

THE ESSENCE OF PROCUREMENT PLANNING

Individual procurement processes differ depending on the value and type of procurement. Despite these differences, all procurements follow the same basic processes which begin by having a coherent procurement plan.

Section 21 of the Public Procurement Act requires Procuring Entities to plan their procurements. A procurement plan helps Procuring Entities to achieve maximum value for expenditures and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicise their procurement notices to potential suppliers of goods, works and services. The whole procurement process begins with procurement planning.

A procurement plan involves the identification and assessment of the need for the procurement, the methods to be used in the procurement process, how much to procure, where to procure from and when to undertake the procurement. The plans should give a detailed description of the goods, services or works and specify the period when the goods, services or works would be required, and the Department that would require the same. The plan should also record the expiry date of already running contracts.

It should be emphasized that at the centre of any procurement plan is the budget. Thus, procuring entities must always ensure that they have adequate funds to finance their planned procurements. When correct answers are given to these questions one is rest assured that the procurement transaction will be done in an acceptable and professional manner.

A procurement plan is influenced by a number of factors. These include: the value of the procurement; the type of procurement – for example, whether the procurement is sensitive, unique, high risk, or of strategic significance to the Procuring Entity's success; and the nature of the procurement – for example, whether it involves intrinsic risks and ethical or process issues.

Before any procurement transaction is conducted, Procuring Entities must determine their procurement needs which must be consistent with their organisation's objectives. In this regard, the Procuring Entity should assess whether or not a particular procurement is necessary. The assessment should take account of: the need to ensure that the Procuring Entity uses its resources effectively and efficiently; how the proposed expenditure would contribute to the entity's desired outputs; and the Procuring Entity's overall procurement philosophy in accordance with the provisions of the Public Procurement Act.

Procuring Entities need to be reminded that it is a legal requirement that they should submit their procurement plans to the Office of the Director of Public Procurement. These submissions serve as a way of enforcing good financial management principles. With procurement plans, it is easy for the ODPP to check whether procurements undertaken by the various public entities are provided for in the submitted plans. Such checks and balances are required because they provide the financial discipline and seriousness that is expected of taxpayers' money.