

Cabinet and Special Services  
Department,  
Governor's Office,  
Akure.

10 April, 2019

**CIRCULAR LETTER TO:**

Chief of Staff to Mr. Governor,  
Senior Special Assistant to the Deputy Governor,  
Secretary to the State Government,  
State Commissioners,  
Head of Service,  
Special Advisers to the Governor,  
Chairmen of Boards/Commissions/Parastatals,  
Permanent Secretaries,  
Tutors-General,  
Administrative Secretaries,  
Accountant-General,  
Auditor General for the State  
Auditor General for Local Governments,  
General Managers and Heads of Non-Ministerial Departments.

**TENDER, RULES AND PROCEDURES: CONFIRMATION  
OF VALIDITY OF COMPANIES BIDDING FOR  
CONTRACTS IN THE STATE**

The State Tenders' Board (STB) has observed that some companies selected by Ministries, Departments and Agencies (MDA's) for consideration for the award of contracts in the State are not viable. Leveraging on its policy of transparency and accountability in the process of award of contracts in the State, the State Tenders' Board (STB) expressed concern on this development.

2. The companies' existence as corporate bodies with the Corporate Affairs Commission (CAC) are not ascertained and often times doubtful. The selected companies, sometimes, are neither solvent nor have their registration validated and therefore, incapable of executing contracts. Such companies lack the legal capacity to engage in contractual agreement with the State Government especially on award of capital projects.

3. The Board places high premium on the validity of companies bidding for contracts in the State, not only because it serves as a measure of companies' solvency but also as an index for measuring their competency and performance. It, therefore, frowns at MDAs selection and engagement of companies/vendors whose existence/validity as corporate entities with CAC is doubtful and cannot be ascertained.

4. The STB believes that the engagement of such companies could result into a great loss to government as it confers little or no legal right on it to seek redress and remedies when contracts are breached through abandonment or death of the owner in case of a business name/enterprises.

5. Consequent upon this and as part of the due process of award of contracts in the State, MDAs have been mandated to always demand certificate of validity from the companies bidding for jobs before recommending such for award of contracts either in open or selective tendering. They are also advised to ensure that the companies/bidders are pre-qualified before the release of tender documents to them.

6. In addition, MDAs are advised to minimize the use of selective tendering and to always indicate in the Newspaper Advertisement, the mode of payment to be adopted by the State Government on the project being advertised. They are to state whether the beneficiary of the award of the project would be paid based on level of work done (Milestone) or payment of a certain percentage as mobilization fee.

7. It is believed that the foregoing measures will not only ensure the engagement of competent and reputable companies for the execution of State's contracts but also safeguard government from loss arising from court litigation.

8. MDAs are enjoined, therefore, to adhere strictly to the contents of this Circular and give it the widest publicity it deserves.

9. Thank you.

  
Gbenga Elewuju,  
Permanent Secretary

**RATE OF TAX CLEARANCE CERTIFICATE WITH THE CORRESPONDING LAND USE CHARGE**

<b>CATERGORY</b>	<b>AMOUNT</b>	<b>LAND USE CHARGE PER YEAR 2017- DATE</b>
<b>A</b>	<b>100,000.00</b>	<b>5,000.00</b>
<b>B</b>	<b>150,000.00</b>	<b>5,000.00</b>
<b>C</b>	<b>200,000.00</b>	<b>5,000.00</b>
<b>D</b>	<b>250,000.00</b>	<b>10,000.00</b>
<b>E</b>	<b>300,000.00</b>	<b>10,000.00</b>
<b>F</b>	<b>350,000.00</b>	<b>10,000.00</b>
<b>G</b>	<b>400,000.00</b>	<b>15,000.00</b>
<b>H</b>	<b>450,000.00</b>	<b>15,000.00</b>
<b>I</b>	<b>500,000.00</b>	<b>15,000.00</b>
<b>J</b>	<b>550,000.00</b>	<b>20,000.00</b>
<b>K</b>	<b>600,000.00</b>	<b>20,000.00</b>