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KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY- KUMASI

COLLEGE OF ARCHITECTURE AND PLANNING

DEPARTMENT OF BUILDING TECHNOLOGY

**THE LEVEL OF UTILIZATION OF PROCUREMENT
PLAN BY LOCAL GOVERNMENT AUTHORITIES IN
GHANA**

BY

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Master of Science In Construction Management Programme

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DECLARATION

This is to certify that this work or any part thereof has not been previously submitted in any form to the University or to any other body whether for the purpose of assessment, publication or for any other purpose. I confirm that except for any express acknowledgements and references cited in the work, the original work is the result of my own efforts.

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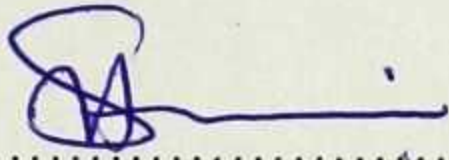
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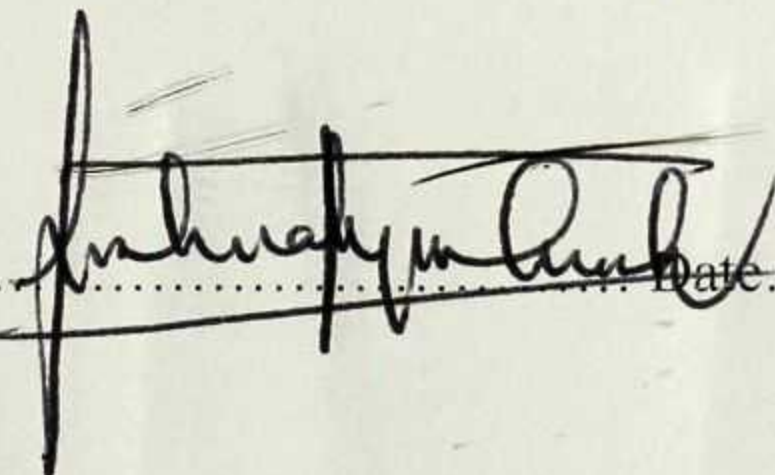


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Date.....

28/10/13

DEDICATION

This work is dedicated to:

- God for His grace favour and protection throughout my study
- My lovely wife Charity and children Nadia, Shawn, Narkor and Esenam for their understanding

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May God richly bless you all.

ABSTRACT

In Ghana the Public Procurement Act, Act 663, 2003 provides highlights on roles, regulations, procedures, and processes in the public sector procurement and gives parameters that govern procurement activities which involve the use of public funds. Section 21 of the Act requires that the Procurement Entities prepare procurement plan for each fiscal year and prepare quarterly updates for approval by the Tender Committee. For effective transaction of government business, procurement planning plays such an enormous role in preventing ad hoc procurement and ensures sanity and discipline in public financial management. It is therefore empirical for public entities to prepare and utilize procurement plans in order to prudently use funds allocated to them. This research therefore aimed at assessing the extent to which Procurement Plans are utilized by Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana with specific objectives to determine whether Procurement Plans by MMDAs are prepared in accordance with The Public Procurement Act, Act 663, 2003, to determine the level of usage of Procurement Plans by MMDAs, to identify the challenges in preparation and implementation of Procurement Plans by MMDAs and to recommend ways of improving on the preparation and usage of Procurement Plans by MMDAs.

The research begun with a literature search on Ghana's local government structure procedures for the preparation and usage of procurement plans including their challenges. Observations through interviews were made and data were collected via questionnaires to selected MMDAs. Results were analyzed statistically using descriptive statistics, frequency analyses and mean/average index score.

The findings revealed that MMDAs are currently preparing their Procurement plans in accordance with The Public Procurement Act, Act 663, 2003 but issues such as, late commencement in the preparation of the plans, identification of specific officers to lead in the preparation, low involvement of key players and non submission of the approved procurement plans to the PPA still confronts them in the preparation of the plans. The study also concluded that MMDAs utilized the procurement plans but are faced with a number of challenges.

Apart from specific recommendations the study generally recommended that;

1. That the Public Procurement Authority must step up regular monitoring of MMDAs and discuss issues especially in the regulations and the manuals with them since the MMDAs are not aware of a lot of provisions in those regards.
2. The Ministry of Local Government and Rural Development must improve and sustain rewarding assessment tools such as Functional and Organizational Assessment Tool (FOAT).

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LIST OF ABBREVIATIONS

MMDAs	Metropolitan, Municipal and District Assemblies
PPA	Public Procurement Authority
PUFMARP	Public Financial Management Reform Program
FOAT	Functional and Organizational Assessment Tool
GDP	Gross Domestic Product
MTDP	Medium Term Development Program
DACF	District Assembly Common Fund
RCC	Regional Coordinating Council
NDPC	National Development Planning Commission
GPRS	Growth and Poverty Reduction Strategy
HIPC	Heavily Indebted Poor Countries
GSGDA	Ghana Shared Growth Development Agenda
DPCU	District Planning and Coordinating Unit

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CHAPTER ONE

1.0 BACKGROUND

In both developed and developing countries, local governments are instituted as channels of ensuring effective service delivery. The powers of local authorities differ from country to country but in all cases, the powers include procurement of certain types of works, goods and services necessary for providing the services they are responsible for (Jones, 2007). The contribution of planning in facilitating an efficient and effective performance of a public sector organization is generally undisputed in both developed and developing countries (Basheka 2008). Its contribution can be at both central and local government levels of public sector management. In Africa, public procurement is generally managed and its planning in particular takes place, in an increasingly complex political, economic, social, cultural and technological environment (Basheka 2008). Ghana's procurement management cannot be an exception.

In 1996, the Government of Ghana embarked upon an exercise to reform the public procurement system as an integral part of a Financial Management Reform Program - PUFMARF (Ministry of Finance, 2001). This exercise was to improve the overall public financial management in the country.

In 1999, the Government of Ghana established the Public Procurement Oversight Group to steer the development of a comprehensive procurement reform program (World Bank, 2003). This led to the drafting of the Public Procurement Bill in 2002 and was passed into law on 31st December, 2003 as the Public Procurement Act of 2003, Act 663 (Ministry of Finance, 2006).

The Public Procurement Act provides highlights on roles, regulations, procedures, and processes in the public sector procurement and gives parameters that govern procurement activities which involve the use of public funds.

The Act provides procedures and processes for the procurement of Goods, Works and Consulting Services. Section 21 of the Act requires that the Procurement Entities prepare procurement plan for each fiscal year and prepare quarterly updates for approval by the Tender Committee. The act provides that public entities plan their procurement in conformity with approved budgets, these plans must include essential information such as: Contract Package, Estimated cost for each package, the procurement method to be used and the processing steps and lead times.

Ideally, procurement plans are expected to be prepared as part of the annual budgeting process, preferably during the last quarter of each year. The procurement unit of each entity is required to initiate the process of collating each individual user department's requirement to be procured in the ensuing year and it is these information that are fed into the procurement plan and then reviewed and approved by the Entity Tender Committees of the procurement entity for onward submission to the Ministry of Finance & Economic Planning with copies to the Public Procurement Authority.

For effective transaction of government business, procurement planning plays such an enormous role. First of all, it prevents ad hoc procurement and ensures sanity and discipline in public financial management. ~~Secondly, robust~~ procurement plans provide valuable input for regulatory institutions such as the Public Procurement Authority to monitor public procurement activities being undertaken in the country to check on compliance and make available accurate statistics

and information that could be used to inform government policies and programmes. Thirdly, pragmatic procurement plans also help players in the private sector who represent the supply side of the procurement process to enjoy timely payment for contracts executed and thereby enable them exert the much needed confidence in the procurement process (PPA, 2010).

Ever since the implementation of the Act, compliance with procurement planning by public institutions have been an issue with the difficulty of establishing the structures especially the procurement unit, inadequate capacity and limited availability of procurement professionals in local government institutions to plan and implement procurement.

The study looked at the utilization of procurement plans by selected local government procurement entities in Ghana and identified a number of challenges confronting the implementation of the plans.

1.1 STATEMENT OF THE PROBLEM

The Public Procurement Act has been in enforcement from 2003 but ever since its formulation and implementation, compliance to the law by the entities has been very challenging. This is largely because the procurement unit which should be established within the procurement entities to undertake and co -ordinate all detailed procurement activities are virtually non – existent. This has resulted in the procurement function being among various officials who are not procurement proficient. Public procurement accounts for up to 50-70 % of imports, representing between 18.20% and 25.48% of the Ghana's Gross Domestic Product (GDP). About 80% of non-staff

emoluments and government expenditure pass through the procurement process (Ministry of Finance, 2004).

Procurement planning has proven to be the best panacea, indeed it is one of the most effective way of deciding how best to divide or combine goods, works and services into contract packages; what method of procurement is most appropriate for each; and the timing of procurement activities, taking into account the need to coordinate delivery and completion dates.

Considering the enormous role that good procurement plan offer and buttressed by the fact that it is supposed to serve as the bedrock to the successful implementation of Ghana's public procurement reform, it is regrettable to note that entities prefer to keep a blind eye to all this important provision as they continue to flout it with obstinacy despite numerous reminders and efforts to encourage them to comply with this provision. Indeed information available indicates that to date, only 66 out of 1,000 entities have so far submitted their plans with the rest living in a state eccentric oblivion, denying themselves of the inherent benefits that a good procurement plan can offer (PPA, 2010).

In 2007 an assessment of Metropolitan, Municipal and District Assemblies (MMDAs) as to whether the MMDAs met the provisions in section 21 of the Procurement Act which requires that the Procurement Entities prepare procurement plan for each fiscal year and prepare quarterly updates for approval by the Tender Committee, made known that only 50 out of the 169 MMDAs met the minimum criteria.

Lack of planning, implementation and monitoring of procurement actions often result in a total failure of the whole procurement system which eventually leads to undue delays in delivery, shortages and or excess stocks, poor quality products, and other associated problems.

When this happens, procurement is then perceived as a non-performing, cumbersome and cost consuming activity to an organization.

Utilization of procurement plans is one of the keys for the attainment of the objectives of the procurement Act 663 such as transparency, fair competition, value for money, accountability and the efficient use of state resources; Hence the research into the utilization of procurement plan by selected Metropolitan Municipal and District Assemblies MMDAs in Ghana.

1.2 KEY RESEARCH QUESTIONS

The key questions the research answered are;

- i. Are District Assemblies complying with the provisions of the Act (663) concerning procurement planning?
- ii. Do District Assemblies have the relevant personnel and skill in the preparation of their procurement plans?
- iii. To what extent are procurement plans utilized by Metropolitan, Municipal and District Assemblies (MMDA's)?
- iv. Given that plans are utilized by District Assemblies, What are the challenges faced?

1.3 RESEARCH JUSTIFICATION

Utilization of Procurement Plans has a direct impact on:

- The successful delivery of government projects and public services;
- Sound public financial management by achieving value for money;
- Reducing corruption; and
- Encouraging private sector growth and investment; Thus encouraging fair competition

In 2003, the government procurement budget alone accounted for 8.6 trillion cedis of the total estimate of 13 trillion cedis (Government of Ghana Economic Policy and Budget Statement). The year's procurement expenditure represents 80% of Government Expenditure besides personal emoluments. Procurement also accounts for about 18% of GDP and 70% of Imports. These illustrate the utmost importance of good procurement as an element of the public expenditure.

Ghana CAPR (2003) revealed that 53% out of 291 contracts for Goods, Works and Services between 1997 and 2002 suffered completion delays and poor implementation performance because of the choice of uneconomic technical alternatives, inadequate specifications, insufficient contractor qualification and poor supervision by implementing agencies. Any improvement in the public procurement system will therefore have a direct and substantial

impact on the overall economic situation of the country and result in budgetary savings and efficiency in Government expenditures (Anvuur and Kumaraswamy, 2006).

The use of Procurement Plan will therefore streamline procurement activities and ensure that Value for Money is achieved in public procurement.

1.4 AIM AND OBJECTIVES

1.4.1 Aim

The main aim of the research is:

To assess the extent to which Procurement Plans are utilized by MMDAs in Ghana.

1.4.2 Objectives

The above aim would be achieved based on the following objectives:

- i. To determine whether Procurement Plans by MMDAs are prepared in accordance with The Public Procurement Act, Act 663, 2003.
- ii. To determine the level of usage of Procurement Plans by MMDAs.
- iii. To identify the challenges in preparation and implementation of Procurement Plans by MMDAs.
- iv. To recommend ways of improving the preparation and usage of Procurement Plans by MMDAs.

1.5 RESEARCH SCOPE

- The work was limited to preparation, usage and implementation challenges of procurement plans.
- The survey covered some selected Metropolitan, Municipal and District Assemblies (MMDAs) in the Local Government structure in Ghana.

1.6 RESEARCH METHODOLOGY/ DESIGN

The methods adopted for achieving the proposed objectives were;

- i. Observation of some selected MMDAs in the preparation of their Procurement Plans for the 2011 fiscal year
- ii. Literature review through;
 - A comprehensive library based and internet search study.
 - The study of state regulations, policies and manuals on procurement planning and its utilization
- iii. Development of a questionnaire from the literature.
- iv. The questionnaires were administered to some selected MMDAs.

- v. An interview was conducted with the Public Procurement Authority.
- vi. The data gathered from the administered questionnaire and interviews were processed and analyzed using statistical methods such as frequency analysis.
- vii. The information from the analyzed data was used to;
 - To determine whether Procurement Plans by MMDAs were prepared in accordance with The Public Procurement Act, Act 663, 2003.
 - To determine the level of usage of Procurement Plans by MMDAs.
 - To identify the challenges in the preparation and implementation of Procurement Plans by MMDAs.
 - To recommend ways of improving the preparation and usage of Procurement Plans by MMDAs.

