

July-August 2020 Edition

PPA e-BULLETIN



Inside this Edition

- Managing risk on the Public Procurement System is a collective action.
- Procurement risk management- Unlocking resources for sustainable development.
- Non/Partial competitive methods of procurement- inherent risk and mitigation factors



MANAGEMENT



**Public
Procurement
Authority**

*Improving Efficiency and
Transparency in Public Procurement*

Website: www.ppa.gov.gh

Email: info@ppaghana.org

Compiled by Editorial Committee Members



**Public
Procurement
Authority**
Improving Efficiency and
Transparency in Public Procurement

e-Bulletin



Theme for July-August (2020): Risk Management in Supply Chain Management

In this Edition

- ◆ *Managing risk in the public procurement systems is a collective action - Pg. 1,8,9,10,11,12,13, 14 & 15*
- ◆ *Online Submissions - Pg. 3,4 & 5*
- ◆ *Editorial - Pg.6&7*
- ◆ *Non/Partial Competitive methods of procurement-inherent risk and mitigation factors- Pg. 16 & 17*
- ◆ *Procurement news around the world- Pg. 18*
- ◆ *Did You Know? - Pg. 19*
- ◆ *Our Letters -Pg. 20*
- ◆ *Procurement Humour Pg. 21*
- ◆ *Advertiser's Announcement - Pg. 22*
- ◆ *Procurement Dashboard - Pg. 22*

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION

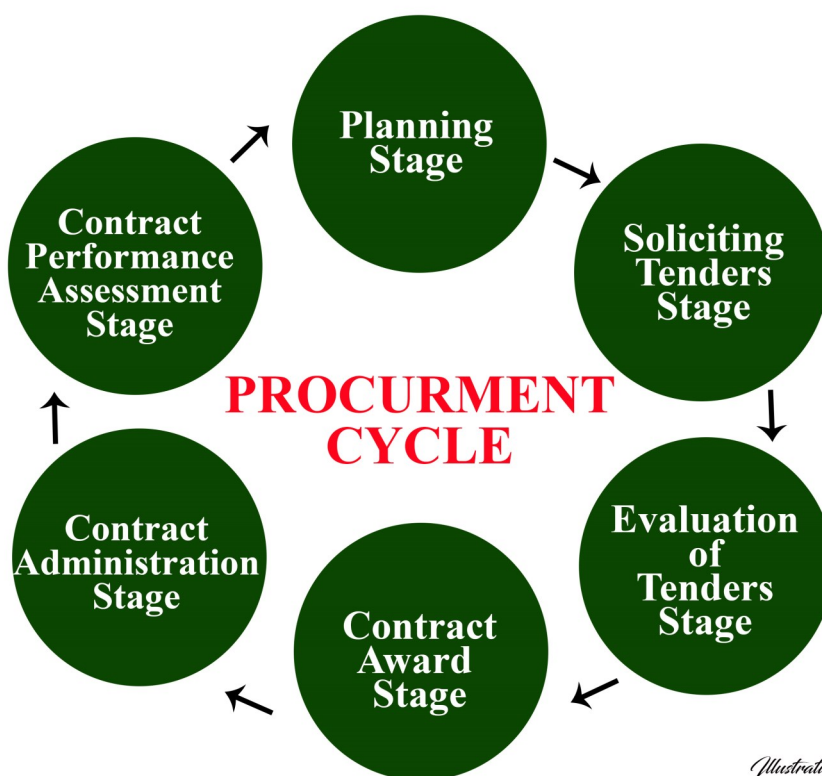


Illustration by James Anyiah

The Public Procurement Authority in Ghana, since its establishment, has sought to ensure public funds are expended in a judicious, economic and efficient manner through fair, transparent, and non-discriminatory procurement processes that promotes a competitive local industry. With the backing of the Act 663 as amended, the Authority continues to address weaknesses in the Public Procurement system in order to ensure Value for Money is achieved.

Risk as defined by ISO/Guide 73:2009(en) is “the effect of uncertainty on objectives”. In pursuance of the Authority’s object, there are inherent risks within the procurement system that emanates from the actions or inactions of stakeholders. These risks threatens the achievement of Value for Money in the Public Procurement System which calls for effective management. Many of the risks can translate into opportunities for all stakeholders and also ensure Value for Money of public funds is achieved. A collective approach must be adopted to mitigate them in order to safe guard state resources.

Continued on Pg. 8

ONLINE PROCUREMENT PLAN SUBMISSIONS AS AT 30TH JUNE, 2020

1	Ablekuma North Municipal Assembly	58	Oda
2	Abuakwa North Municipal Assembly	59	Controller And Accountant General Dept
3	Abura/ Asebu/ Kwamankese District Assembly	60	Copyright Administration
4	Academy of Arts and Sciences-Ghana	61	Council for Scientific and Industrial Research
5	Accra College Of Education	62	Driver and Vehicle Licensing Authority (DVLA)
6	Accra Polytechnic	63	Dunkwa District Hospital
7	Accra Psychiatric Hospital	64	Ear Nose And Throat Training School
8	Achimota Hospital	65	Eastern- Regional Co-ordinating Council
9	Afigya Kwabre North District Assembly	66	Economic and Organised Crime Office
10	Agona West Manucpal Assembly	67	Effia Kwesimintsim Municipal Assembly
11	Agotime-Ziope District Assembly	68	Effutu Municipal Assembly
12	Ahanta West District Assembly	69	Ejisu Juaben Municipal Assembly
13	Ahantaman Senior High School	70	Ejura Government Hospital
14	Akatsi District Hospital	71	Ekumfi District Assembly
15	Akatsi South District Assembly	72	Energy Commission
16	Akim Oda Government Hospital	73	Environmental Protection Agency
17	Akrofuom District Assembly	74	Essikado Government Hospital
18	Akrofuom Senior High Technical School	75	Essikadu District Hospital
19	Akuse Government Hospital	76	Fanteakwa North District Assembly
20	Amansie Central District Assembly	77	Fanteakwa South District Assembly
21	Amansie South District Assembly	78	Fisheries Commission
22	Amansie West District Assembly	79	Foods and Drugs Authority
23	Ankaful Psychiatric Nursing Training College	80	Forestry Commission
24	Asamankese Government Hospital	81	Foso College of Education
25	Asamda Nursing Training College	82	Gaming Commission of Ghana
26	Asankrangwa Senior High School	83	Ghana Aids Commission
27	Asante Akim Central Municipal Assembly	84	Ghana Airports Company Limited
28	Asante Akim North Municipal Assembly	85	Ghana Atomic Energy Commission
29	Asante Akim South District Assembly	86	Ghana Audit Service
30	Asikuma Odoben Brakwa District Assembly	87	Ghana Book Development Council
31	Asokore Mampong Municipal	88	Ghana Broadcasting Corporation
32	Asonomaso district Hospital	89	Ghana Civil Aviation Authority
33	Assin South District Assembly	90	Ghana Cocoa Board
34	Asuogyaman District Assembly	91	Ghana Cocoa Board - Quality Control Division
35	Awutu Senya District Assembly	92	Ghana College of Nurses and Midwives
36	Axim Girls Senior High School	93	Ghana College of Physicians and Surgeons
37	Axim Hospital	94	Ghana Cylinder Manufacturing Company Limited
38	Ayawaso North Municipal Assembly	95	Ghana Education Service
39	Bank of Ghana	96	Ghana Education Trust Fund (GETFUND)
40	Bia East District Assembly	97	Ghana Exim Bank
41	Birim North District Assembly	98	Ghana Export Promotion Authority
42	Birim South District Assembly	99	Ghana Free Zones Board
43	Bole Nursing and Midwifery Training College	100	Ghana Geological Survey Authority
44	Bolgatanga Polytechnic	101	Ghana Grid Co. Ltd. (GRIDCO)
45	Bono Regional Health Directorate	102	Ghana Institute of Journalism (GIJ)
46	Bosomtwe/ Atwima Mponua / Kwanwoma	103	Ghana Institute of languages
47	Bulk Oil Storage and Transportation	104	Ghana Institute of Management And Public Administration
48	Cape Coast Metro	105	Ghana Investment Fund for Electronic Communication
49	Central Gonja District Assembly	106	Ghana Investment Promotion Centre
50	Central Regional Health Directorate	107	Ghana Law School
51	Centre for Plant Medicine Research - Mampong	108	Ghana Library Board
52	Christ The King Catholic Senior High School	109	Ghana Metrological Agency
53	Cocoa Marketing Company (Ghana) Limited	110	Ghana National Fire Service
54	College of Health Sciences	111	Ghana National Gas Company Limited
55	College of Health Sciences-Bibiani	112	Ghana National Petroleum Corporation
56	Commission on Human Rights and Administrative Justice	113	Ghana Police Service
57	Community Health Nursing Training School - Akim		Ghana Railway Development Authority

