

EVALUATION OF THE IMPLEMENTATION OF PROCUREMENT PLANNING IN THE AWARD OF BUILDING CONTRACTS IN FEDERAL UNIVERSITIES IN NORTH CENTRAL NIGERIA

Agonsi Raphael I¹., Prof. Akanmu Williams P.², Dr.
Mohammed Bala M³., & Dr. Igwe, Christopher O⁴.

1, 3 & 4. Department of Industrial and Technology Education,
Federal University of Technology, Minna, Niger State, Nigeria

2. Department of Building, Federal University of Technology,
Minna, Niger State, Nigeria

Abstract

This study evaluated the implementation of procurement planning in the award of building contracts in Federal Universities in North Central, Nigeria. One research question and one null hypothesis guided the study. The study employed descriptive survey research design. The population for the study was 71 respondents which consisted of 17 Bureau of Public Procurement staff and 54 procuring entities in Federal Universities in North Central. The instrument used for data collection was a 17 items questionnaire. The reliability coefficient of the instrument was established to be 0.82 using Cronbach Alpha formula. Data collected were analyzed using mean and standard deviation for answering research questions and t-test for testing the null hypotheses at 0.05 level of significance. Findings revealed that some procurement planning processes as provided in PPA were not implemented. It was revealed that the procurement planning committee did not have a representative of technical personnel of the university with expertise in the subject matter as a member amongst others. Based on the findings, it was therefore recommended that since timely delivery of building contract can be ensured through identification of procurement needs of the University at an opportune time, adequate procurement planning such as early identification of contract financial implication, financial threshold, approval process and timescale schedule was carried out so as to curtail political bottlenecks that impeded PPA implementation.

Keywords: Procurement, Public Procurement, Building, Building Contract, Procurement Planning.

Introduction

Prior to return of Democracy, procurement process was without legislature planning and budgetary provisions. However, following the return of democracy, procurement process without legislature planning and budgetary provisions is identified as a major cause of corruption and misappropriation that hinders good governance. Since construction procurement implementation process tend to contribute to corruption in governance, the Federal Government was moved to introduce acceptable international standard practices in the regulation of public procurement in Nigeria (Magaji, 2010). This action commissioned the World Bank in conjunctions with some Nigerians to assist the country with the process of enthroning efficiency, accountability and transparency in Government Procurement and Financial Management Systems. This led to the production of Nigeria's Country Procurement Assessment Report (CPAR) by the World Bank which revealed that Nigeria was losing average of \$10 Billion (Ten Billion United States Dollars) annually due to various abuses associated with public procurement and contract awards (Ekpenkhio, 2003). The Government accepted the CPAR report in its entirety and the outcome of their report has made tremendous efforts to reform the procurement processes and procedures in the country resulting to the establishment of Public Procurement Act (PPA) 2007.

PPA of 2007 was enacted to push towards "zero tolerance" of corrupt practices, which in effect is to give government of Nigeria way to address the real and perceived weaknesses in the public procurement of goods, works and services. Public Procurement Act is structure procedural programme of action designed to consult the market for government purchase/construction of infrastructure (works), goods and services for the operations of public institutions. Organisation for Economic Co-operation and Development (OECD, 2005) noted that the

purchase of goods, works and services by governments is an area that warrants special attention in the fight against corruption because public procurement has a very high exposure to corruption. It estimates procurement-related corruption at typically about 15% of GDP in OECD countries. It also adds that it is easy to tempt both public and private actors to divert goods and or money for their personal use. The African Development Bank (AFDB, 2012) estimated that public procurement accounts for as much as 70% of the budgets of African governments. This underscores the importance of public procurement. As such strengthening of procurement systems is crucial to minimizing the potential effects of financial/economic crises and restoring a level of economic growth and development sufficient to reduce poverty. It is not possible to achieve these objectives without securing the efficiency and integrity of procurement systems.

