



**KADUNA STATE PUBLIC
PROCUREMENT AUTHORITY
(KADPPA)**

ANNUAL REPORT 2018
VOLUME I





The Executive Governor, Kaduna State
Mallam Nasiru Ahmad El-rufai. (OON)



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Mallam Husaini Dikko



The Director General KADPPA
Mr. Thomas Gyang



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INTRODUCTION ▶

OVERVIEW

The procurement of goods works and Consultancy services in the public sector should comply with certain key principles of fairness, Accountability, equal treatment, transparency and non-discrimination. In Kaduna State, these requirements are set out in the Government Procurement Policy in Kaduna State which is also known as the Public Procurement Law 2016. The Law became operational on the 1st of June, 2016.

The law provides for the development and deployment of *e*-Procurement strategy for the execution of procurement activities.

Adopting and operating the *e*-procurement system is a key component of the procurement reform undertaken by Government.

MISSION STATEMENT

To ensure Kaduna State gets the best value for its money in public procurement through adherence to the highest standard consistent with international best practices.

VISSION STATEMENT

To be the best public procurement regulator in Nigeria, Africa and the whole World for the benefit of Humanity.

CORE MANDATE

1. To enrich the best standard of quality of delivery in public Audit
2. To Undertake procurement audit
3. To prevent profligency in Government operation
4. To combat and eradicate corruption from polity/society

CORE VALUES

Integrity, Efficiency, Reliability, Industry, Diligence and Commitment.

1.0 Introduction

In its broadest sense, *e-procurement* involves electronic data transfers to support operational, tactical and strategic procurement. *e-procurement* has therefore been around for much longer than the term itself which first came into usage after the establishment of the internet in the 1990s. From the 1960s until the mid-1990s, *e-procurement* primarily took the form of electronic data interchange (EDI). Nowadays, *e-procurement* is often supported by internet technologies and is becoming more prevalent.

1.1 Definition.

e-Procurement or electronic procurement refers to the process of purchase and sale of goods, works or services through electronic methods, primarily the Internet (through the Internet as well as other information and networking systems, such as electronic data interchange).

Basically, *e-Procurement* consists of *e-Registration*; *e- (Publishing / Notification)*; *e-Tendering*; *e- (Evaluation / Award)*; *e-Monitoring*; *e-Payment*; *e-Auctioning*, *e- (Vendor Management and Contract Management)* among other processes.
e- Procurement Strategy.

Is an online procurement strategy that is progressively becoming more popular with businesses globally? With *e-Procurement Strategy*, the procurement processing phase is simplified and sped up because of real-time interaction with pre-approved suppliers and trading partners, regardless of location or time.

1.2 Types of *e-procurement*.

e-procurement tools and applications.

Some *e-procurement* tools and applications include:

- I. electronic systems to support traditional procurement
- II. EDI (electronic data interchange)
- III. ERP systems
- IV. internet as a support or complement to traditional procurement
- V. electronic mail (e-mail)
- VI. web enabled EDI
- VII. extensible markup language (XML)
- VIII. world wide web (www)
- IX. internet tools and platforms that replace traditional procurement

1.3 Electronic systems to support traditional procurement:

These include mainframes and personal computers (PC), Electronic Data Interchange (EDI) and Enterprise Resource Planning (ERP).

EDI (Electronic Data Interchange):

EDI is an application whereby electronic messages can be exchanged between computer programs of two separate organizations. Some features of EDI include:

- I. Messages are exchanged in groups, known as batches.
- II. Messages can automatically be sent, transmitted and stored between computers without retyping or keying data.
- III. EDI must be implemented by each pair of organizations (sender and receiver) who wish to use it. This means that the implementation costs of EDI are relatively high.
- IV. EDI is mostly used where the messages exchanged concern such matters as orders, confirmations, transport information and invoicing.
- V. EDI traditionally runs on so-called, "Value Added Networks", which are closed networks (unlike open networks like the Internet).

ERP systems:

ERP systems are management information systems that integrate and automate many of the business practices associated with the operations of a company or organization. ERP systems typically handle the manufacturing, logistics, distribution, inventory, shipping, invoicing, and accounting for a company or organization. ERPs aid in the control of many business activities, like sales, delivery, billing, production, procurement, inventory management, and human resources management.

Internet as a support or complement to traditional procurement:

There are various types of internet-based applications that serve different purposes. Some well-known applications that use the internet are described below:

Electronic mail (e-mail):

Email is an Internet based application through which electronic messages are exchanged between people.

Web enabled EDI:

web enabled EDI is like traditional EDI (see above), but run on the Internet; also known as EDI-INT.

Extensible Markup Language (XML):

XML is used to allow for the easy interchange of documents on the World Wide Web.

World Wide Web (WWW):

The WWW is a major service on the Internet. The World Wide Web is made up of "Web servers" that store and disseminate "Web pages," which are "rich" documents that contain text, graphics, animations and videos to anyone with an Internet connection.

e-auctioning.

e-auctioning supports the post Bid stage. It enables the closing of a deal with a contractor, consultant or supplier if parties agree on price. They operate with an upward or downward price mechanism e.g. e-auctioning with upward price mechanism for the selling organization and e-reverse auctioning with a downward price mechanism for the buying organization. They can be made in accordance with traditional CT/RFP. They are internet based using open or closed systems.

e-informing.

e-informing is not directly associated with a stage in the procurement process; it is the process of gathering and distributing procurement information both from and to internal and external parties using Internet technology.

e-procurement strategy – costs, benefits and risks.

Procuring entities aimed at adopting or enhancing e-procurement tools are often prepared by information technology and/or finance specialists. However, some of the most successful e-procurement implementations have been driven by those who best understand the procurement processes and outcomes to be achieved. Because of their understanding and proximity to procurement processes, those involved in the procurement function have a key role to play in identifying and assessing the costs and benefits of e-procurement tools and in providing input into how existing tools may be enhanced.

The following costs and benefits as identified by de Boer, Harink et al. (2002), can be influenced by e-procurement:

Cost.

