

I. INTRODUCTION

Over the last years, there has been a tremendous increase in the use of information Technology by government entities in Cameroon to automate and assist their operations. This, leading to an observed increase in public spending for IT goods and services. Government departments and agencies expenditure in this domain takes usually the form of:

- * Purchase of personal computers (desktops in the most part), as well as corresponding or relevant softwares, generally to replace or to upgrade existing ones.

- * Investments in the development of large specific IT projects and systems in different Government departments and agencies to handle specific organisational tasks and activities.

This presentation will focus mainly on the investments on specific IT projects and systems because, it is in this area that Government spending in IT goods and services is big and rising.

Some of the major Government investments on large IT specific projects in the last ten years in Cameroon have concerned the following:

- * Computerisation of the management of the civil services.
- * Information system of the customs administration;
- * Computerisation of the tax system in Cameroon
- * Computerisation of the government pay roll system;
- * Computerisation of the general state budget management and accounting system.

Though most Government departments are investing heavily on IT goods and services because of the growing use of IT in their daily operations, the department that invest the most is the Ministry of Finance and Economic Planning.

2. Government frequently uses contracting as a means to procure the goods and services they need for these IT projects.

It is precisely on these contracts or rather an analysis of contracts oversight based on the experience of the Audit office, with particular attention to how they are regulated by the current general rules and regulation on Government contracts, that I will refer in this presentation.

Within these contracts, I will focus on the procurement phase, during which the government solicits a number of tenders, accepts the one it considers best and makes the award. This is one of the most

important phases in the cycle of Government contracts and consequently, one of the most important aspect of the monitoring done by the Supreme Audit Institution.

3. Procurement for IT goods and services: *Tendering and award Procedures*

There are two distinct aspects of the procurement phase.

- **Tendering procedures** that are established steps whereby the Governments makes public its intentions to contract and invites tenders from businesses interested in the contract.

The Cameroonian law makes a distinction between ordinary tendering procedures, whose prevailing principles are publicity and free competition and, the exceptional procedure with its own form of selection called direct contracting or negotiated procedure, void of any advertising and sometimes, any competition.

The ordinary tendering procedure may be open or restricted.

The open method is a simple procedure where by the contract notice invites any business interested in obtaining the contract to tender bids during the time frame indicated in the notice.

In the restricted method, the government invites the tendering of bids from a few selected companies that it deems most suitable given the criteria set forth in the contract specification.

The restricted method is reserved for more complex projects in which case, special attention must be paid to the character of prospective contractors.

In general, for the procurement of goods and services for IT specific projects and systems and for routine purchase of large quantity of hardware and software, the Government uses the ordinary open tender method since, it is simpler and faster and, because it better respects the principles of open advertising and competition.

For large IT projects however, the restricted methods is applied. This is based on the consideration that due to huge cost in terms of investment involved in these projects, and their specific technical requirements, special attention must be paid to the prospective contractor in terms of his technical, financial and commercial character. It should be noted that a contract in this case would as one package, consist of the designing and development of the system and the supply of the relevant hardware and system application software needed to run the system.

Generally, the Government invites tenders from businesses with international reputation or those that have executed projects of similar nature.

For the purchase of few microcomputers (1 or 3 items) and commercial off-the-shelf software, the direct negotiated procedure is used. The reason lies here on the low cost of such operations for which the rigorous formalities and the complicated bureaucracy involved in the ordinary procedure makes it impracticable to be used. Most of the local commercial businesses are not willing to go through those procedures. And, there is no procedure in place that allows for Government departments to go into shops and buy directly these items from the shelves. They therefore have to enter into negotiations with middlemen who in turn buy from the shops and supply the government departments.

➤ **Award Procedures**, which are the established systems for choosing the prospective contractor from the businesses offering bids as a result of the previous invitation.

The award can be automatic, whereby the lowest of the bids presented wins, or it can be discretionary, whereby the bid is chosen from that the contracting committee deems best after considering both its technical and economic merits.

Under the Cameroonian law, the government entity, owner of the project is not the authority that awards the contract.

Contracts are awarded by independent contracting committees, which have authority to receive and open bids, evaluate them and make the award. The contracting committee makes known its decision to the owner who finalizes the contract documents, signs them, making thereby the definitive award. The owner of the project must conform to the decision of the contracting committee unless it has justifiable reasons not to do so.

The reason for instituting independent contracting committees to award contracts instead of the owners of the project is to preserve transparency, objectiveness and effectiveness.

The contract committee can be provincial, ministerial or national, depending on the cost of the projects for which the contract relates.

The National contract committee has authority to process and award all government contracts for projects whose amount is above 1,000,000 USD.

Most specific IT projects fall within this range and for this reason, are awarded by the National contract committee.

Generally for these projects, the contract is not awarded automatically to the absolute lowest bidder. The awarding commission, considers both the technical and financial aspects of bids tendered as well as the technical, financial and commercial characteristics of bidders, based on the criteria set forth in the contract specification, before selecting the offer that best suits the ultimate goal of the contract. The discretionary award system is preferred in this case

because usually in these IT projects, the design of the project and the execution thereof are contracted out together in one package.

For contracts of IT projects of low cost however, they can be automatically awarded to the lowest bidder.

4. The **supervisory role of the Audit Office** as regards the tendering and award procedures is limited to verifying if both procedures have been used in exactly the right instances and if the rules governing them have been observed during their application.

The oversight of the SAI has enabled it to observe weaknesses associated with the system as it is now applied with regards, to the procurement of IT goods and services.

With respect to the award procedures experience has shown that, there is an overutilisation of the discretionary award procedure whereby, more consideration is given to the technical aspects of bids than to the financial aspects, as is the case with the automatic procedure.

However the Government has not defined, as it would have been expected, objective criteria that can serve as a basis for such award. These criteria ought to exist, listed in descending order of importance, with an indication as to the relative weight attributed to each. This, in order to ensure transparency and objectivity in the award procedures.

The Audit office has repeatedly criticized certain cases in which it felt that because of the absence of these objective criteria, IT projects have cost too much because few points were given to price

consideration during the evaluation of bids before making the award. This has been such that awards have gone to bids, which though technically sound have finally turned out to be comparatively very expensive.

As for the automatic procedure whereby the award is automatically given to the lowest bids, despite its more objective character, it has got the disadvantage that it does not give enough attention to the technical and financial soundness of the bids. And, because of its automatic nature, it has given rise to awards going to bids that are too low to guarantee the proper execution of projects. This has led in some cases to IT projects being abandoned and in other cases to technically failed projects because the contractors have tried to use lower quality materials than specified. Furthermore there is the risk of contracts for projects being awarded to international business which, do not have local representatives capable of ensuring technical support, maintenance and the availability of replacement parts.

5. Supply for hardware and software

As mentioned above, the most common procedure for the procurement of hardware and software by Government entities in Cameroon is by contracting

The supply of hardware and software associated with IT specific projects are usually contracted together with the design and development of the project. In this way, the contractor to who is

awarded the contract to design and develop the system also supplies the hardware and software needed to run the system.

A reception commission is by law, set up in the government entity owner of the project to ascertain amongst other things, that the items supplied comply with the technical quality and standards specified in the contract.