



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 - Page 1
- ♦ Online Activities : Page 2
- ♦ Public Procurement Going global and Local —Page 5
- ♦ Corruption Perception Index -Page 6
- ♦ Submitting a Winning Tender—Page 6
- ♦ Reflections on Act 663 As Amended views of a Practitioner- Page 7
- ♦ Reflections on Act 663 As Amended from Zonal Office- Page 9
- ♦ Procurement News—Page 10
- ♦ eGP and Savings—Page 11
- ♦ Entity Categorisation — Page 13
- ♦ Procurement Humour —Page 15

Reflections on Public Procurement Act 663 as amended: A Year On....



Welcome to the March-April 2018 Edition of PPA's Bi-Monthly *e-Bulletin*. We have interesting and educative articles to stimulate your mind until the next publication. This edition reflects on a year after the amendment of the Public Procurement Act 663.

His Excellency the President, John Agyekum Kuffour, gave assent to the Public Procurement Act, 2003 (Act 663) on 31st December 2003. It came into operation in 2004 as part of government's good governance initiative and Public Financial Management Reform Programme (PFMRP). The Act provides for public procurement, establish the Public Procurement Board, make administrative and institutional arrangements for procurement; stipulate tendering procedures and provide purposes connected with these. Thus, providing national rules to foster competition, efficiency, transparency and accountability in the public procurement of goods, works and services. It also provides for fair, equal and equitable treatment of suppliers and contractors and promote the integrity of and public confidence in procurement process.

Having Implemented the Act over a decade, has exposed some challenges and administra-

tive delays, relating to categorization, membership and function of entity tender committees, which hamper the smooth implementation of the Bill. Thus, the President of Ghana, H.E John Dramani Mahama on 11th May, 2016, assented to the Bill to amend the Public Procurement Act, 2003 (Act 663). The amendment sought to correct editorial errors, re-arrange the provisions in Part Two to provide more logical sequence of the provisions and greater clarity. Some of the key amendments made are

- ⇒ Reconstitution of Entity Tender Committees (ETCs)
- ⇒ Re-categorization of Procurement Entities
- ⇒ Introduction of sustainable public procurement (SPP)
- ⇒ Introduction of e-procurement

A year on, PPA has commenced implementing the 1st and 2nd key amendments outlined above. This has sped up procurement decision-making, minimize delays and eliminated associated administrative and transaction cost. PPA has commenced also the implementation of e-procurement System which will be used by public entities to conduct their activities when operational.

Wishing you happy reading

Rhoda E. Appiah & Joana Akua Sakyi-Asiedu
PPA



Online Activities—Procurement Plan

List of entities that have submitted their 2018 Procurement Plans Online As At February 28 , 2018

- | | |
|---|--|
| 1. Abura/ Asebu/ Kwamankese District Assembly | 56. Environmental Protection Agency |
| 2. Accra College Of Education | 57. European Dynamics |
| 3. Accra Technical University | 58. Fantekwa District Assembly |
| 4. Ada West District Assembly | 59. Fiaseman Senior High School |
| 5. Adiembra Senior High School | 60. Fijai Senior High School |
| 6. Aduman Senior High School | 61. Fisheries Commission |
| 7. Afadzato south District Assembly | 62. Forestry Commission |
| 8. Agona West Manucipal Assembly | 63. Ga South Municipal Assembly |
| 9. Agotime-Ziope District Assembly | 64. Gaming Commission of Ghana |
| 10. Ahanta West District Assembly | 65. Ghana Airports Company Limited |
| 11. Ahantaman Senior High School | 66. Ghana Atomic Energy Commission |
| 12. Ajumako/ Enyan/ Esiam District Assembly | 67. Ghana Broadcasting Corporation |
| 13. Akatsi District Hospital | 68. Ghana Civil Aviation Authority |
| 14. Akatsi South District Assembly | 69. Ghana Cocoa Board |
| 15. Akuapim North District Assembly | 70. Ghana Cocoa Board - Quality Control Division |
| 16. Akwapim South | 71. Ghana College of Physicians and Surgeons |
| 17. Akyemansa District Assembly | 72. Ghana Education Service |
| 18. Asamankese Government Hospital | 73. Ghana Exim Bank |
| 19. Asamda Nursing Training College | 74. Ghana Export Promotion Authority |
| 20. Asante Akim Central Municipal Assembly | 75. Ghana Export Promotion Council |
| 21. Asante Akim North Municipal Assembly | 76. Ghana Geological Survey Authority |
| 22. Ashaiman Municipal Assembly | 77. Ghana Grid Co. Ltd. (GRIDCO) |
| 23. Asikuma Odoben Brakwa District Assembly | 78. Ghana Health Service |
| 24. Asokore Mampong Municipal | 79. Ghana Investment Fund for Electronic Communication |
| 25. Asonomaso district Hospital | 80. Ghana Investment Promotion Centre |
| 26. Assin South District Assembly | 81. Ghana Law School |
| 27. Asuogyaman District Assembly | 82. Ghana Library Board |
| 28. Awutu Senya District Assembly | 83. Ghana Metrological Agency |
| 29. Bank of Ghana | 84. Ghana National Petroleum Corporation |
| 30. Berekum Municipal Assembly | 85. Ghana Police Service |
| 31. Bia East District Assembly | 86. Ghana Ports And Harbours Authority |
| 32. Bibiani/Anhwiaso/Bekwai District Assembly | 87. Ghana Reinsurance Company Ltd |
| 33. Birim Central Municipal Assembly | 88. Ghana Revenue Authority |
| 34. Birim North District Assembly | 89. Ghana Statistical Service |
| 35. Birim South District Assembly | 90. Ghana Water Company Limited |
| 36. Bolgatanga Polytechnic | 91. Ghana-India Kofi Annan Center of Excellence |
| 37. Bosome-Freho District Assembly | 92. Gomoa East District Assembly |
| 38. Bui Power Authority | 93. Gomoa West District Assembly |
| 39. Bulk Oil Storage and Transportation | 94. Ho Municipal Assembly |
| 40. Cape Coast Metro | 95. Ho Municipal Assembly Dist. Hospital |
| 41. Central Gonja District Assembly | 96. Ho Polyclinic |
| 42. Civil Service Clinic | 97. Ho Technical University |
| 43. Commission on Human Rights and Administrative Justice | 98. Holy Child College Of Education |
| 44. Community Health Nurses Training School - Tamale | 99. Internal Audit Agency |
| 45. Controller And Accountant General Dept. | 100. Jirapa District Hospital |
| 46. Copyright Administration | 101. Jomoro District Assembly |
| 47. Council for Scientific and Industrial Research | 102. Ketu South District Assembly |
| 48. Council of State | 103. Ketu South Municipal Hospital |
| 49. Department Of Urban Roads | 104. Kintampo North Municipal Assembly |
| 50. Driver and Vehicle Licensing Authority (DVLA) | 105. Kintampo South District Assembly |
| 51. East Akim Municipal Assembly | 106. Koforidua General Hospital |
| 52. Economic and Organized Crime Office | 107. Koforidua Technical University |
| 53. Effutu Municipal Assembly | 108. Komenda Edina Eguafu Abirem Municipal Assembly |
| 54. Ekumfi District Assembly | 109. Komfo Anokye Teaching Hospital |
| 55. Energy Commission | 110. Konongo District Hospital |



