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IMPACT OF 2007 PUBLIC PROCUREMENT ACT IN ADDRESSING CONSTRUCTION CONTRACT ABANDONMENT IN PLATEAU STATE

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Abstract
The study assessed the impact of Nigeria's Public Procurement Act (PPA) 2007 on reducing construction contract abandonment in Plateau State with a view to addressing a persistent challenge characterized by wasted public resources, stalled infrastructure, and reduced socio-economic development. Focusing on five key provisions: bidding processes, contract selection procedures, proposal content requirements, restrictions on individuals and companies, and the code of conduct—the research employed a survey design with 246 valid responses from procurement staff across Ministries, Departments, and Agencies. Data analyzed using descriptive statistics, correlation, and multiple regression with SPSS 25.0 revealed strong positive relationships between all PPA provisions and reduced contract abandonment with the five factors jointly explaining 94.8% of the variation in abandonment reduction. The statistically significant model led to the rejection of all null hypotheses, confirming that transparent bidding, objective contractor selection, comprehensive proposal evaluation, strict restrictions, and ethical conduct enforcement significantly mitigate contract abandonment when properly implemented. The study recommended strict compliance and effective enforcement, strengthened institutional capacity of procurement officers, and enhanced transparency through public disclosure of awarded contracts.

Keywords: Public Procurement Act 2007, Construction Contract Abandonment, Bidding Processes, Contract Selection, Public Infrastructure

Introduction
Effective government operations fundamentally depend on excellent management of public funds and the successful delivery of projects that provide meaningful benefits to citizens requiring that annual budgets be thoroughly scrutinized, planned, and executed within specified timeframes and costs. However, government activities across most Sub-saharan African countries including Nigeria are significantly undermined by widespread irregularities and corruption with contractors and officials often treating government business with indifference and lacking adequate attention to due process. This results in widespread non-performance across various economic sectors. According to extant literatures, public procurement is the acquisition of goods and services by public institutions to meet citizens' needs through contracts between government and private sector organizations in areas such as health, education, military, and construction (Unaam& Mark, 2015; Kari, Mona, & Jan, 2018; Mlinga, 2009). Nigeria experiences alarming rates of abandoned contracts that represent enormous waste of public resources. Plateau State exemplifies this crisis, with numerous uncompleted public buildings—including the Zaria Road Stadium, Rock Hotel in Lamingo, Government Science School Kuru, structures at Plateau Specialist Hospital, and Government College Jos—testifying to the squandering of public funds on projects that remain unused and unproductive. To address these challenges, the Nigerian government enacted the Public Procurement Act (PPA) 2007 to strengthen weakened public institutions and promote good governance through transparency and accountability (Adewale, 2014) while Plateau State subsequently enacted its own complementary procurement law. The underlying expectation is that adherence to these Acts' provisions will minimize contract abandonment rates and improve the quality of public goods and

services as the fundamental principles of procurement reform offer adequate solutions to the systemic problems plaguing public procurement practices.

Statement of the Problem

There are severe challenges facing public construction projects in Plateau State despite the existence of procurement legislation. Between 2010 and 2016, the Plateau State Government embarked on an ambitious program of massive construction, reconstruction, and renovation of schools, hospitals, stadiums, and major public buildings, engaging renowned consultants to manage the process. However, the program quickly descended into scandal as consultants systematically inflated certificates of valuation—upon which their percentage-based fees were calculated resulting in grossly overvalued work payments that frustrated the government and ultimately led to the termination of their services in 2016. The situation worsened when the recalculation of backlogged fees revealed that the Plateau State Government owed consultants over Six Hundred Million Naira for services rendered on projects that remained incomplete and unutilized. This culminates in legal disputes that exposed the inadequacies of the 2007 Public Procurement Act in addressing such malpractices. Moneke (2020), citing Jacob (2020), lamented that approximately 50% of Nigerian projects are designed to fail from inception serving not as vehicles for development but as instruments for looting public treasure thereby functioning as economic drain pipes rather than value-adding initiatives. This is a reality equally evident in Plateau State. This chaotic procurement environment characterized by inflated prices, kickbacks, self-awarded contracts to friends and relatives, poor performance, escalating administrative costs, and rampant contract abandonment, underscores the systemic dysfunction that necessitated the enactment of the Public Procurement Act, 2007. While the Act was designed to ensure due process, transparency, and the acquisition of quality goods and services at competitive prices, its implementation has evidently fallen short, as the same irregularities persist, calling into question the effectiveness of existing procurement regulations in curbing the endemic corruption and mismanagement plaguing Nigeria's public construction sector.

