



## 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

# WELCOME ADDRESS BY THE CHIEF EXECUTIVE AT THE 8<sup>TH</sup> ANNUAL PUBLIC FORUM OF THE PUBLIC PROCUREMENT AUTHORITY ON THURSDAY, 13<sup>TH</sup> OCTOBER, 2016 AT THE KEMPINSKI HOTEL THEME: ACT 914: TRANSITIONING INTO A VIBRANT PUBLIC PROCUREMENT SYSTEM IN GHANA.

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Moses Ayiemba – Procurement Specialist, African Development Bank, Carl Lokko – Director, Policy and Strategy, PPA, Hon. Samuel Sallas-Mensah – CEO, PPA, Justice J. C. Amonoo-Money – Chairman, Appeals and Complaints Panel, PPA

*Mr. Chairman;  
Hon. Ministers;  
Board Members of the Public Procurement Authority;  
Management & Staff of the Public Procurement Authority;  
Chief Directors;  
Heads of State Owned Enterprises;  
Heads of other Public Sector Institutions;  
Distinguished Stakeholders in the Private Sector;  
Invited Guests;  
Friends from the Media;  
Ladies and Gentlemen;*

I warmly welcome you all to the PPA's 8<sup>th</sup> annual public forum. It is with heavy heart that I deliver this speech to mark this

years' Public Forum which sadly would be my last speech at PPA's annual public fora. Today marks exactly 6 years and 10 months since my assumption as the Chief Executive Officer of the Public Procurement Authority. It has not been all rosy. We have had challenges and I must say even in the midst of all the numerous challenges, we have chalked some monumental success.

A year ago, we met as stakeholders in the Public Procurement process, to discuss and deliberate on the proposed amendment of the public procurement law, Act 663 to change the face of Ghana's public procurement system in Ghana. I am happy that another challenging yet successful year has gone by and we

