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EFCC ARRESTS THE FORMER MINISTER OF WORKS, HASSANLAWAL, OVER ALLEGED N50BN FRAUD

The Economic and Financial Crimes Commission (EFCC) on Thursday 10th of February, 2011, arrested the former Minister of Works, Hassan Lawal, over an alleged #50 billion fraud.

The former Minister of Works who also served as the Minister of Labour under President Obasanjo, was arrested by operatives of the EFCC over "High degree of massive fraud".

Other charges against the Minister include abuse of office, abuse of government laid down policy on due

process and award of contracts to unregistered companies amounting to #50 billion. The agency is also on the hunt for other persons involved in the fraud with the Minister.

Femi Babafemi, a spokesman for the anti-graft agency confirmed the arrest.

The EFCC has also arrested the permanent secretary and three directors in the Ministry in connection with the #50 million fraud.



EFCC Executive Chairman, Mrs Farida Waziri

FEDERAL GOVERNMENT TO AWARD CONTRACT FOR \$1.5B ZUNGERU POWER PROJECT, SAYS PRESIDENT JONATHAN

President Goodluck Jonathan announced on 12 February, 2011, that the Federal Government would soon award the contract for Zungeru power project, as part of its efforts to boost power generation in the country. This announcement was made in Minna during the launch of the re-election campaign of Governor Babangida Aliyu of Niger State. The project is said to

cost one and a half billion dollars (about N225 billion).

Speaking on behalf of the President, the Minister of Information, Mr. Labaran Maku, said that Federal government had already set aside \$300 million (about N45 billion) for the commencement of the project. He said that the project, when completed, would generate 600 megawatts of electricity and

enhance the country's power generation capacity. He also said that the Zungeru project would also be used for irrigation farming by the host communities. Jonathan pledged his administration's commitment toward the completion of the second phase of the Gurara power project, adding that \$300 million (about N45 billion) had also been set aside for the project. He said that the project would generate 300 megawatts of electricity when completed.

MINISTRY OF COMMERCE AND INDUSTRY INAUGURATES PROCUREMENT COMMITTEE AND TENDERS BOARD

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.

LAW MAKER FAULTS FAILURE TO INAUGURATE COUNCIL ON PROCUREMENT

The Chairman, House of Representatives Committee on Public Procurement, Alhaji Yusuf Maitama Tunga has faulted the failure of executive arm of government to inaugurate the National Council on Procurement.

Speaking at a meeting by the Nigeria branch of the Chartered Institute of Purchasing and Supply, Alhaji Tunga stated that the failure to inaugurate the Council has contributed to the non-implementation of budgets in MDAs.

"We now have situations where heads of

ministries, departments and agencies would not award contracts and would rather allow the advertisement of bids to lapse in event that their preferred companies fail to win. This has inadvertently contributed to non-implementation of budgets." He said.

He further stated that the inauguration of the council will not inhibit the Federal Executive Council from awarding contracts above a certain threshold, the council will only ensure that policies regarding procurement are not abused by

the FEC. He also pointed out that the membership of the council itself shall be drawn from FEC; The Secretary to the Government of the Federation is a member and so also the Minister of Finance and Economic Adviser to the President

The Chief Executive Officer of the Chartered Institute of Purchasing and Supply, David Noble, noted that Nigeria's potential of being one of the biggest GDP economies in the world by the year 2040 is dependent on the institutionalization of procurement standards in the country.

BUREAU OF PUBLIC PROCUREMENT (BPP) SEEKS UNDP'S ASSISTANCE ON PROCUREMENT REFORMS

THE Bureau for Public Procurement (BPP), has urged the United Nations Development Programme (UNDP) to support the ongoing procurement reforms in Nigeria.

In a statement issued by the Bureau's Head of Corporate Communications, Dr Abiodun Adeniyi, in Abuja, he noted that the Bureau will continu-

ally ensue transparency in procurement process while noting that the procurement reform success is also dependent on the continuous support from organizations like the UNDP.

Mr Adeniyi commended the effort of UNDP in co-sponsoring its monitoring and evaluation project in the

2008 budget and called for more partnership.

The UNDP Country Director, Ms Ade Mamonyane-Lekoetje, the agency shares with the bureau noted that the visit was to explore more partnership opportunities with the BPP.



FEDERAL AIRPORT AUTHORITY OF NIGERIA (FAAN) SETS UP PROCUREMENT PLANNING COMMITTEE

The Federal Airport Authority of Nigeria, in compliance with Section 21 of the Procurement Planning Act 2007, has inaugurated a procurement planning committee.

The PPC is made up of persons from different departments within the authority including the legal, budget and planning departments.

Recently in Lagos, the Chairman of the Committee Mr. Richard Aisuebeogun, who is also the Managing Director of FAAN, noted that the constitution of the body is aimed at improving the 2010 achieve-

ments of the Authority. He further noted that the Committee has resolved to ensure that the provision of the Public Procurement Act, 2007 are fully complied with by the FAAN while also ensuring that projects brought before the committee are duly evaluated before any referral to the Authority's Tender Board for approval.

The PPC, it was stated, will ensure the speedy and proper execution projects for the 2011 fiscal year while assisting the Federal government in its monitoring and oversight functions on public procurement.

NCDMB, CIPN TASK PROCUREMENT OFFICERS ON PROFESSIONALISM

The Chairman of Chartered Institute of Purchasing and Supply (CIPN), Nigeria branch, Mr. Arthur Osuji and the Executive Secretary of Nigerian Content Development Monitoring Board (NCDMB), Ernest Nwapa at the yearly general meeting of the body in Abuja have noted the need for procurement officers to embrace new technology that are now being used in the procurement chain to ensure their continued relevance. Osuji noted the need for continued advocacy on use of collaborative strategies and partnerships and other innovative techniques to manage the

supply chain, and also the greater need to use technology to the maximum by deploying computerised enterprise resource programmes like e-commerce and e-procurement systems to integrate the different aspects of the supply chain for enhanced service delivery and cost effectiveness."

Osuji, who lauded the enactment of Public Procurement Act in 2007 and the CIPN would remain committed to the promotion of the highest level of professional code of conduct and ethical standard.

PROCUREMENT JOBS

- Invitation to Tender

WHO: Nigerian Educational Research and Development Council (NERDC)

WHAT: Renovation of NERDC Administrative Building at Sheda, Abuja.

WHERE: Interested companies can obtain bid documents on the payment of the sum of #50, 000. Contractors are advised to inspect the building before tendering.

Interested companies should submit pre-qualification documents in a sealed envelope and addressed to :

The Executive Secretary,

Nigerian Educational Research and Development Council,

Km, 135, Kaduna-Lokoja Road, Sheda-Abuja.

And dropped into relevant tender box at NERDC Headquarters, Sheda-Abuja not later than two weeks from the date of this publication.

SOURCE: FEDERAL TENDERS JOURNAL, Monday, February 7, 2011— Sunday, February 20, 2011.

PROCUREMENT EMBEZZLEMENT COSTS UKRAINE \$2BN

Widespread embezzlement in state procurement of goods and services has cost the Ukraine approximately \$2bn, it has been revealed.

The results of the 2010 audit conducted by the state financial inspection (SFI) of Ukraine, uncovered total fiscal violations of 90bn Ukrainian hryvnia (UAH) (approx. \$11bn). The misuse of

public funds takes up to one-third of all identified violations, according to Petro Andreyev, head of the State financial inspection of Ukraine.

The Ministry of Economy of Ukraine (MoE) played the key role in such embezzlements, according to Andreyev. He added that, in 2008-2009, the Cabinet of Ministers of Ukraine

issued 60 orders, enabling customers to avoid using mandatory procurement procedures. In most cases, the ordinances were initiated by the MoE. MoE has given its consent to the Ministry of Defense to purchase overpriced fuel worth almost 52m UAH (approx. \$6m), hurting the country's economy by more than 1m UAH. The former Minister of Economy issued the letters to the Ministry of Emer-

gency Situations approving the purchase of fire engines and ambulance vehicles totaling about \$32m, which let MES avoid issuing a tender on the premises of "absence of competition."

Afterward, Ministry of Emergency Situations purchased 27 ambulance vehicles, causing losses to the state budget in the amount of approximately \$2m."

a statement from the SFI.

The ex-prime-minister's political party BYuT dismissed the accusations, claiming that the inspection is "aimed at defamation of the opposition and using a so-called case-based reasoning to conduct repressions."

SOURCE:

<http://www.procurementleaders.com/news/latestnews/0602-embezzlement-costs-ukraine/>

UK PRIME MINISTER LAUNCHES CONTRACT 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 government 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 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.

He said, "We need to make the system much more open, more competitive and transpar-

ent."

REC chief executive Kevin Green adds: "At long last, we are starting to see action instead of just words. The REC has consistently argued for tendering procedures to be made more efficient. We seek a competitive and dynamic market place where recruitment businesses compete on their competence and capability. We also need to find the right balance between streamlining procedures and verifying quality standards".

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

UGANDAN GOVERNMENT RELEASES NEW PROCUREMENT RULES

The government has moved to prevail over delays and corruption in public procurement systems by releasing new tendering rules on a day the regulator declared a number of bids issued by ministries null and void. Addressing a

news conference in Kampala, the Public Procurement and Disposal of Public Assets (PPDA) Executive Director, Mr Edgar Agaba, said the government revised the standard formats for invitation of bidders (bid notices) by providing the indicative

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time frames against all the government procurement activities.

"We want to address the problem of unnecessary delays, ensure accountability in procurement and improve service delivery," Mr Agaba said. "We expect every entity to follow these new guidelines to the letter and in all government adverts, deadlines must be spelt out in the bid notices".

PPDA estimates that over Shs300b is lost every year to corruption in procurement, which accounts for 70 per cent of the government's annual budget. Under the new bid notices, every government agency will be required to include a procurement schedule to every bid notice issued to prospective bidders. The procurement schedule clearly stipulates the indicative times for each activity from issue of the bid notice to contract award. The new procurement rules also require public entities to start on evaluations within 14 working days from the date of bid closing. Currently, under the PPDA Act, the time frame for evaluation is not regulated, leading to unnecessary delays. Mr Agaba told reporters that in addition to the new guidelines, the government also proposed key amendments to the PPDA Act. The Bill is now before Parliament.

SOURCE: <http://www.monitor.co.ug/News/National/-/688334/1099310/-/cimqrgz/-/>

PARTNERS:

