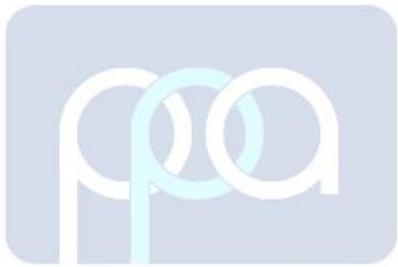


GUIDANCE NOTE: DEVELOPING THE PROCUREMENT PLAN²⁰¹⁸



LAGOS STATE
PUBLIC PROCUREMENT AGENCY

The Lagos State Public Procurement Law, 2011 and related Regulations mandate that all Ministries, Departments and Agencies (MDAs) at the beginning of every year submit their procurement plan to the Public Procurement Agency (PPA) as a pre-condition to the implementation of projects and programmes.

This document provides detailed information and prompts required to develop/populate a Procurement plan.

The procurement plan is a live document and as such the guidelines herein are not exhaustive and supplementary information should be sought as necessary.

Changes deemed necessary to any aspect of this document should please be referred to the General Manager and the Legal department.

This document must be used with reference to the Lagos State Public Procurement Law, 2011 and LASG PPA Procurement Manual and Regulation.

The Procurement Plan

The primary concept of procurement is that advanced planning, scheduling and bulk purchasing result in cost savings, efficient business operation, higher quality projects and service delivery; improved opportunities for sustainable procurement, increased value for money and reduced risks.

The public sector is expected to use procurement planning as an opportunity to evaluate/review the entire procurement process as a means of ensuring that sound judgments and good decision making facilitate the success of the overall project implementation in the procurement of goods, works and services.

The procurement plan is a forecast of what a MDA(procuring entity) intends to procure in a specific financial year and is based on the budgetary estimates of the procuring entity for that year.

It captures what the MDA wants to buy, when and from what source, and the procurement method that will give the best value for money. The thought process starts with a needs-based analysis i.e. the sincere identification of needs (not wants) and procuring them according to priority.

All procurement of goods, works and services executed from public funds must be captured in the procurement plan.

The procurement plan is an essential planning tool that allows

1. For relevant stakeholders to meet to discuss their procurement requirements. These stakeholders could be the requesting MDA, end users, procurement units, technical experts, and even vendors to give relevant inputs on specific requirements;
2. Procurement Officers to estimate the time required to complete the procurement process and award contract for each requirement. This is valuable information which serves to

- confirm if the requirement can be fulfilled within the period expected, or required, by the requesting user;
3. Timely sourcing of technical expertise to develop technical specifications and/or scope of work to procure certain requirements, especially where in-house technical capacity is not available or is non-existent;
 4. For the consolidation of similar requirements under one contract or the division of a requirement into several contract packages for economies of scale;
 5. The procuring entity to determine beforehand any need for additional staffing, including external assistance for the purpose of completing some procurement requirements;
 6. For the monitoring of the procuring process to determine how actual performance compares with planned activities, and thus to alert the pertinent MDA;
 7. For effective data extrapolate, identifying and determining cost savings, value for Money; and
 8. It enhances the transparency and predictability of the procurement process.

The Procurement unit of each MDA is vested with the responsibility of creating the MDAs Procurement Plan. However, the Plan must be created in conjunction with the Procurement Planning Committee and the Accounting Officer must sign off the plan prior to use at the procurement clinic. Consequent of which, the 'final' procurement plan accompanied by a cover letter duly signed by the Accounting Officer of the MDA is then submitted to the PPA.

It is important to note that a soft and hard copy of the 'final' procurement plan shall be submitted to PPA, at the address below on the on or before the last day of each financial year.

The General Manager
Lagos State Public Procurement Agency
Block 22
The Secretariat, Alausa
Ikeja



The procurement plan being a 'live and working' document can be updated in the course of the year as the need arises upon notification and agreement of the PPA.

The Procurement Clinic

Prior to the submission date for the 'final' procurement plan, a procurement clinic will be held every year to foster the certification of each MDAs Procurement Plan.

At the clinics, a designated PPA officer will review each MDA's 'draft' Procurement Plan with the MDA's Procurement Officer.

The MDA's Procurement Officer shall promptly amend any required corrections until the document is certified as accurate by the PPA Officer. The soft and hard copy certified 'final' Procurement Plan is then submitted to the PPA as detailed above. The PPA compiles all the approved Procurement Plan to create the State Procurement Plan for the year. This is subsequently sent to the Ministry of Economic Planning and Budget and the State Treasury Office to develop the Cash Management Plan for the State.