*(Continued on page 4)*

## Online Activities

### List of entities that have submitted their 2016 Procurement Plans Online As At October 31, 2016

1. Abor Senior High School	66. Enchi District Hospital	132. Ketu South District Assembly
2. Accra Polytechnic	67. Encyclopedia Africa Project	133. Kibi Government Hospital
3. Accra College of Education	68. Energy Commission	134. Kintampo North (Kintampo) District Assembly
4. Adiembra Senior High School	69. Environmental Protection Agency	135. Koforidua General Hospital
5. Adisadel College	70. Enyan Denkyira Sec./Tech	136. Koforidua Polytechnic
6. Aduman Senior High School	71. Essikadu District Hospital	137. Komenda/ Edina/ Eguafa /Abirem Municipal Assembly
7. Afadzato South District Assembly	72. Fanteakwa District Assembly	138. Komfo Anokye Teaching Hospital
8. Afua Kobi Ampem Girls Senior High School	73. Fiaseman Senior High School	139. Konongo Odumase Senior High School
9. Agona West Municipal Assembly	74. Fisheries Commission	140. Korle Bu Teaching Hospital
10. Ahantaman Senior High School	75. Foods and Drugs Board	141. Krachi West District Assembly
11. Akatsi South District Assembly	76. Forestry Commission	142. Krachi West District Hospital
12. Akatsi College of Education	77. Ga South Municipal Assembly	143. Kumasi High School
13. Akim Oda Government Hospital	78. Ghana Academy of Arts And Sciences	144. Kumasi Metropolitan Assembly
14. Akokoaso Day Senior High School	79. Ghana Aids Commission	145. Kumasi Polytechnic
15. Akontombra Senior High School	80. Ghana Airports Company Limited	146. Kwaebirem District Assembly
16. Akrokerri College of Education	81. Ghana Atomic Energy Commission	147. La Dade-Kotopon Municipal Assembly
17. Akuse Government Hospital	82. Ghana Audit Service	148. La General Hospital
18. Akwapim South Municipal Assembly	83. Ghana Book Development Council	149. Lands Commission
19. Ankafu Psychiatric Hospital	84. Ghana Broadcasting Corporation	150. Local Government Service Secretariat
20. Asante Akim Central Municipal	85. Ghana Civil Aviation Authority	151. Management Development And Productivity Institute
21. Asare Bediako Senior High School	86. Ghana Cocoa Board	152. Mankessim Senior High Technical School
22. Asokore Mampong Municipal Assembly	87. Ghana College of Physicians and Surgeons	153. Maternal and Child Health Hospital
23. Asonomoso district Hospital	88. Ghana Cylinder Manufacturing Company Limited	154. Mfantisman Girls Senior High School
24. Assin Manso Senior High School	89. Ghana Education Service	155. Minerals Commission
25. Asuansi Technical Institute	90. Ghana Education Trust Fund	156. Ministry Of Education
26. Atebubu College of Education	91. Ghana Free Zones Board	157. Ministry Of Employment And Labour Relations
27. Atebutu Senior High School	92. Ghana Grid Company Ltd	158. Ministry Of Finance And Economic Planning
28. Awutu Senya District Assembly	93. Ghana Health Service	159. Ministry Of Fisheries And Aquaculture Development
29. Ayirebi Senior High School	94. Ghana Highway Authority	160. Ministry Of Foreign Affairs And Regional Integration
30. Baidoo Bonsoe Senior High Technical School	95. Ghana Immigration Service	161. Ministry Of Gender Children And Social Protection
31. Bank of Ghana	96. Ghana Institute of Journalism	162. Ministry Of Health
32. Benso Senior High Technical School	97. Ghana Institute of Management And Public Administration	163. Ministry Of Lands And Natural Resources
33. Bia East District Assembly	98. Ghana Investment Fund For Electronic Communications	164. Ministry Of Local Government And Rural Development
34. Bodi District Assembly	99. Ghana Investment Promotion Council	165. Ministry Of Power
35. Bolgatanga Municipal	100. Ghana Library Board	166. Ministry Of Roads And Highways
36. Bolgatanga Polytechnic	101. Ghana National Fire Service	167. Ministry Of The Interior
37. Bompeh Day Senior High Technical School	102. Ghana National Gas Company	168. Ministry Of Tourism Culture And Creative Arts
38. Breman Asikuma Senior High School	103. Ghana National Petroleum Corporation	169. Ministry Of Trade and Industry
39. Bulk Oil Storage and Transportation	104. Ghana National Senior High School	170. Ministry Of Transport
40. Cape Coast Metropolitan Assembly	105. Ghana Police Service	171. Ministry Of Water Resources, Works And Housing
41. Cape Coast Nursing and Midwifery Training College	106. Ghana Ports And Harbours Authority	172. Ministry Of Youth And Sports
42. Central- Regional Co-ordinating Council	107. Ghana Prisons Service	173. Mount Mary College
43. Centre for Scientific Research Into Plant Medicine	108. Ghana Railway Development Authority	174. Mpasatia Senior High Technical School
44. Chiana Senior High School	109. Ghana Reinsurance Company Ltd	175. Mpohor District Assembly
45. Cocoa Marketing Company (Ghana) Limited	110. Ghana Revenue Authority	176. Mpohor Senior High School
46. College of Health Sciences	111. Ghana Road Fund Secretariat	177. Namong Senior High School
47. Community Health Nurses Training School - Tamale	112. Ghana School of Law	178. Nanumba North District Assembly
48. Controller And Accountant General Department	113. Ghana Shippers Authority	179. Narcotics Control Board
49. Copyright Administration	114. Ghana Standards Authority	180. National Accreditation Board
50. Council for Law Reporting	115. Ghana Tourist Board	181. National Board for Professional And Technical Examinations
51. Council for Scientific and Industrial Research	116. Ghana Water Company Limited	182. National Commission For Civic Education
52. Council for Technical and Vocational Education and Training	117. Ghana-India Kofi Annan Center of Excellence	183. National Communication Authority
53. Council of State	118. Gomaa East District Assembly	184. National Council for Tertiary Education
54. Dabobase Senior High Technical School	119. Gomaa Senior High School	185. National Development Planning Commission
55. Department Of Urban Roads	120. Gomaa West District Assembly	186. National Film and Television Institute
56. Diabene Senior High Technical School	121. Grains And Legumes Development Board	187. National Health Insurance Authority
57. District Assembly Common fund	122. Ho Assini Senior High School	
58. Driver and Vehicle Licensing Authority	123. Ho Municipal Assembly	
59. Dunkwa Senior High Technical School	124. Ho Polytechnic	
60. Economic and Organised Crime Office	125. Holy Child College of Education	
61. Effa Nkwanta Regional Hospital	126. Internal Audit Agency	
62. Effutu Municipal Assembly	127. Jasikan District Assembly	
63. Ekumfi District Assembly	128. Judicial Service	
64. Electoral Commission	129. Keta Business Senior High School	
65. Ellembelle District Assembly	130. Ketu District Hospital	
	131. Ketu North District Assembly	



