

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**COLLEGE OF ARCHITECTURE AND PLANNING  
(DEPARTMENT OF BUILDING TECHNOLOGY)**

**CHALLENGES FACING CONSULTANTS IN THE PROCUREMENT OF  
GOODS IN THE PUBLIC SECTOR: THE CASE STUDY OF THE ELECTORAL  
COMMISSION**

**BY**

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## **DECLARATION**

I hereby declare that this work was produced as a result of extensive field research except where specific references have been made and duly acknowledged. The work has not been submitted for the award of any other degree or publication. I have therefore under supervision, undertaken the study herein submitted.

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## **DEDICATION**

I dedicate this work to the Almighty God for granting me the favour and health to go through this program and to my wonderful family, my wife Lydia and three kids Mildred, Lois and Kevin for their numerous sacrifices they offered for the realization of this work.

## **ACKNOWLEDGEMENT**

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## **ABSTRACT**

The issue of procurement has generated many debates especially the challenges that surround it. Procurement plays an important role in a firm's profitability, productivity and enhances value and wealth creation. As entities both public and private grow the role of procurement is increasingly recognized as one of the functions that contribute to the success of the organization

The research investigated the challenges confronting consultants in the procurement of goods with the Electoral Commission as a case study. The objectives of the study are; to identify the benefits of engaging procurement consultants in the delivery of goods in the public sector, to identify the challenges faced by consultants in the procurement of goods, and to find out suggested solutions to the challenges facing consultants in the procurement of goods.

A sample of hundred respondents comprising staff of the electoral commission, procurement consultants and supply staff were used for the data analysis. The findings were that the involvement of procurement consultants leads to best practices as well as compliance to procurement laws, help to prevent waste and corruption and critically helps to meet deadlines and allow for value for money. Moreover, improper budgeting, poor planning, and political interference were the major challenges of procurement consultants. Finally, proper planning in terms of comprehensive procurement planning of public organizations and strict adherence to the procurement Act is necessary to forestall the challenges facing consultants.

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## **LIST OF ABBREVIATIONS**

|         |   |  |
|---------|---|--|
| SPSS    | - | Statistical Package for Social Sciences      |
| EC      | - | Electoral Commission                         |
| PUFMARP | - | Public Financial Management Reform Programme |
| PPA     | - | Public Procurement Authority                 |
| PPB     | - | Public Procurement Board                     |

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND TO THE STUDY**

The numerous challenges confronting consultants in the procurement of goods is an issue that cannot be over looked. Consultants in the public sector and for that matter the Electoral commission of Ghana have had their fair share of challenges in carrying out their responsibilities. The procurement cycle involves planning, (beginning with needs assessment through needs preparation), inviting offers, selecting contractors, awarding contracts, executing and managing contracts, as well as final accounting and auditing. Procurement plays an important role in a firm's profitability, productivity and enhances value and wealth creation. As entities both public and private grow the role of procurement is increasingly recognized as one of the functions that contribute to the success of the organization. In both manufacturing and service organizations, the cost of products depends on the value at which inputs were purchased, underpinning the importance of procurement function to an organization's survival. Consequently, the need for a well-functioning public procurement system as a potential for accelerated national development and the efficiency of which the electoral commission, must be of great concern. This is particularly true for developing countries, where procurement usually accounts for a high proportion of total expenditure. For example in Ghana, public procurement accounts for 50-70% of the national budget (after personal emoluments), representing about 24% of total imports and makes up about 14% of the country's Gross Domestic Product (GDP) (World Bank, 2003) whiles most industrialized countries spend about 10% of their GDP on public procurement (Trionfetti, 2003).

In the Organization for Economic Co-operation and Development (OECD) countries for instance the United Kingdom, United States, France, and Germany just to mention a few, it is estimated that globally public procurement accounted for about US\$2,000 billion in 1998, which was about 7% of the global GDP (OECD Procurement Outlook, 2002) and as the statistics indicate, public procurement accounts for more than 15% of Gross Domestic Product (GDP) in OECD countries with the share of GDP going even higher in non-OECD countries (OECD Procurement Outlook, 2005). This shows the effect that the performance of public procurement markets has for the effectiveness of governance in both developed and developing countries.

Generally procurement in many developing countries have been identified with inherent weaknesses and challenges especially with procurement consultants, making the system ineffective and non-responsive to strategic procurement needs of organizations and government alike. According to Hunja (2003), one consistent weakness in most developing countries is the lack of an entity within government that is charged with overall responsibility for formulation and execution of procurement policy and to ensure that the system is functioning properly. This, Hunja (2003) indicated, leads to diverse interpretations and implementation of existing rules across various public agencies and even within some of the agencies lack of oversight responsibilities for the proper functioning of the procurement system creates serious gaps in the enforcement of rules. The procurement system invariably suffered various forms of malpractice and unethical conduct, including a high incidence of vested interests, interference and insider dealings and occasional cases of retrospective approval of contract awards. There was significant lack of professional knowledge and expertise in the purchasing and consulting function.

In recent years, Hunja (2003), recognizing the need for reforms as well as challenges of procurement systems in many developing countries, has described the aim of such reform programme as being to establish a strong and well-functioning procurement system that is governed by a clear legal framework establishing rules for transparency, efficiency and mechanisms of enforcement, coupled with an institutional arrangement that ensures consistency in overall policy formulation and implementation. The impetus for reforms has increased, not only to address the foregoing procurement inefficiencies which have become self-evident, but also in consequence of the requirements of the World Bank and donor organizations as conditions for providing development aid (Agaba and Shipman, 2012). The need for good governance and increasing donor confidence in efficient utilization of public funds has become crucial. Also many of these countries have instituted reforms to make the procurement system more transparent and efficient and to demand more accountability from public officials as they engage consultants who procure on their behalf. Besides, public sector management, globally, is increasingly under pressure to go beyond the implementation of policies and procedures and to produce results. This trend is also reflected in public procurement which has often been more compliance based than other disciplines due to an anti-corruption focus.

In consequence, the Government of Ghana launched the Public Financial Management Reform Programme (PUFMARP) in 1996, with the aim to improve overall public financial management. PUFMARP identified various inefficiencies and weaknesses in the procurement system which resulted in the reforms in the public procurement, which eventually led to the passing of the Public Procurement Law on December 31, 2003 dubbed Public Procurement Act, 2003 (Act 663). Some of the weaknesses included the

inability of consultants to deliver as expected, the absence of a comprehensive legal regime to safeguard public procurements, no comprehensive public procurement policy, inadequate knowledge of procurement processes and absence of a central body with technical expertise to oversee or regulate sound procurement practice.

The Public Procurement Act of Ghana, 2003 (Act 663) defines ‘Consulting Services’ as services which are of an intellectual and advisory nature provided by firms or individual using their professional skills to study, design and organize specific projects, advise clients, conduct training or transfer of knowledge (Public Procurement Board – Ghana, 2003).

As there are special requirements and delegation for the engagement of consultants and for reporting related expenditure, it is important that consulting services be distinguished from other services which are procured from the private sector.

The process of selecting a consultant is based on obtaining a limited number of proposals from a short-list of consultants who have expressed an interest and possesses the relevant qualifications. It is time consuming and expensive to invite and evaluate proposals from all consultants who wish to compete. Selection is therefore based on limited competition among qualified firms, which in the procuring entity’s view are capable of delivering the required quality level.

In keeping with the principles of procurement policy, procuring entities are required to ensure that the following considerations guide the selection process for the engagement

of consultants includes high quality services, economy and efficiency, fairness and equity, transparency and equal opportunity for qualified consultants.

One of the specific outputs and deliverables required from the consultants is a report on the procurement plan of the organization including procedures for ordering, purchasing, receiving usage and accounting for goods and services as well as stock control. The cost of materials and other consumables constitutes a significant proportion of the operating cost structure of most organizations including the Electoral Commission. This component of cost is therefore likely to have significant influence on profitability and efficiency. It is therefore essential for consultants to ensure a high degree of efficiency in their line of responsibility as they consult for organizations including the Electoral Commission in the procurement of goods.

## **1.2 PROBLEM STATEMENT**

The main problem is the insurmountable challenges that confront consultants in the procurement of goods. Public Procurement defines rules and regulations which guide, direct, and monitor public procurement. It is believed that the law has helped to deal with several problems of public procurement in Ghana. However, despite the laudable aims and objectives in principle, it appears the implementation of effective procurement of goods is beset with challenges especially the role of consultants. Some of these challenges include but are not limited to delays in acquiring goods and services for programmes because of the various approval levels, inability of organizations and government to secure best quality goods and services and at best prices. There is poor



capacity of tenderers in the execution of contracts and contract management. In addition there is also lack of provision for emergency procurements as governmental institutions are not absolutely independent in such instances. It is also mentioned that, some government agencies lack qualified procurement consultants to perform the procurement function effectively.

The issues mentioned above have significant impact on achieving the overall aims and objectives of governmental institutions of which the electoral commission is no exception and this is of concern to the researcher. There is also little empirical research on consulting firms in the procurement of goods in Ghana and the current study attempts to bridge this gap by investigating challenges facing consultants in the procurement of goods with the Electoral Commission (EC) as a case study.

### **1.3 RESEARCH OBJECTIVES**

The main objective of the study is to find out the challenges confronting consultants in the procurement of goods with the Electoral Commission as a case study. Specifically, the other objectives include:

- To identify the benefits of engaging procurement consultants in the delivery of goods in the public sector.
- To identify the challenges faced by consultants in the procurement of goods.
- To find out the suggested solutions to the challenges facing consultants in the procurement of goods.

## **1.4 RESEARCH QUESTIONS**

This study seeks to answer the following questions:

1. What are the benefits of engaging procurement consultants in the delivery of goods in the public sector?
2. What are the challenges faced by consultants in the procurement of goods?
3. What are the suggested solutions to the challenges facing consultants in the procurement of goods?

## **1.5 SIGNIFICANCE OF STUDY**

The study is significant for a number of reasons. Procurement is now perceived as a major function of government and organizations both in the public and private sector, and a great deal of attention is being paid to procurement especially by the Electoral Commission. The study would be of interest to institutions in identifying the challenges facing consultants in the procurement of goods. Secondly, the outcome and recommendations of the research will assist government and policy makers to formulate and implement appropriate review action plans for the needed improvements in procurement practices. The management of the Electoral Commission will benefit in curbing the challenges associated with procurement of goods.

Finally it will add to existing literature on the subject matter and serve as a basis for further research.

## **1.6 SCOPE OF THE STUDY**

The scope of the study is limited to the Electoral Commission of Ghana. It is laudable to note that there were lots of researches conducted on public procurements in developed and developing countries. However, the delimitation of this study looked at the challenges facing consultants in the procurement of goods in Ghana with reference to the Electoral Commission.

## **1.7 LIMITATIONS**

The problems encountered during the research work includes constraints of time, inability of professionals in the procuring entities to avail themselves for arranged interviews and financial difficulties especially in the preparation of questionnaires, gathering of data and other resources. As a result the study was delimited to the Electoral Commission because of time and cost involved in undertaking a full research covering the topic would have been enormous and weigh beyond the researcher's fiscal resources. In addition, not all the questionnaires administered were recovered. Therefore, the generalization of the study's findings may be impaired by the inherent general limitation of a case study design.

## **1.8 ORGANIZATION OF THE STUDY**

The work was organized into five chapters.

- The first chapter is the introduction. This presents the background to the study, problem statement, objectives, relevance, scope of the research, and anticipated limitations.

