

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,  
KUMASI  
COLLEGE OF ARCHITECTURE AND PLANNING  
DEPARTMENT OF BUILDING TECHNOLOGY

**MANAGING PROCUREMENT IN THE PUBLIC COLLEGE'S OF EDUCATION -  
CASE STUDY OF HOLY CHILD COLLEGE OF EDUCATION (HCCE) IN THE  
SEKONDI/TAKORADI METROPOLIS OF THE WESTERN REGION, GHANA  
REGION**

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FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF

**MASTER OF SCIENCE  
IN  
PROCUREMENT MANAGEMENT**

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## CERTIFICATION

I hereby declare that this submission is my own work towards the MSc in Procurement Management and that to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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## ABSTRACT

Keeping with government's commitment to financial discipline, accountability, transparency and ethical conduct, effective management of public procurement to obtain value for state spending is paramount. This forms part of the reasons for the introduction of the Public Procurement Act, 2003 (Act 663) in Ghana to regulate public spending. However this measure has been plagued with some difficulties in quality of goods procured, specification, bureaucracy and general delays in the procurement processes. Holy Child College of Education was used as a case in point in this study to examine the management of procurement in the public college's of education in Ghana. In all, Sixty five (65) questionnaires were distributed to Procurement practitioners, Contractors/Suppliers and Internal consumers in the procurement process.

The study revealed delays are common place in HCCE's procurement processes due to many levels of approval and all the parties involved in the procurement process are facing challenges with the procurement system. Specifications to procure goods and services are designed and determined by few people 'top management' within the organization.

It was concluded that to ensure total quality, attention must be given to the formation of tender evaluation panel. This must consist of professionals who have extensive knowledge in whatever is being procured and end users must not be excluded from such panel.

Specifications determination must be a joint effort between internal customers, Procurement practitioners and all stakeholders to ensure that what is required is well defined and procured were recommended.

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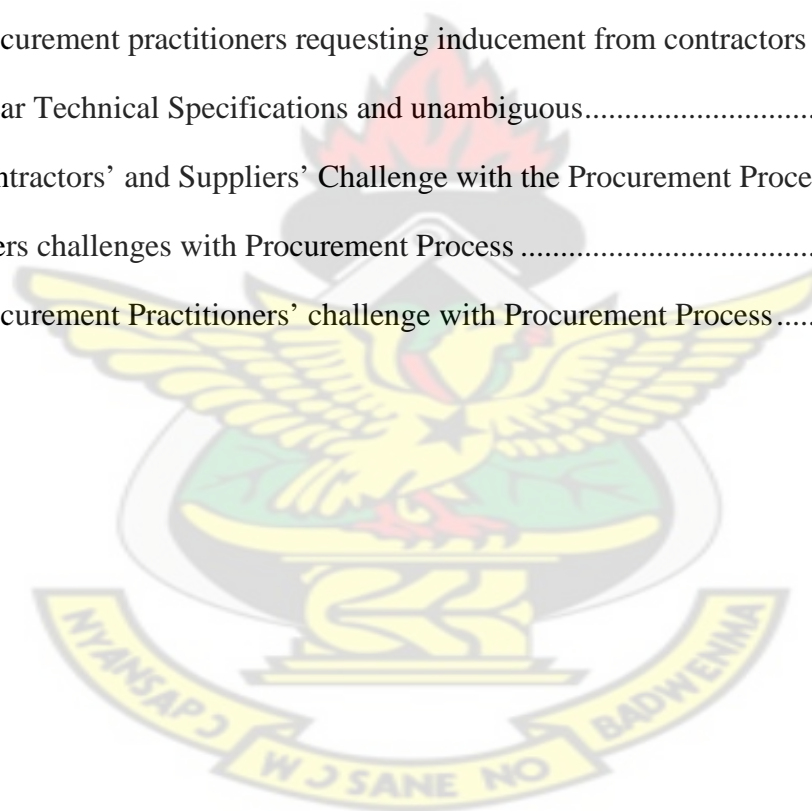
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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

Purchasing and supply can no longer be treated as a second-order function, the way forward lies in integrated materials management pulling together suppliers, production and distribution. In the years ahead, those who have not got their purchasing and supply organization right will not be competitive, Leenders and Blenkarn (1993).

Furthermore, Lysons (1996) sees organizational procurement as that function responsible for obtaining by purchase, lease or other legal means, equipment, material supplies and services required by an undertaking for use in production.

According to Bell and Stukhart (1987) procurement is an integrated or “total concept” material management systems (MMS) that combine and integrate the take off, vendor evaluation, purchasing, expediting, warehousing and distribution.

Public procurement, according to Hanja (2001), is the process by which large amounts of public funds are utilized by public entities to purchase goods, works and services from the private sector.

Damodara (1999) classified the main activities of procurement as recognizing, selecting suppliers, negotiation, issuing purchase orders, issuing payment and others.

The issue of procurement management by an institution and strategies and techniques to ensure that there is available stock to be issued as and when demand arises, has been considerably taken into accounts by some institutions with keen interest.

Based on the Budget Statement of 2003 of Ghana, total planned public procurement was estimated at 8.6 trillion Cedis or about 14 % of GDP. Excluding donor financed procurement (estimated at 2.6 trillion Cedis), domestic public procurement expenditure of 6 trillion Cedis would amount to 10 percent of GDP. With estimated total tax revenue of 11.4 trillion Cedis, domestic procurement represents more than 50% of tax revenue. These simple figures illustrate the utmost importance of good procurement as an element of the public expenditure process, (World Bank; 2003).

The last century has seen in most countries at all levels of development an increase in the volume and value of public procurement. For example, annual public procurement in the European Union is currently estimated at more than €100 billion representing around 14% of member states Gross Nation Product (GNP), (World Bank; 2010).

In Ghana, data show that public procurement accounts for 50% to 70% of the national budget (after personal emolument), 14% of GDP and 24% of total import. For these and other reasons, under no circumstances should public funds allowed to be misappropriated or misapplied. (Public Procurement Authority; 2007).

The Ghana Education Trust Fund (GETFUND) has for the past two years spent GH¢61.048 Million to support infrastructure development in all 38 Colleges of Education in the country. (Ghana News Agency, 2012)

The type of goods, works and services procured by public institutions has become more and diversified. Colleges of Education in Ghana presently purchase all kinds of goods, e.g. standard materials, such as electrical and electronic, transport equipment, pharmaceuticals, educational, award works contract of different sizes, and assign service from typical consultancy activities to concessions.

## **1.1 BACKGROUND OF STUDY**

The concept of procurement management has therefore drawn the attention top management. As a result, the procurement profession has gained much recognition due to its numerous advantages.

Public Procurement has a direct impact on the successful delivery of government projects and public services, sound public financial management by achieving value for money in government expenditure, reducing corruption, more competition, budgetary savings, reduce debt levels, and encouraging private sector, (Public Procurement Authority, 2007).

A study conducted by the Public Procurement Authority (PPA) revealed that the Government of Ghana could save about 25 percent of its domestic revenue by adopting prudent public procurement practices and reducing government expenditure. (Ghanaian Times, 2009).

The Public procurement law generally regulates the purchasing by public sector bodies and certain utility sector bodies of contracts for goods, works or services.

In 2003 the Ghanaian Parliament passed the Public Procurement Act, Act 663, to provide for a comprehensive public procurement policy, a comprehensive legal regime to safeguard the integrity of the public procurement system and create a central body with the requisite capability, technical expertise and competence to develop a coherent public procurement policy. The Act aims at decentralizing procurement and increasing transparency.

The main objective of the Public Procurement Act 663 is to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of state resources in public procurement, and ensures that public procurement is carried out in a fair, transparent and non-discriminatory manner. (Public Procurement Act, 2003).



The research therefore will examine the management of procurement in the College's of Education in Ghana; the Holy Child College of Education as a case study.

## **1.2 EDUCATIONAL REFORMS IN GHANA**

During the last two decades Ghana has implemented two major educational reforms, one in 1987 and the other in 2004. Both reforms dealt with inadequacies associated with the education system. In 1987, the Government constituted a University Rationalization Committee (URC), as part of its education reforms, to undertake a comprehensive review of post secondary education and to make recommendation for reformation. Following the submission of the URC Report, the Government issued a White Paper in 1991 outlining its objectives on the Reforms to the Tertiary Education system.

Six polytechnics, formerly operating as second cycle institutions, were upgraded in 1993 to tertiary status to provide tertiary education through full time courses in the field of manufacturing, commerce, science and applied arts. Four other polytechnics were subsequently established to bring the number of polytechnics to ten, one in each administrative region.

Teacher Training Colleges have since 2007 been upgraded to tertiary status and are now awarding their own diplomas, now being awarded by the University of Cape Coast.

The supervisory bodies of tertiary education-the National Board for Professional and Technician Examinations (NAPTEX), National Accreditation Board (NAB), the National Council for Tertiary Education (NCTE) were also established to coordinate various aspect of tertiary education. (Regulating Tertiary Education, 2010)



## 1.8 STATEMENT OF THE PROBLEM

In previous times, little attention was given to procurement management. Institutions undertook haphazard purchases of goods, works and services and inventory management was also relegated to the background. The huge losses incurred by institutions that engaged in prior procurement procedures and kept unsafe inventory levels has forced most institutions to take a second look at this concept.

The concept of having a procurement department/unit to ensure that the process by which the Government, Corporate or private individuals acquire goods, works and services using public, corporate or personal funds to achieve value for money is relatively new to most public College's of Education.

Although, many institutions such as health services have adopted this type of concept of having procurement units to manage the procurement processes, College's of Education are yet to move in that direction. This has resulted in among others the following problems:

1. Buying goods without planning to do so in advance (impulse buying)
2. Delay in service delivery
3. Lack of transparency
4. Audit queries owing to non compliance with the procurement processes and poor records keeping

Over the years the Holy Child College of Education has made remarkable investments in procurement of educational materials, food stuff and works contracts. The beneficiary departments of such investments have been complaining about the inconsistency and poor

quality of such goods, works and services procured for them. The poor quality of goods, works and services adversely affects the efficient delivery of services in the College.

This research attempts to study how public institutions manage procurement of goods, works and services at Holy Child College of Education.

## **1.9 AIM OF THE STUDY**

The main aim of the study is to help:

- Improve procurement practices in the public Colleges of Education in Ghana by providing empirical analysis.

## **1.10 OBJECTIVES OF THE STUDY**

The general objective of this study was to assess how public Colleges of Education manage procurement of goods, works and services since the enactment of the Public Procurement Act, 2003 with references to new mandate of Colleges of Education Act 847.

Specifically, the objectives of this study were as follows;

- To understand the procurement process adopted by HCCE
- To examine quality management process on the procurement of goods by public organizations with specific reference to HCCE
- To identify the challenges faced by HCCE in procuring quality goods and services.
- To make policy recommendations to improve the current situation

## **1.11 RESEARCH QUESTIONS**

This study seeks to answer the following research questions:

- What are the procurement processes adopted by HCCE?

- What are the challenges faced by HCCE in procuring quality goods and services?
- What are the quality management processes employed in the procurement of goods and services by HCCE and how can this process be improved?

### **1.12 SIGNIFICANCE OF THE STUDY**

The researcher believes that the findings of this study will:

- Aid HCCE to improve its procurement process, ensure accountability and reduce corruption.
- Aid other College's of Education in achieving value for money.
- Serve as a basis for the conduct of further research in the subject area and add to the body of knowledge in Procurement.

### **1.13 SCOPE OF THE STUDY**

This research was to study how public organizations manage procurement of goods and services with specific emphasis on Holy Child College of Education, (HCCE).

### **1.14 LIMITATIONS**

No research undertaken is devoid of limitations. The researcher faced the problem of financial constraints. This notwithstanding, cost effective measures were taken to reduce the cost. Time was also another limiting factor so the researcher made a time table to make the research go on smoothly.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 INTRODUCTION**

This chapter presents a review of previous research and literary works in the subject area.

#### **2.1 PROCUREMENT OR PURCHASING**

Procurement which as defined by the Software Engineering Institute (2008) at Carnegie Mellon, is a set of activities performed as part of an acquisition effort. It involves the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house provides. Public procurement is the acquisition by purchase, rental, lease, hire purchase, license, tenancy franchise or any other contractual means of goods or services by the government. (Telgen, 1998). It starts from the identification of needs to the end of service contract or end of useful life of an asset. Darrel (2002) says the term procurement is used to describe the purchase of goods and services which are not directly used in the main business of a company. For example a car manufacturer will procure training courses for employees to attend in order to improve their skills. However, thinking on procurement, other writers argue that, there are two sides, the demand side (i.e. where there are users of products who have needs to procure) and the supply-side which does the production and provision of goods and services to be supplied (Ngogo, 2008).

The terms “Procurement” and “Purchase” have been used interchangeably in the literature to mean the same activity but many authors hold different views on the origin and the meaning of the terms.

According to Stefanelli (1997) in his book *Purchasing Selection and Procurement for the Hospitality Industries* he defined “Purchasing” to mean choosing from various alternatives on various levels, on the other hand he defined “procurement” as an orderly, systematic exchange between a seller and buyer in the process of obtaining goods and services, it also includes all activities associated with determining the types of products needed, making purchases, receiving and storing and administering purchase contracts.

According to Lyson and Gillingham “Procurement” is a wider term than purchasing which implies acquisition of goods or services in return for a monetary or equivalent payment.

Procurement, however, is the process of obtaining goods or services in any way including borrowing, leasing and even force or pillage. Since procurement is strictly a more accurate term it is unsurprising that, the word “Procurement” is supplanting “purchasing” in job titles such as “Procurement Manager” Procurement Agent and “Head of Procurement”.

Procurement includes obtaining required suppliers on services by any means. This may include supplier management and purchasing.

Main strategic activities within Procurement management may include:

- Strategic bottleneck and leverage items
- Make/ buy/ outsourcing decisions
- Sourcing and appraising suppliers including global suppliers
- Rationalizing the supplier potential
- Early supplier involvement
- Negotiating
- Supplier relationships including partnerships, Supplier Development and supplier associations.

- Capital equipment purchasing
- Benchmarking
- Monitoring supplier performance
- Ethical environmental issues

(Lyson, K and Gillingham, M 2003)

According to Westing and Fine (1965), Purchasing is a managerial activity, which includes planning and policy issues covering a wide range of related and complementary activities. These include research and development required for the proper selection of materials and sources from which those materials may be bought, ensuring proper delivery, inspecting to ensure both quantity and quality conforms with order, the development of proper procedures and methods to enable the purchasing entity to carry out establishing policies. Purchasing is the coordination of the activities of internal units within the organization so as to ensure smooth operations and development of effective communications with management to reflect the performance of the organization.

## **2.2 PUBLIC PROCUREMENT**

Procurement may not be the oldest profession - we all know which one that is, and Procurement should probably not try to compete with it - but, Procurement's history through the ages is worth telling as it can be traced back to the Egyptians and it shows an interesting developmental path through the ages (Sigaria online, 2012).

Public procurement refers to the government's activity of purchasing the goods, services and works which it needs to carry out its functions. It can also be said to be the process by which an organization acquire goods, works and services using public funds or in some cases, funds



obtained from private sources by a government for the purposes of procuring goods, works or services for the benefits of the public (World Bank 2010).

Public procurement is broadly defined as the purchasing, hiring or obtaining by any other contractual means, of goods, construction works and services by the public sector. It is alternatively defined as the purchase of commodities and contracting for construction works and services if such acquisition are effected with resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid as well as revenue received from the economic activity of state. Public procurement thus means procurement by a procuring entity using public funds (World Bank, 1995 as quoted by Kipchilat, 2006).

The importance of public procurement in terms of size relative to world GDP and world trade is highlighted by an OECD report (OECD, 2001 quoted by Odhiambo and Kamau 2003). Public procurement has become an issue of public attention and debate in both developed and developing countries, and has been subjected to reforms, restructuring, rules and regulations.

Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995a). According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. Mahmood, (2010) also reiterated that public procurement represents 18.42% of the world GDP. Public procurement is an important function of government (Thai: 2001). It has to satisfy requirements for goods, works, systems, and services in a timely manner.

Furthermore, it has to meet the basic principles of good governance: transparency, accountability, and integrity (Wittig 2003; Callender and Schapper: 2003). Conventional wisdom suggests that government procurement differs from private procurement. Public sector

procurement is large and complex, accounting for between twenty and thirty percent of gross domestic product (Thai and Grimm, 2000) and traditionally attempts to meet many social and political objectives (Tether: 1977). Governments procure goods and services, in order to preserve accountability and transparency services, use a complex contractual system designed to protect the public interest (Rasheed: 2004).

Government procurement officials issue requests for bids and/or proposals with product or service specifications that are unique to each contracting event and economies of scale are difficult to achieve (Rasheed: 2004). It is important to note that, the World Trade Organization (WTO) refers to this as government procurement. It includes planning, inviting offers, awarding contracts and managing contracts.

According to the World Bank the three main phases of public procurement are:

- Deciding which goods, works or service to be bought and when.
- The process of placing a contract to acquire those goods works or services which involves, in particular, choosing who is to be the contracting partner and the terms on which the goods, works or services are to be provided.
- The process of administering the contract to ensure effective performance. Public procurement is the process by which government departments or agencies purchase goods, services and works from the private sector. It takes place in national and regional level. The procurement process will equally be subject to specific rules and policies covering how the relevant decisions are made.

In Ghana, the Public Procurement Act (Act 663) 2003, was enacted to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of state resources, and furthermore, ensure that public procurement is fair, transparent and non

discriminatory (Ministry of Finance, 2001). This new Act, was constituted after years of foul play and abuse as far as procurement was concerned in the country. This necessitated a thorough review of the existing procurements regulations. The enactment of the law in 2003 further ensured that modern trends in procurement was adopted to bring about the much needed sanity to local procurement system which had been flawed by bad procurement practices such as corruption and other malfeasances (Osei-Tutu *et al.*, 2010).

### 2.3 THE RISING IMPORTANCE OF PROCUREMENT

Procurement is an essential part of any organization's ability to function effectively and efficiently. (Leonard, R. (2000) as cited by Jalal Faraji, S. (2007). Through a well managed procurement business function, organizations can gain numerous benefits.

A company's competitiveness and profit is highly dependable on how procurement is handled within that company. There is a direct influence on the profit because procurement stands for such a large part of a company's costs. There is also an indirect influence on the profit due to the large part of the internal costs affecting what happens to the interface between the company and its suppliers. (Gadde and Hakansson 1998)

Procurement as a strategic business function has the potential to increase the competitive advantage and market position of a business in many other ways other than cost savings.

According to Weele (2005) Procurement plays roles such as:

- **Reduction of quality costs:** Procurement can reduce quality costs by making sure that selected suppliers deliver a product or service that does not need extensive quality control. It can also reduce quality costs by making sure that the components bought do

not lead to complaints on the final product. The product or material offered must be fit for purpose.