## Online Activities

### List of entities that have submitted their 2016 Procurement Plans Online As At October 31 , 2016

188. National Information Technology Agency	Western	257. Suhum Government Hospital
189. National Labour Commission	220. Offinso College of Education	258. Suhum Municipal Assembly
190. National Lottery Authority	221. Ola College of Education	259. Sunyani Polytechnic
191. National Pensions Regulatory Authority	222. Opoku Ware Senior High School	260. Sunyani Senior High School
192. National Petroleum Authority	223. Parliament	261. Sunyani West District Assembly
193. National Road Safety Commission	224. Peki Senior High Technical School	262. T.I. Ahmadiya Senior High School - Kumasi
194. National Service Secretariat	225. Petroleum Commission	263. Tain District Hospital
195. National Sports College	226. Pharmacy Council	264. Takoradi district Hospital
196. National Vocational Training Institute	227. Potsin T.I. Ahmadiya Senior High School	265. Takoradi Polytechnic
197. Navrongo Community Health Nurses Training College	228. Prempeh College	266. Tamale Polytechnic
198. New Times Corporation	229. Presby College of Education - Akropong	267. Tamale Teaching Hospital
199. Nkroful Agric Senior High School	230. Presby Senior High School. - Legon	268. Tarkwa Nsuaem Municipal Assembly
200. Non Formal Education Division	231. Presby Women's College of Education- Aburi	269. Tarkwa Senior High School
201. North Tongu District Assembly	232. Prestea District Hospital	270. Techiman Municipal Assembly
202. Northern Electricity Distribution Company	233. Public Financial Management Reform Project	271. Tema Development Corporation
203. Notre Dame Sem/Senior High School	234. Public Procurement Authority	272. Tema Metropolitan Assembly
204. Nsaba-Presby Senior High School	235. Public Service Commission	273. Tepa district Hospital
205. Nsawam Government Hospital	236. Public Utilities Regulatory Commission	274. Tepa Senior High School
206. Nurses and Midwifery Training College - Sekondi	237. Registrar Generals Department	275. University For Development Studies
207. Nursing and Midwifery Council of Ghana	238. Savannah Accelerated Development Authority	276. University Of Cape Coast (UCC)
208. Nursing and Midwifery Training College - Koforidua	239. School of Medicine and Dentistry	277. University of Energy and Natural Resource
209. Nyakrom Day Senior High School	240. Securities and Exchange Commission	278. University Of Ghana (UG)
210. O'relly Senior High School	241. Sefwi Wiawso Senior High School	279. University of Ghana Business School (UGBS)
211. Obuasi District Hospital	242. Sekondi-Takoradi Metropolitan Assembly	280. University of Health and Allied Sciences
212. Office of the Head of Civil Service	243. Sene District Assembly	281. University of Mines -Tarkwa
213. Office Of The President - Main	244. Shama District Assembly	282. University of Professional Studies Accra
214. Office of the Regional Health Directorate – Ashanti Region	245. SIC Life Company Limited	283. University Of Science And Technology (KNUST)
215. Office of the Regional Health Directorate – Central Region	246. Social Security and National Insurance Trust (SSNIT)	284. Upper Denkyira East Municipal Assembly
216. Office of the Regional Health Directorate – Eastern Region	247. Sogakope District Hospital	285. Uthman Bin Afan Senior High School
217. Office of the Regional Health Directorate – Northern Region	248. St. Augustine's College	286. Volta River Authority
218. Office of the Regional Health Directorate – Upper West Region	249. St. Joseph's College of Education	287. Wa East District Assembly
219. Office of the Regional Health Directorate –	250. St. Martin's Senior High School	288. Wa General Hospital
	251. St. Martins Senior High School	289. Wa Polytechnic
	252. St. Mary's Boys Senior High School.	290. Wesley Girls High School
	253. St. Monica Training College	291. West Akim Municipal Assembly
	254. St. Theresas Hospital - Nandom	292. West Mamprusi District Assembly
	255. Students Loan Trust Fund	293. Wiawso College of Education
	256. Suaman District Assembly	294. Youth Employment Agency