111. Korle- Bu Teaching Hospital
 112. Krachi East District Assembly
 113. Krachi West District Assembly
 114. Krachi West District Hospital
 115. Kumasi south Hospital
 116. Kumbungu District Assembly
 117. Kwaebiirem District Assembly
 118. Kwahu Afram Plains South District Assembly
 119. Lambusie-Karni District Assembly
 120. Lower Manya Krobo District Assembly
 121. Management Development And Productivity Institute
 122. Metro Mass Transport Ltd
 123. Minerals Commission
 124. Ministry Of Aviation
 125. Ministry of Communications
 126. Ministry of Defence
 127. Ministry of Employment and Labour Relations
 128. Ministry of Finance
 129. Ministry Of Fisheries And Aquaculture Development
 130. Ministry Of Foreign Affairs And Regional Integration
 131. Ministry of Gender, Children and Social protection
 132. Ministry of Health
 133. Ministry of Information
 134. Ministry of Inner-City and Zongo Development
 135. Ministry of Local Government and Rural Development
 136. MINISTRY OF PUBLIC SECTOR REFORM
 137. Ministry of Roads and Highways
 138. Ministry of Sanitation and Water Resources
 139. Ministry of Tourism Culture and Creative Arts
 140. Ministry of Trade and Industry
 141. Ministry of Transport
 142. Ministry of Works and Housing
 143. Ministry Of Youth And Sports
 144. Mpohor District Assembly
 145. Mpohor Senior High School
 146. Nanumba North District Assembly
 147. National Accreditation Board
 148. National Board for Professional And Technical Examinations
 149. National Commission for Civic Education
 150. National Communication Authority
 151. National Development Planning Commission
 152. National Health Insurance Authority
 153. National Information Technology Agency (NITA)
 154. National Pensions Regulatory Authority
 155. National Petroleum Authority
 156. National Population Council
 157. National Service Secretariat
 158. National Youth Authority
 159. New Edubiase District Hospital
 160. Non Formal Education Division
 161. North Tongu District Assembly
 162. Northern Electricity Distribution Company (NEDCo)
 163. Nsawam Adoagyiri Municipal Assembly
 164. Nsawam Government Hospital
 165. Nurses and Midwifery Training College - Sekondi
 166. Nursing and Midwifery Council of Ghana
 167. Nursing and Midwifery Training College - Mampong
 168. Nursing and Midwifery Training College - Twifo Praso

