

FG REVOKES NIGER DELTA CONTRACTS

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The Federal Government has revoked contracts of four construction companies handling its housing scheme in the Niger Delta region, it was revealed yesterday. This is as the government is set to send the Economic and Financial Crimes Commission (EFCC) after two others that have failed to report to site despite signing agreement to that effect.

According to the government, the reason for the revocation of the contracts was non-performance and the need to remove impediments to the acceleration of

development in the region.

The affected companies that were part of the contractors handling the Housing Scheme in Ikang, Bakassi LGA in Cross River State, according to the Ministry of Niger Delta Affairs in a statement yesterday by the Chief Press Secretary (CPS), Mr. Fidelis Osammor, are Messrs Omenario Resources Ltd.; Omerc White Nig. Ltd.; Bermas Investment Nig. Ltd. and Wellwater Ltd.

The statement reads in part: "The Minister, Elder Godsdag Orubebe, while commenting

on the revocation of the contracts at the Ikang site of the housing scheme on Wednesday, March 9 recalled that the four contractors have all collected the APGs since the award last year; two have done virtually nothing while the other two have not reported to site.



NTA OB VAN CONTRACT: HOUSE OF REPS COMMENDS BPP

Federal House of Representatives has commended the Bureau of Public Procurement (BPP) for its above board roles in the controversy that surrounded the Nigeria Television Authority (NTA) Outside Broadcast (OB) van purchase. Chairman of the House Committee on Information and National Orientation, Mr. Ahmed Aliyu Wadada, said that the Bureau obviously lived up to expectations by abiding by its ena-

bling law in the management of the procurement processes which eventually ensued that government got value for money in the entire processes. . In a letter he signed, dated February 28, 2011, and addressed to the Director-General of the Bureau, Mr Emeka Ezeh, Mr Wadada stressed they were able to commend the Bureau following the conclusion of their investigation and hearing. It would be recalled that problem

started when the Federal Executive Council approved the award of contract for the upgrading and renovation of broadcasting equipment for FIFA World Youth Championship (NIGERIA 2009) in favour of Messrs WTS-Sony. The Permanent Secretary, Federal Ministry of Commerce and Industry, Dr. Abubakar Mohammad, has inaugurated the ministry's Procurement Planning Committee (PPC) and Ministerial Tenders Board (MTB) for the 2011 fiscal year.

Mr. Samuel Adeniyi, Director, Industrial Development Department in the Ministry, who inaugurated the PPC and MTB on behalf of the Permanent Secretary, noted that it was statutory provision for every MDA to inaugurate its PPC and MTB in order to ensure transparency, equity, fair play in public procurement. Dr. Mohammad charged members of the Committees with ensuring the effective and efficient implementation of the 2011

approved budget while urging all departments in the ministry to submit their programmes and procurement details for the 2011 fiscal year in line with the approved amount in the budget to the office of Head of Procurement unit of the Ministry. Earlier, Mrs. Adaobi Obioha, the Head of Procurement Unit, explained that the PPC would be responsible for approvals in principle in capital budget, and the MTB would be in charge of

giving final approval on award of contracts. While figures conflicted, the contract was averaged to be around N8, 202, 077, 908.86, with 15 per cent funding from NTA's Internally Generated Revenue (IGR) being N1, 230,311,686.25, and contractor finance of 85 per cent from WTS-Sony, being N6, 971,766, 222.11 (inclusive of payment of five per cent interest per annum) to be paid over a period of 24 months with

three months moratorium, with eight weeks as the completion period.

The Bureau had to intervene in the controversy following reported shoddiness in the procurement process, which necessitated a cancellation of an earlier process for a new and satisfactory one in line with the stipulations of the Public Procurement Act, 2007.

BPP BOSS ACCUSES ELITE OF REJECTING PROCUREMENT REFORM

The Director-General of the Bureau for Public Procurement (BPP), Emeka Ezeh, has said the greatest challenge facing the agency is the overbearing influence and interference of the political elite. He said they were resisting the procurement reforms meant to save the country more funds through adherence to Due Process. Ezeh, however, said his agency had achieved 70 per cent success in the implementation of procurement reforms by saving over N68 billion last year. According to him, the level of contract inflation in the country is being addressed, as they are no longer unreasonably expensive; they are projected in context and vetted with due rigour. He explained that the BPP is working to ensure that wasteful spending and misapplication of public funds are stopped. "The elite could be religious leaders, politicians and any group of people backing contractors up. You will be amazed how religious leaders get involved in this business. We have the political elites; we have the civil service

elites, contractors' elites, and consultants themselves. In other words, those who have been benefitting from the old order who get jobs because their own brothers are in charge are the greatest challenge to procurement reforms," he said. Ezeh was speaking during BPP's retreat for Permanent Secretaries of the Ministries, Departments and Agencies (MDAs) last Saturday. Ezeh hinted that the very important stakeholders that will make the system work are the political bosses and his agency must continuously educate them.