ONLINE PROCUREMENT PLAN SUBMISSIONS AS AT 30TH JUNE, 2020

114	Ghana Reinsurance Company Ltd	171	Lands Commission
115	Ghana Revenue Authority	172	Local Government Service Secretariat
116	Ghana Shippers Authority	173	Maamobi General Hospital
117	Ghana Standards Authority	174	Mampong General Hospital
118	Ghana Statistical Service	175	Mampong Municipal Assembly
119	Ghana Technology University College	176	Management Development And Productivity Institute
120	Ghana Water Company Limited	177	Mankranso Hospital
121	Ghana-India Kofi Annan Center of Excellence	178	Methodist College of Education - Akim Oda
122	Gomoa	179	Metro Mass Transport Ltd
123	Gomoa Central District Assembly	180	Mfantseman Municipal Assembly
124	Gomoa West District Assembly	181	Midwifery Training School - Goaso
125	Grains And Legumes Development Board	182	Minerals Commission
126	Greater Accra- Regional Co-ordinating Council	183	Ministry for the Interior
127	Health Facilities Regulatory Agency (HeFRA)	184	Ministry of Aviation
128	Ho Municipal Assembly Dist. Hospital	185	Ministry of Communications
129	Ho Polyclinic	186	Ministry of Culture And Chieftancy
130	Ho Technical University	187	Ministry of Defence
131	Hohoe Municipal Assembly	188	Ministry of Education
132	Holy Trinity Cathedral Senior High School	189	Ministry of Employment and Labour Relations
133	Holy Child College Of Education	190	Ministry of Environment, Science, Technology and Innovation
134	Information Service Department	191	Ministry of Finance
135	Institute of Local Government Studies	192	Ministry Of Fisheries And Aquaculture Development
136	Intercity STC Coaches Limited	193	Ministry of Food and Agriculture
137	Internal Audit Agency	194	Ministry Of Foreign Affairs And Regional Integration
138	Jaman North District Assembly	195	Ministry of Gender, Children and Social protection
139	Jaman South (Jaman) District Assembly	196	Ministry of Information
140	Jasikan District Hospital	197	Ministry of Inner-City and Zongo Development
141	Jirapa District Hospital	198	Ministry of Justice And Attorney General
142	Jomoro District Assembly	199	Ministry of Lands and Natural Resources
143	Judicial Service	200	Ministry of Planning
144	Kade Government Hospital	201	Ministry of Railways Development
145	Kedjebi District Assembly	202	Ministry Of Regional Reorganization and Development
146	Keta District Hospital	203	Ministry of Roads and Highways
147	Ketu North District Assembly	204	Ministry of Special Development Initiative
148	Ketu South District Assembly	205	Ministry of Tourism Culture and Creative Arts
149	Ketu South Municipal Hospital	206	Ministry of Trade and Industry
150	Kibi Government Hospital	207	Ministry of Transport
151	Kintampo North Municipal Assembly	208	Ministry of Works and Housing
152	Kintampo South District Assembly	209	Mpasatia Senior High Tech. Sch.
153	Koforidua General Hospital	210	Namong Senior High Technical School
154	Koforidua Technical University	211	Nanumba North (Nanumba)
155	Komenda Edina Eguafo Abirem Municipal Assembly	212	Nation Builders Corps
156	Komfo Anokye Teaching Hospital	213	National Accreditation Board
157	Konongo District Hospital	214	National Board for Professional And Technical Examinations
158	Korle- Bu Teaching Hospital	215	National Board for Small Scale Industries
159	Krachi East District Assembly	216	National Commission for Civic Education
160	Krachi West District Assembly	217	National Council for Curriculum and Assessment
161	Krachi West District Hospital	218	National Development Planning Commission
162	Kumasi High Sch	219	National Health Insurance Authority
163	Kumasi Metropolitan Assembly	220	National Identification Authority
164	Kumasi Technical University	221	National Information Technology Agency (NITA)
165	Kuntanase District Hospital	222	National Insurance Commission
166	Kwabere East Municipal Assembly	223	National Lotteries Authority
167	Kwaebiiirem District Assembly		
168	Kwahu Afram Plains South District Assembly		
169	Kwame Nkrumah University Of Science And Technology (KNUST)		
170	Lambusie-Karni District Assembly		

224	National Pensions Regulatory Authority	276	School of Dispensing Optics
225	National Petroleum Authority	277	SDA Nursing and Midwifery Training School
226	National Road Safety Commission	278	Securities and Exchange Commission
227	National Service Secretariat	279	Sekyere Afram Plains District Assembly
228	National Sports College	280	Sekyere South District Assembly
229	New Juaben North Municipal Assembly	281	Sene Dist. Hospital
230	New Juaben South Municipal Assembly	282	Shama District Assembly
231	Ngleshie Amanfro Polyclinic	283	Sissala East (Sissala) District Assembly
232	Nkoranza South Municipal Assembly	284	Social Security and National Insurance Trust (SSNIT)
233	Nkroful Agric Senior High School	285	Sogakope District Hospital
234	Nkwanta South District Assembly	286	South Dayi District Assembly
235	Nsawam Adoagyiri Municipal Assembly	287	South Tongu District Assembly
236	Nsawam Government Hospital	288	St. Joseph College Of Education-Bechem
237	Nsawora Edumafua Community Senior High School	289	St. Monicas College of Education
238	Nurses and Midwifery Training College - Nalerigu	290	St. Patricks Nursing and Midwifery Training college
239	Nurses and Midwifery Training College - Sekondi	291	St. Therasas College of Education
240	Nursing and Midwifery Council of Ghana	292	St. Vincent College of Education
241	Nursing and Midwifery Training College - Asankragwa	293	Suaman District Assembly
242	Nursing and Midwifery Training College - Dunkwa	294	Suame Municipal Assembly
243	Nursing and Midwifery Training College - Koforidua	295	Suhum Government Hospital
244	Nursing and Midwifery Training College - Mampong	296	Suhum Municipal Assembly
245	Nursing and Midwifery Training College - Twifo Praso	297	Suntreso District Hospital
246	Nursing and Midwifery Training College-Kumasi	298	Sunyani Polytechnic
247	Nursing And Midwifery Training College-Tarkwa	299	Takoradi Technical University
248	Obuasi East District Assembly	300	Tamale Central Hospital
249	Obuasi Government Hospital	301	Tamale College of Education
250	Obuasi Municipal Assembly	302	Tamale Teaching Hospital
251	Office of Administrator of Stool Lands	303	Tamale Technical University
252	Office of President	304	Tamale West Hospital
253	Office of the Head of Civil Service	305	Tano North District Assembly
254	Office of the Regional Health Directorate – Ashanti Region	306	Tarkwa District Hospital
255	Office of the Regional Health Directorate – Eastern Region	307	Tarkwa Nsuaem Municipal Assembly
256	Office of the Regional Health Directorate – Greater Accra Region	308	Techiman Minicipal Assembly
257	Office of the Regional Health Directorate – Upper East Region	309	Tema Development Corporation
258	Office of the Regional Health Directorate – Volta Region	310	Tema Shipyard Ltd
259	Offinso College of Education	311	Tema West Municipal Assembly
260	Oforikrom Municipal Assembly	312	Tepa District Hospital
261	Old Tafo Municipal Assembly	313	Tetteh Quarshie Memorial Hospital
262	Opoku Ware Sec.	314	Tijjaniya Senior High School Effiduase-Asokore
263	Peki College of Education	315	University For Development Studies
264	Peki Government Hospital	316	University Of Cape Coast (UCC)
265	Petroleum Commission - Ghana	317	University Of Education Winneba (UCEW)
266	Pharmacy Council	318	University of Energy and Natural Resources
267	Planning Demo	319	University Of Ghana (UG)
268	Prempeh College	320	University of Health and Allied Sciences
269	Prestea Huni Valley District Assembly	321	University of Professional Studies, Accra
270	Pru West District Assembly	322	Upper Denkyira
271	Public Utilities Regulatory Commission	323	Upper Denkyira East Municipal Assembly
272	Registrar Generals Department	324	Upper Denkyira West District Assembly
273	Ridge Hospital	325	Upper Manya District Assembly
274	School of Anaesthesia-KATH	326	Upper West- Regional Co-ordinating Council
275	School of Anesthesia - Ridge Regional Hospital	327	Uthman Bin Afan Senior High School
		328	Volta Lake Transport Company Limited
		329	Volta- Regional Coordinating Council
		330	Volta River Authority
		331	Wassa Amenfi East District Assembly
		332	Wassa East District Assembly
		333	Wesley College of Education - Kumasi
		334	Western- Regional Co-ordinating Council
		335	Zongo Development Fund

PROCUREMENT RISK MANAGEMENT - UNLOCKING RESOURCES FOR SUSTAINABLE DEVELOPMENT



Current global trends have rendered public procurement more and more complex with each passing day. These complexities have brought with them increased demand for better scrutiny, due diligence and focus on high levels of compliance.

