

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY  
COLLEGE OF ARTS AND BUILT ENVIRONMENT  
FACULTY OF ARCHITECTURE AND BUILDING TECHNOLOGY  
DEPARTMENT OF BUILDING TECHNOLOGY**

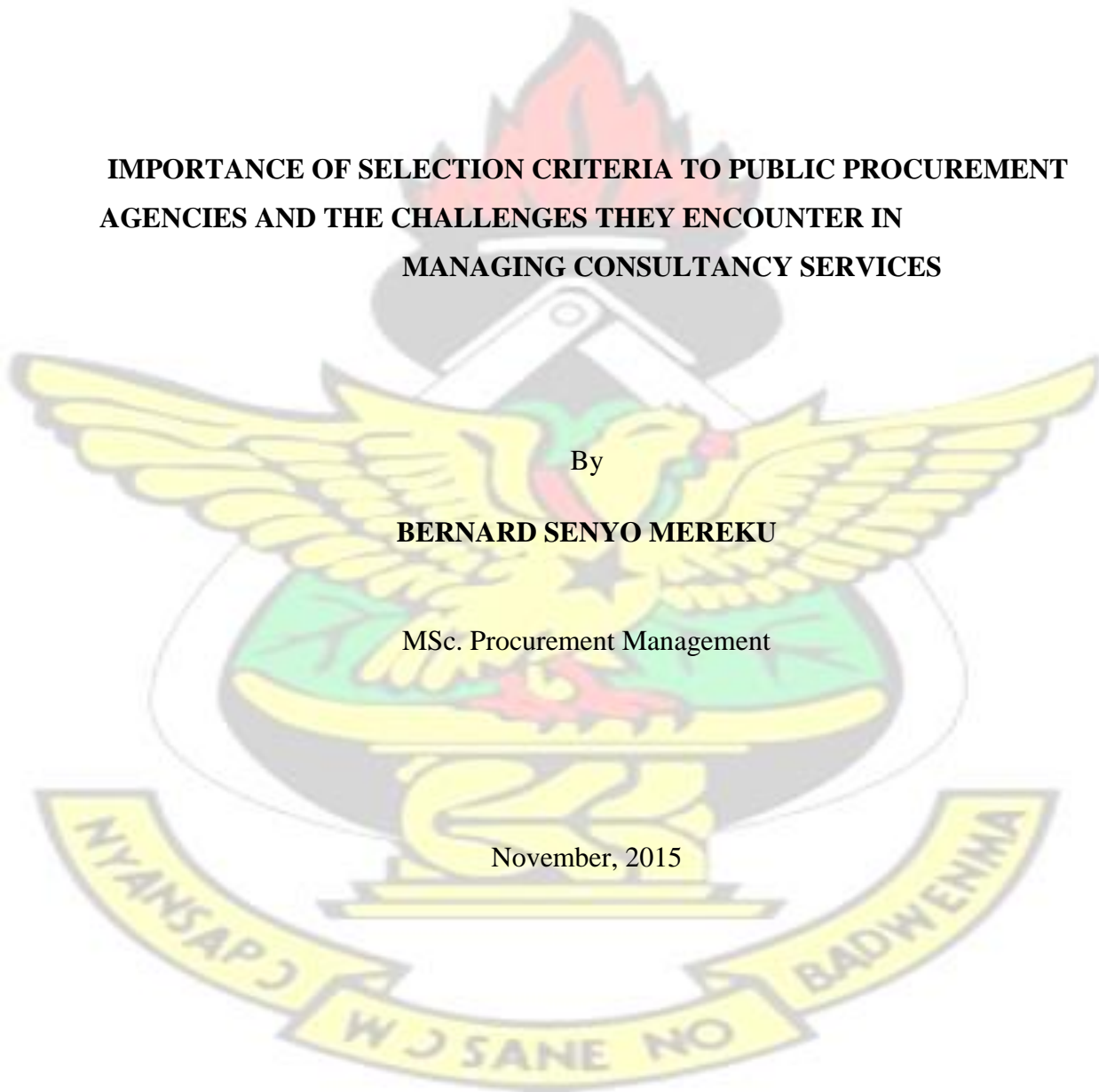
**IMPORTANCE OF SELECTION CRITERIA TO PUBLIC PROCUREMENT  
AGENCIES AND THE CHALLENGES THEY ENCOUNTER IN  
MANAGING CONSULTANCY SERVICES**

By

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MSc. Procurement Management

November, 2015



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MSc. Procurement Management

**A DISSERTATION PRESENTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF SCIENCE IN  
PROCUREMENT MANAGEMENT**

November, 2015

## CERTIFICATION

The work herein submitted, is my own work towards the MSc. Procurement Management and that, to the best of my knowledge, it contains no material previously published by other persons nor material which has been recognized for any other degree of the University, except where due reference has been made in the work.

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(Student)

.....  
Signature Date

Dr. Gabriel Nani

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.....  
Signature Date

Dr. Baiden

(Head of Department)

.....  
Signature Date



## DEDICATION

To my mothers' Mrs Gladys Mereku and Mrs Christiana Bobobee.

# KNUST



## ABSTRACT

This study was aimed at examining the importance government agencies, who procure consulting services, attach to selection criteria and sources of information as well as describe their challenges and the extent to which they follow the laid down processes for public procurement. The study involved 22 professionals purposively sampled from government agencies within the Greater Accra Region of Ghana. Questionnaire was administered to these professionals to provide responses on their practices in procurement of consultancy services and the SPSS tool was used in analyzing the collected data. The major outcomes are summarized in the section that follows. The results revealed an overwhelming majority (92%) government agencies working without an in-house consultancy department. The findings also show that government agencies who procure consulting services have been making efforts to implement the recommended professional practices (i.e. Public Procurement Act) since they are able to determine the appropriate criteria for selection as well as sources of information in doing business. However, it was observed that the public procurement practices that received the worst rating in this evaluation phase. ‘Project Execution/Action Plan’ was identified as the highest challenge amongst nine (9) identified challenges in the study as being faced by the government procurement agencies. ‘Tender Price’ was ranked fifth (5<sup>th</sup>) among the challenges.

It was recommended among others that government agencies set up and/or increase the capacity of their in-house consultancy departments to implement the recommended public procurement practices.



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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

The evolving service industry has made procurement of services an increasing important issue due to the deregulation of public services areas and the increasing subcontracting in both the private sector and that of the public sector (Bryntse, 1996). Within the past three decades, the arena of consultancy encompassing management consultants, the various construction and building engineers, architects and commercial managers has expanded extensively (Dawes et al., 1992; Edvarsson, 1989; Turner, 1981).

According to The Economist (1995), Corcoran and McLean (1998), it is a challenge to the public sector in moving from their current practices of procurement to the astute practices of the private sectors which has resolve in the public sector turning into external consultants. The procurement choices for skilled services have been labeled as multifarious time and again and are disturbed with complexities. Projects with benchmark can serve as a yardstick in attaining the methods of successful procurement (Lam et al., 2004). Lam et al. (2004), further stressed that the management and procedures strategies, the atmosphere of work, the project features, the environment, and the members correlated to the project all together contributes in determining the success of a project.

The identification, analysis and remedying of particular problems by skilled persons to organisations is consultancy services as suggested by Schiele and McCue (2006). The service consultant today contributes immensely in the execution of the recommended



solution in most cases. Assignment of various categories which may include architectural designing, various engineering services, project monitoring, the environment amongst others are often used by government agencies in their consulting services.

Consultancy services as described by Lapsley and Oldfield (2001), and Pollitt and Bouckaert (2000), have a substantial impact within the public sector conversion for the last decade. Stakeholders in a variety of countries have set and increased their dependence on the practice of consulting services in the private sector in refining the processes and the administration order of majority of their public organizations. The cost of built facilities and their quality are affected by the technical consultants' performance

(Sporrong, 2011). Specifying the range of consultants' performance and defining them are of great significance but are often problematical due to the services features which are hard to detached them from their context (Roodhooft and Van den Abbeele, 2006). They further stated that use of human resources in the provision of defining and reviewing the performance gives rise to problems.

Saint-Martin (1998), Corcoran and McLean (1998), and Bloomfield and Danieli (1995) have all asserted that majority of the existing literature on public sector's procurement of professional services highlights the power level possesses by consultants and the crucial role they play in the procurement. It is currently extensively documented that management consultants have been a significant player in improving a vibrant quantity of countries studied (Pollitt et al., 2001). In the Canada and United Kingdom, it was found that they have policies based on such reforms in the government sector (Saint - Martin,

1998). It is quite evident that the part executive service providers play in the public sector is unidentified. Specialist idea can drive the allotting and subcontracting of key instruction in the public sector.

Procurement administrators needs to articulate their required objectives terms and set out regulations of procurement to limit the casual based selection. The selection can be based on their assessments of data curtailing from concrete evidence offered by firms who are tendering either —official|| or —unofficial|| (Sporrong, 2011).