- Chapter two is Literature Review. This is the chapter that breaks down the topic into its various components and examines what others have written on them, in the light of the present research. It highlights the concept of procurement and its challenges to consultants in the procurement of goods with respect to the Electoral Commission.
- Chapter three is on methodology which encapsulates the approach and tools used in the presentation of the research. This includes the research design, sources of data, sampling techniques and sampling size, data collection instruments, and data analysis procedures.
- Chapter four present the results and discussion of the findings and
- Chapter five, the final chapter, is on summary of findings, conclusion and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This chapter discusses and reviews various issues on procurement, challenges facing consultants in procurement, the Procurement Act and other related concepts. These are reviewed in the light of previous studies conducted in the field.

#### **CONCEPTUAL FRAMEWORK**

#### **2.2 THE CONCEPT OF PROCUREMENT**

Procurement is the process of obtaining goods and services from preparation and processing of a requisition through to receipt and approval of the invoice for payment. It commonly involves purchase planning, standards determination, specifications development, supplier research and selection, value analysis, financing, price negotiation, making the purchase, supply contract administration, inventory control and stores, and disposals and other related functions. Public procurement involves the government or on behalf of the government obtaining goods and services from the preparation and processing of a requisition through to receipt and approval of the invoice for payment. Government procurement is one of those subjects that have been shot into spotlight in recent times, because of the vast amount of money involved in these activities.

Basheka (2009) contents that “public procurement has increasingly become one of the dominant fertile grounds for corruption”. Today, procurement is considered a ‘core component’ of not only the public sector economy but any organization and is treated with far more importance than it was a century ago (Tassabehji and Moorhouse 2008; Paulraj et al, 2006).

### **2.3 EVOLUTION OF PUBLIC PROCUREMENT PRACTICES**

Public procurement dates back to the early civilizations of Mesopotamia and Greece. In the United States the continental congress was the first to appoint procurement commissaries from as early as 1778 and by the first quarter of the twentieth century several cities had established formalized procurement departments (Pitzer and Thai, 2009). By the turn of the twenty-first century, the significance of public procurement as an important government function had grown immensely. According to Page (1980), cited by Thai, (2001) it was not until the late 1800s that state legislatures began to create boards or bureaus responsible for purchasing but central purchasing was hardly a practice at that time. In 1810, Oklahoma became the first state government to create a board to procure centrally for all state departments and agencies.

Gafar, (2006) says “In the Caribbean nations, like most other developing countries, the government has assumed primary responsibility for education up to the secondary or high school level”. For example, “approximately 95 per cent of the primary and secondary school students in the Anglophone Caribbean countries attend publicly funded schools”. Although the allocation to education is similar for Caribbean nations, ‘the bulk of the recurrent education budgets of Caribbean countries go to pay wages and salaries,

and very little is allocated for maintaining facilities and procuring supplies' (Swaroop, 1997). This fact is attested to by the information obtained from the World Bank (2003) confirming that the above allocation for Jamaica in 2001/02 was similar, and that 78 percent of its recurrent expenditure was allocated to wages (World Bank, 2003). This presupposes that there is a relatively small size of the procurement budgets for Caribbean territories. Though the Caribbean nations are mostly less developed, the World Bank report of 2003 no longer holds, because in Africa, procurement of goods and services are now very good vehicles used in the development of these countries, so a research needs to have been conducted to see how the above holds for the other less developed nations in Africa and Asia. It is in the light of this that this research seeks to identify what has been the challenges consultants of public sector face in procurement of goods.

Public procurement has become not only an important economic tool but also a very essential tool that could be used to influence certain public policy goals or agenda as well.

As noted by Tassabehji and Moorhouse (2008), procurement is of strategic importance and may be considered a core component of many organizations. Governments throughout the world have more or less become active partners in the market economy as a result of their involvement not only as regulators but as consumers and major purchasers with the power to influence market decisions. Today, governments in both developed and developing countries may be considered the largest buyers or procurers of goods and services. Public procurement has been seen to have the potential of providing vast economic opportunities for developing countries through its enormous employment

generating activities. More and more developing countries have embraced public procurement as a vital part of their economic strategy and trade agreement even though they are susceptible to facing challenges. This research tries to identify some of the challenges that are faced by government agencies, consultants and organizations especially the Electoral Commission in the procurement of goods. For these countries, government procurement represents an important aspect of the economic market. It is estimated that the financial activities of public procurement officials worldwide accounts for between 10% – 30% of GNP (Callender and Mathews, 2000). Furthermore, as noted by Pitzer and Thai (2009) the Organization for Economic Cooperation and Development reported that the total expenditure for 24 industrialized nations in 2006 ranged from 29.8 % to 55.9% of GDP, but their work only concentrated on the developed countries. However, countries with low per capita incomes, which are mostly found in Africa, South America and the Asia, were not taken into consideration.

Regardless of the effort by the central government and its related agencies and the acknowledgement that the procurement department is capable of adding value to the organization, still a large number of the internal customers act on their own and more frequently bypass the procuring department and consultants (Schiele & McCue, 2006). This problem requires the establishment of clear procurement procedures and performance standards. Performance when adopted will provide the decision-makers in the procurement department with unbiased and objective information regarding the performance of the procurement function (Knudsen, 1999). Many tenderers are limited in variou



s capacity issues including: lack of basic knowledge in the law, inadequate capacity to appreciate the standard tender documents, poor access to tender information and insufficient technical and managerial skills to be competitive in the tendering process, (ODPP, 2007). These are major sources of challenge to the effective implementation of the public procurement reform in Ghana. Additionally, Political interference with the procurement process is also a big challenge to consultants, the implementation process, and public procurement. A report by the World Bank says “a number of politicians think that they have the right to intervene in the procurement procedures thereby leading to a capricious procurement decisions”, (World Bank, 2004b).

## **2.4 PUBLIC PROCUREMENT OVERVIEW**

Procurement is the process by which organizations acquire goods, works and services. The procurement cycle involves planning, beginning with needs assessment through needs preparation, inviting offers, contractor selection, awarding contracts, executing and managing contracts, as well as final accounting and auditing. Procurement can therefore be viewed as a strategic component of supply chain management relating to satisfying customers or buyer needs (Hunja, 2003).

### **2.4.1 Public Procurement - Perspective on Developing Countries**

According to Hunja (2003) in many developing countries, public procurement has not been viewed as having a strategic impact in the management of public resources. It was largely treated as a process-oriented, function often implemented by non-professional staff of the buying agencies. Consequently, little effort was made to ensure that the policies and rules and the institutional framework governing the procurement system were

maintained in a manner that ensured that public funds were used in the most efficient and economical way to deliver the best value for money. Hunja (2003) however, indicated that this has been changing and it is due to reasons such as shrinking budgets, the need to fight corruption, and the need to achieve good governance by increasing confidence in citizens that public funds are well spent.

McDonald (2008) indicated that, the rules guiding government purchasing and contracting need to be accountable and transparent. This does not only limit corruption but contributes to a more accountable relationship between government and citizens. It is also important because of the huge sums involved. Furthermore, government procurement accounts for approximately 4.5% of developing countries' Gross Domestic Product (GDP) and governments tend to be the largest single consumers of goods and services in most countries. A government's use of purchasing can thus be a very significant tool to achieve socio-economic objectives. If procurement reform is done accountably, with a view to achieving both cost effectiveness and broader development goals, it can play a powerful role in poverty reduction (McDonald, 2008).

Public procurement has been identified as the government activity most vulnerable to corruption. As a major interface between the public and the private sectors, public procurement provides multiple opportunities for both public and private actors to divert public funds for private gain. For example, according to the 2005 Executive Opinion Survey of the World Economic Forum, bribery by international firms in Organization for Economic and Development (OECD) countries is more pervasive in public procurement than in utilities, taxation, judiciary and state capture (OECD, 2007).

Furthermore, Falvey et al.(2007) stipulated that developing countries are characterized by relatively low levels of competition and have limited or no formal competition policy. Even though government procurement accounts for a significant share of public spending, the procedures for awarding and monitoring contracts lack transparency. Therefore measures need to be put in place to promote or regulate competition and to make procurement more transparent in order to offer potential benefits in enhancing the competitiveness and efficiency of the business environment. Falvey et al. (2007) have also indicated that the two features that render developing countries prone to anti-competitive business practices is the small or very small number of firms which tends to dominate many sectors because of small markets that can only sustain a few large firms, with relatively weak institutional framework. Singh (2002) also argued that it is important for developing countries to establish formal competition policies, primarily because of structural changes due to privatization and deregulation.

Many developed and developing countries have undertaken reforms of their national procurement systems aimed at ensuring that public funds are used in the most efficient and economical way and that the system delivers value for money. Increasingly, it is argued that governments recognize the (financial) savings from a better organized and transparent procurement system (Hunja, 2003). The main objectives of the public procurement are value for money, efficiency, transparency, probity and accountability (Arrowsmith, 2005). A related issue is opening up of the procurement market to foreign competition, where agreements have been reached at both the regional and international levels. The rationale behind opening up public procurement is that protectionist measures in public procurement can constitute barriers to trade (and competition) that promote

costly inefficiencies (Cecchini 1992). It is therefore important for governments to open up procurement to international competition since competitive procurement practices promote efficiency in public spending and helps public authorities acquire cheaper, better quality goods and services at lower costs (Falvey et al., 2007).

European Commission (2004) suggested that enhanced competition and transparency reduce prices by around 30%. Open, non-discriminatory and transparent procedures can also help boost the competitiveness of firms operating in public procurement markets (*The Cecchini Report* 1988). However, when considering the size of contestable procurement in developing countries one has to take into account that a considerable part of procurement in the Africa, Caribbean and Pacific (ACP) States which is financed through aid and very often tied to the procurement of goods and services from the donor country that is, irrespective of the Government's own policy, procurement is not open (Falvey et al. 2007). In developing countries such as Sri Lanka more control of public procurement is placed in the hands of bureaucracy. The Ministers and Government Departments are responsible for meeting the requirement of the government and are given more power to deal with the finances though they usually remain closely controlled by central audit unit operated by the Ministry of Finance and Auditors Office (Arrowsmith and Davis, 1998). However, Raymond (2008) indicated that such power or control is often misused by the politicians thereby bringing about disastrous consequences for the country.

## **2.5 BENEFITS OF PUBLIC PROCUREMENT PRACTICES**

From the development point of view, public procurement policies are significant. Reducing poverty and attaining health, education, and other objectives among the

citizenry requires that the limited public funds available for public procurement of goods, services, and works are properly managed. Generally, the efficient, effective and professional application of public procurement laws can contribute towards sound management of public expenditures (Hunja, 2003).

Efficient public procurement planning leads to the identification of major investment expenditures, that in turn facilitates budgetary and allocation decision-making of procurement practitioners. It is difficult however, to envision how public can deliver significant improvements in the welfare of its citizens without prudent management of public expenditure that emphasis on effective and efficient procurement policies. This recognition therefore accounts partly for the increasing concentration on public procurement laws and practices and the likely consequences of their reforms.

Furthermore, there is a growing appreciation of the linkages between specific public sector objectives and public procurement practices. For instance, public procurement issues are often a central focus of programmes to deal with corruption and to ensure that appropriate entrusted power for private gain by public officials are curbed (Evenett, et al, 2005).

In addition, public procurement activities are assuming growing access to international markets. International trade negotiations, whether bilateral, regional, or multilateral: are instruments through which governments in developed and developing countries address the terms upon which international companies can compete in domestic public procurement markets. Public procurement has increased donor trust in public systems and has improved donor funding, grants and loans, and foreign direct investment in Ghana.

