



# **From Policy to Law: Institutionalizing the Bureau of Public Procurement under the PPA, 2007:**

## **A KEY NOTE ADDRESS**

Presented by

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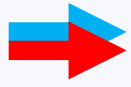
On the Occasion of

**Inaugural Commemoration of the National Public Procurement Day**

Holding at

**Afreximbank Africa Trade Center (AATC), CBD, Abuja.**

**4<sup>th</sup> June, 2026.**

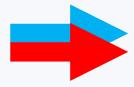


# PRESENTATION OUTLINE

- ❖ Before the Public Procurement Act
  - Background
  - BMPIU - Evolution of Public Procurement Reform
  - Procurement Reform Stakeholders Committee (PRSC)
  
- ❖ The Public Procurement Act (Institutionalizing the Bureau of Public Procurement)
  - National Council of Public Procurement (NCPP)
  - Bureau of Public Procurement (BPP)
  
- ❖ Conclusion

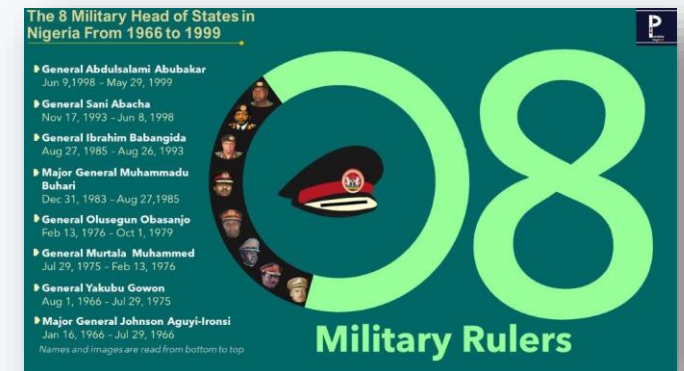
# BEFORE THE PUBLIC PROCUREMENT ACT

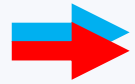
This section of presentation is courtesy of Tajudeen Oyawoye, then SAP on BMPIU on July 27<sup>th</sup> 2006 on the occasion of Briefing at the inaugural meeting of PRSC (Procurement Reform Stake Holders Committee) at the World Bank Building on the progress of Procurement Reform in Nigeria as part of the ERGP



# BACKGROUND

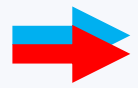
- Decades of military rule in Nigeria dramatically increased corruption in government business.
- Public resources were wasted through poor procurement practices with little regard for economy and efficiency.
- Existing rules and institutions, e.g. Code of Conduct Bureau, Financial Regulations, Public Accounts Commission, Public Complaints Commission, etc., were disregarded and manipulated.





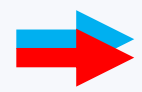
# BACKGROUND

- President Olusegun Obasanjo's administration identified mismanagement and corruption as key factors contributing to the country's poor economic performance.
- Government therefore focused attention on reform of procurement processes and practices in its efforts to reduce corruption and misuse of public funds.



# Problems of Past Procurement System

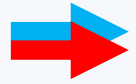
- Lack of adequate justification for budget proposals - wants were not separated from genuine needs.
- Lack of cost-benefit analysis in project selection.
- Lack of competition and transparency in the process of contract awards. Often, the winner was pre-informed before the process of vendor selection began.



# Problems of Past Procurement System

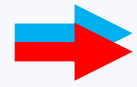
- Lack of project prioritization or tested criteria for making decisions.
- Budget releases fell below budget appropriation, leading to underfunding, delayed completion, price escalation, project cost overrun, project abandonment, and wasted assets.
- Absence or total lack of project monitoring to achieve original targets set.

# BMPIU - Evolution of Public Procurement Reform



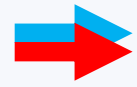
# Establishment of BMPIU

- Commitment of Obasanjo's administration to fiscal transparency and accountability.
- Using budget to generate sustainable growth and investment.
- Reduce poverty.
- Effective and efficient public procurement:
  - Value for money.



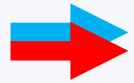
# Evolution of Public Procurement Reform

- World Bank Country Procurement Assessment Report, CPAR - 2000.
- New Policy Guidelines on Procurement and Award of Contracts - June 2001.
- Due Process Certification of Contracts, Federal Treasury Circular - October 2001.
- Constitution of Inter-Ministerial Steering Committee - February 2002.



# Evolution of Public Procurement Reform

- USAID Procurement Advisor.
- Two-week study tour of United States - May 2002.
- Issuance of Guidelines for Implementation of Due Process Certification - July 2002.
- Nationwide sensitization workshops on the reforms - October 2002 to March 2003.
- Submission of Draft Bill to National Assembly - 2003.



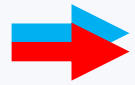
# Evolution of Public Procurement Reform

- Recall of Draft Bill by the President - 2003.
- Relocation of Procurement Reform Secretariat to BMPIU - September 2003.
- Diagnostic review of the Draft Bill - February 2004.
- Public response to call for memoranda - May to June 2004.
- National Stakeholders' Conference on Public Procurement Reforms - July 2004.