169. Obuasi Government Hospital
 170. Obuasi Municipal Assembly
 171. Office of Administrator of Stool Lands
 172. Office of President
 173. Office of the Regional Health Directorate – Ashanti Region
 174. Office of the Regional Health Directorate – Eastern Region
 175. Office of the Regional Health Directorate – Upper West Region
 176. Office of the Regional Health Directorate – Western
 177. Offinso College of Education
 178. Offinso North District Assembly
 179. Opoku Ware SHS
 180. Pharmacy Council
 181. Prestea Huni Valley District Assembly
 182. Public Procurement Authority
 183. PUBLIC SECTOR REFORM SECRETARIAT
 184. Ridge Hospital
 185. S.D.A. Senior High School
 186. Scholarships Secretariat
 187. School of Anesthesia - Ridge Regional Hospital
 188. SDA Nursing and Midwifery Training School
 189. Securities and Exchange Commission
 190. Sekyere Kumawu District Assembly
 191. Shai Osudoko District Assembly
 192. Shama District Assembly
 193. Sogakope District Hospital
 194. South Dayi District Assembly
 195. St. Marys Boys Senior High School.
 196. St. Patrick's Nursing and Midwifery Training College
 197. State Enterprise Commission
 198. Suhum Municipal Assembly
 199. Sunyani General Hospital
 200. Sunyani Polytechnic
 201. Takoradi Technical University
 202. Tamale Technical University
 203. Tano South District Assembly
 204. Tarkwa District Hospital
 205. Tema Development Corporation
 206. Tema Metropolitan Assembly
 207. Tema Shipyard Ltd
 208. Tepa District Hospital
 209. Trauma And Specialist Hospital - Winneba
 210. Twifu/ Heman/ Lower Denyira
 211. University Of Cape Coast (UCC)
 212. University of Energy and Natural Resources
 213. University of Health and Allied Sciences
 214. University of Professional Studies, Accra
 215. Upper Denkyira East Municipal Assembly
 216. Upper Manya District Assembly
 217. Volta- Regional Coordinating Council
 218. Volta Regional Hospital
 219. Wa General Hospital
 220. Wassa Amenfi East District Assembly
 221. Wassa East District Assembly
 222. Wesley College of Education
 223. West Akim Municipal Assembly



PUBLIC PROCUREMENT, GOING GLOBAL AND LOCAL (PART 1)



According to a World Bank Group Study on Local Content Policies in 2013, Local Content requirement is a regulation that provides for a specific fraction of final goods, works and services to be procured domestically. Some nations include other parameters in their local content definitions by requiring that some proportion of national ownership in the production or manufacturing of goods or the provision of services. Others also view local content as the added value brought to the country in the activities of its industrial sector through the participation and development of the local people and businesses through goods, services, technology, capital and research capabilities. Local Content policy in its entirety therefore serves as a framework that maximizes the level of usage of local expertise, goods, services, businesses as well as financing.

Many countries across the world have enacted specific content policies and regulations in order to protect and promote their local economies. Some are skeptical about its relevance, citing a number of possible challenges such as corruption, financial constraints and local human resource capacity that could hinder

its progress. However, there is a growing consensus that local content policies are crucial for the economic growth, development and competitiveness of economies through the promotion of the utilization of local human and material resources, the transfer of knowledge and technology to the locals engaged by economic actors in these economies.

Countries that share in this view believe that the achievement of economic growth lies in the strength of the private sector. They therefore recognize that this can be made possible by supporting the growth of the Small and Medium Enterprises (SMEs). What have contributed to this belief are the many success stories of nations across the globe that have attempted these policies. Nigeria has chalked some success in its Oil and Gas sector where currently thousands of Nigerians have been employed and trained. Local suppliers have also been built up to handle various activities under its projects (<https://guardian.ng/energy/nigerias-success-story-of-local-content-policy>). Brazil also has gained significant milestone in its Oil and Gas Industry which has led to financing for Brazilian companies, training of locals, technology transfer and

research and infrastructure development (*Institute of the Americas Report, Sept.2017*). Other examples include the Black Economic Empowerment (BEE) of South Africa intended to provide a redress for the inequalities of Apartheid by giving certain previously disadvantaged groups (Blacks, Coloureds, Indians, and Chinese) of South African citizens economic privileges previously not available to them. (https://en.wikipedia.org/wiki/Black_Economic_Empowerment).

GHANA'S EFFORTS IN LOCAL CONTENT POLICIES

In Ghana, successive governments have over the years enacted many local content measures and policies in the various sectors of its economy which include Fishing, Mining and Energy with the Oil and Gas sector being the most prominent in the use of its local content policy stemming mainly from the discovery of oil in commercial quantities. These measures are often framed in the form of a stand-alone local content or captured as provisions in key Acts such as the Minerals and Mining Act, 2006 (Act 703), Petroleum Commission Act, 2011 (Act 821), Petroleum (Exploration and Production) Act, 2016 Act 919, Fisheries Act, 2002 (Act 625) and Fisheries (Amendment) Act 880, The Energy Commission Act, 2016 (Act 933), Ghana Shipping Amendment Act, 2011 (Act 826) and Public Procurement Act 2003 (Act 663) as Amended.