Literature Review

Concept of Public Procurement Act

Public procurement is simply the purchases of goods and services by public institutions in meeting the needs of the citizens. The 2007 Procurement Act Concept was to provide a legal template for organizational operation of competitive selection of competent contractors, this was from the background of the world bank's cry for transparency. The concept also initiated budgetary considerations in planning before developing the project execution strategies. It was expected that this will take care of the irregularities that bedeviled the construction industry. Section 6 of The Procurement Act No 14 of 2007, in the bid to promote transparency and efficiency vested powers to the Bureau for Public Procurement to:

1. Set thresholds for the prior review of public procurement launched by Procuring entities, and for contracts subject to "prior review", the Bureau for Public Procurement reviews the documents for their correctness and issues "Certificate of No Objection for Contract Award" and for Large contracts "Certificate of No Objection for payments".
2. That if at any time in the procurement process the BPP concludes that the agreed procedures were not followed in any material respect, or if the certification was done on the basis of incomplete, inaccurate or misleading information, the BPP may declare Mis-procurement.
3. The BPP has the power to Blacklist/debar any supplier, contractor or service provider that contravenes the procurement Act or the regulation made pursuant to this Act, and to maintain a list of firms and persons that have been blacklisted/debarred from participating

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in public procurement, and to publish the list in the procurement journal or any media if deemed fit.

Concept of Abandoned Construction Contract

Construction contract is a legal agreement entered by two or more parties to build or make road, building, bridges etc. Construction contracts have peculiar features that distinguish it from others. Bakare (2019) states that construction contract usually involves huge amount of resources and takes longer time than other contracts.

Perhaps, it is because of its distinctive feature that causes abandonment and legal battle over non-performance of the parties. Some of the contracts are affected by microeconomics factors, inflation, especially. Some of the factors that cause disagreement are that sometimes, the cost to completion may be more than the contract sum itself. In such instances, the apportioning of fault is eminent. If the contractors were paid promptly yet they delay in executing, they may be forced to bear the rising-cost of completing the contract.

Theoretical Framework

Stewardship Theory

Davis, Shoorman, and Donaldson (2007) in their view of stewardship theory opine that "a steward protects and maximizes shareholders wealth through firm performance, in such a way that the utility functions of the steward are maximized". In this light, stewards protect and make profit for the shareholders because they play the role of managers and company executives as they work for the shareholders. On the other hand, agency theory places importance on the individual but stewardship theory does not (Donaldson & Davis, 2001) but rather stewardship theory integrate the role of top management as well as their goals as part of the organization. The stewardship theory emphasizes that the attainment of organizational goals/success is what makes steward motivated and satisfied.

Stakeholder Theory

Stakeholder theory incorporates philosophy, ethics, political theory, economics, law and organizational science and is less of a formal unified theory and more of a broad research tradition. Freeman (2009) opines that stakeholder theory is about the achievement of the organization's objectives as a result of a group of people or individual who can affect it. Managers are working and serving for the stakeholders, this is from the perspective of the agency theory. On the other hand, stakeholder theory believes that organizations consist of network of relationships which have a role to serve. They include employees, business partners, suppliers, etc.

This study rests on the stakeholder theory, which is one of the core theories of corporate governance. The justification for selecting stakeholder theory is that the theory entails the mapping of stakeholders to identify them and the relationship they have with the organization (Freeman, 2009). Also, public procurement that is characterized by accountability, integrity, high ethical standards and transparency must identify relevant stakeholders that will make the exercise successful.

