



BUREAU OF PUBLIC PROCUREMENT AND PUBLIC PRIVATE PARTNERSHIP
ZAMFARA STATE

**PUBLIC PROCUREMENT GUIDELINES TO
INCREASING SMEs PARTICIPATION IN
CONTRACTS AWARDED BY ZAMFARA STATE
GOVERNMENT
2020**

PUBLIC PROCUREMENT GUIDELINES TO INCREASING SMEs PARTICIPATION IN CONTRACTS AWARDED BY ZAMFARA STATE GOVERNMENT

WHEREAS; by reason of Corona Virus pandemic (known as Covid-19), global socio-economic activities including procurement of goods and services by ministries, departments and agencies in Zamfara State has been adversely affected leading to short fall in revenues required to fully implement the 2020 Appropriation Law as well government programme and projects;

WHEREAS; the Small and Medium Enterprises Development Agency of Nigeria has issued a national guideline for implementation by all the states in the country with a view to address the challenges facing procurement activities and factors militating against the participation in bids for contracts and winning of contract by Small and Medium Enterprises especially during Covid-19 period;

WHEREAS; Zamfara State Bureau of Public Procurement mindful of its oversight responsibilities by virtue of Section 5(g) of the Zamfara State Public Procurement Law 2020 (as amended), Consider it expedient to adopt measures that would

ensure effective conduct of procurement activities in the state and participation as well as winning of contracts by Small and medium Enterprises during Covid-19 period to be treated as emergency;

AND WHEREAS it has become necessary for all procuring entities that will participate in procurement activities during Covid-19 period and other related emergencies to follow procedures that will ensure effective provisions of procurement service, the following Guidelines is hereby issued for implementation by all procuring entities in Zamfara State of Nigeria.

PURPOSE OF THE GUIDELINES

The purpose of these Guidelines is to adapt the existing public procurement procedures in Zamfara State to support the increase participation of SMEs in procurement activities of the State. In other words, these guidelines aim at ensuring that more SMEs do not only have enabling environment to participate in procurement activities of the State, they also have capacity to win due to less stringent procurement rules.

DEFINITION OF SME

Based on the National Policy of SMEs developed by Small and Medium Enterprises Development Agency (SMEDAN), SMEs in Nigeria are classified based on dual criteria of size of employment and value of Assets (excluding Land and Buildings) as follows:

Size Category	Employment	Asset (N million) - excluding <i>Land and Building</i> **
Micro	Less than 10	Less than 5
Small	10 – 49	5 - less than 50
Medium	49 – 199	50- less than 500

***where there exists a conflict in classification in employment and assets classification, the employment based classifications will take precedence.*

SPECIFIC GUIDELINES FOR SMEs in PUBLIC PROCUREMENT IN ZAMFARA STATE

Bid Securing Declaration: Procuring Entities shall now accept Bid - Security Declaration instead of a Bid Security for all SMEs

Bidders shall, however, use the form included in the Bidding Document for it to be acceptable as Bid Securing Declaration. See Annexure

Performance Security - while the Procurement Law had made provision that a Performance Guarantee/Security shall be a precondition for the award of any procurement contract upon which any mobilization fee is to be paid, provided however it shall not be less than 10% of the contract value in any case or an amount equivalent to the mobilization fee requested by the supplier or contractor - whichever is higher. SMEs are by these Guidelines hereby exempted from this provision.

Accordingly, SMEs can now enter into effective contract with Procuring Entities without a Performance Guarantee

Advance Payment: whereas 54.(1) In addition to the other regulation as may be prescribed by the Bureau, Mobilization fees of not more than 35% may be paid to a local contractor, and 25% may be paid to the foreign contractors.

Advance payment above 35% may be paid where the contractor submits a written request justifying the need for such payment.

Advance payment above 35% shall be guided by regulations prescribed by the Bureau with the approval of the Governor. These guidelines include all SMEs.

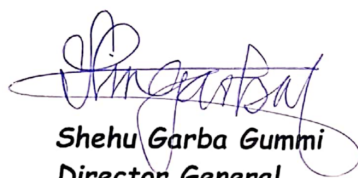
All SMEs shall by these Guidelines be allowed to receive a mobilization fee of 40% for any contract.

Qualification Criteria: The following Guidelines are recommended for Procuring Entity as Qualification Criteria for SMEs:

- I. **Average Annual Turnover** - Average Annual Turnover for SMEs shall be 50% less of the requirement for other classes of Business.
- II. **Cash Flow Requirement** - the cash flow requirements for SMEs shall be 50% less of the requirement for other classes of Business
- III. **Specific Similar Experience** - the specific similar experience required for SMEs as qualification criteria for the procurement shall be 50% less than what is required for other classes of business.

Registration of Contractors - For all categories of New Registration and Renewal, SMEs shall not pay any amount as all SMEs in the State will be given free certificate of contract registration for two years.

Dated This 4th Day of September 2020



Shehu Garba Gummi
Director General
Bureau for Public Procurement
Zamfara state

Annexure I

Form of Bid-Securing Declaration

[The Bidder shall fill in this Form in accordance with the instructions indicated.]

Date: *[date (as day, month and year)]*

Bid No.: *[number of RFB process]*

To: *[complete name of Purchaser]*

We, the undersigned, declare that:

We understand that, according to your conditions, Bids must be supported by a Bid - Securing Declaration.

We accept that we will automatically be suspended from being eligible for bidding or submitting proposals in any contract with the Procuring Entity for the period of time of *[number of months or years]* starting on *[date]*, if we are in breach of our obligation(s) under the Bid conditions, because we:

- (a) have withdrawn our Bid during the period of Bid validity specified in the Letter of Bid; or
- (b) having been notified of the acceptance of our Bid by the Purchaser during the period of Bid validity, (i) fail or refuse to sign the Contract; or (ii) fail or refuse to furnish the Performance Security, if required, in accordance with the requirements of the Bidding Document.

We understand this Bid Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty eight days after the expiration of our Bid.

Name and Business Name of the Bidder_____

_____Of _____

Name of the person duly authorized to sign the Bid on behalf of the

Bidder_____

Title of the person signing the Bid _____

Signature of the person named above_____

Date signed _____ day of _____

*: In the case of the bid submitted by joint venture specify the name of the Joint Venture as Bidder

** : Person signing the Bid shall have the power of attorney given by the Bidder attached to the Bid

[Note: In case of a Joint Venture, the Bid-Securing Declaration must be in the name of all members to the Joint Venture that submits the Bid.]