

# **Maximizing the Gains of Public Procurement Act for Improved Sustainable Practices in Nigeria**

**By**

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## **Abstract**

*Prior to the enactment of the Public Procurement Act, 2007, the Nigerian public procurement practice has been known to be unprofessional, inefficient and ineffective. This was premised on public expenditure management treasury circulars guidelines of 1958. This paper aimed to discuss the gains' maximization and sustainable indices of the procurement act. It analyzed the modus operandi of this measure which brought into the economic landscape a myriad of short comings due to inadequacies of these guidelines. Against this background, the Obasanjo regime in 1999 commissioned the Country Procurement Assessment Report (CPAR) and its field report recommended the establishment of the Bureau of Price Monitoring and Intelligence Unit [BPMIU], among others. More so, its operations, the Procurement bill was sent to the National Assembly in 2003/2004. It was passed into Law on 30<sup>th</sup> May, 2007 and assented by the regime of late Alhaji Umaru Yaradua, on the 4<sup>th</sup> June, 2007. In all these, this Act has addressed little or no issues on sustainability ever since the Bureau for Public Procurement (BPP) has been the main driver. The results of the analysis of public procurement act yielded some maximized gains from sustainability indices ranging from environment, standardized norms, eco-friendly awareness, social, economic, innovation, circular, eco-products to health-related issues. It recommended a eurhythmic review of the current public procurement act by a rational juxtaposition process; of Nigerian public procurement act with developed nations'.*

*Key words: Acts, Gains, Procurement, Public, Sustainable*

## **Introduction**

Procurement means the process of obtaining supplies of something, especially for a government or an organization (OALD, 2015; 8th edition). It means the acquisition by any means of goods, construction or services (World Bank, 2000). This phenomenal act is one of the central-sensitive activities in the public sector engagements. It is disheartening that the modus operandi of the Nigerian public procurement act has come under the stranglehold of the hydra-headed monster called corruption; thereby taking the undue advantage of the inadequacies of its process. Globally, on the average, it is a known fact that governments of nations around the world are responsible for the greatest part of provisions of goods and services to the civil societies. In this regard, the stakeholders expects effective utilization of resources at government disposals by ensuring that it is done through a process that is transparent, prudent and accountable. Public

procurement is the measure taken by a contracting authority with the aim of awarding a contract or concluding a framework agreement regarding products, services or works.

The Procurement Assessment of the Nigerian public procurement system revealed a number of deficiencies with the system. The Country Procurement Assessment Report (World Bank, 2000) revealed that many of these deficiencies stemmed from the fact that Nigeria had not developed publicly promulgated procurement rules. Rather, procurement was governed by the Minister of Finance. This approach to procurement regulation lacked transparency and failed to provide clear rules governing the procurement process—especially since the regulations that did exist were not publicly available.

Against this background, the government of President Olusegun Obasanjo in 1999 recommended the establishment of the Bureau of Price Monitoring and Intelligence Unit [BPMIU], among others, to address the short comings of the observed inadequacies. However, to institutionalize its operations, the Procurement bill was sent to the National Assembly in 2003/2004. It was passed into Law on 30th May, 2007 and assented by the late Alhaji Umaru Yaradua, GCFR, on the 4th June, 2007. This Law has been in practice ever since then with the Bureau for Public Procurement, BPP, as the main driver.

The Public Procurement Act 2007 as complete as it seems to be, does not address the sustainability consideration in the context of procurement. Public procurement is increasingly recognized as an instrument of government policy and a lever for wider economic, social and environmental change (OECD, 2007). If countries are concerned about how economic, social and environmental criteria may be used in public procurement without harming the integrity of the process, then the practice of sustainable procurement must be pursued with every seriousness. . It is worthy of note , to state that, the practice of Sustainable Procurement, SP, was originally floated at the UN World Summit on Sustainable Development in Johannesburg in 2002 and was formally conceptualized by Borland[2009] to include planetary, environmental ,financial and social/cultural consideration.