- **Product Standardization:** Procurement can contribute to lower costs by striving for a reduction in product variety. This can be achieved by reducing the number of different components and or the number of suppliers.
- **Contribution to product design and innovation:** Often times innovations in industry comes from suppliers or are results from intensive interactions between suppliers and buyers. By actively encouraging these interactions, procurement can contribute to the continuous innovation and improvement of products.
- **Stock reduction:** Through imposing a solid discipline on suppliers and enforcing it, procurement can minimize the need for safety stocks of components. This might include such actions as demanding a consignment stock to be held at the facility of the supplier. These types of actions can significantly reduce the amount of stock needed and thereby the capital employed.
- **Increasing flexibility:** If the company wishes to offer flexibility to its customers it might also have to demand it from suppliers. The use of electronic data interchange and synchronized data systems makes it easier to inform suppliers about the change in demand over time.
- **Fostering purchasing synergies:** Many companies have a business unit structure where the business units are fairly autonomous. In such a structure the business unit manager is responsible for both revenue and costs, hence purchasing is usually done locally. In these cases the purchasing officers at the different units can make significant savings by coordinating their purchase with other units.

## 2.4 PROCUREMENT PLANNING

Public procurement management includes the broad management functions of planning, organization, and leadership, staffing, controlling, and communicating procurement processes and activities across the spectrum of the upstream supply chain activities of both public and private organizations. A supply chain; is a network of activities involving the suppliers on one hand and the customers on the other but being linked by an organization. Procurement; and its management, is one of the activities of the supply chain. Two broad sectors of the economy do exist-public and private sectors; and procurement take place in both sectors. Public procurement is different from private procurement because in public procurement, the economic results must be measured against more complex and long term criteria and it must be transacted with other considerations-accountability, non-discrimination among potential suppliers and respect for international obligations- in mind besides the economy (Odhiambo and Kamau, 2003). The basic tenet of public procurement is to acquire the right item at the right time, and at the right price, to support government actions but although the formulae is simple, it involves questions of accountability, integrity and value with effects far beyond the actual buyer/seller transactions at its centre (Task Force Report, Uganda,1999).

Planning both as a concept and function is probably one of the extensively talked about concepts in the management literature. It is a function that forms the foundation for the rest of management functions. When planning is properly conceived and implemented, it can serve as an important mechanism for extracting, distributing and allocating resources (James, 2004). Planning generally enhances the gathering, evaluating and interpreting of essential data and information in order to produce knowledge relevant to good policy making. In many African countries, planning has not arrived at the level of achieving the aims described because of



problems related to human and technical capacities and financial resources (p.26). In management literature planning implies that managers think through their goals and actions in advance and that their actions are based on some method, plan or logic rather than on a hunch (Stoner, Freeman & Gilbert, 1995). The planning function encompasses defining an organization's goals, establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate the activities (Robbins, 2001). Procurement planning is the primary function that sets the stage for subsequent procurement activities. It fuels and then ignites the engine of the procurement process. A mistake in procurement planning therefore has wide implications for local governance, measured from the two indicators of accountability and participation. Procurement Planning is a legal requirement in all local governments in Ghana.

Section 21 (1) of the Public Procurement Act, 2003 Act 663 requires the User Department to prepare a work plan for procurement based on the approved budget and submit it to the tender committee not later than one month to the end of the financial year the procurement plan for the following year for approval.

Procurement Planning is a process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entity's operations are met as required in an efficient way. As a function, procurement planning endeavors to answer the following questions:

- a) What do you want to procure?
- b) When do you want to procure it?
- c) When are you to use the goods or services procured?
- d) Where will you procure them from?



- e) When will resources be available?
- f) Which methods of procurement will you use?
- g) How will timely procurement or failure affect the user of the item(s) and the Procuring and Disposing Entity?
- h) How can you be more efficient in the procurement process? and
- i) Who will be involved in the procurement?

The answers to the above questions depends largely on Procurement planning, one will therefore have to take into consideration the concept of total procurement time which is determined by the length of the procurement process i.e. how long the procurement takes to pass through all the stages of the acquisition (procurement) cycle. Total Procurement Time (TPT) is determined by: Entity Administrative Time (EAT), Statutory Time (ST)), Provider's Performance (or delivery) Time (PPT).

Procurement planning contributes to local governance at two levels, thus accountability and community participation. The key to accountability is the capacity to monitor and enforce rules- within the public sector, between public and private parties. Accountability as one of the broad elements of good governance involves holding elected or appointed individuals and organizations charged with public mandate to account for specific actions, activities, or decisions to the public from whom they derive their authority (Agere, 2001).The internal regulatory mechanisms of government-accounting, procurement and personnel –have long received sustained attention as the centerpiece of reforms to promote accountability (World Bank, 2000).

Accountability of public officials is critical in deterring corrupt practices and it creates an enabling environment for vibrant private sector activity (Kabaj, 2003). Problems of accountability arise when government ignore or transgress social ethics and constitutional and

legal provisions in conducting public affairs, administrative systems are fragmented, tasks to be performed are so complex or unspecified that it is difficult to identify who is responsible for what, activities are underfunded so that implementation is very difficult or impossible (Therkildsen,2001,pp.7-8).

In a developed or developing country, public procurement practitioners face many challenges though each country has its own economic, social, cultural and political environment. Governed by a complex set of laws and regulations, local government procurement systems are designed to achieve three goals: (1) ensuring the best price; (2) providing open and fair competition among local vendors; and preventing favoritism and corruption (Duncombe & Searcy, 2007). In Ghana nowadays, procurement is a fundamental function that impacts on effective or ineffective service delivery. There is no part of local government service delivery that does not depend on procurement of goods and services, and yet this (PPP) area remains a neglected field of research. Procurement must take a thoroughly professional view of its role in business as a whole and that must include planning (Bailey, Farmer, Jessop & Jones, 1998). Any such procurement begins with the planning decision to make the purchase and this will involve in the first place, deciding whether there is a need for the particular goods or services, ensuring that the purchaser has the legal powers to undertake the transaction, obtaining any relevant approvals within the government hierarchy and arranging the necessary funding (Arrowsmith, Linarell i& Wallace, 2000). But it is again not surprising that many procurement entities at both the central and local government levels have not taken planning a serious activity. Some reasons for this unserious attitude in procurement planning by such entities have been the actual lack of understanding of the value of procurement and proper enforcement of rules relating to planning (CPAR Report, 2004). It could also relate to lack of capacity due to limited procurement professionals and lack

of commitment and support from management of those organizations. In fact, Thai, (2004), maintained that, forms and procedures may be convenient and useful tools, but the planning effort will succeed only with the complete commitment and involvement of top management, along with appropriate personnel that have a stake. This implies that, without thorough procurement planning, the subsequent procurement processes will not yield substantial benefits. The consequences of poor or lack of procurement planning can never therefore be amusing. The World Bank Country Procurement Assessment Report, (2004 p.42) summarized these consequences as;

1. Procurement failing to timely meets the actual needs of user departments,
2. Advantages of scale and bulk purchasing are not archived,
3. Packaging and timing are not utilized to achieve value for money.

The importance of procurement reform in almost all country's settings can be demonstrated based on its scale and role in terms of service delivery, the amount of money wasted by existing practices, reduced competition, higher prices due to market perceptions of risk, as well as the demonstrated ability of countries to capture enormous savings through concerted efforts to strengthen their procurement function (Harmonizing Donor Practices for Effective Aid Delivery, 1999).

In a developing country like Ghana, having an effective procurement planning system will continue to be a challenge to local governments. Procurement planning is a function that takes place in complex political, economic, cultural, religious, environmental, technological and ethical environments. There are for example, stakeholders in local governments with divergent political ideologies, religious differences, economic expectations from the procurement function etc; and all these have a direct impact on the success of procurement planning. Procurement

planning must become a priority for local governments and increased policy initiatives from the central government; through the parent ministries of local government and finance must support this priority. The Public Procurement and Disposal Authority (PPDA) must play a central role in providing training, technical guidance and ensuring compliance to all set rules. Conceptually, this study has revealed the critical components of procurement planning ranging from the process, through the expected practices, the actors to be involved, to its importance. On the side of local governance, it has been revealed that both accountability and participation are prominent measures of governance in a decentralized perspective; although accountability is much more important than participation. This has implications for both policy and management of local governments.

All stakeholders must ensure they are accountable in whatever decision they make concerning the use of public resources. Procurement is one area that needs careful attention from all stakeholders in local governments because it has a huge budget and if this budget can be managed in an accountable manner, then there will be improved service delivery and this is one way of accounting to the tax payers. In terms of policy, it implies that central and local government's stakeholders must pay critical attention to procurement planning as identified in this study. Managers must endeavor to ensure that the processes and other activities of procurement planning and local governance are operationalized taking into account local prevailing political, economic and social contexts.

## **2.5 PROCUREMENT METHODS**

A number of methods are specified in the public procurement laws and regulations of Ghana. These are:

### **2.5.1 Open Tendering (national and international)**

Open tendering is the most widely used and preferred tendering system in the country, Ghana. The laws and regulations in Ghana clearly state that, other methods of procurement will be used only in exceptional circumstances. In such cases, the procuring entities will have to give and record reasons for the choice of other procedures. Open tendering can be at two levels: national and international. Open national procurement is a method of procuring goods, works and services which is open to participation on equal terms by all providers through advertisement of the procurement. This tendering process specifically seeks to attract domestic firms although foreign firms are allowed to participate. Open international tendering, on the other hand is open to participation on equal terms by all providers although it specifically seeks to attract foreign providers. This type of tendering is used where national providers may not provide competitive bids and ensure value for money. The procurement laws and regulations in Ghana provide guidelines of the procedure of open tendering including the enforcement mechanisms. (PPA, Act 663 of 2003)

### **2.5.2 Restricted Tendering (national and international)**

Restricted tendering is a procurement procedure where bids are obtained by direct invitation without open advertisement. This procedure can be used in countries where it is believed that the value or circumstances do not justify or permit the open bidding process. Procurement entities in this case maintain a list of —pre-qualified providers‡ who are then directly invited to participate in the tendering. Restricted tendering is also possible at two levels: national and international. Restricted national bidding is the procurement where bids are obtained nationally by directly inviting prequalified providers. In case of a restricted international bid, only pre-qualified



international firms are invited. In both cases, the procuring entity must demonstrate that open tendering is not viable or prudent. It needs to be noted here that the process of pre-qualification is often abused and is an important source for corruption in public procurement.

### **2.5.3 Quotations and Proposals**

Procurement entities are also allowed in exceptional circumstances to call for quotations and proposals. Quotations and proposals are simplified procurement procedures, which compare price quotations obtained from a number of providers. Quotations are used mainly in works, while proposals are used for services. In Kenya for example, requests for proposals must be addressed to no less than three and no more than seven candidates selected by the procurement entity. Similarly for works, the procuring entity must obtain quotations from as many candidates as practicable, but from at least three candidates.

### **2.5.4 Direct Procurement / Single Source Procurement**

Direct procurement is a sole source procurement method used when exceptional circumstances prevent competitive bidding. This method is used mainly for low value procurements involving no contracts. In Ghana, where this method of procurement is used, procuring entities must prepare a description of all its needs and specify requirements of quality, quantity, terms and times of delivery. The procurement entities are free to negotiate terms with the sole candidate for the best deal. In the process of public procurement, the interest of three groups — the tender issuers, the bidders and the public procurement system itself — determine the types of procedures. The primary rule is that the prospective buyer must proceed in accordance with the rules of open tendering procedures; the other two procedure types inviting limited bidders or negotiation may be used in exceptional cases. The Procurement Act in Ghana is very clear on



these procedures. To ensure compliance with the fundamental principles of publicity and transparency, notices in local dailies must announce major events of the process.

## **2.6 PROCUREMENT PROCEDURES/PROCESS**

As a commonwealth country, Ghana share similar government structures in which government ministries are headed by Ministers and with the permanent secretaries as the accounting officers. For each ministry, there is a tendering unit/organ otherwise known as the Ministerial Tender Committees in which the permanent secretary or chief accounting officer is the chairperson. The procurement units within ministries and department would prepare and submit proposals for procurement in which qualities, quantities and prices are spelt out to the central tendering entities. The regulating entities would then evaluate the proposals and make recommendations. If the proposal is approved by the regulating body, the procuring entities are given the go ahead to proceed with the procurement processes. In the case of open tenders, an advertisement is placed in daily newspapers to reach prospective bidders nationally. In Ghana it is a requirement that such an advertisement be placed in at least three daily newspapers that have wide circulation. The procuring entities are then supposed to release the tender documents. Such documents should contain sufficient information to enable competition among the bidders to take place. The laws and regulations of Ghana define that the tender invitation should be such to enable bidders to submit their proposals, each enjoying equal opportunities. The buyer obviously expects answers to be offered in the bid as to what will satisfy its requirements and expectations primarily in terms of quality and capacity/performance indicators. It is, however, important to note here that, more often than not, this assumption is never met. Procurement entities seldom provide the necessary data and information or provide deficient or semi-finished documentation,

which prevents bidders from preparing proper bids. The next step in the tendering process is the opening of the tenders. The laws and regulations stipulate that this must be done as soon as possible though it varies from place to place. For example in Ghana the law requires all bidders to be present before the tender documents are opened whiles in Kenya, opening of the tenders must be done at least two hours after the deadline for submission of tenders. Bidders and their representatives are allowed to attend the opening of tenders. After tenders have been opened, the procuring entity examines and evaluates each of the tender documents. Successful bidders are then notified and a formal contract is issued. (PPA Act 663 of 2003)

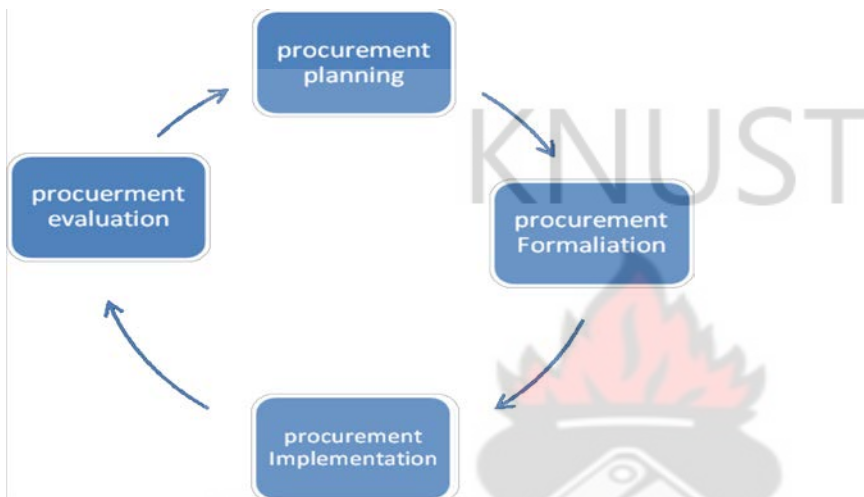
### **2.6.1 Efficiency and Effectiveness of the procurement process**

Like most systems theory, the public procurement process begins in response to demands placed on the political system by constituents. These demands can be the result of interest groups, individual citizens, and other governments, to name but a few actors, but they all have in common the fact that they must go to the monopoly repository of legal authority, the government. For the purpose of the present analysis, the government here includes both the legislative and executive bodies, because they have the means (taxes) and vehicle (bureaucracy) to act upon the demands of constituents. Moreover, for the sake of simplifying the exposition, it is assumed that demands are placed in terms of desired outcomes. In other words, the demand side is interested in the end results of policy, not the means by which the policy will be created. Thus, the procurement practitioner plays a role in minimizing the gap between demands and outcomes.

The legal authority provides the basis for action of government. This authority can take the form of legislative initiative and oversight, and it can be executive actions and procedures that are

adopted in the name of efficiency. In order to assist service delivery managers in the acquisition of goods and services the procurement process must be carried out to involves a number of different phases (see Figure 2.1)

*Figure 2.1: Public Procurement Process Model*



Source: Khi V. Thai 2001

The first phase, procurement planning, consists of identifying and specifying the functions to be accomplished within each service delivery system. A common misunderstanding about procurement planning is to equate planning to analysis. Planning is an attempt to institutionalize analysis into the public procurement process. Planning is not analysis or a form of encouraging the application of various analytical techniques, such as marginal utility analysis, cost-benefit analysis, cost effectiveness analysis, sensitivity analysis, forecasting, present value, and other techniques. Analysis examines alternatives, views them in terms of basic assumptions and objectives, and tests as well as compares alternatives (the final phase of the procurement process). Planning, in contrast, identifies the activities (strategies) and direction (mission) of activities for those in the organization. More specifically, a procurement plan identifies where the organization is going, when it is going, and how it is going to get there. Procurement plays an

important role in the overall mission of the government by providing essential market and commodity information to the end users (or agencies) on specifications, alternative goods or services, pricing, procurement lead times and availability (National Association of State Procurement Officials, 1997).

In addition, procurement professionals provide advice and assistance during the preparation of the purchase descriptions, statements of requirement, and statements of work that form part of the requisition. For complex requirements, procurement provides help and guidance with the establishment of evaluation criteria, and is very much the key player during the supplier selection phase, managing the solicitation, evaluation and negotiation/contracting activities.

Ultimately, procurement planning is responsible for the integrity of this process to ensure that the specifications are as open and conducive to effective competition as possible; that the sourcing and solicitation process is as fair and transparent as possible; that evaluations and negotiations are conducted equitably and consistently; and that any resulting contracts adequately protect the interests of the public agency

The second phase, the formalization phase, is where key personnel in the organization defend the acquisition of goods and services. This can take place prior to the formal adoption of the annual budget, or it can take place in the planning stage before the budget is adopted, normally through planning and strategy workshops. Typically, the stage is accomplished during the budget process. Many items are identified that should be consumed by the organization to effectively deliver services during the planning process.

However, limited resources and competing demands force elected officials to make trade-offs during budget deliberations. It is during this stage that many items originally planned for are

challenged, changed or amended. Strong procurement planning provides decision makers with adequate information to make more informed decisions, although eventually politics may play a more important role in the decision making process. Formalization also takes place in the solicitation and evaluation phase. During this process, determination is made regarding a single sourcing or multiple-sourcing approach is to be adopted, what evaluation criteria are to be used for selecting one or more suppliers of the good(s) or service(s), which is to be involved in the selection process, and timelines that insure that solicitations are consistent with established policies. For some solicitations, legislative approval is needed, and procurement plays a central role in defending the supplier(s) selection process.

The third phase, implementation, includes all functions that pertain to the acquisition of goods and supplies, including description of requirements, selection and solicitation of sources, preparation and awarding of contracts, and all phases of contract administration. In some organizations the implementation phase may include inventory control, traffic and transportation (logistics), receiving and receiving inspection (warehousing), store keeping, and salvage and disposal operations. The basic components of implementation are: processing purchasing requests, contract administration, materials management, inventory management, inventory management, product servicing, and performance monitoring.