Sections 44 and 60(1) of the Public Procurement Act 2003 (Act 663) as Amended encourages the use of locals in National Competitive Tendering (NCT) procurement and makes provision for Margin of Preference respectively. Section 60(1) provides domestic suppliers with an advantage with respect to the evaluation of tenders by being awarded additional marks for using local inputs. The rationale behind all these provisions and policies is to protect Ghanaians and local businesses in order to build the local economic activities at the same time promoting investment in the country.

Efforts to have a National Local Content Policy that would cut across all sectors in Ghana are underway. Currently, the Ministry of Trade and Industry is heading a multi-sectoral committee working on the Policy Document. This when passed is expected to make it compulsory for foreign investors to partner with local businesses.



Another area of local content provision which is gaining momentum in the Ghanaian economy is the 30% of the 70% of Public Procurement contracts reserved for Local Sector for the marginalized groups in the country particularly Women and Youth groups as well as Persons with Disabilities (PWDs). This is in line with the Akufo Addo-led Government plans to reserve 70% of such contracts to local businesses as part of efforts to increase employment and create a self-sustaining economy.

In view of this, a day's Consultative Workshop was held recently in Accra to solicit inputs from stakeholders. The Minister of State in-charge of Public Procurement, Hon. Sarah Adwoa Safo in her address indicated that the policy was at its final draft stage and when passed into law would require all managers of public funds of to reserve 30 % of procurement to women and marginalized groups. Ghana stands a great chance of making significant gains when this policy is passed into law. Nations like Kenya, South Africa and Tanzania also have developed such policies which are yielding significant results.

Edwina Safo-Boafo

CD Officer

PPA

Ghana ranked 70th in 2016 Corruption Perceptions Index (CPI)

Ghana has scored 43 points out of 100 on the 2016 *Corruption Perceptions Index (CPI)* reported by Transparency International (TI). This shows a decline 11 places from the 2016 ranking where Ghana placed 81 out of 180 countries in the Corruption Perceptions Index. This is Ghana's lowest corruption perception score in four years.

The Index put together by Ghana Integrity Initiative (GII), the local wing of Transparency International (TI), a civil society organisation focused on fighting corruption worldwide said this score was the lowest in Ghana's CPI scores since 2012 when CPI scores became comparable.

In the 2016 Corruption Perception Index ranking, Ghana dropped four percentage points, scoring 43 out of a clean score of 100. The country was ranked 70 out of 176 countries globally; performing worse than countries such as Rwanda, Namibia and Senegal. In 2012 however, Ghana scored 45 points out of 100, 46 points in 2013, and 48 in 2014. Ghana's performance dropped abysmally again in 2014, when it ranked 61st out of the 175 countries surveyed across the world. Although Ghana performed better than 36 other Sub-Saharan African countries including Benin 39, Swaziland 38, Zambia 37, Tanzania 36, it, nonetheless, performed below 11 other Sub-Saharan African countries.

The report says an average score of less than 50, which is

what Ghana has received for 2017, shows serious corruption in the country. The 2017 CPI score indicates that, in spite of Ghana's numerous efforts at fighting corruption, the canker is still a serious problem. Ghana's score of 40 points is a likely reflection of the inadequate investigations, prosecutions and sanctioning of people accused of being corrupt.

The Transparency International (TI) states that what is urgently needed are deep-rooted systemic reforms. This should be done through empowering citizens to stop the widespread impunity for corruption, hold the powerful to account, and have a real say in the decisions that affect their daily lives. The Ghana Integrity Initiative (GII) also recommends that the new political and institutional leadership must demonstrate commitment to the fight against corruption by strengthening anti-corruption legislation and closing identified gaps; passing outstanding laws such as the Right to Information (RTI) and the Public Officer's Code of Conduct and sanctioning corrupt officials. The leadership should also look at different ways of using innovation and technology to reduce red tape in fighting corruption.

Marian Oteng
Assistant Corporate Affairs Officer
PPA

DID YOU KNOW THESE SECRETS OF SUBMITTING WINNING TENDERS?

Pay attention to the basics:

- Presentation and orderliness is very important
- Page numbering, spell-check and a grammar check should be very well done.
- Use numbered sections and clear headings
- Provide an index, or a section divider to ensure that the evaluating panel can locate things easily.
- Get someone who did not write it to prove read it. Poor grammar, spelling mistakes, and a hard to read document are signals of an organization, which can't communicate effectively.
- Use the headings/format provided: Fit your information into the headings/sections provided in the Standard Tender Document. Do not use your own format unless asked to do so, or if no other structure is provided. This may be an indication that you are unable to comply with specifications given to you by the requesting Entity, or cannot adapt your own information to fit standard formats given to you.
- Provide a solution: Think of the bigger picture (ie,

what is the problem they want resolved?) and offer value-ended solutions. Show a willingness to be responsive to changing needs.

- Be punctual: If the closing date/time for documents is not later than 2pm on Tuesday, then don't drop it off at five minutes past 2pm. It will not be accepted. Traffic jams; car breakdowns or slow courier are not excuses. Get your document in at least a day early if possible. Delivering in full can indicate how punctually you will deliver on an approved contract.
- Follow instructions: If the price is requested to be in a separate envelope, ensure it is in a separate envelope.
- Be aware of your competitive advantage and use it clearly
- Provide reference: CV's for key staff are also helpful.