- I. The cost of expenditure on goods/services related directly to the production/service delivery.
- II. The cost of non-production of goods and services.
- III. The cost of operational procurement activities – e.g., pre-Bid, Bid and post Bid stages and administrative support.
- IV. The cost of tactical procurement activities – e.g., formulating specifications, selecting contractors, consultants and suppliers, and negotiation stage, contracting, disposals etc.
- V. The costs of strategic procurement activities – e.g., spend analysis, transaction analysis, market analysis, planning, developing procurement policies etc.
- VI. Internal benefits arising from investments in inter-organizational relationships.
- VII. The contribution of investments inter-organizational relationships to revenues.

These costs and benefits should be assessed in relation to each e-procurement tool. While it is usually assumed that e-procurement will automatically deliver benefits, the actual benefits will depend on many factors including: cost of required investment, ability to convert associated savings to cash, nature of the procurement process being automated, supply market and the extent to which the organization supports its implementation.

Benefits.

Particular benefits of e-procurement in the public sector are thought to include greater transparency in procurement through electronic publishing of tender notices and contract awards. This in turn is likely to enhance accountability and reduce the instances of corruption.

When developing a business case for adopting or enhancing an e-procurement tool, it is important to assess the baseline benefits and costs associated with the process or processes to be automated in order to understand the probable outcomes of e-procurement adoption or enhancement. In essence, it is important to understand what will change and how it will change when an e-procurement tool is implemented.

Risks.

The implementation of e-procurement tools carries certain risks. One of the primary risks is missing opportunities to implement strategies that improve procurement management without the need for investment in e-procurement. This is because many of the benefits ascribed to e-procurement may be achieved simply by improving procurement practice. For example, it is often said that e-procurement reduces “maverick buying”. However, other measures, including the implementation of corporate buying strategies that offer value for money, do not need electronic tools.

Another risk is over-investment in e-procurement tools that do not deliver the expected benefits. This risk arises when there has been inadequate evaluation of the implications of the adoption or enhancement of e-procurement tools. The risk that users will not accept an e-procurement tool is another common risk. This risk often arises where users have not been adequately consulted about the adoption or enhancement of particular tools.

On the supply side, there is a risk that suppliers will not cooperate with the use of e-procurement tools. Others may not have access to affordable internet based technology that would give them access to the e-procurement tools of purchasers. In markets that are already competitive with low profit margins, suppliers may choose not to take part in e-procurement.

Normal methods of risk assessment and management should be applied during the development of business cases for e-procurement development or enhancement.

Legal aspects of e-procurement:

The accepted legal framework guiding e-procurement is the UNCITRAL Model Law on Electronic Commerce which states:

“In the context of contract formation, unless otherwise agreed by the parties, an offer and the acceptance of an offer may be expressed by means of data messages.”

“Where a data message is used in the formation of a contract, that contract should not be denied validity or enforceability on the sole ground that a data message was used for that purpose.”

Good practice in the UN system adopts this approach, for example, the UN revised FRR take into account the feasibility of electronic contracting. As per UN Financial Rule 105.18 (b) which states:

“The requirement for written procurement contracts shall not be interpreted to restrict the use of any electronic means of data interchange.

Before any electronic means of data interchange is used, the Under-Secretary General for Management shall ensure that the electronic data interchange system is capable of ensuring authentication and confidentiality of the information”.

In the UN Secretariat, this authority has been delegated to the UN controller, who determines whether in a particular case, electronic contracting may be possible, for example by an electronic exchange of information without the need to issue a traditional purchase order. Electronic contracting may only be agreed with a supplier in specific cases where prior written authorization has been obtained.

In adopting or adapting any e-procurement systems, the practical issues around these legal aspects need to be taken into consideration during the planning and implementation stages.

ONGOING REFORMS

2.0 PUBLIC PROCUREMENT REFORM

Public procurement reforms have been rolling out since the 1990s in Africa. Targeting better efficiency – but also more accountability and integrity – in the management of public resources, these reforms can shape procurement into a powerful agent for development.

Internal efforts, as well as assistance from international development agencies, are focusing on professionalizing and building capacity in national procurement systems. These efforts are consistent with the goals of good governance and prevention of corruption in the use of public funds, and they are also increasingly being linked to the Sustainable Development Goals because public procurement can be used as a tool for achieving and sharing prosperity.

2.1 PUBLIC PROCUREMENT

Public procurement, or the purchase of goods, works or services by public institutions, accounts for more than 30 percent of GDP in developing countries and 10 percent to 15 percent in developed countries, according to the International Trade Centre. It also accounts for a large percentage of government expenditures, in some countries covering more than half of government spending. Its economic significance is evident.

The processes involved in procurement can reveal more about its significance as a means of economic empowerment and an agent for development.

Procurement starts with the assessment of needs and identification of projects. Once the planning and budgeting is done, the tendering phase opens opportunities for companies and individuals to submit bids to supply the needed goods, works or services. Bids are evaluated, and contracts are awarded. Contracts must then be executed and payments are made.

As winning a government contract can be an enormous opportunity for any business, every step of this process is vulnerable to integrity risks where undue influence, conflicts of interest and fraud may occur. The volume of financial flows involved makes this system one of the most important places to watch for those integrity risks.

For this reason, institutions like the World Bank set procurement requirements as a condition for development aid. Transparency in the tendering and contract award process is crucial to ensure efficient and accountable use of taxpayers' money. Equally, it paves the way toward fair and better competition, which ultimately contributes to the best value for money for public projects.

Prior to reforms, many governments lacked thorough codes by which decisions surrounding contract awards could be regulated and accounted for. This provided opportunities for abuse and inefficiencies, and weakened trust in public institutions.

Procurement reform, refers to major changes in existing procurement functions. Public procurement reform objectives are usually described in terms of increased transparency, reduction of corruption, achieving value for money and professionalizing the procurement function as a whole. Some of the areas addressed by the reform include the following:

(a) LACK OF CAPACITY AND KNOWLEDGE:

There are serious issues related to capacity and knowledge. Weak and/or ineffective procurement organization; Insufficient numbers of competent and dedicated procurement staff; and Lack of understanding of existing procurement Law and Guidelines at all levels of staff in the government.

A general lack of capacity and knowledge regarding public procurement results in inefficient and ineffective procurement processes leading to long cycles of procurement and higher risks for donors whose funds are not being treated correctly and failure to buy products in the right quantities and at the right specifications and prices.

(b) LACK OF PROCUREMENT PLANS AND PROCEDURES:

No public procurement policy in place; No or limited procedures available to conduct proper public procurement (including complaints and evaluation mechanisms, contract and record management, etc.); and No or limited procurement plans drawn up.

