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## FG CLEARS 656 FIRMS TO BID FOR CONTRACTS WITH MDAs

The Federal Government has cleared only 656 firms to bid for contracts with Government Ministries, Departments and Agencies (MDAs) after having complied with the provisions of the Pension Reform Act 2004.

The National Pension Commission (PenCom) released the list of 656 organizations that have been issued clearance letters as at March 31, 2011. This is in accordance with the requirement that all organizations wishing to bid for any contract with the Federal Government MDAs must provide evidence of implementation of the Contributory Pension Scheme. General Muhammad Ahmad, PenCom's Director, has

confirmed that the 656 firms, whose names are pasted on the commission's website, have provided evidences of implementation of the Contributory Pension Scheme. He further stated that the list was publicized to serve as a guide to all Federal Government MDAs and for information of the general public.

PenCom as the statutory agency responsible for ensuring the effective administration of pension matters in Nigeria, has earlier brought it to the attention of all organizations and the general public that by virtue of the provision of Section 16 (6)(d) of

the Public Procurement Act, 2007 (PPA 2007), any supplier, contractor or consultant bidding or soliciting contract or business from any Federal Government Ministry, Department and Agency must fulfill all its obligations with respect to pensions. Federal Government Ministries, Departments and Agencies are therefore required to ensure that both the notice and evaluation criteria for the award of contract must be in strict compliance with the provision of section 16 (6) (d) of the PPA 2007 as it relates to pensions.

PenCom has further confirmed that the Bureau of Public Procurement has pledged its support to ensure compliance with this directive.

## PUBLIC PROCUREMENT ACT BANE OF SERVICE DELIVERY AT PORTS, SAYS NPA

The Nigerian Ports Authority (NPA) has attributed its failure in the provision of basic services at the ports to the rigorous procedure and bureaucratic requirements stipulated in the Public Procurement Act. The Public Procurement Act was passed by the National Assembly and subsequently assented to by the former President Olusegun Obasanjo as part of measures to fight corruption in the public sector, espe-

cially in the award of contract.

The General Manager of the Nigerian Ports Authority in charge of Western Operations, Alhaji Mohammed Bulangu, has said recently that the inability of the NPA to acquire patrol vehicles and other equipment for patrol was due to the long processes associated with the Act. Bulangu further noted that securing the nation's ports has been a difficult task for the Authority because of certain

clauses in the bill, which restricted the Authority from effectively discharging its obligations.

The NPA's general manager, while delivering a security report to the stakeholders at the forum, said that NPA was on top of all the safety and security at the ports but hinted that acquiring more police patrol vans as well as boats would further enhance security at the ports.

## NAPEP CONTRACT: COUNSEL PETITIONS JONATHAN, OTHERS

Mr. Bamidele Aturu, counsel to plaintiffs in the suit challenging the management of the National Poverty Eradication Programme (NAPEP) relating to the purchase of tricycles known as KEKE NAPEP, has petitioned President Goodluck Jonathan and the Federal Executive Council not to deliberate on the bid tender for the Fourth Phase of the NAPEP project, citing abuse of power.

In his petition, Aturu said that he instituted a suit on March 14, 2011, at the Federal High Court, Abuja Judicial Division (Suit No: FHC/ABJ/CS/358/2011) on behalf of his clients, Chief Eze Nwachukwu and Mr. Peter Osamgbi.

In the suit in which the Honourable Attorney General of the Federation and Dr. Magnus Kpakol are Defendants; Eze and Osamgbi sought an order of perpetual injunction restraining the Defendants whether by

themselves, agents, servants, officers and or privies or by whomsoever howsoever from proceeding with the purchase of Three-Wheel Trucks/Tricycles, KEKE NAPEP, based on the Invitation for Bids published by the Defendants and their officers or agents at Page 51 of the ThisDay of Tuesday, February 22, 2011 in violation of Section 16(6)(f) of the Public Procurement Act, 2007.

He further disclosed that on "March 15, 2011, our firm served on the Attorney General of the Federation and Dr Magnus L. Kpakol (the Coordinator of the National Poverty Eradication Project) the Originating Summons and a Motion on Notice praying the court for an interlocutory order of injunction from proceeding with the fourth phase of the purchase of Three-Wheel Trucks/Tricycles, KEKE NAPEP, pending the hearing and determination of the

substantive suit." Aturu further argued that " Given the available information, that NAPEP has proceeded with the Tender and that the papers for the award of the contract for the Fourth Phase of the KEKE NAPEP Project are soon to be discussed for the purpose of approval by the Federal Executive Council (FEC)" .He added that this could not be the case for several reasons one of which is the number of experienced lawyers as members of FEC. Noting that service of court processes on the Attorney General of the Federation, the Chief Law Officer of the country, is service on the Federal Government of Nigeria would want to proceed with the processes of awarding the contract for the fourth phase of the KEKE NAPEP project when an application for injunction is pending before a court of competent jurisdiction."