As a business function that occurs within the political arena, public procurement has been identified as being most vulnerable to corruption as it provides multiple opportunities for both public and private sectors to divert public funds for private gain (OECD, 2007:9). Indeed, many have described it as the “Achilles heel” of governance.

Apart from corruption, public procurement risks can broadly be categorized into three (3) levels namely-systemic, organizational and process levels (UNDP Procurement Guidebook, 2017). Insufficient policy and coordination instruments and low capacities of procurement functionaries are some integrity risks that may affect the smooth functionality of the broader procurement system. Organizational risks also include, too much discretionary powers and political interferences which undermines the integrity of the procurement processes within the institutions.

EDITORIAL

PROCUREMENT RISK MANAGEMENT - UNLOCKING RESOURCES FOR SUSTAINABLE DEVELOPMENT

The process level risks are evident in unjustified use of non-competitive methods, rigged specifications, manipulation of the evaluation and award procedures and excessive cost and time overruns which leads to undue delays and wastages in contract execution.

To avert these and many other procurement related risks, there has been calls for compliance in public procurement-strict adherence to rules and regulations to meet regulatory and stakeholder expectations for better outcomes. As a matter of fact, these calls for compliance are not just necessary for business but equals to good business that ultimately affects the bottom line.

For both public entities and companies engaging in procurement, even in these times of COVID-19, there is no need to act in panic, rather, all efforts must be made to preserve the sanctity of tenders by making it all the more transparent, accountable and swift.

Thus, the ensuing pages of this edition, we open up discussions on how public procurement associated risks can be mitigated and their inherent potential to unlock resources for our sustainable development.

Read on...

Needless to say that the proliferation of rules in public procurement can stifle innovation and hampered “solutions-based” approach to development challenges, we all owe it a due to

We therefore call on all stakeholders-procurement entities, service providers and civil society toto adhere to critical procurement risk management principles in order to unlock resources for sustainable development.

WRITTEN BY

RHODA E. APPLAH

DEPUTY DIRECTOR

COPORATE AFFAIRS & FACILITIES MANAGEMENT

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION

Beginning from Pg. 1

RISK MANAGEMENT AT EACH STAGE OF THE PUBLIC PROCUREMENT CYCLE

The annual procurement assessments and audits conducted by the Authority reveal many of the risks in carrying out procurement activities within the Public Procurement System. Public Procurement risks are in the areas of Financial, Performance, Ethical, Socio-economic, Environmental, Health and Safety, Legal liabilities and Reputational risks. These risks as evident in the Public Procurement Cycle (Procurement Planning, Soliciting for tenders, Evaluation of Tenders, Contract Award, Contract Administration, and Contract Performance) requires effective strategies to reduce vulnerabilities and sustain the procurement system. Outlined below are some of the potential risks/threats that may be encountered while carrying out procurement activities within the Public Procurement System.

PREVENTION IS KEY

Prevent the Spread of Coronavirus(COVID-19)



WASH YOUR HANDS OFTEN
with soap & water for at least 20 seconds or use an alcohol-based hand sanitizer.



AVOID TOUCHING your eyes, nose, & mouth with unwashed hands.
AVOID CLOSE CONTACT with people who are sick.



STAY HOME if you are sick.
CLEAN & DISINFECT frequently touched objects & surfaces.



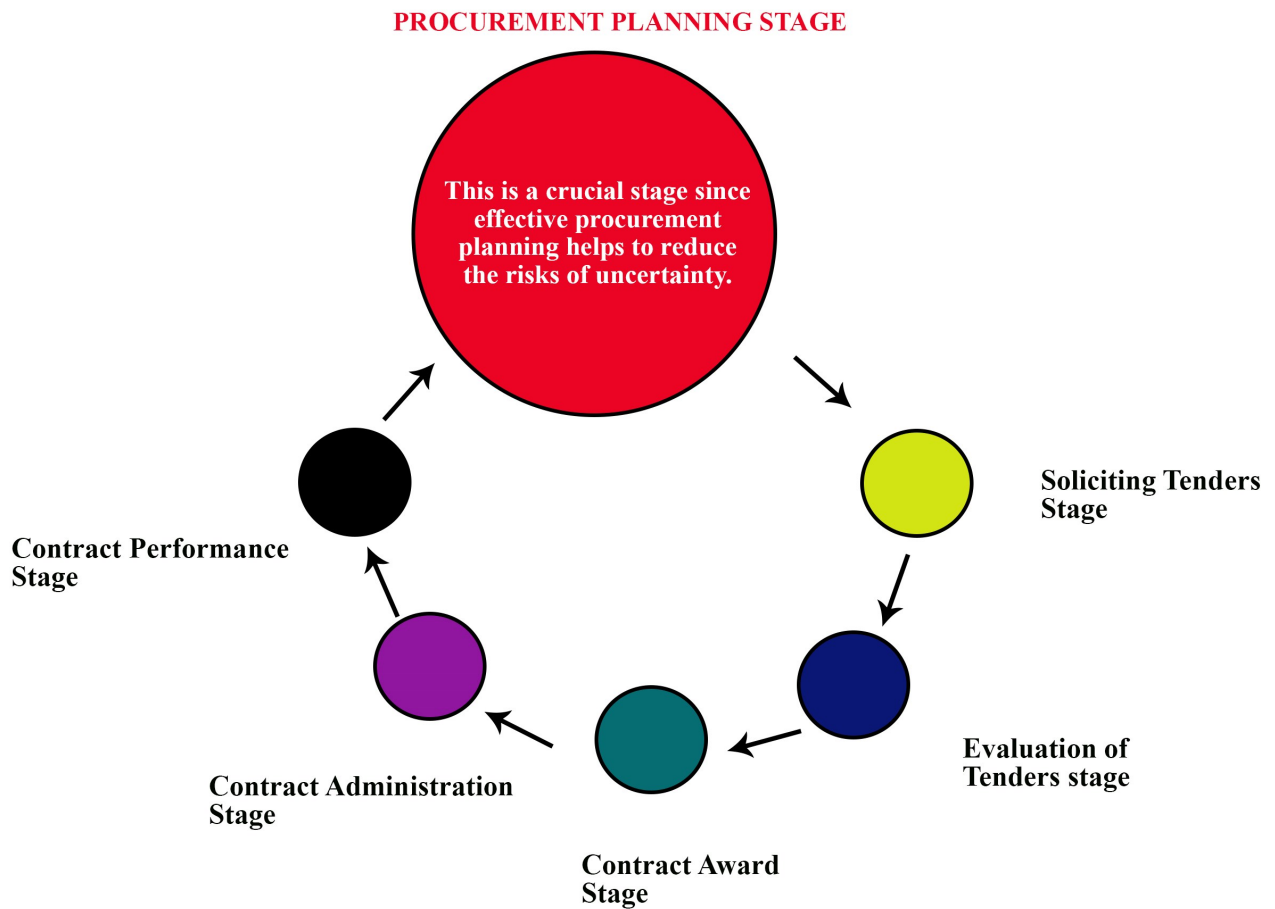
COVER YOUR MOUTH & NOSE with a tissue or your sleeve (not your hands) when coughing or sneezing.