David Sebastian Damoah
Snr. Corporate Affairs Officer
PPA



REFLECTIONS ON ACT 633 AS AMENDED: A YEAR ON

This article focuses on the perception of the Public Procurement Act 663 as amended from a practitioner's point of view. In view of this, an interview was conducted with the **Procurement Manager for the Ghana Civil Aviation Authority Mr. Benjamin Baidoo**. Below are excerpts of the interview.



Theme: **REFLECTIONS ON ACT 633 AS AMENDED: A YEAR ON.**

1. Were you in support of the Amendment of Act 663?

Yes I was in full support of the amendment of the Act. In fact I was on a project that was in charge of evaluating procurement practices in Ghana after the introduction of the Act in 2004. I was also working on a project on measuring procurement performance in the Public Sector. As part my findings, I realized that a lot of people had complains about the threshold because they were unable to effectively do their jobs. The little amount, they had to go through the procurement cycle all over. As part of my recommendations for the project, I indicated that there was need for the Procurement Regulator that is PPA to review the thresholds.

2. Do you think it was necessary to amend Act 663? If yes/no why?

The Amendment of the Act was very critical because it had been in existence for more than a decade and it needed to be reviewed. After 10 years of assenting to the Act by the government, even if your economy is stable, you need to review the Act to determine if it should be maintained or the thresholds expanded.

3. Do you think the amendment has had any effect on the economy?

It is quite obvious that there have been some significant changes in the economy since the Act was amended. Firstly, the Amended Act has facilitated operational activities of Entities which may have subsequently had some impact on the bottom line on some Entities in the country. In my candid opinion, some of the thresholds were elastic in the sense that the revised thresholds have the potential to give room for people to do their 'own thing'. For example when it comes to the issue of Works, you will realize that the threshold given to some of the entities were on the high side. And if the regulator is not meticulous to monitor and evaluate these thresholds, some unscrupulous people will take advantage of it. Furthermore, the Amendment has cut down the cumbersome workload in the procurement process. For example entities will not spend a lot on advertisement due to the fact that the thresholds have been raised to appreciable levels. Also it has impacted on the savings especially with regards to administrative cost that existed previously via rigorous processes.

4. How has the amendments affected the practice of your job as a practitioner? Positively/Negatively?

Prior to the Amendment of the Act, the Entity Tender Committee (ETC) was constituted with Board and Management staff; with representation from the sector Ministry or the Attorney General's Office but after the reconstitution of the ETC, professionals bodies are now allowed make representations on these committees; and offer professional advice to the decision making regarding procurement. In my opinion, this brings value to most organization. I am happy to note that, at least, there is professional representation at the decision making stage. This does not serve as a governance check on public entities, but more importantly, the principle of ensuring that public entities achieve value for money in all its procurement processes.

Secondly, Hitherto, the slightest amount which is above Twenty Thousand Cedis (GH20, 000) for

(Continued from page 7)

goods will have to go through a National Competitive Tendering (NCT) and sometimes if one is not careful, you even incur additional cost after completing the entire cycle which would have been better by resorting to the traditional request for Quotation (RFC) method. Thus, often times, by quantifying the total cost of acquisition alone; proportionate to the budget for the planned procurement serves as a distinctive to tread on the trajectory. And I will say that the Amendment has brought speed to the procurement procedures ostensibly due to the revised thresholds. And indeed, it has had an impact on my organization because we are able to get materials on time to meet critical deadlines.

5. To you what is the single most important clause/section that was amended? Why?

Schedule 3 (B1) of Act 663 under Thresholds for Review/Approval was my single most important clause or section that needed to be reviewed. It was one of the aspects that was of great concern to most practitioners. According to the amended law, Act 914 “A Procurement Unit” has been clearly defined in the Amended Act under section 19. This is a great relief because you realize that, in most of the public entities, most officers who are handling procurement do not have the requisite professional educational qualification (s) in procurement. And therefore most people do not abide by the ethics and conduct of the profession; the end results are the many infractions and miss-procurement we have been witnessing in recent times. And for me I would plead with PPA to see the implementation of section 19 of the Amended Act 914 that enjoins the Head of Procurement Entity of Ministry, Department and Agency, Metropoli-

tan, Municipal and District Assemblies to establish a Procurement Unit within the Entity which shall be headed and staffed by qualified procurement personnel. PPA should ensure that the aforementioned Section is vigorously pursued to its logical conclusion. This will go a long way to help most entities because entities to employ people with the right training, attitude and skill set to lead the procurement processes in order to achieve value for money.

6. Do you think there are still some challenges or limitations with the Act 663 as amended?

A lot of work went into the amendment for instance, the re-composition of the ETC, the fact that it ensures good corporate governance by detaching the Governing Board in the day to day activities of the organization and bringing in experts to contribute are all some of the positive changes and or high points of the Amended Act 663. It was amended only a year ago so it needs to be in existence for some time before we can highlight certain areas that needs to be addressed.