### **2.5.1 IMPORTANCE OF ENGAGING CONSULTANTS IN GOODS PROCUREMENT**

According to Hunja (2003), engaging consultants in the procurement of goods comes with an immense benefit that organizations in both public and private sector stand to gain. This according to Hunja(2003) is very essential due to the importance attached to the procurement of goods. The outlined benefits of engaging consultants in the procurement of goods are;

- Prevention of waste and corruption in the organization
- Acquisition of quality and durable goods for the organization
- Ensuring full compliance of the Procurement Act and procedures
- Enhancing the competitive nature of the procurement tendering process
- Enhancing the technical nature and capacity to deliver the goods and/ or services as per schedule
- Guaranteeing the timely delivery of goods and services
- Helping to meet deadlines and allowing value for money
- Enhancing the acquisition of and timely delivery of goods
- provision of technical advice as to the kind of goods to purchase

### **2.6 PROCUREMENT PROCEDURES AND METHODS**

There are various methods of procurement provided under the law for use by public procurement entities. The choice of any particular method is based on the amount involved and the circumstances surrounding the procurement.

## **Procurement Procedures and Methods**

### **2.6.1 Competitive Tendering (Section 35 & Part V of Act 663)**

The Act and Regulations endorse the use of competitive tendering method for standard high value procurement for goods, works and consultancy services. The two types of competitive tendering methods include (1) International Competitive Tendering (ICT) which is appropriate for high value or complex procurements or where the supply of goods by their nature or scope is unlikely to attract local competition. The Act requires the use of ICT for procurements of goods above the threshold stated in Schedule 3 of the Act. (2) National Competitive Tendering (NCT) is appropriate for lower value procurements, where the goods by their nature or scope are unlikely to attract foreign competition or where there are justifiable reasons for the Procurement Entity to restrict to domestic suppliers. The Act permits the use of NCT for procurement of goods valued at the threshold stated in Schedule 3 of the Act. It is the most preferable method under the law, as it encourages maximum competition in the procurement system. The invitation to tender is always advertised and opened publicly.

### **2.6.2 Request for quotations (Sections 42-43 of Act 663)**

The process of organizing a fully fledged tendering or other competitive tendering procedure is normally a time consuming and costly exercise which can be dispensed with when the contract value is small. The main idea is to allow procuring entities to use a simplified procedure in those instances where the contract value is so small that the administrative effort related to a full-fledged tendering procedure appears out of proportion (Acts 663, 2003). The method is based on comparing price quotations

obtained from at least three foreign or local suppliers for goods/works that are small in value.

### **2.6.3 Two-Stage Tendering (Sections 36-37 of Act 663)**

Two-stage tendering is only allowed where detailed specifications cannot be made available before going to tender (s.36) or the optimal solution is unknown. In the case of services, it is used to obtain proposals or offers on various means to meet its procurement requirements.

### **2.6.4 Restricted Tendering (Sections 38-39 of Act 663)**

This is a procurement method with limited competition. A maximum of six and a minimum of three short-listed suppliers are invited to tender. To apply this method, a procurement entity requires specific approval from the Public Procurement Authority (PPA). The Restricted Tendering method is applied mainly where procurement requirement is of specialized nature and there is enough evidence to show that there is limited number of potential suppliers. In 2009 a total of 167 out of 179 entities received approval to use this method of procurement as compared to 2008 approval of 166 out of 173 applications received (PPA Annual report, 2009).

### **2.6.5 Single Source Procurement (Sections 40-41 of Act 663)**

This system involves procurement from a supplier without any competition. It is normally used for procurement of sole or single sourced requirements. The law allows this method where: procurement is for justifiably urgent items, requirements can only be supplied by one source, additional requirements for purposes of standardization,



purposes for research, experiment, study or development, procurement that concerns national security. In 2009, 323 out of 360 single source applications received were either approved or conditionally approved as against 318 out of 342 in 2008 by PPA (PPA Annual report, 2008/2009). This method has often been abused by entities and political leaders over the years. Public procurement appears to be one of government's activities most vulnerable to waste, fraud and corruption due to its complexity, the size of the financial flows it generates and the close interaction it brings between the public and private sectors. On that note, the PPA Board was urged to examine very carefully the conditions for approving sole-source procurement applications with the view of making it more of an exception rather than the norm.

All contracts must be tendered on an open competitive basis, except otherwise provided for in the Act (s.35). All procurement must use the appropriate standard tender documents provided in Schedule 4 and modifications can only be introduced through contract data sheets or special conditions of contract (s.50). The successful tender for works contracts shall be the lowest evaluated tender price ascertained on the basis of criteria specified in the invitation documents, which shall include (s.59): (1) the tender price subject to any margin of preference for domestic contractors (s.60); (2) the potential for economic development, local involvement or technology transfer; and (3) national security considerations. The selection of consultants shall be on quality and cost-based criteria (s.75) with the price component assessed in a similar manner as for works (s.69). Quality-based selection is allowed for complex or highly specialized assignments (s.72), and least-cost selection is reserved for small value assignments.

## **2.7PROCUREMENT PROCEDURES**

### **2.7.1 Planning Procurement**

Generally, planning enables organizations to, among other things, determine performance standards, establish overall direction, anticipate and avoid future problems and reduce the risks of uncertainty, identify and commit resources towards the achievement of goals, determine and develop performance standards, and effectively coordinate various activities in the organization (PPB Manual, 2005). The Public Procurement Act 663 provides for the activity of planning under Part 3section 21.

What the foregoing means is that it is imperative that procurement entities would need to plan their procurement for the coming year by the 30th of November of the preceding year. The plan would be reviewed and approved by their Entity Tender Committees (ETCs), after which the plans would be updated every quarter. The list of entities which submitted their procurement plans is published in the Public Procurement Bulletin. In 2010, only 164 entities out of over 1000 entities across the country submitted their annual procurement plan. As at October, 2011 only 199 entities submitted their plan to the Public Procurement Authority (PPA Procurement Bulletin 2010/2011).

### **2.7.2 Tendering Process**

The requirement to advertise the intention to buy goods and works is spelt out by Section 47 of Act 663 for procurement using International and National Competitive Tendering. Advertising is required for invitations to tender if there is no pre-qualification. The object of advertising is to provide wide and timely notification of tendering opportunities so as to obtain maximum competition by informing all potential tenderers and to afford equal

opportunities to all qualified and eligible tenderers without discrimination. For reasons of transparency, fairness and impartiality, tender documents should be provided for all eligible tenderers by the procuring Entity. Procurement entities are to provide tender documents to suppliers and contractors in accordance with procedures and requirements that were stated in the advertisement. The price at which the tender document is sold should be enough to recover the cost of printing and the document being made available to suppliers and contractors. Sufficient quantities of tender documents should be made available as many as there are tenderers. It is an offence to deny any supplier or contractor the opportunity to participate in any tender simply because stocks of documents are exhausted.

Tenders should be opened immediately after the close of tenders. The Procurement Unit will need to ensure smooth operation of the proceedings, prepare minutes of the opening and advise the chairman of the opening session on procedural issues if requested.

A Tender Opening Committee is usually constituted and is made up of at least three persons including the Chairperson. The Chairman of the Tender Opening Committee controls and directs the /Tender Opening and does not allow tenderers representatives to interfere with the work of the Committee. Any objections by a Tenderer to the procedures or decisions of the tender opening should be made in writing to the Head of the Procurement Entity.

Section 55 of the Act states that the provision of tender security is required for all International and National competitive tenders for procurement of goods, and works. In the case of Procurement of consultants' services, tender security is not required. The use of security is important, in particular, in international trade where the Purchaser may not

know the Tenderer or Supplier's professional ability, financial position and credibility. Therefore it is normal for the Purchaser to demand that the Tenderer's or Supplier's ability to perform in accordance with the instructions or contractual obligations be secured with a financial guarantee.

### **2.7.3 Contracts Management**

A formal contract document will be drawn up, using the agreed terms and conditions, and signed by both parties. Simpler requirements may use a purchase order or where existing framework contracts exist, contracting may consist of placing a call-off order under the existing contract.

The awarded contract must then be managed, to ensure that both the buyer and supplier perform their contractual obligations. Activities may include expediting delivery, arranging inspection or freight forwarding, checking bank guarantees, establishing letters of credit, making arrangements for receipt and installation of goods, verifying documentation and making payments. Works contracts will often require technical supervision by an engineer/project management team to ensure quality, time schedule and cost. Contracts for consultancy services often require the direct participation of the buyer or client organization, as the recipient of training or technical advice or in responding to studies or reports. According to PPA Annual report (2009) Contract completion rate for that year is about 68%. This signified that contract management is a major challenge for most entities.

#### **2.7.4 Monitoring and Evaluation**

Controlling the performance of the procurement function and ensuring its efficiency and effectiveness is essential to the management of the procurement process. It is vital to evaluate how well the procurement process has gone, identify any weaknesses or problems and agreed actions to prevent similar problems in the future. Evaluation may include a formal procurement audit. Procurement monitoring is an essential part of procurement management and control linked to compliance with Act 663 and performance outcomes such as value for money, professionalism and code of conduct in procurement. This will involve the management of entity, staff of PPA, private sector, oversight bodies (internal and external audit), civil society (including NGOs), project beneficiaries, and media (PPA Annual Report, 2008).

#### **2.7.5 Appeals and Complaints**

Part VII – Review -Section 78 of Act 663 deals with the procedures to be used in handling complaints received from aggrieved parties involved in the procurement process. Any supplier, contractor or consultant that claims to have suffered, or that may suffer loss or injury due to a breach of a duty imposed on the procurement entity, may seek review in accordance with this Part. Procurement decision-making process needs to be properly followed and documented so that complaints can be investigated within the strict time frame. Those involved in audit and in the prosecution of procurement related offences may be able to provide examples of where sanctions could not be applied as a result of poor or inadequate procurement records.

In Ghana, the Authority established seven (7) member Appeals and Complaints Panel comprising legal procurement experts, and representatives from the private and public sectors which was inaugurated in 2007. In the same year the Panel successfully concluded fourteen (14) cases out of twenty (20) cases received (PPA Annual report, 2007). The appeal and complaints procedures allowed tendering firms the chance to show their disapproval before the procurement process is completed, as well as thereafter (Alam, 1995).

## **2.8 PROCUREMENT PROCESSES IN THE ELECTORAL COMMISSION**

- **Procurement Planning**

This stage consist of the identification of needs, Determining needed quantities, Reconciling needs and funding, choice of procurement methods, Approval Authorities.

Procurement planning plays an important role in the whole procurement process in that, the Head of Entity must approve of the budget to be spent for the entire procurement activities. Due to sensitive nature of materials the EC procure, selective tendering is the most preferred methods used in addition to the competitive tendering methods.

- **Sourcing:** This comprises of invitation to Tender, Evaluation of responses, Selection of Suppliers. For reasons of transparency, fairness and impartiality advertisement is placed in all national newspapers of wide circulation and tender documents provided in sufficient quantities to interested suppliers and contractors willing to take part in the tendering process. The Evaluation Tender Committee is usually made up five of the following Directors of departments, ie Director of

Finance, Human Resources, Elections, Public Affairs, Training, Research and Monitoring including the Internal Auditor.

- **Contracting** (Notification of Award, preparation of contract documents, etc)

The Head of the procurement unit is responsible for the preparation of the notification of award and signing of the contract award is done by the Head of the Entity. There should be a performance security preferably Bank guarantees, as part of the specific conditions of contract on the part of the supplier.

- **Contract Management:** The contract is being managed by the Head of the procurement Unit and assisted by her deputy. Effective contract management is achieved when both parties are committed in the discharge of contractual obligations. For example, resolution of contractual disputes, claims for non-performance, prompt payments to suppliers including release of performance securities and retentions.

- **Receipts and Inspection:** All goods or materials supplied by sellers are received and inspected at the EC's Headquarters. The Stores department is responsible for receipts of all materials and the procurement unit provides documentary support functions.

- **Contract Closure** ( Completion and Settlement of the contract)

## **2.9 CHALLENGES FACING CONSULTANTS IN PUBLIC PROCUREMENT**

Consultants are usually confronted with challenges that serve as hindrances to their activities especially in the procurement of goods. These challenges have been categorized into internal and external challenges.