Public Procurement Authority
Improving Efficiency and Transparency in Public Procurement

website: www.ppa.gov.gh **Email: info@ppaghana.org**

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION



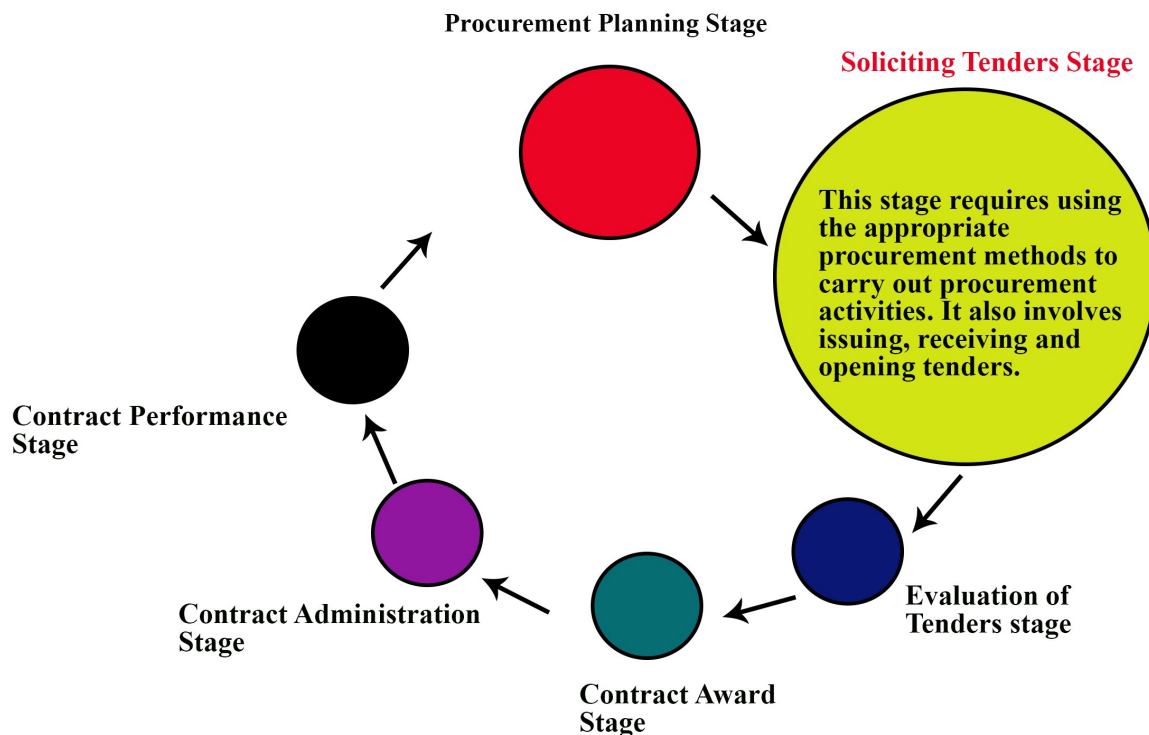
Potential threats/risks

- * Delays in the preparation of procurement plan.
- * Failure of Procurement Entity to prioritize needs.
- * Ambiguous specifications/scope of work.

Mitigating Strategies

- * Procuring Entities (PEs) should commence the preparation of procurement plans four months before the beginning of the financial year for a realistic and accurate plan to be prepared.
- * Aggregate requirements into larger purchases to ensure cost effectiveness.
- * Ensure specifications and scope of work are well defined incorporating sustainability standards.

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION



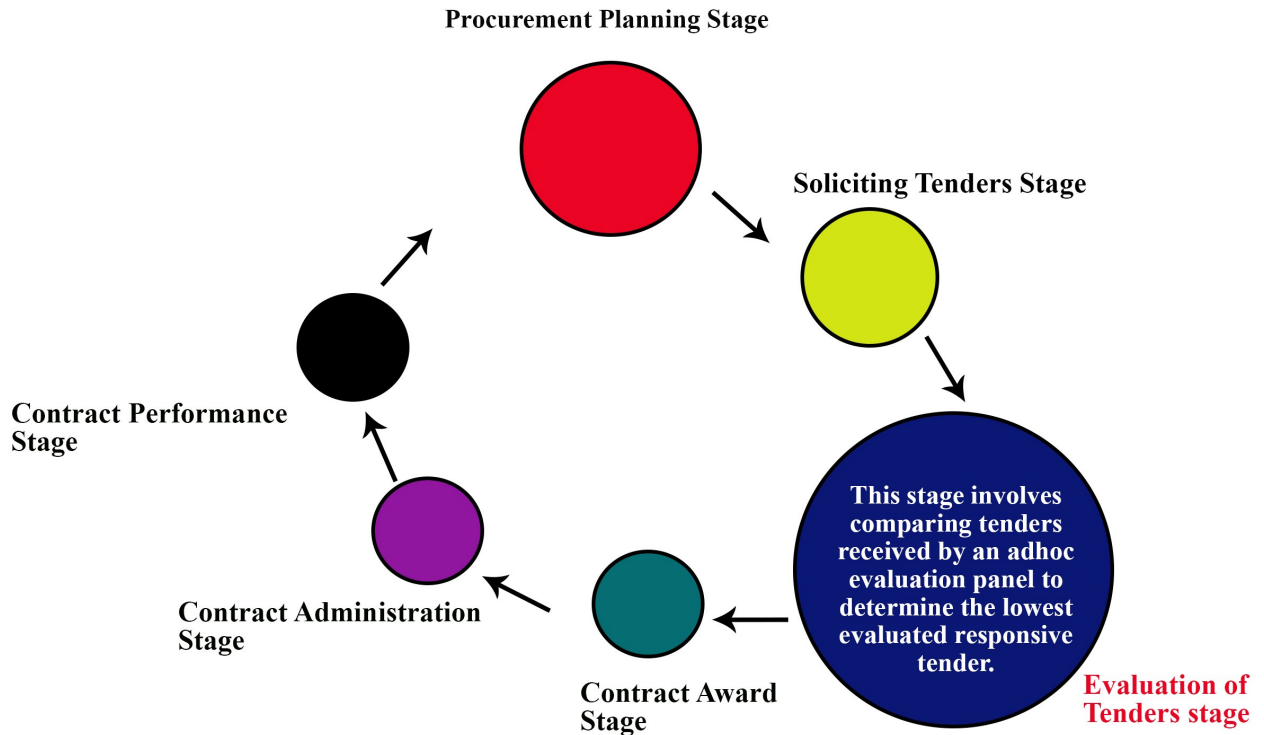
Potential threats/risks

- * Failure to use appropriate procurement methods.
- * Difficulty in accessing products eg. Pandemics, Market/Trade restrictions.
- * Unavailability/Shortage of Tender Documents.
- * Unauthorized interference with submitted tenders.
- * Poor records keeping of procurement activities.

Mitigating Strategies

- * PEs should use appropriate procurement methods guided by the thresholds.
- * Service providers should ensure availability of products before tendering for Contracts.
- * PEs' Tender Documents should be made available to all tenderers.
- * Ensure security of all submitted tenders.
- * Practice good records management for all procurement activities.