(c) MALPRACTICE AND CORRUPTION:

The third, and often most worrisome, problem, is that of malpractice and corruption, the vast scale of malpractice and corruption means serious amounts of money go to waste. From the evidence base, the following three issues present themselves:

- (i) A perception of public procurement being an area of waste and corruption;
- (ii) Various sorts of less explicit malpractice such as 'urgent purchases' at the end of the fiscal year, use of non-standardized bidding documents and deliberate flaws in specifications; and
- (iii) More explicit corrupt practices like illegal payments, biased evaluations, single source procurement and selection of bribe-paying suppliers.

The perception of public procurement being an area of waste and corruption results in a lack of trust from the public and suppliers, reducing levels of competition and creating dissatisfaction among the public with the procurement function.

In addition to major reforms such as setting up a new public procurement authority, and its legal frame works, E-procurement is also mentioned as a form of intervention because it potentially reduces non-compliance and corruption, but accompanying challenges related to inadequate IT infrastructure and knowledge remain.

The effectiveness and constrains of reform that aim to improve the transparency of public procurement include the following:

INITIAL CHALLENGES:

- a) Policies
- b) Unresponsive by state stakeholders.
- c) Not clear, varied

d) Weak enforcement

- e) Ambiguities in accountabilities
- f) Systems and Processes
- g) Very poor planning
- h) Non-adherence to Annual Procurement Plan.
- l) Poor item specifications TOR formulation
- j) Unshared data, files documents
- k) Wide price discrepancies

- a) Inadequate transparency in procurement processes
- b) Lack of monitoring and evaluation system
- c) Weaknesses in quality assurance and inspection.
- d) Resources
- e) Inadequate number of skilled/professional staff

SOCIAL AND ECONOMIC IMPACT:

- a) Enhanced respect for rule of law
- b) Increased access of local market to contractors
- c) Better conflict prevention or resolution

PROCUREMENT IMPACT:

- a) Greater value for money
- b) Budgetary savings
- c) More effective use of funds
- d) Improved service delivery
- e) Debt reduction
- f) More competition, transparent Professional procurement
- g) Greater procurement efficiency
- h) Less corruption
- l) Better quality goods/services

PROCUREMENT REFORMS THRUSTS:

- a) Mainstreaming reform areas, overcome resistance to change and eliminate graft and corruption.
- b) Capacity development by
- c) Improving system stools, practices and procedures
- d) Professionally training procurement staff to function to full capacity and to implement standards and regulations
- e) Educating/informing service providers end-users
- f) Enhancing management controls, governance performance
- g) Benchmarking and monitoring and evaluation
- h) Implementation of ethical practices

PROCUREMENT REFORMS SPECIFIC TARGETS:

- a) Increase compliance to standard procurement procedures.
- b) Enhance procurement systems and tools and integrate with IT.
- c) Promote transparency and accountability in procurement transactions.
- d) Adoption/application of Agency Procurement Performance Indicator (APPI) to benchmark and monitor performance and identify capacity gaps and subsequent improvements.
- e) Promotion and socialization of the ethical framework and core values on procurement.
- f) Adoption of the e-procurement strategy.
- g) Increasing transparency and accountability and ensuring integrity of the procurement process.
- h) Participation of civil society
- l) Publication of Awarded contract using the OCDS format.
- j) Establishment of appeals, protests and blacklisting mechanisms

CURRENT CHALLENGES:

- a) Mainstreaming reforms, overcoming resistance to change.
- b) Narrowing the gaps and variations in procurement practices among procuring entities.
- c) Adherence to the principle of transparency, efficiency, equity, economy, and fairness.
- d) Integration of the various procuring entities on the e-procurement platform.
- e) Sustaining the reforms.

CURRENT THRUSTS:

- a) Mainstreaming capacity building
- b) Continuous capability building/training
- c) Adoption and Operationalization of the e-procurement strategy across the procuring entities.
- c) Development of e-procurement guidelines.
- d) Continuous promotion of transparency accountability and partnership with civil society
- e) Automation/computerization of procurement systems and integration with the financial management system.
- f) Benchmarking and procurement auditing
- g) Ethical Framework on procurement.

REPORT ON SUPERVISORY BOARD

3.0 REPORT ON THE SUPERVISORY GOVERNING BOARD 2018:

In the year under review the governing Board approved the recruitment of 39 members of staff, and they also approved the inter-ministerial transfer of Management staff from the various Ministries to the Authority. Some staff that had earlier been recruited were given permanent and pensionable appointments and later on confirmed, junior staff who had been in the service for long were duly promoted.

There was a reorganization of the departmental structure of the Authority in line with the 2016 law reform, thus being in conformity with international best practices and the newly approved guidelines. Standing committees that will assist in the running of the affairs of the organization were created and approved. The governing Board produced a Staff Regulation in accordance with S.30 (1) of the Public Procurement Law 2016 which was approved for the Authority to be used as a working document, the Regulations provided for

1. The appointment, promotion and disciplinary control (including dismissal) of employees of the Authority
2. Appeals by such employees against dismissal or other disciplinary measures.

REPORT ON PRESENT PROCUREMENT PRACTICES ▶

4.0 REPORT ON PRESENT PROCUREMENT PRACTICES:

The Kaduna State Public Procurement Authority has begun its transition process after the Public Procurement Law 2016 was passed by effectively regulating Public Procurement.

Procurement Practices in KADPPA include:

- a) Publicizing the details of procurement contracts based on the OCDS format on the website
- b) Monitoring of projects
- c) Supervise the implementation of established procurement policies and regulations
- d) Providing and Coordinating training programs for capacity building for all procuring entities
- e) Collating and maintaining state procurement plans
- f) Monitoring the prices of tendered items and keeping data base
- g) Certifying state procurement prior to award
- h) issuing of certificates of No Objection for contract award within various thresholds, stipulated to all procurement entities
- i) Continuous Monitoring and Evaluation for compliance with Procurement Guidelines
- j) Procurement Audit
- k) Registering, maintaining and updating a database of Consultants, Contractors and Suppliers.
- l) Categorization and classification of Contractor Database.

a) PUBLICIZE THE DETAILS OF PROCUREMENT CONTRACTS IN THE STATE PROCUREMENT JOURNAL AND WEBSITE

The Authority publishes procurements before commencement on the Procurement Journal, and on the Website after the completion with details of Contractors and projects executed for the year.

b) SUPERVISE THE IMPLEMENTATION OF ESTABLISHED PROCUREMENT POLICIES AND REGULATIONS

KADPPA ensures that all Procuring Entities must strictly adhere to procurement policies and regulations at all levels of procurement. The Procuring Entities must use the Procurement Guidelines and Public Procurement Law, 2016 as the yardstick of Procurement in the State.

c) PROVIDING AND COORDINATING TRAINING PROGRAMS FOR CAPACITY BUILDING FOR ALL PROCURING ENTITIES.