Sporrong (2011) researched on the procurement of public co nsultancy in engineering and architectural with the selection criteria aim. This researcher argued that, the lowest price bidder in most times is related to the right measures for selection of experts which he asserts make it complex. In support of this argument is the call to back this concept by encouraging legal basis and regulations to contain only lowest priced tenders in public clients (Roodhooft, and Van den Abbeele, 2006; and Ang, et. al., 2005).

According to Sporrong (2011) Government agencies have a high relevance to only measure and price the non-price benchmarks informally during tenders‘ evaluations. It is to be noted that, public sector clients are restricted in the assessment of potential suppliers when it comes to their capability in pondering of information sources which are —personally|| (Roodhoft and Van den Abbeele 2006: and Corcoran and McLean 1998). It was identified that the procedures of procurement in the public side for administration consulting services in Australia the UK involved deliberation of mostly the proposal of the bid, in consultation with the nominated references and suppliers as being the additional official policies approved by public organizations (Corcoran and McLean

1998).

As already mentioned, legislation decrees and bound public executives on the approaches and practices of procurement in many countries including Ghana. However, the study never questioned whether it is a necessary for the public sector to seek external counsel or not. Evidence suggests that there have been gradually growing up in using the services of professional by government in recent years (Efficiency Unit, 1994). Bryntse (1996) also supports this which indicates the need to do further investigation of consultancy service procurement in the public sector.

## **1.2 Problem Statement**

Sporrong (2011) observed that Public officials follow the legal and laid down regulations that chiefly govern public procurement in Ghana, just as in most other countries. However, clients have found it difficult to procure services of various nature and at the same time follow these processes. Figures by Taro Lennerfors (2007) demonstrates that the quantity of legal litigations as a result of the displeased service providers is snowballing.

A significant and problematic characteristic of obtaining such services is the containment of the services by realistic cost frame and also to handpicked and classify expert consultants who best suits a precise project.

It is however the employer's duty to identify the accurate foundation for appraising proposals (Thatcher and Day, 1998). This is possible when there is a realistic balance between the price and other award measures. The practice of specialized services by public

organization have been increasing progressively in recent times. The standardization of public service sectors together with the drift towards subcontracting technical capability has developed procurement of services more significantly (Bryntse, 1996).

Procurement management is one way of ensuring efficiency in the procurement of works, services, and goods and the safeguarding value for money. This study therefore focuses on highlight a number of processes and challenges related to consultancy services' procurement for works by government agencies. Although there are many researches on administering procurement in Ghana, investigations centering on consultancy services' procurement in government agencies are scanty, thus the need to carry out this research.

### **1.3 Aim of the Study**

The study aims to look at how government agencies are coping with the changing demands of procuring consultancy services in public establishments in Ghana brought by the Public Procurement Act, Act 663.

### **1.4 Objectives of the Study**

To aid in achieving this aim, the following objectives were set for the study:

1. To examine the importance government agencies who procure consulting services attach to selection criteria and sources of information;
2. To describe the extent to which government agencies who procure consulting services follow the processes laid down for public procurement;
3. To identify challenges and problems government agencies who procure



consulting services encounter in the discharge of their duties.

### **1.5 Research Questions**

Based on the above objectives, the queries below were formulated to guide the study:

1. How important are selection criteria and sources of information to government agencies who procure consulting services?
2. To what extent do government agencies who procure consulting services follow the processes laid down for public procurement?
3. What challenges do government agencies who procure consulting services encounter in the discharge of their duties?

### **1.6 Significance of the Study**

The investigator envisaged that the findings and policy recommendations generated from the study may be of invaluable input to the stakeholders of various government agencies and also to other organisations.

Understanding the challenges in the procurement of consultancy service in government agencies will influence the selection of procurement method. Finally, it will serve as a catalogue and contextual step for additional studies by scholars on connected topics for the purposes of education in the academia. The paper will help as a foundation to scholars and professionals who desire to perform advance study or obtain information concerning procurement of consultancy service in public organizations.



### **1.7 Scope of the Study**

This investigation work will geographically be limited to agencies of government located in the Greater Accra Region, Ghana. It will conceptually concentrate on founding the process for procurement, handling consulting services and recognizing confronts of government agencies in the procurement of consultancy services.

Data collection was restricted to the procuring professional in the numerous government agencies inside the Greater Accra Region, since majority of the institution have their head office in the said location.

### **1.8 Research Methodology**

The research engaged a mixed-method approach that is, merging an amount of quantitative and qualitative research methods. Literature which will elaborate on the objectives of the research to ascertain the procedures and challenges in the procurement of services in government agencies. This was done to discover the major challenges facing the organization and the contributions that could be made thereof by this study, in order to characterise the study context and help identify the relevant participants for the study. Aim of the research, the specific objectives and the questions will be established once an initial survey and existing literature review is done.

The study will at that point proceed to the field study which encompassed data collection, designing of instruments, sampling, and data analysis. Existing works were still being reviewed throughout this period. The target respondents for the study will be procurement professional at the various procurement units of the government agencies.

The above respondents, who will be selected using purposive sampling method, since; they are right involved in the matter under study and will provide very useful information to attain this study objectives.

Questionnaire will be designed taking into cognizance the objective of the research and the information gathered from the preliminary survey. The analysis of the raw data will be done using Microsoft Excel 2016 and Statistical Packages for Social Sciences (SPSS version 21). Statistical tools to be considered for the analysis include: Mean Score Ranking and the Relative Importance Index. The research methodology will be talk over in depth in Chapter three of this dissertation.

## **1.9 Research Outline**

This study report will be organized into five (5) chapters; these are as follows:

**Chapter One Introduction:** this chapter demonstration of the research aim and objectives, problem statement, and scope of the research; **Chapter Two Literature review:** this chapter emphasis on the conceptual to theoretical features of —Procurement of Consultancy Services, the process for procuring and managing consultants and the procurement management challenges; **Chapter Three Methodology:** this section displays the methodologies which were employed in preceding literature and the ones (methodology) employed in this study which help in attaining the set objectives. It also captured the area of study, the population of the study, the sampling size and technique, sources of data, instrumentation and analysis of collected information; **Chapter Four Results analysis:** descriptions, analysis, and discussions of the study results are presented in this chapter; **Chapter Five Conclusion and recommendation:** conclusion, summary,

recommendations and areas recommended for more research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter analyses preceding works on procurement of consultancy service in public financial institutions. The public financial institutions entities are major stakeholders of public procurement. Also in this chapter, a number of relevant literatures on procedure for procuring and managing consultants and challenges in the procurement of consultancy services will be discussed and presented in order to create and offer responses to the study queries.

#### **2.1 Public Procurement**

According to Ghana Integrity Initiative (2007), Public Procurement is the acquirement of services and goods at the greatest conceivable entire cost of possession, in the right quality and quantity, in the exact place, at the correct time for straightforward advantage or to be used by individuals, businesses, or governments, largely by a defined agreement (contract). Thus, among the chief purposes of procurement is to deliver first-class facility to clients at the lowermost charge and safeguard the cost configuration of governments (Barly, 1994).

It should be recognized that civic procurement consists of two benefits; societal and monetary benefits. The communal advantages of civic procurement are chiefly perceived as secondary affirmative effects from monetary investments and eco-friendly as suggested by Wickenberg, 2004. Furthermore, the Ghana Integrity Initiative (2007) it has equally a significant outcome on the budget and a straightforward effect on the day-today living of



the public. Civic procurement therefore could mean the use of public funds in acquiring a thing (World Bank, 1995a). Things such as simple services or goods (e.g. paper clips or security services) and large commercial projects such as housing development and construction of buildings, including road, water pumping stations and army bases are all included in public procurement.

The World Bank, 2003, projected the yearly cost of civic procurement for consultancy services, works, and goods at six hundred million US dollars (US\$ 600) signifying approximately ten percent (10%) of the nation's Gross Domestic Product. As a result, public procurement is an essential role of authorities in equally advanced and emerging nations as the colossal monetary discharges has a pronounced influence on their frugalities that requires judicious administration (Thai, 2001). In consequence, the judicious management of civic procurement tasks is basic in realizing economic, sociopolitical and additional purposes of government. Fifty-seventy percent (50%-70%) of Ghana's national budget in a year excluding personal remunerations are accounted by public procurement, with twenty-four percent (24%) of imports and fourteen percent (14%) of GDP. This implies that, public procurement therefore has socio-economic impact on the nation (Adjei, 2006; World Bank, 2003a).

The Act 663, Public Procurement Act (PPA), 2003, defines civic procurement as the acquirement of services, works, and goods at the most excellent value for money in possession, which are in the true quality and quantity, and in the correct place, and at the appropriate time for the absolute profit or use of individuals, businesses, governments, or largely through a treaty (PPA Module, 2007). Municipal procurement is a commercial

development surrounded by governmental arrangement and therefore has momentous reflection of accountability, integrity, effectiveness, and national interest which is different from that of the private procurement, (Wittig, 1998).

