



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

Inside this
issue:

♦ Editorial :
Submitting a
Winnable
Tender-Page 1

♦ Online Activi-
ties : Page 2

♦ Duration of
Tender
Evaluation—
Page 3

♦ Developing
Procurement
Specification—
Page 5

SUBMITTING A WINNABLE TENDER



If wishes were horses, even the blind will want to ride. It is the desire of very tenderer to win the tender and be awarded the contract at stake. However, the fortune of winning a tender does not just happen. It calls for requisite skills set and expertise. It is for this reason that we dedicate this new year edition to discuss pertinent issues in submitting a winnable tender and identify some of the common pit falls and “landmines” in the process;

The following tips on submitting tenders will afford tenderers the opportunity to make a world of difference.

- ♦ **Pay attention to the basics:** In addition to the basic requirements of every tenderer which includes the commercial and technical responsiveness requirements, every tenderer must ensure that their cover letters are duly signed. Main sections of the documents are demarcat-

ed using clear headings. Provide an index, or a section divider to ensure the evaluation panel can find things easily. Get someone who did not write it, to proof read it. Poor grammar, spelling mistakes, and a hard to read document are signals of an organization which can't communicate effectively.

- ♦ **Use the prescribed format:** Fit your information into the headings/sections. Do not use your own format unless asked or if no other structure is provided.
- ♦ **Provide a solution:** Think of the bigger picture (ie, what is the problem they want resolved?) and offer value-added solutions.
- ♦ **Think partnership:** It may be appropriate to outline how you intend to resolve any differences, maintain communication, key accountabilities and build a partnership based on shared values.
- ♦ **Price is NOT the most im-**

Cont. Pg 4



Online Activities

List of entities that have submitted their 2013 Procurement Plans online As At December 31st , 2012

- | | |
|---|---|
| 1. Aflao District Hospital | 16. Medical School |
| 2. Atebubu College of Education | 17. Ministry Of Food And Agriculture |
| 3. Bank of Ghana | 18. National Service Secretariat |
| 4. Effia Nkwanta Regional Hospital | 19. Prempeh College |
| 5. Effutu Municipal Assembly | 20. St. Joseph's Tr. College |
| 6. Energy Commission | 21. Takoradi Polytechnic |
| 7. Ghana Atomic Energy Commission | 22. University For Development Studies |
| 8. Ghana Civil Aviation Authority | 23. University of Energy and Natural Resource |
| 9. Ghana Cocoa Board - Quality Control Division | 24. Wa Polytechnic |
| 10. Ghana Grid Company Ltd. | |
| 11. Ghana School of Law | |
| 12. Ghana Standards Authority | |
| 13. Ghana Water Company Limited - Operations | |
| 14. GRATIS Foundation | |
| 15. Juabeso District Hospital | |

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 Jan - Feb 2013](#)

[Contracts Awarded for Jan-Feb 2013](#)

[Restricted Tender Awards Jan - Feb 2013](#)

[Expression of Interest Requests Jan -Feb 2013](#)

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



Duration Of Tender Evaluation- Its Effect on Procurement Process



In pursuance of section 59 (1) of the Public Procurement Act, 2003 (Act 663) a procurement entity is required to evaluate and compare the tenders that have been accepted in order to ascertain the successful tender in accordance with the procedures and criteria set out in the invitation documents.

The objective of tender evaluation is to establish the tender with the lowest evaluated cost and on the basis of **criteria** specified in the invitation documents which shall be:

Preliminary examination

Preliminary examination is normally conducted in accordance with the specific terms contained in the tender document used. The exercise determines whether tenders are complete and responsive to the basic instructions and requirements of the tender document. Some of the things to look out for includes but not limited to,

- Whether the tender has been correctly signed and authorized
- Erasures additions or changes have been initialed by the tenderer

- Tender security has been submitted
- Manufacturers authorization has been submitted if so required by the tender document
- Correct numbers of copies have been submitted etc.,
- and all other tax obligations has been fully satisfied.