7. What are your recommendations or suggestions, moving forward?

I would plead with the Public Procurement Authority (PPA) to create awareness on the Amended Act. People need to be educated so I will urge PPA to conduct some form of training programs on the Amended Act. On a scale of 1-10, I would score the Amended Act 8 over 10.

Marian Oteng

Assistant Corporate Affairs Officer

PPA



REFLECTIONS ON THE PUBLIC PROCUREMENT ACT, 2003 (ACT 663) AS AMENDED

In March, 2016 Parliament of Ghana passed the amendment to the Public Procurement Act 2003, (Act 663). The amended Act, Public Procurement Act 2016, (Act 914) came into effect on 1st July, 2016.

To ensure efficiency and competitiveness in public procurement process which is the bedrock for good governance, the Public Procurement Authority together with various stakeholders championed the amendment of the Act to enable it achieve its objective. The passage of the amendment of Act 663 received a great approval from all public entities in all the sectors of the country and stakeholders.

Before then, the principal Act (Act 663) had been in operation for 13 years. Through this years, some weaknesses were identified, lessons were learnt all through the interactions of stakeholders. The major weaknesses observed included contract value thresholds for the selection of a procurement method, approval thresholds, non-categorization of entities, imbalances in the procurement structures that had created administrative bottlenecks, among others. These adversely increased bureaucracy and increased administrative cost in the procurement process.

Consequently, the Public Procurement Amendment Act, 2003 (Act 663) as amended sought to address the weaknesses with the parent Act. The major highlights of the amendment therefore included the Revised Contract Value Threshold for Procurement Methods, Re-Categorization of Procurement Entities, Revised Threshold for Approving Authorities, Re-Composition of Entity Tender Committees, Dissolution of District and Ministerial Tender Review Boards, the Introduction of new procurement structures for Local Government Agencies, e-Procurement, Sustainable Public Procurement.

It has been a year on since the amendment was passed. The questions are, has the amendment eliminated or minimized the weaknesses identified with Act 663 which formed the bases for the amendment or the weaknesses still exist? And has any gains been made? We can only answer these questions by analyzing the weaknesses the amendment sought to eliminate.

Firstly, the re-composition of Entity Tender Committee's (ETC) of procuring Entities with Heads of Procurement

Units serving as Secretaries to the ETC has reinforced the establishment of functional Procurement Units with professionally qualified procurement staff in each procuring Entity to handle procurement activities. This has increased recognition and empowered the procurement staff to perform their duties and will in turn help improve efficiency and ensure professionalism and accountability in public procurement.

Also, the Dissolution of District and Ministerial Tender Review Board (DTRB & MTRB) has further helped to reduce bureaucracy in the procurement process and therefore speed up procurement decision-making and also eliminated the administrative cost associated with seeking approvals at these approving authorities.

Moreover, some procuring entities were previously finding it difficult to constitute procurement structures such as Entity Tender Committees and Tender Review Boards as prescribed in Act 663 and even those who had these structures could not utilize it because, some of the members could not be found in their localities.

This challenge is resolved in the amendment and now most of the ETC members are within the organization or units within the entities and therefore they can conveniently form quorum and take procurement decisions.

Convincingly, we can say that, the gains of the amendment of Act has been remarkable, however, it is not over yet, moving forward there is the need for the Authority and its stakeholders to champion the concept of sustainability which has been reinforced in the amendment Act, 2016 (Act 663) as amended to help address the Environmental, Social and Economic consequences of procurement actions.

The Zonal Office in Kumasi through the Public Procurement Authority shall continue to exercise its mandate as a regulatory body and together with all the procurement fraternity within the Zone, and the country as a whole.

PPA- ZONAL OFFICE (NORTHERN SECTOR)

KUMASI



PROCUREMENT NEWS AROUND THE WORLD

Buhari signs executive order to improve local content in Public Procurement

The President of Nigeria Muhammadu Buhari on February 4, 2018 in Abuja signed Executive Order 5 to improve local content in public procurement with science, engineering and technology components. The Executive Order is expected to promote the application of science, technology and innovation towards achieving the nation's development goals across all sectors of the economy.

The president, in pursuant to the authority vested in him by the constitution, ordered that all "Procuring Authorities shall give preference to Nigerian companies and firms in the award of contracts, in line with the Public Procurement Act 2007."

The Executive Order also prohibits the Ministry of Interior from giving visas to foreign workers whose skills are readily available in Nigeria. It, however, notes that where expertise is lacking,

procuring entities will give preference to foreign companies and firms with a demonstrable and verifiable plan for indigenous development, prior to the award of such contracts.

In the proclamation entitled "Presidential Executive Order 5 for planning and execution of projects, promotion of Nigerian content in contracts and science, engineering and technology," the president also directed Ministries, Departments and Agencies to engage indigenous professionals in the planning, design and execution of national security projects.

It adds that "consideration shall only be given to a foreign professional, where it is certified by the appropriate authority that such expertise is not available in Nigeria."