The fourth and final phase, evaluation, consists of three parts – audit, evaluation and feedback. Audit requirements often are established in legislation or policy. If not, the procurement manager needs to design a post audit strategy to ensure that the program is in compliance with established law.

The procurement evaluation plan is a tentative design for evaluating the success or failure of the procurement. This plan should include, at minimum, the research design, specification of



measurable indicators of the goals and objectives stated in the procurement plan, provisions for data collection, and the assignment of responsibility for conducting the evaluation, and the performance criteria to be used in the evaluation phase. Feedback specifies the reports that will be required for the service delivery managers and decision makers.

This portion of the procurement evaluation is merely the creation of an information channel that disperses needed information to those charged with the responsibility of making procurement decisions. The amount and form of the feedback depend, in large part, on the manager's personal preferences and the audit and procurement evaluation needs. (Khi V. Thai 2001)

## **2.7 TYPICAL PROCUREMENT STEPS/ PROCESS**

Sigi Osagie an adviser in supply chain management to Chartered Institute of Purchasing and Supply observes how Purchasing has been in the spotlight as organizations have sought to manage spends tightly.

According to Osagie, one aspect of purchasing activity that is frequently fraught with internal conflict and misunderstanding is the actual process of buying and paying for goods and services, typically referred to as the purchase –to –pay (P2P) process. The P2P process is sometimes poorly understood because organizations adopt different practices for various types of spending. However the basics are straightforward.

### **2.7.1 REQUISITIONING**

The process starts with a requisition raised by the person who has a supply requirement, or someone specifically nominated to raise requisitions. It is appropriate for requisitions to be created and financially – approved by departments in the organization as they are the users of the

goods and services. Procurement may play a supportive role in developing the specification for the requirement.

### **2.7.2 SOURCING AND ORDERING**

Once the requisition is approved sourcing can begin. Sourcing is a critical area where the Procurement Department can demonstrate its value-addition to any organization.

An effective procurement function should take advantage of its expertise to ensure that, the organization gets value for money from supply markets. Sometimes it may be approved for the Procurement Department to involve internal stakeholders in the sourcing activity, in supplier selection for specialist products or services for example.

### **2.7.3 DELIVERY AND RECEIVING**

A supplier can deliver the required goods or services after the Purchases Order is received. Once the goods or services have been delivered the recipient within the organization must accurately reflect receipt of the items, including transactions.

### **2.7.4 INVOICING AND PAYMENT**

Suppliers should send their invoices as early as possible after the goods and services have been delivered, except where pre-agreed sourcing arrangements include specified timings for supplier invoicing, such as on a specific day each month ([sigi.osagie@epgsolutions.co.uk](mailto:sigi.osagie@epgsolutions.co.uk))

Robinson, Fairs and Wind (1967) made a short summary of the purchasing process description.

Their model consists of eight different phases as follows:

- Phase 1:       Anticipation or recognition of a problem (need)
- Phase 2:       Determination of characteristics and quantity of needed items
- Phase 3:       Description of characteristic and quantity of needed items

- Phase 4: Search for and qualification of potential sources
- Phase 5: Acquisition and analysis of proposals
- Phase 6: Evaluation of proposals and selection of suppliers
- Phase 7: Selection of an order routine
- Phase 8: Performance feedback and evaluation

Dobler and Burt (1996) also identified eight steps in the procurement process:

- Recognizing, define and describe the need
- Transmit the need
- Investigate, qualify and select supplier
- Prepare and issue the purchase order
- Follow up the order
- Receive and inspect the material
- Audit the suppliers invoice
- Close the order

All the procurement processes as defined by the various authors are relevant and applies to the day to day procurement activities of any procurement function. They relate to each other and any of them can be used as a model for carrying out procurement in any organization.

## **2.8 PUBLIC PROCUREMENT CHALLENGES: EXTERNAL FACTORS**

Public procurement practitioners have always faced challenges imposed upon them by a variety of environmental factors including market, legal environment, political environment, organizational environment, and socio-economic and other environmental factors. (Thai: 2001)

Due to many reasons (including greater scrutiny of taxpayers and competing vendors), public procurement has been perceived as an area of waste and corruption. (Nakamura: 2004)

As many countries have moved to a regional and or global economy, public procurement practitioners face another challenge, which is, how to comply with their government's procurement regulations and social and economic procurement goals without violating regional and/or international trade agreements. (Arrowsmith, 2003)

Facing the challenges above and others, including 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 (Hinson & McCue: 2004)

## **2.9 PUBLIC PROCUREMENT CHALLENGES: INTERNAL FACTORS**

According to Khi V. Thai in his research "Challenges in Public Procurement" he observes that, public procurement practitioners have always walked on a tight rope. Their ability to accomplish procurement objectives and policies is influenced very much by internal forces including: interactions between various elements of the public procurement systems; various officials and organizations in the three branches of government; various actors and sub agencies within a department or executive agency; and actors and organizations external to sub-agencies. Types of goods, services and capital assets required for an organization's missions. He identifies the following internal challenges:

- Professionalism or quality of procurement workforce;
- Staffing levels (e.g., ratio of procurement practitioners to contract actions) and budget resources;

- Procurement organizational structure such as the issue of centralization vs. decentralization;
- Procurement regulations, rules and guidance; and
- Internal controls and legislative oversight.

## **2.10 INTERNAL CONSUMERS SATISFACTION AND PROCUREMENT**

Nagel and Cilliers (1990) as cited in Paraskevas, A. (2001) have identified the internal customer as any member of an organization receiving products or service by other members in the organization.

The procurement function of any organization delivers products and services to other departments of the organization so that these other members of the organization can achieve their individual departmental objectives which ultimately lead to the overall organizational objective.

These other members of the organization therefore serve as the procurement functions internal customers.

Albrecht (1993) as cited in Finn, D.R (1996) in his message about serving internal customers stated “ideally, each internal department operates like a customer-focused business, much as it would if it were a company in and of itself, and its customers were free to buy its services from competitors”.

The procurement function exercising the highest level of internal customer service enables their internal clients to meet their objectives timely as they would receive the goods and services it requests to enable them function effectively and also to achieve their departmental targets. This is perhaps an indication that excellent internal customer satisfaction may aid the organization to



achieve its strategic goals thereby enabling an efficient system capable of a positive contribution to the bottom line results.

Azzolini and Shillaber (1993) as cited by Finn, D.R (1996) states that “winning companies deliver service to internal customers with the same dedication they deliver it to external customers. Internal customers need to be treated as though they were external according them with the highest courtesies”.

## **2.11 SPECIFYING AND MANAGING QUALITY**

### **2.11.1 QUALITY**

There are numerous definitions of quality. ISO 8402 defines quality as the totality of features and characteristics of a product that bears on the ability to satisfy stated implied needs. (Lyson and Gillingham: 2003)

Evans and Dean, Jnr: (2006) observes that manufacturing products have several quality dimensions including:

- Performance
- Features
- Reliability
- Conformity
- Durability
- Serviceability
- Aesthetics and
- Perceive quality.

Crosby as cited by Donna C. S. Summers (2005) defines quality as conformity to requirement – not elegance; he says it is always cheaper to do the job right first time. (Crosby P.B: 1983)

Joseph M. Juran defines quality as “fitness for purpose” which can be broken down to quality of design, quality of conformity, availability and field service.

According to Armand v. Feigebaum, a quality guru, the underlying principle of the total quality view is that control must start with identification of customer quality. He says quality is a customer’s determination. That is, only a customer can decide if and how well a product or service meets his or her need, requirement and expectations.

### **2.11.2 SPECIFICATION**

Specification is a statement of the attributes of a product or service. A statement of requirement needs to be satisfied by the procurement of external resources. A standard is a “specification intended for recurrent use”. Standard differ from specification in that whereas every standard is a specification not every specification is a standard. They continued to say that both specification and standards are aimed to:

- Indicate fitness for purpose or use.
- Communicate the requirement
- Provide evidence in the event of dispute of what the purchaser required and what the supplier agreed to provide. ( Lyson and Gillighan: 2003)

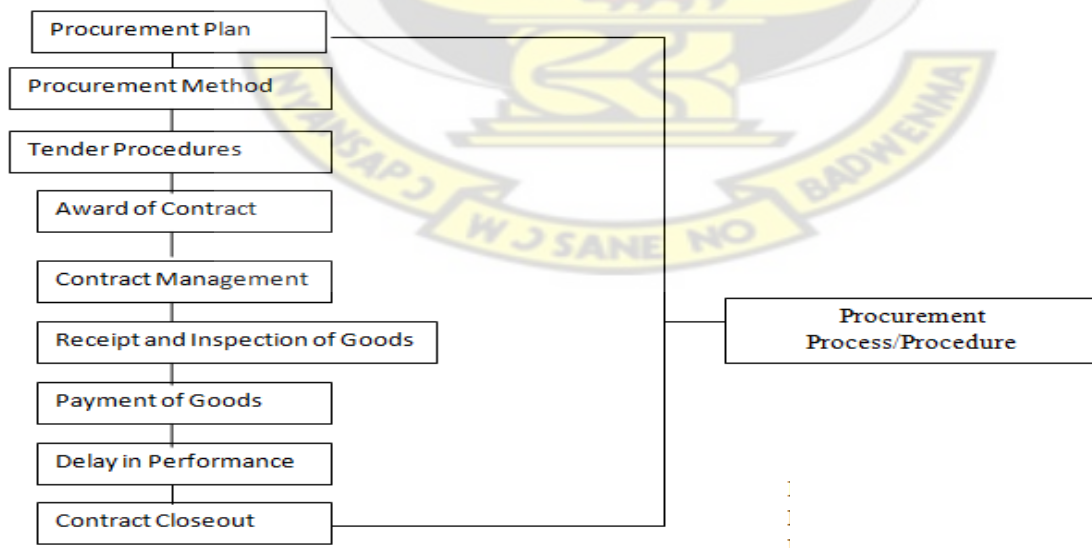
### **2.11.3 SUPPLIER AND PURCHASING INVOLVEMENT IN SPECIFICATION DEVELOPMENT**

Early supplier involvement (ESI) and early buyer involvement (EBI) in product innovation and

development is closely related. ESI recognizes that supplier involvement can be beneficial in terms of cost, quality and innovation, and supplier selection. Increasing involvement of purchasing in product/specification development will increase awareness of purchasing function's possible contribution to the strategic position of an organization and also create competitive advantage. (Lyson and Gilligan: 2003)

## 2.12 LITERATURE SUMMARY AND RESEARCH GAPS

Whereas previous studies have always looked at specifying and managing quality of public procurement procedures not all factors have been dealt with within the institutions of learning. The aim of the Public Procurement Act of 2003 was to promote fairness, transparency and nondiscrimination in procurement in public institutions with the main aim of ensuring efficient use of public funds. However, studies reveal that even after the enactment of the Act, there are losses of public funds that can be attributed to public procurement. Based on the literature reviewed, the researcher has identified indicators to determine the procurement process/procedures for Colleges of Education in Ghana as shown in fig 2 below.



**Fig 2.2: Indicators of Procurement Process/Procedure**

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 INTRODUCTION**

This chapter discusses the process that was used to conduct this empirical study. Therefore primary and secondary data were the main basis of the study.

The chapter also presents the research design, rationale for choice of the particular research design, target population, sampling design, types of data, sampling design, sampling procedures, and the research instrument structure and content. Finally, methods of data processing, analysis, and presentation were discussed, and followed by a statement on the chapter organization.

This chapter presents research design, population, sample and sampling technique, research instrument, data collection plan and data analysis.

#### **3.1 RESEARCH DESIGN**

The descriptive approach to research was adopted in the study. A descriptive design was selected because of its high degree of representativeness and the ease with which a researcher can obtain the participants' opinion (Polit & Beck, 2004). The focus of this study was to observe the procurement processes adopted and assess the level of compliance in managing procurement of goods, works and services in Holy Child College of Education.

#### **3.2 POPULATION**

Polit & Beck, (2004) define population as the entire aggregation of cases that meet a designated set of criteria. The target population is the aggregate of cases about which the researcher would like to make generalizations.

The study's targeted staff involved in procurement at the Holy Child College, management staff and all department heads that either place requisition for the provision of goods and services (internal consumers). It comprises also Procurement practitioners and contractors, consultants and suppliers engaged by the entity.

The identified population groups were targeted because they are the key players in the public procurement management processes and they have the technical expertise to give helpful information in the direction of the study.

### **3.3 SAMPLE AND SAMPLING TECHNIQUES**

Non-probability sampling does not attempt to select a random sample from the population of interest. Non-probability sampling is often divided into three primary categories: (1) quota sampling, (2) purposive sampling, and (3) convenience sampling.

Purposive sampling is also referred to as judgmental sampling or expert sampling. The main objective of purposive sampling is to produce a sample that can be considered “representative” of the population. The term representative has many different meanings, along the lines of the sample having the same distribution of the population on some key demographic characteristic, but it does not seem to have any agreed-upon statistical meaning (Cochran, 1977).

The selection of a purposive sample is often accomplished by applying expert knowledge of the population to select in a non-random manner a sample of elements that represents a cross-section of the population. For example, one might select a sample of small businesses in the United States that represent a cross-section of small businesses in the nation.

Convenience sampling differs from purposive sampling in that expert judgment is not used to select a representative sample of elements. Rather, the primary selection criterion relates to the



ease of obtaining a sample. Ease of obtaining the sample relates to the cost of locating elements of the population, the geographic distribution of the sample, and obtaining the interview data from the selected elements (Henry, 1990).

Examples of convenience samples include mall intercept interviewing, unsystematically recruiting individuals to participate in the study (e.g., what is done for many psychology studies that use readily available undergraduates), visiting a sample of business establishments that are close to the data collection organization, seeking the participation of individuals visiting a Web site to participate in a survey, and including a brief questionnaire in a coupon mailing.

The non-probability sampling method used was the purposive and simple convenience methods. (The purposive sampling was used because the public procurement authority has the expertise in the area under study. Also there is only one College of Education in the Sekondi/Takoradi Metropolis hence its inclusion of the target population by the use of purposive sampling). Convenience sampling was used to select Procurement practitioners, contractors, consultants and suppliers in Holy Child College of Education. This was done through the list of registered suppliers, contractors and consultants with the entity's database. Convenience sampling was adopted to select suppliers, contractors and consultants who were within the Sekondi/Takoradi metropolis for easy access and early collection of data.

Convenience sampling is a non-probability sampling technique where subjects are selected of their conveneial accessibility and proximity to the researcher.

Purposive sampling is a non-probability sampling technique where the researcher selects units to be sampled based on their knowledge and professional judgment.

### **3.4 SOURCES OF RESEARCH DATA**

The information gathering process involved both primary and secondary data sourcing. Primary data were gathered through the application of a survey questionnaire on both procurement committee members and top management staff members. Secondary data sources such as institutional review reports, procurement planning records, minutes of procurement meetings and the examination of suppliers' records to ascertain their credibility as well as personal observations were used to obtain information to supplement the primary data elicited from the target population of the study.

### **3.5 RESEARCH INSTRUMENT**

In this study, the researcher applied a self-report method through which the respondents responded in a pen and paper format on a structured questionnaire.

In total, sixty five (65) questionnaires were administered. This was due to the population size of case institute, HCCE. The distribution of the questionnaires will be as follows:

- Thirty (30) questionnaires was given to internal customers
- Twenty (20) questionnaires was given to contractors and suppliers
- Fifteen (15) questionnaires was given to procurement practitioners.

Structured questionnaire was adopted because it does not allow respondents to deviate from the issues being researched into. The researcher elicited data about the respondents' views on various aspects pertaining to how Public College's of Education manage procurement of goods, works and services.

Self-administered Questionnaires were developed to solicit for information from Procurement practitioners, Contractors/Suppliers and Internal consumers. Questionnaires were used because

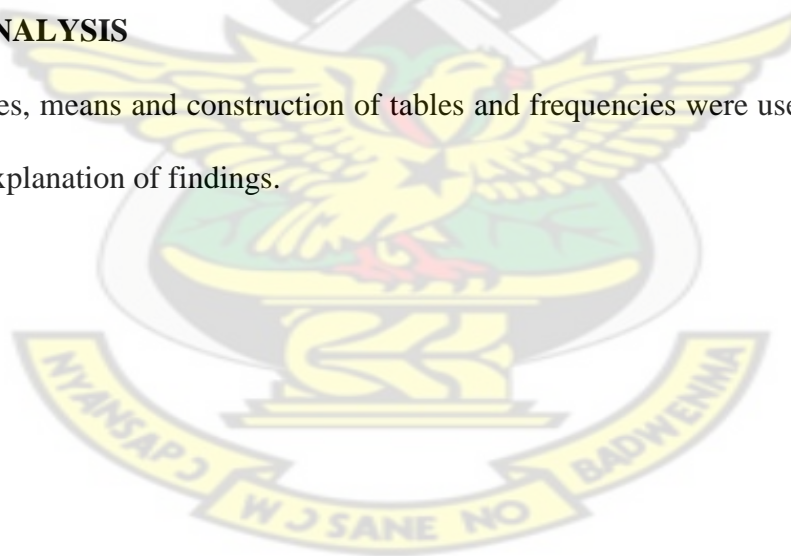
the participants are literates; it eliminated interviewer's bias; gave high response rate and had the advantage of collecting information from a large portion of a group at the same time. Interview was adopted to obtain information from the zonal representative of the public procurement authority.

### **3.6 DATA COLLECTION PLAN**

An initial visit was made to the various institutions covered in the study to submit an introductory letter and to administer questionnaires. The initial visit to the zonal coordinator of the public procurement authority was made by booking appointment with him. The second visit was a week after the initial visit for the collection of questionnaires. Two to three weeks were used to collect data from all respondents.

### **3.7 DATA ANALYSIS**

Simple percentages, means and construction of tables and frequencies were used to facilitate the description and explanation of findings.



## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

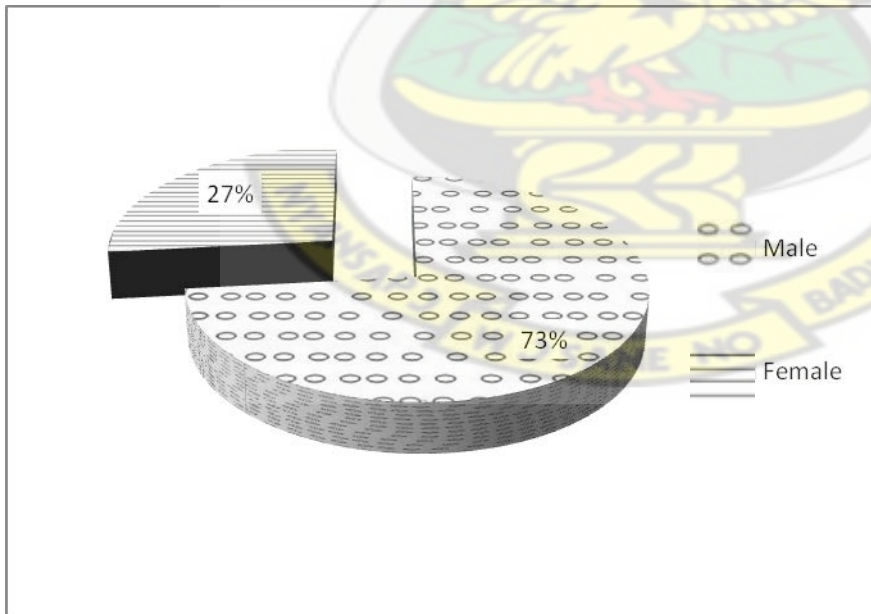
#### 4.0 INTRODUCTION

This chapter deals with the presentation and analysis of data collected from the field. The data were analyzed using the Statistical Product and Service Solutions (SPSS). Sixty five respondents were sampled. The results are discussed in relation to the research objectives and the literature review. The descriptive design was employed in this study.

#### 4.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

##### 4.1.1 Gender of Procurement Practitioners

The pie chart below shows the percentage of the Procurement Practitioners who are males and those who are females. Seventy three percent of the staff were males while 27% were females. This gave a straight forward impression that males dominated the department.

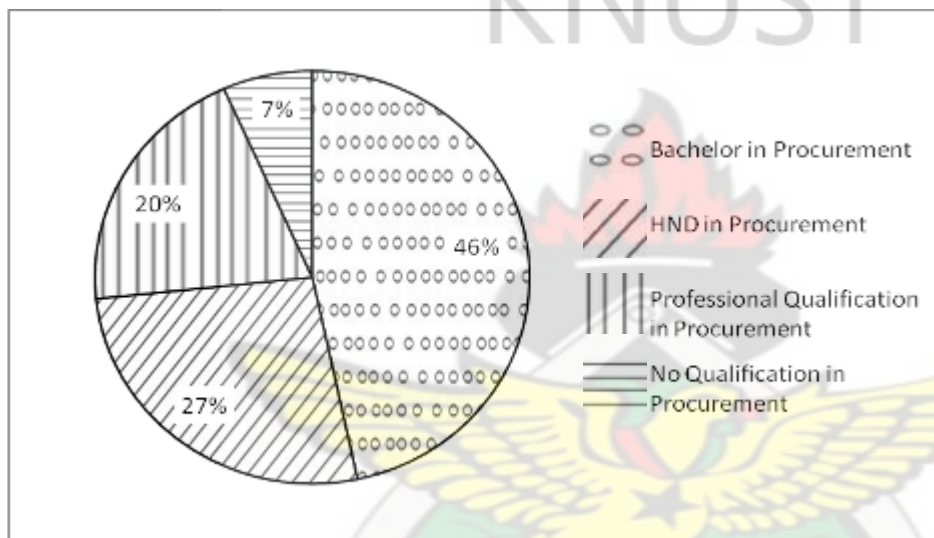


*Figure 4.1: Gender of Procurement Practitioners*

Source: Field Survey 2013

#### 4.1.2 Level of Academic/Professional Qualification of Staff

The pie chart below shows the level of academic or professional qualification of Procurement Practitioners in HCCE. Most (47%) of the staff had obtained Bachelors degree in Procurement Management. This was closely followed by those who have obtained Higher National Diploma in Procurement Management who represented 33%. Three members of staff representing 20% had obtained some professional qualification in Procurement Management.



*Figure 4.2: Level of Academic/Professional Qualification of Staff*

Source: Field Survey 2013

The above concludes that more than 90% of the procurement staff at HCCE are qualified academically to be in that department. It can be mentioned that staff at the procurement department of HCCE have the requisite knowledge and qualification in exercising their duties and responsibilities, thus ensuring that procurement process is well managed. A profession according to Millerson (1964) has the following essential features; a skill based on theoretical knowledge; a skill requiring training and education; the demonstration of competence by professionally passing a test; maintenance of integrity by adherence to a code of conduct; service



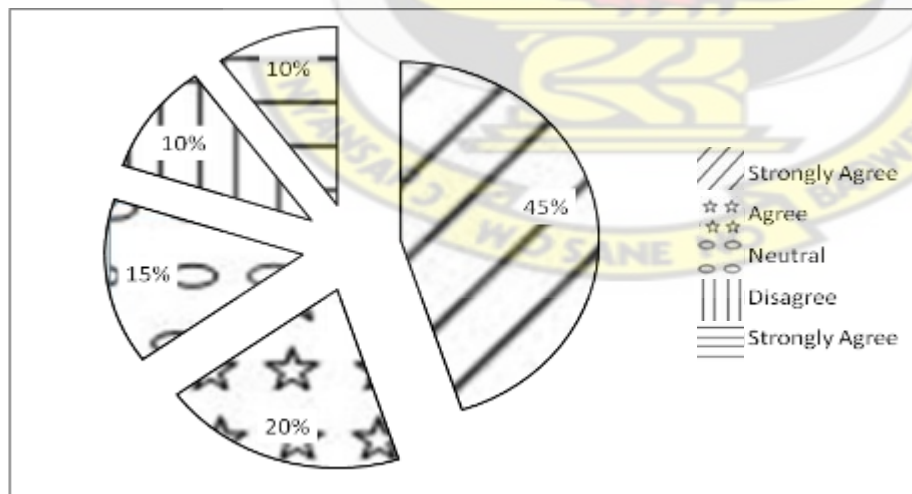
provided for the public good. This means that professionals must be seen as champions of efficiency and effectiveness and must acknowledge the challenges and their various forms and their sources. It was against this backdrop that the professional qualifications of practitioners were sought.

## 4.2 PROCUREMENT PROCESS

### 4.2.1 Public Procurement Process Encourages further Business with Public Organization

Governed by a complex set of laws and regulations, local government procurement systems are designed to ensure the best prices, provide open and fair competition among local vendors and prevent favoritism and corruption (Duncombe & Searcy, 2007). With this background, one would consider that public procurement process should encourage further business with public organizations since best prices are ensured and favoritism eliminated.

The pie chart in figure 4.3 shows whether the Public Procurement Process encourages further business with public organizations.



*Figure 4.3: Public Procurement Process encouraging further Business*  
Source: Field Survey 2013

Fifty five percent of contractors and suppliers agreed that the Public Procurement Process encourages further businesses with the public organization. Twenty percent were neutral on the issue. Twenty five percent disagreed. This means that more than 50% are of the view that the Procurement Process is good and thus encourages further businesses.

#### 4.2.2 Clear, Open, Fair and Equitable Supplier Selection

Competition is created if the Public Procurement Process is open and fair (Duncombe & Searcy, 2007). This shows how genuine and valid the process is. This makes individual contractors and suppliers to develop confidence in the process.

The pie chart below in figure 4.4 shows that as much as 50% disagreed that the procurement process is clear, open, fair and equitable. This was followed by 25% who were indifferent about the fairness of the process. Twenty five percent agreed that the process was fair and equitable. The above concludes that some contractors and suppliers do not have much confidence in the procurement process.

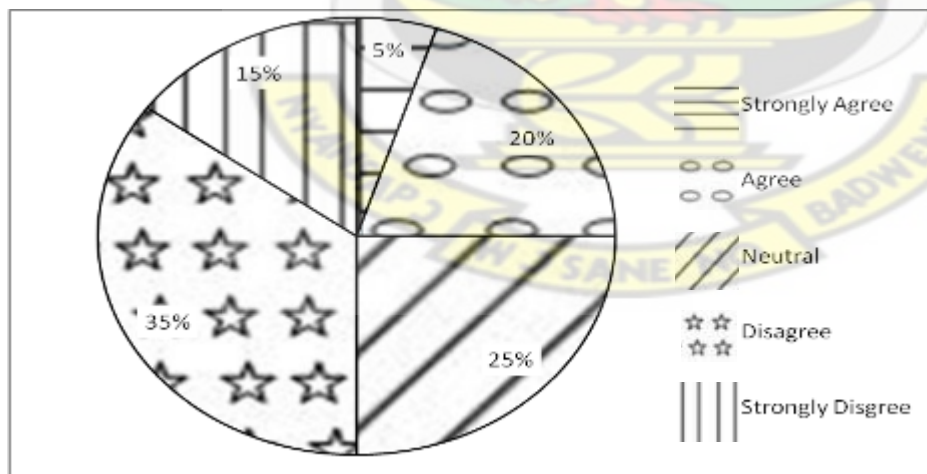


Figure 4.4: Clear, Open, Fair and Equitable Supplier Selection

Source: Field Survey 2013

### 4.2.3 Contract Awarded on Merit

To further reiterate the assertion by Duncombe and Searcy (2007), the question of fairness was investigated to consolidate responses on fair and equitable supplier selection. From figure 4.5 below, it is perceived that contracts are not often awarded based on merit, and this accounted for 50%. According to the contractors and suppliers, only 20% and 15% are often and very often awarded on merit. Only 5% are always awarded on merit.

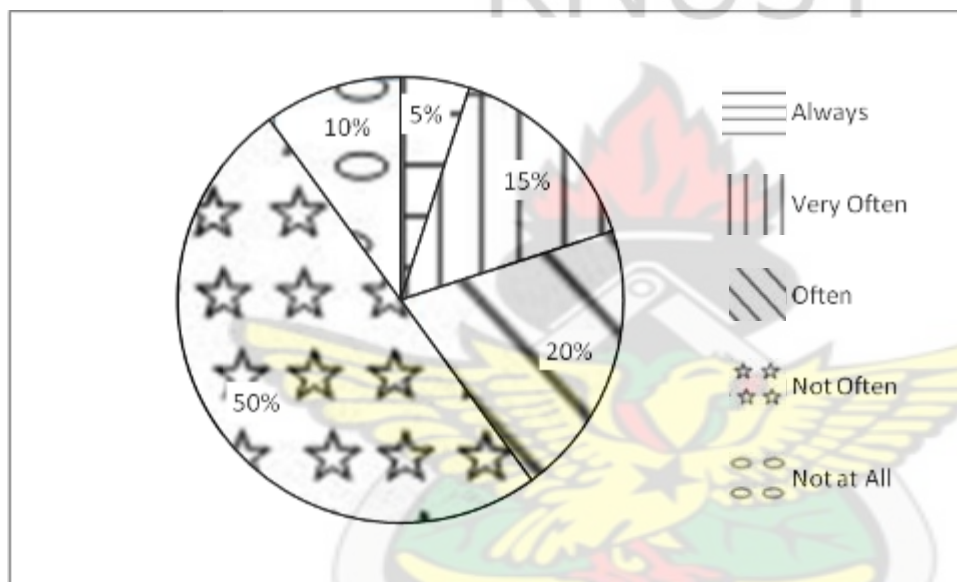


Figure 4.5: Contract awarded on merit

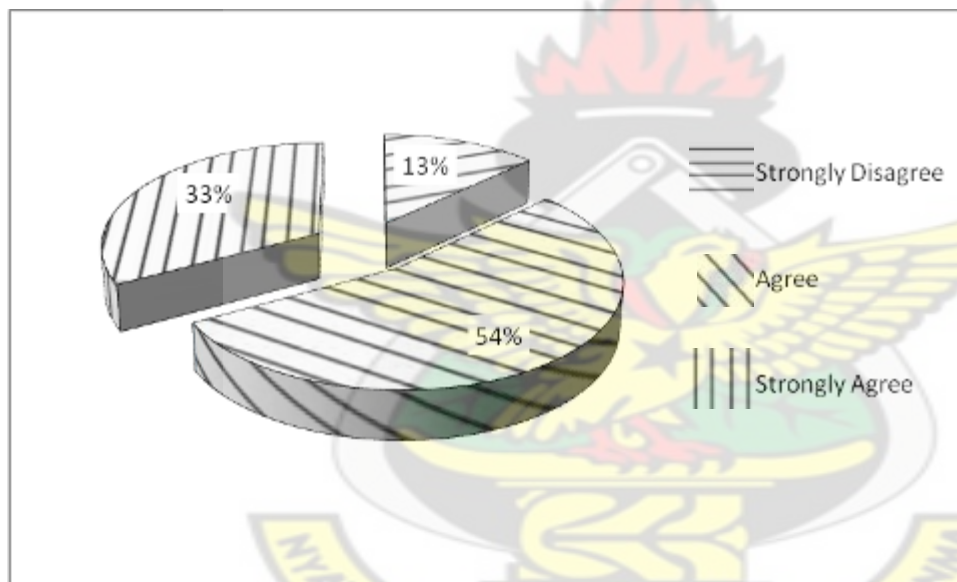
Source: Field Survey 2013

### 4.2.4 Involvement in Specification Writing

According to the World Bank, one important phase of the three phases of public procurement process is deciding which goods, works or services to acquire and when. This decision as to what is to be brought in does not give management the upper hand but only makes them advisors and evaluators. The decision of “what and when” rests upon the internal customers.

The pie chart below shows whether internal customers were involved in the specification writing during procurement process. Twenty six Internal Customers representing 87% of the total number of Internal Customers agreed that they were involved in the specification writing. Four Procurement Practitioners representing 13% however strongly disagreed that internal customers were involved in specification writing.

This indicates that users are involved in specification writing. This means that those going to use the goods or service specify what will best suit them and make work easier to ensure productivity.



*Figure 4.6: Customers' involvement in Specification Writing*

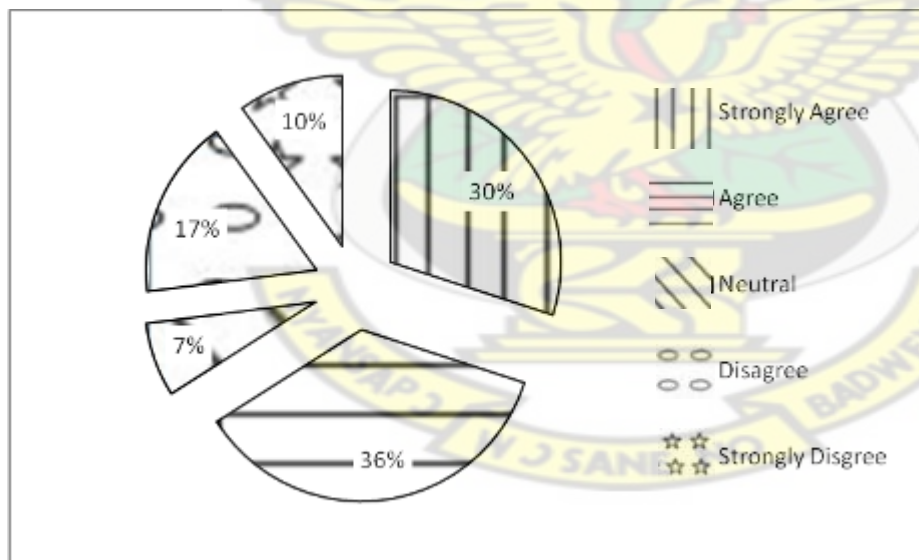
Source: Field Survey 2013

#### **4.2.5 Internal Customers' Participation in Inspection of Goods**

From the chart below, 66% internal customers agree that users are part of the inspection team. However, 27% of internal customers disagree that users are part of inspection team. Seven percent were indifferent and so were neutral about the responses.

Ngogo (2008) argues that, there are two sides to procurement, the demand side (i.e. where there are users of products who have needs to procure) and the supply-side which does the production and provision of goods and services to be supplied. The demand side reiterates that the users of the products are important to proper procurement decisions. This means that if goods come in the internal customers should have a hand in the inspection of the goods. The responses however revealed the opposite.

This concludes that, users are not part of the inspection team. This scenario is not good for quality procurement management because, items such as Information Technology (IT) equipments cannot be received into stores without the scrutiny and acceptance of the Users who are experts in IT. Complaints such as low memory computers; incompatible accessories with existing computers were made.



*Figure 4.7: Internal Customers are part of Inspection Team*

Source: Field Survey 2013



#### **4.2.6 Making use of the National Procurement Law**

There was a 100% response rate to the use of the national procurement law in the procurement process at HCCE according to the Procurement Practitioners.

The Public Procurement Act, Act 663, to provide for a comprehensive public procurement policy, a comprehensive legal regime to safeguard the integrity of the public procurement system and create a central body with the requisite capability, technical expertise and competence to develop a coherent public procurement policy is well known by Procurement Practitioners. It was in the light of this that all Procurement Practitioners agree of making use of National Procurement Law.

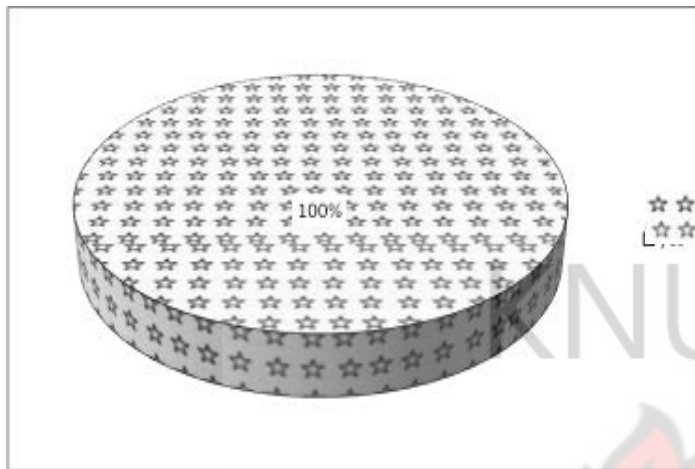
#### **4.2.7 Existence of Procurement Plan**

The pie chart below shows that all the Procurement Practitioners at HCCE acknowledged the existence of procurement plan which was implemented whenever there was procurement. All the 15 Procurement Practitioners answered to a 'Yes' with regards to the existence of procurement plan at HCCE.

This means that with procurement plan in place, quality management is checked against standards. For we say "failing to plan is planning to fail". With the procurement plan, it is evidenced that Procurement Officers will have enough time to look for the best quality.

Section 21 (1) of the Public Procurement Act, 2003 Act 663 require the User Department to prepare a work plan for procurement based on the approved budget and submit it to the tender committee not later than one month to the end of the financial year the procurement plan for the following year for approval. This means that every public organization should have a

procurement plan in place. However, if otherwise exists, then organization is not going by the nation's constitution.



*Figure 4.8: Existence of Procurement Plan*

Source: Field Survey 2013

#### **4.2.8 Organization Procuring According to the Procurement Plan**

The procurement plan is to be followed if an organization desires to maximize utility. Figure 4.9 shows that 40% often follow the procurement plan whenever there is the need to procure goods and services. Thirty four percent follow the procurement plan very often while 13% always follow the procurement plan. Another 13% do not often follow the procurement plan.