Responsiveness

A responsive tender is simply one that conforms to all instructions, requirements, terms and conditions of the tender documents

Commercial Responsiveness.

Commercial responsiveness has to do with the tender conforming to aspects of the tender that relate to the following all of which should not differ materially:

Delivery: this must not be materially different from that indicated in the tendering document

Payment terms: these should not differ materially

(Continued on page 4)



SUBMITTING A WINNABLE TENDER Cont.

(Continued from page 1)

portant: If you compete solely on price, you may win. Offering a workable and cost effective solution to the entity's problem or requirement is the key.

- ♦ **Provide references:** As much as possible, try to provide some details of similar work done previously. This gives some assurance and comfort to the procurement entity of your capability to deliver.
- ♦ **Use the available benchmarks:** Note the criteria for evaluation and or weightings. Use them to determine where to proportionally focus your document.
- ♦ **Be punctual:** If the closing date/time for documents is no later than 10am on Tuesday, then don't attempt to drop it off at five minutes past 10am. It will not be accepted. Traffic jams or car breakdowns are not excuses. Get your document in at least a day early if possible.

- ♦ **Follow instructions:** Read through the whole tender to ensure you comply with every requirement. If the price is requested to be in a separate envelope, ensure it is in a separate envelope. If the contracting party requests an electronic copy, provide it.
- ♦ **Be aware of your competitive advantage and use it clearly.**
- ♦ **Provide references: CVs for all key staff are also helpful.**

Given the fact that this list is not exhaustive, we implore you to read one as we share with you other articles on developing specifications, evaluating tenders etc in our bid to enhance your ability to submit winnable tenders in the year 2013 and beyond.

HAPPY NEW YEAR!

Rhoda Appiah

Principal Public Affairs

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Duration Of Tender Evaluation- Its Effect on Procurement Process Cont.

from those that may be indicated in the tender document

Validity Period: The period of validity for a tender shall be the period specified in the tender documents.

Technical Responsiveness

Technical responsiveness has to do with tenders that conform to or exceed the technical or other specifications of supplies requested by the tender document. To qualify as technically responsive a tender must:

- conform to or exceed the specifications or perfor-

mance standards as spelt out in the tender document

- meet the requirement of suitability of the specified goods for their intended use

Product, service or work requirements include environmental performance standards/environmentally friendly production methods. These will focus on environmental impacts throughout the life-cycle of a product or service.

No criterion shall be used that has not been set out in the invitation documents. It is not always necessarily



the lowest price as read out that wins the tender.

Tender evaluation panel

Section 19 (1&2) states that “Each procurement entity shall appoint a tender evaluation panel with the required expertise to evaluate tenders and assist the Tender Committee in its work. In the performance of its functions, a tender evaluation panel shall proceed according to the predetermined and published evaluation criteria”.

A Tender Evaluation Panel shall be an ad hoc body of not more than five members constituted for a specific procurement package. The panel shall include members with skills, knowledge and experience relevant to procurement requirements, which may include:

- relevant technical skills;
- end user representation;
- procurement and contracting skills;
- financial management or analysis skills; or
- legal expertise.

Members appointed to the Panel may be staff of the Procurement Unit but no Member of the Entity Tender Committee shall act as a member of the Tender Evaluation Panel, except in an advisory capacity. To ensure transparency, members of the Tender Evaluation Panel shall not be directly involved in the approval of any award of contract. Panel members should avoid fraternization and other close contact with tenderers during this period.

Evaluation Panel cannot simply exercise their power when choosing what may appear best in particular circumstances. The following key principles apply to all aspects of the procurement process, including selection of tenderers and evaluation of tenders:

Transparency: this is not simply about disclosure and openness but also the removal of discretion and subjectivity. Evaluation must be based on objective criteria that are known to tenderers in advance.

