thereof. He noted that in this era where the government is confronted with issues of judgement debts, “we can do better by using our procurement processes to ensure that contracts are properly signed and executed in a manner that is devoid of any form of corruption”.

Speaking on the theme: “Consolidating the gains of the Public Procurement Reforms in Ghana Through Innovative Approaches”, the Chief Executive of the PPA-Hon. Samuel Sallas-Mensah, enumerated some of the solution based innovative policies and programmes introduced by the PPA since the turn of the reforms in the last decade. He listed some of these as being:

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ONLINE ACTIVITIES

List of entities that have submitted their 2012 Procurement Plans online As At 31st October , 2012

- | | |
|---|--|
| 1. Accra Academy Sec. Sch. | 55. Ghana Atomic Energy Commission |
| 2. Accra Polytechnic | 56. Ghana Audit Service |
| 3. Ada Tr. College | 57. Ghana Broadcasting Corporation |
| 4. Adenta Municipal Assembly | 58. Ghana Civil Aviation Authority |
| 5. Aflao District Hospital | 59. Ghana Cocoa Board |
| 6. Agogo State Secondary School | 60. Ghana Cocoa Board - Quality Control Division |
| 7. Ahafoman Sec/Tech | 61. Ghana Education Service |
| 8. Ahantaman Sec. School | 62. Ghana Free Zones Board |
| 9. Akatsi Tr. College | 63. Ghana Grid Company Ltd. |
| 10. Aowin Suaman | 64. Ghana Highway Authority |
| 11. Archbishop Porter Girls. | 65. Ghana Immigration Service |
| 12. Ashaiman Municipal Assembly | 66. Ghana Institute of Journalism |
| 13. Ashiaman Sec. Sch. | 67. Ghana Institute of Management And Public Administration |
| 14. Asikuma/ Odoben/ Brakwa | 68. Ghana Integrated Financial Management Information System |
| 15. Atebubu Tr. College | 69. Ghana Investment Fund For Electronic Communications |
| 16. Atua Government Hospital | 70. Ghana Investment Promotion Council |
| 17. Bank of Ghana | 71. Ghana Library Board |
| 18. Birim North District Assembly | 72. Ghana National Fire Service |
| 19. Bolgatanga Municipal | 73. Ghana National Gas Company |
| 20. Bolgatanga Polytechnic | 74. Ghana National Petroleum Corporation |
| 21. Bompeh Day Sec./Tech | 75. Ghana National Sec.Sch. |
| 22. Bonzo Kaku Sec. | 76. Ghana News Agency |
| 23. Bulk Oil Storage and Transportation | 77. Ghana Police Service |
| 24. Bureau of National Investigations (BNI) | 78. Ghana Ports And Harbours Authority |
| 25. Centre for Scientific Research Into Plant Medicine | 79. Ghana Prisons Service |
| 26. Christian Meth. Sec. Sch | 80. Ghana Revenue Authority |
| 27. Commission on Human Rights and Administrative Justice | 81. Ghana School of Law |
| 28. Controller And Accountant General Dept | 82. Ghana Secondary/Tech. |
| 29. Copyright Administration | 83. Ghana Shippers Authority |
| 30. Council for Law Reporting | 84. Ghana Standards Authority |
| 31. Council for Scientific and Industrial Research | 85. Ghana Water Company Limited |
| 32. Dabobase Sec./Tech | 86. Ghana Water Company Limited - Operations |
| 33. Dangme West District Assembly | 87. Ghana-India Kofi Annan Center of Excellence |
| 34. Department of Children | 88. Grains And Legumes Development Board |
| 35. Department Of Feeder Roads | 89. GRATIS Foundation |
| 36. Department Of Urban Roads | 90. Ho Polytechnic |
| 37. Driver and Vehicle Licensing Authority | 91. Holy Child Tr. College |
| 38. E. P. Tr. College Amedzofe | 92. Hwidiem Sec. Sch |
| 39. East Akim Municipal Assembly | 93. Hydrological Services Department |
| 40. Effa Nkwanta Regional Hospital | 94. Institute Of Professional Studies |
| 41. Effutu Municipal | 95. Islamic Sc. Senior Sec. |
| 42. Electoral Commission | 96. Jema Sec. Sch |
| 43. Encyclopaedia Africa Project | 97. Juabeso district Hospital |
| 44. Energy Commission | 98. Judicial Service |
| 45. Environmental Protection Agency | 99. Kikam Technical School |
| 46. Export Development and Investment Fund | 100. Kintampo North (Kintampo) |
| 47. Fiaseman Sec. Sch | 101. Komfo Anokye Teaching Hospital |
| 48. Foods and Drugs Board | 102. Konongo Odumase Sec. Sch. |
| 49. Forestry Commission | 103. Korle bu Teaching Hospital |
| 50. Ga East | 104. Kumasi High Sch |
| 51. Ga West (Ga) | 105. Kumasi Polytechnic |
| 52. Ghana Academy of Arts And Sciences | 106. La Polyclinic |
| 53. Ghana Aids Commission | 107. La Presby. Sen. Sec.Sch. |
| 54. Ghana Airports Company Limited | 108. Labone Sec. Sch. |
| | 109. Land Administration Project |