1.7 ORGANISATION OF CHAPTERS

The report is organized as follows:

- Chapter one outlines the background, problems and the justifications of the study, aim and specific objectives of the work. The scope of study and also organization of chapters are part.
- Chapter two is devoted to the procurement planning structure and procedure as outlined in section 21 of the Public Procurement Act (2003), Act 663. It also documents the methodology used to assess procurement planning systems, and presents the preliminary list of implementation challenges factors identified through literature search.
- Chapter three presents the methodology used for collecting data, the questionnaire design and development, the determination of sample size and administration of questionnaires in the first part. The second part is devoted to the data process and analysis.
- Chapter four presents the main results on the preparation and utilization of procurement plans and its challenges by the selected MMDAs.
- Chapter five outlines the summary of major findings followed by the conclusions and recommendations.

CHAPTER TWO

2.1 PROCUREMENT PLANNING AND LOCAL GOVERNANCE

Planning, both as a concept and function is probably one of the extensively talked about concepts in 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).

Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved service delivery .It is a function that sets in motion the entire acquisition and procurement process of local governments. There cannot be a good procurement budget without a plan, and there can be no procurement without a budget to fund it. Planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today (Thai, 2004). According to (Basheka 2008) despite this importance, very limited scientific research has been done to examine the extent to which efforts in procurement planning can contribute to effective local governance. Meanwhile indications are that there exist a very significant positive relationship between procurement planning and local governance. (Basheka 2008) in his paper concluded that the vast resources local governments spend on the function of buying goods, services and works essential for their operations requires adequate procurement planning. The suggestions are made for local government political and administrative stakeholders as well as policy makers on the critical issues of procurement planning essential for local governance.

Arguably effective procurement planning by Local Government Institutions will lead to compliance of the Public Procurement Act, 2003 Act 663 and the attainment of its

objectives. But according to (Agbesi 2010) there is a slow or in some areas absolute non compliance to procurement planning. The situation has been attributed to inadequate capacity in effective procurement planning and adherence to recommended measures such as;

- Public Procurement Authority should enforce the requirements that procurement entities are to prepare and submit procurement plans one month before the financial year ends.
- Procurement entities should be required to support their annual budget estimates with their procurement plans as a precondition for approval by the District Assemblies Common Fund (DACF) Administrator and the Ministry of Local Government, Rural Development and Environment.
- The Public Procurement Authority should publish the List of procurement entities that are not in compliant to this requirement in the press and refer them to the District Assemblies Common Fund (DACF) Administrator and the Ministry of Local Government and Rural Development to withhold the release of the DACF and other funds to procurement entities.

Though there exist lack of capacity for effective procurement planning, it could be argued that most Local Government institutions have not appreciated the numerous contribution that effective procurement planning can bring to bare in their service delivery. This would have compelled them to engage qualified, well skilled and experienced consultants to handle this technical service effectively in order to enjoy its benefits fully.

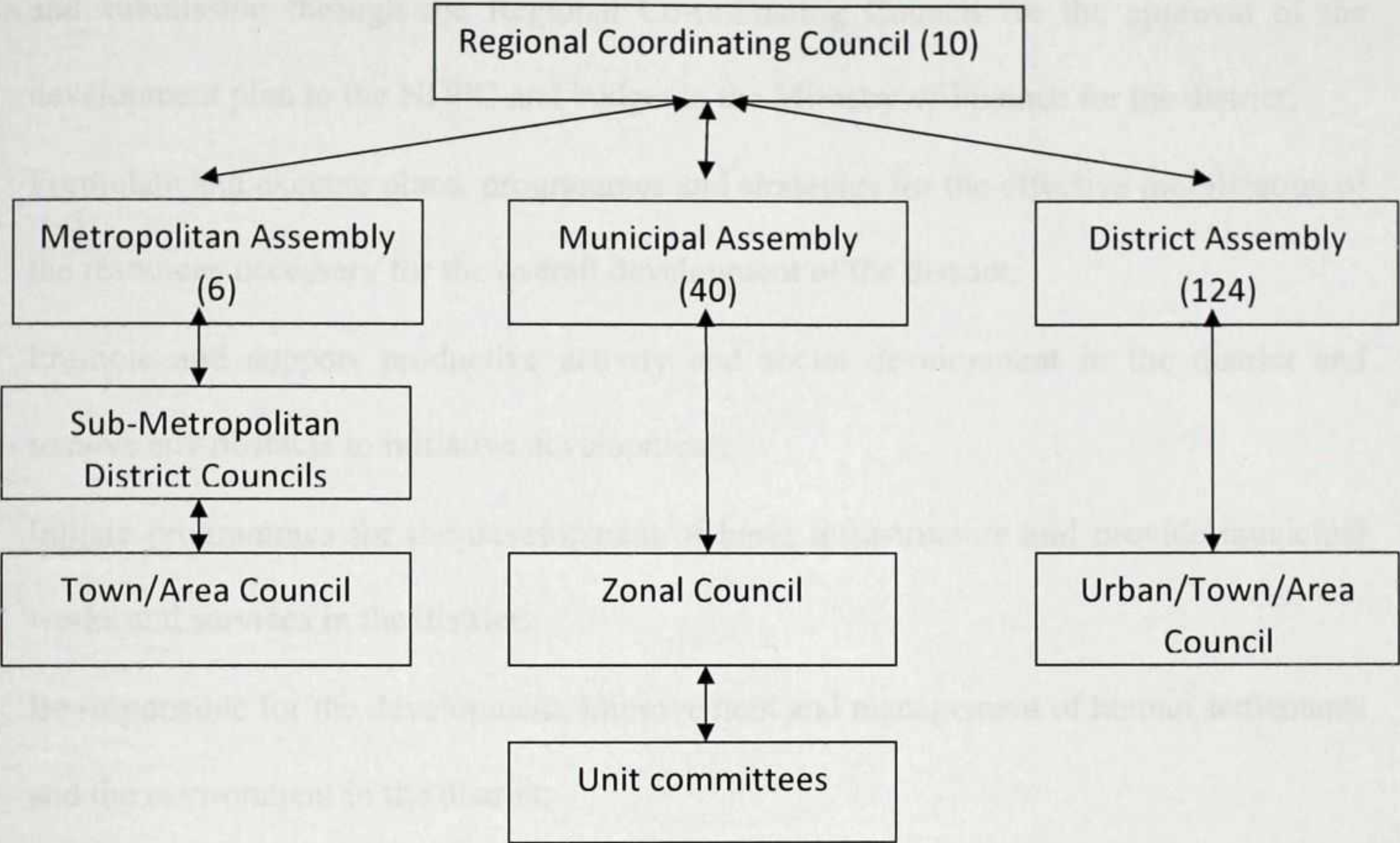
2.2 GHANA'S LOCAL GOVERNMENT SYSTEM

Since 1988, Ghana has operated a decentralized political and administrative system aimed at establishing efficient and effective local governance. Among other priorities, the assembly system of local governance is intended to promote popular participation in the public decision making process. The Fourth Republican Constitution provides for this in Chapter 20. Subsequently, various laws have been enacted, including the Local Government Act, Act 462 of 1993 which sets out the modalities for the organization, functioning and relationships within the local government system.

2.2.1 The Local Government Structure

The local government structure as depicted in figure 1 on the next sheet consists of the Regional Coordinating Council (RCC) and a four –tier Metropolitan, and three-tier Municipal /District Assemblies Structure. The structure below the Metropolitan, Municipal, and the District Assemblies are known as the sub-structure of the Assemblies. For the purposes of this research the scope was limited to Metropolitan, Municipal, and the District Assemblies within the structure since they control and manage the various funds and resources allocated within the structure.

Fig. 2.1 The Local Government Structure



Source; Local Government Service

2.2.2 Key Functions of MMDAs

The Assemblies were created as a pivot of Administrative and development decision-making body in the district and the basic unit of local government Administration. They have deliberative, legislative as well as executive functions. They have been established as structures to which are assigned the responsibility of the totality of government to bring about integration of political, administrative and development support needed to achieve a more equitable allocation of power, wealth and geographically dispersed development in Ghana and above all they are constituted as Planning Authorities for the districts.

Section 10 (3) of Act 462 prescribes the functions of Assemblies as follows;

- Be responsible for the overall development of the district and to ensure the preparation and submission through the Regional Co-ordinating Council for the approval of the development plan to the NDPC and budget to the Ministry of Finance for the district;
- Formulate and execute plans, programmes and strategies for the effective mobilization of the resources necessary for the overall development of the district;
- Promote and support productive activity and social development in the district and remove any obstacle to initiative development;
- Initiate programmes for the development of basic infrastructure and provide municipal works and services in the district;
- Be responsible for the development, improvement and management of human settlements and the environment in the district;
- In co-operation of appropriate national and local security agencies, be responsible for the maintenance of security and public safety in the district;
- Ensure ready access to courts and public tribunals in the district for the promotion of justice;
- Initiate, sponsor or carry out such studies as may be necessary for the discharge of any of the functions conferred by the Act or any enactment; and
- Perform such other functions as may be provided under any other enactment.

2.2.3 Established Departments in MMDAs

The passage of Legislative instrument 1961 of 2009 was to facilitate the integration of decentralized departments into the assembly system.

Two-phased approach to establishment/integration:

- **Category One:** the transfer of departments/ functions that are not established by law but by administrative policy and practices.
- **Category Two:** transfer of the functions of departments that are established by legislation in which case they need to have their establishing Acts or parent legislations reviewed before they can be integrated. These departments include the Department of Town and Country Planning, Department of Cooperatives, Controller and Accountant Generals Department, Library board, National Youth Organising Commission, Registry of Birth and Deaths.

FIRST SCHEDULE: Central Administration; Works Department; Physical planning Department; Department of Trade and Industry; Department of Agriculture; Department of Social Welfare and Community Development; Legal Department; Waste Management Department; Urban Roads Department; Budgeting and Rating Department; Transport Department.

SECOND SCHEDULE: Physical planning Department; Department of Trade and Industry; Finance Department; Department of Education, Youth and Sports; Disaster Prevention and

Management Department; Natural Resources Conservation; Forestry, Game and Wildlife Division; District Health Department.

2.3 FUNDING SOURCES FOR MMDAs

2.3.1 Internally Generated Funds

The traditional sources of MMDAs revenue items as listed under the Sixth Schedule of Local Government Act, 462 of 1993 are;

- Basic rates
- Special rates
- Property rates
- Fees and charges
- Licenses
- Trading activities
- Rent
- Investment income

2.3.2 Central Government Transfers

Transfer of grant from central to MMDAs currently consists of;

- District Assemblies Common Fund (DACF)
- Transfer from the HIPC ~~debt relief~~
- Various donor funds
- Ceded Revenues

- Allocation of District Projects Implementation by Sector ministries and Departments
- District Development Facility

2.3.3 Donor Supports

Programme of Development Projects Financed by Central Government with credit/loan/grant funds from donors to improve infrastructure and enhance capacity of MMDAs

2.3.4 Other Sources of Funding Available

- MMDAs borrowing/loans
- Royalties
- Financing Local Government services by private sector
- Corporate Social Responsibility
- Public Private Partnerships

2.4 GENERAL PLANNING BY MMDAs

Ministries, Department and Agencies are required to prepare development plans as a tool to deepen the decentralized planning system in the country.

In the case of District Assemblies analysis of specific issues are considered through community fora to solicit for needs and aspiration in relation to the National Development Goal and Objective within the National Development Policy Framework.

Successive governments, after ~~Ghana~~ has return to constitutional rule have adopted development agendas to accelerate growth of the economy in a sustainable manner. However in 1995 the

‘Vision 2020’ came into being, with the aim of making Ghana a middle income country in 25 years.

Ghana Poverty Reduction Strategy (GPRS I 2003-2005) and Growth and Poverty Reduction Strategy (GPRS II 2006-2009) came into being to restore macroeconomic stability and reduce the incidence of poverty as condition for development assistance to Heavily Indebted Poor Countries (HIPC), and to ensure growth through poverty reduction so that Ghana can achieve middle-income status

2.4.1 Medium Term Development Plan (MTDP)

Currently the Country is now pursuing the Ghana Shared Growth Development Agenda (GSGDA) with seven thematic areas.

District Assemblies as local planning authority develops MTDPs through its technical wing called the District Planning and Coordinating Unit (DPCU) which is comprised of various departmental heads from the Central Administration and Decentralized departments.

Below are the stages of developing MTDP

- Performance Review
- Collection of existing and current situation of the District through data gathering from the departments and other secondary sources to develop profile
- Collecting community perspectives on current needs and aspiration of various areas councils through participatory process.
- Harmonizing community needs and key development gaps indentified under the performance review
- Prioritization of development issues

- Development Goals, Objective & Strategies
- Develop Programme of Action & Annual Action Plan
- Monitoring and Evaluation (M&E) Planning
- Finalization of the plan through public hearing on draft plan and onwards final public hearing

2.4.2 Annual Action Plans

After Preparing the 4-Year MTDP, MMDAs are required to phase out the Programme of Action which is within 4-Years planning period into Annual Plans to be implemented by the departments & agencies of the MMDAs.

Programmes, Projects and Activities which were either not completed or not implemented are rolled over to the ensuing year for either completion or implementation. Development Programmes formulated in the MTDP form bases of the preparation of the Annual Action Plan since it is the development agenda of the District.

The preparation of Action plan should take into consideration the following

- What action is to be taken
- Where should the action be
- Who to take the action
- At what time
- Who is responsible
- Collaborating agencies eg. Development partners
- Budget for implementation

2.5 BUDGETING BY MMDAs

The Annual budget of the Assembly is drawn based on the Annual Action Plan. Annual budgets are prepared each year in accordance with the procedures specified by the Ministry of Finance.

2.5.1 Composite Budget

Currently MMDAs have commenced fully composite budget which integrates the budgets of district departments into the Assemblies' own. Each assembly will be responsible for the preparation, administration and control of budgetary allocations of the district departments indicated in the first schedule of LI 1961, 2009.