All Procurement officers from Procuring Entities, Suppliers, Contractors and Service Providers require regular training to be able to carry out procurement processes efficiently.

d) COLLATING AND MAINTAINING STATE PROCUREMENT PLANS.

Procuring Entities must submit their procurement plans for the year for review using a standard template designed by the Authority, thereby granting No Objection to Procuring Entities to commence procurement.

e) MONITORING THE PRICES OF TENDERED ITEMS AND KEEPING A DATABASE.

There is a database of all tendered items ranging from civil works, goods and services on the website and procurement journal which is updated on a regular basis.

f) CERTIFICATION OF STATE PROCUREMENT PRIOR TO AWARD

All procurement requests from procuring entities must be reviewed prior to award and No Objection granted based on approved thresholds.

g) ISSUANCE OF CERTIFICATE OF NO OBJECTION FOR CONTRACT AWARD WITHIN VARIOUS THRESHOLDS/STIPULATED TO ALL PROCUREMENT ENTITIES THE PROCEDURES AND DOCUMENTS PREREQUISITE FOR ISSUANCE OF NO OBJECTION.

Certificates of No Objection for the award of contract are issued within various thresholds to all procuring entities subject to procurement methods used and the documents forwarded for the review.

h) CONTINUOUS MONITORING AND EVALUATION FOR COMPLIANCE WITH PROCUREMENT GUIDELINES.

At all stages of procurement, KADPPA ensures all procuring entities must and should always comply with the policies of procurement.

i) PROCUREMENT AUDIT

Procurement audit is performed at intervals to ensure compliance with project specification and completion deadlines.

j) REGISTRATION, MAINTENANCE AND UPDATING THE DATABASE OF CONSULTANTS, CONTRACTORS AND SUPPLIERS.

A database of consultants, contractors and suppliers are checked and an update is done regularly.

ORGANIZATIONAL STRUCTURE ▶

5.0 ORGANIZATIONAL STRUCTURE OF KADPPA

The organizational structure of the Kaduna State Public Procurement Authority includes the Board of Directors, headed by the Chairman, with the core mandate of supervising the affairs of the Authority and also give approvals to policies prepared by the Authority. (Section 6-12 of the Public Procurement Law, 2016). The internal structure of the KADPPA is headed by Director-General who is the Chief Executive Officer, in charge of the day to day running of the Authority, (Section 25 of the Public Procurement Law, 2016).

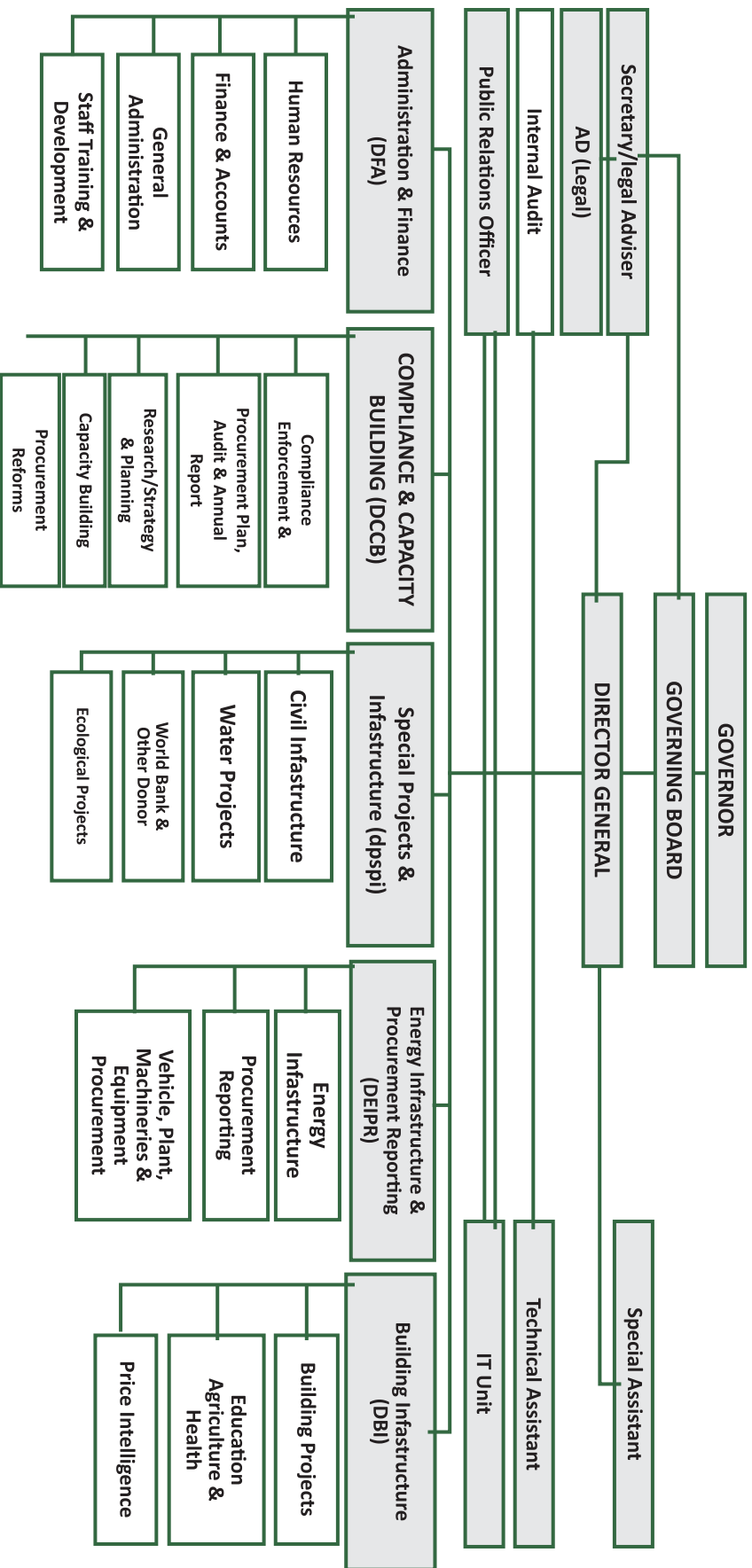
The Internal Departmental structure of KADPPA has undergone changes in 2017 with the setting up of new departments headed by the various Directors. Such departments and their responsibilities are shown in the table below;