Public procurement is different from private procurement because in public procurement, the economic results must be measured against more complex and long term criteria and it must be transacted with other considerations-accountability, non-discrimination among potential suppliers and respect for international obligations- in mind besides the economy (Odhiambo and Kamau, 2003). This brings in complexity in the procurement process. With complexity comes abandonment and shortcuts to get things done. This means that some public organizations may

neglect the procurement plan and take decisions that will benefit them as an organization that following to the latter the procurement plan.

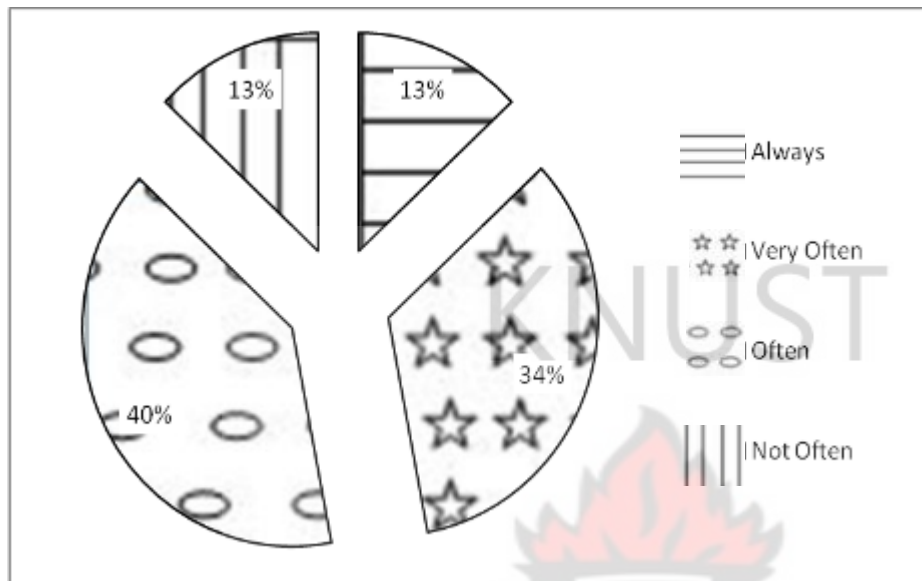


Figure 4.9: Organizations following procurement plan

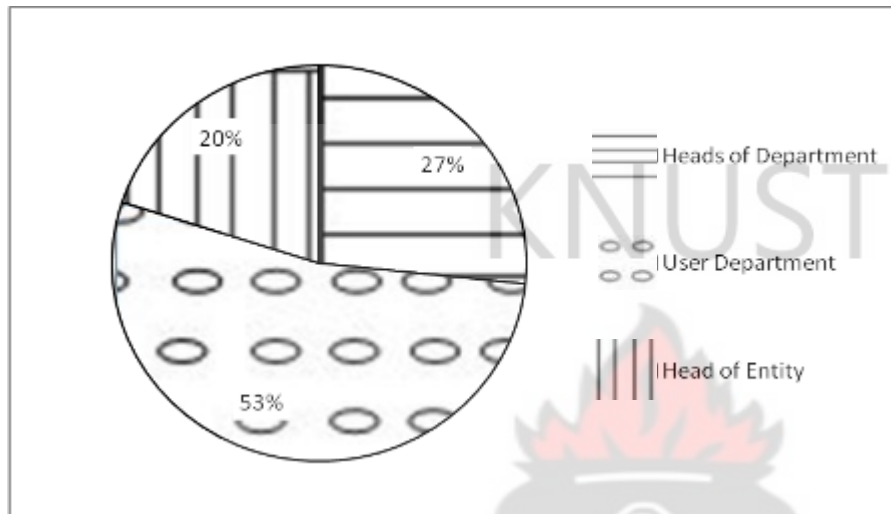
Source: Field Survey 2013

#### 4.2.9 Source of Purchase Requirement in the Organization

The pie chart below shows that 53% of purchase requirements originates from the user department, 27% from the heads of departments and 20% from the head of entity. The chart shows majority of the purchase requirements coming from the user departments which stands to reason that what is needed is what is bought and used.

According to Stefanelli (1997) in his book *Purchasing Selection and Procurement for the Hospitality Industries*, purchasing also includes all activities associated with determining the types of products needed, making purchases, receiving and storing and administering purchase contracts. It can be inferred from this that, the type of product needed would be best described by the user.

The finding indicates better internal customer satisfaction and also ensures ownership, which means that, there is a real purpose for the goods or services. With ownership comes careful and maintained use of the goods obtained.



*Figure 4.10: Source of purchase requirement in organizations*

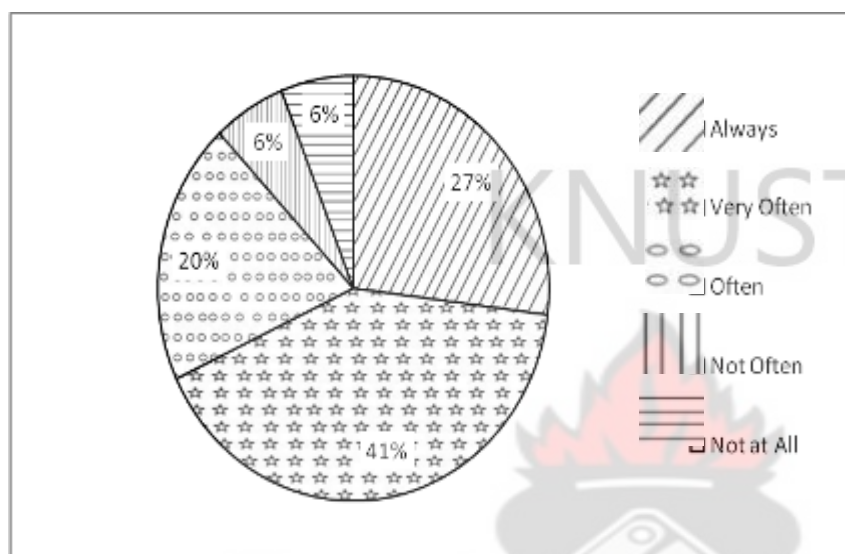
Source: Field Survey 2013

#### **4.2.10 Purchase Requisition Approved before Purchase**

In every formal organization, purchase requisition should take place before purchases are made. Procurement Practitioners were asked if there is always purchase requisition before purchases are made.

From figure 4.11 it can be seen that 27% of the respondents said purchases requisitions are always approved before purchases are made while 41% said purchase requisitions are very often approved before purchases. This is closely followed by 20% saying they are often approved.

This above concludes that there is proper follow up plan when it comes to procurement. There is consensus with regards to the kind of goods and services to be bought and used. This orderliness ensures best use of money.



*Figure 4.11: Purchase requisition approved before purchase*

Source: Field Survey 2013

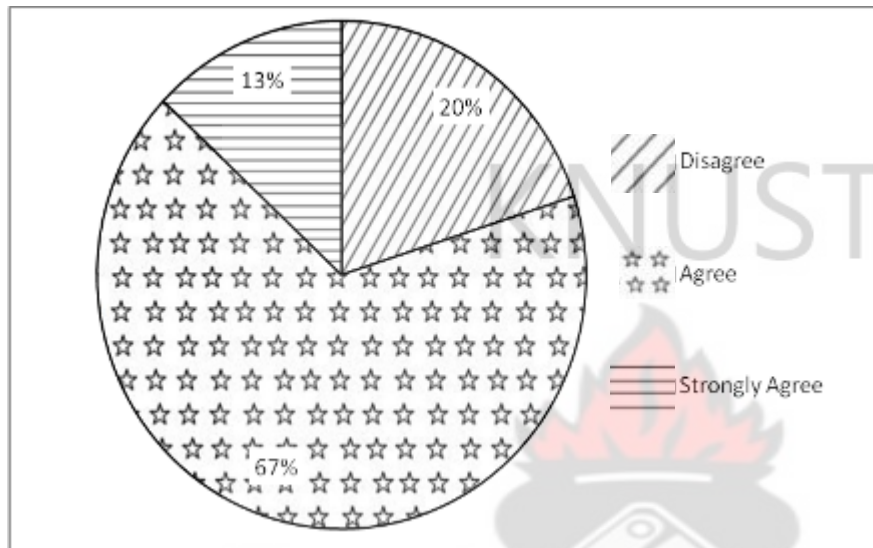
#### **4.2.11 Ensuring Quality**

The figure below shows if Procurement Practitioners were professionals who ensure quality at HCCE. Three Procurement Practitioners representing 20% disagree that tender evaluators were professionals who provide quality service. However, 80% of Procurement Practitioners agreed that tender evaluators are professionals who ensure quality work.

The above concludes that tender evaluators ensure quality control. This is very imperative for quality assurance, improper if tenders are not examined properly, there is the propensity of choosing non performing contractor, and there is the need to assemble well experience tender evaluators to ensure quality and value for money. Accountability of public officials is critical in



detering corrupt practices and it creates an enabling environment for vibrant private sector activity (Kabaj, 2003). Due to accountability public officials are assumed to be professional who get the work done.



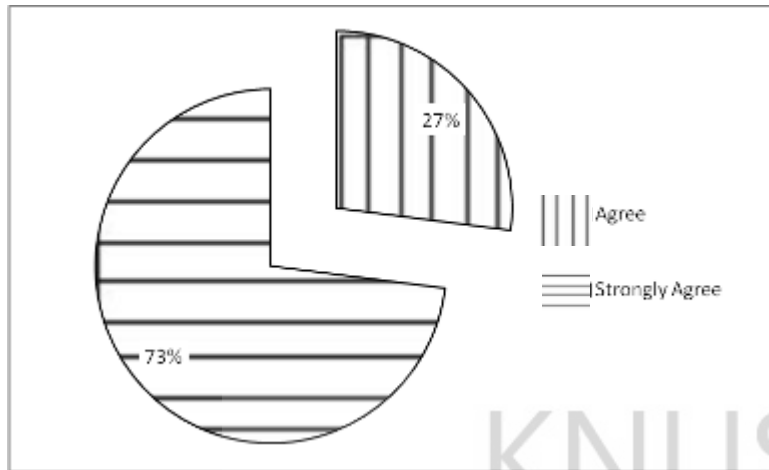
*Figure 4.12: Tender Evaluators are Professionals who ensure Quality*

Source: Field Survey 2013

#### **4.2.12 Internal Approval Systems cause Delays**

The figure below shows that 100% agreed that internal systems cause delay in procurement. To the researcher, this does not auger well for HCCE since students might be in need of a particular good or services but might be delayed due to internal systems. This will go a long way to affect academics in the college.

The amount and form of the feedback in procurement depend, in large part, on the manager's personal preferences and the audit and procurement evaluation needs (Khi V. Thai 2001). This might make the process cumbersome and tiring.

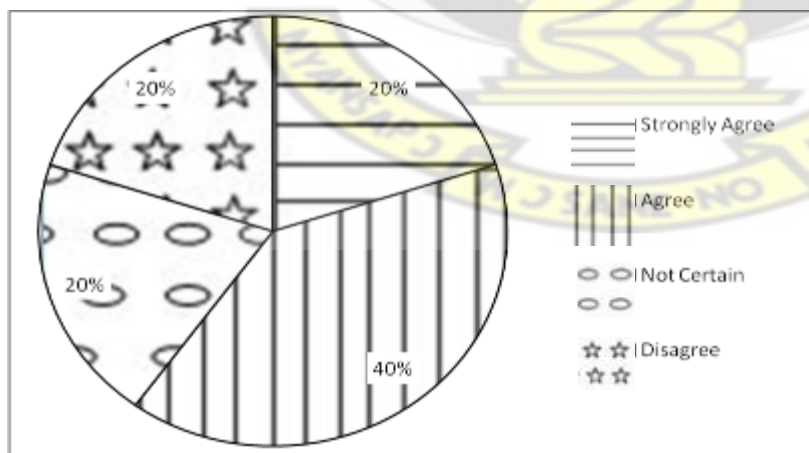


*Figure 4.13: Internal Approval Systems cause Delays*

Source: Field Survey 2013

#### **4.2.13 Selection of Suppliers based on Long Term Relationship**

Procurement Practitioners at HCCE were asked if they agree or not agree if they procure goods from suppliers based on long term relationship. The chart below shows that more than half are in favour of long term relationships. Sixty percent agreed respectively that selection of suppliers were based on long term relationships. However, 20% disagreed that selection of suppliers were based on long term relationships. Twenty percent however are not certain.



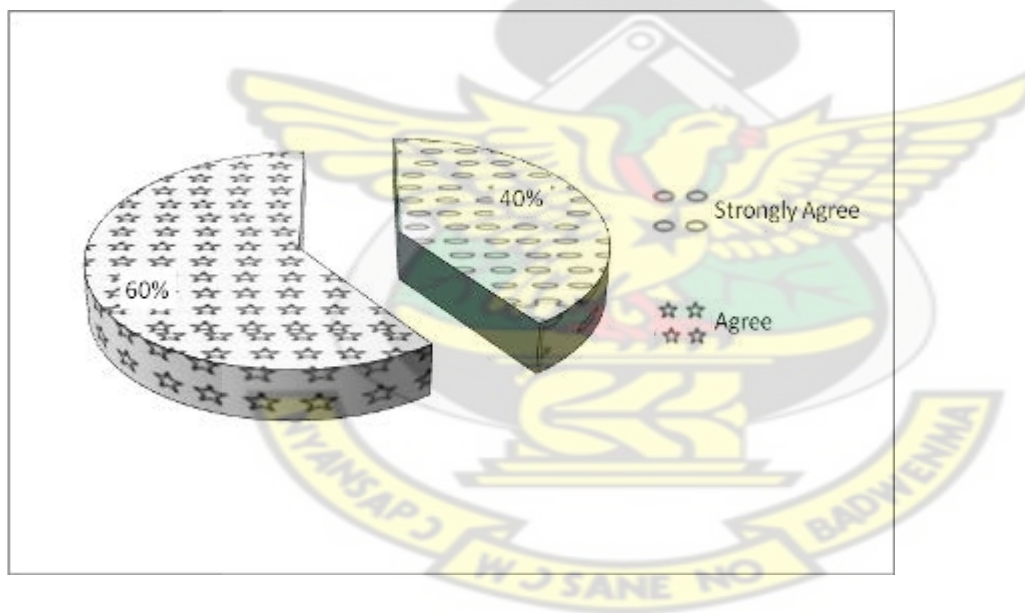
*Figure 4.14: Selection of Suppliers based on Long Time Relationship*

Source: Field Survey 2013

#### 4.2.14 Specification Designed

From the pie chart below, all procurement practitioners agreed respectively that, specification is designed by few people.

Thai (2004) maintained that, forms and procedures may be convenient and useful tools, but the planning effort will succeed only with the complete commitment and involvement of top management, along with appropriate personnel that have a stake. This implies that, without thorough procurement planning, the subsequent procurement processes will not yield substantial benefits. This might have accounted for the majority of respondents agreeing that specification is designed by few people.



*Figure 4.15: Specification Designed by Few People*

Source: Field Survey 2013

### **4.3 QUALITY MANAGEMENT**

Quality procurement management requires every procurement unit to develop a procurement plan. According to James, 2004, when planning is properly conceived and implemented, it can serve as an important mechanism for extracting, distributing and allocating resources. With this in mind the researcher intended to find out about management issues at HCCE with regards to procuring goods and services.

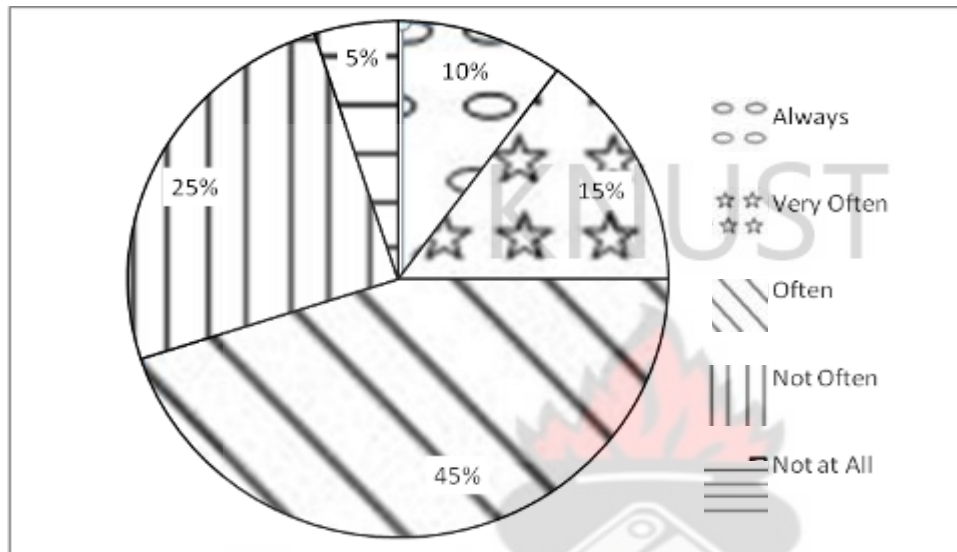
#### **4.3.1 Communication of Organizational Needs by Procurement Department**

With proper communication comes understanding and proper execution of tasks. If the Procurement Department should communicate their organizational needs very well to the suppliers and contractors, the goods and services provided will serve the purpose for which they were demanded.

Buyer–supplier relationships have been theorised in terms of arm’s length and embedded relationships (Uzzi, 1997). Loose collections of companies that maintain impersonal and shifting exchange ties are characteristic of arm’s length relationships and markets (Powell, 1990). At the opposite end of the relationship continuum are stable networks that maintain close social ties termed embedded relationships. This model has been accepted in much of the debate on the use of information technology to support these relationships (Schultze & Orlikowski, 2004), although increased attention has been given by researchers to alternative relational forms (Baker, 2002). With close relational forms, communicating organizational needs is not a problem.

Figure 4.16 shows that 45% of suppliers and contractors in procurement departments often communicate their organizational needs well. This is followed by 25% not often communicating

their organizational needs well. Only 10% agreed that procurement departments communicate their organizational needs well. Overall, it is realised that more than 50% of procurement department communicates their organizational needs well.