The procurement Plan Template

The procurement plan template is a standard tool to aid MDAs in the development of their annual procurement plan.

The Procurement Plan template is a Quadruplicate document consisting of 4 identical templates namely: goods, works, consultancy and Non-Consultancy Services and 2 auxiliary templates, the Training and Workshop templates. Most of the columns in the respective templates are the same and may require similar information. However there are some columns peculiar to specific templates and these have been captured under sections A-C.

The originator, the Procurement Officers shall complete the relevant templates and secure the appropriate signatures prior to submitting the Procurement Plan to the PPA.

Information or data required are stated or displayed on the template as headings in the columns, with a few sub-headings in the rows under the main heading (i.e. “plan” “actual”).

N/A (Not Applicable) is indicated in a column where the process is not applicable to the procurement item/ method.

Typically, procurements are classified by thresholds and open competitive bidding is the ‘defacto’ preferred procurement method.

COLUMNS GENERIC TO THE 4 MAIN TEMPLATES

Project Identification

1. Description:

The required procurement item should be adequately described with little or no ambiguity. It should capture the scope, nature, number, purpose and location of the procurement.

2. Package Number:

This is used to categorize the procurement item; it is provided as a method of identifying the item to be procured. It is expected that the package number of each procurement item should follow (be assigned)/ be used to identify the item throughout its life cycle.

The package number of every item shall be in the form **MDA/Type of Procurement/Method of Procurement (Selection Method)/Serial No./Year.**

MDA- the acronym of the procuring Ministry, Department or Agency (MDA)

Type of Procurement- Goods (G), Works (W), Services- Consulting (S) or Services – Non Consulting (NCS)

Method of Procurement - ICB, NCB, NS, DC, DL, SS, E

Serial Number- the number assigned to the item probably chronological to the listing of the item in the budget monitor (001, 002 etc)

Year- the year the item is to be procured

Several related/similar procurement items could be put under a generic or single heading and then divided into sub units called lots. In this case a single package number shall be assigned to the grouped items and the sub units will further be identified with Lot numbers (see 3 below).

So the package number shall take the form **MDA/Type of Procurement/Method of Procurement (Selection Method) /Serial No.-Lot No./Year.**

Similar items already grouped in the budget monitor would also be ascribed serial numbers as described above.

Basic Data

3. Lot Number:

These are the numbers given to the sub units of a Package. (i.e. the sub units of the generic or single heading given to several related/similar procurement items that have been grouped and assigned a single package number.

If there are only two unit items the lot numbers will be 1 and 2 and the serial number on the package number will bear '**Serial No.-1, Serial No.-2**'. If the serial number is 001, then the serial number for the items will be/001-1 and /..... 001-2.

4. Budget Available in Naira:

This is the budgetary allocation for the item as documented in the Budget Monitor. i.e. This indicates the budgeted (estimated) value in Naira for the procurement and is obtained from the budget estimate for the item in the Budget Monitor.

However, where items are grouped under one generic or single heading, the estimate will be the aggregate estimate of all the items grouped under that heading.

5. Source of Funding (Type of Expenditure):

*This captures the nature of the expenditure either 'Recurrent'(R) or 'Capital' (C) as listed in the Budget Monitor. The essence is to identify the Vote of Charge from which the expenditure will be paid.

6. Procurement Method Threshold:

The Naira value (financial threshold) of a purchase determines the procurement method (purchasing process) to be used to procure the item.

The pre-determined financial threshold which the procurement item falls within (based on listed 'budget in Naira' per item 4 above) is indicated here.

Reference should be made to the Lagos State PPA Procurement Manual and Regulation as a guide in identifying the financial thresholds governing the different procurement methods.

7. Method of Procurement:

The proposed procurement method to be used to procure the item is to be indicated here. The nature, scope, purpose and estimated amount for the item helps to determine the appropriate method required for the procurement. Abbreviations of the appropriate method ICB, NCB, NS, DC, DL, SS or E should be indicated here.

Reference should be made to the Lagos State PPA Procurement Manual and Regulation as a guide in determining the appropriate procurement method.