S/N	DEPARTMENT	OFFICER/RANK	RESONSIBILITIES
1	Director Special Project and infrastructure	Director Special Project and infrastructure (DSP&I)	<ul style="list-style-type: none"> i. Civil Infrastructure ii. Water Resources iii. Review Report iv. Others as may become necessary.
2	Compliance and Capacity Building	Director Compliance and Capacity Building (DCCB)	<ul style="list-style-type: none"> i. Compliance enforcement; ii. Capacity building/trainings/sensitization iii. Procurement Plan, Audit and Annual Reports; iv. Redress mechanism; v. Issues with donor agency projects vi. Updating legal frameworks and e-procurement roll-out; vii. Others as may become necessary.
3	Energy Infrastructures and Procurement Reporting	Director Energy, Infrastructure and Procurement Reporting (DEIPR)	<ul style="list-style-type: none"> i. Energy Infrastructure; ii. Reporting; iii. Vehicle and equipment; iv. Others as may become necessary.
4	Building Infrastructure	Director Building Infrastructure (DBI)	<ul style="list-style-type: none"> i. Building Infrastructure; ii. Environmental/Agricultural/Health; iii. Price Data Bank and iv. Others as may be necessary.
5	Administrative and Finance	Director Admin. & Finance (DAF)	<ul style="list-style-type: none"> i. Administrative activities ii. Financial matters

GOVERNOR'S OFFICE
KADUNA STATE PUBLIC PROCUREMENT AUTHORITY (KADPPA)

KEY:
DFA DIRECTION ADMINISTRATION AND FINANCE
DFA DIRECTION COMPLIANCE & CAPACITY BUILDING
DCCB DIRECTOR COMPLIANCE & CAPACITY BUILDING
DSPi DIRECTOR SPECIAL PROJECTS/INFRASTRUCTURE
DEIPR DIRECTOR ENERGY, INFRASTRUCTURE & PROCUREMENT REPORTING
DBI DIRECTOR BUILDING INFRASTRUCTURE

DFA
DOB
DCE
DME
DBI



STAFF LIST OF KADUNA STATE PUBLIC PROCUREMENT AUTHORITY AS AT DECEMBER 2018

S/No	NAME	Rank
1.	Thomas Gyang	DG
2.	Aisha Abdu Muhammad	S/L.A.
3.	Engr. Aliyu A. Salihu	DSP&I
4.	Arc. Suleiman Muhammad	DC&CB
5.	Engr. Sanusi A. Yero	DEI&PR
6.	Mustapha Tanko	DAF
7.	Alhassan Magaji	DBI
8.	Paschal Katung Nickaf	Asst. Director (Legal)
9.	Lawal Ahmed Salihu	Internal Auditor.
10.	Engr. Abubakar Ibrahim Shehu	Prin. Elect. Engr.
11.	Dalhatu Sule Dikko	Prin. Admin. Officer
12.	Kimdo Alheri Kaduno	Prin. Estate Officer
13.	Muh'd Nuradeen Yakubu	Prin. Quantity Survey
14.	Tukur Abdullahi	Sen. Prog. Analyst
15.	Sarki Chat Musa	Senior Architect
16.	Samuel Sarki Karik	Senior Arch.
17.	Julius Henry Tingong	Snr Quantity Surveyor
18.	Arc. Khadija Yunusa Yusuf	Senior Architect
19.	Ladi Mamman	Quantity Surveyor I
20.	Layyas J. Alhamdu	Mech. Engr. I
21.	Engr. Kasim B. Aminu	Mech. Engr. I
22.	Engr. Jesse T. Zarmai	Elect. Engr. II
23.	Peter O. Ojeh	Quantity Surveyor II
24.	Engr. Bashir I. Adamu	Civil Engr. II
25.	Saude U. Hadejia	Architect II
26.	Engr. Abdurrashid B. Usman	Civil Engr. II
27.	Bello Mohammed	Quantity Surveyor I
28.	Kantoma Bala Sunday	Builder I
29.	Rukaiyat A. Shehu	Quantity Surveyor I
30.	Engr. Imrana Tanimu	Electrical Engineer I
31.	Juliet Yakubu Nache	Civil Engineer I
32.	Simon Sylvanus	Civil Engineer I
34.	Abubakar Aminu	Architect I
35.	Peter Abel	Builder I
36.	Engr. Abubakar Suleiman	Electrical Engineer I
37.	Jennifer J. Bature	Information Officer I
38.	Ayuba Yohanna	Mechanical Engineer I
39.	John Joshua Zuwahu	Electrical Engineer I
40.	Salihu Abdullahi	Admin. Officer I
41.	Isiaku Musa Aliyu	H.E.O
42.	Aminu B. Ladan	Prog. Analyst II
43.	Suleman P. Katoh	Admin Officer II
44.	Hadiza Aliyu	Procurement Specialist II
45.	Isma'il Shehu Giwa	Civil Engineer II
46.	Ashiru Mohammad Wada	ACDPO
47.	Abdullahi Isa	H.E.O Admin
48.	Philemon A. Sunday	H.T.O Building
49.	Abdulmalik Y. Bamalli	H.T.O (QS)
50.	Manasseh Dogonyaro	H.T.O (Building)
51.	Joel Ibrahim Dagu	H.T.O. (Electrical)

ACHIEVEMENTS AND CHALLENGES

6.0 INTRODUCTION

The Kaduna state public procurement authority started the year 2018 with a renewed sense of purpose and dedication to its mandate of formulating and harmonizing existing policies and practices to ensure accountability and transparency in the public procurement process.

Stated below are some of the recorded achievements of Kaduna State Public Procurement Authority (KADPPA).