*Figure 4.16: Procurement department communicating their organizational needs well*

Source: Field Survey 2013

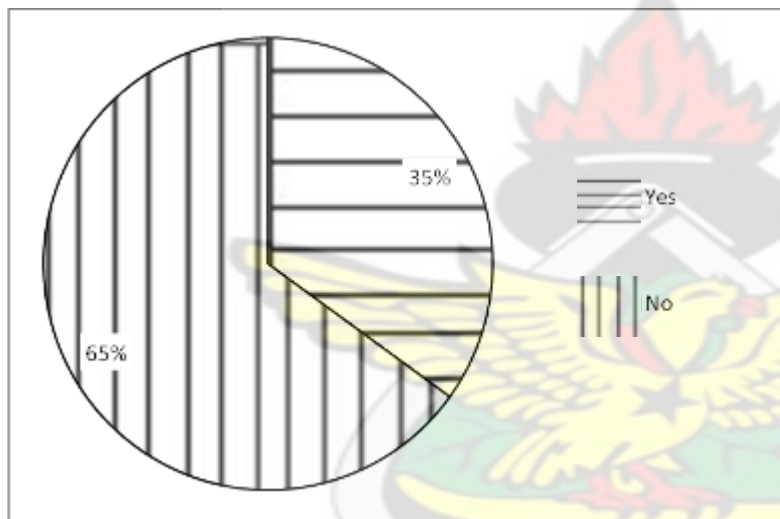
#### **4.3.2 Clear and Unambiguous Tender Documents**

According to Evans & Peck (2006), a Project Brief is prepared that clearly defines the scope of the project for which Tender Documents are to be prepared. This document must define all project stakeholder requirements (including envisaged functional goals, performance, technical criteria, completion dates or term date requirements) for the project. Any known constraints associated with the delivery of the contract should be identified upfront, e.g. public access requirements, availability of land, limits to work etc. Failure to include all scoping requirements will most likely result in stakeholder expectations not being met, and could result in disputes at a later date.



The evaluation process becomes brisk and easy if the tender document is clear and unambiguous. It also gives the contractors and suppliers a chance for their documents to be reviewed in time and saves the procurement practitioners time and energy for other tasks than for clearing out ambiguity.

The pie chart below shows that 65% of tender documents are clear and unambiguous while 35% were ambiguous and unclear. The finding is encouraging since more than half of the documents are clear.



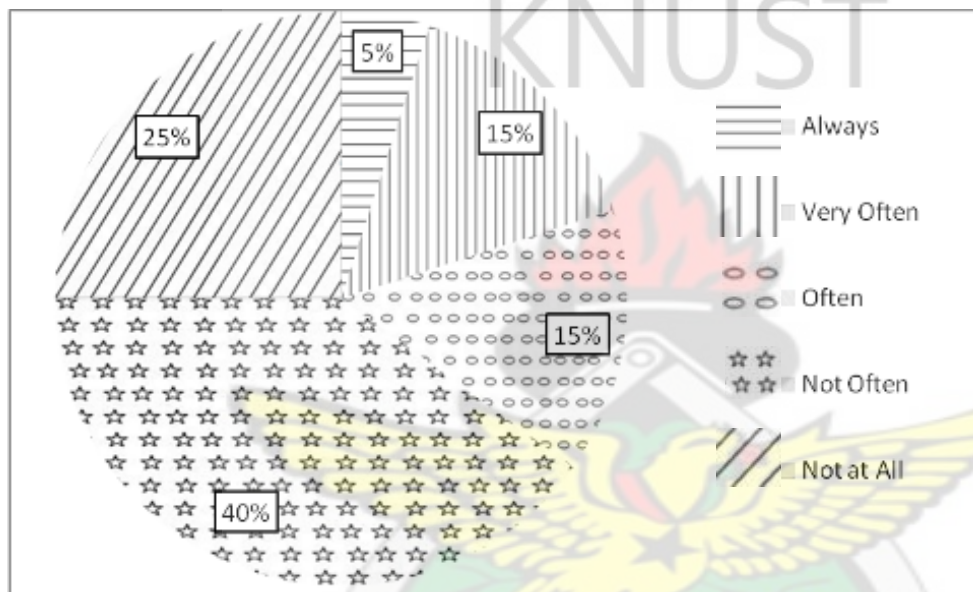
*Figure 4.17: Clear and unambiguous tender documents*

Source: Field Survey 2013

#### **4.3.3 Contractors and Suppliers' Interaction with Procurement Practitioners on Procurement Challenges**

If contractors, suppliers and procurement practitioners communicate regularly about the procurement process and its challenges, they can amicably solve those challenges and personal difficulties each poses.

Figure 4.18 below shows that only 5% of the procurement practitioners always interact with suppliers about procurement challenges. Fifteen percent each often and very often interact with contractors about procurement challenges. Another 15% and 40% often and not often interact with suppliers and contractors about procurement challenges. Five percent do not interact at all.



*Figure 4.18: Interactions between contractors and suppliers and procurement practitioners about procurement challenges*

Source: Field Survey 2013

The above finding is encouraging since most of the procurement practitioners interact with suppliers and contractors about procurement challenges which will help them deal with such challenges easily.

#### 4.3.4 Helpful Interactions help in Executing Terms of Contract

The pie chart below shows that as much as 80% agree that helpful interactions help to execute terms of contract flawlessly. Ten percent were indifferent with their response while 10% disagreed that helpful interactions help in executing terms of contract.

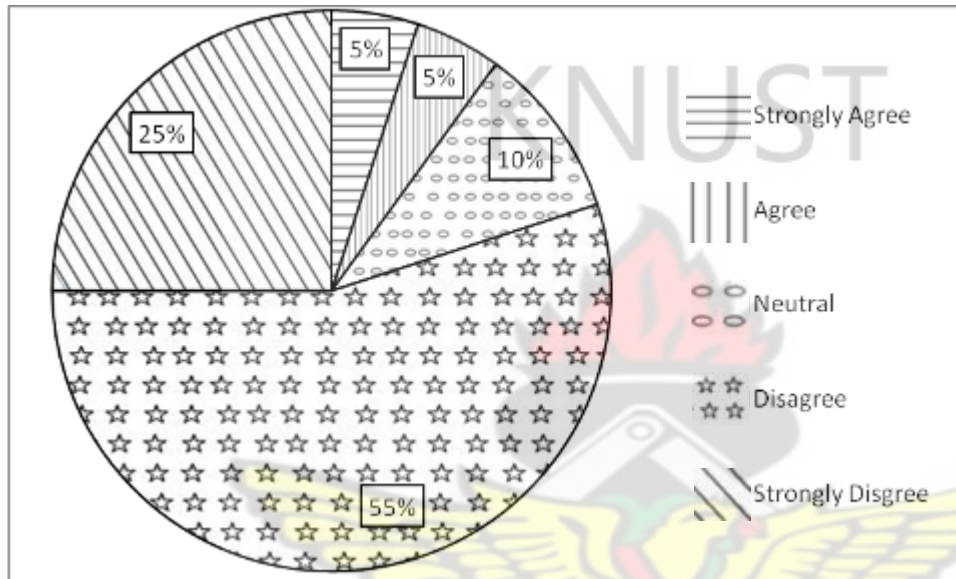


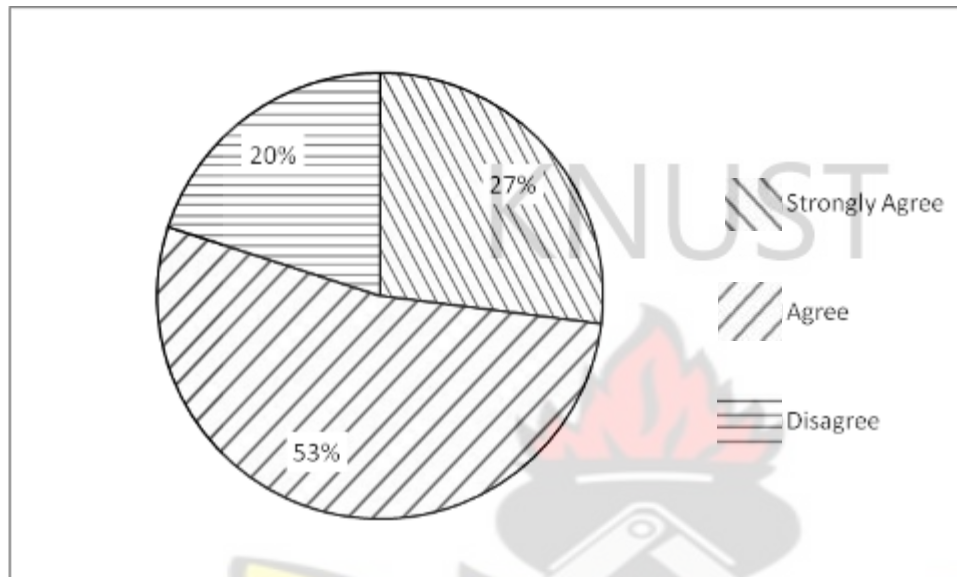
Figure 4.19: Helpful interactions helping to execute terms of contract

Source: Field Survey 2013

#### 4.3.5 Monitoring by Procuring Unit Ensures Suppliers Comply With Specification

The pie chart below is a graphical representation of responds on whether the monitoring done by Procurement Unit on suppliers ensures suppliers compliance with the specification. Twenty percent of the Procurement Practitioners disagreed that suppliers comply with specification though they monitor them. Eighty percent of Procurement Practitioners agreed that suppliers comply to specifications because they monitor them.

This suggests that, monitoring by the Procurement Unit ensures that suppliers comply with specification. Corrections can be made before it is too late and this provides impetus towards quality procurement of goods and services and also cost reduction.



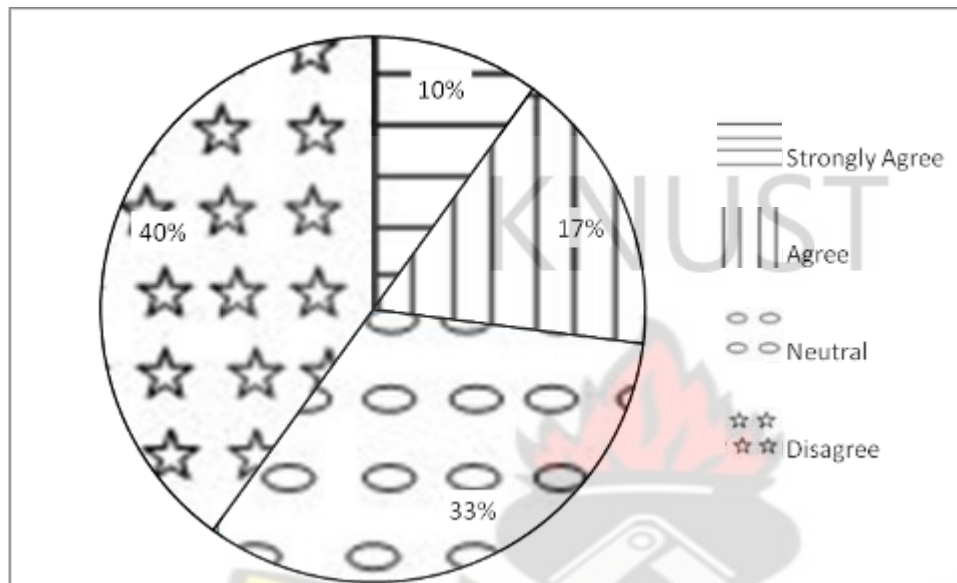
*Figure 4.20: Monitoring by Procuring Unit Ensures Suppliers Comply With Specification*

Source: Field Survey 2013

#### **4.3.6 Goods Purchased are Reliable, Durable and Fit for Purpose**

The chart below depicts Internal Customers' responses as to whether the goods purchased by the Procurement Unit were reliable. Surprisingly, twelve Internal Customers representing 40% disagreed that the goods purchased by the Procurement Unit were reliable. This was followed by 33% being indifferent about the reliability of the goods purchased by the unit. Twenty seven Internal Customers agreed to the goods purchased by the Procurement unit as reliable.

Crosby as cited by Donna C. S. Summers (2005) defines quality as conformity to requirement – not elegance; he says it is always cheaper to do the job right first time (Crosby P.B: 1983). This means that reliable and durable goods do not place much emphasis on appearance of the goods.



*Figure 4.21: Reliable goods are purchased*

Source: Field Survey 2013

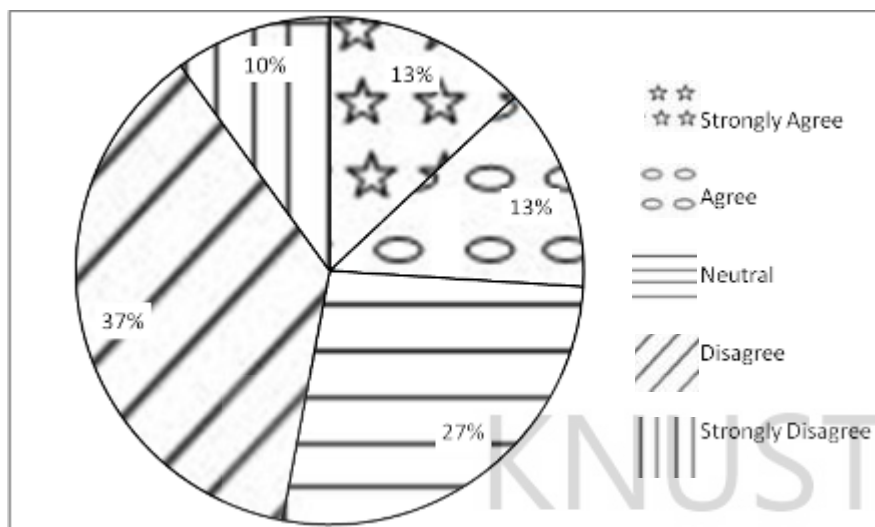
This reveals that the previously purchased goods might have not been reliable and so was reflected in their responses.

#### **4.3.7 Products Maintenance**

Unmaintained products easily get damaged and will have to be replaced. Internal Customers were asked if they agreed or not to product maintenance in at HCCE.

From the pie chart below, 37% Internal Customers disagreed that products were maintained, while 27% were neutral when it comes to product maintenance. Forty seven percent agreed that products are maintained after a period of time.



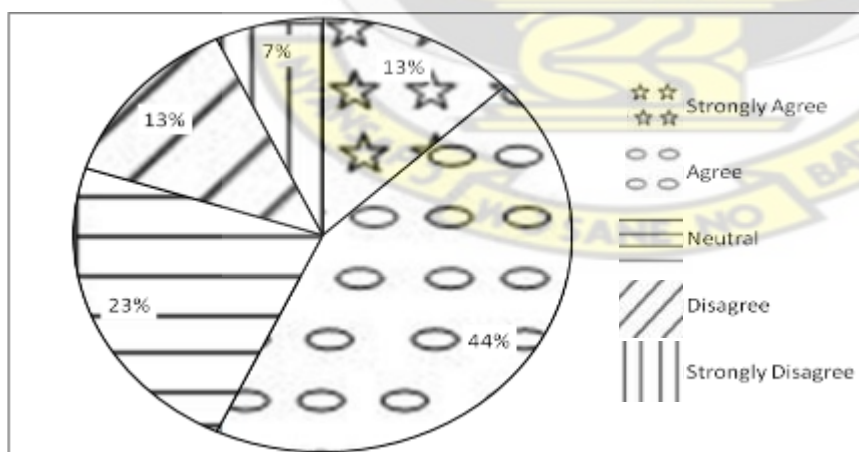


*Figure 4.22: Product Maintenance*

Source: Field Survey 2013

#### 4.3.8 Products' Availability for Use

From the column chart below, more than half (57%) of the Internal Customers disagreed that products are always available. Only 27% agreed that products are always available. Twenty three percent were neutral.

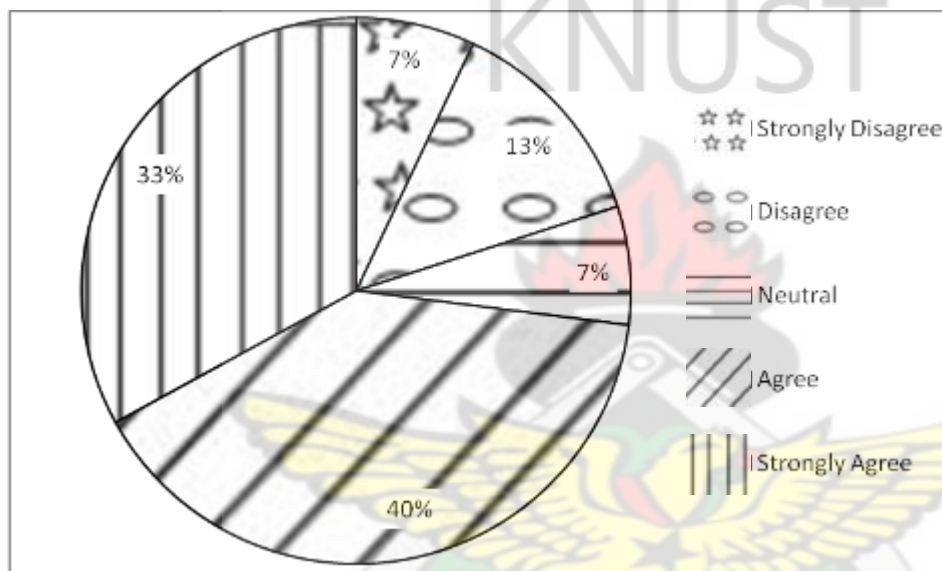


*Figure 4.23: Products' Availability for Use*

Source: Field Survey 2013

#### 4.3.9 Thorough Evaluation of Bidding Documents before Awarding Contracts

Seventy three percent of the procurement practitioners agreed that there is thorough evaluation of tender documents before awarding contracts. Seven percent were indifferent and 20% disagreed that tender documents are evaluated before awarding contracts. This is shown on figure 4.24 below.



*Figure 4.24: Thorough evaluation of tender documents before awarding contracts*

Source: Field Survey 2013

The above finding shows that procurement officers take their time in evaluating bidding documents before they award any contract. This will help the procurement practitioners select the best bid and award the contract to such supplier or contractor.

According to the Pakistan Engineering Council, the most important elements that figure in the bid evaluation process are essential part of the Instruction to Bidders. These elements have to be considered and accorded appropriate weight age to determine the LOWEST EVALUATED RESPONSIVE BIDDER (LERB) for award of contract. These elements generally include

deadline for submission, eligibility and qualification of bidders, completeness of bid and conformance of bid to technical and commercial requirements of the bid documents.

#### 4.3.10 Well Experienced Tender Evaluators

Well experienced tender evaluators ensure that tenders are thoroughly evaluated against set standards and checks. Sixty six percent agreed that the tender evaluators were well experienced. Seven percent however were neutral on their response as to whether tender evaluators were experienced or not. Thirty four percent agreed. This is shown on the pie chart below.

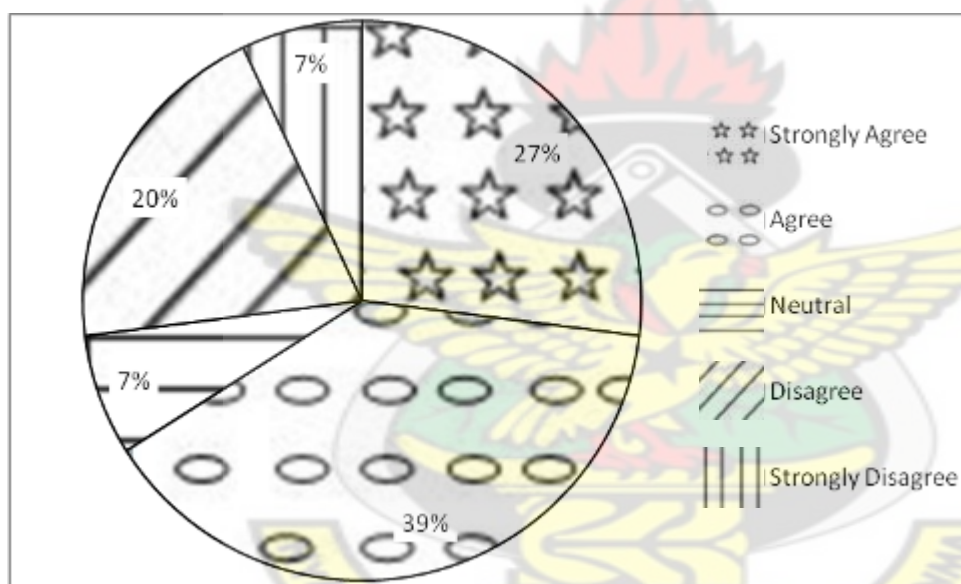


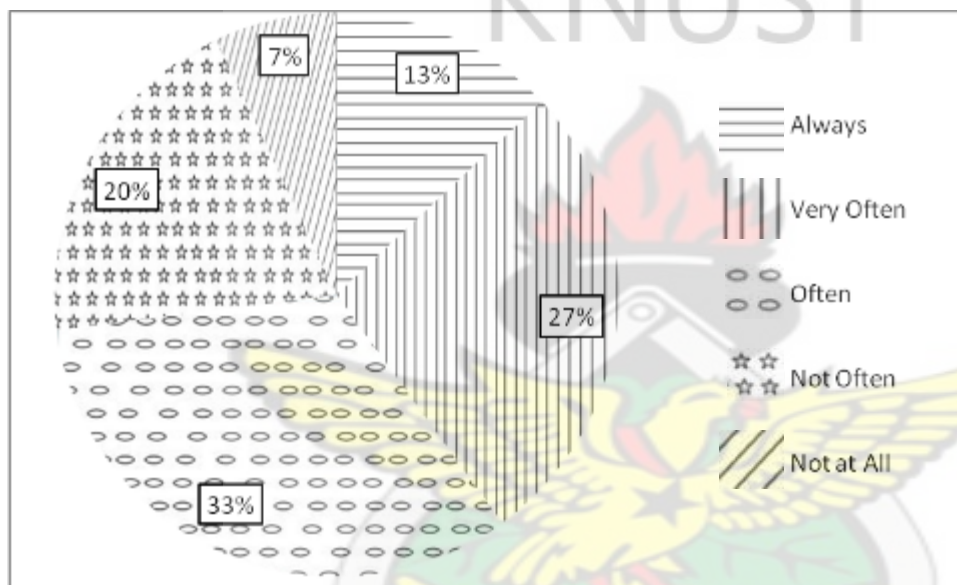
Figure 4.25: Well experienced tender evaluators

Source: Field Survey 2013

#### 4.3.11 Tender Committee Members ensuring Quality

From the pie chart below, 13% of tender committee members always ensure quality, 27% ensure quality very often while 33% often ensure quality. Twenty percent and 7% do not often ensure quality and do not ensure quality at all respectively.

There are numerous definitions of quality. ISO 8402 defines quality as the totality of features and characteristics of a product that bears on the ability to satisfy stated implied needs. (Lyson and Gillingham: 2003). No one wants to buy shoddy goods or request services that do not serve its purpose. If poor quality goods are brought in, it tends to be an extra cost to the organization. However the finding gives an understanding that more than two-thirds of the Tender Committee Members ensure quality.



*Figure 4.26: Tender committee members ensuring quality*

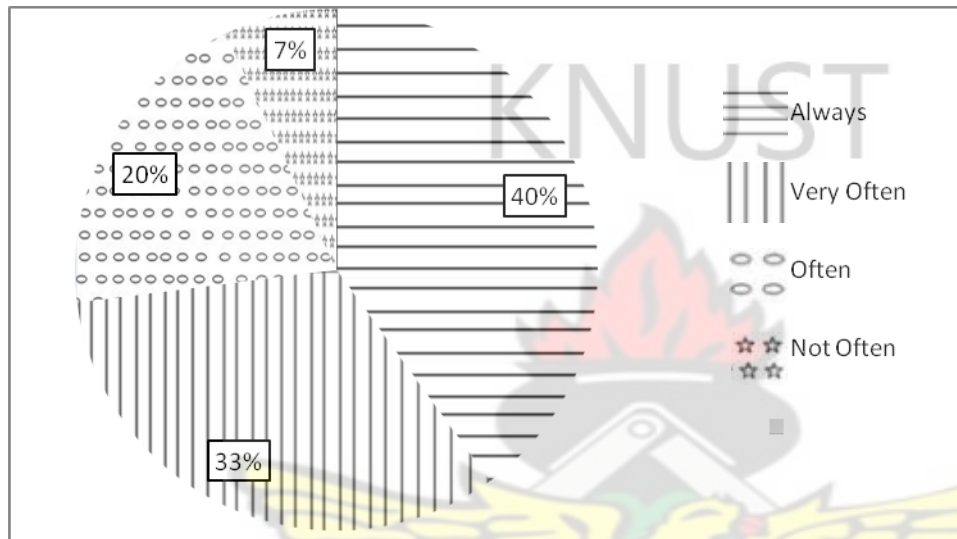
Source: Field Survey 2013

#### **4.3.12 Diligence is given before Approval of Purchasing Decisions where necessary**

Conscientiousness in paying proper attention to purchasing decisions before approval is of necessity since without careful consideration approval of purchasing may be arbitrary. With arbitrary approvals come shoddy goods and services into the organization. It is in the light of this

that the researcher inquired about procurement practitioners diligence before approval of purchasing decisions.

From figure 4.27, 40% always give diligence before approval of purchasing decisions. This was closely followed by 33% who give diligence very often while 29% do not often give diligence.



*Figure 4.27: Diligence given before approval of purchasing decisions where necessary*

Source: Field Survey 2013

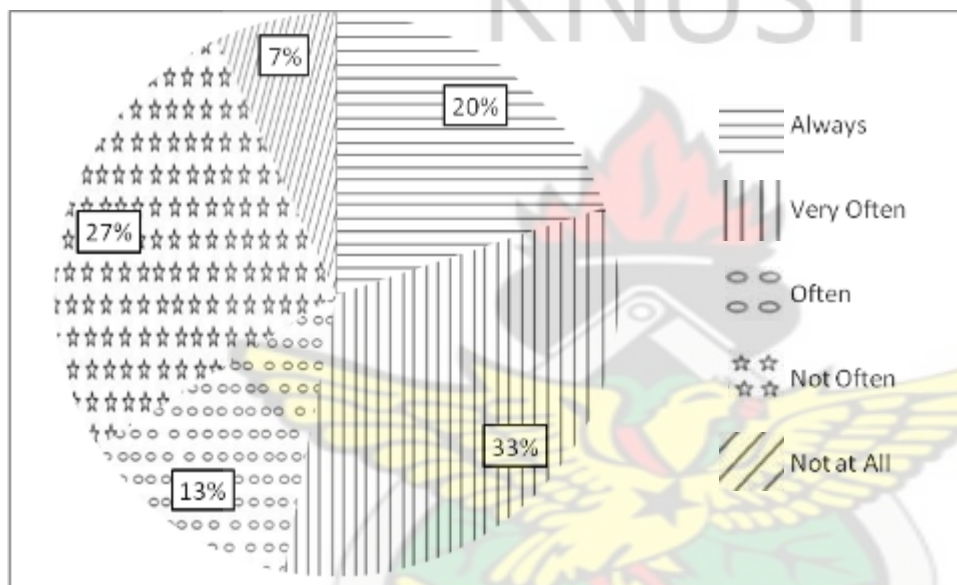
#### 4.3.13 How Often Contracts are Awarded to Competent Contractors

In instances where competent contractors are not awarded contracts, the outcome of such contracts are nothing to write home about. The pie chart below shows that 33% of contracts are very often awarded to competent contractors. This is followed by 27% contracts which are not often awarded to competent contractors. Twenty percent however are always awarded to competent contractors.

According to Westing and Fine (1965), Purchasing is a managerial activity, which includes planning and policy issues covering a wide range of related and complementary activities. These



include research and development required for the proper selection of materials and sources from which those materials may be bought, ensuring proper delivery, inspecting to ensure both quantity and quality conforms with order, the development of proper procedures and methods to enable the purchasing entity to carry out establishing policies. This means that by the end of the whole process competent and confident contractors will be awarded contracts. This is no different from the finding gathered from the field.



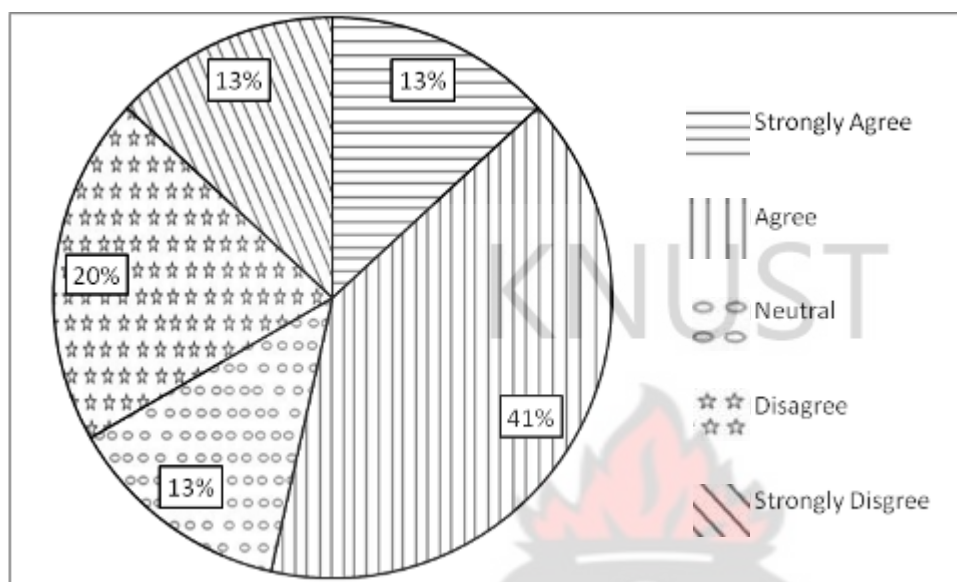
*Figure 4.28: How often contracts are awarded to competent contractors and suppliers*

Source: Field Survey 2013

#### **4.3.14 Effective Monitoring System by Procurement Entities**

Inference of monitoring can be made from the assertion of Westing and Fine (1965). It was based on this assertion that effective monitoring by procurement entities was looked into. As to whether there was effective monitoring system by the Procurement entities or not was sought. Fifty three percent of the procurement practitioners agreed that there was effective monitoring

while 33% disagreed that there is effective monitoring by procurement entities. Thirteen percent were indifferent about the effective monitoring system. This is shown on the chart below.



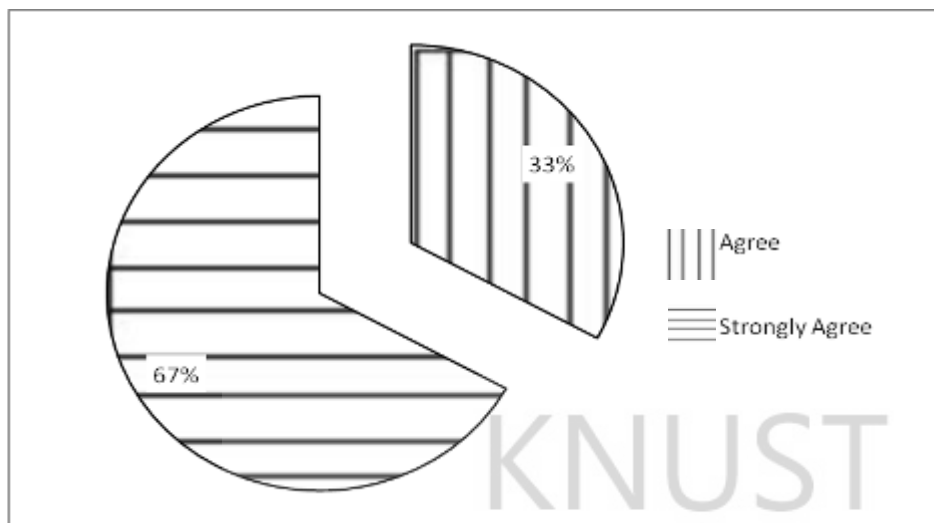
*Figure 4.29: Effective monitoring system by procurement entities*

Source: Field Survey 2013

#### **4.3.15 Goods are inspected before Acceptance**

The figure below presents responds from Procurement Practitioners as to whether goods are inspected before they are accepted. All Procurement Practitioners agreed that goods purchased are inspected before they are accepted.

According to Westing and Fine (1965) materials bought are to be inspected to ensure both quantity and quality conforms to order. The finding concludes that goods are inspected before they are accepted. This practice must be encouraged to ensure goods received are of quality.



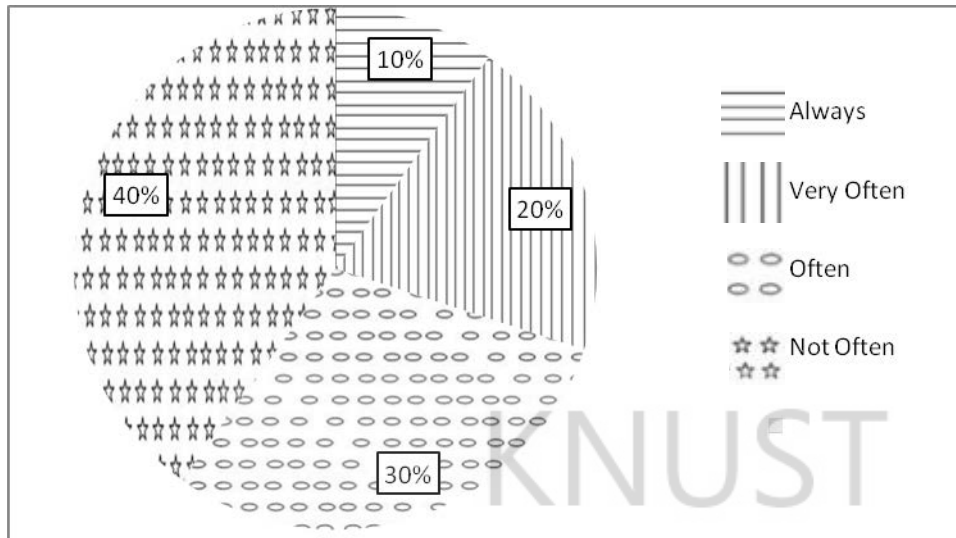
*Figure 4.30: Goods are inspected before Acceptance*

Source: Field Survey 2013

#### **4.3.16 Delivered Goods passing Inspection Test**

If the inspection team is very diligent and keen, shoddy and poor quality goods will be fished out and rejected after order has been made and the goods are brought in. during inspection, goods are to be checked against set standards.

The chart below shows that 40% of the goods do not often pass the inspection test while 30% often pass the test. Ten percent and 20% always and very often pass the inspection test by the procurement department.



*Figure 4.31: Delivered good passing inspection test*

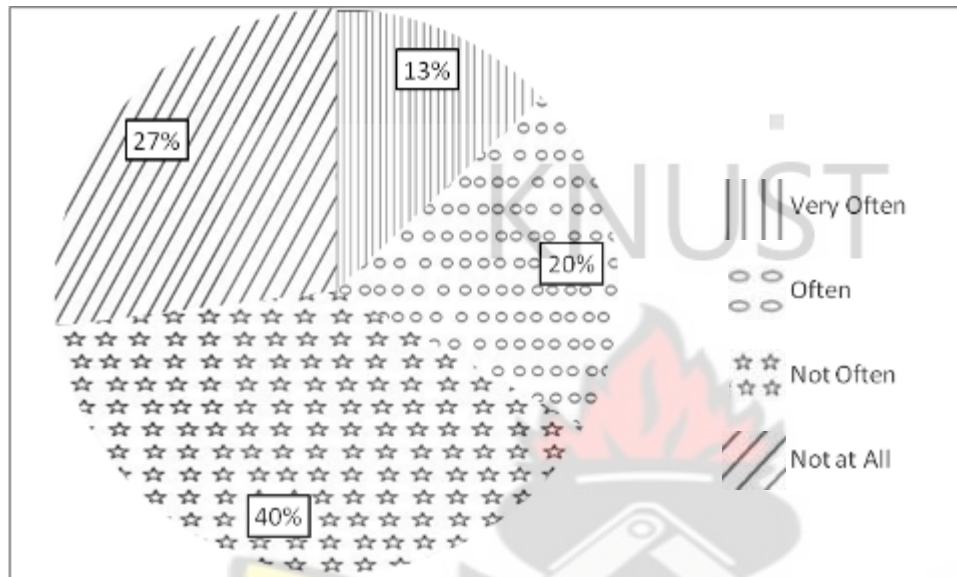
Source: Field Survey 2013

#### 4.4 CHALLENGES

##### 4.4.1 Response on whether Procurement Practitioners Request Inducement from Contractors and Suppliers

The chart below represents responses from contractors and suppliers on whether Procurement Practitioners demanded inducement from them before awarding contracts. Inducement by Procurement Officers will prevent them from rejecting poor services from suppliers. Agyenim Boateng Adjei stated that “in spite of all difficulties, the board would press on to entrench the use of fair and transparent methods in the acquisition of goods, works and services with regard to the use of public funds” (Daily Graphic, Saturday, August 26, 2006 pp,16). This means that there is the notion of no transparency in the public procurement process. Based on this, the researcher inquired if procurement practitioners receive inducement from contractors and suppliers.

Very often, 13% request inducement from contractors and suppliers while 20% only ask often. Forty percent and 27% do not often and do not at all ask inducement from contractors and suppliers respectively.