2.6 BRIEF REVISION AND INTRODUCTION OF THE PUBLIC PROCUREMENT ACT, 2003 (ACT 663)

2.6.1 Objectives of the Act 663 of 2003

The main objectives of Act 663 are given in section 2 and are to:

- Harmonize public procurement processes in the public service
- Secure judicious, economic and efficient use of state resources
- Ensure public procurement fair, transparent and non discriminatory.

2.6.2 Scope of Act 663

Act 663 applies to the following (Section 14 (1)):

- Procurement financed from public funds-wholly or partly;
- Procurement of goods, works, services and contract administration;
- Disposal of public stores and equipment; and

- Procurement financed by funds and loans taken by the government of Ghana, including foreign aid funds.

The EXCEPTIONS are:

- Where the Minister decides that alternatives procedures are in the national interest;
- Where a loan or funding of agreement specifies alternatives procedures e.g. some aid agreements
- The Act does not apply to stores management and distribution

2.6.3 Who does the Act 663 apply to?

The following institutions come under the ambit of Act 663 (Section 14(2)):

- Central Management Agencies
- Ministries Department and Agencies
- Sub - vented Agencies
- Governance Institutions
- State-owned enterprises (when using public funds)
- Public universities, schools, colleges and hospitals
- The Bank of Ghana and financial institution owned or majority -owned by Government
- Institutions established by Government for the general welfare of the public

2.6.4 Functions of Act 663

The Public Procurement Act has the following functions:

- Establishes the Public Procurement Board, Entity Tender Committees and Tender Review Boards,

- Specifies outline rules for procurement methods, procedure and appeals, by tenderers and disposal of stores
- Defines offences and applicable penalties
- Specifies thresholds in Schedules to the Act
- Authorises the issues of Regulations, which are enforceable under the Act

2.6.5 The Legal Framework

The legal frameworks covering public procurement are:

- Public Procurement Act 663 of 2003
- Public procurement Regulation
- Public Procurement Manual
- Standard Tender Documents
- Guidelines

Regulations

Regulations are issued by the Minister for Finance in consultation with PPB, under section 97 of the Act. They contained detailed rules and procedures for all aspect of the procurement system, the operations of PPA and procurement entities and the conduct of procurement activities.

Guidelines

The guidelines are issued by the Public Procurement Authority (PPA) under the Act and provide supplementary guidance on ~~specific~~ topics, for example:

- Disposal
- Single source procurement

- Margins of preference
- Further guidelines are issued as required by the PPB.

Standard Tender Document

These are issued by the PPB and listed in Schedule 4 of the Act. They comprise standard invitation and contract document for procurement of all values. They are separate standard tender document for goods, works and services.

Public Procurement Manual

This is issued by the PPA. It provides practical guidance and step-by-step procedures for undertaking procurement in accordance with the Act. It contains standard forms to assist with procurement record keeping.

2.7 PROCUREMENT STRUCTURES

Part II of Act 663 sets out the structures which are to be set up to carry out procurement in the Public Service. Each of these structures is set up in accordance with the appropriate composition outlined in Schedule 1 and 2 of Act 663.

The main structures as outlined in Part II and which fall within the scope of this work are:-

- i. Public Procurement Authority
- ii. Procurement Entity
- iii. Head of Procurement Entity
- iv. Procurement Unit

- v. Entity Tender Committees
- vi. Entity Review Boards
- vii. Tender Evaluation Panel

2.7.1 Public Procurement Authority (PPA)

The Public Procurement Authority acts as the statutory advisory and coordinating body on procurement (Part I of Act 663). All Procurement Entities, Tender Committees and Tender Review Boards are required to abide by the technical guidelines and regulatory instructions issued by the PPA. The PPA has responsibility for the overall co-ordination, direction and development of Government procurement practices and procedures. The Board is entrusted with 21 functions under Section 3 of the Act which are summarised as follows:

- Formulation/Development of public procurement policy, setting standards, rules, instructions and other regulatory instruments on public procurement;
- Monitoring compliance with requirements established by legislation;
- Obtaining and ensuring dissemination of information relating to public Procurement;
- Facilitating and supporting capacity building in public procurement;
- Organising and participating in administrative review of complaints and appeals on public procurement;
- Maintaining registers of procurement entities, members and secretaries of tender committees, and of suppliers, contractors, consultants, and records of prices;

- Investigating and debarring from public procurement suppliers, contractors and consultants who have contravened the provisions of the Act and Regulations, and communicating a list of debarred firms to procurement entities;
- Through an annual procurement forum, providing a platform for discussion of issues relating to public procurement; and
- Assisting the local business community to become competitive and efficient suppliers to the public sector

2.7.2 Procurement Entity

A procurement entity is an organization or person that has legal/administrative mandate for procurement purposes (Chapter 2.2, Procurement Manuel). In order words, any entity conducting Public Procurement under the Act. A Procurement Entity is responsible for all procurement activity of the entity in compliance with the law and any regulations or administrative instructions issued by the Ministry of Finance in consultation with the Authority (Section 15, (1) Act 663).

Section 15 (2) provides the role and responsibilities of the head of an Entity Procurement

i. Head of Entity

Each procurement entity has a head that is responsible for taking decisions on procurement and all matters arising there from (Section 15(2)). The head of entity is required to establish a procurement unit to undertake all activities related to procurement within the entity in accordance with the Act and ~~shall~~ appoint or designate a proficient procurement person with the requisite qualifications, experience and skills as head of the procurement unit to undertake the detailed activities of procurement on behalf of the procurement entity (Regulation 15).

2.7.3 Procurement Unit

A procurement unit is an outfit in a procurement entity with the responsibility of superintending procurement. The head of the procurement unit (and his/her team) shall be responsible for undertaking and co-ordinating all detailed procurement activities with the procurement entity.

2.7.4 Entity Tender Committee

Section 17 of the Act; mandate each Procurement Entity to establish a Tender Committee in the manner set out in schedule 1.

Establishment of Entity Tender Committee

Tender Committee is established at the following levels:-

- a. Central Management Agency/Ministry/Sub vented Agency.
- b. Tender Committee for Regional Co-ordinating Council
- c. Metropolitan/Municipal/District Tender Committee

For the purposes of this research, emphasis is being put on District Tender Committee and Regional Tender Committee

Metropolitan/Municipal/District Tender Committee Membership

1 **Chairperson** the Metropolitan, Municipal or District Chief Executive

2 **Members**

- The Director of Finance
- A Lawyer appointed by the Municipal District Assembly
- One Member of Parliament

- Three (3) Heads of Departments: one of whom represents the user department or agency.

Functions

The functions of Municipal Tender Committee are:-

- a. Review procurement plans in order to ensure that, they support policies and programmes of the Assembly.
- b. Confirm the range of acceptable cost of items to be procured and match these with the available funds in the approved budget of the Assembly.
- c. Review the schedules of procurement and specifications and also ensure that, the procurement procedures to be followed are in strict conformity with the provisions of this Act, its operating regulations and guidelines.
- d. Ensure that, the necessary approval is secured from the relevant Tender Review Board in terms of the applicable threshold in Schedule 3 of this Act, prior to the award of the contract.
- e. Facilitate contract administration and ensure compliance with all reporting requirements under this Act.
- f. Ensure that, stores and equipment are disposed of in compliance with this Act.

2.7.5 Tender Evaluation Panel

Section 19 of the Act establishes a tender evaluation panel by each procurement entity to evaluate tenders and assist the ~~tender~~ committee in its work. A panel is an ad hoc body (Regulation 19(20)) of not more than five members constituted for a specific procurement

package. The panel includes members with skills, knowledge and experience relevant to procurement requirements.

2.7.6 District Review Board

A District Review Board is established in accordance with schedule 2 of the Act to review procurement decisions of the District Tender Committee within the thresholds set out in schedule 3 of the Act 663. The District Review Board is to review the activities at each of the procurement cycle which will lead to the selection of the lowest evaluated tender by the District Tender Board.

Municipal/District Tender Review Board Membership

- 1) **Membership** - Five
- 2) **Chairperson** - A public sector person resident in the district with procurement, business management or engineering background appointed by the District Assembly.
- 3) **Members**
 - a. The Chairperson. Works Committee of the District Assembly ;
 - b. the Chairperson, Finance Committee of the District Assembly; and
 - c. One private sector procurement specialist appointed
~~the District Assembly~~
 - d. The District Directors of:

- Urban Roads/ Feeder Roads;
 - Ghana Education Service;
 - Health Services; and
 - Ministry of Food and Agriculture;
- e. the representative of the Attorney – General’s Office in
the district

4. **Secretary:** the Director of Planning

2.7.7 Regional Review Board

A Regional Review Boards is established in accordance with schedule 2 of the Act to review procurement decisions of the Regional Tender Committee within the thresholds set out in schedule 3 of the Act 663. The Regional Review Board is to review the activities at each of the procurement cycle which will lead to the selection of the lowest evaluated tender by the Regional Tender Committee.

Regional Tender Review Board Membership

- 1) **Membership** - Five
- a. **Chairperson** - An eminent private or public sector person with
procurement, business management or engineering
background resident in the region appointed by the
Regional Co-ordinating Council.

2) Members:

- a. one public sector person resident in the region with experience in procurement appointed by the Regional Co-ordinating Council.
- b. One private sector person with experience in procurement or business resident in the region appointed by the Minister of Local Government and Rural Development.
- c. The Regional Co-ordinating Director.
- d. the Regional Directors of:
 - Ghana Highways Authority;
 - Ghana Education Service;
 - Ministry of Food and Agriculture; and
 - Ministry of Health and
- e. A representative of the Ministry of Justice in the Region.

4) Secretary:

The Regional Director of Planning.

2.7.8 Selection of Procurement Methods

The threshold for applying the different procurement methods are defined in schedule 3 of Act 663. Table 2.1 and 2.2 indicates threshold for selection of procurement method and threshold for review/approval respectively.

Table 2.1 Selection of Procurement Methods:

No.	Procurement method/advertisement	Characteristics	Threshold for Application
1.	Prequalification a. Goods b. Works c. technical services	Public advertisement to select tenderers who are qualified prior to the submission of tenders.	Above GH ¢3.5million Above GH¢7.0million (not more than 10% of cost of works)
2	International competitive tender a. Goods b. Works c. Technical services	Public advertisement of tender in international paper	Above GH¢1.5million Above GH¢2million Above GH¢200,000
3	National Competitive tendering a. Goods b. Works c. Technical services	Public advertisement of tender in the procurement Bulletin and two national papers	More than Gh¢20,000 up to Gh¢200,000 More than gh¢50,000 up to Gh¢150,000 More than Gh€20,000 up to Gh¢200,000
4	Restricted tendering a. Goods b. Works c. Technical services	Direct procurement method without advertisement where goods, works, or services are unavailable from a limited number of contractors.	Subject to approval
5	Price Quotation a. Goods b. Works c. Technical services	Without advertisement. A minimum of three bids from a shortlist	Up to Gh¢200,000 Up to Gh¢50,000 Up to Gh¢20,000
6	Single source procurement	In emergency situations and when only one supplier or contractor is available.	Subject to approval by PPA

Source: Act 663.

Table 2.2 Thresholds for Review/Approval Authority (Amounts in GHC)

Authority	Goods	Works	Technical Services	Consulting Services
(1) Head of Entity	Up to 50m	Up to 100m	Up to 50m	Up to GHC50m
(2) Entity Tender Committee	>50m-250m	>100m-500m	>50m-250m	>50m-100m
(3) District Tender Review Board	>250m-1.0b	>500m-2.0b	>250m-1.0b	>100m-500m
(4) Ministerial and Regional Tender Review Board	>1.0b-8.0b	>2.0b-15.0b	>1.0b-8.0b	>500m-3.5b
(5) Central Tender Review Board	Above 8.0b	Above 15.0b	Above 8.0b	Above 3.5b

Source: Act 663.

2.8 PROCUREMENT CYCLE (Works, Goods and Services)

The Public Procurement Manual of the PPA outlines procurement cycle for works goods and services, the cycle is the road map of the procurement process. It establishes the key activities required at every stage of the procurement process and the actions to be taken by respective offices. It gives direction and step-by-step approach to the implementation of the procurement activity.

2.8.1 Works

The manual defines works as work associated with the construction, reconstruction, demolition, repair or renovation of a building or structure or surface and includes site preparation, excavation, erection, assembly, installation of plant, fixing of equipment and laying out of materials, decoration and finishing, and any incidental activity under a procurement contract.

Procurement Methods

The procurement methods that can be used for the procurement of Works are:

- International Competitive Tendering (ICT)
- National Competitive Tendering (NCT)
- Two-Stage Tendering (National or International)
- Restricted Tendering (National or International)
- Single Source (Direct Procurement)
- Request for Quotations (RFQ)

Competitive tendering using ICT or NCT is the preferred method for public procurement and the use of alternative methods is strictly limited to the provisions of Part IV of the Public Procurement Act.

Tendering Procedures

Tendering procedures by procurement entities are commenced with the preparation of a standard tender document.

Standard Tender Document

A Standard Tender Document is the set of documents issued by a Procurement Entity, which establishes the works required (technical specifications, plans, bill of quantities or activity schedule), the procurement procedures to be followed, and specifies the proposed contract conditions. It should contain all information necessary to allow the tenderer to prepare a responsive tender or quotation.

The Standard Tender Document must contain information to:

- instruct tenderers on the procedure for submission of tenders;
- describe the works to be procured;
- inform tenderers of the criteria for evaluation of tenders; and
- define the conditions of any resulting contract.

Use of a Standard Tender Document (STD) format, as defined in Schedule 4 of the Act, is mandatory for all procurement of works funded by Government, unless an alternative format has been specifically approved by the Public Procurement Board. Note that procurement of works using development partners funds may be subject to the required use of their standard formats if so specified in the loan or credit agreement, in accordance with Section 96 of the Act. The updated versions of each approved STD, together with an individual User Guide to assist in preparation of the STD, may be obtained on electronic media from the Public Procurement Board, or directly downloaded from the PPB website.