8. Pre- or Post-Qualification:

Prequalification is the identification (short-listing) of contractors with the requisite skills and know-how to supply or provide a service/ goods based on a set of criteria (set out in the prequalification document) to tender to provide the goods/service. Post-qualification is the pre-qualification of already pre-qualified contractors with the same criteria for the provision of the same services/goods.

The requirement for the pre or post qualification of the provider of the procurement is indicated here. However, where not applicable insert N/A.

9. Plan Vs Actual:

The Column indicates the reporting that is being carried out. The Planned (budget) is captured on the row indicated as the 'plan' and on completion of each purchase the actual date for each purchase is filled in the row indicated as 'actual'.

10. Prior or Post Review (by the PPA):

In accordance with the State's Public Procurement Law, procurements of monetary value up to Ten Million Naira (N10, 000,000.00) are subject to post review by the PPA and procurements which monetary value exceeds Ten Million Naira (N10, 000,000.00), are subject to prior review by the PPA. However, due to technicality, complexity and sometimes first time assignments below a monetary value Ten Million Naira (N10, 000,000.00) are subject to post review.

Whichever review is required for the item to be procured (whether a prior or post) depending on its estimated value is indicated in this column.

NB: Prior review process is carried out at each stage of the procurement transaction and approval must be granted by the PPA prior to progressing to the next stage of the procurement process for the item while Post review is carried out by the PPA on a sample basis at any time after contract signing.

Furthermore, some purchases of monetary value up to Ten Million Naira (N10, 000,000.00) are subject to prior review based on their technical complexity.

Bidding Period

11. Bid Preparation & Submission by MDAs (1-4 wks):

This indicates the anticipated date to submit the relevant bid document(s) to the PPA taking into consideration when the procurement item is needed and the required timelines for preparing and processing the document(s). It is expected that 1-4 weeks is adequate for the procuring entity to prepare and submit the required documents to the PPA.

12. PPA No Objection (1-2wks):

This is the indication of the anticipated date for PPA to issue the 'No Objection Certificate'. A 1-2 weeks time span is anticipated for the PPA to process the submitted documents and grant the certificate.

Should the procurement fall under post review 'Not Applicable'(N/A) shall be indicated.

13. Bid Invitation Date (1-2wks):

This indicates the anticipated date for the advertisement of the bid for the procurement item. i.e. the proposed date that the bid will be advertised. Notably, this only applies when competitive bidding is applicable. However, where not applicable, N/A shall be indicated.

14. Bid Closing and Opening Date (2-6wks):

The anticipated deadline for bid submission and opening is indicated in this column. It should provide adequate time for bidders to prepare succinct bids and this should not be more than Six(6) weeks.

NB: This applies where competitive bidding is applicable. However where not applicable, N/A shall be indicated.

Bids Evaluation

15. Submission of Bid Evaluation Report (1-2wks):

This indicates the anticipated date for the submission of bid evaluation report. It is anticipated that 1-2 weeks is adequate for the procuring entity to prepare and submit the bid evaluation report to the PPA.

16. PPA Issue 'Certificate of Compliance/MDA approval Date(1-2wks):

This indicates the anticipated date (a week or 2 from the submission of the Bid evaluation report to the PPA) for PPA to issue a 'Certificate of Compliance'(stating that the procuring entity has complied with the requisite procurement process) to the procuring entity.

In the event that the procuring item is below the limit for PPA issuance of Certificate of Compliance, it is subject to the approval of the MDA's Approving Authority and the anticipated date for the MDA approval shall then be indicated here.

Contract Finalisation

17. Contract Amount in Naira:

This indicates the actual amount in Naira that the contract for the procurement item was awarded. This shall be left blank at the time of preparation of the procurement plan and subsequently updated once a contract award has been made.

18. Contract Signature Date (4-6wks)

This indicates the anticipated date for the signing of the contract. Where not applicable, in the event that the work is to be carried out by direct labour, not applicable, N/A shall be indicated.

4-6 weeks duration is anticipated as adequate to carry out all that is required to reach commercial close and sign the contract.

19. Mobilization Advance Payment(2-4wks):

This indicates the anticipated date for the payment of the mobilization advance fee. Where not applicable, N/A is indicated.

2-4 weeks duration is anticipated as adequate to prepare and pay the advance /mobilization payment to the contractor.

20. Inspection and Final Acceptance:

This indicates the anticipated date for the inspection and final acceptance of the procurement item. i.e. the anticipated date for which the supplier/contractor would have complied with all the specifications and terms of the contract and the procuring entity would issue an acceptance certificate.