110. Land Valuation Board	165. Office of the Regional Health Directorate – Eastern Region
111. Lands Commission	166. Office of the Regional Health Directorate – Greater Accra Region
112. Lands Title Registry	167. Office of the Regional Health Directorate – Western
113. Ledzokuku-Krowor	168. Okomfo Anokye Sec. Sch
114. Management Services Division	169. Osu Klottey Submetro DHMT
115. Mankesim Sec/Tech	170. Parliament
116. Margaret Mary High School	171. Peki Senior High School
117. Maternal and Child Health Hospital	172. Peki Training College
118. Medical School	173. Pharmacy Council
119. Minerals Commission	174. Potsin T.I. Ahd. Sec.
120. MINISTRY OF CULTURE And CHIEFTAINCY	175. Prempeh College
121. MINISTRY OF EDUCATION	176. Presby College of Education - Akropong
122. Ministry of Employment and Social Welfare	177. Public Procurement Authority
123. MINISTRY OF ENERGY	178. Public Utilities Regulatory Commission
124. Ministry of Environment Science and Technology	179. Registrar Generals Department
125. MINISTRY OF FINANCE AND ECONOMIC PLANNING	180. S.D.A. Tr. College Asokore
126. MINISTRY OF FOOD And AGRICULTURE	181. Savannah Accelerated Development Authority
127. MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION	182. Scholarships Secretariat
128. MINISTRY OF HEALTH	183. School of Allied Health Sciences
129. MINISTRY OF JUSTICE AND ATTORNEY GENERAL	184. Sekondi-Takoradi Metropolitan Assembly
130. MINISTRY OF LANDS	185. SIC Life Company Limited
131. MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT	186. Social Security and National Insurance Trust (SSNIT)
132. MINISTRY OF ROADS AND HIGHWAYS	187. Sogakope District Hospital
133. MINISTRY OF TOURISM And DIASPOREAN RELA- TION	188. St. Augustine's College
134. MINISTRY OF TRADE	189. St. John's Grammar
135. Ministry of Transport	190. St. Johns Senior High School
136. MINISTRY OF WATER RESOURCES	191. St. Joseph's Tr. College
137. Ministry of Women and Children Affairs	192. St. Mary's Secondary School
138. Ministry of Youth and Sports	193. St. Monica Training College
139. Mpohor Sec. Sch	194. Students Loan Trust Fund
140. Mpohor Wassa East	195. Suhum Government Hospital
141. Narcotics Control Board	196. Sunyani General Hospital
142. National Board for Professional And Technical Examina- tions	197. Sunyani Polytechnic
143. National Cardiothoracic Centre	198. Survey Department
144. National Commission For Civic Education	199. Takoradi district Hospital
145. National Commission on Culture	200. Takoradi Polytechnic
146. National Council for Tertiary Education	201. Takoradi Sec. Sch.
147. National Development Planning Commission	202. Tamale Polytechnic
148. National Disaster Management Organization	203. Tarkwa Nsuaem Municipal Assembly
149. National Health Insurance Authority	204. Tarkwa Sec. Sch
150. National Identification Authority	205. Tema Development Corporation
151. National Insurance Commission	206. Tema Metropolitan Assembly
152. National Lottery Authority	207. Tema Sec. School
153. National Petroleum Authority	208. Tema Technical Institute
154. National Service Secretariat	209. University For Development Studies
155. National Theatre of Ghana	210. University Ghana School of Pharmacy
156. National Vocational Training Institute	211. University Of Cape Coast (UCC)
157. Noguchi Memorial Institute	212. University of Energy and Natural Resource
158. Non Formal Education Division	213. University Of Ghana (UG)
159. Nungua Senior High School	214. University of Mines -Tarkwa
160. Nyinahin District Hospital	215. University Of Science And Technology (KNUST)
161. Obiri Yeboah Sec.	216. University Prac. Sec.
162. Office of the Head of Civil Service	217. Volta Lake Transport Company Limited
163. OFFICE OF THE PRESIDENT - MAIN	218. Volta- Regional Co-ordinating Council
164. Office of the Regional Health Directorate – Brong Ahafo Region	219. Volta River Authority
	220. Wa Polytechnic
	221. Water Resources Commission
	222. Wesley Girls High Sch.
	223. Western- Regional Co-ordinating Council
	224. Yaa Asantewa Senior High School