(Continued from page 1)

have met to brainstorm again about how we can move public procurement forward, this time transitioning into a Vibrant Public Procurement System in Ghana with Act 914.

Mr. Chairman, ladies and gentlemen, I believe we could not have chosen a better theme for this important public forum which seeks to bring the operations of the authority through the lenses of the new law, Act 914.

Mr. Chairman, Ladies and Gentlemen, the choice of this theme for our 8<sup>th</sup> public forum was informed by our belief in the fact that procurement can make or unmake all the beautiful and well intentioned policies aimed at ensuring good governance in our dear country Ghana. Most stakeholders, especially the private sector, development partners and the civil society have all yearn for the amendment of Ghana's procurement Law, the Act 663, hence the birth of Act 914.

The role Public Procurement plays in good governance and the entire public financial management cannot be underestimated. My speech will therefore highlight on what the Public Procurement Authority has done to make this vision possible.

## PASSAGE OF AMENDMENT

We are doing our best to mainstream good governance through effective public procurement. It is for this reason that the Authority has feverishly worked to ensure that Act 663's objective of transparency and open competitiveness is facilitated at minimal cost. You will agree with me, ladies and gentlemen that the more open the process is, the less prone it is to abuse. In this regard every effort will have to be made to protect business people from being "cheated" while the public officer is protected from the temptation to "abuse" his/her office while conducting the tender process "under cover".

Am happy to announce that the law has been amended. The passage of the Public Procurement Amendment Act, Act 914, 2016 therefore calls for the reinforcement of our core mandate as we transition into the future.

## SUSTAINABLE PUBLIC PROCUREMENT (SPP)

As part of our efforts to create an efficient public sec-

tor procurement system, the Government of Ghana, under the auspices of the PPA secured a grant of about US\$2.7million over a 3-year period to support the integration of SUSTAINABILITY issues into our public procurement processes; i.e Sustainable Public Procurement from the Government of the Swiss Confederation to introduce the concept of sustainability into the practice of public procurement in the country.

The concept-Sustainable Public Procurement (SPP), seeks to address the environmental, social and economic consequences of public procurement actions. This, we also believe resonates with the government of Ghana's interest and drive towards Sustainable development as captured in the Ghana Shared Growth and Development Agenda .As a new concept a lot of stakeholder engagements were held to sensitize, deliberate and solicit ideas to ensure a successful implementation. This sensitization programme covered Ministers, Parliamentarians, Chief Directors, and Heads of state institutions, procurement practitioners, civil society and the media.

Governments annual procurement budget is huge (over 15% of GDP).It is evident that **what** and **how** government buys and acquires in terms of goods, services and works, contribute significantly to its ability to deliver sustainable developments. African communities (including Ghana) are face with worsening climatic conditions, poverty, deforestation, etc. mainly due to sustainable production and consumption patterns.

PP is about spending public funds on products/services/projects that foster Sustainable Production and Consumption (SCP)

To ensure a success implementation of this all important policy, a taskforce comprising of 25 members were appointed .These were professional men and women who were drawn from both the public and private sector who had distinguish themselves in their various fields of endeavors. It worthy to note that, the concept of SPP has been incorporated in the newly amended act to ensure strict compliance.