Generally, procurement is the complete action or process of identifying, defining and acquiring or obtaining personnel, material, services, works needed by means authorized in pertinent directives. Public procurement is the action or process of acquiring or obtaining material, property, or services for public operation. The procurement process therefore involves planning, purchasing, contracting, and negotiating directly with the source of supply. The primary objective of procurement is to promote transparency, accountability and value for money in the procurement of services, goods and works for public operations. It is however noted that Public Procurement Acts of most nations (Nigeria inclusive) have not achieved the purpose for which it was established due to challenges (such as interference by the government) faced by the stakeholders in the implementation process (Jacob, 2010). Olatunji (2007) observed that despite the new procurement regime, there are still reported cases of extensive corruption and political influence that associate the procurement act

particularly in the contracts award including buildings contracts.

Building is a structure with walls and a roof standing more or less permanently in one place such as a factory or house and comes in variety of sizes, shape and function depending on the individual, group or societal needs which it serves (Egenhofer & Mark, 2002). Primarily, the purpose of building is to provide a living space that shelters inhabitants from weather, provides security and for storing belongings or complex for offices, schools, workshops. On the other hand, contract is a voluntary arrangement between two or more parties that is enforceable by law as a binding legal agreement (Fergus, 2006). Building contract from the foregoing can be said to be a written agreement between two or more persons stating and declaring their common intention to execute a building construction project. Generally, procurement contract agreement inputs are categorized into goods, services or civil works contract including bridge works, road works (highways), canals, dams, basic physical infrastructure and buildings contracts (Institute of Civil Engineering, 2007). In Nigeria, the mode of awarding building contract varies. For the public sector, with the intent to avert corrupt practices and make bidding of building contracts transparent, the federal republic of Nigeria clearly explained how the procurement procedure should be in the PPA of 2007. These procurement procedures of building contract contained in the PPA 2007 include some processes among which is procurement planning.

Procurement planning is an activity which includes identifying the procurement needs of an entity (organisation) and providing at the opportune time with required funds to meet desired goals (VanWheeler, 2005). It is described as the means by which organisation acquire goods and services from external sources. The stages of procurement planning include defining what to procure, the process of acquiring such goods and scheduling a delivery time (Mitkus & Trinkuniene, 2008).

Just as procurement rules exist in other countries on general guidelines on procurement planning, so there are acceptable international processes on procurement planning for public building contracts in Nigeria. Generally, PPA advocates that procurement planning processes should conform to the three pillars of procurement (integrity, transparency and accountability). Apart from the procurement planning process conforming to three pillars of procurement, the rule for bidding and tendering process for all contract activity encourages true and open competition in tendering and contract award, open meetings, equitable and fair distribution of information, effective monitoring and auditing of all processes and implementation activities deliberately design to curtail all form of corruption so as ensure timely delivery of quality building construction for public use (Eze, 2015; FAO, 2016).

Despite the importance of procurement planning to the implementation of PPA, substandard public structures still exist, abandoned building projects that litter the environment, misappropriation and diversion of public building project fund for self-interest occasioned by corruption and above all failures in building contracts resulting in shortage of buildings facilities are yet manifest in the Universities (Olatunji, 2007; Chinwokwu, 2000; Okoye, *et al.*, (2016). This situation calls to question the level of implementation of the PPA procurement planning. In this regard it becomes imperative to ascertain the state of the act. This necessitated evaluation of the implementation of procurement planning in the award of building contracts in Federal Universities in North Central.

Research Questions

One research question is raised and answered.

1. To what extent does the procurement planning of building contracts in the University is being implemented as contained in PPA of 2007?

Hypotheses

HO₁: There is no significant difference in the mean response of procuring entities officers and BPP staff on the extent which procurement planning of building contracts in the University is being implemented as contained in PPA.

Research Method

The study employed descriptive survey research design. The population for the study was 71 respondents which consist of 17 Bureau of Public Procurement staff and 54 procuring entities in North Central Federal Universities. The instrument used for data collection was questionnaire. The questionnaire has 34 questions and solicited information on the extent to which procurement planning for the award of building contracts is being implemented in line with Public Procurement Act, 2007. The instrument used for the collection of data was

a four point rating scale questionnaire with the response options of Adequately Implemented (AI), Implemented (I), Not Implemented (NI) and Highly Not Implemented (HNI). To ensure the validity of the instrument it was subjected to content validity by three experts after which their suggestions and corrections were reflected on the final copy of the instrument that was used for data collection. The reliability coefficient of the instrument was established to be 0.82 using Cronbach Alpha formula. Data collected were analyzed using mean and standard deviation for answering research question and t-test statistics for testing the null hypothesis at 0.05 level of significance.