Source: The Premium Times



Electronic Government Procurement (eGP) and Savings

Introduction

The increasing use of Electronic Procurement systems by governments is an indication of the enormous benefits that can be derived from the successful implementation of such a system. The trend is more noticeable among developing countries. In recent times Ghana, Tanzania and Zambia are all adopting and implementing electronic Government Procurement (eGP) systems. Kenya, Rwanda and Tunisia have already implemented eGP systems.

Savings

Saving from eGP can be grouped as:

- Cost Saving
- Process efficiency
- Better information flow between a entities and their Service Providers
- Reduced maverick spending
- Streamlined process
- Better inventory level
- Better services to customers

In July 2015, the government of Jamaica launched its nationwide eGP system. It is estimated that the Government of Jamaica would be able to decrease its spending on procurement process by about 30%.

Transaction Cost Savings

Fig. 1

- KONEPS is saving **transaction costs** of **USD 8 billion** annually

- Private Sector : USD 6.6 billion
- Public Sector : USD 1.4 billion

- Increased efficiency

- Receiving bids, validating related docs. and selecting the winning bid

Before over 30 hrs
After less than 2 hrs

- Reduction of 7.8 million pages of paper documents per year



In Ukraine implementing eGP System (Prozorro) made significant savings in its first year. This is show on Fig 2 below.

First year: results



Fig 2.



bi.prozorro.org

In 2012 the Korean Online Electronic Procurement System (KONEPS) reported a savings of USD8Billion. See Fig 1.

With the continuous use of Prozorro, Ukraine has continued to make savings through conducting government procurements online as shown on Fig 3.



Fig 3.

Conclusion

Implementation of Ghana's eGP system is on-going and currently at the installation stage. This will be followed by operational acceptance testing. Training will be conducted after the operational acceptance after which the system is expected to go live among six selected pilot entities.

Based on examples from other eGP systems as indicated previously, it is expected that Ghana's eGP System will yield measurable savings in time and cost which can be used for other developmental needs of the country.

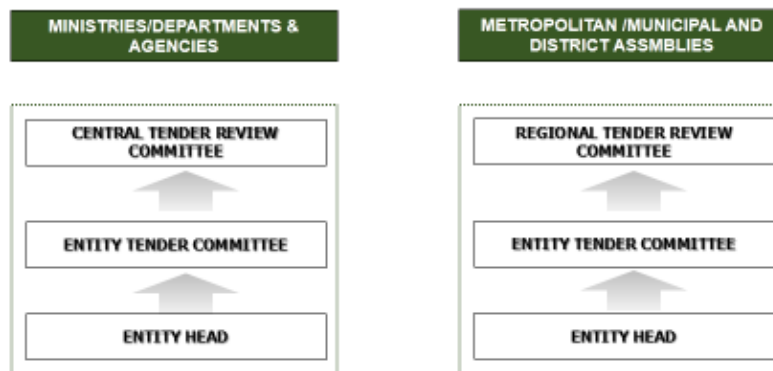
Thomas Bondzi
IT Support Services



Entity Categorisation

Approval Levels

...Procurement Structures



19

Categorization of Entities (Act 914 Section 20 & 20 A)

...Procurement Structures

SCHEDULE 1A

Categorization (A to F)

- A - Special Constitutional Bodies
- B - CMAs, Ministries, SOEs, RCC, Independent Const. Bodies
- C - Teaching Hospitals & Tertiary Educational Institutions
- D - Regional Hospitals & Colleges
- E - District Hospitals, Second Cycle schools
- F - Metropolitan, Municipal & District Assemblies

21

Interpretations

Act 663 Section 98

...Procurement Structures

Special Constitutional Bodies – CATEGORY A

- Legislature
- Judiciary
- Council of State
- Bank of Ghana

Central Management Agencies – CATEGORY B

- Office of the President
- Public Service Commission
- Office of the Head of Civil Service

23



Interpretations

Act 663 Section 98

...Procurement Structures

Independent Constitutional Bodies – CATEGORY B

- National Development Planning Commission
- Electoral Commission
- Commission On Human Rights and Administrative Justice
- National Media Commission
- Lands Commission
- National Commission for Civic Education.

Statutory Fund Management Bodies – CATEGORY B

- District Assembly Common Fund Administrator
- Export Development and Investment Fund
- Ghana Education Trust Fund (GETFUND)
- National Insurance Commission
- Social Security and National Insurance Trust (SSNIT)
- Ghana Infrastructure Investment Fund

25



Procurement Methods

Good, Works and Technical Services

...Procurement Structures

PROCUREMENT METHOD	SCOPE	CONTRACT VALUE THRESHOLD
INTERNATIONAL COMPETITIVE TENDER	GOODS WORKS TECHNICAL SERVICES	Above GHS 10,000,000.00 Above GHS 15,000,000.00 Above GHS 5,000,000.00
NATIONAL COMPETITIVE TENDER	GOODS WORKS TECHNICAL SERVICES	> GHS 100,000.00 - GHS 10,000,000.00 > GHS 200,000.00 - GHS 15,000,000.00 > GHS 50,000.00 - GHS 5,000,000.00
PRICE QUOTATION	GOODS WORKS TECHNICAL SERVICES	Up to GHS 100,000.00 Up to GHS 200,000.00 Up to GHS 50,000.00
RESTRICTED TENDERING / SOLE SOURCE	GOODS/WORKS/ TECHNICAL SERVICES	ANY VALUE - SUBJECT TO APPROVAL BY PPA BOARD
	CONSULTANCY	NO THRESHOLDS