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## QUANTITY SURVEYORS SEEK INCLUSION IN PROCUREMENT PROCESS

Construction economists have called for amendment of the Public Procurement Act 2007 to ensure accountability and transparency in the system. This is following their exclusion in the implementation of the due process exercise of the Federal Government.

The Quantity Surveyors Registration Board of Nigeria said the non-inclusion of the quantity surveying profession in the Act was deliberate, and had cast a slur on the document.

President of the Board, Malam Hussaini Diko, last week, in Abuja, told journalists that

quantity surveyors were eliminated to avoid accountability and transparency, especially on the on-going infrastructural projects. According to him, though the Procurement Act was meant to fight corruption, the biggest areas of leakage have been in the states where governance has

been a one man show and that no state had truly reflected the procurement law.

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## **NDDC AWARDS N48.5BN CONTRACT FOR 18 PROJECTS**

The Federal Government has approved that the Niger Delta Development Commission (NDDC) should award and execute 18 new projects worth a little over N48.5 billion across the region. This approval came on the heels of the ongoing execution by the NDDC of 44 mega projects worth over N156 billion in the Niger Delta which was awarded in 2009. Many of the projects are near completion.

Managing Director and Chief Executive Officer of the NDDC, Mr. Chibuzor Ugwoha, who disclosed Thursday at the commission's headquarters in Port Harcourt, described the newly approved projects as a fresh package by President Goodluck Jonathan to further fast-track the ongoing restoration efforts in the Niger Delta.

According to the NDDC chief, the 18 projects which were expected to cost a total of N48,536,650,191.99, included erosion control at Ibiono Ikom, Akwa Ibom State; Amaogoke-Ezeoke

Nsu-Nzerem Ikpe-Isiokwe Road, Imo State; Okujaga-Ama foreshore protection, Rivers State; and Ughelli flood remediation, Delta State. Others include a 50-bed coastal Hospital Complex, Ekowe in Bayelsa State; Ibaka Naval Base Jetty; Araya Bible site Road, Delta State; and construction of Mbiama junction on East-West Road, Igbogene.

Ugwoha therefore advised the contractors to follow-up effectively with the necessary documentations to secure their initial payments so that they could promptly mobilise men and materials to their various project sites.

According to him, "The NDDC has received anticipatory approval of the Presidency to award contracts for 18 critical infrastructural development contracts to expedite the massive and sustainable development of the region in a way that will create a conducive environment for investment."

Ugwoha further explained that the projects are for erosion control, construction of roads, foreshore protection, drainages, health centres and tourism.

## **GOVT AWARDS N67B CONTRACT TO REPAIR RAIL LINES**

The Federal Government has awarded a N67 billion contract for the rehabilitation of the three eastern rail lines. The projects expected to be completed within 10 months, comprise 463 Km Port Harcourt to Makurdi; 1,016 Km Makurdi to Kuru including spur line to Jos and Kafanchan; and the 640 Km Kuru to Maiduguri rail line. While the rehabilitation of Port Harcourt to Makurdi would be handled by ESER Contracting & Industry Company Incorporated (Turkey) at a contract price of N19,165,202,237.54k, Makurdi to Kuru which includes the spur line to Jos and Kafanchan to Kaduna Junction would be handled by CGGC Global Projects Nigeria Limited at a contract price of N24,451,691,626.97k.

Lingo Nigeria Limited will handle the rehabilitation of Kuru to Maiduguri line at a contract cost of N23,720,359,033.79k.

The Minister of Transport, Alhaji Yusuf Suleiman who spoke at the signing of the Memorandum of Understanding between government and representatives of the contracting firms in Abuja, noted that the scope of work covered a comprehensive rehabilitation of the track, bridges, and culverts within the ambience of the 2,119km track lines so awarded.

The minister also noted that the Federal Government began the rehabilitation of the entire fixed and movable assets of the nation's rail transport industry with 1,315 Km Lagos to Kano track; procurement of 25 new general electric locomotive engines and workshop equipment; installations of 1000KVA; 750 KVA and 5000 KVA generators; refurbishment of over 500 wagons and coaching facilities; training and retraining of staff in their diverse fields of specialization, among many others.

## GHANA - OIL & MINING DEALS NOT SUBJECT TO PROCUREMENT LAW

Natural resource contracting though essentially a procurement activity is not subject to the national procurement law. The situation, according to participants at a recently held roundtable meeting on contract transparency in the natural resource sector, is a serious gap in the law which exposes the multi-million dollar contracting of investments in mining and petroleum activities to rent-seeking and other corrupt practices. The participants are therefore urging an amendment to the law, to bring under its jurisdiction all natural resource contracts. The revelation was part of the submission of the representative of the National Procurement Authority at the roundtable, in response to a statement by Ms. Ama Jantuah of the Attorney General's Department, to the effect that, the perception that contract secrecy is inimical to the interest of the people will not be wholly cured by the mere publication of these contracts. The issue of contract disclosure in the natural resource sector is steadily gaining currency, especially as opacity in natural resource contracts have been blamed in recent times for the bad deals that many resource-rich developing countries are saddled with, and which tend to erode the host countries' ability to reap a fair share of the benefits from their natural resource exploitation. The President of Ghana, Prof. John Evans Atta Mills is on record as having directed in March 2009 during a visit by the World Bank Vice President for Africa, Obiageli Ezekwesili, to Ghana, that all of Ghana's oil contracts with the International Oil Companies (OICs) be made publicly accessible. To date, the directive has only been complied with partially. What has been made available on official government website is the model agreement which is pretty generic and of little use to anyone wanting to undertake a comparative analysis of the various contracts so far signed, especially as the specifics will vary from company to company.

In a meeting organized by the Africa regional Extractive Industries Knowledge Hub of the Ghana Institute of Management and Public Administration (GIMPA), a presentation by Emmanuel Kuyole on international best practices and experiences with contract disclosure, the Africa Regional Coordinator of the Revenue Watch Institute, cited Peru, Ecuador, and Liberia as good examples of countries that insist on contract openness. Peru's government, he said, has all its mining contracts publicly accessible from its official website. He argued that contract disclosure does not and cannot hurt the commercial interests of oil and mining companies, as we are often made to believe, stressing that, most of the commercially sensitive information such as patented technology, trade secrets and other proprietary information are usually not subjects of primary contracts or concession agreements.

<http://allafrica.com/stories/201104080906.html>

## E-PROCUREMENT SYSTEM COULD SAVE GOVT 30% ON SPENDING

The Government could save up to 30 per cent of its spending on items outside of debt and wages when it implements an electronic system aimed at improving efficiency in the public procurement process, that will be funded in part by the Inter-American Development Bank (IDB). The IDB has approved a US\$900,000 grant to the government to support the development of the e-procurement system in Jamaica, which will provide a single portal to government

procuring and tendering agencies and suppliers and will automate activities performed by these parties by integrating them on a single network. For its part, the government has to put up an additional US\$272,000 and execute the project over a 30-month period.

In technical documents published last Thursday on its Website, the IDB noted that greater efficiency in public procurement will lead to "significant savings in government purchases due to greater competition among sup-

pliers, better comparison of prices, and reductions in transaction costs". The document also said that strengthened quality of public procurement will lead to "increased competition in the procurement process and better use of the government resources". The US\$1.17 million project will involve developing a tender system characterized by:

a) supplier registry and single sign-on, single window;

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1st Floor UAC Commercial  
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Central Business District  
Abuja, FCT.

Phone: + 234 9 290 0171  
Email: [ppdcnews@gmail.com](mailto:ppdcnews@gmail.com),  
[ppnews@ppdcng.org](mailto:ppnews@ppdcng.org)

b) online access to procurement legislation and regulations for all agencies and stakeholders;

c) online access to forward procurement plans for each agency;

d) online advertising of all bid opportunities;

e) downloading of bid documents and technical drawings;

f) capacity for suppliers to use the site to request hardcopy;

g) awarded contract information;

h) intelligent search facilities by locality, business type and value if applicable;

i) early bid advice on tenders currently under preparation in public agencies;

j) electronic lodgment of bids by suppliers;

k) customized email notification of new bids and amendments to suppliers;

l) an online tracking capacity for suppliers in relation to their bid processing;

[http://www.jamaicaobserver.com/business/E-procurement-system-could-save-Gov-t-30-on-spending\\_8632936](http://www.jamaicaobserver.com/business/E-procurement-system-could-save-Gov-t-30-on-spending_8632936)

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