## **INTERNAL CHALLENGES**

### **2.9.1 Rapid Technological Development**

One of the greatest problems of procurement consultants is the rapid developments in technology (which have led to new procurement methods), public procurement cannot be perceived as mere a 'clerical routine,' as procurement practitioners are and should be involved in strategic procurement planning (Office of Management and Budget, 1997; Hinson & McCue, 2004). In recent years, public procurement practitioners have forcefully challenged the perceived clerical task of public procurement. According to a recent unscientific survey of 704 members at the National Institute of Governmental Purchasing, Inc., 83% of respondents contended that the major role of current purchasing is tactical ([www.nigp.org](http://www.nigp.org)). Thus, making public procurement a recognized profession is another challenge.

In addition to the above, is the low use of technology. Procurement technologies have evolved significantly in the last 20 years. What started out with e-procurement has evolved into a sophisticated technology landscape that enables suppliers and customers to partner strategically. According to Kumar, (2011) there is no doubt that the lack of use of appropriate systems and low technology has been a critical challenge for consultants in the procurement of goods.

### **2.9.2 Inadequate Skills and Non-Compliance**

Professionals need a set of flexible skills due to changing local government contexts. No single skill can be adequate to manage the procurement portfolio of great complexity in local government systems.



Procurement tasks demand professionals with high-level strategic, tactical as well as operational skills. The lack of skills potentially cripples procurement consultants in the performance of their duties (Pegnato, 2003).

### **2.9.3 Insufficient Training**

The lack of management support and insufficient training are some of the major reasons why the impact of procurement consultants is scarcely felt. Most organizations struggle to adopt diverse training modules in order to achieve operational efficiency. For instance, 56% of the public organizations do not use tracking tools, and approximately 66% percent do not track supplier performance (Pegnato, 2003).

### **2.9.4 Lack of Appropriate Procurement Skills**

There is lack of appropriate procurement skills in African public organizations. Some key skills such as analytics are not adequately incorporated in educational programmes and 51% of organizations believe their lack of qualified personnel poses a ‘moderate to severe’ risk. This therefore becomes a problem to most procurement consultants as it affects the kind of goods to procure as well as its durability (Mlinga, 2009).

### **2.9.5 Lack of Transparency**

Transparency of data is also seen as key to improving procurement of goods, but the non-existence of transparency in the procurement process creates a lot of challenges to consultants. The world of public procurement has long been familiar with transparency, but is not keenly followed to the letter.

When public contracts are awarded, processes must be fair and transparent. Tenderers are entitled to know the contract award criteria and are entitled to a debriefing once the contract is awarded. Public bodies are required to publicize to whom contracts have been awarded. Poor access to tender information and insufficient technical and managerial skills to be competitive in the tendering process therefore hinders the effectiveness of procurement consultants (Schapper, 2008).

#### **2.9.6 Political Interference**

Procurement consultants are also bedeviled with political interference in the procurement process. This is much felt in the awards of contracts and the type of contract (Sahr, 1999). Instead of a high sense of political will which is the credible intent of political actors (elected or appointed leaders, civil society watchdogs, stakeholder groups, etc.) to attack perceived causes or effects of corruption in procurement, those who wield power, the moral courage or capacity to exercise that power to ensure the needed change mostly use it in their own interests (Sahr, 1999).

The US Department of State 2013 reports that government procurement, particularly for defense items, is not transparent. In recent years, several high-profile governmental tenders for infrastructure projects were suspended as a result of allegations of corruption.

According to Global Integrity 2011, there are examples of political interference with the public procurement process despite the law mandating competitive tendering in the country. This is especially the case when procurement involves high-ranking government officials' interests.

## **EXTERNAL CHALLENGES**

Public procurement consultants have always faced challenges imposed upon them by a variety of external factors including market, legal environment, political environment, organizational environment, and socio-economic and other environmental factors.

### **2.9.7 Market Environment**

Market conditions have a great influence on public procurement consultants' effort to maximize competition. Moreover, the market determines whether or not socio-economic objectives of procurement are accomplished, whether or not a governmental entity can fulfill its needs; the timeliness of fulfillment; and the quality and costs of purchased goods, services and capital assets. As there are different levels of economic growth among countries in the world, market conditions are very favorable in industrialized countries, while they may be unfavorable in developing countries.

Even under a perfectly competitive condition like that in the United States, some supplies and services are required only by the government (particularly for weapons systems) and are available in the market. This is a captive market, which is limited in scope and competition. Also as markets become more and more globalized through regional and international trade agreements and treaties, public procurement consultants face a greater challenge.

### **2.9.8 Legal Environment**

Apart from public procurement regulations and rules, the legal environment refers to a broad legal framework that governs all business activities including research and development (regulations dealing with safety and health of new products), manufacturing (safety and health regulations at workplace and pollution control), finance (regulations dealing with disclosure of information), marketing (regulations dealing with deceptive advertising, disclosure of product characteristics), personnel (regulations dealing with equal opportunity for women and minorities), and contracts. Indeed, most aspects of contracts--public or private-- such as contract requirements, disputes, and breach of contract are governed under the same contract law. In developing and particularly transitional countries, where legal systems are not comprehensive, government contracts may need detailed provisions.

### **2.9.9 Political Environment**

In a democracy many individuals, groups, and organizations in the private sector including trade associations, professional associations, and business firms or companies (commonly known as interest groups) are actively involved in all aspects of the public procurement system. Having various interests, objectives and beliefs, interest groups are involved in the public procurement system in several ways such as lobbying legislative bodies to pass or alter procurement statutes, influencing implementation of these statutes, and influencing budget authorization and appropriations processes. Normally, a government program that is eventually adopted is a compromise among different views

of interest groups, policy makers and management. In this democratic environment, there are cases of a strong coalition of policy makers, bureaucrats and interest groups in their effort to get their programs adopted. This coalition has led to the concept of the ‘iron triangle,’ which is very popular in the area of defense procurement (Thai, 2001).

However, the iron triangle shifts immediately after the procurement program authorization and appropriations stages to move to the procurement stage. As failure or success in winning large defense contracts has a great impact on a company, defense specialized companies compete against each other for these contracts. Public procurement practitioners have choices as they face various political pressures as well as sound economic decisions. For example, should they be concerned with maintaining future business competition by keeping some relatively weak companies in business or should they let these small weak firms go out of business and leave a few defense-specialized firms to compete for contracts? This issue is more common in developing countries where perfect competition hardly exists. Large firms are more willing to make a small profit margin or even to take business losses by offering best bids. After small and weak firms are out of business, they will enjoy an imperfect competitive market.

#### **2.9.10 Social, Economic, and Other Environment Forces**

While some countries impose social policies on their public procurement practices (such as a policy placing a fair proportion of government acquisitions with woman/minority-owned small business, or economically disadvantaged areas), most governmental entities --be it a developed or developing country or federal, state, and local governments-- use

their large procurement outlays for economic stabilization or development purposes by preferring national or local firms over firms from other countries or other geographic locations. Public procurement practitioners may be in a favorable economic environment or market (with many competing tenderers in their country or local areas) or an unfavorable economic environment (where competition hardly exists). This environment would have a great impact on their practices as they may face an imperfect competitive market.

## **2.10 KEY PRINCIPLES OF PUBLIC PROCUREMENT**

The following are the key principles underpinning public procurement:

### **2.10.1 Value for money (VFM):**

Value for Money is the most important principle of procurement (Raymond, 2008). According to Bauld and McGuinness (2006), VFM in the public sector involves consideration of the contribution to be made to advance government policies and priorities while achieving the best return and performance for the money being spent. Cummings and Qiao (2003) indicated that in order to obtain VFM, sometimes the government is at liberty to consider other criteria than the lowest price; for example technical capabilities, qualifications of key personnel, and past performance records in awarding contracts to potential suppliers. Palmer and Butt (1985) identified barriers such as weak governing bodies, politics, tradition and lack of education and training programmes which need to be conquered so as to achieve VFM.

### **2.10.2 Ethics**

Another important principle of public procurement is ethics. Atkinson (2003) stated that purchasing professionals are held to higher standards of ethical conduct than people in other professions, yet some do not even know what is expected of them. It is therefore important that employees are adequately educated in such matters so that it does not lead to serious consequences like breach of codes of conduct (Raymond, 2008). Atkinson (2003) further noted that there are approximately 500,000 professional purchasing people in the United States and only 10% of these have been members of a professional Supply Chain Management Association which trains members in purchasing ethics, and the rest are not even aware that there are ethical and legal standards involved in procurement.

### **2.10.3 Competition**

Competition is the means by which most goods and services are procured (Raymond, 2008). It is a means by which buyers make the best use of competitive market forces to obtain the best offer that can be obtained from the market at that particular point in time. Competition occurs in the tendering process as tenders are submitted by various tenderers for consideration. Competition also occurs in issues such as suppliers' credibility in carrying out previous contracts of the same nature, the price and the most competitive tenderers would be awarded the contract (Raymond, 2008). Erridge et al. (1999) believes that competitive tendering would avoid accusations of favouritism and fraud and that the openness of the system would encourage more suppliers to participate and that increased competition would help reduce prices, improve quality and lead to greater competitiveness among suppliers.

#### **2.10.4 Transparency**

Transparency is another important principle in public procurement. Transparency in procurement means openness in the tendering process. This involves having regard for the procurement laws, policies and practices in the country. Transparency provides an assurance for both domestic and foreign firms that contracts will be awarded in a fair and equitable manner. According to Smith-Deighton (2004), transparency requires governments to adhere to higher standards of conduct by ensuring that the conduct will be open to scrutiny. Transparency therefore is an essential aspect of ensuring accountability and minimizing corruption, and has gained prominence in Organization for Economic Cooperation and Development (OECD) countries, and is particularly associated with the rise of the governance agenda as transparency is a core governance value (Smith-Deighton, 2004). In all markets, a lack of transparency in the sense of absence of information on rules and practices could operate as a barrier to trade and may affect foreign suppliers more than local ones (Arrowsmith, 2003).

#### **2.10.5 Accountability**

Accountability is the final principle in public procurement and it comes in to play at both the national and international levels (Raymond, 2008). The public, however, is also demanding greater accountability and better service (Gunasekaran, 2005). Therefore, managing the risks associated with the complex competitive environment gives rise to accountability problems (Barrett, 2000) as the roles and responsibilities of the participants in the process are not clear (Raymond, 2008).



## **2.11 INEFFICIENCIES AND DEFICIENCIES OF THE UNREFORMED PROCUREMENT SYSTEM**

In general the unreformed procurement system was characterized with inherent inefficiencies and deficiencies which necessitated the reforms in order to make the procurement system responsive and effective. The short-comings of the unreformed system are summarized as follows (Agaba and Shipman, 2012):

- i. Guidance for the unreformed procurement system are scattered among various out-dated regulations and procedures;
- ii. Little action is taken to ensure that the procurement process complied with established regulations and procedures;
- iii. There are no clear lines of public accountability in the procurement process and little transparency;
- iv. There is little institutional coordination;
- v. Operating through cash budgets and with inadequate financial planning, the government is an unreliable business partner and suppliers frequently suffer delays in receiving payment for goods and services supplied; consequently tenderers seek to offset these risks by higher prices;
- vi. The system suffered from various forms of malpractice and unethical conduct, including a high incidence of vested interests, interference and insider dealings and occasional cases of retrospective approval of contract awards; and

vii. There was a lack of professional knowledge and expertise in the purchasing and contracting function at all levels (Agaba and Shipman, 2012).

## **2.12 IMPACT OF REFORMED/TRANSPARENT PUBLIC PROCUREMENT**

The gains from more open and efficiency in procurement of services are considered in respect of enhanced transparency, increased competition and reduced corruption (Falvey et al., 2007).

