

TENDERING PROCEDURES & ITS ATTENDANT CHALLENGES

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What is Tendering?

- Tendering is the process of making an offer, bid or proposal, or expressing interest in response to an invitation or request for tender for a particular need, such as works contracts, supply of goods, services, and select an offer or tender that meets their needs and provides the best value for money.

Tendering.....cont'd

- The core principle in public tendering is to achieve value for money through open competitive tendering process. This does not just refer to offering the lowest price or best offer.
- Value for Money (VfM) can also be assessed by looking at factors which include:
 - 1) The relative risk of the proposal
 - 2) Fitness for purpose
 - 3) The performance history of the supplier/ contractor/ service provider

Tendering.....cont'd

- 4) All direct and indirect financial costs and benefits over the life of the procurement
- 5) The flexibility of the proposal to adapt to possible change
- 6) The anticipated price that could be obtained, or cost incurred, at the time of disposal

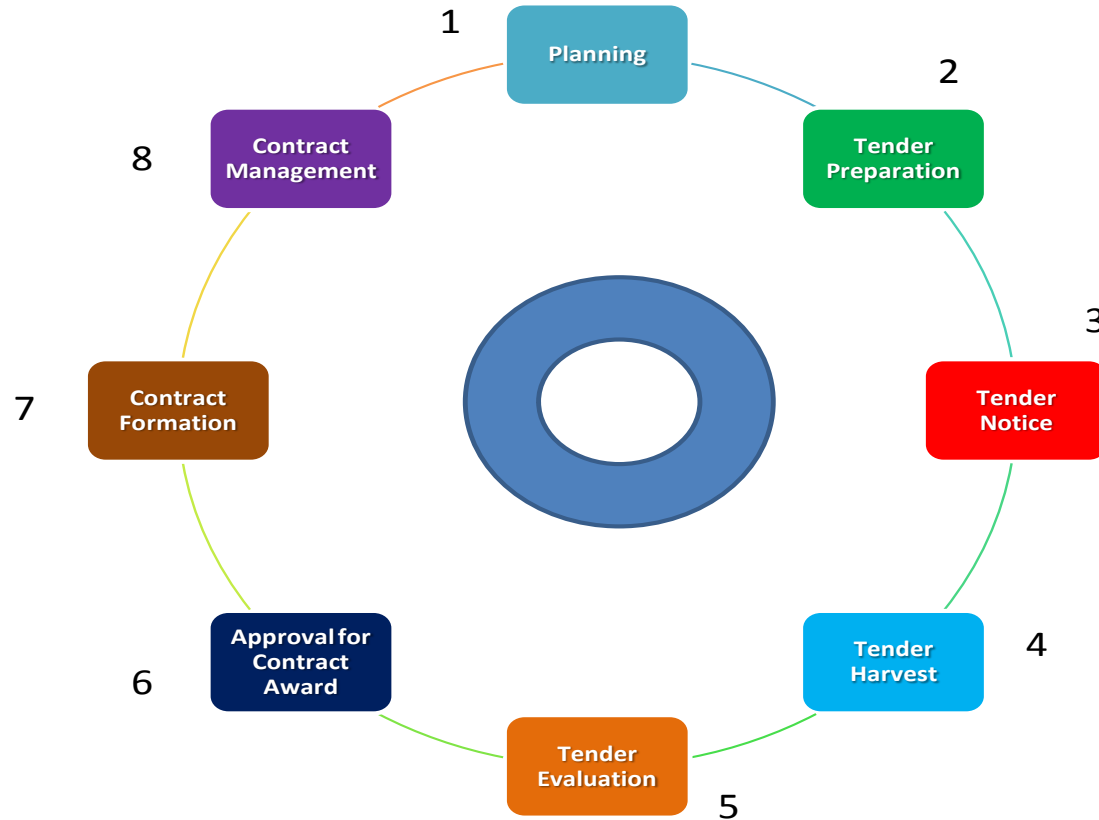
Types of Tendering

- **Open Competitive Tendering** – All eligible bidders are given opportunities to competitively bid for a procurement opportunities.
- **Closed (Restricted/ Selective) Tendering** – used for already prequalified contractors/ suppliers or where there are only a few know specialists in the field. Necessary bidding information and data are documented in the RFQ/RFP which are issued to the prospective bidders.