From the above, Public Procurement can be said to be the acquisition of municipal works, goods, and services by state's authority and civic associations with a target of delivering a certain profit to a particular set of persons or the general community in entirety.

### **2.1.1 The Public Procurement Act**

Preceding the passing of the Act 663, (PPA, 2003), the Ghana National Procurement Agency (GNPA) and the Ghana Supply Company Limited (GSCL) stood as the major driving force that acquired all civic properties for the government as there was lack of complete procurement regulation (Anvuur and Kumaraswamy, 2006 and Verhage, et al., 2002). These agents do not regulate procurement but acquired goods and services on behalf of civic bodies.

In 1996, according to the Ministry of Finance, (2001) the Ghana Government unveiled the Public Financial Management Reform Programme (PUFMARP). Its aim was to advance the general supervision of public money in the country.

The following weaknesses were identified by the PUFMARP in the procurement system:

- Lack of authority to dispose of community assets;
- Lack of principal organization with technical know-how to supervise/control complete procurement practice;



- No laws and regulation to direct, steer, coach, and supervise community procurement;
- Lack of clearly definite authority, functions, and responsibilities for procurement bodies;
- No complete public procurement policy;
- Absence of comprehensive legal system to defend public procurement;
- No independent petitions structure to turn to and seek address to grievances from bidders; and
- No autonomous procurement auditing function (Ministry of Finance, 2001).

A comprehensive public procurement reform programme was rolled out by the Ghana government in 1999 and also instituted the Public Procurement Authority as an surveillance unit to pilot the advancement of the restructuring programme (World Bank, 2003). The Bill of the Public Procurement was legislated into Law as the Public Procurement Act of 2003, Act 663, on 31 December 2003 after it had been drafted a year earlier in 2002 (Ministry of Finance, 2004).

## **2.2 The Act on Procurement of Consultancy Services**

Altamirano (2010) found that the standard methods of working in the public sector are very low in terms of its performance and they are frequently criticised. The execution of prevailing laws in most countries in the 1990's brought about the main modifications in strategy in respects to the public procurement of consultancy services as the traditional methods of contracting and procurement had dominated the market (Bröchner et al., 2006). They further identified that selection of consultant (supplier) before the enactment of the

laws were made by considering previous relationships and mutual trust between the two parties but was not based on any official demands. These laws sought to bring further impartial environments and upsurge the competitive nature on the market. This resulted in the procedure of civic procurement turning out to be limited concerning parts such as relationship based on casual selections of suppliers as was ascertained by Sporrang, 2011. Fairness and transparency in the selection of consultants by client were born by the laws, which additionally gave directions in achieving these by weighing all the bids objectively and be able to pronounce their selection. Section 69 - 77 of the Act 663, Public Procurement Act, stipulates the consultancy selection.

Scientific approach such as most responsive and lowest price are used in procurement at present which is better than that of the informal approach which were based on the relationships mutual trust.

### **2.3 General Procurement of Services**

Schiele and McCue, 2006, established that the identification, the analysis, and the solutions to certain difficulties by skilled individuals to organisations (client) in helping them are means of rendering consultancy services. Various kinds of projects like architectural designing, engineering, and environmental assessment are all procured through the public consultancy services. The service provider sometimes contributes to the accomplishment of the proposed solution by subsidizing.

A significant subject area today is the emerging services industry setting, wide-ranging trend of improved subcontracting within the two sectors thus the private and the public, and the public service sectors deregulation has given rise to the progressing of procuring

services (Bryntse, 1996). The consultancy field which is a subset of the service market, is very extensive, encompassing services such as management consultants, architects, accountants, construction and building engineers, lawyers, computer consultants, and advertising agencies (Dawes et al., 1992; Edvarsson, 1997; Turner, 1981)

Consultancy services have certain common characteristics although they are heterogeneous (Bryntse, 1996; Gadde and Hakansson, 1994; Shostack, 1977). The client on more occasions is included in the production process directly. Services consultancy which dominate in the consulting of projects can be separated from goods consultancy in several ways. These services come in actions, rather than items and they normally are intellectual in nature which is hard for the supplier to communicate to the client especially for first time works. There abounds evidence and specification difficult concerning performance as a result of the abstract nature which controlling a challenge (Bryntse, 1996). In addition, they are partially formed regularly and expended concurrently in a progression in which the client and the consultant are included together. An additional distinctive piece is the close relation between the person or persons administering the service and the service being rendered. These factors amongst others are necessary to be considered in procuring services.

### **2.3.1 The Philosophy behind Consultants Selection**

The word consultants comprise of comprehensive multiplicity of public and private bodies, together with consulting companies, inspection managers, engineering firms, management organizations, auditors, procurement mediators, construction managers,

United Nations (UN) organizations and any extra international corporations, universities, research institutions, government agencies, investment and commercial banks, individuals, and non-governmental organizations (World Bank, 2004). These service providers assist in an extensive series of events such as identification, formulating, and execution of projects to balance debtors' abilities in these zones; management; policy counsel; construction management; institutional restructurings; financial services; engineering services; procurement services; and environmental and social educations.

Situations of every specific case determines the processes and the specific rules of consultants to be employed. However, consideration should be given to the five major attentions listed below to pilot the Bank's strategy on the selection method (World Bank, 2004):

- The necessity for first-class expertise;
- The must for efficacy then economy;
- The prerequisite to provide all competent service providers a chance to participate in the delivery of expertise funded by the Bank;
- The necessity for plainness in the selection procedure; and
- The usage and growth of domestic consultants is of grave interest to the World Bank and is encouraged amongst developing nations affiliated to the Bank.

### **2.3.2 Trends in procurement of services**

The professional services, acquiring, and marketing literatures consist of some selection process in attainment of services delivered by specialized services organizations.



Researchers have shown huge interest in the public sector's procurement of management consulting services yet the private sector research continues to lead in the comparison of the two.

Murray, (2005, 2007) and Ang et al. (2005) states that some researchers sees the comparison between private and public procurements as unjust owing to the dissimilar environments. Public procurements are frequently impeded by rigorous governmental decisions, laws and regulations whiles the private procurements normally have their liberty which speeds up decision making (Ang et al., 2005; van Herk et al., 2006). They identified in a survey conducted in the Netherlands that, the politicians work in conjunction with the players from the individuals' construction sector so as to build healthier environments in the industry. There is a broad perception that the public sector is not that inventive and effective compared to the private sector which is perceive to be more innovative and meticulous in outlining the need for a consultancy services (Cheung, Chan, and Kajewski, 2010; Roodhooft, and Van den Abbeele, 2006). Furthermore, there exists substantial difference in market as identified by Roodhooft and Van den Abbeele. They established the better familiarity of the private sector in the consulting market and the knowledge of satisfactory rates designed for consulting services. This brings satisfaction to the clients in the private side of procurement than those on the public sector. Freeing and concentrating on performance-based construction methods will lead to extra efficiency and innovative.

Limited rules and code of practice has heightened competition in the procuring procedure and the trend towards giving contract out to persons with technical competence has made services procurement more key (Hoxely, 2000; Bryntse,1996) Quality of services of a



specific individual character may be affected by price competition because unskilled service personnel's may be chosen by some as a result of their bid being the lowest priced which can lead to diminished quality of service (Monopolies Commission, 1970, as cited in Hoxely, 2000).

## **2.4 Process of Selection of Consultant**

Procurement of works by contractor have dominate in most studies carried out by construction management researchers in the area of procurement (Holt 1998, 2010; Kadefors et al. 2007; Waara and Bröchner 2006; Palaneeswaran et al. 2003; Wong et al. 2001;). In spite of this, services procurement in the construction industry has gain a lot of academic interest by the construction management researchers.

A research study conducted in the UK by Hoxley, 2000; 2001, made used of SERVQUAL scale and applied to examine the relationship between professional services excellence and procurement. Professional services excellence was ranked higher above that of the procurement with the respondents who were about 200 clients agreeing with the opinion that when due diligence is taken in pre-selection of bidders, acceptable choice is made in the ultimate selection process.

In the United States, there is a wide-ranging in variance for their local public procurement practices in the field of professional engineering and architectural services which is governed by the federal 1972 Brooks Act (Qualifications Based Selection). In a comparison made in a study in New York between the traditional method of competitive tendering and that of the Quality Based Selection, an inference was made that there was no savings in the

budget for the services rendered by the architects and the engineers since they were balanced by rising costs at the construction stage (Christodoulou et al., 2004).

The most vital concerns involved in the process of procuring project are the tendering system and the contractual arrangement as was suggested by Raymond, 2008. He further stated that the main principle of procurement is attaining value for money.