6.1 ACHIEVEMENTS

1. Continuous distribution of the Kaduna State Public Procurement Authority (KADPPA) Law to MDAs, LGAs, CSOs, Private and professional Bodies across the State.
2. Continuous distribution of Kaduna State Public Procurement Authority (KADPPA) guidelines to MDAs, LGAs, CSOs, Private and professional Bodies across the State.
3. Reviewed and updated the Kaduna State Public Procurement Authority (KADPPA) standard bidding documents for Works; Goods and Consultancy services.
4. Conducted training for selected staff from all MDAs and the 23 Local government areas on procurement law and guidelines.
5. (a) Continue the deployment of e-procurement portal.
(b) Continue the deployment of Kaduna State Public Procurement Authority (KADPPA) website.
6. Increased sensitization and Public awareness of Kaduna State Public Procurement Authority (KADPPA) activities through Radio Programmes in English and Hausa language using Freedom; Supreme and Karama radio stations.
7. Conducting Bi-weekly training of Kaduna State Public Procurement Authority (KADPPA) staff on KADPPA law and guidelines.
8. Establishment of complaints and redress mechanism unit.
9. Production of annual procurement report 2017.
10. Continue the Publication of contract awards based on the Open Contracting Data Standard (OCDS) format.
11. Conducted workshop on open contracting data standards for selected staff from some MDAs and Local Government Areas in the State.
12. Conducted procurement audit in one pilot MDA (Ministry of Water Resources)
13. Workshops for sister agencies from Katsina, Kogi , Imo, Edo, Plateau and Zamfara states on study Tour of Kaduna State Public Procurement Authority (KADPPA).
14. Development/deployment of procurement numbering system (PNS) in progress.
15. Continue to save the Kaduna state government Billions of Naira in the year 2018.
16. Ongoing Conversion of the Public Procurement Law 2016, to one major local language (Hausa).

6.2 CHALLENGES:

The following are the challenges:

1. Epileptic internet connectivity and no intranet in the office.
2. Inadequate Training and Capacity Building for the Staff; MDAs, and LGAs Procurement Officers.
3. Heightened Sensitization workshops on the implementation of the Public Procurement Law and Guidelines, Standard Bidding Documents and use of the e-procurement portal.
4. Roll out of the e-procurement at the Pilot MDAs (Ministry of Works, Housing and Transport, Ministry of Health and Human Services, and Ministry of Education, Science and Technology) not completed
5. Procurement Audit across the procuring entities
6. Inadequate remuneration for staff
7. Inadequate vehicles and drivers
8. The lack of Procurement Cadre in the state civil service and an absence of the following procurement structures across some MDAs and LGAs
 - a. Procurement units
 - b. Resident Due Process Committees
 - c. Procurement Planning Committees
 - d. Bids Evaluation Committees
9. Late commencement of procurement processes.
10. Lack of proper procurement records keeping by some MDAs.
11. Slow response/submission from MDAs.
12. Lack of qualitative Professional submissions from some MDAs and LGAs.
13. Lack of a relatively consistent pricing index for the State.
14. Ineffective complaint and recourse mechanism stemming from lack of use and the perceived fear of persecution.
15. Procurement officers are unable visit certain project sites in the States because of Insecurity

WAY FORWARD▶

7.0 THE WAY FORWARD:

1. The planned trajectory is to actualize the migration to e-procurement across the state by the end of the year 2020 in all the MDAs and LGAs.
2. Identifying, improving and implementing the solutions that will help the office fulfil its statutory mandate.
3. Improved Compliance by ensuring: Early floating of Advert; preparation of Bid documents for collection by interested bidders; Resident Due Process Committee meetings by procuring entities.
4. Implementation of procurement cadre and establishing procurement units with competent procurement officers in the procuring entities.
5. Enforcement of the use of the reviewed Standard Bidding Documents by the procuring entities.
6. Procurement Audit across the procuring entities.
7. Monthly implementation of the OCDS format of publishing awarded contracts by the procuring entities.

DISCLOSURE RELEVANT TO STAKEHOLDERS ▶

8.00 DISCLOSURE RELEVANT TO STAKE HOLDERS:

8.01 INTRODUCTION:

The Kaduna State Public Procurement Authority took some giant strides in the year under review by buttressing on the positives of the previous year whilst working to make good the flaws observed in its running operations. As with all progressive institutions and organizations, it is pertinent to enlighten the relevant stake holders on the Authority's activities with specific emphasis on OCDS as this is a key component of Public Procurement in the State.

As highlighted, in Chapter 2.00 under the heading "REFORMS IN KADUNA STATE PUBLIC PROCUREMENT AUTHORITY (KADPPA)", The Kaduna State Public Procurement Authority expanded the items contained on the Original OCDS template. This was done so that more information is readily available at the fingertips of relevant stake holders, other PPAs, Civil Societies, Communities, Individuals, Researchers, Anti-graft agencies etc.

The Authority considered this action to be in line with procurement procedures, that more information be made available to the public in a manner such that can be easily understood, can be easily quarried and should give more powers in the monitoring of the execution of such projects, ownership of the projects and accountability for the expenditure of Government on such projects.

8.02 KEY COMPONENTS OF THE KADPPA MODIFIED OCDS TEMPLATE:

- a) **Rationale/Needs Assessment:** This Component satisfies a key need in the procurement process. It provides the justification for projects and is the basis on which projects/procurements (using tax payer's funds) are ranked in terms of priority.
- b) **Procurement Method used:** This component makes clear the type of procurement Method used. It is key to note that all procurements in Kaduna State Adopt the Open Competitive Method except where approval has been sought and obtained from KADPPA for any other (restricted) methods of procurement.

- c) **Award Criteria:** This criteria makes available to the general public and the bidders the basis on which contracts have been awarded to the successful bidders (Contractors).
- d) **Contract BOQ:** Provides the contract documents for the purposes of monitoring for compliance with the specifications and other details for all procurements. This will help the monitoring and evaluation component of the quality of projects.
- e) **Address of Contractor, Telephone Number and Email Address:** This meets the criteria of full disclosure on all projects regardless of their thresholds. This allows the populace engaged with such contractors, provide feedback on implementation process and such other information.
- f) **Project Funding:** This is equally a relevant addition to the template by the KADPPA. It was added to give the populace knowledge of the funding for each project so that where necessary if violations of policy, funding requirements, breaches and such other violations occur, they can be addressed accordingly.