Invitation Advertisements for Competitive Tenders (ICT and NCT)

Publication of the advertisement must allow sufficient time before the deadline (or closing day and time of the tender) to enable prospective tenderers to obtain the tender documents and to

prepare and submit their tenders. The period allowed should be a minimum of 6 weeks for ICT, and 2 weeks for NCT following the date of the first advertisement, but longer periods may be necessary for more complex requirements. Procurement Entities must be careful to also allow for the time between submission of the advertisement to the press and the time the advertisements are actually published. Advertisements for National Competitive Tendering shall be published:

- in the Public Procurement Bulletin and the PPB website; and
- in at least in two local daily newspaper of general circulation in Ghana,

In the case of International Competitive Tendering, publication in international newspapers or journals is also required. However, copies of the Invitation to Tender submitted to all foreign Embassies and High Commissions in Ghana shall be deemed to have met this requirement.

Sale of Tender Document for Competitive Tenders

The sale of tender documents for competitive tenders will be co-ordinated by the Procurement Unit or the Technical Department as appropriate. The price charged for the documents must reflect only the cost of printing and provision of the tender documents. The Procurement Entity must ensure that tender documents are available for sale before publication of the invitation. If the stock of tender documents is exhausted, immediate action to print additional copies shall be initiated. It is an offence to deny a prospective tenderer the opportunity to purchase a tender document, and failure to provide a tender document for inspection or purchase by a potential tenderer may constitute grounds for complaint under Part VII of the Act.

Opening of Tenders

Tender Opening shall commence immediately after the close of the tenders (as stated in the tender document) The Procurement Unit will co-ordinate the Tender Opening, ensure smooth operation of the proceedings, take a register of attendance, prepare Minutes of the opening, and advise the Chairperson of the opening session on procedural issues if requested. A Tender Opening Panel shall comprise at least 3 persons, including a member of the Entity Tender Committee. They shall ensure that minutes of the tender opening proceedings are duly written. The Chairman of the Tender Opening Panel will control and direct the Tender Opening and not allow tenderer's representatives to interfere with the work of the Panel. Any objections by a tenderer to the procedures or decisions of the Tender Opening should be made in writing to the Head of the Procurement Entity. For purposes of transparency it is not permitted for a tender opening to be halted or postponed once the process begins.

Tender Evaluation

Tender evaluation will be conducted by a Tender Evaluation Panel consisting of a minimum of three qualified members. It should be noted that tenderers frequently attempt to contact the Procurement Entity during Tender evaluation, directly or indirectly, to ascertain progress of evaluation, to offer unsolicited clarifications, or to provide criticisms of their competition. The evaluation Panel must evaluate Tenders solely on the basis of the information provided in the respective Tenders and no changes in the Tender price or substance of a Tender will be permitted. No circumstances shall justify meetings or consultation between the Procurement Entity (or its consultants) and tenderers during the Tender evaluation process.

The Evaluation Panel should ensure that the Tender evaluation report is double-checked, signed and complete before submitting for approval by the Tender Committee. The evaluation report forms a part of the record of procurement proceedings required under Section 28 of the Act.

Review and Approval of Evaluation Report

The appropriate review authority (Head of Procurement Entity, Tender Committee, District, Regional, Ministry or Central Tender Review Board) will review the evaluation report and recommendations presented in the Evaluation Report. The review authority, before giving approval, will ensure that any written complaints made by Tenderers concerning the tender process have been addressed and responded to. If the complaint reveals a serious breach of procedures or ethics, the review authority may recommend rejection of the evaluation report and call for re-tendering.

Award of Contract

Following approval from the relevant review body, the contract will be awarded to the Tenderer who has submitted the lowest evaluated Tender. Notice of the tender award shall be issued promptly to the successful Tenderer. The successful Tenderer shall be required to confirm in writing acceptance of the tender award and submit the appropriate Performance Security (if required). The Tenderer shall be invited to attend for contract signature, or where this is not practical, provided with copies of the Contract for signature and return of signed copy of the Contract to the Procurement Entity. Failure of the Tenderer to confirm acceptance of the award, or to submit the Performance Security, or to sign the contract may constitute grounds for the annulment of the award and forfeiture of the Tenderer's Tender Security. In that event, the

Procurement Entity may award the contract to the next lowest evaluated Tenderer, whose offer is substantially responsive and is determined to be qualified to perform the contract satisfactorily.

Procurement Entities are required to submit notice of contract awards to the Public Procurement Board within 30 days of contract signature, for publication on the PPB website and/or in the Procurement Bulletin. The information on contracts awarded/signed shall include the:

- name of the Contractor;
- description of the works;
- Contract Sum;
- duration of the contract; method of procurement used; and
- the source of funding.

Contract Effectiveness

Although the Contract may have been signed by both parties, the legal effectiveness of the Contract may be dependent on one or more of the following conditions:

- Receipt by the Procurement Entity of an Advance Payment Security;
- Receipt by the Contractor of the Advance Payment;
- Receipt by the Contractor of an acceptable Letter of Credit; or
- Mobilization and Site possession by the Contractor.

Initial and Final Takeover of Works

Initial and final takeover of works shall be certified by an Inspection and Acceptance team comprised of the Project Manager, and a representative from each of the Procurement Unit and the Technical Department.

- On issue of an initial takeover certificate by the Inspection and Acceptance Committee, part of any retention monies held may be paid to the contractor if specified in the contract.
- Following the end of the defects liability period and subject to all defects being rectified, the Inspection and Acceptance team will certify the final takeover of the Works and sign the Certificate of Completion.
- On issue of the final takeover certificate by the Inspection and Acceptance team, a Final Certificate shall be raised to authorize payment of the balance of any retention monies due to the contractor.

2.8.2 Goods

Goods means objects of every kind and description including raw materials, products and equipment and objects in solid, liquid or gaseous form, and electricity, as well as services incidental to the supply of the goods if the value of those incidental services does not exceed that of the goods themselves.

Procurement Methods

The procurement methods that can be used for the procurement of Goods are:

- International Competitive Tendering (ICT)
- National Competitive Tendering (NCT)
- Two-Stage Tendering (National or International)
- Restricted Tendering (National or International)
- Single Source (Direct Procurement)
- Request for Quotations (RFQ)

Competitive tendering using ICT or NCT is the preferred method for public procurement and the use of alternative methods is strictly limited to the provisions of Part IV of the Public Procurement Act.

Standard Tender Document

Schedule 4 of the Act specifies the various Standard Tender Documents. A Standard Tender Document is the set of document issued by the PPB which establishes the goods required (technical specifications), the procurement procedures to be followed, and specifies the proposed contract conditions. It should contain all information necessary to allow the tenderer to prepare a responsive tender or quotation.

Invitation Advertisements for Competitive Tenders (ICT and NCT)

Publication of the advertisement must allow sufficient time before the deadline (or closing day and time of the tender) to enable prospective tenderers to obtain the tender documents and to prepare and submit their tenders. The period allowed should be a minimum of 6 weeks for ICT, and 2 weeks for NCT following the date of the first advertisement, but longer periods may be necessary for more complex requirements.

Opening of Tenders

Tender Opening shall commence immediately after the close of the tenders (as stated in the tender document) The Procurement Unit will co-ordinate the Tender Opening, ensure smooth operation of the proceedings, take a register of attendance, prepare Minutes of the opening, and advise the Chairperson of the opening session on procedural issues if requested. A Tender

Opening Panel shall comprise at least 3 persons, including a member of the Entity Tender Committee.

Tender Evaluation

The Head of Procurement Entity shall constitute an Evaluation Panel Consisting of a minimum of three persons with the required expertise to conduct the evaluation.

Review and Approval of Evaluation Report

The appropriate review authority (Head of Procurement Entity, Tender Committee, District, Regional, Ministry or Central Tender Review Board) in accordance with the thresholds stated in the schedule, will review the evaluation report and recommendations presented in the Evaluation Report. The approval shall be 'One stop' only. i.e. concurrent approvals must be obtained.

Award of Contract

Following approval from the relevant review body, the contract will be awarded to the Tenderer who has submitted the lowest evaluated Tender. Notice of the tender award shall be issued promptly to the successful Tenderer. The successful Tenderer shall be required to confirm in writing acceptance of the tender award and submit the appropriate Performance Security (if required).

- The Tenderer shall be invited to attend for contract signature, or where this is not practical, provided with all four copies of the Contract for signature and return of three signed copies of the Contract to the Procurement Entity.

- Failure of the Tenderer to confirm acceptance of the award, or to submit the Performance Security, or to sign the contract may constitute grounds for the annulment of the award and forfeiture of the Tenderer's Tender Security. In that event, the Procurement Entity may award the contract to the next lowest evaluated Tenderer, whose offer is substantially responsive and is determined to be qualified to perform the contract satisfactorily.

Procurement Entities are required to submit notice of contract awards to the Public Procurement Board within 30 days of contract signature, for publication on the PPB website and/or in the Procurement Bulletin. The information on contracts awarded/signed shall include the:

- name of the Supplier;
- description of the goods;
- Contract Sum;
- duration of the contract;
- method of procurement used; and
- the source of funding.

Contract Effectiveness

Although the Contract may have been signed by both parties, the legal effectiveness of the Contract may be dependent on one or more of the following conditions:

- Receipt by the Procurement Entity of an Advance Payment Security;
- Receipt by the Supplier of the Advance Payment;
- Receipt by the Supplier of an acceptable Letter of Credit; or
- Mobilization and Site possession by the Supplier.

Receipt and Inspection of Goods

The Stores Department is responsible for the receipt of goods with assistance from the Procurement Unit and the User Department representatives.

2.8.3 Services

Procurement of Consultant Service is the request for services which are of an intellectual and advisory nature provided by firms or individuals using their professional skills to study design and organise specific projects, advice clients, conduct training or transfer knowledge. The types of services include the following:

- Sector, Feasibility Studies.
- Preparation of Tender documents.
- Construction Supervision.
- Project Management.
- Procurement Assistance.
- Reorganization/Privatization.
- Institutional Building.
- Training and Knowledge Transfer
- Management Advice
- Cleaning Services

Methods of Selecting Consultants

The procurement of consultant services is a specialised form of procurement requiring tender procedures and documents which are very different from those for standard goods and works.

The methods of selection are as follows:

- Quality and Cost Based selection (QCBS).
- Quality Based Selection (QBS).
- Least Cost Selection (LCS).
- Selection Under Fixed Budget (SFB).
- Selection Based on Consultant's Qualification (SBCQ).
- Single Source Selection (SSS).

The Steps of the Procurement Process for Services

The procedures and guidelines below are based on the standard QCBS process of selection although other selection methods are available for use in appropriate circumstances. The procurement of consultancy services will normally include the following steps:

- Preparation of the Terms of Reference (TOR).
- Preparation of a cost estimate and confirmation of available budgeted funds.
- Advertising for expressions of interest (if appropriate) or preparation of the shortlist of consultants.
- Preparation and issue of the Request for Proposals (RFP), including:
 - i. Letter of Invitation (LOI);

ii. Information to Consultants (ITC);

iii. Draft contract.

- Receipt of proposals.
- Evaluation of technical proposals.
- Evaluation of financial proposals.
- Final evaluation according to the criteria stated in the RFP.
- Negotiations and Award of the contract to the selected firm.

2.9 PROVISION OF PUBLIC PROCUREMENT ACT 2003, ACT 663 ON PROCUREMENT PLANNING

The Public Procurement Act 663 of 2003 provides for the activity of planning under part 3.

Section 21 is stipulate as follows;

1. A Procurement Entity shall prepare a procurement plan to support the approved programme and the plan shall indicate;
 - a) Contract packages
 - b) Estimated cost for each package
 - c) The procurement method, and processing steps and times (table 1)
 - d) A Procurement Entity shall submit to its Tender Committee not later than one month to the end of the financial year, the procurement plan for the following year for approval.
2. A procurement entity shall submit to its Tender Committee not later than one month to the end of the financial year the procurement plan for the following year for approval.

3. After budget approval and at quarterly intervals after that, each procurement entity shall submit an update of the procurement plan to the Tender Committee.
4. The procurement entity shall send to the Tender Review Board, procurement notices for contracts and procurement plans above the thresholds stipulated in Schedule 3 for publication in the Public Procurement Bulletin.
5. A procurement entity shall not divide a procurement order into parts or lower the value of a procurement order to avoid the application of the procedures for public procurement in this Act.

The following Regulation is issued to supplement the provisions of the Act:

1. Procurement planning shall be fully integrated with applicable budget processes and circulars issued by the Public Procurement Board and the budget preparation instructions of the Ministry of Finance.
2. The procurement plan for each Procurement Entity shall include:
 - a) A detailed breakdown of the goods, works and services required;
 - b) A schedule of the delivery, implementation or completion dates for all goods, works and services required;
 - c) The source of funding;
 - d) An indication of any items that can be aggregated for procurement as a single package, or for procurement through any applicable arrangements for common use items;
 - e) An estimate of the value of each package of goods, works and services required and the source of funding; and
 - f) Details of any committed or planned procurement expenditure under existing multi-year contracts.

3. In determining the optimum packaging of planned contracts a Procurement Entity shall aggregate procurement requirements, where appropriate, to achieve economies of scale. In deciding where aggregation is appropriate, the Procurement Entity shall consider all relevant factors, including:
- a) Which procurements are of a similar nature and likely to attract the same potential tenderers;
 - b) Shelf-life and storage constraints;
 - c) When delivery, implementation or completion is required;
 - d) The optimum size and type of contract to attract the greatest and most responsive competition, taking into account the market structure for the requirement;
 - e) Which procurements will be subject to the same tendering requirements and conditions of contract; and
 - f) The potential to realize savings in time or transaction costs or to facilitate contract administration by the Procurement Entity.

2.10 PREPARATION OF PROCUREMENT PLAN AS PER PPA's STANDARD

The manual of the PPA details the preparation of entities procurement plans this outlines the content of the plan, responsibility of key players and guidelines for determining completion time scales.

2.10.1 Contents of the Procurement Plan

The procurement plan for each Procurement Entity shall include:

- a detailed breakdown of the goods, works and services required;

- a schedule of the delivery, implementation or completion dates for all goods, works and services required;
- the source of funding;
- an indication of any items that can be aggregated for procurement as a single package, or for procurement through any applicable arrangements for common use items;
- an estimate of the value of each package of goods, works and services required and the source of funding; and
- details of any committed or planned procurement expenditure under existing multi-year contracts.

In determining the optimum packaging of planned contracts a Procurement Entity shall aggregate procurement requirements, where appropriate, to achieve economies of scale. In deciding where aggregation is appropriate, the Procurement Entity shall consider all relevant factors, including:

- which procurements are of a similar nature and likely to attract the same potential tenderers;
- shelf-life and storage constraints;
- when delivery, implementation or completion is required;
- the optimum size and type of contract to attract the greatest and most responsive competition, taking into account the market structure for the requirement;
- which procurements will be subject to the same tendering requirements and conditions of contract; and
- the potential to realise savings in time or transaction costs or to facilitate contract administration by the Procurement Entity.

2.10.2 Responsibility of key Players

In preparing a Procurement Plan in accordance to the PPA standard there are actions and roles that must be played by

- i. Head of Procurement Entity
- ii. the Procurement Unit
- iii. Stores Department
- iv. Heads of Department, Units, Projects and Programmes

Responsibility of the Head of Procurement Entity

- Instruct the Procurement Unit to commence development of the Annual Procurement Plan in accordance with the instructions issued by the Public Procurement Board and the Ministry of Finance.
- Ensure that the draft annual procurement plan is reviewed and approved by the Tender Committee not less than one month before the commencement of the new financial year.
- Include the approved annual procurement plan and costings in the Annual Budget submission to the Ministry of Finance.
- If insufficient budget funding is available following notification of the approved Annual Budget, instruct the Procurement Unit to review the Procurement Plan according to service priorities.
- Obtain approval of the final Annual Procurement Plan from the Tender Committee and forward a copy to the Public Procurement Board.

- Ensure that quarterly updates of the procurement plan are prepared for approval by the Tender Committee, and forward a copy of the approved Plan to the Public Procurement Board.

Procurement Unit Actions

- Subject to the instructions of the Head of the Procurement Entity, the Public Procurement Board and the Ministry of Finance, commence the preparation process for the Annual Procurement Plan at least four months before the start of the next Financial Year.
- Issue detailed instructions to the Heads of departments, units, projects and programmes on the format and content of submissions for the Procurement Plan. The instructions should clearly indicate that items omitted from the submissions may not be purchased in the Financial Year without adjustment to the quantities of other items under the same detailed Vote Sub-Head, or the formal issue of a supplementary budget. Note that the Public Procurement Board will provide Procurement planning software and planning templates for use by Procurement Entities, together with detailed instructions and timetables for compilation of the Procurement Plan.
- Receive submissions, check quantities and costing, obtain clarifications and other responses to any queries, analyse and compile all submissions into a procurement plan for the Procurement Entity.
- Submit the draft Annual Procurement Plan through the Head of Procurement Entity to the Tender Committee for review and approval.

- Following approval of the Annual Budget, and in full consultation with Heads of departments, units, projects and programmes, review the Procurement Plan according to service priorities.
- Compile the final Annual Procurement Plan and submit through the Head of Procurement Entity to the Tender Committee for approval.
- Notify individual Heads of departments, units, projects and programmes of their approved procurement plans and annual procurement budgets.

Stores Departments Actions

- Analyse the stores ledger and extract stock descriptions, annual issues and seasonal usage patterns, current stock levels, average purchase quantities, anticipated requirements for the next Financial Year and costings.
- Submit detailed schedules of the annual requirement for stock items, the costs analysed between detailed Vote Codes, and supporting information to the Procurement Unit in accordance with the instructions received.
- Respond to any queries raised by the Procurement Unit.
- Receive notification of the final approved Annual Procurement Plan and budget and use this as an essential guideline for all procurement processes to be undertaken in the new Financial Year.

Heads of Department, Units, Projects and Programmes

Heads of departments, units, projects and programmes are required to ensure the analysis and preparation of Annual Procurement Plans for their own and subordinate areas of control.

Procurements for development partner-funded projects and programmes should also be included but identified in a separate section of the Procurement Plan. Principal stages are as follows:

- Review previous procurement plans to determine if any planned Procurements will need to be carried forward into the new financial year.
- Identify specific procurement requirements and categorise them into the types of procurement, i.e., Goods, Works or Services.
- Aggregate similar items into suitable packages or lots and estimate the cost of each package or lot.
- The procurement thresholds in Schedule 3 of the Act determine the procurement method to be used. It should be noted that the procurement requirement may not be split into parts to avoid the use of a specified procurement method.
- Determine the appropriate body responsible for approval, i.e. Head of Entity, Entity Tender Committee or Tender Review Board.
- Complete the procurement template with realistic Lead Time deadlines, taking cognisance of
 - a. Administrative activities
 - b. Manufacture, Construction or Service periods
 - c. Delivery
 - d. Contract completion
- Note that the dates to appear on the plan are 'Completion Dates' i.e. the projected date by which the whole task would have been accomplished
- Respond to any queries raised by the Procurement Unit.

- Receive notification of the final approved Annual Procurement Plan and budget and use this as an essential guideline for all procurement processes undertaken in the new Financial Year.

2.10.3 Guidelines for Determining Completion Time Scales

Estimated lead times for ICT (Goods)

1. Preparation of Tender Documents	- 1-6 weeks
2. Prior review/ETC/TRB approval	- 1-2 weeks
3. Adverts/Tender Invitation	- 6weeks minimum
4. Tender Close/ Opening	- same date
5. Tender Evaluation and Report Submission	- 2-4 weeks
6. Approval by ETC/TRB	- 1-2 weeks
7. Contract Award	- 0-2 weeks
8. Contract Signature	- 1-4 weeks
9. Letters of Credit (Goods)	- 2-4 weeks
10. Delivery	- 6-16 weeks
11. Inspection and Acceptance	- 0-4 weeks

If there is the need for Prequalification of Suppliers or Contractors then total time for the delivery of the goods or works will have to be expanded by 7-13 weeks to allow for the completion of the prequalification procedures.

Estimated lead times for NCT (Goods)

1. Preparation of <u>Tender Document</u>	- 1-3 weeks
2. Prior Review/ETC/ TRB approval	- 1-2 weeks
3. Advert/Tender Invitation	- 2-4 weeks

4. Tender Close/Opening	- same date
6. Tender Evaluation and Report Submission	- 1-2 weeks
7. Post Review/No objection	- 1-2 weeks
8. Contract Award	- 0-2 weeks
9. Contract Signature	- 1-3 weeks
10. Letter of Credit	- 1-4 weeks
11. Delivery	- As per contract
12. Inspection and Acceptance	- 0-1 weeks

Estimated lead times for ICT (Works)

1. Preparation of Tender Documents	- 2weeks minimum-4 weeks
2. Prior Review/ETC/TRB approval	- 1-2 weeks
3. Advert/Tender Invitation	- 6-8 weeks
4. Tender Close/Opening - same date	
5. Tender Evaluation and Report Submission	- 2-4 weeks
6. Post Review / ETC/TRB Approval	- 1-2 weeks
7. Contract Award	- 1-2 Weeks
8. Contract Signature	- 2-3 Weeks
9. Mobilisation (Advance Payment)	- 2-4 weeks
10. Completion Period As per contract	
11. Final Acceptance	- 24-52 weeks

Estimated lead times for NCT (Works)

- | | |
|--|-------------------|
| 1. Preparation of Tender Documents | - 2weeks minimum |
| 2. Prior Review/ETC/TRB | - 1-2 weeks |
| 3. Advertising/Tender Invitation | - 2-4 weeks |
| 4. Tender Close/Opening | - same date |
| 5. Tender Evaluation and Report Submission | - 2-4 weeks |
| 6. Post Review /ETC/TRB approval | - 1-2 weeks |
| 7. Contract Award | - 1-2 Weeks |
| 8. Contract Signature | - 1-3 Weeks |
| 9. Mobilisation (Advance Payment) | - 2-4 weeks |
| 10. Completion Period | - As per contract |
| 11. Final Acceptance | - 24 weeks |

Estimated lead times - Request for Quotation

- | | |
|---|-------------|
| 1. Preparation of documents | - 0-1 weeks |
| 2. Invitation or Solicitation letter | - 0-2 weeks |
| 3. Tender Close/Opening | - same date |
| 4. Evaluation and Submission of Report | - 0-1 week |
| 5. Award of Contract | - 0-1 week |
| 6. Contract Signature | - 1 week |
| 7. Delivery/Completion period | - 1-4 weeks |
| 8. Inspection and Acceptance | - 0-1 weeks |
| 9. Final Acceptance (works) As per Contract | |

2.11 PROCUREMENT PLAN MONITORING AND UPDATING

During project execution the original procurement plan should be regularly monitored and updated. The essence is to see how actual performance compares with the planned activities and to make changes in the plan if necessary.

If slippage occurs in the award or execution of one major contract, it may require rescheduling of other related contract awards and deliveries.

The purpose of monitoring is to complete the details of what has actually been executed, to note whether there are major discrepancies with what was anticipated, and make adjustments in the plans so as to give a complete picture of procurement performance.

A full revision and update of the Procurement Plan must be submitted to the Tender Committee for review and approval on a Quarterly basis throughout each Financial Year.

2.12 CHALLENGES IN THE PREPARATION AND IMPLEMENTATION OF PROCUREMENT PLAN

This section looked at some challenges in the preparation and usage of procurement plans as identified by researchers and public procurement officers, these challenges are briefly discussed below:

a) Access to a trained Procurement Officer to lead in the preparation and usage of the Procurement Plan

The challenge is that the existing qualified candidates often choose to seek employment in the private sector where the salary package is more attractive (Office of the Director of Public Procurement Malawi, 2007). Some institutions in the public sector also do not view procurement as an established profession as such there is no standard certification or clear careers path (World

Bank Ghana CPAR- 2003). While some entities are able to attract qualified professionals for procurement positions, the vast majority of procuring entities suffer from a serious lack of qualified candidates when attempting to recruit new officials (Agbesi 2010).

It is therefore well argued by (Osei-Tutu and Adjei-Kumi 2000) that procurement decision-making should be made by professionals who have been trained in the methodology, especially, Building Technologist and Quantity Surveyors.

b) Experience and expertise of key Players

Public procurement entities lack trained procurement officers who have the ability to establish realistic and clearly defined procurement plans and its follow up or updating (Douh 2009). New and emerging procurement systems must become integral component of Continuous Professional Development Programmes of the Professional Associations in Ghana (Osei-Tutu and Adjei-Kumi 2000).

c) Effective participation of key Players

In preparing a procurement plan by MMDAs it is instructive to public entities that key offices such as Head of entity, Procurement unit, Store unit and Heads of Department plays effective role (PPA manual 2003), rather in most cases the preparation of the plan is left with an individual to handle hence reliable inputs into the plan becomes a problem.

d) Establishment of functional procurement units

There are no procurement units responsible for procurement activities in the MMDAs (Agbesi 2010), this therefore meant that procurement functions are diffused in other administration functions which do not guarantee effective procurement outputs.

e) Timing of resource mobilization

MMDAs on many occasions complained on the inconsistencies in the time their statutory funds are transferred to them for instance while in second quarter of a particular year they were yet to receive the fourth quarter allocation of the previous year, the situation therefore makes the execution of their procurement plans ineffective.

f) Delays in payment of works executed

Service providers have often times complained about long delays in payment for works, goods or services rendered (Azeem, 2007). MMDAs in that regards are worse offenders, service providers therefore tends to execute their works any how having no regards to contract durations hence affecting the implementation of procurement plans.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter discusses the methodology employed for this study. The chapter describes the research strategy and research design. The methods and techniques which were used in the data collection as well as tool for analyses are also presented.

3.2 RESEARCH STRATEGY AND APPROACH

After a thorough review of relevant literature, two main approaches were adopted in the gathering of information and collection of data for the research work.

An observation was made on the 2011 procurement period and it involved exploratory interviews with MMDAs and the Public Procurement Authority. The adoption of the in-depth exploratory interview helped to elicit relevant information from respondents, preceding the main questionnaire survey.

The second approach involved the use a questionnaire survey on the 2010 procurement period. This was because at the time of the research work, the 2010 procurement plan was the one that had been currently and extensively utilized by the MMDAs. The survey was conducted to identify the extent of utilization of procurement plans by MMDAs in Ghana and the challenges that are faced in the preparation and usage of their procurement plans. The survey utilized a questionnaire approach. Based on the fact that questionnaires are the simplest method to collect data from a number of respondents, a well-designed questionnaire that is used effectively can

gather information on both the overall performance of the test system as well as information on specific components of the system (Aminudin 2007). Besides, if questionnaires include demographic questions on the participants, they can be used to correlate performance and satisfaction with the test system among different groups of users. Survey questionnaires are categorized as quantitative research and this was preferred because, quantitative approaches are deemed more specific and result oriented; and involves the collection of numerical data in order to explain, predict, and/or control phenomena of interest.

3.3 RESEARCH DESIGN

The design of the research involved the following steps

- Questionnaire design
- Determination of sample size
- Questionnaire administration
- Data Analysis tools

3.3.1 Questionnaire Design

Based upon a review of current literature and research objectives, structured questionnaire was prepared and self administered to the various respondents. It was essential to first establish the information to be gathered so that relevant questions could be solicited (Oppenheim, 1996). The format of the questionnaires was guided by considerations to respondents and ease of reading and supplying the required data so that research participant's time were not wasted during the data collection. Almost all the questionnaires had close-ended questions to ensure consistency of respondent feedback. Due to the fact that it is not entirely possible to have all questions being

closed-ended, some questions were left open-ended, to obtain numerical data or to solicit some written comment and obtain expert opinion on some of the issues.