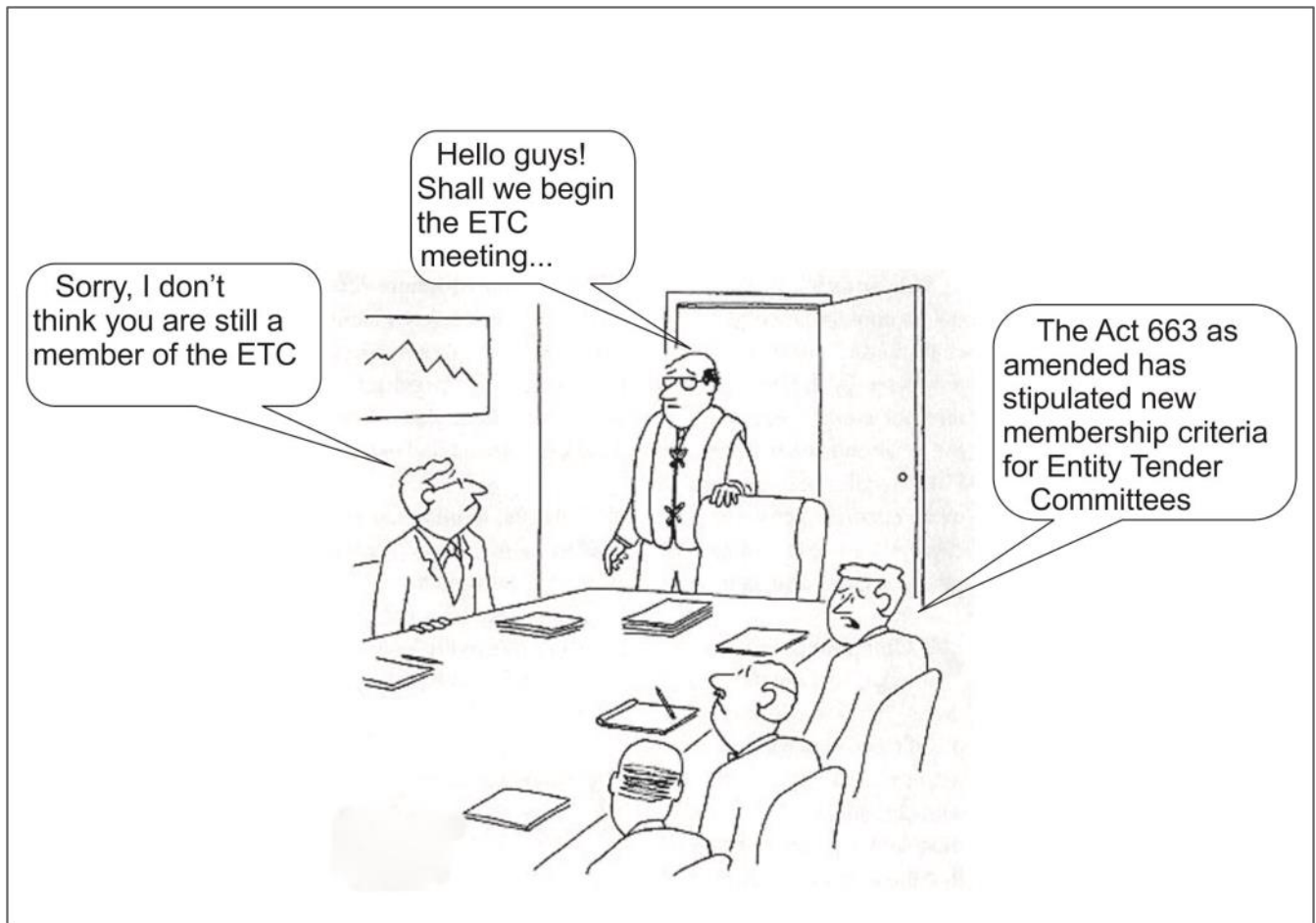
27



Compiled by David Sebastian Damoah



Procurement Humour



Tendering and Contract Information for periods indicated

[Tendering Opportunities for Mar - Apr 2018](#)

[Open Contracts Awarded for Jan - Dec 2018](#)

[Restricted Tender Awards Jan- Dec 2018](#)

[Expression of Interest Requests Mar - Apr 2018](#)

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



Editorial Team

Rhoda E. Appiah—Head, Corporate Affairs and Administration

Thomas K. Bondzi— Head, IT Support Services

David S. Damoah—Senior Officer, Corporate Affairs and Admin.

Edwina Safee-Boafo—Officer, Capacity Development

Joana A. Sakyi-Asiedu— Senior Admin Officer

Marian Oteng— Officer, Corporate Affairs and Admin

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

PMB 30
Ministries
ACCRA

Phone: 0302 - 765641-2
Fax : 0302—765643