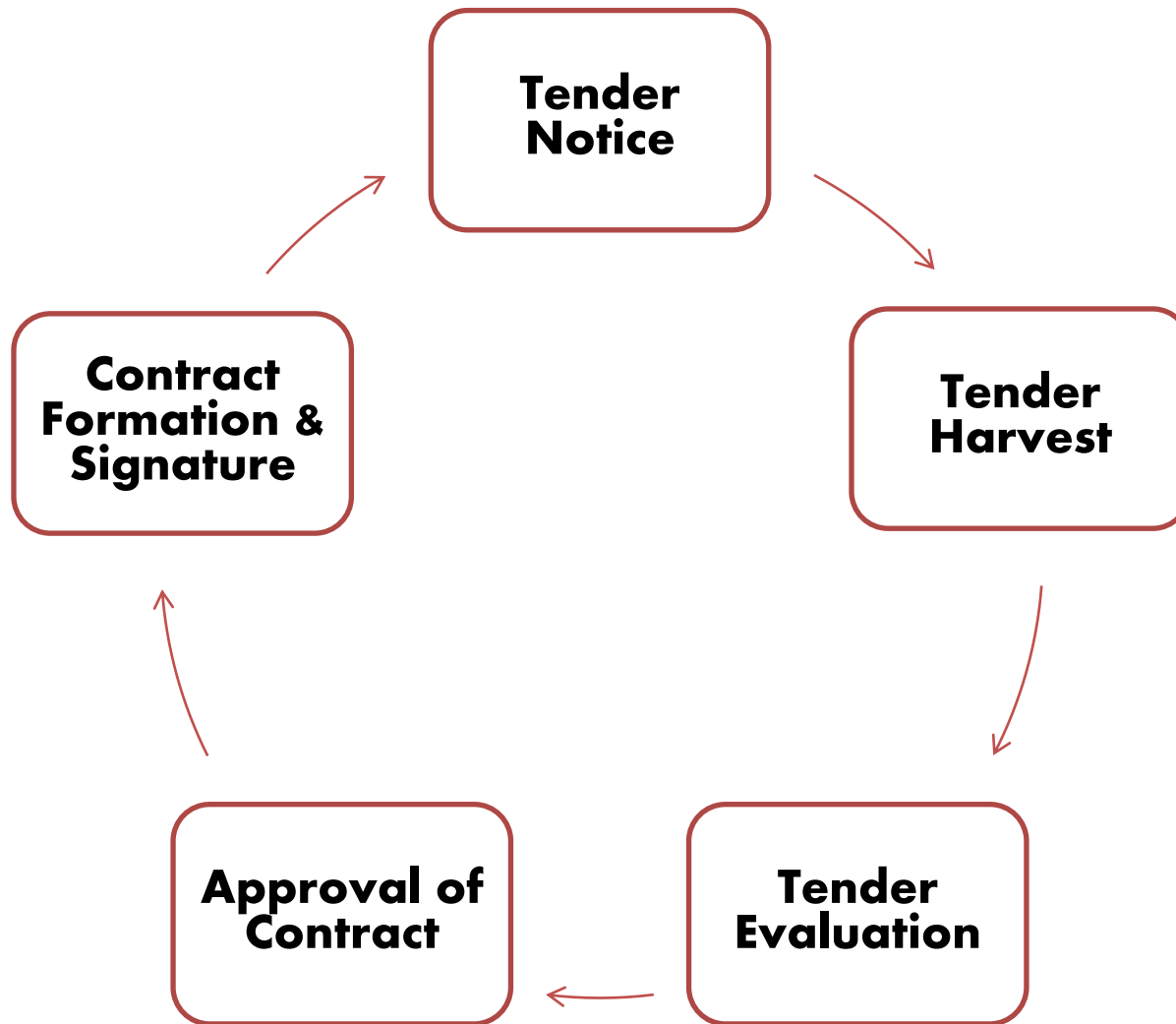
Types of Tendering....cont'd

- **Direct Contracting** – used only where there is only one known company that can do/ provide the required goods/ works/ services or a continuation of works/ services
- **Framework Contracting** – is a long-term agreement with suppliers, contractors and service providers of non-consulting services which sets out terms and conditions under which specific procurements (call-offs) can be made throughout the term of the agreement.

Procurement Cycle



Tendering Stages



**DIAGNOSIS
OF
TENDERING STAGES**

Tender Notice

1. The followings are various types of bid solicitations a procuring entity could adopt to acquire goods, works and/ or services contracts;
 - a) Invitation for Bids
 - b) Request for Expression of Interest
 - c) Request for Proposal
 - d) Request for Quotation
 - e) Request for Standing Offer
 - f) Request for Supply Arrangement
 - g) Telephone-Buy

Tender Notice ...cont'd

1. Tender Notice should contain adequate information for clarity of purpose
2. Use of Standard Template for Tender Notice
3. Use the appropriate medium to reach the prospective bidders
4. Depending on the complexity of the assignment, adequate time should be given to the prospective bidders to prepare and submit competitive bids/offers/proposals.
5. Any addendum and/ or clarification on the solicitation documents should be circulated among the prospective bidders within a reasonable timeframe

Tender Harvest

1. Designate an officer to handle the receipt of bids/ quotes/ proposal
2. Preparation for Bids Submission
3. Receipt of offers
4. Composition of Bids Opening Committee
5. Preparation of Bid Opening
6. Composition of Bid Evaluation Committee

Tender Evaluation

1. Sensitization of the Bids Evaluation Committee
2. Declaration of Conflict of Interest
3. Joint review of Pre-determined Evaluation Criteria
4. Individual Evaluation of Bids
5. Collation of Individual Evaluation of Bids
6. Preparation of Evaluation Report

Approval of Contract

1. Presentation of Evaluation Report to Tenders' Board for concurrence
