

***A TWO -DAY TRAINING FOR SME'S TO IMPROVE
THEIR PARTICIPATION IN EBONYI STATE
GOVERNMENT PROCUREMENTS AND CONTRACT
AWARD***

**ORGANISED BY THE OFFICE OF THE EXECUTIVE SECRETARY ,
BUREAU OF PUBLIC PROCUREMENT EBONYI STATE**

**17TH – 18TH SEPT, 2020 AT INTERNATIONAL CONFERENCE
CENTER, ABAKALIKI**

1. Introduction
 - Aims and objectives of the training
 - Training/Learning outcomes
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2. Obstacles faced by SMEs and solutions Ebonyi State Government MDAs will offer
3. Common errors faced by SMEs and how to overcome the errors
4. Where and how SMEs can find Bidding opportunities from MDAs on the e-Procurement portal
5. The provisions of the Ebonyi State Public Procurement Law
6. Bidding procedures
7. Preparation of responsive bids
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INTRODUCTION

SMEs represent an increasingly important sector of any economy and can be key drivers of its economic growth and employment. As a result of this, it is necessary to encourage and facilitate their participation in public procurement procedures subject to the application of the provisions of the Ebonyi State Public Procurement and Related Matters Law, 2020

Aim of the training

The aim of this training is to address the challenges that Small and Medium Enterprises (SMEs) face in participating and winning contracts awarded by Ebonyi State Government by providing solutions to how such challenges/barriers can be overcome by SMEs not only to participate in such contracts but also to be able to submit responsive bids that will lead to award of contracts in the State

WHO IS AN SME?

For the purpose of this guideline the employment-based classification is adopted. Therefore, SMEs are defined as enterprises employing less than 200 persons.

Obstacles faced by SMEs

Value of contracts too high

Tight deadlines for preparation of bids

Lack of necessary knowledge of the Public Procurement Law (PPL) and bidding procedures of the state

Lack of knowledge of bidding opportunities in the MDAs

High cost of bid preparation

High cost and difficulty in obtaining financial instruments; bid security, advance payment and performance guaranties,

Insufficient cash flow to implement awarded contracts

Common errors faced by SMEs

Failure to follow up on notices of bidding opportunities

Not properly studying the bidding documents requirements including the technical specifications

Failure to request for clarification of bidding documents /untimely submission of the request for clarification

Late submission of Bids

Failure to submit with the bids all requested documentary evidence supporting the requirements of the bidding documents.

WHAT PROVISION IN THE LAW OF EBONYI STATE TAKES CARE OF SMEs?



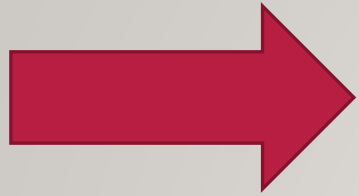
Section 27(3) & (4) of the Ebonyi state public procurement and related matters law, 2020, law states that, The Tenders' Board shall be responsible for the award of procurements of goods, works and services within the threshold set in the regulations or whose value



Above Fifty Million Naira (₦50,000,000.00) but not more than One Hundred Million Naira (₦100,000,000.00) for Ministerial Tenders' Board and such shall be approved by the Commissioner with the written consent and/or authority of the Governor first sought and obtained



Not above Fifty Million Naira (₦50,000,000.00) for Agencies and Parastatal's Tenders' Board with the written consent and/or authority of the Governor first sought and obtained”.



Commissioners or Chief Executives of Ministries shall be responsible for or have power to make procurements the value of which do not exceed Fifty Million Naira (₦50,000,000.00) for a single and/or particular transaction with the written consent and/or authority of the Governor first sought and obtained”



Chief Executives or Heads of Agencies or Parastatals shall be responsible for or have power to make procurements the value of which do not exceed Twenty Million Naira (₦20,000,000.00) for a single and/or particular transaction with the written consent and/or authority of the Governor first sought and obtained”.