8.03 COMPLIANCE:

In the year under review, the Authority enforced the compliance with the OCDS modified template across the MDAs. As challenging as this task was, it did produce a learning opportunity for the Authority.

Some of the benefits of this exercise included but were not limited to:

- a) Increase in the knowledge of the MDAs on the need for proper documentation
- b) A better organized procurement relationship between the MDAs and the regulating Authority
- c) A clear distinction between past procedures shroud in secrecy and the open more globally acceptable procurement practice.
- d) More citizens engagements.

As with all such ventures, the challenges included:

- i. Poor cooperation on the parts of some MDAs
- ii. A lack of understanding of the current procurement processes.
- iii. The resistance to change

- iv. Poor previous data management.
- v. The enormity of converting manual documentation to digital forms.

8.04 PROCUREMENT IN THE LGA, JUDICIARY, LEGISLATURE and EXECUTIVE:

Sections 35 of the KADPPA Law 2016 as well as item 1.1.5 of the KADPPA Guidelines allude to the extent and powers of these instruments on the Ministries, Departments, Agencies, Local Government Areas, Judiciary, Legislative Arm and Executive Arms of Kaduna State. In the year under review, these functions and powers were applied to the Judicial, Legislative and Executive Arms of the Government.

The Authority also sees this medium as ideal to intimate Stakeholders on its activities in the year under review as it brought on board fully the regulation of the procurement processes of the Local Government Areas, the Judiciary, the Legislature and the Executive Arms procurement processes.

The Authority will like stakeholders to note that:

1. All Procurement processes in the Local Government Areas, the Judiciary, the Legislature and the Executive Arms of Government (if such funding is derived from Government and is done with Public funds) are fully regulated by the Authority just as is done with Ministries, Departments and Agencies.
2. That the KADPPA Law 2016 and the KADPPA guidelines are binding instruments on the procurements of the Local Government Areas, the Judiciary, the Legislature and the Executive Arms of Government.
3. That in the Year under review, the Authority Conducted Prior reviews, attended Bid openings, carried out pre-qualification exercises, Observed Bid evaluation processes, granted No-objection for the procurements at the Local Government Areas, the Judiciary, the Legislature and the Executive Arms of Government.

8.05 DOCUMENTATION MANUAL:

As part of the ongoing reforms, the Kaduna State Public Procurement Authority was charged with the sole responsibility of producing a Documentation Manual, This was the product of the strides achieved by the Authority on not only the National level amongst States but also as a result of its achievements at the Sub-regional level.

The Documentation Manual seeks to provide a step by step guide for other States/Nations who intend to establish Procurement Authorities with working documents that show:

- a) The need for Public Procurement Authorities.
- b) The benefits of having such Authorities.
- c) Some of the Key Legislation required to effectively run such Authorities.
- d) A sample of domestication of the World Bank guidelines on Public Procurement.
- e) Organizational Structures for the Authority
- f) The relationship with MDAs and the provision of Procurement cadres in the Public space.
- g) As well as other structures that are required for such an enormous task.

8.06 NEXT STEPS:

- a) Public Launch of the portal
- b) Full use of the e-procurement platform.
- c) Launch of the Procurement Cadre.

KADPPA SOCIAL MEDIA PLATFORMS:

The Kaduna State Public Procurement Authority encourages the public to visit its Website and Social Media Platforms for further information.

-  Website: www.kadppa.kdsg.gov.ng
-  Twitter: @kadppa2
-  Instagram: @Kadppa
-  Facebook: www.facebook.com/kadppa

HIGHLIGHTS OF WEEKLY MEETINGS AND TRAININGS ▶

9.0 ISSUES DELIBERATED ON AND ADOPTED AT WEEKLY MEETINGS AND TRAININGS.

1. Valuation breakdown should reflect quantities of items from the Bills of Quantities.
2. Records of procurement proceedings must be kept by MDAs.
3. Review Officers to ensure compliance with the specifications of items in the Bills of Quantities (BOQ) and quality control in supervising projects, to avoid projects having to be revisited.
4. VAT should be reflected in payments.
5. MDAs are advised to submit adverts to Kaduna State Public Procurement Authority (KADPPA) for vetting.

DRAFT AUDITOR'S REPORT

FINANCIAL STATEMENTS 31 DECEMBER 2018

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

YEAR ENDED 31 DECEMBER 2018

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

BALANCE SHEET AT 31 DECEMBER 2018

		2018	2017
	Note	N	N
Fixed assets at cost	7	342,396,237	342,396,236
		<u>342,396,237</u>	<u>342,396,236</u>
Current assets			
Bank and cash	8	145,676	232,847
		<u>145,676</u>	<u>232,847</u>
Total assets		<u>342,541,913</u>	<u>342,629,084</u>
Financed by:			
Accumulated fund	9	342,541,913	342,629,084
Total liabilities and accumulated fund		<u>342,541,913</u>	<u>342,629,084</u>
Approved by the Chairman and Director Finance and Administration of the Bureau on :			

..... Chairman/Director General

..... Director of Finance and Admin.

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 N	2017 N
Income			
Overhead Subvention	2	41,291,236	70,389,213
Personnel Emolument Grant	2	38,233,887	26,213,370
		<hr/>	<hr/>
Total Grant		79,525,123	96,602,584
Less: Expenditures			
Personnel emolument	4	38,233,887	26,213,370
Repairs and maintenance	5	1,027,800	2,014,350
Administrative	6	40,211,675	68,332,047
Interest and similar charges	3	37,525	38,012
		<hr/>	<hr/>
		79,510,887	96,597,779
Excess of income over expenditure		14,236	4,805
Excess of income over expenditure B/F		232,847	228,042
Excess of Income over Expenditure	9	247,083	232,847
		<hr/> <hr/>	<hr/> <hr/>

The accounting policies on page 8 and the notes on pages 12 to 15 form part of these financial statements.