Fairness: evaluation criteria and the evidence required from tenderers must be actually and demonstrably related to the subject matter of the contract and applied proportionately to the stated objectives.

Equal treatment (or non-discrimination): all tenderers and potential tenderers must be given the same opportunity, based on the same information and criteria, and evaluated in a non-discriminatory manner.

Purpose of evaluation in the procurement process

The main aim of any effective tender evaluation should be to determine the tender which:

- Best meets the needs of the public entity.
- Achieves value for money.

Duration of Tender Evaluation

Most Public Entities states duration of tender evaluation in the procurement plan meanwhile the actual days used does not really reflect what is stated in the plan. These days vary from one entity to the other. Some public entities organize tender evaluation out of office for effective process. Others also give a day's interval for the evaluation.

In line with the above the Public Procurement Annual Assessment conducted in 2010 revealed that an average number of days between tender opening and contract awards is about 79.09 days. This means that entities spent too much time on the tender evaluation. These could lead to the following;

- Delay in delivery period
- Prices could change after validity period
- Prolong lead time of the project/contract

Recommendation

Amendment of the Public Procurement Act 2003, (Act 663) can include specific period (number of days) for tender evaluation depending on the method of procurement used.

Public entities should be encouraged to organized complex tender evaluations outside the office within specific periods.

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Developing Procurement Specifications

Introduction

Specifications are one of the most important elements of the procurement process. The preparation of good specifications is probably the most difficult function in the process. Inadequate or poorly written specifications are the cause of many tender challenges and can considerably delay the procurement process.

Definition

The term “specification” refers to a description of the characteristics of a commodity or service required or desired. Specifically, it is defined as the explicit requirements furnished with a solicitation upon which procurement order or contract is to be based.

The statement of requirements will vary significantly in scale and complexity depending on the scope, size and nature of procurement but may contain some or all of the following:

For Goods procurement;

Design and performance criteria, Functional characteristics, Performance characteristics, Technical characteristics, Reporting requirements, Standards, Compatibility and standardization, Acceptance testing, Trade-ins

For Works procurement:

List drawings and other guidance provided, Details of access, ground conditions and preparation work, Performance criteria including contractors’ designs, Relationships with subcontractors and suppliers, Employer’s contractual and legal requirements, Insurances of works and indemnities, Works management including completion and defects, Control of time and cost, Quality control, standards and checks required, Health and safety, Temporary facilities

For Service procurement:

Required outputs and/or outcomes, Performance measures, Targets, Management of the contract, Transfer of assets and personnel, the hand-over process, Transition between service providers, Best Value

Why use specifications

Specifications are written so as to not restrict tendering but to encourage open competition. The goal is to invite maximum reasonable competition. The degree to which specifications are open and unrestrictive directly affects the type and extent of the competition desired. Specifications provide for quality control, that is, they assure that the quality of an item is suited to its intended use and eliminates unnecessary features or frills.

Specification Sources

There are many available sources that can be of assistance to you when you are developing your specifications. Here are suggestions for gathering specification information:

- Collect as much information as possible from the end user as to the function and performance of the requested product. Use their expertise and knowledge.
- Collect product information from the industry (brochures, catalogs, specs, etc.). Many manufacturers put their catalogs and product specifications on the internet.

Look for standards and test information from professional societies where available.

Look for specification information from other government entities. Check to see if standard specifications already exist. Use the internet and e-mail for research.

Types of Specifications

There are various methods of specifying. There is no defined rule for using one method over another or about combining methods, but care should be taken to avoid redundancy or contradictions. Some of the methods are:

1. Descriptive
2. Performance
3. Reference Standard and



4. Proprietary

Descriptive Specifications

Under this method of specifying, the exact properties of the materials and methods of installation are described in detail without using proprietary or manufacturer's names. Descriptive specifications are commonly used for products for which no standards exist, on projects where using proprietary names is restricted. Descriptive specifications specify exactly what the design intends. They are applicable to all conditions, methods or situations of a project. They are applicable to all sizes and types of projects. They permit free competition because they do not restrict the use of specific products or manufacturers.