### **Background Knowledge of Procurement Act 2007**

The Public sector in Nigeria is a major source of business opportunities for nationals or foreign nationals that seek to do business with the government considering the capital budget and recurrent overhead budget that is in a trillion naira annually, which makes Nigerian government to be a major player in the market place. The major procurement activities of government include road construction, building, defense, aviation, agriculture, water installation, education, technological equipment, information technology hardware and software. Other activities are health procurements, energy generation, transmission, and distribution procurements in the energy sector. It also include oil and gas sector procurements and the generalized recurrent expenditure items like stationary and other office consumables. The Bureau of Public Procurement (BPP) since the introduction of the Due Process Policy in the Public Procurement has reversed many contract awards within its mandate threshold that fell short of the standard

criteria of cost, and an open, transparent contract process based on Due Process compliance (DPC) Ezekwesili O [2004]. Thus, companies or bidders have now realized that there are only two objective rationale for making a decision at the BPP; transparent, open and competitive process on the one hand and lowest competent cost on the other. Thus, the end of the monopolist and oligopolistic contractors that thrived in various sectors of the public sector business has now become the thing of the part.

A study by Folayomi IO, [2013], revealed that Due Process Policy has helped to create new orientation in the conduct of government business when compared with the past procurement system. There have been growing commitments to the principles of competency based on open competition, value for money and the three universal “Best Principles” of Right Process, Right Winner and Right Cost in procurement of contracts. The study showed that under the policy, only projects that were budgeted for were admitted for Due Process Certification and execution by the BPP. Records in the BPP also revealed that within the four (4) years of the policy, about 160 billion naira was saved in the form of reductions from the inflated contract costs to implement developmental projects for the benefits of the Nigeria people. The study observed that the policy has also ensured public spending within budgetary limits, completion of projects as at when due. It reduced drastically the influence of quacks in the procurement sector. It was also assumed that the success of this aspect of the policy no doubt influenced the debt relief granted to Nigeria by the international debtors –World Bank and Paris of Club of Creditors’ Nations, all of which have impacted positively on governance and developmental process. The study revealed that the under listed are some of the achievements of the new public procurement system in Nigeria.

1. Cancellation of the process for the award of over 250 Federal contracts found to have fallen short of Due Process Compliance (PPC) and a fresh procurement process compliant with the principles of openness, transparency, competition and right cost.
2. Reinstatement of many Nigerians and companies who rightly won public contracts by merit but were overlooked at the Government MDAs level and so elevation of the principle of competition.
3. The rebuilding of the confidence of average Nigerians in government conduct of public and financial activities.
4. Good governance of public money and assets resulting in the reduction of corruption.
5. More optimal resource allocation decisions to achieve clearly articulated public policy objectives through enhanced identification of the costs and benefits of alternative expenditure decisions.
6. Improved liquidity management of public funds.
7. Improved technical efficiency in managing and utilizing resources through improved information flows more relevant to decision responsibilities of managers.

8. Enhanced transparency and accountability of government, providing better historic information as a guide to the future.
9. Since the introduction of the policy in 2001, any MDA that did not exhaust its capital vote must return it to the government Consolidated Accounts at the end of the fiscal year.

The above achievement was possible because of the efficient and effective project monitoring technique and the oversight function of the National Assembly and the anti-corruption Agencies. However, the findings of the study revealed that some Nigerians are lamenting the perceived lapses in the implementation. The most obvious challenge of the policy was that, it was largely perceived by the service users (suppliers and contractors) and other stakeholders (the Media, Civil Society Organizations (CSOs), the National Assembly and most Nigerians) as an albatross which unnecessarily slow down the procurement process. This is as a result of the unduly long period of procurement process or cycle for contracts and payment certification. It was revealed by majority of the respondents that the annual budget has not been satisfactorily implemented by the Government MDAs as a result of the long cumbersome bureaucracies involved in the certification process of budgeted projects by the MDAs. This situation has made implementation of capital vote in the budget quite difficult every fiscal year. For example, in the year 2012, the National Assembly lamented that it was about 32% of the capital vote that was implemented while the executive arm responded to the allegation by asserting that it was about 52%. Specifically, according to records, out of the N140 billions of First Quarter Capital Funds released by Warrant to the MDAs in year 2001, only about N36 billion was drawn for use, while about N104 billion remained un-accessed as at the end of May 2001. Thus, the question of releasing the Second Quarter Capital vote therefore did not arise as the First Quarter release has not been expended, which was returned to the Government Treasury. This has been the experience in every fiscal year since the inception of the policy which has been causing re-occurring running battle between the Executive and Legislature in which the executive Presidents to date have been threatened with impeachment by the National Assembly. The foregoing was alleged by the stakeholders to be creating room for diverse manipulations and subtle corrupt practices in the procurement system. The findings revealed that Nigerians, especially stakeholders rated the initiative of the policy as very lofty and great. They however, alleged that it has failed to combat corruption effectively in the public procurement as corruption has now only taken a different dimension. The study showed that there was evidence of Presidential waivers on some projects, anticipatory approvals, contract splitting, cases of officials of the BPP and Residents Due Process in the MDAs leaking privileged tenders' information to intending contractors or bidders. Thus some contractors have undue advantage over other bidders as well as cases of gratification from the service providers. The study noted that despite the enactment of the Act 6 years ago to safeguard public funds and guard against corrupt practices, the provisions of the Act are being selectively implemented by the government in power. The National Assembly in early 2012 moved a motion, for the government to establish the National Council on Public Procurement (NCPP) as demanded by the Procurement Act 2007. This was to checkmate the excesses of the Due Process Office (BPP) and other stakeholders in

order to reduce mismanagement of public funds. The government is yet to set up the Council. In order to tackle problem of corruption in high places in Nigeria, the establishment of the Council is imperative. The study also bemoaned the situation in which the non-professionals are saddled with the responsibility of managing the existing Bureau of Public Procurement (BPP). For good instance, the present Chief Executive Officer is a non-professional in the field of procurement and supply chain management, which portends a great danger to the universal “Best Practices” in Public Procurement and also against the spirit of the Public Procurement Act 2007. In an attempt to implement the Due Process, the process has witnessed some teething problems such as unwillingness of officials to comply with the Due Process Compliance (DPC). Others are inadequate projects definitions by the procurement entities, shortfalls in professionalism in projects packaging and supervision; inadequate documents and documentation accompanying requests for certification, and improper pricing system among others.

### **Sustainable Procurement**

Means a spending and investment process typically associated with public policy, although it is equally applicable to the private sector. Organizations practicing sustainable procurement meet their needs for goods, services, utilities and works not on a private cost–benefit analysis, but with a view to maximising net benefits for themselves and the wider world.

In doing so they must incorporate extrinsic cost considerations into decisions alongside the conventional procurement criteria of price and quality, although in practice the sustainable impacts of a potential supplier's approach are often assessed as a form of quality consideration. These considerations are typically divided thus: environmental, economic and social (also known as the triple bottom line).

Sustainable procurement involves a higher degree of collaboration and engagement between all parties in a supply chain. Many businesses have adopted a broad interpretation of sustainable procurement and have developed tools and techniques to support this engagement and collaboration.

Sustainable procurement (SP) is about taking social and environmental factors into consideration alongside financial factors in making procurement decisions. It involves looking beyond the traditional economic parameters and making decisions based on the whole life cost, the associated risks, measures of success and implications for society and the environment. Making decisions in this way requires setting procurement into the broader strategic context including value for money, performance management, corporate and community priorities.

## Defining Sustainable Procurement

**Sustainability**



Sustainable Procurement gives preference to the purchase of sustainable goods and services whenever they function satisfactorily, are available in the marketplace and come at a reasonable price (determined through life cycle costing). It incorporate triple bottom line accounting principles, nature's limits, whether a purchase needs to be made at all, and what makes economic sense, not just for today, but also for the long term future

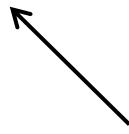
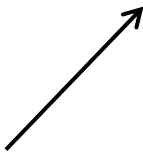
- Habitat Protection
- Less Natural Resources
- Less Energy to Manufacture
- No Toxic Substances

- Renewable Energy
- Energy Efficient Operations
- Minimal Pollution
- Recyclable/ Demanufacturable

### What is green procurement?

#### Green Procurement

The selection of products and services that have a lesser or reduced effect on human health and the environment when compared with competing products and services



**Reducing risks to the environment**

**Reducing risks to Human health**

**Traditional considerations of price, quality, functionality**

Sustainable procurement is the process by which organizations buy assets, supplies or services by taking into account a number of factors including value for money considerations such as, price, quality, availability, functionality, the entire life cycle of products, environmental aspects; the effects on the environment that the assets, supplies and/or services have over the whole lifecycle ("green procurement"), social aspects: effects on issues such as poverty eradication, inequality in the distribution of resources, labour conditions, human rights, Fair-trade, and sustainable or recycled materials and products.

### **Aim and challenge**

Traditional procurement has focused upon value for money considerations. The aim and challenge of sustainable procurement is to integrate environmental and social considerations into the procurement process, with the goal of reducing adverse impacts upon health, social conditions and the environment, thereby saving valuable costs for public sector organizations and the community at large. Sustainable procurement forms a key part of an overall push for sustainable development by governments and United Nations organizations.

### **Procurement as a mechanism to further economic, social and environmental development**

Procurement can be used as a mechanism to further the economic, social and environmental development of recipient countries and/or regions. As such, sustainable procurement should incorporate a number of safeguards and checks in the procurement process to positively assist in the following areas (a) human rights, (b) labour rights, (c) environmental impacts, (d) local entrepreneurship, (e) empowerment women, (f) poverty eradication (g) governance.

### **Human rights**

Human rights are increasingly being seen as a business issue. They are inextricably linked to corporate risk and reputation management. By continuously expanding supplier sourcing strategies, as well as by increasing sourcing from developing countries procurement officers are increasingly exposed to companies operating in countries with repressive governments, ethnic conflict, and weak rule of law or poor labour standards. The procurement function must include processes that are designed to identify companies that flaunt their responsibility to uphold universal human rights towards their employees and toward the communities in which they operate.

### **Labour rights**

With globalization and increasingly extending global supply chains, procurement officers have the unique opportunity as well as responsibility to ensure that the procurement function serves to protect workers' rights. Companies operating in global markets are increasingly expected to assume some level of responsibility for labour practices along their supply chains. This responsibility can and should also form an integral component of the procurement function, by ensuring that contracted companies operate within the universally accepted International Labour Organization's (ILO) core conventions on labour standards. Procurement officers should be aware of a potential supplier's performance in the following areas: (i) freedom of association and

the right to collective bargaining,(ii) child labour, (iii) non-discrimination, (iv) bonded or forced labour, (v) achieving decent working conditions.

### **Adverse environmental impacts**

Procurement can play an integral role in promoting sustainable production and consumption patterns. It is widely recognized that industrial development will only be truly sustainable if it is built on firm ecological foundations. The growing attention to issues of sustainable production and consumption is a natural outcome of decades of work on cleaner production and eco-efficient industrial systems. It represents the final step in a progressive widening of the horizons of pollution prevention; a widening which has gone from a focus on production processes (cleaner production), to products, (eco-design), then to product-systems (incorporating transport logistics, end-of-life collection and component reuse or materials recycling) and to eco-innovation (new products and product-systems and enterprises designed for win-win solutions for business and the environment). Procurement is in the unique position to help influence industry by encouraging it to develop and adopt policies and practices that: (a) support a precautionary approach to environmental challenges, (b) are cleaner and safer, (c) make efficient use of resources, (d) ensure adequate management of chemicals, (e) incorporate environmental costs, (f) reduce pollution and risks for humans and the environment.

### **Supporting local entrepreneurship**

Strategic procurement can provide a framework to ensure that local content becomes an integral component of the procurement policies and practices. In this manner the procurement function can be adapted and utilized to achieve good practice in the goals of an organization in terms of: (i) gender and the empowerment of women, (ii) poverty eradication, (iii) governance

### **Gender and the empowerment of women**

The Millenium Development Goals (MDGs) addressing this issue set a target for “the elimination of gender disparity in primary and secondary education preferably by 2005, and to all levels of education no later than 2015”. The procurement function can assist this issue by adopting practices that promote the contracting of minority businesses, particularly those owned by women. A straight forward and simple approach is to use an evaluation preference that favours minority business by a certain percentage (similar to the World Bank’s Domestic Preference policy).

### **Poverty eradication**

The MDG calling for the eradication of extreme poverty and hunger set two targets that require the world to:

1. “Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day”.
2. “Halve, between 1990 and 2015, the proportion of people who suffer from hunger”.



International aid agency procurement has a role to play in the eradication of poverty, by providing capital investment through local and regional sourcing strategies in the respective economies. By ensuring that supplier sourcing takes place in the countries and regions where the outcome of the procurement function is to occur, procurement is able to influence:

- (i) Job creation opportunities,(ii) Increases in income,(iii) Capacity in spend categories,
- (iv) Advances in economic opportunity within communities (v) Contribution toward economic development.

### **Governance and Citizenship Trust**

The procurement function plays an important role in achieving and ensuring good governance. It is an integral component of a government's capacity to provide the required goods and services. A well functioning procurement system ensures; better value for money, increased efficiency and effectiveness of delivery, reduces the potential for corruption, positive impact on a country's investment climate, non-discriminatory practices, transparency and accountability. Good governance encompasses a functioning regulatory system, as well as institutional set-up, well designed processes and proven capacity. Strategic approaches to procurement, as well as the knowledge transfer of good procurement practice and capacity building within procurement functions toward National government procurement entities assist in the development of good governance practices. In terms of trustworthiness, political leaders in Nigeria would always assume that their responsibility to safeguard public resources is by ensuring that corruption is minimized in the procurement process. However, it is essential to build legitimacy in the procurement process through appropriate legislation and regulations and not by direct involvement in the procurement process. This legitimacy is very important for all stakeholders and citizens, because, they, in the end, need to be able to work in a system where the public has faith in what is going on and where they can account for their dispositional activities. This is a sustainable legacy why Denmark is regarded as one of the least corrupt countries in the world and many would say that this is mostly explained by deep-rooted culture of trust in the public administration. But even so, it is still necessary also in Denmark to have structural and procedural safeguards, which give legitimacy to those involved, both civil servants and the elected politicians. Administrative means of supporting the need for legitimacy include audit functions and open administration, where in the public interest access to information in the administration is possible according to special law(World Bank, 2000;CAPR).

### **Sustainable Procurement Process**

The sustainable procurement process does not differ greatly from the traditional procurement process. It incorporates an initial stage to determine the effect of the procurement action in terms of a desired outcome that is both environmentally and socially benign, as well as an additional stage at the end of the process to monitor and assess, and if need be adjust the net effect of the desired outcome. Other sustainable interventions are incorporated throughout the various stages of the procurement process. Each of these stages is summarized in the following table and further in the text examined below.

<b>Stage</b>	<b>Description</b>
1	Planning and needs assessment of a procurement activity.
2	Planning the requirement.
3	Requirement definition.
4	Sourcing.
5	Solicitation
6	Evaluation and contracting.
7	Monitor and control.
8	Monitor and assess the desired 'outcome' achieved.

UNDP/IAPSO 'Sustainable Procurement Guide' [2004].

### **Planning and needs assessment of a procurement activity**

Decisions are required on the sustainable outcome a procurement process is meant to achieve; these are assisted by a number of analyses, such as a sustainable procurement risk assessment, supply market analyses, stakeholder analyses, demand analyses, etc. The type of analyses used and the decisions will depend upon the sustainability issue(s) that may be affected by the procurement action.

### **Planning the requirement**

Procurement planning involves the transformation of a stated requirement or organizational goals and objectives into measurable activities to be used to plan, budget and manage the procurement function within the organization. As with the traditional procurement process, procurement planning and forecasting is vitally important to ensure an effective, efficient, strategically viable and sustainable result.

### **Requirement definition**

Developing and using generic specifications is as import in the sustainable procurement process as it is in the traditional procurement process. During this stage, human/labour rights and environmental performance criteria should be translated into specifications that meet specific requirements of the specified outcome, desired by the procurement action.

The specification stage is a key to all types of contract. Building in environmental and social considerations at this early stage, provides a clear indication to suppliers that sustainability is important to the UN organization. Consider available alternatives which are less environmentally and socially damaging. Consider all the phases of a product's life cycle (e.g. production, transportation, maintenance, disposal, etc) when determining its cost and environmental impact. Assess the overall environmental and social integrity of suppliers by looking at their policies and practices.

The table below provides some examples of criteria to consider when determining potential environmental and social impacts of goods, services and works [8] : during the requirement definition stage.

Criteria	Factors to consider
<i>Environmental</i>	
Fit for the purpose and provide value for money	Ensure that the product you are considering does the job you want it to do for all potential users, including groups with specialist needs where appropriate.
Biodegradability	Some products may be suitable for composting. Where that is the case, ensure that the materials can break down speedily and safely.
Design for disassembly	When products are made up of thousands of different types of materials, particularly plastics and metals, it helps if they are designed to be easily taken apart or disassembled so that the materials can be recycled. This is particularly relevant to electronic and electrical products such as fridges, televisions, personal computers and printers.
Minimum use of virgin and non-renewable materials	Wherever possible, the use of recycled or re-used materials should be encouraged, as these generally have a much lower impact on the environment. Examples include computer processor cases or road aggregate.
Resource, energy and water efficiency	Running costs are often overlooked when procuring products. Seek equipment that is energy efficient, such as Energy Star rated products. Also check that your product does not have a ‘knock-on’ effect of using more resources, eg specifying paper towels over hand-driers may increase the volume of paper you dispose of, which also has a cost.
Fault controls to prevent unnecessary waste	When specifying plant equipment, such as boilers, ensure that you specify metering and monitoring equipment. Whilst it might increase acquisition costs it will alert you to inefficient use and enable you to reduce running costs, spills or waste problems.
Maximum durability, reparability, reusability, recyclability and upgradeability	Essentially this is a quality issue. Seek long-life products, that will survive being mistreated, that can be repaired, reused and ultimately recycled. Importantly, seek products that enable you to upgrade them and improve performance over time rather than having to buy new equipment to do the same job.
Minimum packaging	Most products are bought with excessive levels of packaging, either to add cosmetic value, or to enable the product to survive poor handling. Packaging has to be disposed of once it has performed its task, and in most cases the cost of disposal falls to the customer, not the supplier.
Maximum use of post-consumer materials	There are many grades of recycled materials. Where possible seek materials that have been used once and are being reused to perform a repeat or new function, rather than materials that have been reused from a manufacturing process waste which has never been used by the consumer.

Criteria	Factors to consider
No (or reduced) polluting with minimum use of toxic chemicals, CFCs, ozone and other pollutants.	Not only do these products help reduce your environmental impact, but choosing low-polluting alternatives often means you can avoid lengthy COSHH assessments and training, e.g. cleaning staff or lab technicians.
<i>Social criteria</i>	
Health and safety standards	These should never be overlooked and it is sensible to evaluate many products with a qualified health and safety officer. Examples include electrical equipment, vehicles, cleaning chemicals and furniture.
Local production	Sourcing your purchases from local suppliers means that the economic benefits can be felt in the communities in which you live and work. This inward investment can help ensure the ongoing economic sustainability of your local area through job creation.
Ethically sourced	You should seek to ensure that the products you buy are not exploiting child labour, or labour and economies in the developing world and that you meet recognised fair trade standards wherever possible.

UNDP/IAPSO ‘Sustainable Procurement Guide’ [2004].

The specification of a particular sustainable requirement may occasionally result in a purchase that costs more than a less sustainable preferable product or service, even after taking account of whole-life costs. There is no reason why this extra cost can’t be justified on sustainable grounds, although care should be taken to ensure that a proper balance is struck between the cost and the perceived sustainable benefits. A justification of higher acquisition costs can be made through longer-term paybacks, or because your organization has made equally valid commitments to reducing waste to landfill or CO2 emissions, for example. Buying ‘future-proof’ equipment that will meet future sustainable standards can have significant long-term financial benefits, even if the acquisition cost may have seemed comparatively high.

There are a number of tools and approaches that can be used to determine the requirement criteria, these ranges from various standards, industry agreements, labels and approaches such as life cycle costing. For detailed information on these please refer to the ‘Sustainable Procurement Guide’.

### **Sourcing**

Supplier sourcing and evaluation strategy enables the procurement function to address gender and empowerment as well as poverty eradication issues. This can be achieved by including suppliers from identified minority groups and/or from specific geographic and demographic regions and ensuring local content and representation in the bidding process.

These environmental and social issues can be considered during supplier pre-qualification exercises. If assessment shows that the majority of impacts are in the raw materials stage, the focus should be on the supplier’s own environmental supply chain management policies. If the

impacts are in the manufacturing stage, then the focus should be on the supplier's environmental management system for their business.

A supplier's environmental performance should be one of the key criteria used in supplier selection. Equally, where relevant, the supplier's approach to managing its social impacts should also form part of the assessment. When reviewing the response to any questionnaire, of particular importance is that the supplier's environmental and social policies actually address the key impacts of their business. For example an environmental policy from a chemical manufacturer needs to deal with the environmental issues of making chemicals rather than looking at its paper consumption and car policy, which whilst valid are not the main impacts of this business.

### **Solicitation**

Solicitation documents should incorporate sustainability specifications and requirements designed in the previous stages. Potential suppliers must then be able to show they are able to meet those requirements.

### **Evaluation and contracting**

The evaluation and contracting stage makes use of the standard evaluation methods; however, it should place specific emphasis on use of weighted and ranked criteria incorporating the specific performance criteria and specifications that address sustainable procurement factors. The evaluation process should also include a risk analysis, a cost analysis and modelling and a life cycle analysis (cradle to grave) particularly if the procurement process features environmentally sensitive issues.

### **Sustainability evaluation criteria**

Assessment of a tender is a key part of the procurement process. The degree to which tenders are scored is dependent upon a number of factors. Tender assessment is the opportunity to go into more specific detail about how the supplier is going to deliver the requirements from a cost, quality and sustainability perspective. Through risk assessment, sustainability criteria may have been set that are so important that a supplier must have them in order to bid, typically these are addressed through the specification and are considered as pass/ fail criteria. Items that are important but not vital are dealt with through asking the supplier for information that is then scored, called sustainability criteria.

Sustainability evaluation criteria are key to undertaking thorough and consistent assessments of sustainability performance of suppliers' bids and proposals. UN organizations should determine environmental evaluation criteria to suit their own needs. Some recommended environmental evaluation criteria to consider in tenders are:

- *Air pollution* - to include measures taken to reduce emissions, particularly of key pollutants, and looking at efforts to exceed statutory requirements.
- *Biodiversity and habitats* - a specific aspect of land use, where biodiversity and important habitats are recognised and measures taken to protect and enhance them.

- *Climate change* - measures taken to monitor and reduce greenhouse gas emissions should be highlighted in this criterion.
- *Resource use and intensity* - to include energy, water, raw materials and land as resources, and to focus on the efficiency of their use. Linked to waste, air pollution and water pollution.
- *Transport* - to consider measures that reduce overall transport requirements, and to encourage a modal shift away from road transport (people and freight).
- *Waste* - to include measures to reduce, re-use and recycle wastes.
- *Water quality* - to include measures to reduce discharges, particularly of key pollutants, and looking at efforts to exceed statutory requirements, and rewarding efforts to meet water quality objectives and targets.

### **Maximizing the Gains of the Act through Sustainable Procurement**

There are indeed numerous gains achieved through the implementation of the public procurement act ever since its assent into law in June, 2007. A lot of savings have been done for the government of Nigeria having plugged the loop holes and the inadequacies of the procurement process in place before 2007. These gains are mainly economical because the Act has been silent about sustainability considerations, even though its application is unconsciously done sparingly.

Bad enough, since the onset of the recession in Nigeria, environmental considerations and sustainable business strategies will naturally take the back seat to focus on driving down costs. However, the benefits of sustainable procurement are too good to be overlooked. The gap between the standard/traditional procurement process and the Sustainable Procurement must be bridged up by striking a good balance between economic, social and environmental dimensions.

Sustainable public procurement is not only limited to deal with environmental impacts but aims at the wider perspective where the social and economic dimensions are considered as well. At the same time sustainable procurement can also include benefits within health and politics.

Public procurement might contribute to achievement of several societal goals and described below are a few sustainable indices of the analysis in this paper [National Agency For Procurement, 2005]

### **Environmental Index**

Sustainable public procurement might contribute to solve environmental issues like:(i) Emissions of greenhouse gases (through procuring products and services with lower environmental footprint during their life-cycle), (2) Water usage (through requirements on water saving HVAC-equipment), (3) Energy efficiency and resource usage (through procuring products based on eco-design), (4) Air-, water- and soil pollution (through supervising the use of chemicals and limiting the use of toxic substances),(5) Waste (through procuring processes or packing which generate less waste and/or putting requirements on re-

usage or recycling), (6) Sustainable agriculture (through procuring organically produced food) and (7) Deforestation (through procuring wood and wooden products from legally felled forestry).

### **Standardized-Norm Index for Private Consumers**

Sustainable public procurement has the possibility to establish norms for the private sector as well as for society at large, thereby affecting the market. Through developing a sustainable public procurement strategy, communicate its initiative and result, procuring organizations would be able demonstrate the possibility of this norm which lead to positively-inclined outcomes.

### **Eco-friendly Awareness Index (EFAI)**

Sustainable public procurement might also increase awareness of environmental issues. This might be for example by identifying the environmental impact from certain products/services during its life-cycle and highlight benefits resulting from environmentally friendly alternatives. For example organically produced food is more likely to increase awareness among consumers and suppliers.

### **Social Index**

Sustainable public procurement might contribute to social sustainability on a national as well as an international level. Social requirements are very relevant for a sustainable public procurement. Nationally it might lead to an improved labour market through requirements on employment and social integration. Public procurement might also improve situations abroad, especially concerning production a third country, through requirements on working conditions.

### **Equality Index**

Through social requirements in public procurement one can make sure that the public sector acquire goods and services produced ethically through using requirements on non-discrimination between sexes or differences in ethnic and/or cultural background.