Results

The data collected were analyzed and interpreted.

Table 1: Mean and Standard Deviation of Respondents on the Extent which Procurement Planning of Building contracts in the University is being Implemented

S/ N	The extent which Procurement Planning of Building Contracts in the University is being Implemented	\bar{X}_1	SD ₁	\bar{X}_2 X	SD ₂	\bar{X}_t	SD _t	Dec
	Accounting Officer (AO)							
1	The accounting officer (AO) in the University is the Vice Chancellor (VC)	2.89	0.86	3.76	0.68	3.10	0.53	AI
2	The University AO has it overall responsibility for procurement planning of building contract.	3.63	0.65	3.71	0.47	3.65	0.61	AI
3	The university AO has it overall responsibility for the execution of all building contract procurements activities.	3.56	0.50	3.59	0.51	3.56	0.50	AI
4	The University AO ensures compliance with the provisions of PPA on building contract	1.89	0.63	1.24	0.56	1.73	0.67	NI
5	The University AO ensures that no reduction of values or splitting of procurements is carried out such as to evade the use of the appropriate procurement method on building contract	1.70	1.08	1.47	0.80	1.65	1.01	NI
6	The University AO ensures that public procurement of building contract are conducted based only on procurement plans supported by prior budgetary appropriations	3.80	0.56	1.65	0.86	3.28	1.12	I

B	Procurement Planning Committee (PPC)							
7	The University does constitute its Procurement Planning Committee (PPC) each financial year.	1.13	0.47	1.41	0.87	1.20	0.60	HNI
8	The AO constitute the PPC and its decisions on building contract award.	3.69	0.58	3.53	0.51	3.65	0.56	AI
9	The PPC has the AO of the University or his representative as the chairman.	3.91	0.35	3.06	0.82	3.70	0.62	AI
10	The PPC has a representative of the procurement unit of the University as the Secretary	3.57	0.82	3.82	0.39	3.63	0.74	AI
11	The PPC has a representative of the unit directly in requirement of the procurement as a member.	2.74	0.62	2.94	0.78	2.79	0.65	I
12	The PPC has a representative of the financial unit of the university as a member.	2.93	0.67	2.88	0.85	2.92	0.71	I
13	The PPC has a representative of the planning, research and statistics unit of the university as a member.	3.74	0.52	2.94	0.90	3.55	0.71	AI
14	The PPC has a representative of Technical personnel of the university with expertise in the subject matter as a member.	2.02	0.96	2.41	1.00	2.11	0.98	NI
15	The PPC has a representative of the University legal unit as the Legal Officer.	2.67	0.61	1.65	0.86	2.42	0.80	NI
C	Ministerial Tenders Board (MTB) / Parastatals Tenders Board (PTB)							
16	Subject to the monetary and prior review thresholds for procurements in PPA, the approving authority for the conduct of public procurement of building contracts in the University, is known as Parastatals Tenders Board (PTB)	3.61	0.74	2.82	0.64	3.42	0.79	I
17	Federal Ministry of Education (FME) is the University supervisory Ministry	3.89	0.32	3.88	0.33	3.89	0.32	AI
18	Subject to the monetary and prior review thresholds for procurements in PPA, the approving authority for the conduct of public procurement on building contracts by the University supervising Ministry (FME) is known as the Ministerial Tenders Board (MTB)	2.67	0.85	3.06	0.83	2.76	0.85	I
19	The Chairman of PTB is the University Vice chancellor, while the Chairman of MTB is the Ministry Permanent Secretary,	2.80	0.41	2.53	0.80	2.73	0.53	I
20	The Secretary to MTB and PTB is the Head of Procurement Unit of the supervising Ministry and University respectively.	3.37	0.99	3.59	0.62	3.42	0.92	I