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- the development of the web-based software for measuring the procurement performance of entities-PPME tool;
- the introduction of the new Scheme of Service for Public Procurement Practitioners;
- the introduction of the Low/Minor Value Procurement methods among second cycle institutions;
- the systematic development of the Electronic Government Procurement (e-GP); and
- the introduction of Sustainable Public Procurement Initiative; to name a few.

Other thematic presentations delivered at the forum included-Practical experiences on the implementation of the Low/Minor Value procurement policy; and Exploring alternative energy sources for Ghana: the case for Biogas. The Central Tender Review Board (CTRB) and the Appeals & Complaints Panel of the PPA also had their turn with presentations. These were then followed with an hour session of open forum where participants posed a number of questions and made suggestions on the way forward for Ghana's Public Procurement.

As a means of rewarding high performing entities as far as public procurement activities are concerned, five (5) institutions namely:

- Social Security & National Insurance Trust (SSNIT);

- St. Joseph's College of Education;
- Ho Polytechnic;
- Ghana Water Company and
- Ghana Cocoa Board

were given special awards in the form of citations, certificates and plaques.

The occasion which was ably chaired by the chairman of the PPA Governing Board, Commodore Steve Obimpeh, brought together various eminent personalities such as Regional Ministers, the Vice Chancellor of KNUST and Heads of Institutions located within Mid-Ghana and the three Northern Regions. Nana Adu Mensah Asare II (Amakomhene) graced the occasion as the special guest of honor

A total of over 500 participants made up of PPA Board, Management & Staff representatives of various MDA's, MMDA's, Private Sector, Civil Society, Media and the General Public attended the programme. Many more people across the country also tuned in to the programme through the live broadcast on Luv Fm in Kumasi, Joy Fm and its affiliate stations as well as on myjoyonline.com.

In all, the forum was adjudged a huge success, considering the fact that this marked the first of its kind to be held outside the nation's capital.

Rhoda Appiah
Principal Public Affairs Officer
PPA

Questions And Answers at 6th Public Forum

Q. Personnel with Purchasing and Supply background posted to Senior High Schools are being assigned the roles of storekeepers. Why is this anomaly so and how can this be corrected?

KWAKU OWUSU, SUNYANI POLYTECHNIC

PPA- PPA continues to appeal to various polytechnics to train personnel who will be able to be-

come professionally qualified to handle the procurement function at different levels.

The Scheme of Service of Procurement Staff in the career path have been ap-



proved and launched by the Public Services Commission.

Copies have been sent to Ghana Education Service, Ghana Health Service and the Local Government Service.

We expect that the institutions that recruit procurement officers will also train them to make them more effective.

Q. Can a contractor/Supplier bid for more than one lot? Where a project is divided into phases, should the entity subject the subsequent phases to tendering process again?

GYASI FRANK ATWIMA MPONUA DISTRICT ASSEMBLY, DISTRICT ENGINEER

PPA. The whole purpose of lots is to be able to bring related items together and make it attractive and manageable. Time to execute what is needed. Thus, what you state in your contract data sheet is all that matters. Thus, in an event where MMDAs have to procure materials and use the local artisans to work in conjunction with the communities. We just have to ensure that this does not degenerate into any form of nepotism.

Q. The composition of the district tender committee give rise to manoeuvring with regards to the MP, DCE, DCD and the heads of department. Is the PPA considering amending this requirement in the procurement Act? The same thing applies to the inclusion of Heads of Departments in the ETC. Where the project or contract in question does not concern any of these departments, which of these departments should be represented at the ETC meetings.

PPA. The amendment has taken care of the problem inherent in the composition of the Entity Tender Committees. Composition and membership will change entirely with members of Parliament not being part of this new arrangement.