### **2.12.1 Enhanced Transparency**

Transparency is aimed at preventing public authorities from concealing discrimination in favour of national suppliers of goods. Arrowsmith (2003) indicated that, transparency rules also support other objectives such as probity, preventing corruption, deterring abuse of discretion, maintaining the confidence of contractors in the system and are also used as a means to prevent covert discrimination (Arrowsmith, 2003).

Falvey et al. (2007) opined that transparency entails that procurement procedures should be characterized by clear rules and means to verify that those rules were followed. The literature reveals that three factors are essential for a public procurement regime to be classified as transparent. Firstly, the existence of clear public procurement rules is required. All participants should be informed about the procurement rules that will be applied by the contracting authority (for instance what are the criteria for selecting the suppliers, for awarding the contracts). The existence of clear rules allows participants in the procedure to know in advance how it will be conducted and to behave accordingly. Secondly, procurement opportunities should be public in order to enable all possible

interested suppliers to participate (this is achieved by publishing procurement opportunities on national, regional and international bulletin/newspapers); and thirdly the opportunity should be given to scrutinise decisions and to enforce the rules in order to ensure that the procurement agency has adhered to the rules and that the decision was not motivated by self-interest but was taken having regard only to commercial consideration (Falvey et al., 2007).

Trepte (2005) indicated that the importance of transparency is that it makes visible what would otherwise be disguised and allows the actions of the procurement agency to be scrutinised and monitored. According to Falvey et al. (2007), some of the measures usually implemented for achieving transparency includes making procurement laws and administrative regulations publicly accessible; ensuring broad advertisement of procurement opportunities in journals of national and international relevance; limiting the use of negotiated procedures to very limited and well defined cases giving preference to the use of more open procurement methods such as open tendering or restricted procedure; give the possibility to all tenderers to be present at the opening of tenders; the requirement that all criteria for evaluating tenders shall be stated in advance in the contract documents Falvey et al. (2007) also added that, for any procurement system to be transparent, there is the need to ensure that suppliers are given the possibility to complain against a procurement decision and that there are in place effective and independent review and complaint systems.

A lack of transparency can impede the ability of foreign firms to bid for contracts even if there is no intended discrimination (Arrowsmith, 2003). When a procurement system is characterized by non-transparent rules foreign suppliers can be reluctant to enter the market, as tenderers must trust in the fairness of process to participate in a tender, the perception of transparency is crucial in attracting the largest possible number of tenders and increasing competition (OECD, 2006).

### **2.12.2 Enhancing Competition**

The evidence gathered from studies conducted on the effects of the procurement directives enacted in the EU suggests that public procurement prices paid by public authorities in the EU are lower when the directives are applied. The application of procurement rules appears to reduce prices by around 30%. Price reduction is due to enhanced competition (Falvey et al., 2007). Falvey et al. (2007) further stated that competitive, transparent procurement markets help government acquire goods and services at lower cost.

### **2.12.3 Reducing Corruption**

Corruption in consulting on public procurement is a big problem for developing countries because it leads to a significant waste of public funds. The public procurement process can provide opportunities for corrupt officials to engage into illegal practices (Trepte, 2005). According to Arrowsmith et al. (2000) corruption in public procurement can cover various types of practice and can involve various forms of collusion between government and tenderers. For instance, the Procurement Entity may award contracts on the basis of

bribes rather than on the basis of the best quality and price of the products; contracts may be awarded to firms in which one has a personal interest; and contracts may be awarded to political supporters amongst others. Corruption can occur in the execution as well as award of contracts in which officials can collude with bidders to allow them to claim extra payments for non-existent work (Arrowsmith et al., 2000). The procurement planning and the delivery phase are particularly exposed to corruption and the need to be carefully monitored (OECD, 2006).

Falvey et al. (2007) indicated that the award of contracts on the basis of corruption will prevent authorities from achieving value for money, since contracts will not be awarded to the best firms and for the best products. Further, corruption scandals may deter both national and foreign firms from tendering for future contracts. Prices may be higher both because contractors do not face real competition and because contractors need to insert in their cost the “bribe” paid to procurement officials. Trepte (2005) points out that, corruption in developing (and developed) countries is due to several reasons and is often related to the structure of government itself, especially the low paid employees. Falvey et al. (2007) state also that corruption depends on the lack of enforcement and monitoring systems and on the lack of an effective system of debarment for suppliers who have been accused of corruption. They suggested the following for limiting the opportunities for corruption at the stage of the procurement process:

- i. The criteria for the selection of suppliers could be set by law or regulation and the procuring authority should be bound by those criteria, in so limiting the discretion of the public authority and avoiding the use of ad hoc solution aimed at favouring corrupted tenderers.

ii. Pre-disclose the selection criteria to tenderers and to forbid the procurement entity to change them once the process has started.

iii. At the specification stage it is important that specifications related to the product are not too burdensome and technical for suppliers to comply with them. Caution is also necessary at the qualification stage, the selection of suppliers in order to consider who is eligible for the contract.

v. As far as the award stage is concerned, contracts can be awarded according to the lowest price (which is possibly the most transparent way) or according to the lowest evaluated tender.

vi. A system should be in place which allows aggrieved suppliers to challenge the decisions of the procurement entity. Complaints should be dealt with, in a fast manner, by an independent, impartial and unbiased authority (Falvey et al., 2007).

Apart from the benefits stated above, Public procurement has direct impact on the successful delivery of government projects and public services, ensures sound public financial management by achieving value for money in government expenditure and encouraging private sector growth and investment.

### **2.13 THE PUBLIC PROCUREMENT ACT, 2003 (ACT 663)**

The Public Procurement Act, 2003 (Act 663) is an act to provide for public procurement, establish the Public Procurement Board, make administrative and institutional arrangements for procurement, stipulate tendering procedures and provide for purposes

connected with these. According to World Bank (2003), the Public Procurement Act (PPA) establishes the five basic pillars of public procurement, namely:

- i. Comprehensive, transparent legal and institutional framework;
- ii. Clear and standardized procurement procedures and standard tender documents;
- iii. Independent control system;
- iv. Proficient procurement staff; and
- v. Anti-corruption measures.

The Act is arranged in sections and parts which relates to different issues. It has ninety-nine sections and is divided into nine parts. Part I, Section I of the of the Public Procurement Act, established the Public Procurement Board, with an object to streamline and harmonize public procurement processes to secure judicious, economic and efficient use of public funds and ensure that public procurement will be carried out in a fair, transparent and non-discriminatory manner. The Board has several functions, the major ones being the formulation of policies and regulations, training and capacity building; development of local industries; monitoring and evaluation and ensuring that public procurement is mainstreamed into public financial management system.

Part II, Section II, of the Act relates to Procurement structures and provides for administrative and institutional arrangements for procurement. The scope of application of the Act involves the procurement of goods, works and services financed in whole or in part from public funds unless cabinet decides otherwise. It also includes the

responsibilities of a procurement entity and establishes the Tender committees and ensures compliance with Tender Review Boards which provides concurrent approvals for recommendations for award of contract by tender committees.

Part III, Section III deals with procurement rules. It spells out the qualification of tenderers and prequalification proceedings. It also indicates other issues like record of procurement proceedings, rejection of tenders, proposals and quotations and issues relating to the entry into force of procurement contract.

Part IV, Section IV deals with methods of procurement such as competitive tendering by two-stage tendering, restricted tendering or single source tendering and request for quotation and indicates the procedure for each method.

Part V, Section V is on tendering procedures. This section is divided into three sub-parts namely; invitation of tenders and application to prequalify, submission of tenders and finally, evaluation and comparison of tenders and issues related to these.

Part VI, Section VI deals with methods and procedures to procure consultants. It spells out the content of request for proposals for consultancy services, criteria for the evaluation of proposals, clarification and modifications, selection procedure for consultants.

Part VII, Section VII contains the review processes for any supplier, contractor or consultant

Part VIII, Section VIII relates to disposal of stores, plant and equipment. It indicates the authority to dispose and the disposal procedures.



Part IX, Section IX contains miscellaneous provisions such as code of conduct, investigation by the Board, statutory audits, and offences relating to procurement among others.

#### **2.14 Chapter Summary**

This chapter focused on the concept, overview and the evolution of procurement. It also concentrates on the benefits of engaging procurement consultants, challenges confronting procurement consultants in the procurement of goods and key principles in procurement.

## CHAPTER THREE

### METHODOLOGY

#### 3.1 INTRODUCTION

The section focuses on the procedure used in obtaining relevant data for the achievement of the objectives of the study. It covers the study area, research design, population and sample size, sampling technique, sources of data and instruments, data analysis and presentation for the study.

#### 3.2 RESEARCH DESIGN

There are basically two types of research approaches; the quantitative research and qualitative research. **Quantitative research** generates numerical data or information that can be converted into numbers. It focuses more in counting and classifying features and constructing statistical models and figures to explain what is observed. The purpose is to quantify data and generalize results from a sample to the population of interest. It involves the use of structured techniques such as questionnaires or telephone interview. **Qualitative research** on the other hand generates non-numerical data. The primary aim is to gain an understanding of underlying reasons and motivations. It provides an insight into the settings of a problem; generates ideas and helps to understand human behavior and the reasons behind it. Unstructured or semi-structured techniques for instance in-depth interview or group discussions are mostly used.

The study adopted a combination of qualitative and quantitative research methods. A case study approach was used as the design for the study. This is because the researcher

wishes to gain a rich understanding of the research and the processes being enacted (Morris and Wood, 1991) and this method has the considerable ability to generate answers to the question ‘why’ as well as ‘what’ and how questions (Saunders et al, 2007). Robson (2002) defines case study as ‘a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence’. Case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied holistically by one or more methods (Thomas, 2011).

### **3.3 STUDY POPULATION**

The population for this study was drawn from the staff and procurement consultants of the Electoral Commission of Ghana. This was done to give a broader view on the subject matter of the study. In addition, members of the Entity Tender Committee, procurement (supplies) staff and registered procurement consulting firms of Electoral Commission were included.

### **3.4 SAMPLE SIZE**

Saunders *et al.* (1997) indicated that the size of the sample and the way in which it is selected will definitely have implication for the confidence in one’s data and the extent to which one can generalize. The study used one hundred (100) respondents out of the population. This sample was made of sixty (60) staff of the Electoral commission.

The sampled respondents also comprised 20 questionnaires that were administered to the EC's procurement consultants. Moreover, twenty (20) questionnaires were administered to Supplies staff.

| <b>SAMPLES</b>                    | <b>NUMBER</b> |
|-----------------------------------|---------------|
| Staff of the Electoral Commission | 60            |
| EC's procurement consultants      | 20            |
| Supplies staff                    | 20            |
| <b>TOTAL</b>                      | <b>100</b>    |

### **3.5 SAMPLING TECHNIQUE**

According to Saunders et al. (2007), sampling techniques provide a range of methods that enable a researcher to reduce the amount of data needed to be collected by considering only data from a subgroup rather than all possible cases or elements. Purposive sampling technique was used to seek the views of the respondents on the challenges facing consultants in the procurement of goods with the Electoral Commission as a case study. Purposive sampling method was used because the criterion chosen allows the study to focus on people who would be most likely to experience, know about, or have insights into the challenges confronting consultants in the procurement of goods.

### **3.6 SOURCE OF DATA**

The study was executed using both the primary and secondary information. Primary information is information collected directly from first-hand experience. Although primary data may be very expensive in preparing and carrying out the research and costs

can be incurred in producing the paper for questionnaires or the equipment for an experiment of some sort, it addresses specific issues as the researcher controls the search design to fit his needs, size of project, time frame and goal. Thus, primary data was collected from the Electoral Commission. The use of primary data has the following advantages;

- a) The data collected are mostly up to date.
- b) Findings are known to the researcher alone and hence secrecy of findings is assured.
- c) Again, the data collected exactly fit the research undertaking.