21	The Tenders Board is responsible for the award of procurements of building works within the threshold set in the regulations	3.30	0.74	3.18	0.72	3.27	0.74	I
22	In all cases, where there is need for pre-qualification, the Chairman of the Tenders Board constitute a technical sub-committee of the Tenders Board	1.69	0.72	3.41	0.71	2.10	1.03	NI
23	The constituted technical sub-committee of the Tenders Board is made up of professional staff of the university and the Secretary of the Tenders Board is the Chairman.	1.50	0.84	1.88	0.69	1.59	0.82	NI
D Procurement Officers (PO)								
24	The University Procurement Officers (PO) ensures that all public procurement is conducted by open competitive bidding (OCB).	1.31	0.79	1.79	0.83	1.42	0.82	HNI
25	The University PO ensures that all public procurement are conducted in a manner which is transparent.	1.87	0.48	2.82	0.73	2.10	0.68	NI
26	The University PO ensures that all public procurement are conducted in a manner which is timely	1.46	0.54	1.47	0.94	1.46	0.65	HNI
27	The University PO ensures that all public procurement are conducted in a manner which ensures accountability	2.04	0.43	1.88	0.86	2.00	0.56	NI
28	The University PO ensures that all public procurement are conducted in a manner which is inconformity with the PPA and regulation	2.24	0.69	1.88	1.05	2.15	0.84	NI
29	The University PO ensures that all public procurement are conducted with the aim of achieving value for money	1.48	0.50	2.00	0.94	1.61	0.67	NI
30	The University PO ensures that all public procurement are conducted with the aim of achieving fitness for purpose	3.00	0.91	1.76	0.97	2.70	1.06	NI
31	The University PO ensures that all public procurement are conducted in a manner which promotes competition	1.96	0.82	1.53	0.80	1.86	0.83	NI
32	The University PO ensures that all public procurement are conducted in a manner which promotes economy	2.28	0.99	2.76	0.75	2.39	0.83	NI
33	The University Procurement Officers ensures that all public procurement are conducted in a manner which promotes efficiency	1.78	0.72	1.53	0.63	1.72	0.70	NI
34	The University PO ensures that it maintains both file and electronic records of all procurement proceedings made within each financial year in line with provisions in PPA, 2007.	1.41	0.59	1.94	0.96	1.54	0.73	NI

Key: AI = Adequately Implemented, I= Implemented, NI = Not Implemented, HNI = Highly Not Implemented, Dec = Decision

Table 1 presents the mean scores of the extent which procurement planning of building contracts in the university is being implemented. The respondents mean ratings show that not all the items mean are implemented. As revealed in the Table, 8 items are Adequately Implemented, 8 items are rated Implemented, 15 items are rated Not Implemented and 3 items Highly Not Implemented. The standard deviation of the

items ranges from 0.32 to 1.12. This implies that procuring entities and bureau of public procurement officers are unanimous in their responses on the extent which procurement planning of building contracts in the university is being implemented. This indicates that 18 out of the 34 items are implemented while 18 others are not implemented.

Table 2: t-test Analysis of the Extent which Procurement Planning of Building Contracts in the University is being implemented

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	0.33	0.57	0.00	69	0.99	0.03	5.33	-10.61	10.68
Equal variances not assumed			0.00		0.99	0.03	5.72	-11.77	11.83

Table 2 shows the t-test analysis of the extent which procurement planning of building contracts in the university is being implemented. The result of the analysis showed that the significant criterion (sig.) of the Levene's test for equality of variance was 0.57. This value is greater than 0.05 confidence level. Since 0.57 is greater than 0.05, the difference is not significant hence the null hypothesis was not rejected. Thus there was no significance difference in the mean response of procuring entity officer and BPP staff on the extent by which procurement planning of building contracts in the University is being implemented.