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION



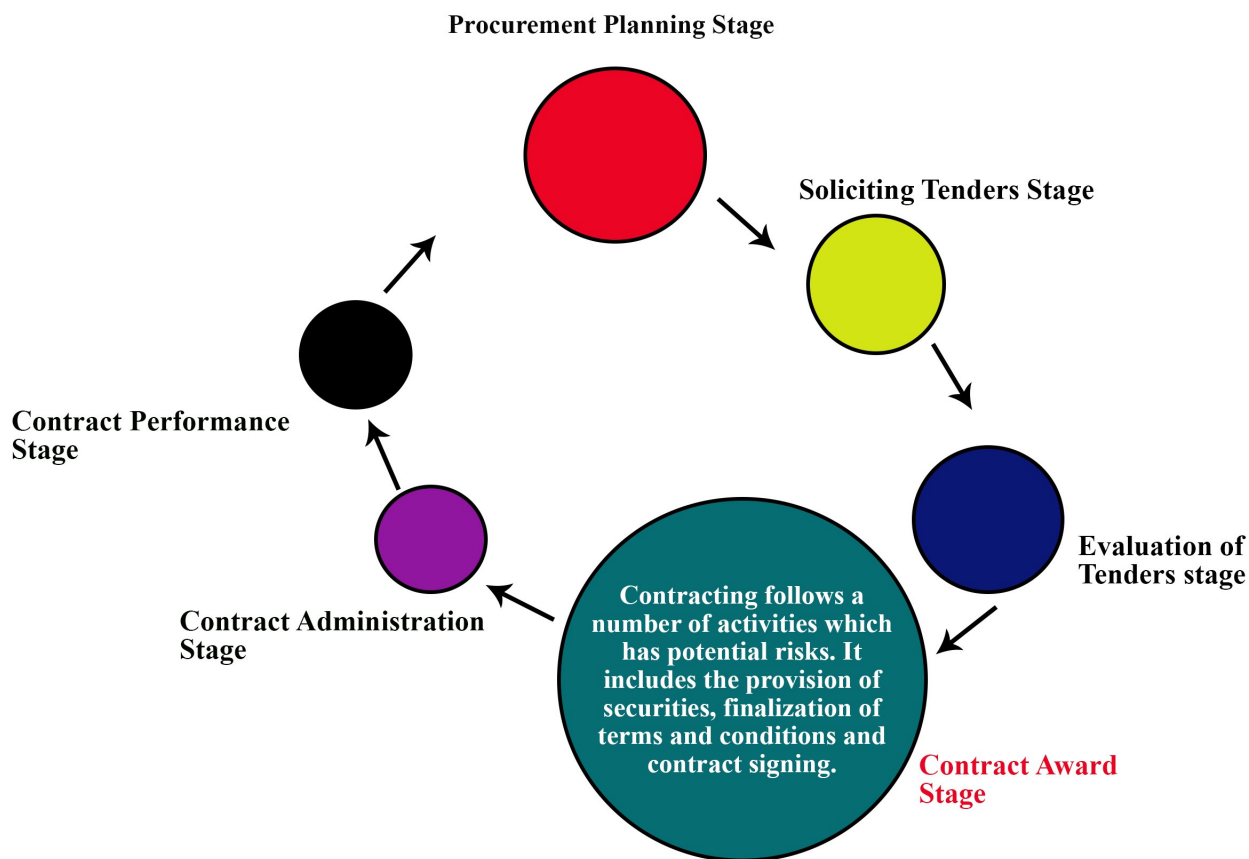
Potential threats/risks

- * Collusive practices.
- * Subjecting incomplete, unsigned or not responsive tenders to further evaluation.
- * Using other criteria not specified in tender documents to evaluate tenders.

Mitigating Strategies

- * Full disclosure of any situation of actual or potential conflict of interest. Maintain confidentiality of evaluation proceedings.
- * Ensure winning tenders are commercially and technically responsive.
- * Conduct evaluation in accordance with specific terms in tender documents.

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION



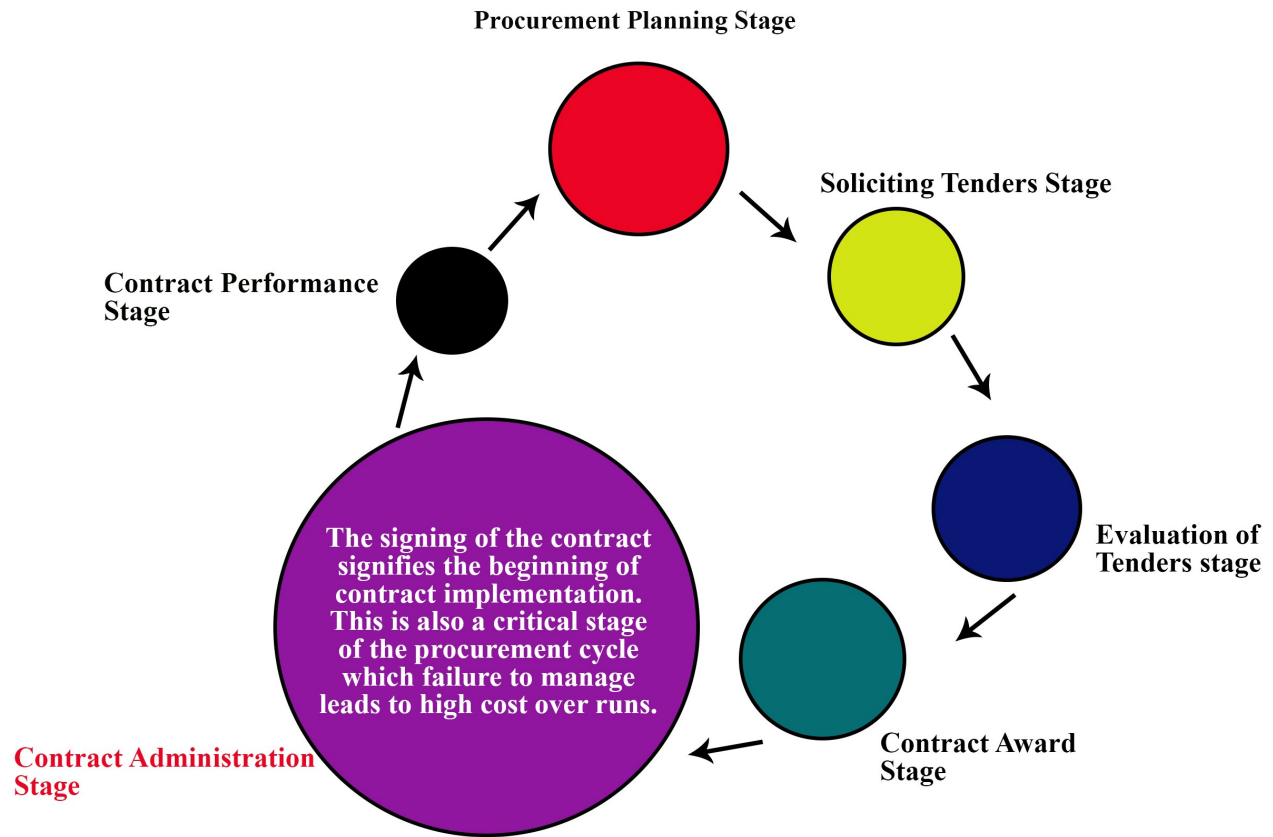
Potential threats/risks

- * Holding on to securities of unsuccessful Tenders by PEs.
- * Loss of key subcontractors/consultants.
- * Failure of successful tenderer to carry out the Contract after award/Forcemajeurs/Terminations.

Mitigating Strategies

- * Procuring Entities should return securities to unsuccessful tenderers promptly since it is cost to them.
- * Constant monitoring of suppliers and sub-Contractors/consultants by PEs.
- * Issues of termination should be properly handled to limit legal liabilities.

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION



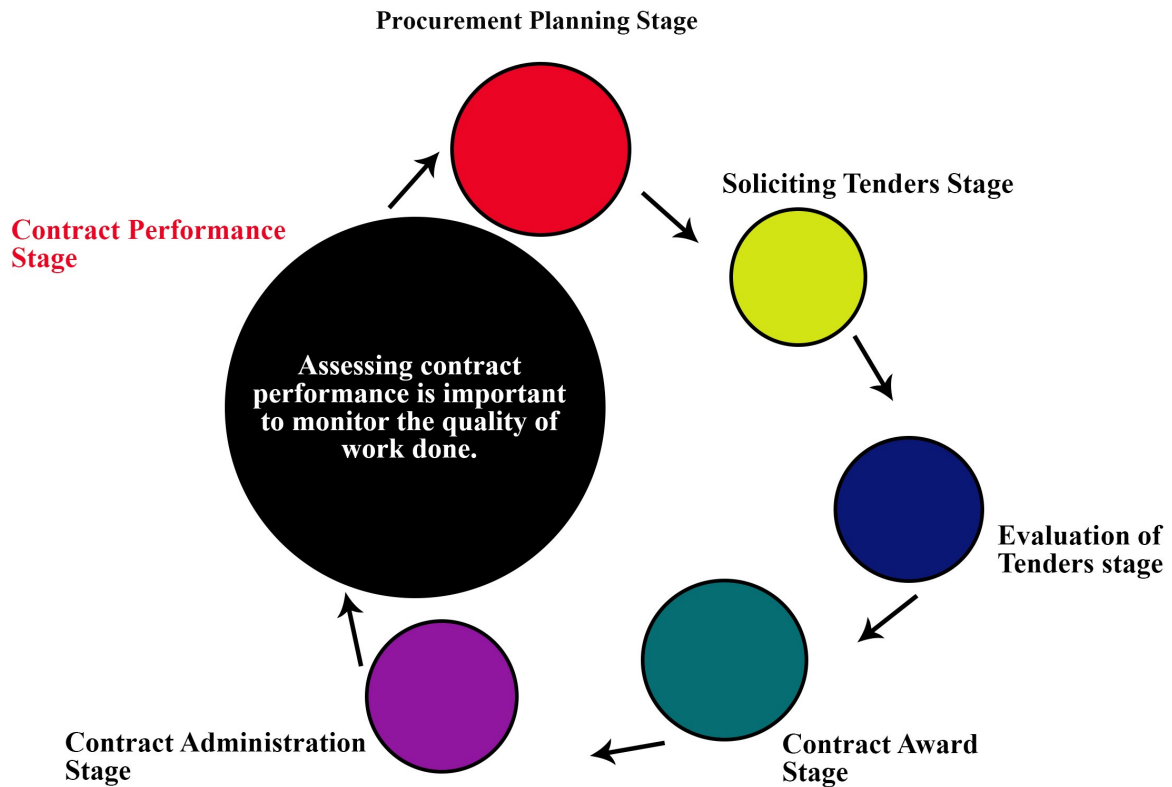
Potential threats/risks

- * Risk of corrupt practices.
- * Poor Health and Safety practices.
- * Threats to the environment.
- * Issues of contract variations.
- * Delay in payments to service providers.
- * Poor performance by service providers.
- * Poor records keeping.
- * Unfair labour practices by service providers.
- * Absence of contract management.