Research Methodology

This study used survey research design whereby data were collected from the staff members of public procurement department/unit of different government ministries in plateau state through the administration of questionnaires. The survey design was chosen by the researcher for this study because it accommodates large samples. Besides, many questions can be asked yet flexibility in the analysis is feasible and results are very dependable (Agbonifoh&Yomere, 2019).The population of this study consisted of 750 staff members of public procurement department and ministry of finance

of Ministries, Departments and Agencies in Plateau State. These include Accountants, Engineers, Architects, Builders and Quantity Surveyors.
The sample size of this study is obtained from Taro Yamane (1981) model.
$n = N / (1 + N(e)^2)$
where; n = sample size, N = population of the study, e = acceptable level of error
Therefore, the sample size of this study at 5% level of acceptable level of error is:
$n = 750 / (1 + 750(0.05)^2) = 750 / 2.875 = 260$
Therefore, the sample size of this study is 260 staff of Ministries, Department and Agencies of Plateau State. Data was collected from primary source through structured questionnaires. For analysis, data was analyzed through multiple regression analytical tool by the use of SPSS 25.0 version. Out of 260 questionnaires distributed, 246 were correctly completed and returned, representing a response rate of 94.6%.

Data Presentation and Analysis
Effect of PPA, 2007 Provisions on Construction Contract Abandonment
Table 2: Effect of the Public Procurement Act, 2007 on Construction Contract Abandonment in Plateau State (S.16-S.28)

Variables	Mean	Std. Deviation	N
S16(28) provides that the Bureau ensures warranties for durability of goods, exercise requisite skills reduce abandonment of construction contract.	4.83	.373	246
S17 provides that two credible observers should be employed to supervise every procurement exercise reduces construction contract abandonment.	4.38	.688	246
Prescribing minimum bidding requirement solve the problem of construction contract abandonment.	4.21	.919	246
Open bidding competitiveness required in S. 24 of PPA,2007 reduces construction contract abandonment.	4.32	.982	246
Winning of bidding by honest evaluation of lowest cost, work specification and standard has ameliorated problem of construction contract abandonment.	4.84	.366	246
Invitation of bidding from National and international bidder has reduced construction contract abandonment.	4.47	.771	246

Table 2 indicates that the data given by most of the respondents on the effect of various bidding processes provisions is 'strongly agreed' as the analysed data shows means ranging from 4.21 to 4.84. This confirms that the bidding processes stipulated by the PPA, 2007 have significant influence on reducing construction contract abandonment.

Table 3: Effect of the Public Procurement Act, 2007 on Construction Contract Abandonment in Plateau State (S.34-S.38)

Variables	Mean	Std. Deviation	N
S. 34 grants margin of preference in evaluation of tender to procuring entity helps reduced construction contract abandonment.	4.83	.773	246
Payment of 15% of mobilization fees to contractors by S.35 helps in completion of construction contract.	4.58	.638	246

S.35(a) allows the bureau to grant unconditional bank guarantee or insurance bond has help reduced construction contract.	4.41	.819	246
Ensuring timely payment of works, goods and services by S 37(1) has reduced abandonment of construction contract.	4.39	.982	246
S.38 of PPA,2007 hinders disclosure of procurement processes prior to end of bidding has help completion of construction contract.	4.44	.396	246

Table 3 shows that respondents strongly agreed that the contract selection procedures in the PPA, 2007 (such as margin of preference, mobilization fees, bank guarantees, timely payment, and confidentiality) have significant impact on reducing construction contract abandonment, with mean scores ranging from 4.39 to 4.83.

Correlation Analysis

Table 4: Correlation Matrix of All Variables

Variables	**Bidding processes**	**Contract selection**	**Content of proposals**	**Restriction**	**Code of conduct**
Bidding processes	1.000				
Contract selection	.672	1.000			
Content of proposals	.329	.454	1.000		
Restriction	.522	.721	.630	1.000	
Code of conduct	.973	.667	.320	.508	.627

The correlation matrix shows that the correlation of reducing construction contract abandonment with adequate bidding processes, good contract selection processes, ensuring proper content of proposals, restriction of some individuals and companies, and provision of code of conduct are 0.672, 0.329, 0.522, 0.973, and 0.883 respectively. This is consistent with a positive relationship between the variables. Hence, the correlation shows a strong relationship between the variables and it can be concluded that the provisions of the Public Procurement Act, 2007 has potent influence on reducing the construction contract abandonment.