2. Seeking relevant approvals e.g. PPA (if prior review)
3. Types of PPA Approval Instruments
 - a. **Certificate of Compliance**
 - b. **PPA No-Objection**
 - c. **Letter of Confirmation**

Contract Formation & Signature

- Offer of Contract Award
- Acceptance of Offer
- Payment of statutory fees
- Registration of Letter of Award
- MDA Procurement Office liaise with the Legal Office on Contractual Documents
- Liaise with Ministry of Justice on contract agreement

Guiding Rules of Tendering Process

- **Advertisement:**

Open advertisement in a widely read newspaper and/or other easily accessible media/platforms with a view to promoting competition, economy, efficiency and equal opportunities to all parties who are eligible and qualified to participate in public contracts.

Guiding Rules.....(2)

- **Use of Standard Bidding Documents:**

There are various standard bidding document (SBD) templates for the procurement of goods, works and services. Identifying and adopting the use of applicable SBD to procure specific procurement activity is required for effective procurement process.

Guiding Rules..... (3)

- **Pre-disclosure of Evaluation Criteria:**

Open competitive bidding using clearly defined criteria, and offering to every interested bidder equal information and opportunities to offer the works, goods and services needed.

Criteria stipulated as the basis upon which bidders would be evaluated shall not be changed in the course of any procurement proceeding.

Guiding Rules..... (4)

- **Public Bid Opening:**

All bids received within stipulated timeframe shall be publicly opened at the time and venue specified in the bidding documents in the presence of bidders who choose to attend and other relevant stakeholders.

Guiding Rules..... (5)

- **Evaluation of Bids by Competent Personnel:**

All bids opened during the Bid Opening Exercise shall be evaluated by a Bid Evaluation Committee (BEC) comprising of competent and capable technical specialists in the field of the proposed project/assignment.