A. COLUMNS PECULIAR TO THE WORKS TEMPLATE

Basic Data

1. Lump-Sum or Bill of Quantities:

The proposed payment pattern (mode of payment) for the procurement item, either Lump sum or bill of quantities is to be indicated here.

Reference should be made to the Lagos State PPA Procurement Manual as a guide in determining the appropriate payment method for procuring items.

However,

Lump Sum is the preferred payment method when the works being procured can be accurately and completely described at the time of purchase, when limited variation is needed and when the level of risks is low and quantifiable.

Under Lump Sum payment method, it is agreed that the work will be done in exchange for a fixed sum of money i.e. a single price is given for the completion of a specified work to the satisfaction of the client by a certain date. However, payment may be staged at intervals of time on the completion of milestones.

While the BOQ (also known as Unit Price payment) is a more useful method of payment where the nature of the work is well defined, but the quantities of work cannot be accurately determined in advance of the purchase.

For BOQ type payments, the contract will be based on estimated quantities of work items and unit price for each of these work items. Payment is then made on the basis of units of work actually done and assessed multiplied by the unit prices.

Contract Finalisation

2. Substantial Completion/Installation:

This is the indication of the anticipated date for substantial completion of the project and should be obtained from the user department.

NB: All items of works must have a completion date irrespective of the procurement method adopted.

B. COLUMNS PECULIAR TO THE GOODS TEMPLATE

Basic Data

1. No. of Units:

The number of units of the procurement item required is indicated in this column.

Contract Finalisation

2. Complete Delivery/Install (2-8wks):

This is the indication of the anticipated date for supplier to deliver and/or install the good(s) and should be obtained from the user department.

Additional Notes

Mobilization Advance Payment

For the supply of goods full payment on the delivery and inspection of the procured item(s) is the preferred option except for contracts involving installation and commissioning, in which case a portion of the payment may be made after the supplier has complied with all its obligations under the contract.

Furthermore, for major supplies of equipment and plant, in supply contracts of long durations and, for progress payments during the period of manufacture or assembly provision is made for suitable advance payments.

C. COLUMNS PECULIAR TO CONSULTANCY TEMPLATE

1. Selection Method:

The proposed method to be used to select the consultant is to be indicated here. The nature, scope, purpose and estimated amount for the service helps to determine the appropriate method required for the procurement of the consultancy service(s). Abbreviations of the appropriate selection method QCBS, QBS, LCS, FBS, CQS or SS should be indicated here.

Reference should be made to the Lagos State PPA Procurement Manual as a guide in determining the appropriate selection method.

2. Lump Sum or Time-Based:

While there are other payment methods for consultancy services, within the Lagos State's processes, consultancy services are mainly paid for via the Lump sum or time-based types of contracts.

This section on the procurement plan template requires the indication of whether a Lump sum or time-based type contract will be applied in the payment for the consultancy services.

Reference should be made to the Lagos State PPA Procurement Manual as a guide in determining the appropriate payment method to employ for each consultancy service.

However, Lump-sum contracts are used mainly for consultancy assignments in which the content and length of these services and the required output of the consultant are precisely specified. It is often used in relatively simple and clearly defined assignments.

Under a lump-sum contract, the buyer agrees to pay the consultant a fixed sum of money for certain products of specified technical characteristics to be delivered within a specified deadline, the quality of which can usually be readily assessed. Remuneration is fixed for the life of the contract, and no physical or price contingencies are provided.

Under Time-based contracts, the consultant provides services on a timed basis according to quality specifications, and consultant's remuneration is based on (a) agreed unit rates for consultant staff multiplied by the actual time spent by the staff in executing the assignment and (b) reimbursable expenses using actual expenses and/or agreed unit prices.

Preparation of Expression of Interest (EOI) & Terms of Reference (TOR)

3. Preparation & Submission by MDA (1-4wks):

This indicates the anticipated date by which the procuring entity will have prepared and submitted the Expression of Interest / applications to prequalify and TOR to the PPA for PPA's 'No Objection' i.e. PPA's certification that the TOR is substantially adequate and clearance for the procuring entity to issue the EOI to the public.

Where this is not applicable, N/A shall be indicated. It is expected that 1-4 weeks is adequate for the procuring entity to prepare and submit the required documents to the PPA.