Secondary information is a published data and data collected is in the past. It is time saving and helps to make primary data collection more specific since with the help of secondary data, a researcher is able to make out what the gaps and deficiencies are and what additional information needs to be collected. This data was collected from publications, journals, books and few internet searches.

### **3.7 INSTRUMENT DESIGN**

The main instruments used for the data collection for the study were questionnaires and interviews for the sampled staff of the selected institution.

### **3.8 DATA GATHERING PROCEDURE**

Data collection approach used in this study was a survey approach. This approach calls for interrogational method that is used for questionnaire and interview. For maximum efficiency and effectiveness of the research, the instrument was administered personally by the researcher. This was done to ensure that detailed discussion and explanation is given to the respondents in question.

### **3.9 METHOD OF DATA ANALYSIS**

For the data collected to be useful and understood, there is the need for it to be analyzed and interpreted. The researcher edited, coded and tabulated the data using percentages and frequency tables, as well as charts as the main instruments of the widely available Microsoft Excel software.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 Introduction**

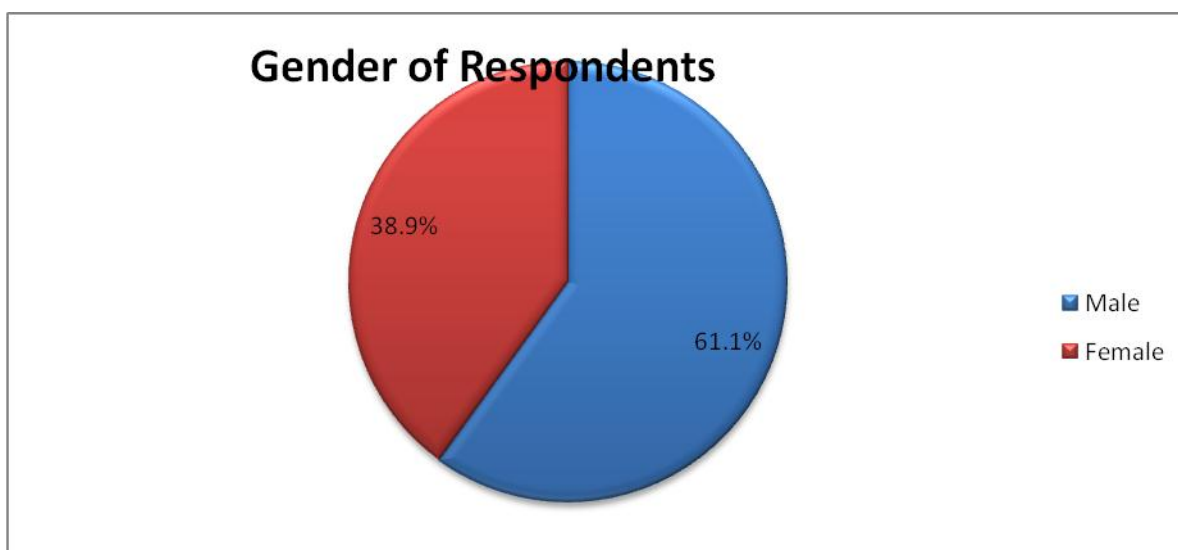
This chapter deals with analysis and the discussion of the findings. Prior to the analysis of the data collected, the questionnaires were scrutinized for consistency of responses. The method of coding was employed to facilitate identification and to make the analysis less complicated. The objectives of the study were the basis upon which the analysis was made. Out of the one hundred questionnaires that were distributed, ninety of them were retrieved.

#### **4.2 DATA PRESENTATION AND ANALYSIS**

##### ***ANALYSIS OF RESPONSES FROM STAFF, CONSULTANTS AND SUPPLY STAFF OF THE ELECTORAL COMMISSION***

#### **4.3 Gender of Respondents**

The distribution of the respondents' gender is shown in figure 1 below. Out of the ninety respondents, majority of the respondents 55 constituting (61.1%) interviewed were males while the remaining 35 representing (38.9%) were females. This is an indication that males are in the majority as they hold most of the positions in the Electoral Commission; it is therefore fair that they have the majority stake in such a research.



**Figure 4.1: Gender Respondents**

#### **4.4 Age Respondents**

The age of respondents was categorised into various groups . The age group of 36 – 45 years had the highest number of respondents representing 38 (42.2%) of the total. The second highest were age group of 26 - 35 years constituting 32 (35.6%) while 46 – 55 years recorded 20 (22.2%) of the total. The age distribution indicates that the staff and consultants of the electoral commission consist of well informed and matured personnel who have deep insight in matters of procurement.

**Table 4.1 Age of respondents**

| Response     | Frequency | Percent %  | Cumulative Percent |
|--------------|-----------|------------|--------------------|
| 18 -25       | -         | -          | -                  |
| 26 - 35      | 32        | 35.6       | 35.6               |
| 36 - 45      | 38        | 42.2       | 77.8               |
| 46 - 55      | 20        | 22.2       | 100                |
| <b>Total</b> | <b>90</b> | <b>100</b> |                    |

**Source: Field Work, 2014**



#### **4.5 Level of Education**

The study indicates that the respondents had a certain form of education. Majority 45 (50%) of the respondents were those who had their degree, 21 (23.3%) polytechnic, while 24 (26.7%) were those with their masters degree. A team of such educated management personnel demonstrates that their views are a reflection of the prevailing circumstances concerning procurement of the Electoral Commission and therefore must be taken seriously.

**Table 4.2 Level of Education of Respondents**

| Response     | Frequency | Percent (%) | Cumulative<br>Percent |
|--------------|-----------|-------------|-----------------------|
| Degree       | 45        | 50          | 50                    |
| Polytechnic  | 21        | 23.3        | 73.3                  |
| Masters      | 24        | 26.7        | 100                   |
| <b>Total</b> | <b>90</b> | <b>100</b>  |                       |

*Source: Field Work, 2014*

#### **4.6 Analysis of the Job Title of respondents**

The table below (Table 3) shows the analysis of the ranks of the respondents within the Electoral Commission. Procurement staff recorded 58 (64.4%). Moreover, the rank of Human resource and consultants were 20 (22.2%) and 5 (5.6%) respectively of the total. Finally, Account staff accounted for 7 (7.8%). Respondents with such a high profile ranking are an indication that the information provided gives a vivid indication of the prevailing circumstances around procurement at the Electoral Commission.

**Table 4.3 Job Title of Respondents**

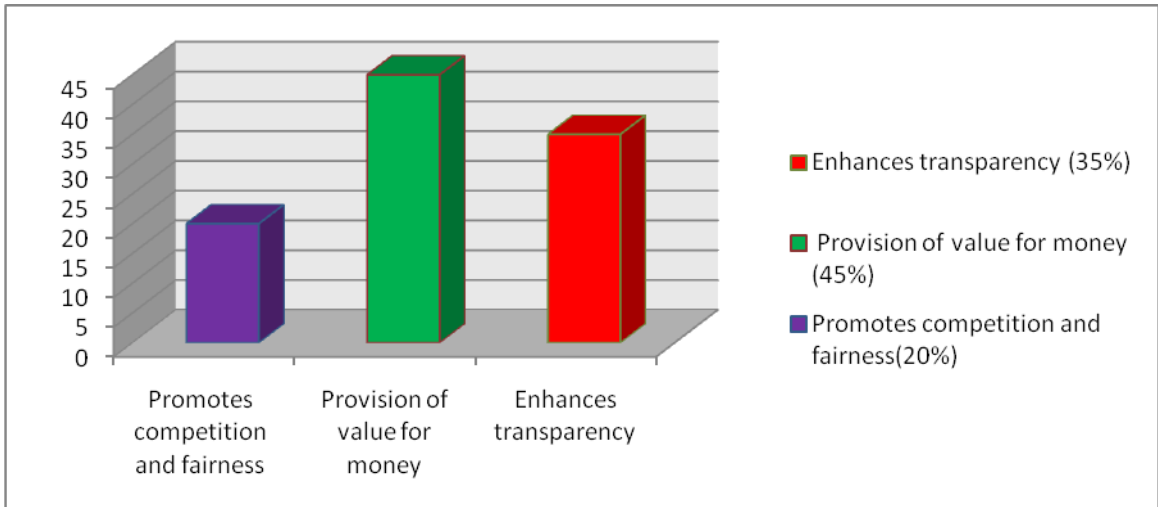
| <b>Category</b>  | <b>Frequency</b> | <b>Percentage</b> |
|------------------|------------------|-------------------|
| Procurement Unit | 58               | 64.4%             |
| Human Resource   | 20               | 22.2%             |
| Consultants      | 5                | 5.6%              |
| Accounts         | 7                | 7.8%              |
| <b>Total</b>     | <b>90</b>        | <b>100</b>        |

*Source: Field Work, 2014*

## **SECTION B**

### **4.7Relevance of Procurement in the Public Sector**

Respondents also shared their thoughts as represented on the figure below. 45% of the respondents stated that procurement provides value for money. Those who thought that procurement enhances transparency and promotes competition and fairness also recorded 35% and 20% respectively. This is confirmed by the works of researchers (Hunja, 2003; Arrowsmith, 2005) who found that the purpose of procurement is to ensure that the organization does not run at a loss, increase competition and guarantees accountability as well as transparency.



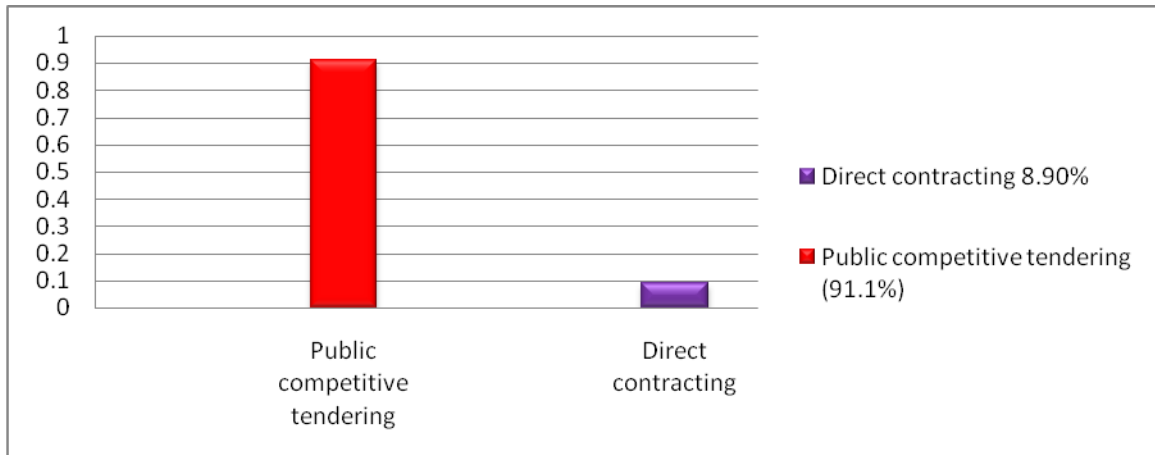
**Figure 4.2 Relevance of Procurement in the Public Sector**

#### **4.7 Kinds of Goods Procured by the Electoral Commission**

With regard to the kinds of goods procured by the electoral commission, 65% of the response positioned that items such as ballot boxes, ballot papers, BVD equipment, indelible inks, notices of election, screens and cars are mostly procured by the Electoral Commission. However, 35% indicated that the items procured by the Electoral Commission included pull tight seals, tamper proof evident envelopes, election jackets, rechargeable lamps and batteries.

#### **4.8 Ways of Procuring Goods**

Respondents also shared their thought on the way by which goods are procured. An overwhelming majority of 91.1% of the respondents revealed that goods are procured through public competitive tendering. A section constituting 8.9% also pointed to the fact that direct contracting was also another way of procuring goods.