For the purpose of the study, the questions were grouped under four main sections.

- 1) General Information;
- 2) Preparation of Procurement Plans
- 3) Extent of Procurement Plan usage and;
- 4) Challenges in Procurement Plans usage.

The first section, "General Information" dealt with the demographics with respect to status of the MMDA as to whether be a Metropolitan, Municipal or District Assembly, the current capacity of the respondent in the MMDA, the experience of the respondent in procurement activities and whether the entity has an established procurement unit. This aspect was deemed necessary in order to ascertain the reliability and credibility of the data and as a result, be used to correlate performance and satisfaction with the various MMDAs in the preparation and usage of their procurement plans.

The second section "Preparation of Procurement Plans" asked more specific questions in relation to objective one of this study which was to determine whether procurement plans by MMDAs are prepared in accordance with the Public Procurement Act, Act 663, 2003. The section covered the for the submission and approval of the MMDAs procurement plan by their respective entity committees, the time with respect to the commencement of the plan preparation, the officer that played the lead role in the preparation of the procurement plan, indications of department and units that played active role in the preparation of the plan, the type template used for the preparation of the procurement plan and whether the approved plan was submitted to the Public Procurement Authority for their attention and no objection.

The third section “Extent of Procurement Plan usage” asked questions in relation to objective two of this study which was to determine the level of usage of procurement plan by MMDAs. The section covered indications on percentages of projects that were actually executed as against the once planned for, indications on percentage in contract price variations in the actual and the planned and the rate of actual achievement of lead times as against the estimated lead times as indicated in the PPA’s manual.

The fourth and the final section “Challenges in Procurement Plans usage” asked questions in relation to objective three of this study which was to identify challenges in preparation and implementation of procurement plans by MMDAs. The section asked respondents to rate the extent of seriousness to which a list of challenges affect them in the preparation and implementation of their procurement plans in the scale of “Not serious”, “Fairly serious” and “Very serious”. The section also provided respondent with an open ended question to give suggestions on ways to improve on the preparation and implementation of procurement plans by MMDAs in relation to objective four of the study.

3.3.2 Determination of sample size

Sampling is the process of selecting the people with whom to conduct the research. The sampling technique criteria were based on the research problem, purpose, design and practical implication of the research topic.

The total number of MMDAs as indicated in the literature of this study is 170 which forms the population size of this study. This has a breakdown of 6 Metropolitan Assemblies, 40 Municipal Assemblies and 124 District Assemblies. Kish (1965) formula which gives a procedure for calculating minimum sample size was applied to obtain a minimum sample size from the 170 MMDAs population.

The Kish Formula states;

$$n = \frac{n^1}{(1 + n^1/N)}$$

Where,

n = Sample size

N = The population size

$$n^1 = S^2/V^2$$

V = the standard error of sampling distribution = 0.05

S^2 = the maximum standard deviation of the population

Total error = 0.1 at confidence interval of 95%

$$S^2 = P(1 - P) \quad \text{where } P = 0.5$$

$$= 0.5(1 - 0.5)$$

$$= 0.25$$

P = the proportion of the population elements that belong to the defined region.

Since $n^1 = S^2 / V^2$

$$= 0.25 / 0.05^2$$

$$n^1 = 100$$

$$N = 170$$

$$n = \frac{100}{(1 + 100/170)}$$

$$n = \frac{100}{1.588}$$

$$n = 62.97$$

$$\sim 63$$

Adding 10 number to the minimum sample size for non-responsiveness;

$$\text{Sample size} = 63 + 10 = 73$$

This means that the minimum sample size of MMDAs to be used for the study is approximately 63. This 63 number of MMDAs will help in establishing the actual sample size for the study. A 10 additional MMDAs allocation is then made for non-responsiveness giving a total of 73.

Questionnaire Administration

The administration of the questionnaire began in February 2012 and completed in April, 2012. The questionnaires were self administered to the offices of the MMDAs. A period of six weeks was allowed for the administration of the questionnaire; however all the completed questionnaires were retrieved by the eighth week. This was as a result of the scattered nature of MMDAs locations. A total of 73 questionnaires were administered to the MMDAs. Out of the 73 questionnaires distributed, 70 questionnaires representing 95.89% were completed and these were used for the analysis. The total administered questionnaires and the return rate are shown in Table 3.1. The high response rate of 95.89% may be attributed to the strict adherence to the techniques employed in distributing the questionnaires and the persistent follow ups to retrieve them. All 70 questionnaire received were found to be responsive.

TABLE 3.1 *Detail of Questionnaires Administered and Returned*

	NO. SENT	NO.RETURNED	RESPONSE RATE (%)
MMDAs	73	70	95.89

Source: Questionnaire Survey, February-Aril, 2012

Data Analysis tools

The selection of an analytical tool is contingent on a thorough review of available analytical and statistical tool. The choice of test is dependent on the type of variables that one has i.e. whether variables are ordinal or interval, categorical and whether they are normally distributed. The collected data from the questionnaires were analyzed using Frequency Analysis. In order to generate the result, the researcher used **SPSS**.

Frequency Analysis

The frequency analysis is used to represent results of data analysis of the number of frequency of response that the respondent gives to different variables in the questionnaire survey and structural interview. The frequencies are represented in the form of tables, pie charts, and bar chart. For graphic result presentation, pie chart and bar chart has been used as the summary

CHAPTER SUMMARY

This chapter has discussed research methods and given reasons for the options selected to achieve the research aims and objectives. It is therefore clear that a research design is a very important process that needs much careful attention. Indeed the chapter has comprehensively described the entire research design and the methodology for the study. Survey was deemed the most appropriate research method to obtain data for the study. Following that, the design of the survey instrument including the sample size, techniques for eliciting the relevant data and how the data will be analyzed have been described. The next chapter now discusses the analysis of the data and findings from the survey.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1 INTRODUCTION

This Chapter presents the analysis of the data collected via questionnaire and the discussion of results. Descriptive statistics involving the use of tables and bar charts were employed in plotting the percentage intervals and their respective frequencies/counts. The results are displayed according to the order of questions from the questionnaire. This section therefore presents the response rate and general information regarding the respondents and the analysis of the responses in respect of procurement plan preparation, the extent of usage by the MMDAs and the challenges they face.

4.2 QUESTIONNAIRE RESPONSE RATE

Out of the 73 questionnaires distributed, 70 questionnaires representing 95.89% were completed and these were used for the analysis. The high response rate of 95.89% may be attributed to the strict adherence to the techniques employed in distributing the questionnaires and the persistent follow ups to retrieve them. All 70 questionnaire received were found to be responsive.

4.3 GENERAL INFORMATION

This section describes the demographic characteristics of the seventy respondents from the Metropolitan, Municipal and District Assemblies (MMDAs). Table 4.1 clearly describes the demographics of respondents.

From Table 4.1 below, 5 respondents from metropolitan assembly participated in the survey, 15 respondents were from municipal assembly and the remaining 50 respondents were from District Assembly. Majority of the respondents were from the districts assemblies since district assemblies far outnumber Municipal and Metropolitan assemblies.

Respondents who were staff of the MMDAs were asked their working experience in their respective departments. Based on the survey, it was realized that, 33 of the respondents representing 47.1% had worked between 5-10 years which constituted the majority.

However a few of them have worked for less than three years. This distribution shows that, most of the respondents sampled have had more than three years of working experience and hence the answers they provided based on questions asked in respect of their work were valid and reliable.

Another question was posed to the respondents whether the institution (i.e. municipal, metropolitan or district assembly) they belong to have an established and functional procurement unit. From Table 4.1, it was observed that, 40 respondents answered yes to this question whilst 30 answered no. In view of this it is clear that contrary to the demand that all entities must have procurement units, still many of the Assemblies under study do not have an established and functional procurement unit.

Table 4.1: Demographic Characteristics of respondents

Variable	Category	Frequency	Percent
MMDA Status	Metropolitan	5.0	7.1
	Municipal	15.0	21.4
	District	50.0	71.4
	Total	70	100.0
Variable	Category	Frequency	Percent
	Between 3 and 5 years	8.0	11.4
	Between 5 and 10 years	33.0	47.1
	More than 10 years	24.0	34.5
	Total	70.0	100.0
An established & functional procurement unit.	No	30.0	42.9
	Yes	40.0	57.1
	Total	70.0	100.0

Source: Survey data, 2012

4.4 PREPARATION OF PROCUREMENT PLAN

This section aimed at determining whether MMDAs were preparing their annual Procurement Plans in accordance to PPA's standard provisions as per their regulations and the Public Procurement Act 663, 2003.

4.4.1 Timely Submission of Annual Procurement Plan for Approval

Indication from Table 4.2 below shows that 97.14% of the respondents prepared and had their 2010 plans approved not later than one month to the end of the 2009 financial year. On the other hand 2.86% could not achieve this provision. This means that majority of MMDAs are now preparing and submitting their Procurement Plans to their Entity Tender committees for approval on time. Observation on the 2011 plan period also indicated that the reason why majority of MMDAs are now achieving timely preparation of the plans was due to the Functional Organisation Assessment Tool (FOAT), an assessment which audits some performance indicators for a reward. This is because one of the four major minimum assessment criteria is the timely preparation and approval of Procurement plans by MMDAs failure of which will deny them of the financial reward that comes with the FOAT.

Table 4.2 Timely Submission of Annual Procurement Plan and Approval

Variable	Category	Frequency	Percent
Was your 2010 procurement plan (PP) submitted to the entity committee and approved not later than one month to the end of the 2009 financial year	Yes	68	97.14
	No	2	2.68
	Total	70	100.0

Source: Survey data, 2012

4.4.2 Time for the Commencement of Preparation of the Annual Procurement Plan

Though the PPA manual stipulates that the preparation of the Annual Procurement Plan must commence four months to the end of the financial year, results from Table 4.3 shows that 51.4% of the respondents commenced the preparation two months to the end of the financial year, 28.6% commenced three months earlier, 10% commenced four and five months earlier. This indication means that though the majority of the MMDA's are now preparing the plans they do not make enough time for the preparation since majority of them indicated that they commenced two months to the end of the financial year. The effect is that expected standard regarding detail and accuracy of the plan might not be achieved since the preparation of the annual procurement plan may have been done in a rush.

Table 4.3 Time for the Commencement of Preparation of the Annual Procurement Plan

Variable	Category	Frequency	Percent
When was the preparation of the 2010 PP initiated	Two months to the end of 2009 financial year	36	51.4
	Three months to the end of 2009 financial year	20	28.6
	Four months to the end of 2009 financial year	7	10.0
	Five months to the end of 2009 financial year	7	10.0
	Total	70	100.0

Source: Survey data, 2012

4.4.3 The Officer that played a lead role in the preparation of the Procurement Plan

Unlike the preparation of the annual budget and action plans of the MMDs which are led by the Budget and Planning Officers respectively, there is no mention of a specific officer responsible for the playing of a lead role in the preparation of the annual procurement plan. This is evidenced in the analysis of Table 4.4 where 52.9% of respondent indicated that the Planning Officers played lead role, 24.30% indicated Works Engineers, 11.4% indicated Procurement Officers, and 10% indicated Budget Officers.

Moreover though about 57% of the respondents indicated that their entities had established functional procurement units only 11.4% considered Procurement Officers to be playing the lead role in the preparation of the procurement plan. Procurement plan does not involve only what need to be procured and their values, but also the timing of the many procurement steps within the process. Procurement Officers have the mandate to direct on all issues regarding procurement in any entity. By their training and professionally Procurement Officers are supposed to be in charge of the preparation procurement plan. During the time of preparation the procurement Officer will then work on information from user departments and professional inputs form Budget Officer, Planning Officer, and Works Engineers etc. The current managers of the procurement preparation may result in inaccurate plans which will in turn affect the smooth implementation of the plan.

Table 4.4 Officer that played a lead role in the preparation of the Procurement Plan

Variable	Category	Frequency	Percent
Which officer played the lead Role in the preparation of the PP	Procurement Officer	8	11.4
	Works Engineer	17	24.3
	Development planning Officer	37	52.9
	Budget Officer	7	10.0
	Others	1	1.4
	Total	70	100.0

Source: Survey data, 2012

4.4.4 Participation of key players in the preparation of the Procurement Plan

The PPA manual made mention of officers and offices such as the Head of the Entity, the procurement unit, the store unit, heads of Department and Units to be directly involved in the preparation of the procurement plan. Indication from Table 4.5 shows that the involvement of Heads of Department and Unit was 51.40%, the Procurement units involvement was 27.1% and this support the fact that most MMDA's do not have Procurement Units. The involvement of stores and the Head of Entity were 11.5% and 10% respectively which were very low more especially when it is required in the PPA's manual that Entity Heads are the once supposed to prompt for the commencement of the preparation of the plans.

Table 4.5 Participation of key players in the preparation of the Procurement Plan

Variable	Category	Frequency	Percent
Which officer or office were involved in the preparation of the PP	Head of procurement entity	7	10.0
	Procurement Unit	19	27.1
	Stores Unit	8	11.5
	Heads of Departments and Units	36	51.4
	Total	70	100.0

Source: Survey data, 2012

4.4.5 The Use of Procurement Plan Template

On the type of template used for the preparation of the procurement plans, 92.9% of the respondent indicated that they use the PPA's template while only 7.1% indicated using their own developed template. This means that majority of MMDAs know about and use the PPA's template.

Table 4.6 Use of Procurement Plan Template

Variable	Category	Frequency	Percent
Which template was used for the preparation of the PP	PPA's template	65	92.9
	Entities own developed template	5	7.1
	Total	70	100.0

Source: Survey data, 2012

4.4.6 Submission of the Approved Procurement Plans to the PPA

It is required of all public entities to submit their approved annual procurement plans to the PPA for further actions and comments. Table 4.7 indicated that 70% of the respondents submitted their approved procurement plans to the PPA while 30% failed to submit their approved procurement plans to the PPA. This means that some MMDAs still do not comply with this regulation. The effect is that those who do not submit their approved procurement plans to the PPA might not be preparing the plans to the expected standard since the plans do not get to the PPA for their respective comments.