1. Finding on the extent by which procurement planning of building contracts in the University is being

implemented revealed that only 18 of the 34 items are implemented. The procurement planning implementation that do not comply with the provision of PPA include; the procurement planning committee did not have a representative of technical personnel of the university with expertise in the subject matter as a member, the procurement planning committee does not have a representative of the University legal unit as the Legal Officer, in cases where there is need for pre-qualification. Tenders Board is not made up of professional staff of the university, the University procurement officers does not conduct

public procurement in transparent manner, the university procurement officer does not conduct public procurement in a manner which ensures accountability, promote competition, promote economy, promote efficiency, achieve value for money and fitness for purpose.

2. There was no significance difference between the mean response of procuring entity officer and BPP staff on the extent by which procurement planning of building contracts in the University is being implemented.

Discussion of Findings

Finding on the extent by which procurement planning of building contracts in the University is being implemented provides the level by which the activities that includes identifying the procurement needs of the University at an opportune time with required funds and supervision to meet the needs is put into practice. The outcome of the finding revealed that though some provisions of PPA, 2007 regarding execution of procurement planning of building contracts are met, majority of other planning activities that makes complete the definition of what to procure, the process of acquiring such goods and scheduling the delivery time are not adequately implemented. Evidence from the finding showed that the procurement planning activities in the University implemented include the Accounting Officer (AO) in the University, is the Vice Chancellor (VC), the university, AO has it overall responsibility for the execution of all building contract procurements activities, the University AO has it overall responsibility for procurement planning of building contract amongst others.

Majority of the procurement planning processes as PPA provided are not implemented. Those that do not comply with the provision of PPA amongst others include; the procurement planning committee does not have a representative of technical personnel of the university with expertise in

the subject matter as a member, the procurement planning committee does not have a representative of the University legal unit as the Legal Officer, in cases where there is need for pre-qualification, the Tenders Board is not made up of professional staff of the university, the University procurement officers does not conduct public procurement in transparent manner, the University procurement officer does not conduct public procurement in a manner which ensures accountability, promote competition; promote economy; promote efficiency so as to achieve value for money/fitness for purpose. The outcome of this finding supports Williams (2012) who also identified that experts such as Engineers, Legal Practitioners that are required to carry out preliminary work and also continue to supervise the contractors are not put into operation. Ginevicius and Podvezko (2008) explained that this situation are procurement planning implementation bottlenecks that hinder works to be carried out according to design and highest possible quality.

The study further revealed that, elements such as not having a representative of technical personnel of the university with expertise in the subject matter as a member planning committee and not having professional staff of the university as Tenders Board members does not ensure quality assurance. Similarly, in the situation where the Accounting Officer is not ensuring that no reduction of values or splitting of procurement is carried out such as to evade the use of the inappropriate procurement method on building contract and the Accounting Officer not ensuring compliance with the provisions of PPA on building contract does not encourage accountability which is the bedrock of PPA, as a result fund diversion and proliferation of elephant projects and projects that are non existence is inevitable. In the same vein, the t-test analysis of the extent which procurement planning of building contracts in the university is being implemented revealed that the significant criterion (sig.) of the

Levene's test for equality of variance was 0.57 showing that the difference is not significant hence the null hypothesis was upheld. This is affirmation that both respondents unanimously agreed with results in Table 2 as the extent of implementation of procurement planning on building contracts in the university.

Conclusion

Given the nation's desire to achieving best international practices in public procurement, it is necessary that public procurement act is adequately implemented. Notwithstanding the expectations that the introduction of public procurement act should overcome the challenges associated with unplanned budgeting of the military era, authorities still lament inefficient service delivery, diversion of government treasury thus questioning the extent by which the public procurement act is being implemented. The outcome of the evaluation shows that the inefficient service delivery and diversion of government treasury that have resulted in shortage of building facilities across universities in particular and public offices at large could be attributed to inadequate implementation of the procurement planning.

Recommendations

Based on this finding, it is recommended that;

1. Since timely delivery of building contract can be ensured through identification of procurement needs of the University at an opportuned time.
2. Adequate procurement planning such as early identification of contract financial implication, financial threshold, approval process and timescale schedule is carried out so as to curtail political bottlenecks that impede PPA implementation.

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