Visit:

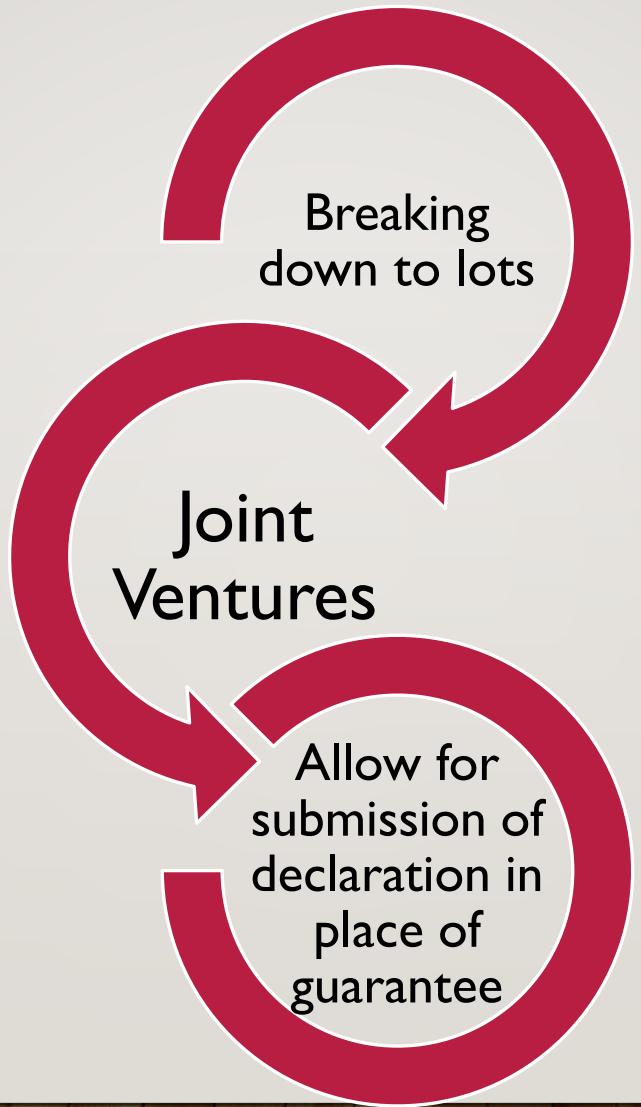
https://www.ebonyieprocure.eb.gov.ng/bidding_.php?id=law# for more documents and resources as regards Ebonyi State Procurement Laws.



HOW SMEs SHOULD BE CONSIDERED FOR PARTICIPATION

According to Section 30(1) of the Ebonyi State Public Procurement and Related Matters Law, 2020, invitation to bid may be either by way of State competitive bidding or International competitive bidding and the Bureau shall from time to time set the monetary thresholds for which procurements shall fall under either system

In cases when value of contracts advertised by MDAs (say, above ₦10 million, but not more than ₦100 million) are too high for SMEs to participate due to inability of SMEs to meet financial (cash flow, average turnover) and similar experience requirements, the MDA will make the following arrangement to allow SMEs bid for the project



PERFORMANCE BOND

- Annexure SM I
- Performance Bond Declaration

Advance Payment Bond

- Annexure SM2
- Advance Payment Declaration

Bid Security Bond

- Annexure SM 3
- Bid Security Declaration

WHAT IS A RESPONSIVE BID?

Competitive rate within the threshold of executing the task and having reasonable profit and overhead

A TYPICAL BID

MINISTRY OF POWER AND ENERGY , EBONYI STATE					
<i>PURCHASE OF 3000 PIECES OF 150W LED FITTINGS FOR STREET LIGHTS</i>					
S/No	DESCRIPTION	QTY	UNIT	RATE	AMOUNT
A	Outdoor lighting fitting, 150W (white light; 3 x 50W LED; size: 810 x 310 x 120)with five(5) years guarantee.	3000	Nr		-
B	LED Intergrated chip & Driver to be included as spares.	300	Set		-
	SUB TOTAL				-
	7.5% VAT				-
	1% Education Levy				-
	GRAND TOTAL				-

Assuming the company price for the Light = 15,000.00

Cost of transportation = 65000

Cost of installation = 1500 per lamp

Cost per lamp = 15,000 + 21.67 + 1500 = 16,521

Add 25% P/H = 2,478.25

Rate = 18,999.25

THANK YOU