Table 4.7 Submission of the Approved Procurement Plans to the PPA

Variable	Category	Frequency	Percent
Was the approved procurement plan submitted to the PPA	Yes	21	30.0
	No	49	70.0
	Total	70	100.0

Source: Survey data, 2012

4.5 EXTENT OF PROCUREMENT PLAN USAGE BY MMDAs.

Concerns are normally raised as to whether procurement plans are used effectively and if used the extent at which it is been used. This section therefore reports the results of the extent of usage of procurement plans.

4.5.1 Extent of Adherence in the Implementation of Procurement Plan

Figure 4.1 below shows the percentage interval with its respective frequencies. From the Chart below, it is evident that, the highest percentage of projects executed as against once planned in 2010 procurement plan was the percentage interval of (61-80) obtaining the highest count of 33 out of the total 70 samples. This means that, most of the projects planned for were executed.

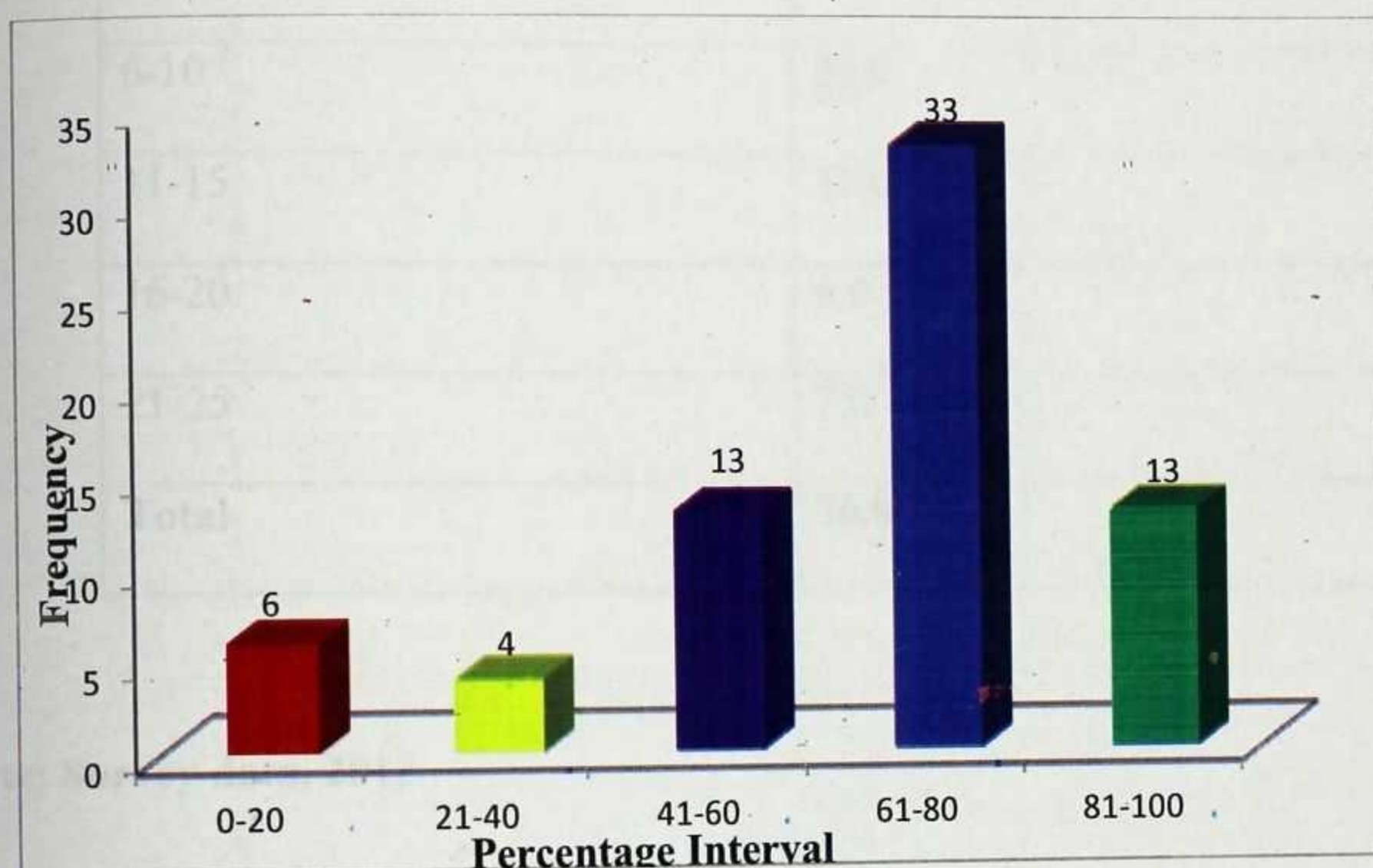


Figure 4.1: Percentage of projects executed as against once planned in 2010 Procurement Plan.

4.5.2 Variation in actual total contract price against planned estimated total price

The researcher wanted to determine the percentage variation in *actual total contract price* as against *estimated total price*. From Table 4.8, the percentage variations were recorded from '0-5' to '21-25'. It was realized that, the *actual total price* as against the *estimated total price* were mostly varied within (6-10) and (11-15) percentage interval receiving counts of 29 and 17 respectively with the least varied within the intervals of (21-25) and (16-20) receiving counts of

7 and 6 respectively. This means that majority of MMDAs have their total actual contract prices within acceptable range though a few are still not getting their initial estimates right.

Table 4.8: Percentage variation in actual total contract price as against estimated total price

Percentage Variation	Frequency
0-5	11.0
6-10	29.0
11-15	17.0
16-20	6.0
21-25	7.0
Total	70.0

Source: Survey data, 2012

4.5.3 Rate of achievement of determined lead times

The PPA has given estimated lead times for the determination of completion time scale for each activity on the Procurement Plan, the research wanted to therefore established the rate of achievement of these lead times.

Activities that obtained very high levels of achievement in their lead times were preparation of document, tender close and opening, tender evaluation and report submission, and contract award which had percentages of 40.1, 57.9, 67.9, 57.6 and 58.5 respectively in the highly achieved column of table 4.9.

Activities that had their lead times fairly achieved were prior review of tender documents, post review of evaluation report for approval, contract signature, mobilizations, completion period and final acceptance which had percentages of 39.4, 69.3, 42.5, 60.0, 43.9 and 57.1 respectively in the fairly achieved column of table 4.9.

The above results give an indication that the determined lead times as given by the PPA for the various activities in the procurement plan are largely achievable.

Table 4.9: Showing rate of achievement of determined lead times

Activities	Lead Times	Actual Achievement (%)		
		Not Achieved	Fairly Achieved	Very Achieved
Preparation of Documents	2weeks minimum	22.8	37.1	40.1
Prior Review ETC/TRB	1-2 weeks	21.2	39.4	39.4
Advertising/Tender Invitation	2-4 weeks	16.7	25.4	57.9
Tender Close/Opening	same date	11.3	20.8	67.9
Tender Evaluation and Report Submission	2-4 weeks	5.0	37.4	57.6
Post Review /ETC/TRB approval	1-2 weeks	6.8	69.3	23.9
Contract Award	1-2 Weeks	5.3	36.2	58.5
Contract Signature	1-3 Weeks	17.0	42.5	40.5
Mobilization (Advance Payment)	2-4 weeks	12.0	60.0	28.0
Completion Period	As per contract	43.1	43.9	13.0
Final Acceptance	24 weeks	18.6	57.1	24.3

Source: Survey data, 2012

4.6 CHALLENGES IN THE PREPARATION AND USAGE OF PROCUREMENT PLAN

This section presents the challenges faced by the MMDAs in the preparation and usage of procurement plan. However twelve challenges were discovered from the study and their state of seriousness was measured as against each challenge listed.

Table 4.10 shows the challenges faced by MMDAs in the preparation and the usage of procurement plan.

4.6.1 Very Serious Challenges

Challenges such as delays in payment of works executed, timing of resource mobilization and the establishment of functional procurement units were found to be very serious challenges faced by MMDAs in the preparation and usage of the procurement plans with percentage scores of 70.0, 45.7, and 45.7 respectively in the very serious challenges column of table 4.10. These very serious factors are discussed below:

a) Delays in payment of works executed

Kweku Agbesi (2010) attributed delay in payments to delay in release of funds from central government, unrealistic estimates in the budget formulation process and inadequate budget allocation for projects. The situation normally results in vacation of site by service providers and in numerous abandoned projects. The consequence is that as testified by respondents, procurement plans are dislocated. Projects and programmes have to hang on the plans by rolling them into subsequent planning year period with all sorts of confusion.

b) Timing of Resource Mobilization

Procurement plans are prepared to meet projected timing release of sources of revenues intended to be used to fund the projects and programmes on the plan. The challenge is that most of these traditional funds that are transferred from central government to the MMDAs do not come on time hence making implementation of the plans so difficult by the various entities. Observations made on the 2011 implementation year revealed that as of third quarter of 2011 the MMDAs have then received only first quarter transfer of their main traditional funding source the District Assembly common Fund (DACF).

c) Establishment of Functional Procurement Units

A number of MMDAs have still not been able to establish a functional procurement unit though is mandated of them to have such units. According to Agbesi (2010), the non establishment of this unit means procurement functions are defused in other administrative functions. The effect is that there is no unit whose function is to monitor and evaluate the preparation and usage of procurement plans within the entities and therefore this are done anyhow.

4.6.2 Fairly Serious Challenges

Challenges such as Access to a trained procurement officer to lead in the preparation and implementation of the procurement plan, experience and expertise of key players, Effective participation of key players, time that the preparation of the procurement plan commences, the timing for the submission and approval of procurement plan, strict adherence to the approved procurement plan and the quantity of projects planned for were found to be fairly serious challenges faced by MMDAs in the preparation and usage of the procurement plans with

percentage scores of 41.4, 40.8, 52.9, 55.7, 41.4, 42.9 and 44.3 respectively in the fairly serious challenges column of table 4.10. These very serious factors are discussed below:

a) Access to Trained Procurement Officer to Lead in the Preparation and Usage of the Procurement Plans

Access to trained procurement officers to lead in the preparation and implementation of procurement plans have become a challenge due to the fact that most of the respondent felt procurement planning is a highly technical activity and therefore must be done professionally. Notably, just 2011 that the Public Services Commission has introduce a professional grade in procurement in the public sector. KNUST through the Department of Building Technology has also begun training professionals in procurement management, these interventions will hopefully curtail this challenge in the near future.

b) Experience and Expertise of Key Players

According to Kwagbenu (2003), procurement staff lacks a whole range of skills and expertise required to handle the full complement of procurement function within public entities. The effect of this challenge is that procurement planning management is not handled professionally.

c) Effective Participation of Key Players

Most respondents indicated that participation of key players is a challenge, this is supported by earlier analysis where entity heads who are supposed to prompt for the commencement of the procurement plan process do not participate, the effect is that realistic and clearly defined procurement plans are not archived.

d) Time That the Preparation of the Procurement Plan Commences

In the earlier analysis on the time for the commencement of the plan it was realized that most entities do not commence early enough as recommended by PPA, this confirm the challenge. The effect is that enough time is not allocated to the plan preparation activity the content quality of most of the procurement plans are therefore questionable since most of the MMDAs do not even submit the plans to the PPA for verification.

e) The Timing for the Submission and Approval of Procurement Plan

The timing for the submission and approval of procurement plans is a challenged because from observation and confirmation from respondent, annual action plans and budgets are not approved in time meanwhile the procurement plan is supposed to be extracted from the annual budget.

f) Strict Adherence to the Approved Procurement Plan

Most of the times projects and programmes that were not originally planned for are rather brought on board for implementation in the name of emergencies and political decisions and instructions, the effect of these situations is that planned procurement activities are rather not implemented for the benefit of stakeholders.

g) The Quantity of Projects Planned for

Most respondents complained that the annual action plan and budget are loaded with projects and hence those projects are subsequently captured on the procurement plan, this then becomes a challenge because unfair prioritization of the plan eventually emerges and the effect is that important projects and programmes are rather not implemented.

4.6.3 Non Serious challenges

The use of procurement plan template and the standard lead times for activities in the procurement plan were found not to be of a challenge by most respondents with percentage scores of 55.7 and 54.3 respectively in the not serious challenges column of table 4.10.

The PPA has made available a standard procurement plan template to be used by public entities in the preparation of the plans most of the respondent uses the standard templates and there is therefore no need to develop their own templates and this have made things easier for the MMDAs.

The standard lead times for the various activities in the procurement plan have been given by the PPA in its manual, most of these lead times are met by the MMDAs in the implementation of the procurement plans and therefore according to most respondent do not pose a challenge to the entities.

Table 4.10: Challenges in the preparation and usage of procurement plan

CHALLENGES	PERCENTAGES		
	Not Serious	Fairly Serious	Very Serious
Access to a trained Procurement Officer to lead in the preparation and usage of the Procurement Plan	25.7	41.4	32.9
Experience and expertise of key Players	31.4	40.8	28.6
Effective participation of key Players	25.7	52.9	18.6
The use of Procurement Plan Template	55.7	25.7	18.6
Time that the preparation of the Procurement Plan commences	28.6	55.7	15.7
The timing for the submission and approval of the Procurement Plan	24.3	41.4	34.3
Established and functional procurement unit	21.4	32.9	45.7
Strict adherence to the approved Procurement Plan	24.3	42.9	32.9
The quantity of projects and programmes planned for	22.9	44.3	32.9
The standard lead times for activities in the Procurement Plan	54.3	34.3	11.4
Timing of resource mobilization	14.3	40.0	45.7
Delays in payment of works executed	15.0	15.0	70.0

Source: Survey data, 2012

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 GENERAL

This dissertation which focused on the Utilization of Procurement Plans by Local Government Authorities begun with set aim and objectives, review of literature and observations of 2011 procurement year by MMDAs. Data was collected on the 2010 implemented procurement plans by MMDAs using questionnaire and was analyzed to arrive at findings.