## CONTRACT MANAGEMENT AND RECORD KEEPING

The Public Procurement Authority since its establishment has instituted a number of pragmatic and far-





reaching initiatives aimed at ensuring maximum compliance with the provisions of the Public Procurement Act, 2003 (Act 663) and safeguarding the taxpayers' money. Despite these efforts, the annual procurement assessment conducted by the PPA in the entities continue to reveal challenges relating to contract management and contract documentation by most Entities, in regard to section 28 of Act 663 which mandates Entities to keep records of procurement proceedings in a structured and systematic manner.

The observation has been that, procurement records administration and management in public procurement entities usually involves disjointed processes, unfortunately resulting in loss of vital procurement and contract information. To this end, the Authority engaged the services of Public Records and Archives Administration Department (PRAAD) to develop a procedural step-by-step procurements Records Management Procedures Manual in keeping with Act 663 taking into consideration, acceptable international best practices, as a guide to practitioners of procurement entities, address weakness in the management of procurement records and provide guidelines and directions for best practices. This manual is being incorporated in the contract management manual. Nationwide training of all entities would be carried out after the training of trainers which would be organized by GIMPA immediately after this forum.

### **Appeals and Complaints**

The inauguration of the Appeals and Complaints Panel of the Authority in February, 2007 has had a positive impact on the success of the implementation process of Act 663. A number of suppliers and contractors have had occasions to use the appeals process to lodge complaints on tenders they had participated in and felt the Entities concerned had inappropriately acted against their submissions.

The Appeals and Complaints process has enhanced transparency in the procurement system. Tenderers now feel more empowered to readily seek administrative review of procurement complaints, without fear of victimization in future tenders.

### **Capacity Development**

The object of the Authority's Capacity Development Policy has been to equip and train the Entities at all levels to develop their skills and expertise to effectively undertake their procurement activities.

Currently, the Authority through its short term training programme trained as much as 14,466 procurement practitioners and members of Entity Tender Committees. This is an ongoing programme which will cover all identified stakeholders in the public procurement system. These cover suppliers, contractors, consultants, civil society organizations, the Media, oversight bodies and institutions.

The authority is currently embarking on vigorous tailor made training for entities with special needs. This comes with payment of a token fee to take care of administrative cost. Am happy to announce to you that this initiative is bearing fruits as our office is flooded with numerous requests. A lot of institutions have benefitted from this initiative and I will urge you all to take advantage of this programme to continually build your capacities to enhance your output.

### **Procurement Curricula for Tertiary Institutions**

The educational curricula and module on public procurement for tertiary institutions which forms part of our medium and long term training programme was launched and is currently been implemented throughout our tertiary institutions. This programme, which was supported by MiDA / MCC, has a component which covers intensive training for procurement practitioners with varied academic and professional backgrounds who will want to attain academic and professional qualifications in procurement.

The programme has been designed in different modules ranging from three months intensive training and 15 to 24 months designed to provide further training to HND Purchasing and Supply students seeking to acquire professional qualifications in procurement, as well as obtaining a Bachelors degree. There is also a programme for a four-year Bachelor in Procurement degree to be offered by the Universities and Polytechnics.

## **GUIDELINES ON FRAMEWORK CONTRACTING**

Section 3(t) of the Public Procurement Act, 2003 (Act 663) enjoins the PPA to promote efficient use of state resources in public procurement whiles developing the local business community to become competitive and efficient suppliers to the public sector.

In view of this, the Authority has developed Guidelines on Framework Contracting which was piloted as



part of the procurement processes in the 2nd Cycle Institutions and College of Educations from September, 2012.

Currently our procurement law frowns at bulk breaking of requirements. A Procurement Plan indicating packages for different items is not expected to have two or three packages of same item description in the Plan

Our E-Procurement Planning Software will not take on any package number which deals with an item description already captured by an earlier package number.

The tendency therefore is that Entities are forced to collate their annual requirements of individual items and procure them in one process whether all those items are immediately required or not.

Bulk deliveries will amount to holding large stocks and huge sums of state resources would have to be made available to pay for these seemingly large deliveries some of which may end up becoming obsolescent. In Framework Agreements, the Supplier becomes the Stockist/Stockholder over the period of the Agreement and the Buyer has the comfort and flexibility of calling off the quantities required to meet its immediate requirements thereby saving it from holding unwanted stock and also freeing significant amount of resources for other purposes.