The accomplishment of a development project can be determined by a number of the projects features which may include the organization policies, the environs of the project, atmosphere of the work, project-associated contributors and the project process (Lam et al., 2004). Benchmark projects should be the yardstick in finding a successful procurement method (Lam et al., 2004)

The relationship between the firms of architectural and/or engineering and their potential clients were key factor in attaining contracts for the firms (Day and Barksdale 1992). Day and Barksdale, 2003, further identified that the US public and private sectors range of consultants in construction industry were founded through appraisals on three major dynamics which are orientation of the client, chemistry, and capability.

A research study was carried out amongst experts in procurement and engineers practicing to identify the difference in performance levels in Hong-Kong (Chow and Ng, 2010). The study has outline a comprehensive list of pointers at the design stage to be used in evaluating engineering consultants' performance when procuring design services.

Surveys in managing building similarly pointed out the technical hitches that may ascend in the application of several conditions, example is, challengers of qualification based

selection pointing out that the whole process is based on biased criteria which frustrates up and coming companies from getting contracts since they have relative limited experience (Christodoulou et al. 2004; Ngai et al., 2002; Lindqvist 2001; CIC, 1998). Aside classifying the appropriate selection models, there may be technical hitches to achieve an equilibrium amongst the relevance of worth and unworthy standards. Accordingly, a practical proof from a Swedish study recommends that, selection of consultant becomes unfair to those who price above the lowest fee tenderer when price is introduced instead of looking at the quality of service (Lindqvist 2001).

An investigation in Dutch carried out by Buckley and Volker, 2010, concentrated precisely on the policymaking procedure of public purchasers, by observing the procedure in decision-making of public procurers and choice of value through selection of engineers and/or architect. Four case studies identified that, various situational characteristics which includes the system, trust, perception, know-how, insecurity, and time had influence on the process of selection the public commissioning groups. The investigation concluded that engineers and/or architect picking can be gotten from two different logics; a psychological viewpoint and a legal viewpoint.

#### **2.4.1 Methods of Selection of Consultants**

The selection method must aim at developing trust and mutual confidence amongst the parties involved. Several approaches of selection of consultants have been proposed depending on the different situations available (Word Bank, 2004; FIDIC, 2003).

- **Quality-Based Selection (QBS):** as the name suggests, this method is suitable where quality is the most priority among other factors such as cost. They are good for

multifaceted or highly specialized projects which is hard to outline exact conditions of service required from the consultants. The consultant's role is crucial to success of the project yet their remunerations are usually a lesser proportion of the total life-cycle cost of the assignment, hence this method (QBS) has been endorsed as the favored method of selection for consultancy services.

- **Least Cost Selection (LCS):** This process involves the selection of the lowest bidder and is suitable for the selection of consultants for when the projects are routine and of standard in nature.
- **Quality and Cost-Based Selection (QCBS):** This is suitable for projects where the scope of the project is well-defined and clear such as designs and feasibility studies. Technical solutions like effects of project can be easily predicted through the evaluation hence estimates can be easily prepared. This process is founded on the cost of the services to be delivered and the quality of the tenders submitted. The services charge can be precisely calculated from the personnel's time spent and the inputs they are expected to make. QCBS is therefore right to use when the area of work can be exactly determined.
- **Selection - Based on the Consultants' Qualifications (CQS):** The system is used basically for minor projects which does not require the making and appraising of competitive bids.
- **Selection under a Fixed Budget (SFB):** SFB system is only suitable when the task is modest and could be accurately demarcated as well as having a fixed budget.



- **Single - Source Selection (SSS):** This process is used merely in exceptional cases where certain factors do not permit the use of any of the methods discussed above. Single-source selection of consultants does not bring competition tendering since only one firm is involved in the process. It is only suitable for extremely specialized works where there is limited expertise available. This normally leads to high cost of service due to the monopoly in nature.

The desired policy method suggested by World Bank, 2004, is the QCBS. This they attributed to the competitive process between qualified companies which takes into consideration the excellence of the bid and that of the services budget in the assortment of the qualified company (World Bank, 2004). Though, this process is not often used in practice. The e-procurement of World Bank for consultants' solution choosing backs all of the selection procedures above, in addition to the skill to choose individual service providers, not connected with companies.

#### **2.4.2 Selection criteria of Consultancy services**

Qualifications based selection ought to be employed when acquiring expert services instead of giving contract to the bid with lowest price (Day, 1998). Consultants pay more attention on the cost rather than the services they are to provide when the selections are based on lowest price. The following are four fundamentals of qualifications-based selection;

- present workload;
- technical qualifications;

- compatibility; and
- experience from comparable projects.

Choosing appropriate consultants is of huge significance to the project success as has been already stated. The success of a consultant's input on a job hinges on various reasons. The mutual rapport among the procurer and the supplier is key in having a successful project rather than having the best competent consultants with communication gap between them and the client (Sporrong, 2011). A successful final outcome hinges on the coordination among the active players included and parts such as capability to interconnect and trust are of enormous impact (Roodhooft and Van den Abbeele, 2006; Sporrong, 2011). Consultants selection in the private sector is often decided by recommendations from other procurers and/or the experience they have from previous assignments whiles the public sector employs rules and regulations such as LOU and LUF when procuring consultants.

Sporrong (2011) conducted an investigation on civic procurement of engineering and architectural service consultants with focus on the selection criteria. Lowest price is always considered in the criteria of choosing consultant. There is an advocacy going on to allow rules and guidelines to restrict the civic clients to emphasis only on the proposals with the least prices (Sporrong, 2011; Roodhooft and Van den Abbeele, 2006; Ang et al., 2005). On the other hand, Sporrong's research in 2011 pointed out that, public procurers are limited by the acts and regulations when assessing the service providers' capability with emphasis on design and implementation of plans. Technical consultants' capability is of huge significance for the end result of any construction scheme.

Quality-based selections of consultancy are being practiced more on the market (Sturts and Giffis, 2005). They emphasized that better quality can be achieved by not giving contracts to least priced proposals. Various contracting strategies are being adopted by clients which includes various selection conditions in order to make the most of the value of services citing an illustration that a technical proposal was used by the selection committee in rating contract about a bridge design. A price for each technical point was arrived at by dividing the total amount with the technical tally, and the tender who obtain the maximum points per service dollar is given the contract (Sturts and Giffis, 2005). In a study by Sporrang (2011) she found that the most typical criteria used in selection by the public when acquiring consulting services is the price of the bid. Other conditions involved in the under fifteen percent of the surveyed sectors were technical aspects of design, the project implementation strategy, aesthetic appeal of the design, innovative solution, and life-cycle costs. Generally, non-price criteria are associated to the main project individuals and views such as their education, know-how, and character.

## **2.5 Challenges in the procurement of Consultancy Service**

These challenges are probably greater in the public area than in the private side. One definite challenge of the public sector is the severe rules regarding public bidding and procurement. Public sector also has the difficulty of pleasing various stakeholders and various needs. Challenges abounds in attaining consultancy. These comprises the complications in stipulating risks of incurring costs, necessities, and difficulties intrinsic in subcontracting organization specific awareness to outside service providers (Mayhew et al., 1997). One additional problem which may be crucial, is the information asymmetry



between the professional consultant and the client (Sharma, 1987). Whereas the consultant has specific knowledge about the client's needs and about the types of Information Systems that may be relevant, the client does not know how the professional does the job, or what he or she does. This is further compounded by the ambiguity of knowledge services and their extreme heterogeneity (Alvesson 1993; Clark et al., 1995; Walsh et al 2003; Gluckler and Armbruster 2003).

Professional services were characterised as complex (Axelsson and Wynstra 2002). This makes it difficult for clients to assess the technical quality of such services, sometimes even after they have been delivered (Maister, 1993; Maister et al 2000; Hausman 2003). For instance, it was identified that community procurers in general have restricted skill of attaining consulting services (Roodhooft and Van den Abbeele, 2006; Smeltzer and Ogden, 2002). Lack of experience in procurement of consultancy services in the UK has been identified as being a source of concern and a condition within public departments (Mitchell, 1995; Cabinet Office 1994).

It is broadly acknowledged that viable bidding based on price only is seldom an appropriate means of choosing service providers (Wimmer and Chezum, 2003).

The onus lies on the procurer to clearly state the service required, usually written in a contract document. The procurers have to make sure that the need of the client are stated and communicated in a clear and complete fashion (Schiele and McCue, 2006). This they said to allow others carry out the wish and achieve the specific need of the client (Schiele and McCue, 2006). Roodhooft and Van den Abbeele, 2006, stated that, human resources are often used in executing services, which often brings problems especially in outlining and appraising the performance. Additional difficulty in services procuring is that the



tolerable end result of the service delivery rests on on the procurer. However, Mitchell, 1994, asserts that it is an acknowledged fact that some buyers do not implement condition in contract documents prudently which influences the final outcome negatively in most instances. However, variations in both quality level and cost estimates arises when consultancy companies tender on the same task but with various clarification of the contract and the scope of the work (Smeltzer and Odgen, 2002; Day, 1998).