It is important for any member of the BEC to declare conflict of interest if any before or during the evaluation process. The number of BEC members depend largely on availability of the technical personnel but should not be less than three. Caution should also be taken in the choice and number of members to avoid incurring unnecessary administrative cost and prolonging the procurement process timelines

Guiding Rules..... (6)

- **Clarification:**

In a sustainable and transparent procurement process, it is obligatory on the part of the Procuring Entity to adequately address all queries and clarifications that may be raised by bidder(s) during the period allowed in the bidding documents. It is important that clarifications, modifications and extensions are issued promptly and in sufficient time before the bid closing date. It is also essential that the same information is issued to all bidders at the same time.

Guiding Rules..... (6)

- **Award of Contract to Most Qualified Bidder:**

A contract shall be awarded to the lowest cost evaluated and qualified bidder from bidders substantially responsive to the bid solicitation.

In some climes, contract is awarded to the Most Economic Advantaged Tenderer (M.E.A.T); this concept incorporates non-measurable elements of sound procurement e.g. green procurement, innovation etc.

Guiding Rules..... (7)

- **Debriefing of Award:**

Prior procurement contract award to the successful bidder, the Procuring Entity owes it an obligation to notify all the unsuccessful bidders of the completion of the evaluation process and more importantly to inform them that they are not successful giving justification for their non-qualifications.

Debriefing unsuccessful bidders encourages them to submit bids again for future opportunities and assist them in submitting more responsive or competitive bids. It also provides unsuccessful bidders with a fair opportunity to appeal, under the administrative review procedures, if they feel that the procurement has not been properly conducted.

Major Challenges in Tendering Process

Challenges Vs. Risks

- **Challenges:**

These are obstacles that must be overcome to achieve the desired set goals/ objectives. It may be easy or hard to overcome.



- **Risks:**

An uncertain situation
There is a probability of occurrence.

Impact can be positive or negative.



Challenges

- Feedback from some of the State Procurement Officers in various Ministries/ Departments/ Agencies revealed that they encounter different challenges during various stages of the tendering process.
- Some of the major practical challenges are as tabulated in the following slides;

Tender Notice

Challenges	Consequences	Safeguard Measures
Having personal interest in a particular platform for bids solicitation	Limited Competition	Getting an approval from relevant authority on the use of a particular platform / medium for bids solicitation .
Evading the use of right platform / medium for bids solicitation	Limited Competition	Adhering strictly to the approved Annual Procurement Plan.

Tender Harvest

Challenges	Consequences	Safeguard Measures
Having multiple Bids Submission Venues/ Locations	Loss of time to collate bids submitted	Specifying a single bid submission venue/ location in the Bidding Documents
Non-provision of secured Bid - Box	Inadvertently Opening of Bids and/ or Loss of Bids	Provision of tamper-proof Bid-Box.

Tender Evaluation

Challenges	Consequences	Safeguard Measures
Non-adherence to Evaluation Work plan/ Schedule and Rules	Delay in Evaluation Report	Strict adherence to Evaluation Work plan/ Schedule and Rules to save time.
Using of non-conducive Evaluation Venue	Loss of Concentration and Poor Quality of Evaluation Report	Provision of conducive environment for the bids evaluation preferably offsite

Approval of Contract

Challenges	Consequences	Safeguard Measures
Request for wrong approval instrument from PPA	Delay in obtaining Approvals	Provision of adequate trainings for the Procurement Officers
Non-Availability of Approving Officer(s)	Delay in obtaining Approvals	Setting of Timeline for obtaining approval(s)

Contract Formation & Signature

Challenges	Consequences	Safeguard Measures
Inability of the winning bidder to submit relevant documents for preparation of contract documents	Delay in the preparation of Contract Agreement	Dissemination of adequate information to winning bidder and setting of timeline
Bureaucracy in Contract Formation	Delay in the preparation of Contract Agreement	Setting of timeline and penalizing officer who defaults.



Thank you