Q. The problem relating to appointment of procurement officer is the securing of financial clearance from the Ministry of Finance. They do not expedite action on securing financial clearance. ALEX ABUGRI ADMINISTRATOR, NKAWIE HOSPITAL

PPA. The Financial clearance are used sparingly and meticulously to avoid financial waste. PPA however implores the representative of the Ministry of Finance to carry it to the Minister to work on it.

Q. Where works contract is terminated after paying the contractor a mobilization, what action should entities take in that event? FRANKLIN OP-PONG AMANKWA AG. PROCUREMENT OFFICER, WA POLYTECHNIC

PPA. Contract management is a problem. PPA is on the verge of putting a programme on Contract Management. Conditions of contract do not go beyond what is in the contract. Early next year contract management programme will be rolled out, otherwise, savings and efficiency will be lost.

Q. In International Competitive Tendering, companies quote in foreign currencies, in National Competitive Tendering, multinationals quote in foreign currencies. In terms of procurement lead time, time is lost and the cedi cannot compete with these major currencies. Is PPA making any plans to ensure that multi nationals make quotations in cedis when it is NCT. KOFI ANSAH, UNIVERSITY OF WINNEBA-ASANTE MAMPONG CAMPUS

PPA. In your tender document do you ask for multiple currencies? If your Tender Data Sheet requests for quotations in cedis then the company which quotes euro or any other currency will be automatically disqualified. Again, price adjustment formula must be made available to take care of probable losses in the contract sum.



**REPORT BY HON. SAMUEL SALLAS-MENSAH-CHIEF EXECUTIVE OFFICER- PUBLIC PROCUREMENT
AUTHORITY ON THURSDAY, 23RD AUGUST, 2012 @ THE GREAT HALL- KNUST ON THE OCCASION
OF PPA's 5TH PUBLIC FORUM**

**THEME: CONSOLIDATING THE GAINS OF GHANA'S PUBLIC
PROCUREMENT REFORMS THROUGH INNOVATIVE APPROACHES**

Mr. Chairman,
Special Guest of Honor –Nana Akyempenhene
Hon. Minister,
Members of the PPA Governing Board,
Chairman, PPA Appeals & Complaints Panel,
Chairman of the CTRB,
Heads of Institutions,
Chief Directors,
PPA Management,
Reps. Of Civil Society Organizations,
Friends from the Media,
Distinguished Ladies and Gentlemen.

Preamble

I deem it a great privilege to be with you today, on the occasion of PPA's Annual Public Forum. Indeed, this day not only marks the 5th in the series of fora organized by the PPA, but also a remarkable day in history as being the first time the Authority is holding its Annual Public Forum in a venue outside Accra. We believe that this is an indication of our commitment to effectively engage our stakeholders across the length and breadth of this country and a confirmation of our firm belief in the principles of transparency and inclusiveness in the management of public procurement.

As a way of recap from last year's event which was held in Accra under the theme: "**The Role of Public Procurement in Good Governance**", it is my pleasure to announce to you that the Authority in pursuit of good corporate governance opened its 2nd Zonal Office located in Takoradi to serve Entities in both the Central and Western Regions.

Background to the public procurement reforms

Sequel to last year's theme, the Authority has chosen to focus this year's public forum on the theme: "**Consolidating the gains of Ghana public procurement reforms through innovative approaches**", but before I touch on the gains made by the public



procurement reforms, kindly permit me to take you down memory lane as we reflect on a few of the events and circumstances that typified the era before these reforms.

Mr. Chairman, Ladies and Gentlemen, it is widely known that since independence up until the year 2004 after the passage of the Public Procurement Act, the era was characterized by the absence of a legal framework on public procurement with the principles of transparency and accountability largely undermined. The regime therefore gave rise to the multiplicity of procurement guidelines in the form of administrative instructions being issued from various sectors consequently throwing the all-important function of procurement at the Entity level into an utmost state of confusion. For instance, a typical procurement/supplies officer of a hospital was bombarded at different times with various procurement instructions from its Sector Ministry (Ministry of Health), other funding partners and periodic circulars from the Ministry of Finance.

Another scenario that best describes the pre-reform era was how it created an environment for "charlatan briefcase carrying" suppliers who paraded the corridors of Ministries, Department and Agencies with the



famous “Father, Mother and Son” set of invoices in their bid to supply all manner of goods, works and services, thereby compromising on the principles of transparency and fair competition which form the bedrock for effective public procurement.