### **Economic Index**

*Sustainable public procurement might save both money and resources when life-cycle costing is considered*

Sustainable public procurement might lead to savings for both procuring entities and for society at large if one applies a life-cycle costing mindset. When including all costs emerging during a product and service's life cycle (for example operation and maintenance costs) and not only looking at purchasing price, one can reduce the total cost. One example for this is procuring energy efficient IT where money can be saved both through lower energy usage and by simplifying reuse/recycling at end of life. Goods and services with better efficiency often have a higher purchase price but will generally allow for the organisation to save money I the long run.

### **Innovation Index**

Sustainable procurement of goods and services is, in contrast to innovation procurement, not a driving force for innovation. However, it might give signals to the market on where there is a need for new

solutions, which in turn might provide incentive for developing new goods and services. Applying sustainability to the public procurement process might lead to an important incentive for the industry to develop “green” technology and goods.

### **Circular economic Index**

Today the norm is a linear economy where used products end up at the waste ground. This contributes to an impoverishment of resources. In a circular economy focus lies on minimizing waste of resources by simplifying procurement process for recycling, deconstruction and re-using. Sustainable public procurement can contribute by procuring more services instead of purchasing products and through this contribute to development of new business models.

### **Eco-products Index**

When introducing sustainable criteria in procurement a possible outcome is to affect the market and contribute to new actors within the field of “green” technology and products. This in turn might lead to increased competition and lower prices in the long run.

### **Health related Index**

Sustainable public procurement might result in an improved service to society and through this increase quality of life. For example, cleaner public transport will improve air quality. Less toxic chemicals in cleaning products will result in a healthier working environment.

### **Conclusion**

This paper submitted that in the Nigerian context, the term Sustainable Procurement is an embryonic-emerging concept in the contemporary landscape of professional practice. This was evident from a few interactions with procurement practitioners; indeed, very few understand what it stands for. The analysis of the public procurement act yielded maximization of gains in terms of sustainability indices; this ranges from environment, standardized norms, eco-friendly awareness, social, economic, innovation, circular, eco-products to health-related matters. Given the sustainability targets set by both the EU and UK government Gary Waylett [2013], there is no doubt the emphasis on sustainable procurement will continue to be hot debates in seminars and conferences. It is expected that academia are to embark on evidence-based applied researches that would proffer solutions to construction industries over the next few years. The Public Procurement Act 2007 in Nigeria needs to be reviewed by juxtaposing the current act with the procurement acts of the developed societies to fit in to Nigerian context. This is required in order to maximize the potentialities of aforementioned gains.

### ***Suggestions and Proposals for:***

#### **Civic Society**

- There must be a need for a broad or higher degree of collaboration and engagement between all parties, such as the government, construction professionals, private developers, contractors and suppliers found in the construction industry’s supply chain.
- The practice of sustainable Procurement need to identify, analyze and proffer solutions to the following challenges: die-hard habit and vehement difficulty in changing procurement behaviour;



lack of suppliers of sustainable assets, suppliers or services; complexity of comparing costing/value for money assessments; and the difficulty of including complexity factors than environmental considerations as a perception that the process and outcomes are more costly or time consuming.

- Proper enlightenment and education of the stakeholders by the Bureau for Public Procurement, Non-Government Agencies and educational institutions.

### ***Educational Society***

- *Pedagogical Inclusion of Procurement Act practices in the Educational curriculum of Schools:* courses' syllabi and Curriculum of built environment studies needs to be equipped with basic rudiments of public procurement acts while at intermediate and graduating years in school;
- *Internship programmes:* should be included in the curricular programmes to acquire basic skills expected in professional practice
- *Result-oriented industry partnership:* Higher educational institutions need to urgently bridge the knowledge gaps between theory and practice.

### ***Professional***

- Continuous professional development(CPD) training is needed for the practitioners in order to get acquainted with currency of the best practices in the developed landscape of the world

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***Acknowledgement***

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[http://www.gov.mb.ca/gs/psb/SD\\_Proc\\_Goals.pdf](http://www.gov.mb.ca/gs/psb/SD_Proc_Goals.pdf)

*Government of Northwest Territories*

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www.sustainable-development.gov.uk, 2002 Framework for Sustainable Development on the Government Estate. Obtained online: <http://www.idea.gov.uk/idk/aio/1701515>

Federal Government – Green Procurement Network

Buy Green Ontario

<http://www.greenontario.org/buygreen/greenp.html>

Buy Smart BC

<http://www.buysmartbc.com/>

EU:s webpage for GPP

The Swedish government's roadmap for public procurement (only in Swedish)

A report by Dalhammar and Leire on environmentally friendly public procurement