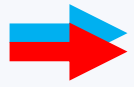
# Evolution of Public Procurement Reform

- Submission of Revised Bill to National Assembly - January 2005.
- Creation of Procurement Units in MDAs - January 2005.
- Creation of Professional Procurement Cadre in Federal Public Service - February 2005.



# Challenges

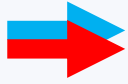
- Delay in promulgation of enabling law.
- Unpredictable budget cycle.
- Tardy and late submissions by MDAs, including resistance to change.
- Weak institutional capacity - funding, staffing, and operational logistic arrangements.
- Absence of national standard and poorly developed pricing mechanisms for goods and services - generating price database.



# Challenges

- Need for capacity building on a sustainable basis.
- Broadening coverage and deepening acceptance through collaboration with states and local governments.
- Publicizing the reforms through advocacy and sensitization - private sector, NGOs and CBOs, professional bodies, other stakeholders, etc.
- Need to anchor reforms and ensure continuity in post-administration era.

# Procurement Reform Stakeholders Committee (PRSC)



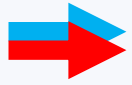
# Procurement Reform Stakeholders Committee (PRSC)

## Purpose

- To champion the Procurement Reform.
- To contribute private sector and civil society perception to the ongoing reforms.
- To propagate the reforms and its benefits to constituent bodies.
- To give the feedback obtained from interaction with the various constituents.

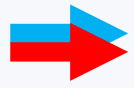
## Objectives

- Sensitize and educate the public on the contents and importance of the Procurement Bill.
- The PRSC can affect the perception of the public and the legislators positively and ensure prompt passage of the Procurement Bill.



# PRSC EVENTS

- BMPIU continues its regulatory functions, which include the review of ongoing public procurements.
- Preparation of the draft regulations and tender documents for various goods, works, and consulting services.
- Complaints procedures.
- Procurement Capacity and Training Needs Assessment of some 13 procuring entities to set up procurement units, define their internal relationships with budget and project units, and draw up a tailored procurement training program



# PRSC EVENTS

- Launched a pilot Procurement Performance Efficiency Survey to identify, in five MDAs, the strengths and weaknesses of the present procurement system measured against “benchmarks.”

This was called the “Baseline Indicator System,” measuring actual performance against what a sound public procurement system looks like.

- Preparation of a Private Sector Public Procurement Perception Survey.

It provided a statistical sampling of how contractors, suppliers, and consultants feel about participating in public procurement.

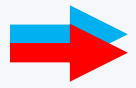
# The Public Procurement Act (Institutionalizing the Bureau of Public Procurement)



# The Public Procurement Act

On June 04, 2007 – the Public Procurement Act was signed into law by the  
 Late President Umar Musa Yar'adua

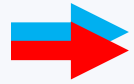
An Act to establish the National Council on Public Procurement and the Bureau of Public Procurement as the regulatory authorities responsible for the monitoring and oversight of public procurement, harmonizing the existing government policies and practices by regulating, setting standards and developing the legal framework and professional capacity for public procurement in Nigeria ; and for related matters.



# National Council on Public Procurement (NCPP)

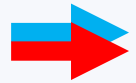
## The Council shall consist of :

- a. the Minister of Finance as Chairman ;
- b. the Attorney-General and Minister of Justice of the Federation
- c. the Secretary to the Government of the Federation
- d. the Head of Service of the Federation
- e. the Economic Adviser to the President
- f. six part-time members to represent
  - i. Nigeria Institute of Purchasing and Supply Management
  - ii. Nigeria Bar Association
  - iii. Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture
  - iv. Nigeria Society of Engineers
  - v. Civil Society
  - vi. the Media; and
- g. the Director-General of the Bureau who shall be the Secretary of the Council.



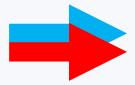
# The Bureau of Public Procurement (BPP)

- body corporate with perpetual succession and a common seal
- can sue and be sued
- may acquire, hold or dispose of any property moveable or immovable for the purpose of carrying out its functions



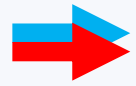
# A NEW BABY WAS BORN - BPP

- How do you take off?
- No staff
- No budget



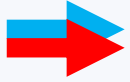
# WHAT HAPPENED?

- By June 4, 2007, Obasanjo has left as President, Prof Wahab has left as a special adviser being a political appointee, Tajudeen has gone, Bimbo was gone, every political appointee was gone.
- Prof was directed to hand over the affairs to the most senior civil servant.
- The most senior civil servant Engr Sani K. Haliru a Deputy Director, was away on hajj.
- I was the next in rank and I took over the office on his behalf
- Before he returned to resume work, I got a letter from the Chief of Staff, Late Gen Mohammed conveying Mr. President's approval of my appointment as the Ag. Head of BMPIU /BPP



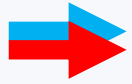
# What Then Happened?