This chapter presents the summary of findings, conclusions to the findings and recommendations made to address the main results from the analysis in the light of the set specific objectives.

The first part deals with the summary of the main findings with regards to the objectives assigned to reaffirm the achievement of those objectives. The second part deals with the conclusion of the study. Finally specific and general recommendations are presented in the chapter.

5.2 SUMMARY OF FINDINGS

The objectives set for the study were to:

- i. Determine whether Procurement Plans by MMDAs are prepared in accordance with The Public Procurement Act, ~~Act 663~~, 2003.
- ii. Determine the level of usage of Procurement Plans by MMDAs.

iii. To identify the challenges in preparation and implementation of Procurement Plans by MMDAs

iv. To recommend ways of improving on the preparation and usage of Procurement Plans by MMDAs.

These four objectives were achieved through observation interviews and analyses of data obtained from the survey, the following main findings were revealed.

5.2.1 Preparation of Procurement Plans by MMDAs in accordance to the Public Procurement Act, Act 663, 2003.

The findings on whether MMDAs are preparing procurement plans in accordance to the Public Procurement Act, Act 663, 2003 are summarised as follows.

a) Preparation and submission of Procurement Plans for Approval.

Most MMDAs prepare their procurement plans and submit them to their entity tender committees for approval not later than one month before the end of the financial year and this is in accordance with the provision of the Public Procurement Act, Act 663, 2003. Observations revealed that MMDAs are complying with this provision in recent times because of the introduction of the FOAT assessment tool.

b) Commencement of Preparation of the Annual Procurement Plan

Most MMDAs do not commence the preparation on time though the PPA manual provide that MMDAs commence the preparation four months before the end of the financial year, most entities commences two months before the end of the financial year.

c) The Officer that played a lead role in the preparation of the Procurement Plan

There is no specific officer responsible for the leading in the preparation of the procurement plan, different officers leads this task at the various MMDAs.

d) Participation of key players in the preparation of the Procurement Plan

Though the PPA manual mentioned specific offices and officers such as Head of the Entity, the procurement unit, the store unit, heads of Department and Units to play key role in the preparation of the annual procurement plan the findings revealed that only a few of this officers are involved in the preparation of the annual procurement plan.

e) The Use of Procurement Plan Template

The findings revealed that majority of MMDAs use the PPA's template for the preparation of the procurement plan.

f) Submission of the Approved Procurement Plans to the PPA

The findings revealed that most MMDAs do not submit their approved procurement plans to the PPA for further action though the MMDAs are mandated to do so.

5.2.2 The level of usage of Procurement Plan by MMDAs

The findings on the level of use of the approved procurement plan by MMDAs are summarised below.

a) Successfully executed projects as against planned projects

A range of 61% to 80% quantum of projects was largely successfully executed by MMDAs on their annual procurement plan for the year 2010.

b) Variation in actual total contract price against planned estimated total price

Variations in actual total contract price as against planned estimated total price of the 2010 procurement plan largely ranged around 6% to 15%.

c) Achievement of determined lead times

The determined lead times in the PPA manual for the various activities in the procurement plan were mostly achieved by the MMDAs.

5.2.3 Challenges in Preparation and Usage of Procurement Plan by MMDAs

The findings on challenges in the preparation and usage of procurement plan were rated in their level of seriousness that is very serious challenges, fairly serious challenges and challenges that are not serious, these are summarised below.

a) Very Serious Challenges

Delays in payment of works executed, timing of resource mobilization and the establishment of functional procurement units were largely found to be very serious challenges faced by MMDAs in the preparation and usage of the procurement plans.

b) Fairly Serious Challenges

Challenges such as Access to a trained procurement officer to lead in the preparation and implementation of the procurement plan, experience and expertise of key players, Effective participation of key players, time that the preparation of the procurement plan commences, the timing for the submission and approval of procurement plan, strict adherence to the approved procurement plan and the quantity of projects planned for were largely found to be fairly serious challenges faced by MMDAs in the preparation and usage of the procurement plans.

c) Non Serious Challenges

The use of procurement plan template and the standard lead times for activities in the procurement plan were largely found not to be of a challenge faced by MMDAs in the preparation and usage of the procurement plans.

5.3 CONCLUSIONS

Procurement plans are expected to be prepared as part of the annual budgeting process, preferably during the last quarter of each year. The procurement unit of each entity is required to initiate the process of collating each individual user department's requirement to be procured in the ensuing year and it is these information that are fed into the procurement plan and then reviewed and approved by the Entity Tender Committees of the procurement entity for onward submission to the Public Procurement Authority (PPA).

According to this research MMDAs are currently preparing their Procurement plans in accordance with The Public Procurement Act, Act 663, 2003 but issues such as, late commencement in the preparation of the plans, identification of specific officers to lead in the preparation, low involvement of key players and non submission of the approved procurement plans to the PPA still confronts them in the preparation of the plans.

The study also concluded that MMDAs did utilize the procurement plans but there are still a number of challenges faced by MMDAs in the preparation and usage of the procurement plan, these are outlined below:

- Non establishment of functional procurement units
- The timing for the submission and approval of the Procurement Plan
- Access to a trained Procurement Officer to lead in the preparation and usage of the Procurement Plan
- Experience and expertise of key players
- Effective participation of key Players
- Delays in payment of works executed
- Timing of resource mobilization
- The quantity of projects and programmes planned for
- Strict adherence to the approved Procurement Plan

Finally, interventions for these findings will go a long way in improving on the preparation and utilization of procurement plans by MMDAs.

5.4 RECOMMENDATIONS

The primary aim of this study was to assess the extent to which Procurement Plans are utilized by MMDAs in Ghana, subsequently objectives were set out to prescribe directions through which certain findings could be established in order to recommend ways of improving on the preparation and usage of procurement plans by the MMDAs. The recommendations are in two sections; specific recommendations based on findings from the study and general recommendations.

5.4.1 Specific Recommendations Based On Findings

Based on the findings on the preparation and usage of procurement plans by the MMDAs, the following recommendations are given;

1) To improve on early commencement of preparation of the procurement plan,

- The Public Procurement Authority must send a circular to all entity heads reminding them of their role in prompting the entities to commence the preparation, four months before the end of the financial year as stipulated in the PPA's manual.

2) To Address the issue of which officer in the MMDAs is supposed to lead in the preparation of the procurement plan,

- Since the public services commission have now created a professional path for procurement in the public service, frantic effort must be made by the Local Government Service to recruit well trained, qualified and skilful procurement officers to handle procurement issues in the MMDAs.

3) To improve on the involvement of key players in the preparation of the procurement plan,

- The Public Procurement Authority must alert entity heads on the key players that are supposed to be involved so that the entity heads can in turn compel the key players to get themselves involved in the preparation of the procurement plans.

4) To address the problem of non submission of approved procurement plans to the PPA

- The Ministry of Local Government and Rural Development must include in the criteria on procurement planning of the FOAT assessment tool submission of approved procurement plans by MMDAs to the PPA.

- MMDAs should be required to support their annual budget estimates with their procurement plans as precondition for the approval of transfer of their statutory funds.

5) Establishment of functional procurement units

- The Ministry of Local Government and Rural Development must compel all MMDAs to establish procurement units

6) To improve on the timing for the submission and approval of the Procurement Plan,

- MMDAs annual action plans and budgets must be approved early enough to help in the preparation of procurement plans since the activities in the plan are extracted from the budget.

7) To improve on the Access to a trained Procurement Officer to lead in the preparation and usage of the Procurement Plan

- Institutions of higher learning such as KNUST through the Department of Building Technology must trained more students at BSc. And MSc. levels in procurement management and collaborate with the Local Government service absorb such professionals to manage activities in the MMDAs.

8) To improve on the experience and expertise of key players

- MMDAs must commit resources in building the capacity of key players in procurement activities.
- The Public Procurement Authority must compliment in periodic capacity building training in procurement planning and management for key players in the MMDAs

9) To reduce the delays in payment of works executed

- MMDAs must confirm the availability of revenue to fund projects before they initiate their procurement process.

- MMDAs must give priority in payment for planned projects and programmes before attending to unplanned ones.
- The directive by His Excellency the President of the Republic of Ghana all public that all public entities must complete ongoing projects before planning for new once must be strictly adhered to.

10) To improve on the timing of resource mobilization

- MMDAs must not depend solely on their traditional sources of funding but must engage financial institutions to advance them funds on time for the implementation of their planned programmes whiles their traditional transfers pay off at later dates.

11) To address the issue of the quantity of projects and programmes planned for,

- MMDAs should ensure preparing realistic budget estimates so that they do not overburdened the procurement plans with projects.

12) To ensure strict adherence to the approved Procurement Plan

- MMDAs should not interfere unnecessarily with unplanned programmes to dislocate planned projects and programmes.
- The Ministry of Local Government and Rural Development must penalise MMDAs who do not strictly adhere to their plans and give rewards to MMDAs who adhere to their approved plans.

5.3.2 General Recommendations

To improve and sustain the utilization levels of procurement plans at the MMDAs the following recommendations are being given;

1. That the Public Procurement Authority must step up regular monitoring of MMDAs and discuss issues in the proper usage of the regulations and the manuals since the MMDAs are not aware of a lot of provisions in those regards.
2. The Ministry of Local Government and Rural Development must improve and sustain rewarding assessment tools such as FOAT, especially if the FOAT assessment programme is for a given period.

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16_200405

APPENDIX 1:

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

DEPARTMENT OF BUILDING TECHNOLOGY

QUESTIONNAIRE

Dear Madam / Sir

This questionnaire forms part of a study on **The Utilization of Procurement Plan by Local Government Authorities in Ghana** undertaken by WILLIAM TEI - KPOTI, a Msc. Student in Construction Management II at KNUST.

Your participation by filling this questionnaire will help to achieve the aim and objectives of the study.

Your input therefore will be very appreciated for the successful completion of this exercise.

Thank you.

Please tick the appropriate option and specify where necessary

GENERAL INFORMATION

1. Please indicate your MMDA status.

☐ Metropolitan ☐ Municipal ☐ District

2. Please what is your current capacity in the MMDA

.....

3. Please indicate your years of experience in procurement activities

☐ Less than 3 years ☐ Between 3 and 5 years

☐ Between 5 and 10 years ☐ More than 10 years

4. Please do you have an established and functional procurement unit

☐ Yes

☐ No

PREPARETION OF PROCUREMENT PLAN

5. Please was your 2010 Procurement Plan submitted to the Entity Tender Committee and approve not later than one month to the end of the 2009 financial year?

☐ Yes

☐ No

6. Please indicate when the preparation of the 2010 Procurement Plan was initiated.

Two months to the end the 2009 financial year []

Three months to the end the 2009 financial year []

Four months to the end the 2009 financial year []

Five months to the end the 2009 financial year []

7. Please indicate the officer that played the lead role in the preparation of the Procurement Plan.

Procurement Officer []

Works Engineer []

Development planning Officer []

Budget Officer []

Others

8. Please indicate which of the underlisted were involved in the preparation of the Procurement Plan.

Head of Procurement Entity []

Procurement Unit []

Stores Unit []

Heads of Departments and Units []

9. Please indicate which template is used for the preparation of the Procurement Plan.

PPA's template []

Entities own developed template []

Others

10. Please was the approved 2010 Procurement Plan submitted to the Public Procurement Authority?

☐ Yes

☐ No

EXTENT OF PROCUREMENT PLAN USAGE

11. Please indicate the percentage of projects that were actually executed as against the once planned for in the 2010 Procurement Plan.

[] 0 – 20 [] 21 – 40 [] 41 – 60 [] 61 – 80 [] 81 – 100

12. Please indicate the percentage variation in actual total contract price as against the estimated total price in the 2010 Procurement Plan.

[] 0 – 5 [] 6 – 10 [] 11 – 15 [] 16 – 20 [] 21 – 25

13. The PPA has given estimated lead times for the determination of completion time scale for each activity on the Procurement Plan. Please indicate the rate of actual achievement by ticking the appropriate box below as;

(a) Not achieved (b) Fairly achieved (c) Highly achieved

ITEM	ACTIVITY	LEAD TIME	(a)	(b)	(c)
	National Competitive Tendering (Works)				
A	Preparation of Tender Documents	2weeks minimum			
B	Prior Review/ETC/TRB	1-2 weeks			
C	Advertising/Tender Invitation	2-4 weeks			
D	Tender Close/Opening	same date			
E	Tender Evaluation and Report Submission	2-4 weeks			
F	Post Review /ETC/TRB approval	1-2 weeks			
G	Contract Award	1-2 Weeks			
H	Contract Signature	1-3 Weeks			
J	Mobilisation (Advance Payment)	2-4 weeks			
K	Completion Period	As per contract			
L	Final Acceptance	24 weeks			

CHALLENGES IN THE PREPARATION AND USAGE OF PROCUREMENT PLAN

14. Please how would you rate the extent of the following challenges in the preparation and usage of Procurement Plan by MMDA's? Please tick the appropriate box below as;

(a) Not serious (b) Fairly serious (c) Very serious

ITEM	CHALLENGES	(a)	(b)	(c)
A	Access to a trained Procurement Officer to lead in the preparation and usage of the Procurement Plan			
B	Experience and expertise of key Players			
C	Effective participation of key Players			
D	The use of Procurement Plan Template			
E	Time that the preparation of the Procurement Plan commences			
F	The timing for the submission and approval of the Procurement Plan			
G	Established and functional procurement unit			
H	Strict adherence to the approved Procurement Plan			
J	The quantity of projects and programmes planned for			
K	The standard lead times for activities in the Procurement Plan			
L	Timing of resource mobilization			
M	Delays in payment of works executed			
	Others (Please provide if any exist in your MMDA)			
N				
O				

Please can you suggest ways of improving on the preparation and usage of Procurement plan by MMDA's.....