



PROCUREMENT PLANNING FOR SUCCESSFUL BUDGET IMPLEMENTATION

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ONE-DAY WORKSHOP ON STRENGTHENING BUDGET IMPLEMENTATION FOR ENHANCED PROJECT EXECUTION AND DELIVERY

by

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DATE:

MONDAY, FEBRUARY 15, 2010

VENUE:

CONGRESS HALL, TRANSCORP HILTON , ABUJA

TIME:

2.00 PM

INTRODUCTION

PROCUREMENT PLANNING:

- ❑ identifying what needs to be procured, how project needs can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be deployed, setting the time frames, and the responsibilities for the full procurement process.
- ❑ determining what needs to be procured, when and how and by whom.

WHO NEEDS PROCUREMENT PLANNING?

- ❑ Procurement planning is the process used by institutions and agencies to plan procurement activities for a specified period of time.
- ❑ This is usually prepared during the annual budgeting process, preferably during the last Quarter of each year.
- ❑ Each year Departments and Agencies are required to prepare budget for all activities to be executed within the year
- ❑ This must immediately be followed with a detailed Procurement Plan

- Effective procurement planning and preparation will produce more efficient and economical procurements which will deliver goods, works and services in an acceptable and timely manner.

BENEFITS OF PROCUREMENT PLANNING

- Proper classification of requirements into Goods, Works & Services
- better workload planning and scheduling
- Identifies the key steps and decision points in the procurement process
- consolidation of requirements for economies of scale**
- providing sufficient lead time for selected procurement methods
- providing sufficient time to obtain required approvals
- allows for early identification and resolution of potential problems
- preventing unrealistic delivery or performance schedules
- Tool for effective performance monitoring /measurement

WHEN SHOULD PROCUREMENT PLANNING START?

- ❑ Planning must start at the earliest possible time
- ❑ Amount of time required depends on the value, risks, complexity and criticality of the proposed procurement
- ❑ Procurement is an integrated part of the project cycle and needs to be aligned and synchronised with other project activities to achieve desired outcomes
- ❑ Procurement unit cannot run in isolation but must work with technical departments to develop the plan

TYPES OF PLANNING

Consolidated Planning

- Procurement plans of different departments or units are combined into one single plan
- Based on a decentralised structure, a consolidated plan can be developed at different levels e.g. Ministry, Agency or Parastatal
- Analysis of the consolidated Procurement Plan provides an opportunity to identify economies of scale and better uses of resources, providing an overview of the scale of the procurement activities.

Individual Planning

- Procurement planning takes place at department or project level

WHAT DOES THE PROCUREMENT ACT 2007 SAY ABOUT PLANNING?

❑ PART V Section 18

- Subject to regulations as may from time to time be made, a procuring entity shall plan its procurement by:
- preparing the needs assessment and evaluation
- identify goods, works or services required
- Carry out appropriate market and statistical survey
- **Aggregate requirements whenever possible both within and between procuring entities to obtain economies of scale**
- Integrate procurement expenditure into yearly budget
- Prescribe method of procurement

WHAT DOES THE PROCUREMENT ACT 2007 SAY ABOUT PLANNING Cont'd?

- Ensure that the procurement entity functions stipulated in the Act shall be carried out by the procurement planning committee.
- ❑ **PartV, Section 21**
- ❑ For each Financial year each procuring entity shall establish a procurement planning committee

MEMBERSHIP OF THE PROCUREMENT PLANNING COMMITTEE

- ❑ The Procurement Planning Committee shall consist of:
 - The Accounting Officer or his Rep. who shall chair the committee
 - A Representative of :
 - The procurement unit of the procuring entity who shall be secretary
 - The unit directly in requirement of the procurement
 - The financial unit of the procuring entity
 - The planning, research and statistics unit of the procuring entity

PLANNING COMMITTEE Cont'd

- Technical personnel of the procuring entity with expertise in subject matter for each particular procurement and
- The legal unit of the procuring entity

EXTENSION OF 2009 FISCAL YEAR TO MARCH 31ST 2010

□ IMPLICATIONS

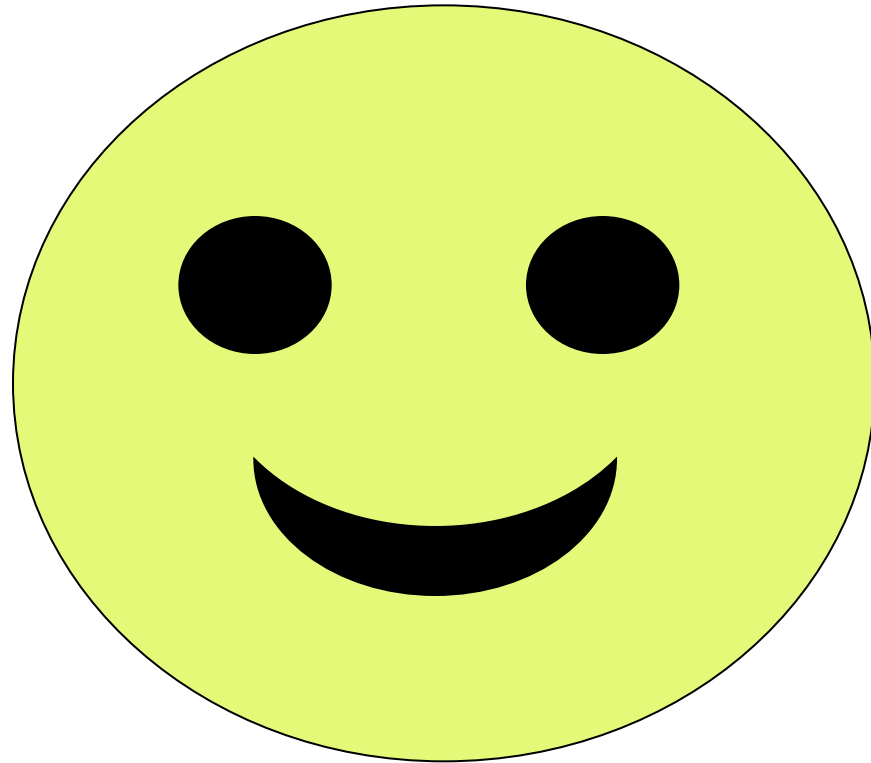
- Contracts and Payments can be made for 2009 Appropriation up to 31st March 2010

NINE ESSENTIAL STEPS IN PROCUREMENT

- 1) Efficient Procurement Plan Driven by Needs Assessment
- 2) Appropriation
- 3) Advertisements
- 4) Transparent Prequalification
- 5) Bid Submission
- 6) Bid Opening
- 7) Bid Evaluation – Technical and Financial
- 8) Tender Board/FEC Approval
- 9) Contract Execution

CONCLUSION

**“FAILURE TO PLAN IS
PLANNING TO FAIL**



Thank You!