Furthermore, the obvious lack of a regulatory body to superintend the activities of public procurement in the country also led to absolute indiscipline in the public procurement system with its attendant dearth of accountability leading to huge financial losses.

It was therefore not surprising that issues pertaining to public procurement came into sharp focus and gained special attention during the Public Financial Management Reforms Programme (PUFMARP), an exercise that sought to eliminate the various shortcomings and organizational weaknesses in our public financial management processes. At the end of the exercise, the famous three fiduciary laws namely: the Financial Administration Act, 2003 (Act 654), Internal Audit Agency Act, 2003 (Act 658) and the Public Procurement Act, 2003 (Act 663) were enacted.

Gains of the public procurement reforms

Mr. Chairman, Ladies and Gentlemen, the enactment of the Act 663 in December, 2003 automatically triggered into motion, the current public procurement reforms. The Act clearly sets up procurement methods and structures as well as general procurement rules and procedures in order to ensure that public procurement is carried out in a harmonious manner to secure the efficient use of state resources. The establishment of the Public Procurement Authority as a central body with oversight responsibility for policy formulation, provision of technical assistance to government and ensuring compliance by Entities with statutory requirements also goes a long way to ensure that the ultimate objective of the law is realized.

After almost a decade of public procurement reforms, issues of transparency in public procurement seem to have taken a center-stage in the nation’s quest to instill discipline in Ghana’s financial management system. To date, Ghanaians can testify to the several amounts of tender notices that flood our newspapers on a daily basis. Indeed, the days of cooking invoices for particular purchases are long gone and has brought with it fair competition and equal opportunity for business development.

The provision of procurement methods and its associated thresholds and approval/review levels namely, the

Head of Entity, Entity Tender Committee, District/Ministerial/Central Tender Review Boards, has provided an avenue for effective financial risk management, transparency and anticorruption measures.

Another significant achievement of the public procurement reforms is with the establishment of the Appeals & Complaints mechanism designed to offer an adequate platform for aggrieved tenderers and Entities to obtain administrative review and redress. I am informed that the panel has considered about eight (8) cases this year and given fair and firm rulings that have stood the test of time. *(We are privileged to have the Chairman of the A&C Panel with us today, who will take his turn later in the programme to highlight major aspects of the administrative review processes)*

Despite the afore-mentioned achievements of the public procurement reforms, government admits that many more areas remain uncovered as far as the effective implementation of the procurement law is concerned. There is therefore the need to sustain the momentum of the current reforms and maximize the gains thereof through a renewed dynamism and the injection of innovative approaches.

Highlights of Innovative Approaches in Ghana’s Public Procurement

Mr. Chairman, Ladies and Gentlemen, the concept of innovation has been widely defined as the creation of a better or more effective technology or idea that readily offers solutions and benefits to society. As a business model, innovation is the art of creating value with new ideas. It results from a deliberate decision to invest in learning through research and development.

Thus, in fulfillment of Section 3 of the Act 663 which designates the PPA as the prime regulator of public procurement processes in the country, the Authority has over the years subscribed to the module of innovative management by advancing results-based policies and programs. To this end, it is my privilege to share with you a few of these initiatives as a lead-up to our deliberations on the theme for today.

Public Procurement Model of Excellence (PPME) Tool

Given the tremendous importance of monitoring and evaluation to effective policy formulation in public procurement, the PPA in its first 2-3 years of establishment committed resources for the development of a

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CITATIONS FOR THE APPRECIATED ENTITIES AT THE 5TH PUBLIC FORUM ORGANIZED BY THE PPA ON THE 23TH AUGUST, 2012

SOCIAL SECURITY AND NATIONAL INSURANCE TRUST



Entity has chalked remarkable improvement as far as the application of the provisions of the Public Procurement Act, Act 2003; Act 663 is concerned. It maintained the same level of performance in both 2009 and 2010 assessment, attaining a “Matured Entity” on the maturity ladder of the “Public Procurement Model of Excellence Tool (PPME)”. Its procurement is coordinated by a Procurement Unit which is staffed by well qualified personnel. Entity always complies with the e-procurement planning and uses the Public Procurement website in advertising its procurement opportunities and outcomes of its procurement procedures



GHANA COCOA BOARD

The outcome of the assessment conducted in both 2009 and 2010 saw this Entity move from the matured stage on the maturity ladder using the “Public Procurement Model of Excellence Tool (PPME)” to an “Excellent Entity”. This Entity has worked hard to attain success with regards to the Public Procurement Act 2003, Act 663. It has a well structured procurement unit which is managed by dynamic procurement practitioners with knowledge in the various provisions of the Act 663. It always complies with the e-procurement planning by posting its annual procurement plan and also submit the hard copy to the PPA.