Mitigating Strategies

- * Contract Administrator(s) must ensure contracts are managed in accordance with the programmed milestones/guidelines to curtail risks that may arise.

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION



Potential threats/risks

- * Time control.
- * Contract modifications.
- * Issues of securities and insurance.
- * Delays in processing payments.
- * Settlement of claims and disputes.

Mitigating Strategies

- * The performance of all contracts must be assessed to serve as lessons for future contracts. Areas to assessed should include time control, variations, securities and insurance, payments and settlement of claims and disputes

MANAGING RISKS IN THE PUBLIC PROCUREMENT SYSTEM IS A COLLECTIVE ACTION

In conclusion, there have been laudable efforts by the Authority to mitigate many of the risks within the Public Procurement System. It has continuously implemented capacity building programmes to sensitize stakeholders on critical areas within the procurement system. However, curbing these risks should be a collective action. Oversight bodies, Procuring Entities (PEs), Suppliers, Consultants, Contractors and other stakeholders must play their parts to ensure the overall goal of achieving Value for Money of state resources is realized. These are just a few of the many risks within the Public Procurement System. We encourage readers to bring forth the risks they encounter in the course of carrying out procurement transactions and prescribe strategies that can be used to mitigate them.

EDWINA SAFEE BOAFO

SENIOR CAPACITY DEVELOPMENT OFFICER

PPA

GHANEPS
Emu Da Ho

**TRAINING OF SERVICE PROVIDERS
(SUPPLIERS, CONSULTANTS AND CONTRACTORS)**

All Service Providers are entreated to attend one of the sessions being organised by PPA in order to be able to use the newly deployed Ghana Electronic Procurement System (GHANEPS) to continue doing business with Government

8:30AM - 3PM
Ghana Innovation Hub, Accra Digital Centre
(Near, VIP Bus Terminal, Circle, Accra)

Sign up for one of the upcoming sessions:

Session	Date	Duration
First Session	15th June	Duration 1 DAY
Second Session	16th June	Duration 1 DAY
Third Session	17th June	Duration 1 DAY

Kindly provide name(s) and details of participants and the preferred training session to the PPA
Online: <https://ppa.gov.gh/ghaneps/>

Contact us On: 0551858588 or 0551858858
Email: support@ghaneps.gov.gh

Sponsors

THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

MINISTRY OF COMMUNICATIONS

Public Procurement Authority
Improving efficiency and transparency in Public Procurement

NON/PARTIAL COMPETITIVE METHODS OF PROCUREMENT – INHERENT RISK AND MITIGATION FACTORS.



Procurement of Goods, Works and Services in the public sector continues to consume more than half of government revenue in Ghana. It is one area that has recorded the highest levels of revenue leakage; either as a result of provision of poor and shoddy work, delivery of goods and service not fit for purpose, provision of goods, works and or service at extremely exorbitant price due to the fact that contracts were awarded to friends and cronies, political apparatchiks or unqualified and undeserving suppliers/contractors/consultants through non-competitive means.

Part five of the Ghana's Procurement Law, Act 663 of 2003 and its amendment Act, Act 914 of 2016, indicate the various methods of procurement, most of which are competitive processes, in the practice of public procurement in Ghana. Among these methods of procurement are the Single/Sole Source and the Restricted Tendering Methods. The object of the Procurement Law is to harmonize the processes of procurement in the public service to secure a judicious, economic and efficient use of scarce state resources in public procurement to ensure that procurement is carried out in a fair, transparent and non-discriminatory manner. Thus the ultimate aim is the achievement of value for money in utilizing state resources through procurement to achieve the required objectives of the national development agenda.

The Single Source method of procurement, which in itself is non-competitive, was to be adopted only in exceptional cases as indicated in section 40 (1) sub sections (a) to (f) of Act 663 as amended summaries as follows: proprietary/exclusivity, urgency, owing to catastrophic event, standardization/compatibility, research/experiment/study/development and or for national security reasons. The Restricted Tendering method, a partial competitive procurement method, on the other hand has the conditions for its usage enshrined in section 38 (1) sub sections (a) to (c) as follows:

If goods, works, or services are available only from a limited number of suppliers or contractors;

If the time and cost required in examining and evaluating a large number of tenders is disproportionate to the value of the goods, works or services to be procured;

NON/PARTIAL COMPETITIVE METHODS OF PROCUREMENT – INHERENT RISK AND MITIGATION FACTORS.

If an offer for competitive tendering fails to receive any response after publications.

The wholesale approach of using these two methods of procurement (Single/Sole Source and Restricted Tendering) poses a high risk in the practice of public procurement in Ghana. We risk the tendency of reverting to the system and giving unfettered advantage/opportunities to undeserving individuals where contracts were awarded to undeserving, unqualified, friends/cronies, political apparatchiks and the like, where works, goods and services never got to be delivered, or if they were delivered, were not fit for purpose. This leads to wastage of scarce state resources; breeds corruption and value for money is compromised and thereby pulling back the wheels of national development.

To curb the inherent risk, the following mitigating factors are proposed:

- ⇒ Political figures/appointees, heads of institutions and individuals with the responsibility of protecting the national purse should ensure that only the competitive procurement methods are adopted for all procurement activities at all times except in extremely exceptional situations where the use of the Single/Sole Source and/or the Restricted Tendering method is inevitable in accordance with the provisions of the procurement law.
- ⇒ As it is only the Single/Sole Source or the Restricted Tendering methods that the procurement law requires entities to apply to the Board of the Public Procurement Authority (PPA) for consideration, it is recommended that PPA Board leverages on this by denying Entities whose reasons for adopting any of these methods is not cogent and valid enough. By so doing entities will minimize the use of these exceptional methods of procurement.
- ⇒ A threshold should be set beyond which all Single/Sole Source procurement must be properly evaluated, where possible, by a body independent (that is either by the Central Tender Review Board or by PPA itself) of the requesting entity.
- ⇒ All Single/Sole Source procurement requests, above the threshold of GHS2,000,000.00 or its equivalence in any currency for all types of procurement MUST be subjected to value for money audits and analysis before contracts are awarded.
- ⇒ There should be a deliberate policy to charge a fee for using the Single/Sole Source or the Restricted Tendering methods to serve as a deterrent. This fee, if it exceeds a certain threshold (as may be decided by policy makers) should be surcharged to the head of such entity.

In conclusion, the use of non/partial competitive procurement methods, though not illegal, overuse and their abuse have the potential of undermining national development. It is for this reason that care should be taken to minimize the use of the non/partial competitive methods of procurement in the practice of public procurement in Ghana.

Written By:

EBENEZER K. AHENE-LARBIE (CA; CDF; MSc.)

Principal Finance Officer/Due Diligence Administrator/Cost Analyst

PROCUREMENT NEWS AROUND THE WORLD

PARLIAMENT PASSES PUBLIC PROCUREMENT LAW



On Wednesday July 8, 2020 the Members of Parliament (MPs) approved a Draft Amendment to the Public Procurement Law during the specialised commissions of the National Assembly in Luanda, Angola.

The specialised session approved several articles, with amendments.