- Fire works - petitions
- Court cases on qualifications and non inauguration of the Council
- The fire works continued through out my tenure of almost 9years.
- Once I left, the fire works stopped for 8 years
- DG DEBO came, the fire works resumed. **There must be something we did right or are doing right that people do not want!**



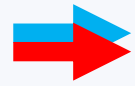
# How Did We Begin?

- First, we created a structure
- Sought and got Presidential Approval after inputs from HoS – Steve Oronsaye, who was our initial boss
- We had approval to recruit the first set of 17 BPP staff (called course 1) DG Debo is a member of that class
- Another approval was obtained to recruit another set of 38 staff in 2010 (course 2)
- Had strong relationship with the Office of Head of Civil Service of the Federation and
- Attorney General of the Federation and the Minister of Justice



# How Did We Begin?

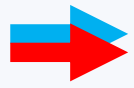
- Federal Executive Council Approved the establishment of procurement cadre based on the law (HCSF circular ref. HCSF/PSO/155/1/25 dated 9<sup>th</sup> June, 2008)
- Massive conversion training of officers wanting to convert to the new cadre in 2008 (Course 3)
- Printing and Gazzetting of all the bidding documents which were all ready from ERGP.



# The Implementation Strategies

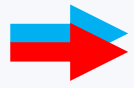
- Massive Sensitization Programs across all the geopolitical zones
- Training and Conversion programs across all MDAs
- Engagement with Civil Society Organizations
- Retreat for Permanent Secretaries and CEOs of Federal Institutions/Accounting officers
- Collaboration with anti-graft agencies

In mid, 2009, the President approved the transfer of the mobility of procurement officers from the Head of Service to the Bureau



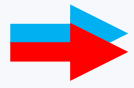
# Going Forward:

- Amendment of the law to bring back the President as the Chair of the Council
- Incorporate all amendments of the Act in the Finance Acts into the Principal Act
- Creating zonal offices of the BPP to track and monitor both the compliance to procedures and the implementation of the projects
- Ensure staff of the zonal offices have the capacity to do the job and do not collude with the MDAs.
- Payment of living wages to workers
- Design a system that no one person can take decision
- Frequent rotation of procurement officers as well as the finance officers that effect payment.
- BPP should as before, provide template for admission of new projects into budget to meet with the Renewed Hope Agenda of Govt.



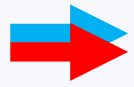
# Going Forward:

- **Contract Management:** Extend attention beyond contract award to contract implementation, ensuring that anticipated value is actually realized.
- **Conflict of Interest Management:** Robust procedures for identifying, disclosing, and managing conflicts of interest among procurement officials, evaluation committee members, and contractors strengthen integrity protections.
- **Combating Bid Rigging:** Enhanced detection of collusive tendering through random checks of procurement records by BPP.



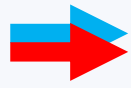
# Going Forward:

- **Digital Transformation:** Implementation of comprehensive electronic systems covering planning, tendering, evaluation, contract management, and payment integration would reduce manipulation opportunities, accelerate processes, and generate data for analytics.
- **Electronic Catalogues:** Development of electronic catalogues for common goods and services enables efficient purchasing while ensuring compliance with framework agreements.



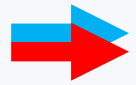
# Going Forward:

- **Training and Development:** Continuous professional development through institutions like the Procurement Professionals Association of Nigeria ensures that practitioners maintain current knowledge of regulations, methods, and best practices.
- **Sanctions and Enforcement:** Consistent application of administrative and criminal sanctions for procurement violations against both officials and contractors establishes credible deterrence. **Removal and demotion of officers involved in procurement infractions.**



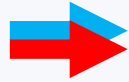
# Going Forward:

- Appointment of independent procurement professionals to help monitor the conduct of procurement officers at the level of evaluation
- Random integrity assessment of Procurement officers
- MDAs should not embark on projects outside their mandate.
- Projects should be rationalized so that projects which have attained 70% completion are giving priority.
- Projects without designs should be ignored in line with SGF Circular.



# PAYMENT FOR CONTRACT

For us to derive the best in public procurement as contemplated by the provisions of PPA, a market driven economy envisages that parties to a contract perform their obligations in a timely manner with provisions for penalties in case of default. Unfortunately, our system has not performed well in this regard. Bidders will naturally provide for risks associated with payment delays in their bid offers leading to perception of inflation of contracts.



# CONCLUSION

Procurement Reform in Nigeria has matured to a stage where technology should be the driving tool for its implementation. As we mark the National Procurement Day today, It is my wish that Mr. President considers and approves that June 4 every year be declared a National Procurement Day to bring all stakeholders together including subnational procurement authorities, to review and advise on Public Procurement as a strategic instrument for national development.

# THANK YOU!



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