GHANA WATER COMPANY LIMITED

Exceptional dedication, hardwork and determination to reach the last stage on the maturity ladder is an impetus which made this Entity reach an “Excellent Entity” from a “Maturing Entity” in 2010



using the “Public Procurement Model of Excellence Tool” . Entity always plans its procurement activities and posts the plan on the PPA website as required by the Act 663. It has a well established procurement unit with staff who have the necessary expertise and ambition to excel.



HO POLYTECHNIC

This Entity has been consistent in their performance for both 2009 and 2010 with regards to their procurement activities. With the use of the “Public Procurement Model of Excellence Tool” to assess their procurement performance for 2009 and 2010,

it has maintained a maturity level of a “Matured Entity” on the maturity ladder. It has a procurement unit which is staffed with personnel with expertise and experience to oversee its procurement activities. It always plans its annual procurement activities by preparing procurement plan using the format approved by the Public Procurement Authority.

MOST PROMISING ENTITY

ST. JOSEPH COLLEGE OF EDUCATION



With the introduction of the Public Procurement Act 2003, Act 663, this Entity has worked hard and is ready to fully practicalize the provisions of the Act to improve their procurement performance. Using the “Public Procurement Model of Excel Tool (PPME)” to assess the procurement performance of the Entity, it moved progressively from “Non-Conforming” in 2009 to “Maturing Entity” in 2010. It plans and prepares an annual procurement plan using the e-procurement planning thereby posting the plan on line. It has been consistently calling on the Public Procurement Authority for advice and direction pertaining to their procurement activities.

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customized web-based package dubbed: the Public Procurement Model of Excellence (PPME) tool with the kind support of the Swiss Confederation. The tool is designed to monitor performance of Entities as against the provisions of the Act 663, by generating qualitative and quantitative data for subsequent analysis. To date, the tool (one of the flagships of PPA on the world-stage) has for the past six (6) years been used to conduct procurement assessments for over 750 public Entities with very revealing results that consistently shapes our policy formulation. I am pleased to announce that following the release of funds by the Ministry of Finance, the PPA we will this year be conducting the 2011 Nationwide Public Procurement Assessment Exercise

At this juncture, Mr. Chairman, permit me to use this august forum to correct an erroneous impression that seem to be making the rounds in recent times that the Single-Source Procurement Method is being largely subjected to incessant abuse. Indeed, results from our 2010 public procurement assessment using the PPME Tool has revealed that contrary to this assertion, the National Competitive Tendering (NCT) and Price Quotation Methods constituted 32.21% and 47.09% respectively, whereas that of Single-Source method only constituted a mere 8.85%. I therefore hope that the public will take note of this statistics and thereby lay to rest the unfortunate claims being made by some politicians in their quest to make political capital.

(As a follow-up, I will want to urge the public to take keen interest in the results of these annual procurement performance assessment exercises which are always published in our annual reports.)

Implementation of the Sustainable Public Procurement Initiative:

Ladies and gentlemen, the National Development Planning Commission's (NDPC) Guidelines on Medium-Term Planning require Sectors to ensure that their programmes are Sustainable by supporting the conservation of the natural environment, addressing socio-cultural economic and institutional issues. In furtherance to this, the Late President's speech to Parliament in December, 2010 on policies of Ghana over 2010-2016 also stated that the immediate objective of government policies is to bring Ghanaians closer to the long-term vision of a society in which extreme forms of depriva-

tion such as hunger, homelessness and poverty are eliminated and also that economic growth will be environmentally sensitive and public policy will ensure that it is equitable across sectors, administrative regions and socio-economic groups. Thus from the foregoing it is clear that Ghana is on a Sustainable Development Path.

Mr. Chairman, it is in the light of this that I wish to announce to you that following the visit of our late President –His Excellency Prof. John Evans Atta Mills to Switzerland two years ago, the Swiss Confederation represented by SECO and the Government of Ghana signed an agreement to make available to Ghana, a Grant of about \$2.7 million over a 3-year period to enable PPA introduce the principles of Sustainability into Ghana's public procurement processes. This is PPA's contribution in the area of Sustainable Development.