4. PPA No Objection(1-2 wks):

The anticipated date by which the PPA would grant the 'No Objection' for the expression of interest or prequalification and TOR shall be indicated here. N/A shall be indicated where the 'No Objection' is not applicable.

Short-listing**5. MDA Advertise for EOI(1 wk):**

This captures the date envisaged that the procuring entity will advertise the approved EOI. A week is being anticipated as adequate to process and actually publish the EOI.

6. Submission EOI Report and Draft RFP to PPA (2-4 wks):

This is an indication of the anticipated date when the procuring entity would submit the relevant EOI report (as approved by its MTB/PTB) and the draft RFP (to be issued to the shortlisted consultants) to PPA for PPA's clearance and NO Objection Letter to proceed.

N/A is indicated where the need to submit the EOI and draft RFP to the PPA for No Objection is not applicable.

4. PPA No Objection (1-2 wks):

The anticipated date by which the PPA would grant the 'No Objection' to the process, short-listed consultants and the draft RFP shall be indicated here. N/A shall be indicated where the 'No Objection' is not applicable.

Request for Proposals**5. Invitation to Submit Proposals(1-2wks):**

This indicates the anticipated date from when the PPA No Objection (to the short-listing of consultants and the RFP) is granted and the procuring entity prepares and sends out the invitation for the short-listed consultants to submit their proposals for the service.

6. Submission of Proposals by Shortlisted Consultants (3-6weeks):

This indicates the anticipated date when the short-listed consultants are to submit their proposals. 3-6 Weeks duration is anticipated and the selected duration is subject to the selection method being used to procure the service.

Reference should be made to the Lagos State PPA Procurement Manual as a guide in determining the appropriate selection method for the procurement item.

Technical (T) & Financial (F) & Negotiation (N)**7. Opening/Evaluation of Technical Proposals (1-2wks):**

This indicates the anticipated date for opening and evaluating the technical proposals.

8. Opening/ Evaluation of Financial Proposals(1-2wks):

This indicates the anticipated date for opening and evaluating the financial proposal.

9. Submission of Evaluation Report to PPA (T)(F) (1wk):

This indicates the anticipated date for the joint preparation and submission of evaluation report for the Technical (T) (if at stage 7) or Financial (F) (if at stage 8) by the procuring entity's evaluation committee to the PPA.

N/A is indicated where the process is not applicable.

10. PPA No Objection (T) (F) (1-2wks):

This indicates the anticipated date for the PPA to issue a No Objection for the technical/financial evaluation report (T).

11. Negotiation Meeting (1-4wks):

This captures the anticipated date to conclude negotiations with the successful bidder (preferred consultant). It is anticipated that the negotiations will be concluded within 1-4weeks of receiving PPA's no objection of the process to select the preferred consultant.

Draft Contract

12. Submission of Minutes of Meeting and Draft Contract (1wk):

This captures the anticipated date when the procuring entity will submit the minutes of the negotiations as concluded with the preferred consultant as well as the draft Contract which must be developed/ have the concurrence of the Lagos State Ministry of Justice.

13. PPA Issues Certificate of Compliance (1-2 wks):

This is the anticipated date when the PPA would issue a 'Certificate of Compliance' certifying that the procuring entity has complied with the requisite procurement stages and requirements for the procurement of the service(s).

Contract Finalization

14. Contract Award (1 wk):

The date anticipated for award of the contract is indicated here. It is anticipated that this should be within a week of PPA issuing a Certificate of Compliance for the procurement of the service(s).

Where contract award is not applicable, as in the case of 'Direct Labour' N/A is indicated.

15. Date Contract Advertisement:

This indicates the anticipated date when the contract will be advertised after award as required by law.

16. Draft Report:

This is an indication of the anticipated date the consultant would submit a draft report as stipulated in the contract terms.

This more often than not will be left blank at the time of preparation of the procurement plan and subsequently updated on contract award when the terms of the actual contract are known.

17. Final Report:

This is an indication of the anticipated date the consultant would submit the report as stipulated in the contract terms.

This more often than not will be left blank at the time of preparation of the procurement plan and subsequently updated on contract award when the terms of the actual contract are known.

18. Final Cost:

The final cost should be left blank and updated subsequently as this will not be within the knowledge of the procuring entity at the time of preparation of the procurement plan.

When the final cost of the contract or procurement is known the column must be updated and the PPA notified accordingly.

Filling the Template

Procurements from preceding years that are still on-going shall be filled first in the relevant template before procurement items for the present year.