Under such arrangements (Framework Agreements), the Buyer is only obliged to procure the minimum quantities stated in the Agreement. This will bring about significant savings in transaction cost (cost of procurement) as a result of reduction in repetitive tendering processes. Ultimately, this arrangement will bring about significant cost savings on the overall procurement expenditure as a result of the benefits of Economies of Scale both to the Entities and the nation as a whole.

**W**orkshops were organized by PPA for CHASS members and well as suppliers to discuss their role in the supply chain of institutions under these Guidelines. Success has been chalked under this policy as it is been fully implemented by the various College of Educations as well as the Senior High Schools across the country

### **Submission of Procurement Plans**

Only 280 out of the estimated 1,500 procurement en-

tities under the law have submitted their procurement plans for approval by the Public Procurement Authority as at the end of August, 2016. This is a clear violation of the Act. Entities such as metropolitan, Municipal and District Assemblies, educational institutions as well as all ministries, departments and agencies of government submit their plans late to the authority. From the authority's investigation, we have found out that most of these entities have deliberately refused to comply with the law to create a leeway for the use of the sole source window provided under the law for emergency procurements.

**T**he PPA finds the refusal of entities to submit their plans as unacceptable, unfortunate and a deliberate attempt to circumvent the law which was meant to check the huge fraudulent practices that emanate from the procurement process. Consequently the PPA has issued out directives to all defaulting entities to submit their procurement plans on scheduled or have their applications under sole source disregarded. The authority will want to state categorically that no approval will be given if the package is not captured in the procurement plan and hence non-compliance to this notice will attract appropriate sanctions as specified in the law.

The PPA has also realized that some the entities were finding it difficult to constitute procurement structures such as entity tender committees and tender review boards, as stipulated in the Act 663, and that some of the proposed members could not be found in their localities. The way forward to the authority is to integrate procurement reforms into the broader workings for the public sector to ensure that changes within procurements systems were aligned and properly sequenced with changes occurring in other parts of the public sector. This has also been taking care of by the amendment

Going forward, now that we have two procurement law working side by side, there is the need to consolidate the amendments with Act 663. This will harmonize the smooth operationalization of both laws without any inconsistencies.

Efforts were made to get a Legislative Instrument (LI) to back Act, 663. This however was not fruitful. I will therefore make a passionate appeal and urge management to intensify their efforts in ensuring that a Legislative Instrument (LI) is passed to streamline the operations and give teeth to the law to



be able to bite. This initiative will make the public procurement Act an effective part of the Public Financial Management laws of which Public Procurement is major component of Public Financial Management Reform Programme.

The PPA is worried with the growing concerns over the existence of corrupt practices in public procurement, notwithstanding the clear guidelines that have been established. These include the practices of suppliers offering inducement to procurement officials, the creation of artificial shortages in the sale of tender documents and non-adherence to “same day “closure and opening of tenders by tender entities. To solve this difficulties, the Authority believes the initiative taking in amending Public Procurement Act, 2003(Act 663) will be the panacea to this problem.

Since my assumption of office, a lot of efforts were made to secure a permanent office accommodation for the Authority. Since the creation of PPA, we have operated from rented premises for all these years. The situation is having a heavy financial toll on the Authority’s scarce resources and gradually is becoming unsustainable. A parcel of land adjacent to the Ministry of Foreign Affairs has been secured. I will therefore appeal to Government and Partners to help PPA to develop this land into a permanent office accommodation. This will ensure efficient operations of PPA to deliver on its mandate.

I have observed with keen interest the efforts made by some individuals to rejuvenate CIPS. It is important to note that looking at the critical role procurement plays in Ghana developmental drive; it is my wish that CIPS becomes a formidable cadre of strong professionals who will champion the cause public procurement in Ghana.