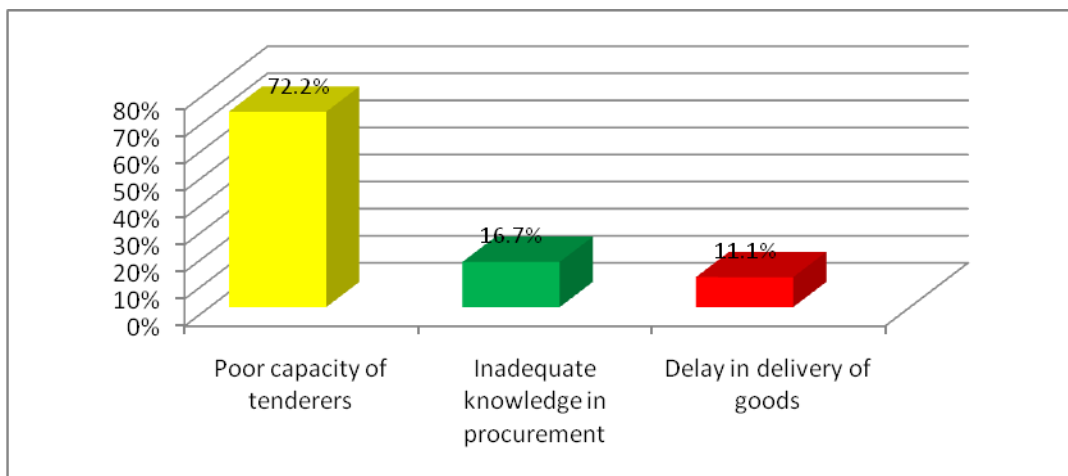
**Figure 4.3 Ways of procuring goods**

**Table 4.4 CHALLENGES IN THE PROCESS OF PROCUREMENT OF GOODS**

|   |
|---|
| Collusion of customer / contracting organization and supplier:  |
| Unreasonable requirements regarding the goods to be purchased   |
| Inadequate starting pricing.  |
| Customers know little about new technologies.   |
| Ineffective Planning:   |
| The short time available for preparation and submission of the commercial tender is not enough to elaborate upon it properly.       |
| Inadequate examination of tender documents  |
| No assessment of quality of previous performance  |
| No assessment of suppliers' affiliation, law compliance, experience, technical possibilities to perform the contract.               |
| Tenderers do not provide true information about themselves or their goods (e.g., lowering price by supplying second-hand products). |
| The model of assessing tenders is not always transparent.   |

#### 4.9 Challenges facing EC in the procurement of goods and services

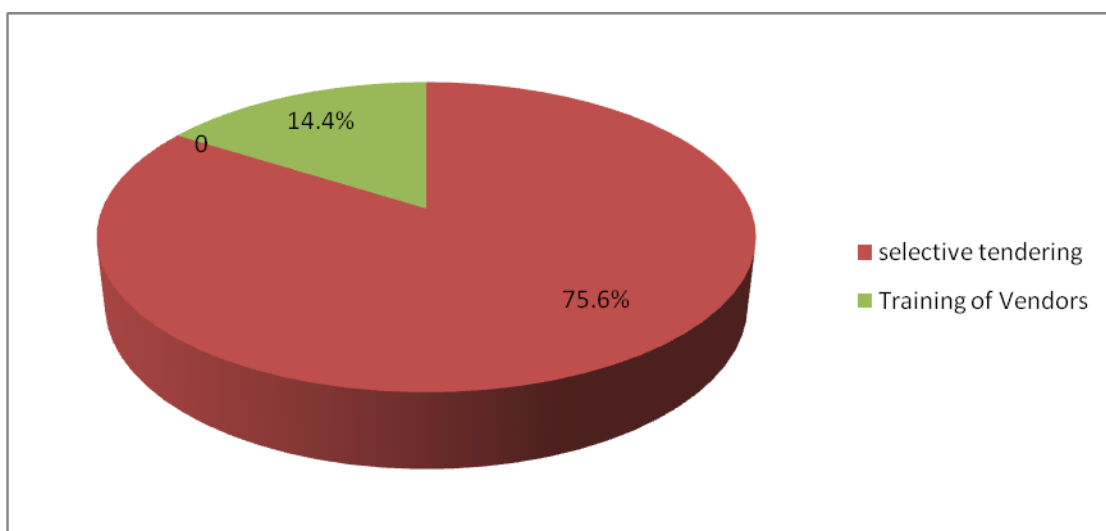
With regards to the challenges facing EC in the procurement of goods and services, it was realized that 72.2% of the respondents claimed that poor capacity of tenderers in execution of contracts and administration of contracts was a major challenge facing the Electoral Commission. Moreover, 16.7% were of the view that inadequate knowledge of procurement process was another challenge while 11.1% asserted delay in the delivery of goods. There were others who also asserted that macro economy , time constraints, delay in release of funds, deviations from the procurement plan as well as corruption add up to other challenges that confronts procurement consultants.



**Figure 4.4 Challenges facing EC in the procurement of goods and services**

#### 4.10 Ways of addressing these challenges

With regards to the ways of addressing the challenges identified, 75.6% of the respondents were of the view that **selective tendering** was an effective way of solving these challenges while 14.4% pointed to training of vendors on the process of procurement. Others includes early initiative of the procurement process, securing of funds early to pay for procured goods, preparation of comprehensive a procurement plan.



**Figure 4.5 Addressing the challenges facing the EC**

#### **4.11 Benefits of engaging consultants for the procurement of goods**

With regard to the benefits of engaging consultants for the procurement of goods in the public sector, 47.8% of the respondents indicated that their involvement leads to best practices as well as compliance to procurement laws. Also, 35.6% and 16.6% respectively indicated that consultants help to prevent waste and corruption and critically helps to meet deadlines and allow for value for money.

**TABLE 4.5 BENEFITS OF ENGAGING CONSULTANTS**

| <b>Responds</b>  | <b>Frequencies</b> | <b>Percentages %</b> |
|--|--------------------|----------------------|
| Best practices for the EC                              | 43                 | 47.8                 |
| Prevention of waste and corruption                     | 32                 | 35.6                 |
| Helping to meet deadlines and allowing value for money | 15                 | 16.6                 |
| <b>Total</b>   | <b>90</b>          | <b>100</b>           |

*Source: Field Work, 2014*

#### **4.12 Challenges facing the public sector in the procurement of goods**

The table below illustrates the challenges facing the public sector in the procurement of goods. Respondents who believed that inadequate budget for goods recorded 41.1% and also added that it has been the main challenge of the public sector in their procurements. Delays in the payment of goods constituted 36.7% whereas 22.2% asserted that inadequate knowledge of the procurement process of vendors posed additional challenge to the public sector as far as procurement of goods was concerned.

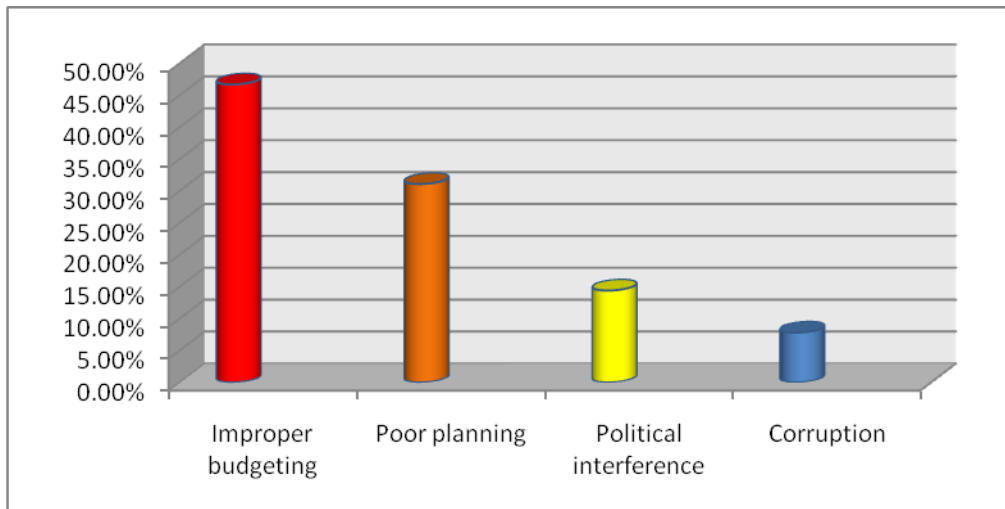
**TABLE 4.6 CHALLENGES FACING THE PUBLIC SECTOR IN THE PROCUREMENT OF GOODS**

| <b>Responds</b>  | <b>Frequencies</b> | <b>Percentages %</b> |
|--|--------------------|----------------------|
| Inadequate budget for goods                                | 37                 | 41.1                 |
| Delay in the payment of goods                              | 33                 | 36.7                 |
| Inadequate knowledge of the procurement process of vendors | 20                 | 22.2                 |
| <b>Total</b>   | <b>90</b>          | <b>100</b>           |

*Source: Field Work, 2014*

#### **4.13 Challenges confronting consultants in the procurement of goods**

With respect to challenges confronting consultants in the procurement of goods, 46.7% respondents were of the view that improper budgeting was a challenge to consultants. Those who saw poor planning and political interference formed 31.1% and 14.4%. Corruption according to 7.8% of the respondents was also a hindrance to consultants in the procurement of goods. These to a large extent account for the ineffectiveness of consultants in the public sector.



**Figure 4.6 challenges confronting consultants in the procurement of goods**

### **Section C: Issues in Public Procurement**

On the issue of whether challenges are faced by public sector when procuring goods and services, 38.9% strongly agreed while 61.1% agreed in the same direction. 61.1% and 24.4% agreed and strongly agreed that contracts for the supply of goods delay before they are awarded while 14.5% shared divergent views. Also, 43.3% and 21.1% agreed and strongly agreed respectively funding for procurements of goods is not made available before the final award of contracts but 35.6% disagreed on the same issue. This results in delays which frustrates the proper functioning of the public sector. 47.8% and 15.5% agree and strongly agreed that there is transparency and accountability in the procurement process while 36.7% were in total disagreement. 57.8% agreed with 25.6% strongly agreed that lack of capacity to procure goods hinder efficiency in delivery system.



However, 16.6% in responding to the same issue disagreed. 63.3% and 36.7% of the respondents agreed and strongly agreed that poor specification for goods results in not fit for purpose final deliverables. Finally, 47.8% and 18.9% respectively agreed and strongly agreed that untimely delivery of goods will lead to time and cost over runs while 33.3% disagreed.