The major concern in procuring consulting services seems to correlate to the procurer's struggle in estimating what is being presented (Lunsford and Fussell, 1993). Moreover, the consultancy cannot be accurately verified prior to acquisition and the level of correlated struggle turn out to be clear because of the purchaser's limited know-how in acquiring or procuring such services (Corcoran and McLean, 1998). Aside these hitches, the complex make-up of the consulting services and the possible influence of the consultancy services on the firm's status as well adds to making the acquisition of the consultancy services to be more risky (Lunsford and Fussell, 1993; Gummesson, 1991; Dunning, 1989).

Sporrong, 2011, claim that costs and quality of built amenities are influenced by execution of technical consultants. Outlining and stipulating the performance range of consultants is of immense significance but difficult as services includes features that make it problematic to distinct it from its setting (ibid). Services as intangible activities are hard to calculate and are frequently done in multi-unit establishments where other activities go on concurrently (Bryntse, 1996).

### **2.5.1 The Complexity of Consultants Selection**

One of the most vital judgements a client or an owner makes in the project's life is choosing consultant for the project. The success of any assignment repeatedly hinges on finding an

experienced, ablest, and reliable expertise available at a suitable cost. A service provider whether an individual or an organization can make considerable inputs to sustainable development, by carrying out effectively government bodies work which are underperformed (FIDIC, 2003). This increases the industry's effectiveness and maturity. Corcoran and McLean (1998) claim that, consultants' selection entails the client to evaluate a provider's competence to provide the services, which is an immaterial product. The finest development outcomes are accomplished once there is a proper professional relationship of conviction among the consultant and the client who is likely to affect complete, impartial judgements. Though, selection of correct service providers is never a simple procedure.

An appraisal of earlier study on the appointing expert consultants in either of the public and/or private sectors displays that there are numeral judgement rudiments comprising both the information sources and criteria for selection are often used. These include previous experience of the service provider, status of the firm or the consultants, previous experience with consultant or firm, internal and external recommendations of the firm, and personal interaction with the consultant (Corcoran and McLean 1998; West 1997; Dawes et al. 1992; Stock and Zinszer 1987). Their research concludes that; price appears to be insignificance in the selection of these services. The procuring choice for skilled services is frequently termed as multifaceted and loaded with problems. Factors such as the disproportionateness of data between the potential supplier and client, the intangible nature of services, and the inexperience of the customer have been related to the difficulties (Gallouj 1997; Lovelock and Yip 1996; Lunsford and Fussell 1993).

The relevance of the relationship among the supplier and the client is regularly emphasized in literature, and often referred to as decreasing purchase uncertainty (Mehta et al. 1993; Dwyer et al. 1987; Bund Jackson 1985). Earlier investigation on both public and private divisions of purchasing in professional services and management consulting has revealed that trust established amongst the purchaser and the supplier, for instance experiences from personal contact of the client with service providers, may have a significant influence on the selection of a supplier (Lindberg and Furusten 2005; Furusten and Werr 2005; Glücker and Armbrüster 2003; Grey 1998; Clark 1995; Dawes et al. 1992).

Continuing in this manner of —personal preferencel in literature, difference is occasionally drawn between —personall sources of data used in the acquiring consultancy, such as experience of previous relationship between the client and a service provider and the references by others both internal and external of the firm (Stock and Zinszer 1987). The most highly valued basis of data used by establishments when appointing both professional services and supervision consultancy services overall, have been establish to originated from —personall sources (Dawes et al. 1993; Kotler et al., 1977).

In spite of this quite similar depiction of public and private sectors purchasing, there is a key variance amongst the divisions relating to the legal setting in which public procurement happens.

### **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

### 3.1 Introduction

The methodology talks about the investigator's general research tactic and the approaches used in gathering information. This section also tells the policy and procedures to be used in analyzing the data collected and presented.

### 3.2 The Study Area

The area under study comprises of government agencies inside the Greater Accra Region of Ghana. The geographical location of the region is at the eastern coast belt of the country and shares borders with three out of the ten regions, Central Region, Eastern Region and the Volta Region.



Source: [https://en.wikipedia.org/wiki/Greater\\_Accra\\_Region](https://en.wikipedia.org/wiki/Greater_Accra_Region)

The Metropolis of Accra, which is located in the Greater Accra Region, is the executive metropolis of Ghana because it is the seat of government and harbours the head offices of all government agencies. The region comes second after the Ashanti region in terms of as the most populous region. The total inhabitants were 2,376,021 as of the year 2010,



representing 9.6 per cent of the nation's entire residents (GSS, 2012). The Greater Accra region has Accra as its capital.

### **3.3 The Research Design**

According to Saunders, et al. (2007) strategy of the research have to do with a data plan purely needed to address the objectives of this study and the prerequisite idea, prototype and device to be used in the gathering of the required data for the study. The specific prototype espoused will assist in the choice of a suitable methodology for the study. Furthermore, it is expected that a researcher can add substantially to philosophy advancement by simply selecting one of the types (Saunders, et al., 2007).

In order to obtain a comprehensive picture of the procedure for procuring and managing consultants by government agencies, this study employed largely quantitative methods which involved descriptive survey. This study espoused the survey research design, which involves data collection as currently founded for the purpose of describing a wonder, devoid of a deliberate effort to control any variables (Cohen, Manion & Morrison, 2006). The design choice is founded on the point that sample data was to be collected from a population with the aim of describing the procedure for procuring and managing consultants by government agencies.

The quantitative part of the survey (i.e. using questionnaire – Appendix A) focused on sampling the views of experts and officials dealing with procurement of consultancy services in government agencies on issues related to criteria, sources of information, process phases, and challenges in the procurement of consultancy services.

But the research employed largely the quantitative research design because of the makeup of the agenda and the measurement characteristics. Besides, as recounted in the literature review, case study which is a quantitative research strategy is the most suitable strategy to adopt in measurement of the implementation challenges and this is most consistently adopted design. Another reason for the choice of the quantitative survey design is that of superior economy as the full cost of a sample will not cost as high as that of the entire population. With good sampling, a survey has a better scope concerning the diversity of data required.

Sample surveys however have some disadvantages when it comes to eliciting basic information required for every unit of the population. Errors due to sampling also tend to be higher for small sample sizes. However, considering the homogeneity and magnitude of the target population of this research, the advantages in descriptive sample survey far outweigh its disadvantages.

### **3.4 Population**

A study population can be defined as the entirety of a distinct gathering of persons or objects with a mutual, binding physiognomies or traits that are the concerns of the study. The populace for this research encompassed each and every one who are engaged in procurement undertakings in the government agencies in the Greater Accra Region. The major motive for expending this category of populace is that their doings either straightforwardly or circuitously have a course on public procurement inside government agencies and it is the research scope.

The population for this study is estimated to cover over hundred procurement practitioners working in some (i.e. about twenty) government agencies which are in the Greater Accra region. In realistic terms, it was argued by Agaba and Shipman, 2007, that an anticipated 34% of the government expenses occurs at the sub-national level of governments while they produce around 20% of the overall government incomes. Government Agencies were therefore selected for the study since they have a stronger capacity for procurement than other government entities and are faced with the challenges of improper planning (Ambe and Badenhorst-Weiss, 2011).

### **3.5 Sample and Sampling Techniques**

According to De Vaus (2001) the sampling procedure renders it probable to reduce a survey to a comparatively small percentage of the populace. A sample therefore represents a selection of the populace which is investigated into to acquire complete data due to difficulty of using the entire populace.

This research employed the purposive sampling technique in the recognition and selection of some government agencies. Government Agencies were purposively selected because it is a public entity which is mandated to improve the living class of inhabitants in the country, via the formation of an enabling atmosphere and the delivery of necessary service to guarantee the sustainable and total growth of the country. There are various ways of applying the purposive sampling to research which may include sampling respondents with a particular kind of skill or expertise (Patton, 2002; Creswell, 1994).

In addition, inside government agencies, the study identified and selected purposively the practitioners that were employed directly in the provision of services such as procurement officer and procurement director at the various procurement units.

Determining a sample size is very important in all research. In order to establish a good method of sampling, there are certain measures to be taken into account according to a study by DeVaus, 2001. This he attributed to numerous influences such as the size of the populace, the permissible sample error and the threat of picking a poor sample. For this study a sample size of 35 was chosen which comprises 7 respondents per the 5 professional bodies currently concerned with government procurement. A total of 22 questionnaires representing 62.86% were retrieved out of the 35 questionnaires distributed.

Pickett (1998) indicated that, —current and future success of an enterprise is a reflection of the effectiveness of the senior team, their vision and leadership and combined knowledge and skills of the organization. In this respect, respondents and contributors identified for the research were pulled from a populace who are professed to have the interest and the necessary experience in the research region and participate in vital roles in the services' procurement within government agencies.