Functional or Performance Specifications

The use of performance type specifications has steadily increased. This type of specification states the function that a user wishes to achieve and can contain both elements of design and performance. The emphasis is on what the product does, how well it performs, and at what cost for its intended use. This encourages ingenuity, innovation, and cost reduction.

Writing performance specifications and evaluating tenders requires a different approach and point of view than the more traditional one. Instead of establishing common denominators by looking for equivalencies, one must look for differences that provide equal or better performance and lower costs.

Reference Standard Specifications

Under this method, reference is made to an established standard defined by associations very knowledgeable about a certain product, service or works. Reference standard specifications are used for "commodity" products in the marketplace, where brand names are not important.

Proprietary or Brand Name Specifications

Brand name specifications cite a brand name, model number, or some other designation that identifies a specific product of a manufacturer. Brand name specifications are not considered good specifications, but they

do have a legitimate use in public procurement.

An example might be when a particular brand must be purchased in order to be compatible with existing equipment. The most restrictive type of specification, may have the effect of limiting tendering to a single product and are only used when only one product will meet an intended need.

How to Develop Specifications

Consideration should be given to suitability and to overall cost effectiveness in addition to acceptability and initial price. Specifications by their nature, set limits and thereby eliminate or restrict items that are outside the boundaries drawn. Specifications should be written to encourage competition and should be consistent with seeking overall economy for the purpose intended.

The function of specifications is to provide a basis for obtaining a commodity or service that will satisfy a particular need at an economical cost. A good specification should do these things:

- Identify minimum requirements.
- Allow for a competitive tender.
- List reproducible test methods to be used in testing for compliance with specifications.
- Provide for an equitable award at the lowest possible cost.

To provide a common basis for tendering, specifications should set out the essential characteristics of the item being purchased, so that all tenderers know exactly what is wanted. If an essential requirement is left out of the specification, an award may be made for a product that does not meet the needs of the purchaser. The suitability of the product may not become apparent until much later. Situations such as these are seldom resolved to anyone's satisfaction and can be a waste of taxpayers' money. If such an omission is discovered in time, the tender should be canceled, specifications corrected, and new tenders solicited.

Avoid over specifying or under specifying. Items should be able to perform as necessary without unnecessary frills. Requiring unnecessary features can result in specifications so restrictive that they can defeat competition and increase the cost of the item. Remember that all procurement activities are subject to public and vendor scrutiny.



If a specification allows both an equal opportunity to tender and objectivity of selection by the tenderer, then the specification is serving its intent. A straightforward and fair evaluation based on good specifications will persuade suppliers, contractors and consultants to tender.

Four important Cs for specification writing

Specification language should be precise. Vague and ambiguous text can be open to multiple interpretations.

1. Be Clear: Avoid ambiguity, use proper grammar and choose precise words to convey the message.
2. Be Correct: Present information accurately and precisely using proper terminology.
3. Be Complete: Do not leave out important or necessary information. Brevity at the expense of completeness should be avoided.
4. Be Concise: Eliminate unnecessary words at the expense of clarity, correctness, completeness or grammar.

Checklist to Specifications

To ensure that your specifications meet the above criteria, use the following checklist:

Specifications should be clear and accurate, yet simple. They should NOT be so specific that a loophole eliminates competition and allows a tenderer to take advantage of the purchaser.

Specifications should be understandable to both the tenderer and the purchaser.

Specifications should be as flexible as much as possible. Inflexible specifications defeat the competitive tender process.

Specifications should be legible and concise.

Specifications should be capable of being checked. Specifications that are written in such a way that a product or service offered cannot be checked as meeting specifications is of little value and results in confusion.

The specification should be reasonable in its tolerances. Unnecessary precision is expensive.

The specification should be as fair to the tenderer as possible and allow for competitive tendering by several tenderers.

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