The Project which is geared at the effective incorporation of Environmental, Social and Economic considerations into public procurement activities holds so much short and long term benefits for the country namely: the reduction of Co2 emissions, stimulation of healthy competition, business innovations and sustainable solutions and compliance with United Nations/ILO conventions of which Ghana is a signatory, among others.

Thus, to effectively implement Sustainable Public Procurement (SPP) the Authority has inaugurated a Ghana Taskforce on Sustainable Public Procurement (SPP) with a wide representation of key stakeholder groups from Civil Society, the Trades Union, Industry, Commerce, Standards Oversight Bodies, Environmental Protection Agency, Civil/Public Service, Professional Bodies and the Academia. The Taskforce which has a 3-year mandate is expected to provide leadership in the drafting of an SPP Country Policy and assist in the promotion of this fairly new concept in our dear nation.

So far, a number of High-Level Government Officials have been exposed to the tenets of the SPP concept while other training programmes for Heads of Institutions and Procurement Officers have been scheduled to take place over the next three months.

We believe that the effective implementation of this policy will be our lasting tribute in memory of our late President for the instrumental role he played in the realization of this policy.



Electronic Government Procurement (E-GP) Project

Since the global trends seem to be gravitating towards the use of ICT and electronic processes, the Public Procurement Authority (PPA) has no intent of being left behind. It has therefore commenced processes to implement a pilot e-procurement system by the end of the year. Currently e-procurement is being applied in a limited way by announcing procurement opportunities through PPA's web-site with invitations for tenders for goods, works and services, as well as publishing of contract awards.

The system, which is currently being designed by consultants from PriceWater House Coopers, will be piloted for three years and is being financed by the World Bank. Once in place, it will initially be used by some high spend entities – the Volta River Authority, Ghana Grid Company Limited, Ghana Cocoa Board, the Ministry of Finance and Economic Planning, Ghana Health Service, and the Department of Feeder Roads.

Our hope is that, the system will reduce corruption (by increasing transparency of tendering processes), improve coordination between government ministries/agencies to develop uniform standards, and increase competition between private sector firms for public sector contracts.

The system will be rolled out nationally once there is an adequate supporting infrastructure in all government ministries/agencies and once suppliers have been well educated about it.

Framework Agreements

In order to ensure that efficiency is brought into the procurement processes for Common-Use-items, the PPA is introducing the use of Framework Agreements into the procurement system. This involves the aggregation of items common to Entities and establishing Framework Agreements out of which contracts will be formed through "Call-offs". It is aimed at reaping the benefits of economies of scale. It is our fervent hope that government will obtain value for money through the application of this procedure.

Low/Minor Value Procurement

Following the outcome of our National Procurement Performance Assessments programme, the PPA in the last couple of years designed an abridged form of procurement procedure for the procurement of low value

goods/services. The procedure is currently being applied on pilot basis among Ghana Education Service 2nd cycle institutions. Successful implementation will then lead to a full roll-out across the country in the near future.

Summary of Amendments to Act 663

The Public Procurement Act, 2003 (Act 663) since its passage and subsequent practical application has revealed several sections that require amending. The Public Procurement Authority (PPA) in response to this need commenced amendments to the Act. Through broad consultative procedures amongst the Board, management and staff of the PPA, procurement experts and practitioners, stakeholders and interest groups, proposed amendments informed by policy reasons have been made.

Key areas of change proposed to the Act, include the introduction of Sustainable Public Procurement (SPP) criteria in the Ghanaian public procurement system to enhance sustainable public purchasing in conformity with current global standards on sustainable public procurement.

The discretion to introduce new procurement methods has now been conferred on the Authority under section 14 (1) (a), in order to guarantee thorough technical discussions of any new procurement methods which evolve from international best practices, for example, Framework Contracting which methods will then be duly established by Legislative Instruments (LI).

A new subsection has been introduced to make the PPA Manuals, Regulations, Guidelines and Regulatory Notices an integral part of the main Act 663.

Major changes have been introduced to section 15 and 17 of Act 663 through the re-categorization of Entity Tender Committees (ETCs) depending on spending level and function. Specific provisions have been made for the Act to cover Special Constitutional Bodies such as the Legislature, Judiciary, the Council of State and Statutory Fund Management Bodies, such as the GETFUND, Road Fund, Export Development Investment Fund (EDIF), the Venture Capital Management Fund etc.