Ezeh said what happened in the banking sector would tell everybody that fraud is not exclusive to the public sector. He said he would resist pressures from the elites demanding that he pays for contracts that were not properly executed. "We will just tell contractors that go to the elites to mount pressure on us to pay that it is not possible. "I will just tell them respectfully that what they are asking from me will take me to jail," he said. The implementa-



tion of the Act will engender competition; encourage quality with a view to achieving value for money in the use of public resources. Through the judicious use of these resources, it was expected that infrastructure and utilities which have been lacking in the national life would be provided.

BUREAU WARNS MINISTRIES AGAINST AWARDING UNAPPROVED CONTRACTS

The Bureau of Public Procurement (BPP) warned Ministries, Departments and Agencies (MDAs) against awarding contracts that are not approved in the annual budget, to avoid unnecessary indebtedness to contractors nationwide.

Director of civil infrastructure of the Bureau, Nebolisa Emodi, who gave the warning at the one-day stakeholders' workshop for Federal MDAs in Abuja, said this was to help meet the due process requirements in the BPP enabling Act as well as minimise the risk of domestic debts in the public sector as a result of extra-budgetary expenditures. Mr. Emodi, who stood in for the BPP director general, Emeka Ezeh, however, urged procurement officers to embark on pre-budget approval procurement planning to avoid unnecessary delays in the implementation of their projects when the Appropriation Bill is finally approved by the National Assembly.

"While it would be inappropriate for any officer to execute or award a contract without the necessary approved appropriation law backing such an action, every MDA, however, can proceed with procurement processes, but cannot formalise them until the appropriation is approved," he said.

On the requirement for bid security on all procurement bids, the BPP boss said the provisions of Section 26 of the Public Procurement Act, which fixes two per cent of the contract sum, was also being observed in all bidding processes, to avoid frivolous bidders from participating in the process as well as ensuring that only serious bidders get involved.

"Bid security is supposed to ensure that bidders are serious contenders such that if they succeed they will take part in the project. We don't want frivolous bidders. The Act says 2 per cent of the contract value should be paid as bid security.

Some participants at the workshop clamoured for the speedy passage of Appropriation Bills so that contracts could be awarded, in line with fiscal plans and time-frame set for such projects each year.

At the 2nd Economic Policy and Fiscal Strategy seminar recently, the director general, Budget Office of the Federation (BOF), Bright Okogu, blamed the delay in the passage of annual budget on the bureaucratic bottlenecks by MDAs and the lawmakers in the implementation of the budget process.

According to Mr. Okogu, while the MDAs often pay more attention to how much money is allocated to them, rather than what they would do to deliver value to the people, the lawmakers on the other hand, sit on budget proposals that would not meet

RESEARCH REPORT EVALUATES IMPLEMENTATION OF NIGERIA'S PROCUREMENT ACT

A report released last week by the Public and Private development Centre, an Abuja based citizens sector organizations evaluates progress made and challenges to effective implementation of the Public Procurement Act 2007. The survey, which revealed post-qualification award, bid evaluation and selection of lowest bidder as the most common areas of Procurement abuse, also found out that the ministries of Petroleum Resources and Agriculture and Water Resources were most culpable, followed by Education and Health ministries."

Coordinator of PPDC, Mr. Chibuzo Ekwewuo, who spoke at the presentation of the result of the survey entitled: 'A survey of Procuring Entities, Civil Society Observers, Bidders and Contractors, Legislators, and the Bureau of Public Procurements in Abuja, added that "the general picture of the outcome is that of improving, but still low level of compliance with operational provisions of the act by MDA's".