Over the last decade our Authority have been working and collaborating on a number of fronts to promote

excellence in Public Procurement in the continent and beyond. During my stay at PPA, I have witnessed the dedication and professionalism of PPA which has led to tremendous growth and achievement in better understanding of Public Procurement in Ghana. As an organization, we have benefitted from the study tours and exchange of knowledge between PPA and other sister regulatory bodies and I believe this has been one of the pillars in our growth. Going forward, I will call for deeper, stronger, sustainable and mutual beneficial relationships with other Government regulatory bodies.

## CONCLUSION

In conclusion, Mr. Chairman, ladies and gentlemen, I wish to admit that the success of our efforts in other activities outlined in these remarks has not come by the singular effort of the PPA, but with the active support and collaboration of others. I therefore wish to acknowledge the immense contribution of the Members of the Governing Board, Management and Staff of PPA, the Swiss Government, MIDA, GTZ (Germany), UNDP, The Media, Civil Society, not forgetting our sector ministry, the Ministry of Finance+, among others. It is their financial, political and technical support that has brought PPA this far.

On behalf of Management and staff of PPA and, on my own behalf, we say we appreciate you and wish you all the best in your endeavours.

***Long live Ghana, long live PPA.***

***Thank you.***

***Hon. Samuel Sallas-Mensah***

***CEO, PPA***







*Some of the large crowd that attended the PPA Public Forum 2016 at the Kempinski Hotel , Accra*



*Mrs Rhoda Appiah, Head of Public Relations at the PPA, Welcoming people to the 2016 Public Forum*



## KEY NOTE ADDRESS BY THE HON. MINISTER OF FINANCE AT THE 8<sup>TH</sup> PUBLIC PROCUREMENT FORUM ON THURSDAY, 13<sup>TH</sup> OCTOBER, 2016 @ KEMPINSKI HOTEL

*THEME: ACT 914: Transitioning into a Vibrant Public Procurement System in Ghana.*



*Mrs Mona Quartey, the Deputy Minister of Finance, addressing the forum.*

*Mr. Chairman;  
Colleague Ministers;  
Current and Past Members of the Governing Board of  
the Public Procurement Authority;  
Chief Directors;  
Heads of State-Owned Enterprises;  
Heads of Other Public Sector Institutions;  
Distinguished Guests;  
Friends from the Media;  
Ladies and Gentlemen;*

### Preamble

It gives me great pleasure to be part of the 8<sup>th</sup> annual Public Procurement Forum organized by the Public Procurement Authority. I wish to use this opportunity to congratulate PPA and their stakeholders for the efforts being made to ensure that government procurement is centered on value for money, fairness and transparency.

I consider these fora very significant, considering the opportunities it offers for interaction on issues that border on public financial management and its implications on the national economy.

The promulgation of the Public Procurement Act in 2003 (Act 663) has been of immense benefit to our economy by sanitizing the entire procurement system. I must say this

has come with its associated challenges and complaints from our varied stakeholders ranging from entities complaining of low approving thresholds, local business complaining of unfair competition and CSO's perception of corruption surrounding the procurement processes. In the mist of all these, I must commend the PPA for remaining resolute to its core mandate.

### THEME

Mr. Chairman, the theme for this year's forum, "ACT 914: Transitioning into a Vibrant Public Procurement System in Ghana." is most appropriate. Since the 1990s, the Government embarked on a number of initiatives to reform the public procurement system as a key component of public financial management reforms. The passage of the Public Procurement Act, 2003 (Act 663) and the establishment of the Public Procurement Authority (PPA) set the tone for a massive take-off of effective procurement management in Ghana. A cursory look at the operations of the procurement law for a decade shows that PPA has since not relented to make the reforms work.

Mr. Chairman, it is therefore worthy to note that having operated the existing law for over a decade and identifying the challenges that came with it, there were numerous calls for the amendment of the procurement law. These calls came from Entities, Practitioners, Civil Society as well as the Private Sector. This Government led by His Excellency John Mahama took the bold step of amending Act, 663. There were a number of consultations held with varied stakeholders. This broad consultation was to ensure that the views collated was representative enough. Am glad to announce to once again as some of you may be aware that the public procurement Act 2003 (Act 663) has been amended and since received presidential assent making it effective hence public procurement amendment Act, (Act 914), 2016.

In all 58 sections, headings and schedules were amended. The core to this amendment is that some

provisions have been repealed while others strengthened and clarified to ensure effective operationalization of the law.

For instance the amendment largely repealed part II of Act 663 which is about procurement structures and roles. The innovation is that, the functions of the Entity tender committees (ETC's) are backed by legislation by outlining both general and specific functions for the procurement unit. The days of which ETC's were considered as rubber stamp is over. A lot of professionalism is expected from the ETC's members.

The office of the Head of Procurement or the Procurement Officer is also strengthened. The law states that the Head of Procurement or the Procurement Officer shall be the secretary to the entity tender committee. It is our outmost wish that this will boost the confidence of our practitioners and also streamline their functions at the various entities.

**T**o instill confidence in the private sector, the administrative review has also been strengthened. This will ensure that not only is the private sector given adequate and proper avenue to air their grievances but also to be given a fair hearing as well as believing that they have been treated fairly. This will harmonize the entire procurement process by promoting transparency and fairness.

Again following the passage of the amendments by Parliament, existing hierarchical structures within the public procurement system which cause undue delays have been adjusted and also make way for decentralized procurement in line with the Decentralization Policy of Government. The amendments will also address challenges identified in the implementation of the Act and introduce other initiatives like sustainable public procurement, Framework Contracting and electronic procurement.

Key areas amended, includes the reconstitution of the 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.

Furthermore, substantial increases have also been made to the approving threshold limits of Entities. Heads of Entities will have approval limits of up to GH¢100,000.00 for Goods & Services and GH¢150,000.00 for Works. Entity Tender Committees will also have approval limits of up to GH¢1,000,000.00 for

Goods & Services and GH¢2,000,000.00 for Works.

Finally, to reduce excessive administrative costs and enhance efficiency, all tender review boards with the exception of the Central Tender Review boards has been dissolved and Ministries, Departments and Agencies will have to work towards the Central Tender review Committees while the Metropolitan, Municipal and District Assemblies will have the Regional Tender Review Committees to review all their procurement activities with reference to the new thresholds among others.

In fact, the Ministry will continue to support initiatives of the Public Procurement Authority aimed at ensuring that public procurement is conducted with due attention to the economy, efficiency and value for money.

To the Public Procurement Entities, which are the implementers of the Act, I would want to encourage you to collaborate closely with the PPA, and avail yourself of the numerous tailored training opportunities that the Authority puts across from time to time to develop institutional capacity for procurement. This is the surest means of enhancing your performance levels and ensuring better accountability of the State's resources.

**M**r. Chairman, ladies and gentlemen, Ghana continues to face significant and external vulnerabilities on the back of a large fiscal deficit, a slowdown in economic growth and the rising inflation level. These vulnerabilities are putting Ghana's medium-term prospects at risk. Therefore, seeking support from the International Monetary Fund (IMF) will call for proper financial discipline. The main goal of the medium term macro-economic programme is to achieve and sustain macro-economic stability for the promotion of growth and development. In this regard, fiscal policy will aim at consolidation to achieve sustainable fiscal deficit and public debt. The reduction in fiscal deficit will be driven mainly by expenditure rationalization and revenue enhancing measures. The strategy for achieving macro-economic stability includes:

I look forward to very fruitful collaborations among all stakeholders. On this note, I wish you a fruitful deliberation at this public forum

*Hon. Mona Quartey*

*Deputy Minister of Finance*





*Mrs. Rhoda Appiah, Head of Public Affairs at PPA*



*Mrs. Emelia Nortey, Director of MIS at PPA*



*Some of the enthusiastic PPA Staff in their PPA Cloth attending the forum*



## Procurement Humour

*The new thresholds for Category A & B are high oo.....Our time for chop chop*

*No, ETC is stronger to check and make public officials more accountable. The new PFMR law, Act 921 can put individuals in jail*



## Tendering and Contract Information for periods indicated

[Tendering Opportunities for Nov - Dec 2016](#)

[Contracts Awarded for Jan - Dec 2016](#)

[Restricted Tender Awards Jan - Dec 2016](#)

[Expression of Interest Requests Nov - Dec 2016](#)

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



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