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It is also proposed to reconstitute membership of ETCs (and Tender Review Boards as applicable) to comprise only internal staff of Entities, in order to encourage and deepen ownership of purchasing decisions. In this regard, substantial increases are also proposed to the approval threshold limits of Entities in order to minimize the delays associated with processing small threshold values. If approved by Parliament, Heads of Entities will have approval limits of up to GH¢100,000.00 for Goods & Services and GH¢150, 000.00 for Works. ETCs will also have approval limits of up to GH¢1,000,000.00 for Goods & Services and GH¢2,000,000.00 for Works. These amendments are being made in order to streamline and reduce the high costs to government of administering these structures.

Other key amendments proposed include a revision of the rules on Administrative Review particularly on Suspension of procurement proceedings and the suspension of Suppliers. In line with UNCITRAL rules, new provisions are being introduced under section 22 to authorize the suspension of suppliers for a period in certain circumstances such as for fraud and corruption, and failure to substantially perform contracts awarded.

A very important amendment is the introduction of a separate procurement structure for Metropolitan, Municipal and District Assemblies (MMDAs) under the Act, to facilitate and support Government's desire to accelerate decentralization at the Local Government Level. Approval structures that are separate from the MDAs are therefore proposed for MMDAs with a newly constituted Regional Tender Review Committee proposed as the highest supervising Authority at the Local Government Level.

Introduction of the Scheme of Service for Procurement Practitioners

The Authority in conjunction with Public Service Commission (PSC), Office of the Head of Civil Service (OHCS), Local Government Service (LGS) and Ministry of Finance and Economic Planning (MOFEP) has launched a Scheme of Service for Procurement Practitioners in the Public Service. This provides a clear career path for professionals and prac-

tioners within the Public Service. It is expected that the establishment of the Procurement Class will contribute significantly to the recruitment, motivation and retention of qualified staff in the Public Sector to effectively manage public procurement. All Public Service Institutions have been mandated by the Public Service Commission in collaboration with OHCS, LGS and MOFEP to establish Procurement Units staffed with the requisite staff.

As part of our Short Term Training Programme, PPA has requested Entities that have peculiar challenges with the application of Act 663 to inform the Authority, so that tailor made programmes can be designed for them to address these challenges. So far the response from the Entities have been encouraging

In fulfillment of its mandate of assisting the local industry to become abreast with Act 663, the Authority has intensified the training of suppliers, contractors and consultants to enable them respond effectively to tenders and manage contracts awarded to them efficiently. Effective competition which is critical for promoting the attainment of value for money is guaranteed with a healthy, informed competition by the suppliers/consultants and contractors.

To sustain the gains made in the training of practitioners, the Public Procurement Authority in collaboration with MIDA have developed curriculum and modules which have been accredited by the National Accreditation Board and adopted for delivering of courses that lead to the award of various Certificates and Degrees in procurement.

Institutions like Ghana Telecom University College (GTUC), KNUST, Concord Business College, GIMPA, Koforifua and Takoradi Polytechnics, Central University College and Management Development and Productivity Institute (MDPI) have adopted and are currently using the modules to run various programs. In the year under review 72 public officers were awarded scholarships to pursue certificate programmes in procurement in GTUC, KNUST and Concord Business College.

Another innovation with respect to the above has been the distribution of textbooks on procurement related courses to 16 tertiary institutions to facilitate training in procurement.

Finally, a total of 487 Students offering Procure-



ment programmes and Purchasing & Supply and 6 Lecturers from Accra, Takoradi, Kumasi and Koforidua Polytechnics as well as GIMPA undertook eight week internship in 2011 to obtain hands on experience in procurement management under an internship programme.

CONCLUSION

To this end, I wish to take this opportunity to commend government, our development partners and our varied stakeholder groups whose tremendous

support and input has enabled us to come this far. We wish to assure you, that the Public Procurement Authority will remain focused on its mandate of ensuring that Public Procurement in Ghana is carried out in an effective manner to achieve value for money for every Ghana Pesewa spent. Though the challenges are daunting, the Team at PPA is committed to making the achievement of this goal a reality.

I thank you for your kind attention.

Tendering and contract Information for periods indicated

[Tendering Opportunities for Nov - Dec 2012](#)

[Contracts Awarded for Jan-Dec 2012](#)

[Restricted Tender Awards Jan-Dec 2012](#)

[Expression of Interest Requests Nov - Dec 2012](#)

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



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