Regression Analysis

Table 5: Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.974[a]	.948	.946	.087

a. Predictors: (Constant), Bidding processes, Contract selection, Content of proposals, Restriction, Code of conduct

b. Dependent Variable: Reduction in Construction Contract abandonment

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Table 6: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	17.408	6	2.901	383.698	.000[b]
	Residual	.953	126	.008		
	Total	18.361	132			

a. Dependent Variable: Reduction in Construction Contract abandonment
b. Predictors: (Constant), Adequate bidding processes, Good Contract selection processes, ensuring proper content of proposals, restrict some individuals and companies and Provide code of conduct for officers and bidding companies. Table 5 shows the R^2 of 94.8% which is the rate of variability on the dependent variable (Reduction in Construction Contract abandonment) by the independent variables. That means that the provisions of Public Procurement Act, 2007 largely affect the behaviour of the explanatory variables which are accounted for by the model. Table 6 shows the F-value of 383.698 with the P-value of 0.050, indicating that the model is statistically significant.

Discussion of Findings

The findings of this study revealed that all the five provisions of the Public Procurement Act 2007 examined have significant influence on reducing construction contract abandonment in Plateau State.The study found that provisions such as requesting warranties for durability of goods and services, exercise of requisite skills, use of two credible persons as observers, prescribing minimum qualification requirements, encouraging open competitive bidding, and winning of bid by lowest cost, work specification and standard all showed to have profound effect on reducing construction contracts abandonment. This finding aligns with the work of Mohammed, Oyediran, and Onukwube (2019) who demonstrated that the Public Procurement Act has very high impact on contracting business in terms of the bidding process, documentation and administration of contract.

The study revealed that provisions such as granting margin of preference, 15% mobilization fees, unconditional bank guarantees and insurance bonds, prompt payment of procurement of goods, service and work, and hindering disclosure of procurement processes prior to the end of bidding are found to have immense relationship with reduction in construction contract abandonment. This supports the findings of Oyebamiji (2018) that the implementation of the public procurement Act is a catalyst to transparency, accountability, efficiency, and value for money. The study found that requirements such as allowing sufficient time for preparation of proposals, requiring technical and financial proposals, enabling evaluation of experience, qualification, reliability, professional and managerial competence of personnel are affirmed to have influence on reduction of construction contract abandonment.The study revealed that provisions such as restricting bids for only economy and efficiency, opening for more bids for works and goods available for limited suppliers and contractors, ensuring time for evaluating bids are proportionate to value of goods and work, ensuring procedure conforms to norms and avoiding related-party involvement are said to effect construction contract positively.

The study found that provisions such as stipulating code of conduct for all stakeholders, ensuring adherence to governed principles, members taking oath, protecting the interest of all parties, requiring officers to maintain highest ethical standards are found to have effect on reduction of construction contract abandonment.

Conclusion and Recommendations

1. Based on the findings of this study, it can be safely concluded that Public Procurement Act, 2007 has significant influence on reduction of construction contract abandonment. Ranging from bidding process, which the Act requires coherence and due process and open invitation for more competent bidders, to selection process that demands a process devoid of

sentiment and bias. The content of proposal that seeks information that will enable scrutiny to enable the bureau select the best. Also, restriction which denied, more especially the officers of the bureau, their relative and unqualified bidders and lastly, prescribing a detailed code of conduct shall not only ensure completion of construction contract but also avoid waste of time in court proceedings and waste of resources by abandoning construction contract. It is recommendations that there is a need for government to ensure strict compliance to the rules and regulation embedded in the Act. This should not be business as usual, as it should be followed by punitive actions on those who are found wanting.

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