*Figure 4.32: Procurement practitioners requesting inducement from contractors and suppliers*  
Source: Field Survey 2013

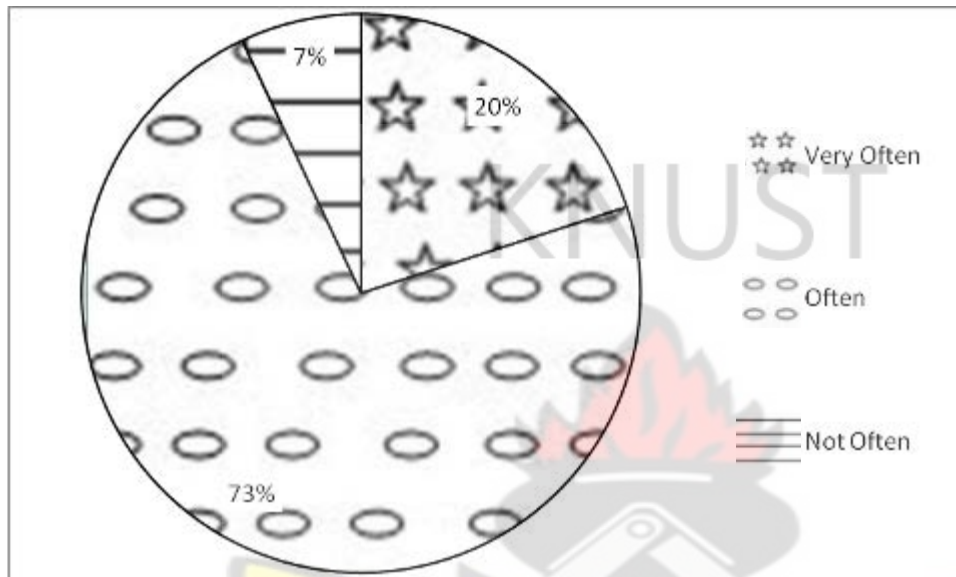
#### **4.4.2 Technical Specifications are Clear and Unambiguous**

With unclear and ambiguous technical specifications, supplied goods and services will not be suited for used by the purchasing organization. This will induce more cost in securing another set of suitable goods. With critical analysis from the assertion by Westing and Fine (1965), inspections of delivered goods are meant to conform to the specifications given by the procurement entities.

Contractors and suppliers were asked if they agree or not agree as to whether technical specifications are clear and unambiguous and their responses are shown on the chart below.



Twenty percent disagreed that technical specifications were clear and unambiguous while 25% agreed that they were clear and unambiguous. However, 55% did not consider technical specifications and so were uncertain about their agreement or disagreement.

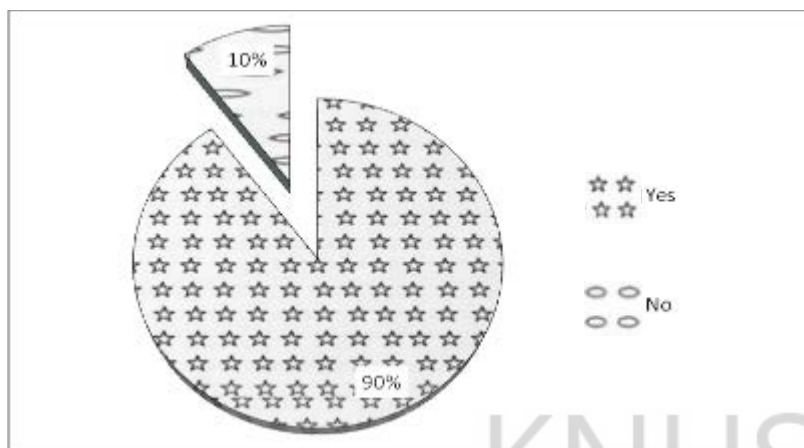


*Figure 4.33: Clear Technical Specifications and unambiguous*

Source: Field Survey 2013

#### **4.4.3 Contractors' and Suppliers' Challenge with the Procurement Process**

Contractors and Suppliers were asked if they had any challenge with the procurement process. The chart below shows their responses. As much as 90% faced challenges with the procurement process while only 10% said they did not face any challenge with the process.



*Figure 4.34: Contractors' and Suppliers' Challenge with the Procurement Process*

Source: Field Survey 2013

One of the most pressing challenges given are non-payment of supplies in due time. They say some payments delay so much so that it affects their budget. Some also stated the problem of ambiguity of some of the product specifications and this makes it difficult for them to supply. They sometimes supply goods and are asked to go back for them because they do not meet their requirements. At other times also, requirements are received late which affects time delivery.

#### **4.4.4 Existence of Bureaucracy in Public Procurement Process**

All respondents attested to the fact that there exists a bureaucratic chain of process in the Public Procurement Process. This they said makes it difficult for them to speed up when they are pressed with time to procure goods and services needed by the students. Though the bureaucratic chain allows for the impersonality of interpersonal relationship, it nevertheless kills individual freedom and discretion which would have helped the organization.

Baah – Wiredu (2006) disclosed that the government was committed at the highest level to ensuring compliance with procurement procedures. These procedures were to ensure value for

money thus acts as a disincentive to corruption (Daily Graphic, Monday, May 22, 2006, pp.41). The minister said compliance with transparent procurement practices would enable the government to put into practice its concept of good governance and “zero tolerance” for corrupt behaviour. With this it is safe to assume that all red tapes have to be followed so as to ensure transparent and corrupt free procurement process.

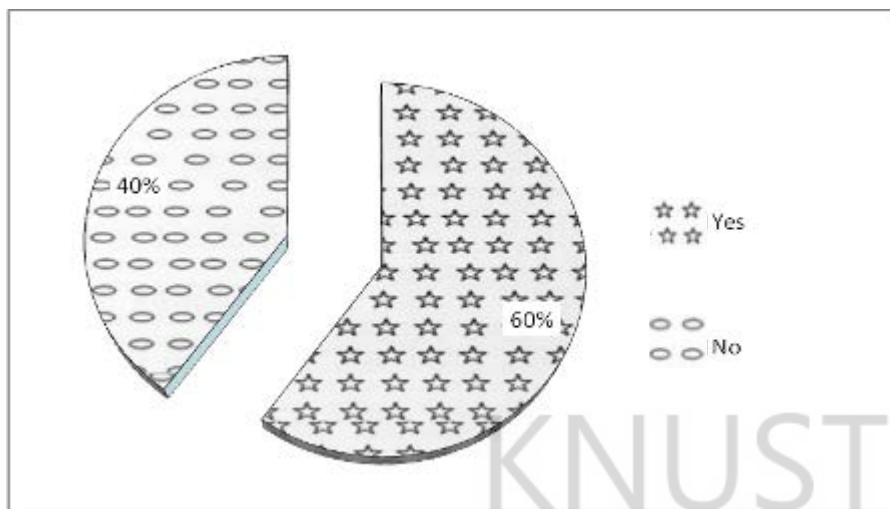
#### **4.4.5 Do Internal Customers face Problems with the Procurement Process**

All internal consumers had problems with the procurement process. This was because sometimes their specifications are not honoured by the procurement practitioners and the contractors alike. The practitioners say there is not enough money to procure goods with their specifications and so might order shoddy goods to be used. This was a major problem together with requested goods not arriving on time for the intended purposes.

#### **4.4.6 Users challenges with Procurement Process**

The chart below shows whether Internal Customers are faced with challenges in the procurement process. As much as 60% of the thirty respondents were faced with challenges while the other 40% were not faced with any challenges.

Some of the challenges given were non adherence to technical specifications given to the Procurement Unit by the Internal Customers, delays in purchasing due to the long bureaucratic chain in the organization and non-compatible spare parts brought in by the Procurement Unit.

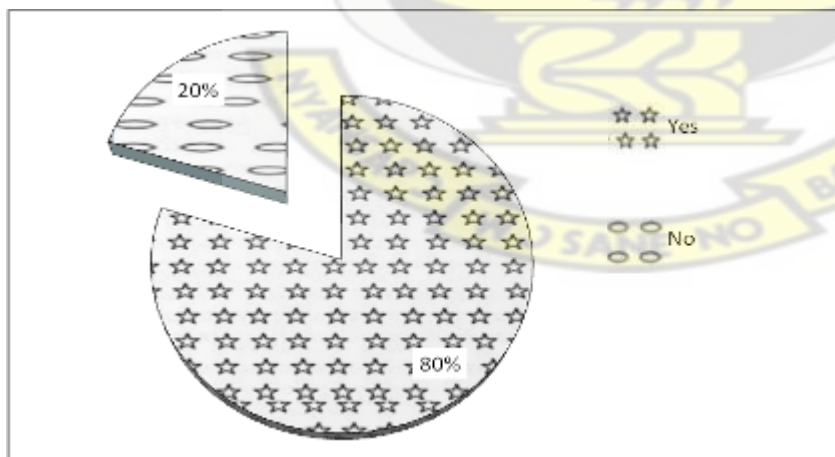


*Figure 4.35: Users challenges with Procurement Process*

Source: Field Survey 2013

#### **4.4.7 Procurement Practitioners' Challenge with Procurement Process**

Procurement practitioners were asked if they had any challenge with the procurement process. The pie chart below shows their responses. As much as 80% faced challenges with the procurement process while only 20% said they did not face any challenge with the process.



*Figure 4.36: Procurement Practitioners' challenge with Procurement Process*

Source: Field Survey 2013

There was a follow up question inquiring some of the challenges they face as Procurement Practitioners. Some of the challenges were late arrival of funds from sources to help them obtain what is needed at the right time and for the right use. There are also challenges in delay in arrival of purchased goods from suppliers. Yet another challenge was the unclear specification writing from the user departments which makes procuring the right good or services a challenge. Another challenge outlined was the inappropriate use of goods which results in their early damages and thus increases the financial burden on the Procurement Unit. This is because such instances might have not been budgeted for.





## **CHAPTER FIVE**

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

#### **5.1 SUMMARY OF FINDINGS**

This study was to look into the procurement practices adopted by public procurement entities and the quality management practices adopted by them in ensuring that the goods and services bought are of standard. The various challenges faced in the procurement process were also examined. However, the study revealed the following:

Majority of purchasing requirements originate from the user departments. However, the user departments are not represented in the inspection team of their requirements. The procured goods by procurement unit are not always fit for the intended purpose and lacks full reliability, flexibility, availability and compatibility. These breed internal customer dissatisfaction in HCCE.

Purchasing requirements are delivered late. This renders the eventual delivery of the items useless. This is a big challenge to internal customers because it puts a lot of stress on users in their quest to perform their duties. This has also undermined the achievement of the organizational objectives.

Specifications to procure goods and services are designed and determined by few people 'top management' within the organization. This has affected the suitability of procured goods and services for the intended purpose. Some procurement professionals accept inducements from suppliers before awarding contracts. This can affect the quality of goods delivered by suppliers because they (suppliers/contractors) cannot be reprimanded if poor quality products and services are delivered. Due to this practice, there was much disagreement on the transparency of the Procurement Process.

Technical specifications are not always clear and ambiguous. This is an issue because the ambiguity will cause suppliers to deviate from the purchases orders. Payment by HCCE to Contractors / Suppliers often delays. In the long run it does not motivate Contractors / Suppliers in delivering quality goods and services.

Delays are common place in HCCE's procurement processes due to many levels of approval and all the parties involved in the procurement process are facing challenges with the procurement system.

## **5.2 CONCLUSION**

The results of this study have shown that procurement process at HCCE comes with a myriad of challenges. These challenges have affected the smooth flow of logistics in the organization. Internal customers are mostly disgruntled with lack of reliability, compatibility, flexibility, availability and fitness for purpose of goods and services procured by HCCE. Delays and long lead times are common place in HCCE procurement activities and functions. This is partly contributed by the use of the national procurement Law of Ghana and delays in internal approvals. Procurement practitioners, suppliers and internal customers have all gotten their share of the challenges.

## **5.3 RECOMMENDATIONS**

In reference to the findings of this study, the following recommendations are being proposed to aid in reducing quality challenges in public procurement systems, especially HCCE.

1. Specifications determination must be a joint effort between internal customers, Procurement practitioners and all stakeholders to ensure that what is required is well defined and procured.
2. To ensure total quality, attention must be given to the formation of tender evaluation panel. This must consist of professionals who have extensive knowledge in whatever is being procured and end users must not be excluded from such panel.
3. There must be exercise of due diligence such as: Source of supplier's products must be well investigated even to the level of second and third tier Suppliers and during the inspection of incoming goods and services, user department representation is essential, because some of the products are specialized in nature which would demand users own expertise and approval before the goods are accepted. The researcher believes that, this will go a long way to improve quality.
4. Guarantees such as performance security, retention money and long period warranties must be applied by the procurement entities. This will motivate suppliers to provide quality products and services.
5. The regulatory body of public procurement, Public Procurement Authority (PPA) must consider debarment of non-performing Suppliers/Contractors from participating in public procurement competitions.
6. The Public Procurement Authority must consider the revision of the policy document on public procurement to adapt to current needs of public organizations. This may include revision of threshold to enable heads of entities to approve higher spending; this will to some extent reduce the delays in the system. The revision must accommodate the use of discretion by procurement officers to some extent.

7. Recruitment of well qualified procurement professionals as well as training and development of the existing procurement professionals is highly recommended. We must ensure good ethical conduct to avoid the temptation of accepting inducement from Suppliers / Contractors.
8. To ensure real-time transactions in public procurement, electronic procurement is recommended. The consequences of this will be a tremendous reduction in paper work and quick payments to suppliers

#### **5.4 RECOMMENDATIONS FOR FURTHER RESEARCH**

The challenges in procuring quality goods and services for public organizations have been unearthed by this research. The researcher believes that, this was only limited to Holy Child College of Education (HCCE) with a smaller sample size, this means that, the work may have provided a tilted outcome. It would be very essential to conduct similar research to cover a wider range of institutions with larger sample size within Ghana.

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## **APPENDIX**

### **INTERVIEW QUESTIONNAIRE**

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY  
COLLEGE OF ARCHITECTURE AND PLANNING  
DEPARTMENT OF BUILDING TECHNOLOGY**

**TOPIC: Managing Procurement In The Public College's Of Education - Case Study of Holy Child College of Education (HCCE) In The Sekondi/Takoradi Metropolis of The Western Region, Ghana.**

**Target Group: Contractors and Suppliers**

Dear Respondent,

I am administering this questionnaire for my MSc thesis which is Managing Procurement in the Public College's Of Education - Case Study of Holy Child College of Education (HCCE) in the Sekondi/Takoradi Metropolis of the Western Region, Ghana.

A Survey of Public Procurement Practitioners, Suppliers/Contractors of public procurement, and Internal Customers.

I am a student of Kwame Nkrumah University of Science and Technology, Kumasi and this study is part of my final work for the award of an MSc Procurement Management. It will take few minutes to complete the questionnaire by circling or ticking the appropriate response that best describes your views. Please be assured that this survey is purely for academic purposes and will not be used for any purpose other than what it is intended.

I count on your kind and timely response to the questionnaires as they are very important to this thesis.

Many Thanks

Stephen Conduah

## Questionnaires for Contractors and Suppliers

### Procurement Process

1. The public procurement process encourages you to seek further business with public organization

- ☐ Strongly Agree  
☐ Agree  
☐ Neutral  
☐ Disagree  
☐ Strongly Disagree

2. The process of supplier selection is clear, open, fair and equitable

- ☐ Strongly Agree  
☐ Agree  
☐ Neutral  
☐ Disagree  
☐ Strongly Disagree

3. Contract is always awarded on merit

- ☐ Always  
☐ Very often  
☐ Often  
☐ Not often  
☐ Not at all

### Challenges



4. How often do procurement practitioners ask for inducement from contractors and suppliers

☐ Always

☐ Very often

☐ Often

☐ Not often

☐ Not at all

5. Technical specifications are clear and unambiguous to suppliers and contractors

☐ Very often

☐ Often

☐ Not often

☐ Not at all

6. Do you face any challenges with the procurement process?

☐ Yes

☐ No

7. If yes, what are some of the challenges?

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### Quality Management

8. The procurement department communicates their organizational needs (specification) very well

☐ Always

☐ Very often

☐ Often

☐ Not often

☐ Not at all

9. The tender documents are always clear and Unambiguous

☐ Yes

☐ No

10. You have regular interactions with procurement staff about challenges in executing purchase order or contract

☐ Always

☐ Very often

☐ Often

☐ Not often

☐ Not at all

11. These interactions are helpful in executing terms of the contract

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

12. There is effective monitoring system by procurement entity to ensure that suppliers comply with specification.

☐ Strongly Disagree

- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

# KNUST



## **INTERVIEW QUESTIONNAIRE**

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## Questionnaires for Internal Consumers

### Procurement Process

1. Are you involved in specification writing?

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

2. Do you participate in inspection goods?

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

### Quality Management

3. Monitoring by procuring unit ensures suppliers comply with specification

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

4. Goods purchased are reliable, durable, and fit for purpose



☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

5. Products are maintained

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

6. Products are available and flexible in usage

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

**Challenges**

7. It is very easy to place requests and receive the goods/equipment/works on time

☐ Always

☐ Very often

☐ Often

☐ Not often

☐ Not at all

8. There is bureaucracy in the public procurement process

☐ Yes

☐ No

9. Do you face any challenges with the procurement process? y/n

☐ Yes

☐ No

10. If yes, what are some of the challenges?

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## **INTERVIEW QUESTIONNAIRE**

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Stephen Conduah

## Questionnaires for Procurement Practitioners

1. Gender

☐ Male ☐ Female

2. Level of academic or professional qualification

☐ Bachelor in Procurement

☐ HND in Procurement

### Procurement Process

3. Your procurement process is governed by a policy document (law)

☐ Yes

☐ No

4. If agree, please state this procurement policy document

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5. Do you have procurement plan?

☐ Yes ☐ No

6. The organization always procures according to the procurement plan

☐ Always

☐ Very often

☐ Often

☐ Not often

☐ Not at all

7. Where do purchase requirement always originate from?

- ☐ Heads of Department
- ☐ User Department
- ☐ Head of Entity
- ☐ Others.....

8. Purchase requisition are always approved before purchase

- ☐ Always
- ☐ Very often
- ☐ Often
- ☐ Not often
- ☐ Not at all

9. Tender evaluators are professionals who ensure quality

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

10. Internal approval systems cause delay

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree



11. Selection of suppliers based on long term relationship

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

12. Specification is designed by few people

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

### **Quality Management**

13. Bidding documents are thoroughly evaluated before contracts are awarded

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

14. The tender evaluators are well experienced professionals.

☐ Strongly Disagree

☐ Disagree

- ☐ Neutral
- ☐ Agree
- ☐ Strongly Agree

15. The entity tender committee members always ensure quality.

- ☐ Always
- ☐ Very often
- ☐ Often
- ☐ Not often
- ☐ Not at all

16. The procurement authority always do due diligence before approval of purchasing decision when necessary

- ☐ Always
- ☐ Very often
- ☐ Often
- ☐ Not often
- ☐ Not at all

17. Contract is always awarded to competent contractor without influence 'from above

- ☐ Always
- ☐ Very often
- ☐ Often
- ☐ Not often
- ☐ Not at all

18. There is effective monitoring system by procurement entity to ensure that suppliers comply with specification

☐ Strongly Disagree

☐ Disagree

☐ Neutral

☐ Agree

☐ Strongly Agree

19. Goods are always inspected before acceptance

☐ Always

☐ Very often

☐ Often

☐ Not often

☐ Not at all

20. Delivered goods always pass the inspection test

☐ Always

☐ Very often

☐ Often

☐ Not often

☐ Not at all

### Challenges

21. Do you face any challenges with the procurement process?

☐ Yes

☐ No

22. If yes, what are some of the challenges?

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