### **3.6 Data Collection and Processing**

The techniques or methods of gathering data constitute an essential role of this study. The use of multiple data collection tools provides credibility and reinforces the research, Patton (2002). This depicts a factual image for the situation being studied. In this regard, the researcher gathered the necessary information from a questionnaire.



The main research instrument used was questionnaire. This was carried out focusing on the set objectives of this research. Naoum (1998) stated that a planned questionnaire is perhaps the mainly used data collection instrument for executing facts finding, views and opinions surveys. Also one of the most cost effective methods to use on a huge number of respondents during a survey process which is to attain worthier outcomes is the investigation questionnaire, (McQueen and Knussen, 2002).

The investigation questionnaire was also modified to gather feedback on views of the respondents regarding procurement of services and the implementation challenges in services procurement within government agencies in Ghana.

In this study the researcher used largely Likert-scale items questionnaire which consisted of four (4) main categories to collect data on the procedure for procuring services, as well as the challenges in the procurement of consultancy services by government agencies in the Greater Accra Region. Part 1 contained three (3) items that elicited information on respondents' profiles. The second part (Part 2) consisted of four (4) items that elicited participants' views on the procedure for procuring and managing consultancy services. Part 3 consisted of two (2) items that focused on challenges and problems in the procurement of consultancy services. The last part (Part 4) elicited information on measures in the procurement of consultancy services (see Appendix B).

### **3.6.2 Piloting the Instruments**

Piloting determines whether questions and directions are clear to respondents/subjects and whether they understand what is required from them. Piloting is done to ascertain the

viability of using a specific research tool in a major research. It offers a chance to try out the directives for achievement of the tool, particularly for first time usage. Piloting involves an experimental management of a freshly advanced tool in order to identify shortcomings and time requirements (Shilubane, 2010).

The questionnaire was established by the investigator and the items were appraised by selected professionals in the practice of procurement and in the academia. Successively, an experimental trial of the questionnaire and interview guide was performed for five (5) partakers in order to classify and eliminate possible doubt in the questionnaire. Commonly, the questionnaire is designed to gather common information from procurement practitioners with the agencies.

The pilot testing of the instruments was done to make certain that the queries were welldefined and not in vague, so as to make the feedbacks be in consistent with the survey objectives, and also to enhance the validity and the dependability of the instruments.

### **3.6.3 Administration of Instruments**

A complete set of the questionnaire with a covering introductory letter from the Building Technology Department at the Kwame Nkrumah University of Science and Technology, Kumasi, and participants' consent form (see Appendix C), were administered in person to each respondent. The consent forms were signed by those willing to participate in the study and were taken back. The questionnaires were left with the identified and willing respondents to have sufficient time to expediently and conformably answer the items and make them complete for collection.

### **3.8 Data Analysis**

The researcher reviewed the collected primary data to make sure there is utmost accurateness, regularity, legibility, comprehensiveness, and to lessen vagueness. The data collected was organized under the key variables. A quantitative method of analyzing data was engaged for the survey. The gathered information was organized, edited, and coded. The Microsoft Excel 2013 and the Statistical Package for Social Scientists (SPSS Version 20) will be used to scrutinize the collected statistics. Descriptive analysis, tables of frequencies and percentages, and bar charts will be used in analyzing the outcomes. The fallouts from these analyses presented the foundation for identifying the common trends and arrangements which runs through the answers with respect to the procurement of consultancy services. The source of deviances from the general trends running through the feedbacks was also recognized from the scrutiny using means and standard deviations.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

#### **4.0 Introduction**

This section centers on the presentation and the analyses of data collected and discussion of the findings. The data were organized and presented using descriptive statistics and charts. The results are presented under the following themes:

- i. Demographic profile of survey respondents
- ii. Importance attached

to the selection criteria and sources of information by government agencies in

procuring and managing consultancy services iii. Extent to which government procurement agencies follow the processes laid down for public procurement iv.

Challenges and problems government procurement agencies encounter in the discharge of their duties

#### 4.1 Demographic Profile of Respondents

Table 4.1 shows the demographic characteristics of the respondents that actually participated in the study. The Table shows that the survey involved 22 respondents who were made up of professionals with different designations - procurement managers (3), facilities engineers (5), quantity surveyors (3), procurement officers (7) and real estate managers (4). It can also be understood from the table that widely held (72%) of the respondents hold first or second degrees and are therefore qualified. It is important to point out from the table that only 31% of the respondents have been in the profession for not more than five (5) years; meaning the bulk of the respondents have had a great deal of experience working with the processes laid down by the Public Procurement Act.

**Table 4. 1 Position held, Qualification and Years of Experience**

	Type	Number of respondents	
			Percent
<i>Professional position held</i>	Procurement Manager	3	13.6
	Facilities Engineer	5	22.7
	Quantity Surveyor	3	13.6
	Procurement Officer	7	31.8
	Real Estate Manager	4	18.2
	Total	22	100.0

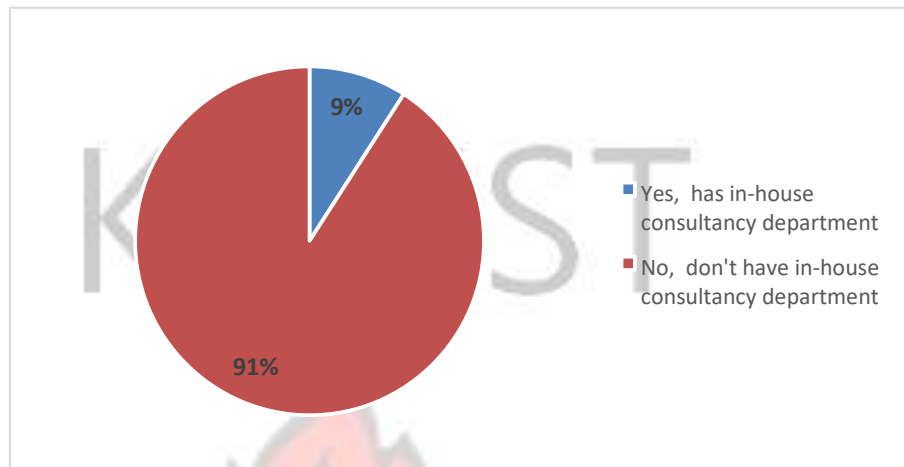


<i>Highest Educational Level</i>	Higher National Diploma (HND)	5	22.7
	Bachelor Degree	8	36.4
	MBA / MSc	8	36.4
	Others (Please, specify)	1	4.5
	Total	22	100.0
<i>Years of experience</i>	1 – 5 years	7	31.8
	6 – 10 years	9	40.9
	11 – 20 years	5	22.7
	Over 20 years	1	4.5
	Total	22	100.0

Source: Field Data

#### **4.2 How important are selection criteria and sources of information to government agencies who procure consulting services?**

The first research question focused on the procedure for procuring and managing consultancy services. Data were obtained on whether or not the agencies have an inhouse consultancy department as well as the importance these agencies attach to some key elements in the criteria for selection of consultancy services. Figure 4.1 shows the proportion of respondents indicating their agencies have an in-house consultancy department.



**Figure 4. 1 In-house Consultancy Department**

The figure shows an overwhelming majority (92%) of the government agencies do not inhouse consultancy departments.

In order to make right choices in the selection of consultancy services it is necessary for the consultant to know the key elements in the criteria for selection along with the sources of data in the selection process. To ascertain if the professionals in government procurement agencies apply such knowledge, the respondents were made to rate, on a scale of 1 - 5 (1 = absolutely important, 2 = highly important, 3 = fairly important, 4 = little importance, 5 = not at all important), how important certain criteria are for selection of consultancy services. The results are reported in the following tables; Tables 4.2 and 4.3.

**Table 4. 2 Criteria for Selection of Consultancy Services**

Criterion	Min	Max	Std.	Ranking
Mean	Deviation			
i) Industry expertise of the				

consultancy	1	4	2.41	1.260	1
ii) Formal criteria (Price/performance ratio)	1	5	2.77	1.066	2
iii) Positive experiences from former projects	1	5	3.32	.945	3
iv) Recommendation by a third person	2	4	3.45	.596	4
v) Personal relation to the consultancy	2	4	3.45	.596	5
vi) Reputation of the consultancy	2	5	3.50	.802	6

**Table 4. 3 Sources of Information for Selection of Consultancy Services**

<b>Criterion</b>	<b>Min</b>	<b>Max</b>		<b>Std.</b>	
	<b>Mean</b>			<b>Deviation</b>	<b>Ranking</b>
i) Previous experience of the company	1	4	2.05	.722	1
ii) Competitions	1	5	3.32	1.086	2
iii) Recommendations by other procurers (references not included)	2	5	3.36	.902	3
iv) Previous experience of specific consultants	2	5	3.55	.858	4
v) References	2	5	3.68	.839	5
vi) Company reputation	1	5	3.86	1.490	6
vii) Interviews	2	5	4.14	1.167	7
viii) CV	1	5	4.14	1.552	8

Table 4.2 shows ‘industry expertise of the consultancy’, ‘formal criteria (price/performance ratio)’, and ‘positive experiences from former projects’ with mean rankings (M = 2.41, SD 1.260; M = 2.77, SD 1.066; and M = 3.32, SD 0.945 respectively) were the three top most important criteria identified by the professional for selection of consultancy services. The respondents however, did not see ‘reputation of the

consultancy' and 'personal relation to the consultancy' as very important criteria for selection of consultancy services.

The results confirm findings in literature, that previous experience of the supplier (1997; Corcoran & McLean 1998), past experience with consultant or firm (Stock and Zinszer 1987) are key criteria for selection of consultancy services. Though previous studies found personal interaction with the service providers (Dawes et al. 1992; Stock and Zinszer 1987) among the major key selection criteria in the procurement of consultancy services, in this study, the respondents did not see it as a key factor.

On the results about the sources of information useful in the selection process, the respondents rated 'previous experience of the company', 'competitions', 'recommendations by other procurers (references not included)' and 'previous experience of specific consultants' with mean rankings ( $M = 2.05$ ,  $SD = 0.722$ ;  $M = 3.32$ ,  $SD = 1.086$ ;  $M = 3.36$ ,  $SD = 0.902$ ; and  $M = 3.55$ ,  $SD = 0.858$  respectively) as very important ingredients in making good decisions about selection of consultancy services (Table 4.3). 'CV', 'interviews', and 'company reputation' were seen as the least in terms of importance of criteria for selection of consultancy services. As it is important that procurers have adequate access to data to be able to choose administration consultancies (Corcoran and McLean, 1998), this study has shown that interviews', 'CV' and 'references' are not key criteria in making very important decisions about selection of consultancy services. The result is also consistent with that of Frimpong (2014) who found 'Curriculum Vitae' and 'Interview' were the least sources of data in the consultancy services' procurement.



### 4.3 Extent to which government procurement agencies follow the processes laid down for public procurement

The professionals in government procurement agencies were asked to rate, on a scale of (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree), their agreement to statements about the various activities and processes in the procurement of consultancy services order to determine the extent to which their practices are congruent to the processes laid down for public procurement. Table 4.4 shows the respondents' rankings of the statements about procurement process at the need detection phrase. **Table 4. 4 Detection Processes laid down for Public Procurement**

Criterion	Mean	Std. Dev.	Ranking
<b>Need detection</b>			
i) When purchasing consulting services, our organization always performs cost/benefit analysis	4.00	1.069	1
ii) When consultants are called in, the goals of the consulting project are analyzed and well defined	3.50	.802	2
iii) When consultants are called in, the problems to be solved are analyzed and well defined	1.86	.560	3

**Table 4. 5 Selection, Follow-up and Evaluation Processes laid down for Public Procurement**

Criterion	Mean	Std. Dev.	Ranking
<b>Selection</b>			
i) Our organization has a good knowledge of what are acceptable consulting prices	3.77	1.270	1
ii) When selecting consultants, our organization creates a genuine competitive situation	3.41	1.333	2
iii) Our organization has a good knowledge of the market of consulting firms and their specific competences	3.14	1.320	3

iv) Within our organizations a lot of attention is paid to analyzing the proposals we receive from the various consulting firms	3.05	1.133	4
v) Our organization thoroughly thinks through the various selection criteria	2.95	1.397	5

#### **Follow-up**

i) The project team meets regularly	3.41	1.260	1
ii) The project team regularly reports on the progress made	3.05	1.253	2
iii) The project team is a multifunctional team	2.50	1.102	3

#### **Evaluation**

i) Upon completion, a formal evaluation session is held with all parties involved in the project	3.59	1.333	1
ii) Our organization always takes the consulting firms' advice and applies their ideas	2.91	1.571	2
iii) During the evaluation sessions all documents (offer, reports, etc.) are consulted	2.86	1.320	3
iv) The assignment is most often as far as the (financial) administration is concerned evaluated at completion.	2.59	1.141	4
v) Our organization keeps a record in a database of the experiences gained during consulting projects	2.18	1.053	5

Table 4.5 shows the respondents' rankings of the statements about procurement process at the selection, follow-up and evaluation phrases. The mean agreement scores were used as proxy measures for the extent to which the respondents practice the processes laid down for public procurement. Activities/processes obtaining mean agreement scores of at least 3.0 were regarded as being adequately practiced.

It can be seen from Tables 4.4 and 4.5 that the worst procurement process phrase, in terms of public procurement practices, is the evaluation phase. The evaluation processes which are not being adequately practiced are

- Our organization always takes the consulting firms' advice and applies their ideas;
- During the evaluation sessions all documents (offer, reports, etc.) are consulted;
- The assignment is most often as far as the (financial) administration is concerned evaluated at completion; and
- Our organization keeps a record in a database of the experiences gained during consulting projects.

The other public procurement practices/processes which are not being adequately practiced are 'when consultants are called in, the problems to be solved are analyzed and well defined' (need detection phase); 'our organization thoroughly thinks through the various selection criteria' (selection phase) and 'the project team is a multifunctional team' (follow-up phase). These results suggest the government procurement agencies follow most of the processes laid down for public procurement.

#### **4.4 Challenges and problems government procurement agencies encounter in the discharge of their duties**

To ascertain if the professionals in government agencies experienced challenges in their procurement practices, the respondents were made to rate, on a scale of 1 - 5 (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree), statements about

challenges of procurement of consultancy services. The results are presented in Tables 4.6 and 4.7.

**Table 4. 6 Challenges in Public Procurement**

<b>Criterion</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>Ranking</b>
i) Project execution/action plan	3.91	1.192	1
ii) Aesthetic aspects of design	3.91	.684	2
iii) Life-cycle costs	3.86	.941	3
iv) Individual skill of key project personnel	3.36	1.049	4
v) Tender price	3.32	1.086	5
vi) Innovative/creative solutions	3.32	.894	6
vii) Technical aspects of service	3.18	.795	7
viii) Personality related criteria of key project personnel	3.14	1.246	8
ix) Education of key project personnel	2.23	.922	9

From Table 4.6, it can be seen that the five top most challenges faced by public procurement officers are:

- Project execution/action plan;
- Aesthetic aspects of design;
- Life-cycle costs;
- Individual skill of key project personnel; and
- Tender price.

These results are in agreement with the results of (Dawson et al, unpublished) who found problems in risks of incurring costs, problems in requirements specification, and difficulties inherent in subcontracting company's particular information to outside consultants, as major challenges in acquiring or procuring of consulting services. Mitchell



(1995) found the procurement experience deficiency in consultancy services as a challenge inside public departments. Gummesson (1991) also pointed out that these problems are multi-faceted in nature. Thus the reputation of the organization is influenced by the possible impression of the consultancy services and the consultancy services. Other researchers in the field also contend such challenges contributed to the risky nature of procurement of the consultancy services (Lunsford and Fussell, 1993).

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter concludes this research by summarizing the objectives addressed, the methods employed and knowledge learned during the course of this research. This is then followed by the main conclusions from the research findings and recommendations for improving practice and future research.

#### **5.1 Overview of the Study**

This study was a systematic attempt to look at the importance government agencies who procure consulting services attach to selection criteria and sources of information as well as describe the extent to which these government agencies follow the processes laid down for public procurement. The study further identified the challenges government agencies who procure consulting services encounter in the discharge of their duties.

The study involved professionals purposively sampled from government agencies within the Greater Accra Region of Ghana. It involved 22 respondents who were made up of

professionals with different designations - procurement managers (3), facilities engineers (5), quantity surveyors (3), procurement officers (7) and real estate managers (4). A questionnaire was administered to these professionals to provide responses on their practices in procurement of consultancy services. The collected data were analyzed using SPSS. The major findings are summarized in the section that follows.

## **5.2 Summary of key findings**

1. The results show that an overwhelming majority (92%) work with agencies that do not have an in-house consultancy department.
2. The three top most important criteria identified by the professional for selection of consultancy services were industry expertise of the consultancy‘, formal criteria (price/performance ratio)‘, and positive experiences from former projects‘ with mean rankings (M=2.41, SD 1.260; M=2.77, SD 1.066; and M=3.32, SD.945 respectively). Reputation of the consultancy‘ and personal relation to the consultancy‘ were rated as least important criteria for selection of consultancy services.
3. The three top most important sources of information useful in the selection process were found to be previous experience of the company‘, competitions‘, recommendations by other purchasers (references not included)‘ and previous experience of specific consultants‘ with mean rankings (M=2.05, SD=.722; M=3.32, SD=1.086; M=3.36, SD=.902; and M=3.55, SD=.858 respectively). CV‘, interviews‘, and company reputation‘ were seen as least important ingredients in making good decisions about selection of consultancy services.

4. The worst procurement process phrase, in terms of public procurement practices, is the evaluation phase. The processes in this phase (e.g. —our organization always takes the consulting firms' advice and applies their ideas; and —during the evaluation sessions all documents are consulted) received the lowest ratings. The other public procurement practices/processes which were not being adequately practiced are

—when consultants are called in, the problems to be solved are analyzed and well defined (need detection phase); —our organization thoroughly thinks through the various selection criteria (selection phase) and —the project team is a multifunctional team (follow-up phase).

5. The results finally identified that government procurement agencies encounter challenges in the discharge of their duties. The five top most challenges identified by public procurement officers were —project execution/action plan, —aesthetic aspects of design, —life-cycle costs, —individual experience of key project personnel, and —tender price.

### **5.3 Conclusions**

The study has revealed that government agencies who procure consulting services have been making efforts to implement the recommended professional practices (i.e. Public Procurement Act) since they are able to determine the appropriate criteria for selection as well as sources of information in doing business. However, at the evaluation phase of the procurement process, the results show most of the respondents think their practices in this phase do not leave much to be desired. The public procurement practices that received the

worst rating in this evaluation phase and this may attributed largely to the fact that government agencies lack in-house consultancy departments.

#### **5.4 Recommendation**

On the basis of this study's findings, it is suggested that:

- i) government agencies set up in-house consultancy departments;
- ii) increase the capacity of the in-house consultancy departments to implement the recommended public procurement practices; iii) government agencies should build up an internal database from all their consultancy experiences with the aim of making it more professional the procurement and the evaluation procedure for consulting projects.

#### **5.4 Recommendations for further research**

The findings therefore have a far reaching significance for government agencies who procure consulting services and the Ministry of Finance in general. There is the need for the ministry to review their supervisory policies to improve the performance of agencies engaged in procurement of consulting services. To do this, there will be a need for further research into the following:

- investigate how effectively public agencies engaged in procurement of consulting services are implementing the practices at the evaluation phase of the procurement process;



- replicating the study across other regions with more agencies, both government and private involved.

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## REFERENCE

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**DEPARTMENT OF BUILDING TECHNOLOGY**  
**MSc. PROCUREMENT MANAGEMENT**

***Confidential survey questionnaire***

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**Introduction**

I am a post-graduate student at the Kwame Nkrumah University of Science and Technology studying for a Master of Science Degree in Procurement Management. As part of successful completion of this programme, I am conducting a research into procurement of consultancy services in government agencies. Your response to this research will be confidential and will be used exclusively for academic purposes. The questionnaire is divided into four main parts.

Thank you in anticipation of your cooperation.

***Please return or direct any enquiries to:***

*Mereku Bernard Senyo*

*Tel: 0244853518 E-mail:*

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**PART 1      RESPONDENT PROFILE**

Please tick the answer(s) or complete the statement(s) where applicable.

**Q1.      What is your professional background?**

- A. Procurement Manager      [    ]
- B. Facilities Engineer      [    ]
- C. Quantity Surveyor      [    ]
- D. Procurement Officer      [    ]
- E. Real Estate Manager      [    ]
- F. Others (Please, specify).....



**Q2. What is your highest educational level?**

- A. GCE A' Level / SSSCE or equivalent [      ]
- B. Higher National Diploma (HND) [      ]
- C. Bachelor Degree [      ] D. MBA / MSc
- E. Others (Please, specify).....

**Q3. How many years now have you been working in your present capacity?**

- A. 1 – 5years [      ]
- B. 5– 10years [      ]
- C. 10 – 20years [      ]
- D. Over 20years [      ]

## **PART 2      PROCEDURE FOR PROCURING AND MANAGING CONSULTANCY SERVICES**

**Q4. Do you have an in-house consultancy department?**

- A. Yes [      ]      B. No [      ]

**Q5. How important is each of the following criteria is in the selection of consultancy services?**

Selection Criteria	Absolutely Important	Highly Important	Fairly Important	Little Importance	Not at all
i. Recommendation by a third person	1	2	3	4	5
ii. Personal relation to the consultancy	1	2	3	4	5
iii. Reputation of the consultancy	1	2	3	4	5

iv. Formal criteria (Price/performance ratio)	1	2	3	4	5
v. Industry expertise of the consultancy	1	2	3	4	5
vi. Positive experiences from former projects	1	2	3	4	5

Important

(Please **CIRCLE** the appropriate number to RATE the importance of each criterion on a scale of 1 - 5 (1 = Absolutely Important, 2 = Highly Important, 3 = Fairly Important, 4 = Little Importance, 5 = Not at all Important).

Sources of Information	Absolutely Important	Highly Important	Fairly Important	Little Importance	Not at all
i. Interviews	1	2	3	4	5
ii. CV	1	2	3	4	5
iii. Competitions	1	2	3	4	5
iv. Company reputation	1	2	3	4	5
v. Recommendations by other procurers (references not included)	1	2	3	4	5
vi. References	1	2	3	4	5
vii. Previous experience of the company	1	2	3	4	5

<b>Q6.</b>	viii. Previous experience of specific consultants	1	2	3	4	5
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**How important is each of the following sources of information in the selection of consultancy services?** (Please **CIRCLE** the appropriate number to **RATE** the importance of each source on a scale of 1 - 5 (1 = Absolutely Important, 2 = Highly Important, 3 = Fairly Important, 4 = Little Importance, 5 = Not at all Important)).

Important

**Q7. How would you rate your agreement with each of the following statements about the various process phases in procurement of consultancy services?**

[Please **mark or tick** (✓) the appropriate number to **RATE** your agreement with each **statement** on a scale of 1 - 5 (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)].

Statements About Consultancy Services' Procurement Process Phases		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
<b>A. Need detection</b>						
i)	When purchasing consulting services, our organization always performs cost/benefit analysis	5	4	3	2	1
ii)	When consultants are called in, the problems to be solved are analyzed and well defined	5	4	3	2	1
iii)	When consultants are called in, the goals of the consulting project are analyzed and well defined	5	4	3	2	1
<b>B. Selection</b>						
iv)	Our organization has a good knowledge of the market of consulting firms and their specific competences	5	4	3	2	1
v)	Our organization has a good knowledge of what are acceptable consulting prices	5	4	3	2	1
vi)	Our organization thoroughly thinks through the various selection criteria	5	4	3	2	1

vii)	Within our organizations a lot of attention is paid to analyzing the proposals we receive from the various consulting firms	5	4	3	2	1
viii)	When selecting consultants, our organization creates a genuine competitive situation	5	4	3	2	1
<b>C. Follow-up</b>						
ix)	The project team is a multifunctional team	5	4	3	2	1
x)	The project team meets regularly	5	4	3	2	1
xi)	The project team regularly reports on the progress made	5	4	3	2	1
<b>Statements About Consultancy Services' Procurement Process Phases</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>D. Evaluation</b>						
xii)	The assignment is most often as far as the (financial) administration is concerned evaluated at completion.	5	4	3	2	1
xiii)	Upon completion, a formal evaluation session is held with all parties involved in the project	5	4	3	2	1
xiv)	During the evaluation sessions all documents (offer, reports, etc.) are consulted	5	4	3	2	1
xv)	Our organization keeps a record in a database of the experiences gained during consulting projects	5	4	3	2	1
xvi)	Our organization always takes the consulting firms' advice and applies their ideas	5	4	3	2	1

### PART 3: CHALLENGES IN THE PROCUREMENT OF CONSULTANCY SERVICES



- Q8. The statements in the table are about challenges of procurement of consultancy services.**  
Please **CIRCLE** the appropriate number to **RATE** the extent to which you agree each is a **challenge or problem in your organization** on a scale of 1 - 5 (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree).

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
<b>Challenges of Procurement of Consultancy Services</b>					
i) Personality related criteria of key project personnel	5	4	3	2	1
ii) Innovative/creative solutions	5	4	3	2	1
iii) Aesthetic aspects of design	5	4	3	2	1
iv) Life-cycle costs	5	4	3	2	1
v) Individual skill of key project personnel	5	4	3	2	1
vi) Project execution/action plan	5	4	3	2	1
vii) Technical aspects of service	5	4	3	2	1
viii) Education of key project personnel	5	4	3	2	1
ix) Tender price	5	4	3	2	1

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
<b>Problems Encountered when Dealing with Consultancies</b>					
i) Definition of contract assignment	5	4	3	2	1
ii) Selection of qualified consultancies	5	4	3	2	1
iii) Contract negotiation	5	4	3	2	1
iv) Project steering	5	4	3	2	1
v) Project evaluation	5	4	3	2	1
vi) Coordinating consulting projects within the company	5	4	3	2	1

Thank you