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 N	2017 N
Cash flows from operating activities			
Excess of Income over Expenditure		14,236	4,805
		<u>14,236</u>	<u>4,805</u>
Changes in working capital			
Increase/Decrease in stock		-	-
Increase/Decrease in Creditor		-	-
		<u>14,236</u>	<u>4,805</u>
Finance activities			
Bank charges and commission		37,525	38,012
Cashflow from investing activities			
Purchase of fixed assets			-
		<u>51,761</u>	<u>42,817</u>
Cash and cash equivalent as at 1/1/2018		232,847	228,042
Transfers during the year (TSA and cash balance)		<u>(101,407)</u>	<u>-</u>
Cash and cash equivalent as at 31/12/2018		<u><u>145,676</u></u>	<u><u>232,847</u></u>

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

1. The Authority

Kaduna State Public Procurement Authority was established by the Law No. 12 of 1st June, 2016 by the House of Assembly of Kaduna State.

		2018 N	2017 N
2 Income			
2 (i) State Government Subvention			
Overhead Subvention		9,453,280	10,345,360
Other Special Releases		31,770,000	59,968,558
Opening balance		67,956	75,295
		<u>41,291,236</u>	<u>70,389,213</u>
		<u>41,291,236</u>	<u>70,389,213</u>
2 (ii) Personnel Emolument Grant			
Personnel Subvention		38,233,887	25,000,843
Leave transport grant/Deductions -	<u>1,212,527</u>	<u>38,233,887</u>	<u>26,213,371</u>
		<u>79, 525,123</u>	<u>96,602,584</u>
Total Income			
3 Interest and similar payables			
Bank charges and others		37,525	38,012
		<u>37,525</u>	<u>38,012</u>

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

	Budget 2018 N'	Actual 2018 N'	2017 N'
4 Personnel and emolument			
Salary and wages	40,390,835	38,233,887 38,233,887	26,213,370 26,213,370
5 Repairs and maintenance			
Maintenance of vehicle	2,420,800	1,027,800	1,634,800
Maintenance of furniture & fittings		-	41,300
Maintenance of plant and generator		-	-
Maintenance of building		-	338,250
		1,027,800	2,014,350
6 Administrative expenses			
Transport and travelling		-	836,000
Duty tour allowance	5,152,000	1,146,800	28,158,457
Stationary and minor office expenses	6,466,000	174,300	16,485,091
Refreshment and meals	-	-	857,150
Project monitoring	46,512,000	34,811,969	-
Transfer to TSA	-	67,406	-
Audit fee	1,000,000	500,000	-
Computer materials supplies	4,240,000	549,000	2,903,850
Newspaper and magazines	900,000	118,350	381,400
Motor vehicle fuel cost	6,000,000	2,843,850	1,665,000
Internet access fees	-	-	1,040,800
Training, seminar and workshop			16,004,299
		40,211,675	68,332,047

YEAR ENDED 31 DECEMBER 2018

Certain administrative expenses were not captured
in the 2018 approved estimate

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

7 Fixed assets

	Building -N	Office equipment -N	Installation & network -N	Motor vehicle -N	Furniture & fittings -N	Total -N
Cost						
At 1 January 2018	43,916,359	62,533,656	78,582,811	115,245,943	42,117,468	342,396,237
At 31 December 2018	43,916,359	62,533,656	78,582,811	115,245,943	42,117,468	342,396,237
Depreciation						
At 1 January 2018		14,111,298	55,790,705	42,314,134	12,739,903	124,956,041
Charge for the year		938,005	1,178,742	2,304,919	631,762	5,053,428
At 31 December 2018		15,049,303	56,969,447	44,619,053	13,371,665	130,009,469
Net book value						
At 31 December 2018	43,913,359	47,484,353	21,613,364	70,626,890	28,745,802	212,386,768
At 31 December 2018	43,916,359	48,422,358	22,792,106	72,931,809	29,377,564	217,440,195

Depreciation is not charged to the income and expenditure accounts as the practice in public accounting principles.

	2018 N	2017 N
8 Bank and Cash balances		
Skye Bank Plc	14,236	67,957
GT Bank Plc	77,665	77,665
Zenith Bank Plc.	<u>53,775</u>	<u>53,775</u>
	145,676	199,397
Cash balance	-	<u>33,450</u>
	145,676	232,847

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

	2018 N	2017 N
9 Accumulated fund		
At 1 January,	342,629,084	342,624,279
Adjustment during the year	(101,407)	-
Current year Surplus	14,236	4,805
At 31 December	342,541,913	342,629,084
10 Comparative figures		

Certain comparative figures have been restated in order to enhance meaningful comparison .

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

STATEMENT OF VALUE ADDED
YEAR ENDED 31 DECEMBER 2018

	2018 N	%	2017 N	%
State Government Grant	41,291,236		70,389,213	
	41,291,236		70,389,213	
Less: Expenditures	<u>2,243,161</u>		<u>(38,889, 569)</u>	
Value added				
Applied as follows:				
To pay personnel emolument	38,233,887	88	26,213,370	83
To provide for maintenance of assets : Depreciation	5,053,428	12	5,053,428	16
Excess of Expenditure over Income	<u>247,083</u>	<u>1</u>	<u>232,847</u>	<u>1</u>
	43,534,397	<u>100</u>	31,499,644	<u>100</u>
	43,534,397	<u>100</u>	31,499,644	<u>100</u>

This statement represents the distribution of the services created by the Authority among the use of its assets and personnel' efforts.

**YEAR ENDED 31ST DECEMBER 2018
ADDITIONAL DETAILED
INFORMATION**

KADUNA STATE PUBLIC PROCUREMENT AUTHORITY

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	N	N
Opening balance	67,956	75,295
Personnel subvention	38,233,887	25,000,843
Leave Transportation grant	-	1,212,527
Overhead subvention	9,453,280	10,345,360
Other Special Releases	31,770,000	59,968,558
	79,525,123	96,602,584

Total Receipts

Personnel cost	38,233,887	26,213,370
Duty tour allowance	1,146,800	28,158,457
Computer materials and supplies	549,000	2,903,850
Maintenance of motor vehicle	1,027,800	1,634,800
Newspapers, magazines and journals	118,350	381,400
Maintenance of office furniture & fittings	-	41,300
Internet access charges	-	1,040,800
Project monitoring	34,811,969	-
Audit fee	500,000	-
Motor vehicle fuel cost	2,843,850	1,665,000
Refreshment and meal	-	857,150
Office stationeries and consumables	174,300	16,272,963
Committee transport allowance	-	836,000
Bank charges and similar charges	37,525	38,012
raining, seminar and workshop	-	16,216,427
Maintenance of building	-	338,250
Transfer to TSA	67,406	

79,510,887**96,597,779****14,236****4,805**