**TABLE 4.7 ISSUES OF PUBLIC PROCUREMENT**

|             | Statements   | Strongly Agree |      | Agree |      | Neutral |   | Disagree |      | Strongly Disagree |   |
|-------------|--|----------------|------|-------|------|---------|---|----------|------|-------------------|---|
|             |  | Freq           | %    | Freq  | %    | Freq    | % | Freq     | %    | Freq              | % |
| <b>4.15</b> | Challenges are faced by public sector when procuring goods and services.                   | 35             | 38.9 | 55    | 61.1 | 0       | 0 | 0        | 0    | 0                 | 0 |
| <b>4.16</b> | Contracts for the supply of goods delay before they are awarded                            | 22             | 24.4 | 55    | 61.1 | 0       | 0 | 13       | 14.5 | 0                 | 0 |
| <b>4.17</b> | Funding for procurement of goods is not made available before the final award of contracts | 19             | 21.1 | 39    | 43.3 | 0       | 0 | 32       | 35.6 | 0                 | 0 |
| <b>4.18</b> | There is transparency and accountability in the procurement process                        | 14             | 15.5 | 43    | 47.8 | 0       | 0 | 33       | 36.7 | 0                 | 0 |
| <b>4.19</b> | Lack of capacity to procure goods hinders efficiency in delivery system                    | 23             | 25.6 | 52    | 57.8 | 0       | 0 | 15       | 16.6 | 0                 | 0 |
| <b>4.20</b> | Poor specification for goods results in not fit for purpose final deliverables.            | 33             | 36.7 | 57    | 63.3 | 0       | 0 | 0        | 0    | 0                 | 0 |
| <b>4.21</b> | Ultimately delivery of goods will lead to time and cost over runs                          | 17             | 18.9 | 43    | 47.8 | 0       | 0 | 30       | 33.3 | 0                 | 0 |

*Source: Field Work, 2014*

## SECTION D

### Impact of Public Procurement Act 663 (2003) on the Public sector procurement

First, 63.3% and 36.7% agreed and strongly agreed that the Public Procurement Act 2003, Act 663, has made the electoral commission to have a well-coordinated and staffed procurement unit qualified. 47.8% and 13.3% also agreed and strongly agreed that the commission has a well prepared annual procurement plan and this plan is annually updated. Finally, 54.4% and 25.6% indicated their agreement and strong agreement that the introduction of the PPA, Act 663 has made members of the Procurement Department / unit to benefit from training on effective procurement practices.

**TABLE 4.8 IMPACT OF PUBLIC PROCUREMENT ACT 663 (2003) ON THE PUBLIC SECTOR PROCUREMENT**

|             |   | Strongly agree |      | Agree |      | Neutral |   | Disagree |      | Strongly disagree |   |
|-------------|---|----------------|------|-------|------|---------|---|----------|------|-------------------|---|
|             |   | Freq           | %    | Freq  | %    | Freq    | % | Freq     | %    | Freq              | % |
| <b>4.22</b> | The Public Procurement Act 2003, Act 663, has made the electoral commission to have a well-coordinated and staffed procurement unit qualified personnel | 33             | 36.7 | 57    | 63.3 | 0       | 0 | 0        | 0    | 0                 | 0 |
| <b>4.23</b> | The commission has a well prepared annual procurement plan and this plan is annually updated  | 12             | 13.3 | 43    | 47.8 | 0       | 0 | 35       | 38.9 | 0                 | 0 |
| <b>4.24</b> | The introduction of the PPA Act 663 has made members of procurement department/unit to benefit from training on effective procurement practices         | 23             | 25.6 | 49    | 54.4 | 0       | 0 | 18       | 20   | 0                 | 0 |

*Source: Field Work, 2014*

#### **4.25 Solutions to the challenges faced by consultants in the procurement of goods**

In suggesting solutions to the challenges faced by consultants in the procurement of goods, majority of 72.2% of the respondents indicated that proper planning of the Public Organizations is necessary to forestall the challenges consultants encounter in their delivery of work. Since procurement planning forms the fundamental role of effective procurements, there should be a conscious effort on the part of procuring entities to adequately prepare a more comprehensive workable procurement plan to address the needs of their entities. Moreover, 16.7% indicated that there is the need for a register for procurement consultants so that Public Organizations can make use of them. Finally, 11.1% were of the view that strict adherence to the public procurement Act was a certainty to prevent the challenges of procurement consultants.

## **CHAPTER FIVE**

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

#### **5.0 INTRODUCTION**

This chapter highlights the major findings of the study. The findings are outlined in direct response to the specific objectives. Recommendations have been provided to help ameliorate the challenges confronting consultants in the office the Electoral Commission.

#### **5.1 Summary**

The study under discussion focussed on challenges facing consultants in the procurement of goods with the Electoral Commission as a case study through the following objectives; identifying the benefits of engaging procurement consultants in the delivery of goods in the public sector, identifying the challenges faced by consultants in the procurement of goods and to find out suggested solutions to the challenges facing consultants in the procurement of goods.

A sample size of hundred (100) respondents comprising staff of the Electoral Commission, consultants and supply chain officials were used for the analysis. Purposive and convenient sampling techniques were employed to select a sample out of the whole population. Purposive sampling method also helped the researcher to get information by selecting the population which conforms to certain characteristics that the researcher was interested in.

The first objective of this study was to identify the benefits of engaging procurement consultants in the delivery of goods in the public sector. This study found out through 47.8% of the respondents that their involvement leads to best practices as well as compliance to procurement laws. Also, 35.6% and 16.6% respectively indicated that consultants help to prevent waste and corruption and critically helps to meet deadlines and allow for value for money

Moreover, in identifying the challenges faced by consultants in the procurement of goods, the study found out from respondents that improper budgeting was a major challenge to consultants. On the other hand, poor planning and political interference formed 31.1% and 14.4% respectively. Corruption according to 7.8% of the respondents was also a hindrance to consultants in the procurement of goods. These to a large extent account for the ineffectiveness of consultants in the procurements of goods within the public sector.

Finally, finding out the solutions to the challenges facing consultants in the procurement of goods was another reason for embarking on such a study. It was discovered through the analysis that proper planning in terms of comprehensive procurement planning of public organizations is necessary to forestall the challenges of consultants. Moreover, others indicated that there is the need for a register for procurement consultants so that public organizations can make use of them. Finally, some were of the view that strict adherence to the public procurement Act was a must to prevent the many challenges of procurement consultants.

## **5.2 Conclusion**

This study investigated the challenges facing consultants in the procurement of goods with the Electoral Commission as a case study. The study has shown that effective functioning of procurement consultants is necessary for efficient procurement of goods and services. Thus if the enabling environment is created for procurement consultants, it will help reduce if not totally eradicate the challenges confronting consultants.

The utilization and effective functioning of procurement consultants must be envisaged as one of the main and most valuable assets of every institution and for that matter every nation. There is the need for Ghana as a whole and the Electoral commission in particular to put in place measures so as to create the kind of atmosphere which would guarantee procurement consultants to rise above challenges as identified and help immensely as far as procurement of goods in the public sector is concerned. Maximum support and proper methods and procurement processes therefore become an indispensable phenomenon. As indicated in the study, the numerous problems associated with the procurement of goods in the public sector calls for serious engagement of procurement experts. It must therefore be re-stated that due to the crucial role of the of procurement consultants in the procurements of goods, public institutions must see the need to hire and engage them for their own benefit.

### **5.3 RECOMMENDATIONS**

The following recommendations are provided for policy direction based on the findings of this study:

Firstly, it is recommended that there is the need to organize a capacity building training for suppliers and prospective tenderers on effective procurement procedures and processes based on the Procurement law so as enable them to participate effectively in future tendering.

Procurement consultants would play a lead role in these engagements so as to provide the needed resources and pre-requisites for such capacity building training programmes. This will help public organizations to benefit from Procurement consultants in the delivery of the procurement of goods.

The challenges facing consultants in the procurement of goods are enormous but due diligence must be followed in the selection criteria so as to achieve the best goods items for a particular procurement activity. For instance, requisite knowledge, years of experience, performance on similar assignments, qualification including others must be considered in the evaluation process.

Public organizations including the Electoral Commission must be proactive in their plans in order to accommodate the problem of resource funding for procurement activities leading to constraints that consultants go through in the delivery of their functions.

Consultants in the procurement of goods must address their inadequate knowledge of the Public Procurement Law (Act 663), with recent amendments.

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## **APPENDIX I**

### **SAMPLE QUESTIONNAIRES**

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**DEPARTMENT OF BUILDING TECHNOLOGY**

## **MSC PROCUREMENT MANAGEMENT**

### **CONFIDENTIAL QUESTIONNAIRE**

Dear Sir/Madam,

This is a study on challenges facing consultants in the procurement of goods in the public sector using the electoral commission as a case study. Please you are kindly being asked to respond to this questionnaire frankly as possible as you can. The survey would take about 20 -30 minutes to complete. You are being assured that whatever information you will give in response to this questionnaire will be treated as highly confidential so as to preserve your anonymity and will be used exclusively for academic purpose

#### **SECTION A (Background Information)**

This section seeks to elicit the basic personal information of the respondents. And the importance is to know the number of respondents and other related issues.

1. Gender    (a) Male                      (b) Female
2. Age  
(a) 18-25 [ ]    (b) 26-35 [ ]    (c) 36-45 [ ]    (d) 46-55 [ ]    (e) 56 and above [ ]
3. Educational Background;  
(a) S.H.S [ ]  
(b) Polytechnic [ ]  
(c) 1<sup>st</sup> Degree [ ]  
(d) Master's Degree [ ]  
(e) Professional Certificate [ ]

4. What is your job title?

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## **Section B**

5. Do you consider procurement as being necessary in the public sector?

(a) Yes                      (b) No

6. If yes, why do you think that procurement is relevant in the public sector?

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7. What kind of goods does your organization procure?

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8. In what ways are these goods procured?

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9. What are the challenges your organization faces in the procurement of these goods?

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10. In what ways are these challenges addressed?

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11. Are there any benefits in engaging consultants for the procurement of services in the public sector?

(a) Yes                      (b) No

12. If yes, what are the benefits of engaging consultants for the procurement of services in the public sector?

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13. Are there Challenges facing the public sector in the procurement of goods?

- (a) Yes                      (b) No

14. What are these challenges?

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15. What are the major challenges that confront consultants in the procurement of goods?

- (a) Political interference
- (b) Improper Budgeting
- (c) Lack of accountability
- (d) Corruption
- (e) Other Specify .....

### **Section C: Issues in Public Procurement**

Please indicate whether you agree or disagree with each statement by ticking the option that specifies your choice from the options that range from “strongly agree” to “strongly disagree”.



|           | <b>Statements</b>   | <b>Strongly Agree</b> | <b>Agree</b> | <b>Neutral</b> | <b>Disagree</b> | <b>Strongly Disagree</b> |
|-----------|---|-----------------------|--------------|----------------|-----------------|--------------------------|
| <b>16</b> | Challenges are faced by public sector when procuring goods.                                 |                       |              |                |                 |                          |
| <b>17</b> | Contracts for the supply of goods delay before they are awarded                             |                       |              |                |                 |                          |
| <b>18</b> | Funding for procurements of goods is not made available before the final award of contracts |                       |              |                |                 |                          |
| <b>19</b> | There is transparency and accountability in the procurement process                         |                       |              |                |                 |                          |
| <b>20</b> | Lack of capacity to procure goods hinders efficiency in delivery system                     |                       |              |                |                 |                          |
| <b>21</b> | Poor specification for goods results in not fit for purpose final deliverables.             |                       |              |                |                 |                          |
| <b>22</b> | Untimely delivery of goods will lead to time and cost over runs                             |                       |              |                |                 |                          |

## **Section D**

### **Impact of Public Procurement Act 663 (2003) on the Public sector procurement**

|           |  | <b>Strongly agree</b> | <b>Agree</b> | <b>Neutral</b> | <b>Disagree</b> | <b>Strongly disagree</b> |
|-----------|--|-----------------------|--------------|----------------|-----------------|--------------------------|
| <b>23</b> | The Public Procurement Act 2003, Act 663, has made the electoral commission to have a well-coordinated and staffed procurement |                       |              |                |                 |                          |

|            |   |  |  |  |  |  |
|------------|---|--|--|--|--|--|
|            | unit and qualified personnel  |  |  |  |  |  |
| <b>24</b>  | The commission has a well prepared annual procurement plan and this plan is annually updated  |  |  |  |  |  |
| <b>25.</b> | The introduction of the PPA Act 663 has made members of Procurement department / unit to benefit from training on effective procurement practices |  |  |  |  |  |

26. Are there any pragmatic solutions to the challenges faced by consultants in the procurement of goods?

(a) Yes                      (b) No

27. Please suggest solutions to the challenges faced by consultants in the procurement of goods?

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THANK YOU