The survey rated MDA performance high on only four of the 19 areas assessed, the most common reasons given by procurement officers for this poor performance is interference. The responses indicate that procuring entities base appointments of officers on ranking and sometimes nepotism rather than merit and competence, and that procurement officers are not allowed to take procurement decisions and have such decisions imposed on them by superiors. Though the survey of MDA's rated BPP high only in two of the 19 parameters measured, the report found that MDA rating of BPP was wrong in many of the parameters; MDA respondents contrary to existing evidence appear to have rated BPP low on such parameters as establishment of conditions and documentation for No Objection, Data Base of Procurement Plans of MDA's, Procurement Audits, Establishment of Threshold for Implementing Procurement etc. The reasons found for this wrong rating included cynicism and ignorance and a motivation to cast the Bureau in bad light given as revealed by the report that the outcomes of the Bureau's due diligence continually tasks MDA's and led to reduction in contract values of over N52.1 billion Naira and 70 Million USD etc in the first 11 months of 2010 alone and similar saving in other years. The report, however points out that cynicism and ignorance, both underscore the challenge facing the Bureau in engaging with the public and providing information on its activities.

The report discovered that the National Assembly refuses to subject its procurement to the provisions of the Public Procurement Act which it passed, and that this is suggestive of impunity, contempt, hypocrisy and disrespect for the law, and accounts for the National Assembly's inability to compel full compliance of this law by MDA's.

REPS TO PROBE POLICE EQUIPMENT PROCUREMENT

The House of Representatives Committee on Police Affairs, on Tuesday, told the top echelon of police affairs in the country that it was set to probe the procurement of equipment for the Nigeria Police in the 2010 budget.

This came just as the Minister of Police Affairs, Mr Humphrey Abah, complained to the committee that most of the capital projects under the ministry were yet to be implemented, because of “the non-release of capital funds, botched contractual agreements and liabilities incurred, which are not in consonance with amounts released.”

Chairman of the committee, Honourable Abdul Ningi, said this during the budget defence session of the police, adding that the committee would, by next week, commence oversight visit to police formation in Abuja and Lagos, to ascertain the compliance of the force to the 2010 budget appropriation. The committee was, however, worried by the trend of low capital budget released to the ministry by the Budget and Procurement Office in the presidency. “This committee is saddened by the fact that only 29.9 per cent of the 2010 budget of the Police Ministry is released, in spite of the growing insecurity in the country.

“While it is our view that the amount appropriated for police is meagre, the Federal Government has even released more meagre percentage of what was appropriated,” Honourable Ningi said.

PPDA SUSPENDS SEVEN COMPANIES -UGANDA

THE Procurement Authority (PPDA) has suspended seven companies and their directors from participating in any public procurement or disposal proceedings for several years.

In a public notice issued last Friday, the authority said the companies had breached the PPDA code of conduct.

“During the suspension period, the companies are prohibited from participating in any public procurement or disposal proceedings,” the notice read.

The PPDA public relations officer, Dorah Egunyu, said the authority investigated the seven companies after receiving complaints from its clients. It then invited them for a hearing together with the companies.

“We looked at their files before deciding,” Egunyu said.

The suspended companies include Madav Contra and its directors David Masereke and Yolde Kabugho. They have been suspended for five years for using higher rates than those originally quoted in the bills of quantities and for failure to refund sh78m or rectify the works request. The company also deviated from the contract specification without approval by the Bundibugyo district contracts committee.

Sualf Construction Company and its directors Bernard Kiiza, Ed-

ward Mugyenyi and Paddy Ahim-bisibwe have been suspended for five years for invoicing for work not done and failure to implement the construction of Kikyo Gravity water flow scheme.

Also suspended was Ayemo Investments and directors Alex Opuu and Annet Rwebuga for submitting a forged advance payment, which caused financial loss to the PPDA.

SOURCE: <http://www.newvision.co.ug/D/8/13/749004>

UK - PRIME MINISTER LAUNCHES CONTRACTS FINDER

The Prime Minister David Cameron has launched a new online tool which reveals details of all new procurement opportunities, tender documents and contracts for central government over £10,000. Cameron announced that in addition to the new Contracts Finder tool, the govern-

ment has introduced a drive to increase accountability and transparency, including the publication of all existing contracts above £25k in value and the ongoing SME feedback facility on the Number 10 website. The government also plans to introduce other measures to encourage

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more open competition, such as breaking up large contracts into smaller parts, encouraging more sub-contracting by major suppliers and holding an open procurement competition from May 2011. Speaking at the launch event at the Treasury buildings in London, the Prime Minister said: “We are announcing big changes to the way government does business. By that, I mean what I say: literally, the way it does business. The contracts it signs, the goods and services it purchases – and the way it purchases them.

“We need to make the system much more open, more competitive and transparent.”

SOURCE: <http://www.recruiter.co.uk/prime-minister-launches-contracts-finder/1008564.article>

PARTNERS:

