

# JIGAWA STATE DUE PROCESS AND PROJECT MONITORING BUREAU

## PROCEDURES FOR PROCUREMENT OF GOODS, WORKS & SERVICES

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Venue: MAIMUNA MILLENIUM PARK HADEJIA

# INTRODUCTION

- ❑ The Due Process and project Monitoring Bureau was established by the Jigawa State Government to ensure strict compliance with the principles of Prudence, Transparency, Accountability, Competition and Total Quality Management in the execution of projects, procurement and service contracts
- ❑ This is part of the efforts to improve public expenditure and financial management procedures
- ❑ In addition, the establishment of the Bureau by an enabling Law and making of the Due Process Guidelines are to complement the reform agenda of the Federal Government, aimed at entrenching discipline and good governance throughout Nigeria
- ❑ The end value of it all is to facilitate the attainment of Sustainable Socioeconomic Development in the state, which is the ultimate objective of Jigawa State Government

# DUE PROCESS LAW AND GUIDE LINES

- ❑ The Government of Jigawa State enacted its Public Procurement Law, titled Due Process and Project monitoring Bureau Law 2012, in the year 2012
- ❑ It was revised/consolidated in the year 2015 and the current one in 2019 to accommodate emerging changes and in line with UNCITRAL model Law to meet international best practice
- ❑ The Law provides the general principles and rules governing public procurement in Jigawa state
- ❑ And the Guideline contains step-by-step procedures to assist the procuring entities to undertake public procurement in accordance with the Law
- ❑ Hence, the purpose of the Guideline is to act as a tool for the operationalization of the Due process Law, which establishes the Bureau and provides for its functions, and the basic principles and practices by which public procurement in Jigawa state shall be conducted

# THE BUREAU

- ❑ The Bureau, is a body established by section 3 of the Law, as a regulatory and coordinating authority on public procurement in Jigawa state
- ❑ Therefore, accounting officers, Procuring entities, Tender Committees, Procurement planning Committees and other structures involved in Jigawa state public Procurement are required to abide by the Guidelines and regulatory instructions issued by the Bureau
- ❑ The Bureau has responsibility for the overall co-ordination, direction on procedures and development of Government procurement practices and procedures in Jigawa state
- ❑ It is entrusted with 14 defined Functions presented in paragraph 2.6 of the Guideline, and 16 clauses of power respectively, under section 4 and 5 of the Law

# Procuring Entity

- ❑ A Procuring Entity(P.E.) is an organization or person that has a legal or administrative mandate to undertake a public procurement
- ❑ All Ministries Departments and Parastatals/Corporation can be a procuring entity

## **Accounting officer**

- ❑ The accounting officer is the person charged with supervision of the conduct of all procurement processes of a procuring entity
- ❑ He is responsible for and accountable for actions taken and for any instructions with regards to the implementation of the law and Guidelines
- ❑ He is also responsible to ensure that provisions of the Law and Guidelines are complied with

# Procurement Officer

- ❑ A Procurement officer is a person trained and certified by a recognized procurement institution to undertake procurement processes in an organization and in conformity with standard rules and regulations
- ❑ He serves as the head of procurement unit of procuring entity
- ❑ He should be able to understand and interprets the procurement Laws and Guidelines effectively in any procurement process
- ❑ He Guides and advices the accounting officer in all procurement processes of the P.E.

# CONTRACT

- ❑ A contract is an agreement between two or more parties which establishes a legal relationship between the said parties.
- ❑ An agreement is the result of mutual assent of two parties to certain terms to accomplish a task.
- ❑ To create a contract, there must be a common intention of the two parties to enter into a legal obligation, which is mutually communicated expressly or impliedly without ambiguity in which one person agrees to complete part of a deal (procurement of works, goods or services), and the other agrees to do something (payment) in return

# PROCUREMENT

- ❑ Procurement “means Acquisition”
- ❑ Procurement is the act or of obtaining or buying goods, works or services
- ❑ Therefore, Public Procurement Means Acquisition by any means of Goods, Works or Services by the Government
- ❑ According to Tanzania Public procurement Act(2004), “Procurement” means Buying, Purchasing, Renting, Leasing or other wise Acquiring any goods, works or services by a procuring entity spending public funds on behalf of a Ministry, Department or Regional Administration of Government or Public body.



# PROCUREMENT PROCESSES

- ❑ Procurement process includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of Tenders, preparation and Award of contracts.
- ❑ Procurement procedures therefore involves the stages of planning, preparation and processing of a demand as well as the end receipt approval for payment
- ❑ The procedure of procurement process involves two broad stages:
  - Pre contract stage; or preparation stage, and
  - Post contract; or execution stage.

# PRE CONTRACT STAGE

- ❑ Procurement planning by MDA's
  - to plan and select priority projects required for the year
- ❑ Detailed and complete Design(Architectural, Structural, M&E)
- ❑ Cost estimate (Bill of Quantities, Quotations etc)
- ❑ Budgetary provision and approval by relevant authority(s)
- ❑ Procurement plan Template
- ❑ Vetting of contract documents by Due Process
- ❑ Selection of alternative Bidding Process
  - open competitive: for contracts of N200m and above
  - Selective competitive: for contracts btw N20m to200m
  - Nominated: for contracts below N20m

## Cont'd

- ❑ Advert for pre-qualification/financial bid or Invitation to Bid
- ❑ Pre-qualification - Based on Due Process check-list
- ❑ Issuance of Tender/Bid documents to Bidders
- ❑ Tender /Bid receipt and opening
- ❑ Tender/Bid evaluation and selection of winner(s)
- ❑ Reporting and recommendation for Award
- ❑ Due Process Certification - Certificate of No Objection
- ❑ Contract award - To the Lowest Responsive Bidder(s)

# PROCUREMENT PLANNING

- ❑ Procurement planning is the process of identifying and consolidating the requirements and determining timeframes for procurement with the aim of having them as and when they are required
- ❑ The process involves also what procurement strategies or methods to be deployed, setting the time frames and the responsibilities for the full procurement process
- ❑ Procurement planning is an integrated part of the procurement cycle and needs to be aligned and synchronized with other project activities to achieve desired outcomes

## Cont'd

- ❑ A procuring entity shall plan its procurement by establishing a procurement planning committee whose responsibilities includes:
- ❑ To prepare need assessment and evaluation by prioritizing the goods, works and services required
- ❑ Preparing an analysis of cost implications of the proposed procurement
- ❑ Integrating its procurement expenditure into its yearly budget etc
- ❑ The composition of the procurement committee shall comprise of; the accounting officer of the P.E who shall be the chairman

**Law No. 25 - 26**

## Cont'd

- ❑ Other members includes;
- ❑ Representative of the procurement unit of the P.E who shall be the secretary
- ❑ Representative of the unit directly in requirement of procurement
- ❑ Representative of DPRS of the P.E
- ❑ Technical personnel of the P.E with clear expertise in the subject matter for each particular procurement
- ❑ Representative of the financial unit of the P.E; and
- ❑ Representative of the Legal section of the P.E

# DESIGNS

- ❑ These are the set of drawings showing detailed designs and requirements to accomplish intended project
- ❑ It provides guidance in terms of dimensions, shapes as well as final views of the finished structure on completion
- ❑ It should include both Architectural, Structural, and M & E designs
- ❑ The complete set of designs enable the Bureau to check and Vet appropriately

## COST ESTIMATE(BOQ, OR QUOTATIONS)

- ❑ This itemizes the estimated quantities and description of items for different types of works to be procured by P.E.
- ❑ It consists of description of items and specifications, quantity of materials required rates and total cost of each item
- ❑ It includes sub total of each work section or element up to the total summary
- ❑ Includes Preliminaries(Bill No.1), contingencies and VAT
- ❑ It forms the basis of Tender documents for the Bidders to price
- ❑ It provides the total contract sum to be awarded for a contract



# BUDGETARY PROVISION

- ❑ For any P.E to embark for procurement process, it must have made Provision in its annual budget
- ❑ The proposal must have been appropriated by the state assembly
- ❑ It must have been endorsed by His Excellency the Executive Governor
- ❑ The approved budget page must form part of the documents to be forwarded for vetting
- ❑ **All procurements shall only be made in accordance with approved plans supported by prior Budgetary appropriations, and no procurement shall be formalized until the entity has assured that funds are available to meet the obligations and subject to threshold under this Guideline(Guideline. 3,13)**

# PROCUREMENT PLAN TEMPLATE

- ❑ Quarterly procurement plans shall be developed in a format prescribed by the bureau and used to determine the requirement of funds the various Government offices during the physical year
- ❑ Such plans shall spell out the timing for different procurement actions and show the funding requirement at different stages
- ❑ Procurement plans are to be prepared on the approval of the annual appropriation Law and submitted to the Bureau and the Directorate of Budget and Economic planning for approval in principle (sample template attached) **Guide line(3.14. iv)**

## VETTING OF CONTRACT DOCUMENTS

- ❑ Vetting of contract documents involves careful screening and checking of all essential contract documents by the Bureau before the commencement of any procurement process by the P.E's
- ❑ Project Designs(where applicable), Bills of Quantities and other bidding documents in respect of any construction work, procurement or service contract whose value is Five Million Naira and above shall be vetted by the Bureau. **Guide line, 3.12**
- ❑ This is to ensure compliance with laid down rules and regulations and for issuance of due process certificate, which must be presented to relevant approving authority before approval is given for the Award of the contract
- ❑ The Bureau reserves the right to reject any submission made to it which does not include all required/necessary documents

# SELECTION OF BIDDING PROCESS

- ❑ The selection of Bidding/Tender process depends on the magnitude of the project
- ❑ Thus, the cost of the project after vetting by the Bureau will determine the type of process to be adopted for the procurement at hand
- ❑ All procurements shall only be made by open competitive, selective or nominative tendering as the case may be, and in a manner that is transparent, timely equitable for ensuring accountability and conformity with the Law and the Guideline
- ❑ With the aim of achieving value for money and fitness for purpose, and in a manner which promotes competition, economy and efficiency

## Open competitive Bidding

- ❑ Open competitive tendering is applied where the contract is valued at N200M and above
- ❑ This type of tendering demands wide advertisement to invite prospective contractors to show interest in executing the project under consideration
- ❑ The process start with adverts and concludes with the determination of the ‘winner’
- ❑ Ministerial tender committees are formed to undertake the process
- ❑ Adequate time shall be allowed to allow bidders to prepare there bids
- ❑ It attracts high costs for preparation, such as cost of advertisement and other associated cost

# Selective Competitive(Restricted)Tendering

- ❑ In this type of tendering, competition is restricted to the selected pre-qualified contractors in the state, who were identified to possess the required Technical and Financial capacities and are well experienced in the type of procurement under consideration
- ❑ It is applied to procurements from N20M to N200M
- ❑ The procedure starts with an invitation to at least Two, but not more than five of such contractors to bid for the contract
- ❑ It is important to ensure fairness in the selection of contractors to be invited to tender, having regard to resources, experience and performance record
- ❑ The selection should be rotational to ensure equal opportunity to contractors on the pre-qualified list

- ❑ Where there is inadequate capacity among contractors within the state, consideration should be given to inviting contractors from outside the state
- ❑ Advertisements could be placed on the P.E.'s notice board for publicity
- ❑ In any case, the submissions made by the competing contractors shall be critically evaluated by the relevant Tenders committee and vetted by due process before taking decision on the next line of action

# Nominated Tendering Procedure(Single sourcing)

- ❑ This involves nominating a single contractor by the appropriate awarding Procuring entities, judging from the reliability, experience and competence of the contractor to bid for the contract
- ❑ It is applied to procurements below N20M, and in line with checks and balances, the Bureau has to certify the nominated contractor, and therefore, can recommend for the rejection of any nominated contractor whose reliability or competence in doubt



# SPECIAL METHODS OF PROCUREMENT

- ❑ In accordance with part IX.(57-60) of the Law, the Bureau may, by regulations or guidelines, provide other methods of procurement in addition to those under sub section 1 of the Law
- ❑ Accordingly, a P.E. may with the approval of the Bureau conduct procurement by other methods other than open tendering such as:
  - (a) Direct Procurement
  - (b) Emergency procurement
  - (c) Request for quotation
  - (e) Electronic Procurement

# Direct Procurement

- ❑ A Procuring entity may carry out direct procurement where:
- ❑ Goods, works or services are only available from a particular supplier or contractor, or if He has exclusive right in respect of the goods, works or services and no reasonable alternative or substitute exist
- ❑ P.E. which has procured goods, equipment, technology or services from a supplier or contractor determines that:
  - (i) additional supplies need to be procured from that supplier or contractor because of standardization or;
  - (ii) there is need for compatibility with existing goods, equipment technology or services, taking into account the effectiveness of the original procurement in meeting the needs of the P.E. etc

# EMERGENCY PROCUREMENT

- ❑ Procuring entity may carry out an emergency procurement where:
- ❑ The state is confronted with a disaster, catastrophe or other act of God
- ❑ The condition of goods, equipment, building or public owned capital goods may seriously deteriorate unless action is taken unless action is urgently and necessarily taken to maintain them in their actual value or usefulness etc
- ❑ In such a situation, P.E. may engage in direct contracting
- ❑ Immediately after the cessation of the situation warranting the emergency procurement, the P.E. shall file a detail report thereof with the Bureau for verification and record purpose

# REQUEST FOR QUOTATION

- ❑ Procuring entity may carry out procurement by requesting for quotations from suppliers or contractors where the value of the goods or works to be procured does not exceed a sum that shall be set in the procurement regulations
- ❑ Quotations shall be obtained from at least 3 unrelated contractors or suppliers, and shall be clearly informed whether to include charges such as transportation, insurance, taxes, customs duties etc
- ❑ The procurement shall be awarded to the qualified contractor or supplier who gives the lowest priced responsive quotation

# ELECTRNIC PROCUREMENT(e-procurement)

- ❑ Subject to the provision of the Law and its provisions, it shall be lawful for any P.E. to consider any or all of its tenders by electronic auction and or simulation on its electronic portal, which shall be transparent, efficient secure and economical
- ❑ The Bureau shall design and set up a secure electronic portal which shall be the primary source of information for all public procurement matters

## ADVERTS/INVITATION TO BID

- ❑ Adverts usually on Notice boards of procuring entity, on News papers, Journals and Websites of the P.E.
- ❑ It involves announcing the Bid by providing the essential information to prospective Bidders inviting them to participate in the Bid/Tender process
- ❑ It should Provide equal access to information to all possible participants in the market of public to contest for free and fair competition
- ❑ It should be advertised in at least two(2) national dailies, notice board and other on-line flat forms including P.E's web site

## Cont'd

- ❑ Advert could be for;
- ❑ Invitation for pre-qualification(Technical), i.e. for Technical qualification to ascertain capability or otherwise of contractors base on stated criteria; or
- ❑ For financial Bids, i.e. to provide the required Quotation for Goods, Works or Services as stated in requirements; or
- ❑ For both (Technical & Financial)
- ❑ The time allowed for bidders to prepare their application should not be less than six(6) weeks from the date of placement of the advert
- ❑ Any change shall be quickly communicated through appropriate medium(Addendum)

## Cont'd

- ❑ The advert should provide sufficient information to enable potential suppliers to decide whether or not to buy the full bidding documents
- ❑ All adverts for pre-qualification of contractors shall follow a standard format with basic information as contained in the Guide line as follows:
  - ❑ The name and address of procuring entity;
  - ❑ Introduction: a brief description of the object of procurement, including desired time for delivery or completion;
  - ❑ Scope of the work: detail information about the nature of the work;
  - ❑ A summary of the required qualification criteria;
  - ❑ The place and deadline for submission of the application for pre-qualification; and



## Cont'd

- ❑ The date of availability of the pre-qualification of tender documents;
- ❑ The date, time and place for the opening of the pre-qualification or bids shall be clearly stated;
- ❑ A sworn affidavit certifying as follows:
  - (a) that the documents submitted are not only genuine but correct;
  - (b) that none of the directors of the company has been convicted by any court of Law;
  - (c) that non of the officers of Jigawa state/Local Govt. is a present or former director of the company;
  - (d) That the company is not bankrupt
- ❑ The time allowed for applicants to prepare their pre-qualification applications or bids shall not be less than Six(6) weeks from the date of placement of advert

# PRE- QUALIFICATION REQUIREMENTS

- ❑ One of the most critical and essential stage in the procurement process is the pre qualification of bidders in order to ascertain the capability of contractor both technically and financially, and who can carry out the project successfully
- ❑ This is carried out to enable clients to select the best contractor that can deliver a qualitative projects in accordance with the required specification and within the stipulated time and cost
- ❑ Contractors therefore need to certify the following check- list to qualify for any bidding process. **(In accordance with Due process Guidelines chapter 5.4)**

## Compulsory Requirements

- ❑ Evidence of incorporation/Business name
- ❑ Company audited account for the last one year
- ❑ Tax clearance for the last year three years
- ❑ Evidence of registration with Jigawa State works Registration Board
- ❑ Evidence that the company has fulfilled its obligations to pay taxes, pensions and social security such as PENCOM, ITF levy etc

Note, that failure of any bidder to comply with any one out of the four requirements will lead to his outright disqualification

## Other Necessary Requirements

- ❑ Evidence of financial capability and banking support(15%)
- ❑ Technical qualification and experience of key personnel(20%)
- ❑ Evidence of similar project executed (15%)
- ❑ List of Equipment and technical capacity (20%)
- ❑ Annual turn over (5%)
- ❑ Vat registration and evidence of past remittance (5%)
- ❑ Evidence of citizenship (individual / corporate of Jigawa state(20%)
- ❑ Any bidder who scores 70% out of the 100% after having passed the compulsory requirements could be considered for the next stage of the process(Bidding process)

# POST QUALIFICATION OF BIDDERS

- ❑ The procuring entity may require the supplier, contractor or service provider who has been pre-qualified to demonstrate its qualification again in accordance with the same criteria used to pre-qualified him
- ❑ The P.E. shall disqualify any supplier, contractor or service provider who fails to demonstrate its qualification again if requested to do so
- ❑ The P.E. shall promptly notify each supplier, contractor or service provider request to demonstrate its qualification again whether or not he has done so to the satisfaction of the P.E.

## BID SUBMISSION

- ❑ Bid documents shall be available to all pre-qualified bidders at the right time as specified in the invitation
- ❑ All bids in response to invitation to open competitive bidding shall be submitted in writing and or other format as stipulated in the tender documents, dully signed by an authorized person and placed in 2 sealed envelopes marked ‘Original and ‘Duplicate’
- ❑ All submitted bids shall be deposited in a secured temper-proof bid-box
- ❑ P.E. shall issue a receipt showing the date and time the bid was delivered and record same in a bid submission register
- ❑ Any bid submitted after the deadline for the submission of bids shall be rejected
- ❑ All other necessary requirements in relation to bid submission shall be clearly stated in the bid documents for the bidders to comply

# BID OPENING

- ❑ All bids shall be submitted before or by the deadline or time and date specified in the tender notice or any extension of the deadline for submission
- ❑ Bids should be opened in public, in the presence of bidders or their representatives and any interested member of the public
- ❑ Tenders committee should ensure that a register is taken of the names and addresses of all those in attendance
- ❑ Ensure that all bids are kept safe and secured until the opening time
- ❑ Bids must be duly signed, meet the necessary requirements stipulated in the tender and are substantially responsive to the tender documents
- ❑ Also ensure that bidders must have enclosed all attachments requested, such as Bid security/insurance bond as the case may be before opening of the bids
- ❑ Technical bids should first be opened before the financial bids such that only those scale the technical qualification will proceed to the financial evaluation

# BID EVALUATION

- ❑ This involves crosschecking the bid documents to ensure conformity with requirements stated by the P.E.
- ❑ It includes checking of arithmetic computations in the financial bids to ensure there is no error
- ❑ The main objective is to determine the bid that will result in the lowest evaluated cost among the substantially responsive bids received from the qualified bidders
- ❑ All criteria to be used in the bid evaluation must be specified in the bidding documents
- ❑ Bid evaluation should be carried out within the validity period specified in the documents (not later than 4 month from the date of opening the bids)
- ❑ Bid evaluation is carried out by Technical evaluation committee appointed by the P.E. and should include persons with sound knowledge of the items to be procured



# BID SECURITY

- ❑ A bank guarantee normally requested by P.E. to ensure commitment of contractors participating in a bidding process
- ❑ All procurements valued in excess of the sums prescribed by the Bureau shall require a bid security in an amount not less than 2% of the bid price by way of a bank guarantee issued by a reputable bank acceptable to the P.E. (**Guideline 5.10.1**)
- ❑ The bureau shall from time to time specify the principal terms and conditions of the required bid security in the tender documents
- ❑ It should be enclosed along with other bidding documents submitted by the bidders before the closing date

# BID EVALUATION REPORT

- ❑ Immediately after the completion of the evaluation process, the P.E. shall prepare a bid evaluation report
- ❑ The P.E. shall use a standard template for this purpose
- ❑ The successful bid shall be the most responsive bid submitted by the lowest cost evaluated bidder from the bidders' response to the bid solicitation
- ❑ It need not to be the lowest cost bidder, provided that the P.E. can show good grounds for the award decision
- ❑ The compiled report with supporting documents shall be forwarded to the management of the P.E. for their endorsement before submission to the Bureau for the request of compliance certificate

## MINISTERIAL TENDER COMMITTEE(MTC)

- ❑ Where the need arises the, P.E. shall establish a ministerial tender committee whose chairman shall be permanent secretary of the ministry or the chief executive of extra Ministerial Department/Parastatal
- ❑ Other members shall be the Directors/Heads of Departments in the ministry, or Establishment, and there shall be representatives from the Bureau, Budget & Economic Planning Directorate, Ministry of Justice, Ministry of Finance(office of the Accountant General) and Council affairs Directorate
- ❑ The procurement officer in charge of the procurement unit of the P.E. shall serve as the secretary of the committee, and where there is no procurement officer, DPRS shall be the secretary

## CONT'D

- ❑ In the case of Local Government, the chairman of the Local Government Tender Committee(LGTC) shall be the chief executive of the Local government, while DPRS shall serve as the secretary. Other members shall be the Directors/Heads of Departments of the Local Government
- ❑ The committee shall be responsible for handling the whole procurement processes from Adverts to the conclusion of evaluation report

### **TENDER EVALUATION COMMITTEE**

- ❑ Each P.E. is required to appoint a Bid Evaluation Committee with the required expertise to evaluate bids and assist the Tenders committee in its work
- ❑ Tender evaluation committee shall be constituted immediately after the Bid opening involving personnel with technical knowledge of the procurement in question
- ❑ The criteria for the evaluation shall be clearly spelt out in the bidding documents

# BID REVIEW AND CERTIFICATION

- ❑ Is the review of the entire procurement process and submissions made by P.E's at the conclusion of the contracting procedure
- ❑ Having followed the Due process, P.E's are required to document all the details of the contract award process, conclusions and recommendations and submit the details to the Bureau for compliance review and issuance of certificate of compliance(Certificate of No- objection)
- ❑ The compliance certificate is among the documents to be forwarded to the authority for the award of contract
- ❑ P.E's should forward all the relevant documents such as evidence of advertisement and pre-qualification report, drawings, BOQ, in-house estimates, bid evaluation report and analysis etc which were used in the conduct of the bidding process

## CONT'D

- ❑ The review process begins immediately a request is received by the Bureau from the P.E's
- ❑ The task is normally assigned to the designated Team or the appropriate technical Desk officer in the Bureau
- ❑ The team composed mainly of the staff of the Bureau appointed by the D.G and is Renewed at the end of every year
- ❑ The compliance Review is a three-pronged transparent exercise which involves the Bureau team or officers trying to establish from the submissions of the P.E's that; from the way the P.E's carried out the Due Process procedures for the contract award:
  - ✓ The Process was Right
  - ✓ The Winner was Right; and
  - ✓ The Cost was Right

**Guideline(8.3 - 8.6)**

# AWARD AND SIGNING OF CONTRACT

- ❑ Once procuring entity has evaluated the bids and decided on the Lowest evaluated responsive bid, and decision has been made about award, the P.E. shall request and obtain Bureau's "No-objection" and approval from relevant authority to Award the contract
- ❑ The successful bidder shall be invited for the award of the contract, after submitting his performance guarantee(were applicable)
- ❑ The award letter shall essentially state the Sum that will be paid to the contractor by the P.E. in consideration of the execution and completion of the construction, or provision of goods or services as prescribed in the contract
- ❑ The issuance of this letter constitutes the formation of the contract thereby making all the conditions of the contract binding on the parties involved
- ❑ Approved contract agreement containing detailed conditions of the contract should be signed by both contractor and P.E. before the commencement of the project

# PERFORMANCE BANK GUARANTEE

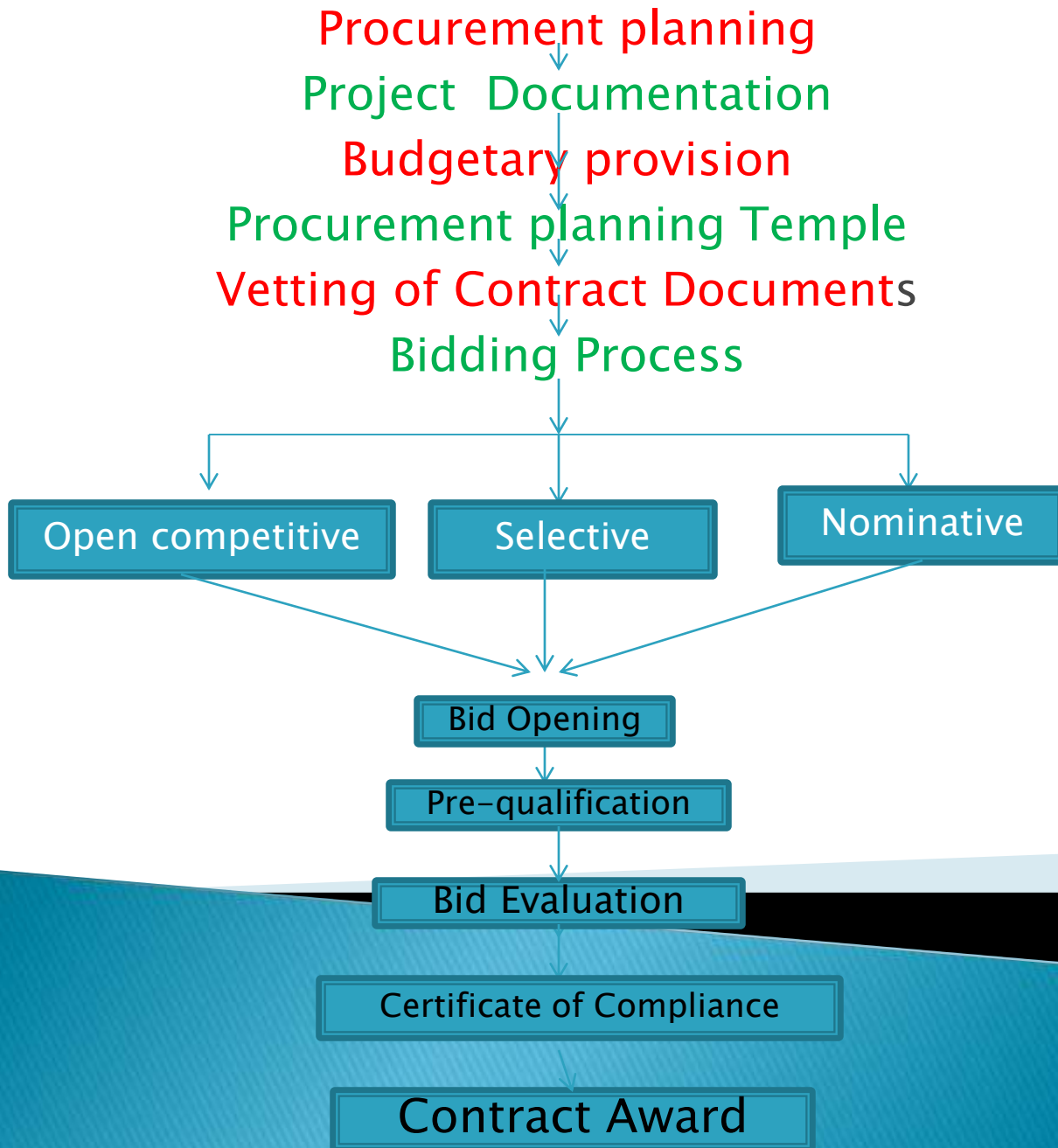
- ❑ Performance Bank Guarantee shall be obtained by the P.E. for all contracts valued at N200M and above to serve as a security against non performance of the contractors
- ❑ This is in amount of not less than 2% and not more than 5% of the contract price for supply of goods and other related services; and
- ❑ An amount not of not less than 5% and not more than 10% for works contract shall be obtained from the contractors at the contract award stage
- ❑ The Performance bond shall be discharged immediately after the full execution of the contract of the contract



## ADVANCE PAYMENT(MOBILIZATION FEE)

- ❑ Mobilization fee is a money paid by the client to contractors in advance to assist the contract mobilize both materials, equipments and human resources to the site for the commencement of the project at hand
- ❑ The Advance payment, where necessary shall not exceed 30% of the contract sum, and the payment shall be effected upon written application and submission of an unconditional Bank Guarantee or Insurance bond for an equivalent amount valid until the goods are supplied or until the mobilization fee has been repaid in the case of works contracts
- ❑ The Fee shall be paid into contractor's account domiciled with the guaranteeing bank, and should be offset against stage payments through interim payments to the contractor
- ❑ The amount should be completely reimbursed to the P.E. by the time the certified completion is 70% of the contract price

# PROCUREMENT PROCESS CIRCLE



## POST CONTRACT (EXECUTION STAGE)

As soon as all contract modalities were completed, the process of execution commences until the project is delivered appropriately. The following stages apply;

- ❑ Successful contractor(s) receives award letter from the client
- ❑ Contractor transmits his written acceptance to client
- ❑ Contract agreements signed by both parties
- ❑ Contractor takes possession of site
- ❑ Contractor mobilized to site
  - Materials, equipments & Human resources
- ❑ Contractor submits programme of work and other essential documents

# Cont'd

- ❑ Site setting out, and project stages continued
- ❑ Project supervision commences
- ❑ Site meetings
- ❑ Test samples, materials approvals
- ❑ Interim certificates & payments
- ❑ Approval for alterations, variations (if any)
- ❑ Hand over
- ❑ Final account/certificate
- ❑ Defect liability period
- ❑ Retention payment

# SUPPLY OF GOODS

The pre contract stages for supply are similar to that of construction works, differences exists at delivery stage

- ❑ Award receipt
- ❑ Acceptance transmitted
- ❑ Supply of recommended items
- ❑ Delivery to designated location(s)
- ❑ Installation of items (if applicable)
- ❑ Testing (if applicable)
- ❑ Inspection and certification
- ❑ Issuance of store receipt voucher (SRV)
- ❑ Valuation and Payment

# CONCLUSION

- ❑ The Due process Guidelines are intended to promote transparency, competitiveness and value-for-money in carrying out projects, procurement and service contracts
- ❑ It consists of basic rules governing budget implementation in its totality, from spending limits for the various spending units to procedures governing award of contracts for projects, services or procurement of goods
- ❑ The overall objective is to ensure that service delivery is both effective and efficient, that is ‘getting the Right Output and Outcomes at the Right Cost’
- ❑ Therefore, Accounting officers as well as procurement officers shall discharge their responsibilities diligently in accordance with the provisions of the financial regulations and other applicable circulars as they relate to spending limits, procurement and documentation

**ASSALAMU ALAIKUM**