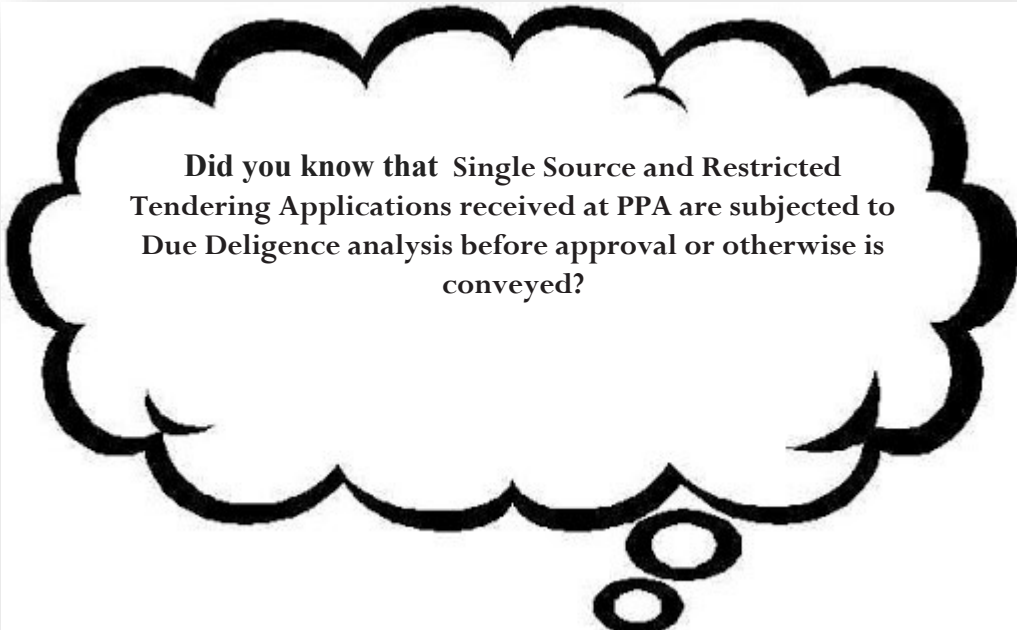
Debate on the Bill, aimed to scrap procedures in public procurement.

The Law Proposal covers, among other entities, public companies benefitting from direct funds from the General State Budget (OGE).

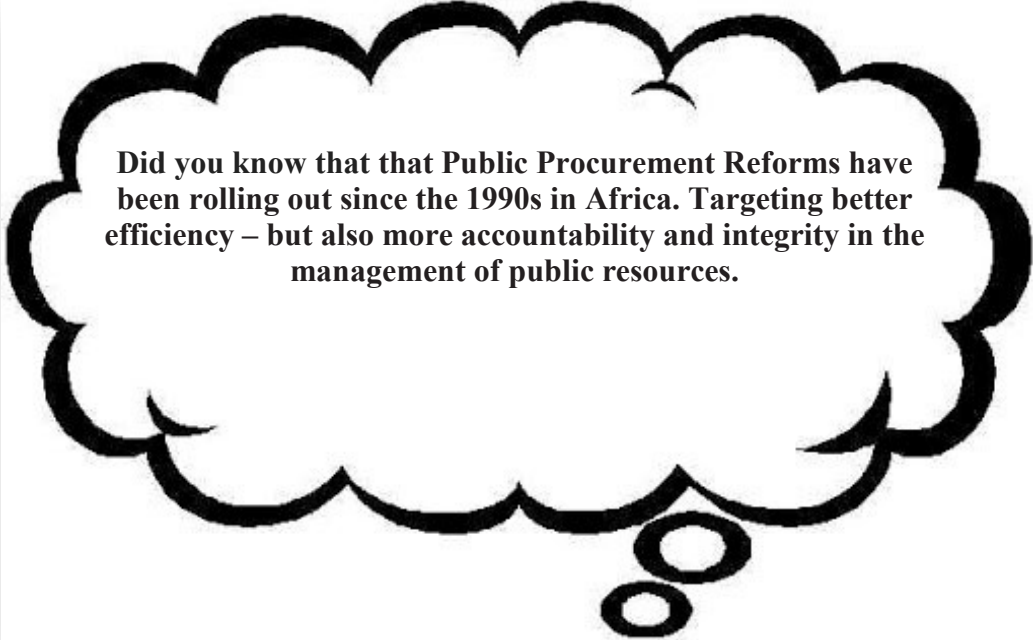
Draft Amendment to the Public Procurement Law protects the hiring of public companies.

Curled from : ***EINPRESSWIRE***

DID YOU KNOW?



Did you know that Single Source and Restricted Tendering Applications received at PPA are subjected to Due Diligence analysis before approval or otherwise is conveyed?



Did you know that that Public Procurement Reforms have been rolling out since the 1990s in Africa. Targeting better efficiency – but also more accountability and integrity in the management of public resources.

Our Letters



I am grateful for the training of Service Providers organized by PPA. I participated in the training. We look forward to the deployment of the GHANEPS System

Elie, Accra

Hello

Could you kindly explain to me the process to follow for a procurement entity to ratify a procurement activity.

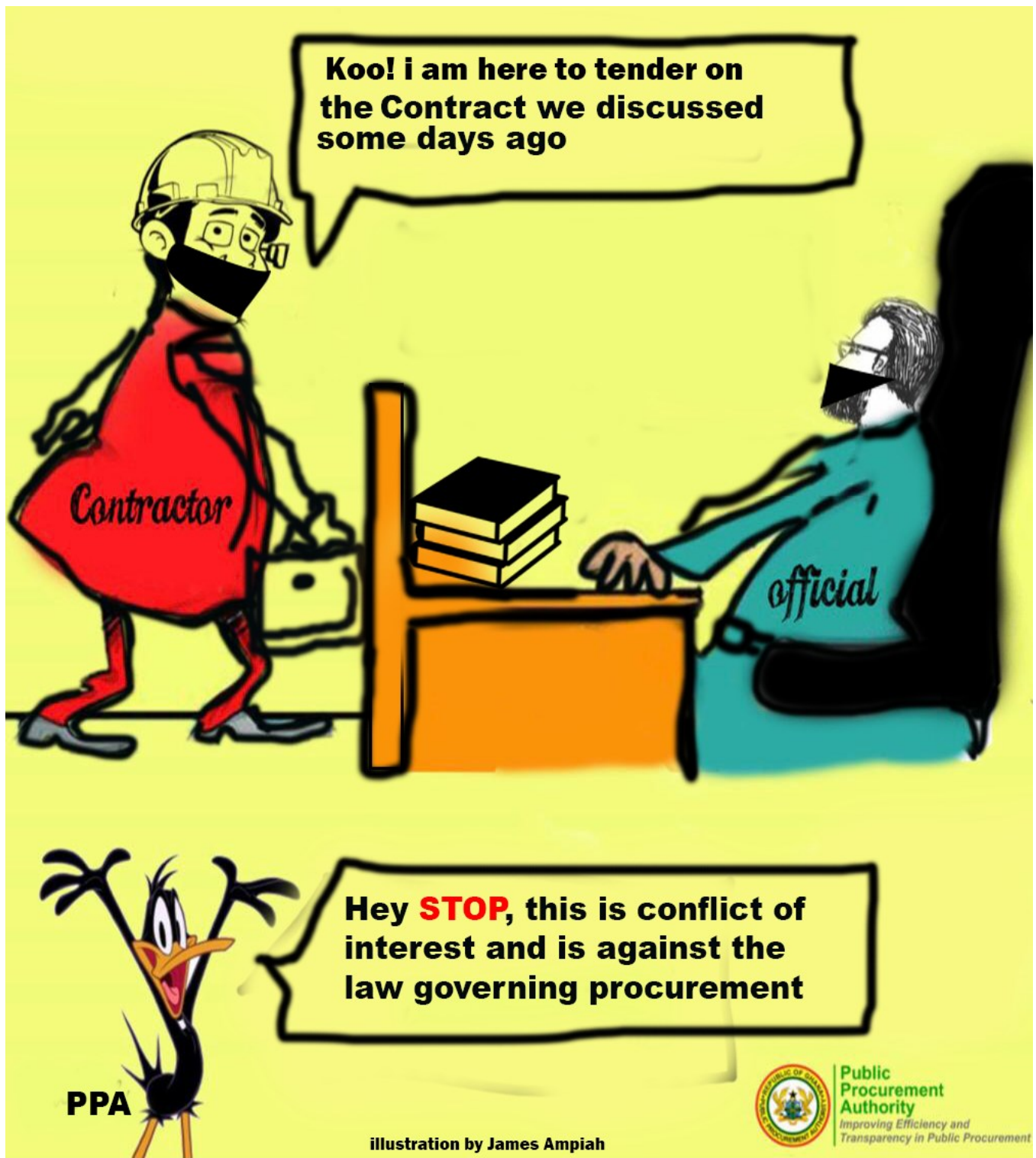
*Sandra Annan,
Student
Accra*

Your Bulletins have been insightful and practical. Thank you

*Mrs. Boateng,
Procurement Practitioner*

Please submit your letters to our email info@ppaghana.com

Procurement Humour





**Public
Procurement
Authority**
*Improving Efficiency and
Transparency in Public Procurement*

ADVERTISERS ANNOUNCEMENT

The Public Procurement Authority wishes to bring to the attention of Procurement Entities (PEs) and Service Providers the following very important information:

Annual Assessment of Procurement Activities



The Public Procurement Authority (PPA) will be undertaking an assessment of the procurement activities of Public Procurement Entities nationwide. This exercise will cover all procurement activities undertaken by the Entities for the period January 1, 2016 to December 31, 2019.

All Entities are advised to assemble their records on all procurement transactions undertaken for the period under review to enable the Assessors complete the exercise successfully. The PPA request entities to fully comply with this directive.

Publication of Tender Notices on PPA's website



Entities are being informed that the cost of publishing tender notices on the PPA's website is now GHC 800.00. All payments should be made by cheque in the name of Public Procurement Authority. Publication of tender notices is a statutory requirement pursuant to Section 47(4) of the Public Procurement Act, 2003 (Act 663) as amended and all entities must comply.

Capacity Development



Considering the fact that training constitutes a critical part of the implementation of the Public Procurement Act, 2003 (Act 663) as amended, the PPA wishes to entreat Entities who may have challenges in the application of the law to formally request for specialized training. The ultimate objective of the Authority is to promote and support the training and professional development of persons engaged in public procurement and ensure adherence to ethical standards and avoid any possible infractions of the law.

Price Database



The PPA under Section 3 (p) of Act, 2003 (Act 663) as amended has developed a web-based Price Database to serve as a guide for average prices of common use items on the market. These prices are meant to be only INDICATIVE and not serve as the mandatory prices at which the items are to be procured. Entities may therefore refer to this database in the preparation of their annual procurement plans as well as during tendering evaluation processes.

Enhanced Procurement Planning Tool



In accordance with Section 21 of Act 663 as amended, the Authority is reminding all Entities to submit their 2020 Procurement Plans latest by 29th May, 2020. It is worth noting, that in accordance with the Public Financial Management Act, budgets of entities will be implemented on the oracle Hyperion software at the Ministry of Finance soon after the passage of the Appropriations Act which will be uploaded onto PPAs online procurement planning software. Failure to submit annual procurement plans in line with approved budget will lead to non-release of funds. Moreover, the Governing Board of the PPA will not consider any applications for the use of Sole Source and Restricted Tendering unless due reference is made to those Packages as captured in their approved procurement plans. Kindly note that these plans must be captured electronically via <http://planning.ppaghana.org>

Entities Tender Committee



In pursuant to section 17 (1) Entities provisions are hereby requested to submit the list of their ETC membership to the PPA by 29th May, 2020 to update our database; Alternatively, Procurement Officers posting their Procurement Plans Using the Procurement Planning software can input their Entity Tender Committee (ETC) membership using the Data Configuration Menu.

Guidelines for Single Source Procurement and Restricted Tendering

Section 40 of the Public Procurement Act, 2003 (Act 663) as amended mandates Entities to secure approval from the PPA Governing Board before they adopt the use of a non-open competitive tendering method namely: Single Source Procurement/Restricted Tendering. In order to ensure that these requests satisfy the key provisions in the law, the PPA has issued detailed guidelines (available on www.ppaghana.org) to assist Entities who may require the use of any of these methods of procurement.

Due Diligence Unit has been established by the PPA to support the review process of all applications to determine price reasonableness or other justifications. In view of this:

- Entities are to note that where budgeted amounts captured in the procurement plan is significantly different from the amounts being applied, such applications in question will not be entertained;
- Additionally, all entities requesting for approvals to use Single Source / Restricted Tendering from the PPA should have such request signed by the Head of the Institution.
- Entities are to note that any application that does not comply with these administrative instructions will not be considered

Signed: Ag. CEO

GHANA'S PUBLIC PROCUREMENT DASHBORD

Below is a Snapshot of procurement activities recorded on the PPA website from January 2020 to Date.

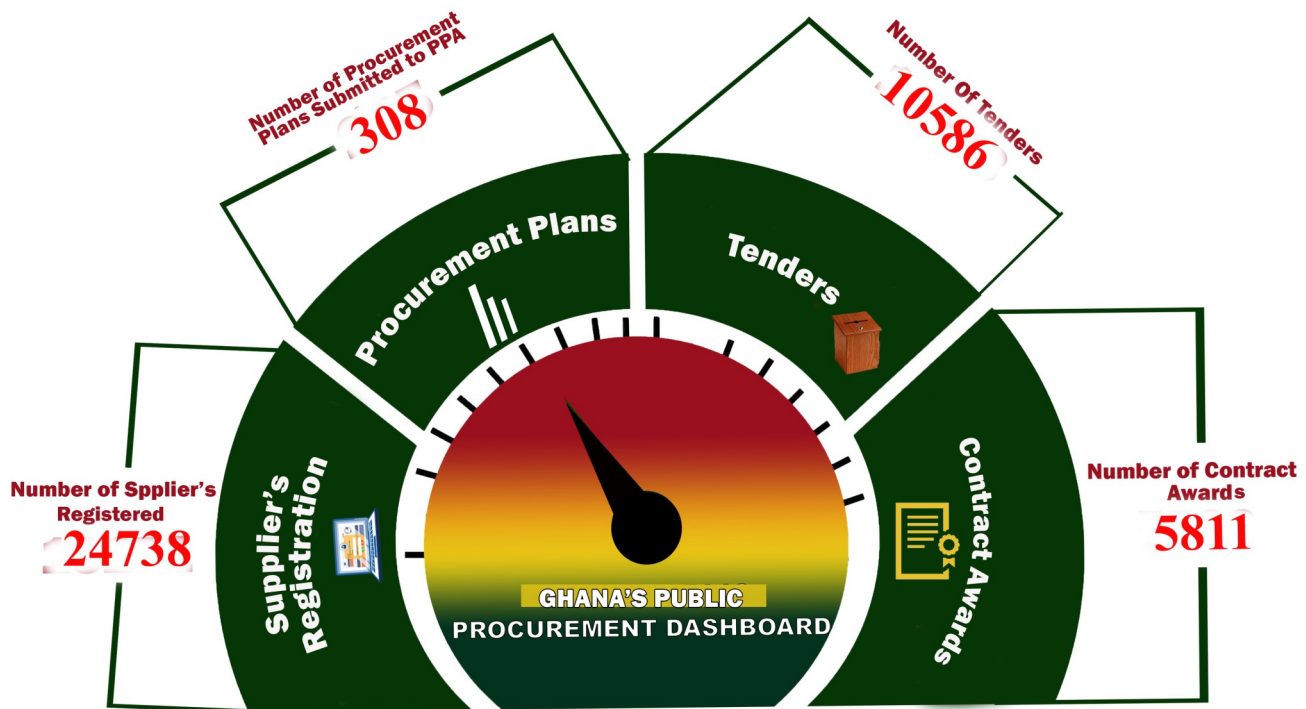


Illustration by: Ampiah James

EDITORIAL TEAM

RHODA APPIAH—DEP DIRECTOR, CORPORATE AND

FACILITIES MANAGEMENT

THOMAS K. BONDZI—DEP. DIRECTOR, IT SUPPORT SERVICES

DAVID S. DAMOAH—SENIOR OFFICER, CORPORATE AFFAIRS

EDWINA SAFEE BOAFO—SENIOR OFFICER, CAPACITY DEVELOPMENT

JOANA A. SAYI ASIEDU—SENIOR ADMIN OFFICER

MARIAN OTENG—ASSISTANT OFFICER, CORPORATE AFFAIRS

JAMES AMPIAH—GRAPHICS & ILLUSTRATIONIST

PHONE

0302738140-6

0552565494

0505846550

POSTAL ADDRESS

PMB 30 MINISTRIES

ACCRA