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Challenges to the Public Procurement practices within National Vocational Training

Institute (NVTI)

by

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Environment in partial fulfillment of the requirements for the degree of

MASTERS OF SCIENCE



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CERTIFICATION

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

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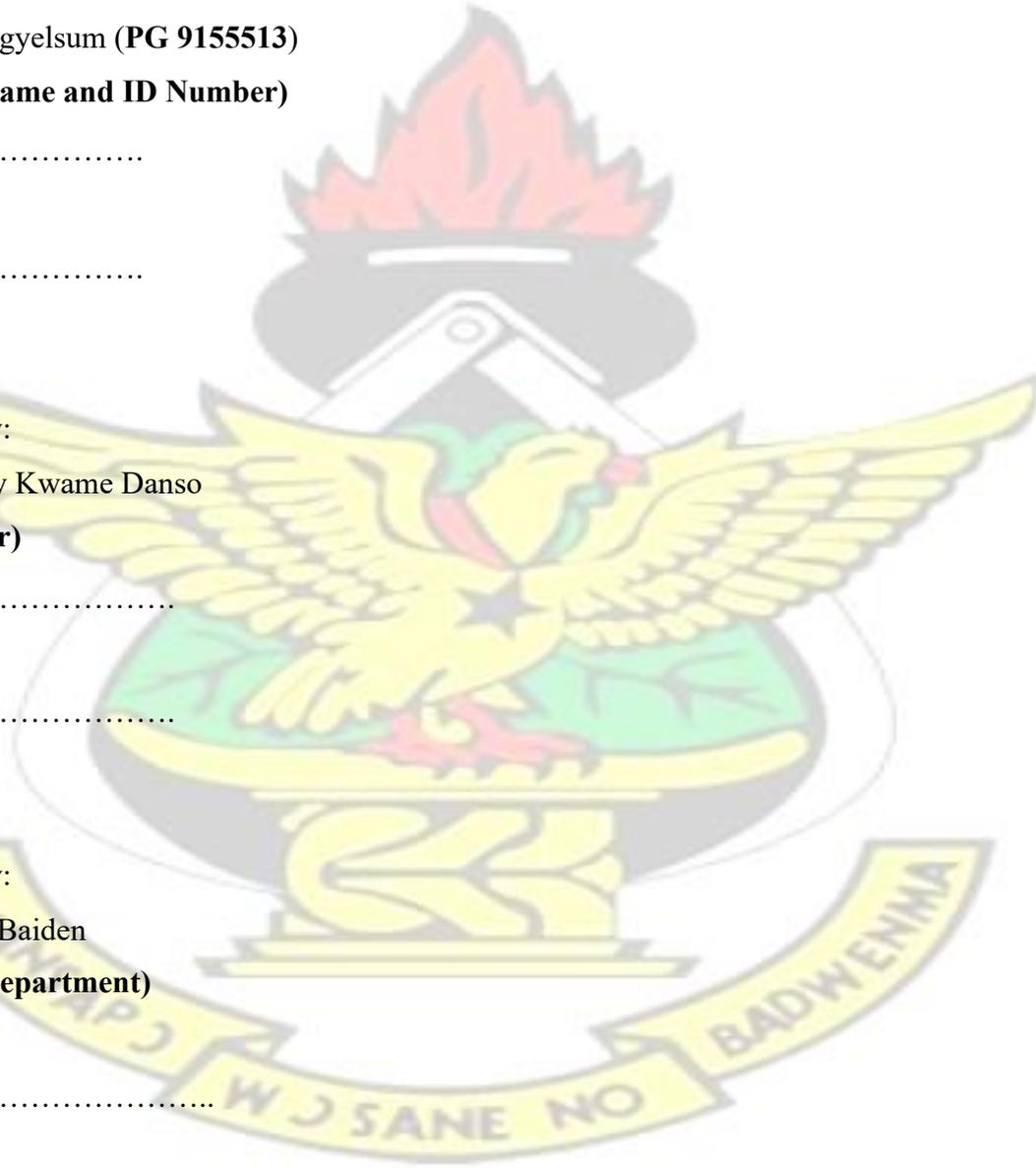
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ABSTRACT

The Public Procurement Act of 2003, Act 663 was enacted into Law in 2003 to harmonize public procurement process, secure judicious, economic and efficient use of state resources and ensure that public procurement functions undertaken within the public sector are fair, transparent and non-discriminatory manner. The purpose of this study was to identify various challenges to the Public Procurement practices at the National Vocational Training Institute(NVTI). The specific objectives of the study were to identify the challenges encountered with public procurement practices at the NVTI and to find out how these challenges could be ameliorated. Quantitative research approach was employed. A census method was used to select the respondents who were directly involved in procurement activities at the NVTI to take part in the survey. Structured questionnaires were used to collect the relevant information from participants. Data collected from the survey were analyzed using descriptive statistics such as percentages, frequencies and mean score ranking. The results of the study identified low capacity of procurement professionals, low interaction between procurement entities and Public Procurement Authority (PPA), inadequate training of procurement staff, bureaucratic nature of government business, and conflict of interest as the major challenges militating against the public procurement practices at the NVTI. The study also revealed that most respondents kept reliable and credible records of procurement activities. Procurement Act stipulates that all procurement entities are to keep tangible records of procurement. It was therefore recommended that NVTI should comply with the Procurement Act at its branches level to ensure value for money and judicious use of money. In addition, government should endeavour to review the Procurement Act to limit the procurement processes to reduce delays.

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God bless us all.



DEDICATION

I dedicate this work to Almighty God by whose mercy I am alive, and for seeing me through all the difficulties I have encountered during the period of this research work. I again dedicate this thesis to my wife, Mrs Linda Atigyelsum and my children for providing me the needed environment for the discovery of my potentials and for enduring the long hours I have been away from home to pursue this programme.



CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background of the Study

Public procurement is a prime financial activity of States that signifies an average at about 10% to 15% of GDP globally (Public Procurement Authority, PPA, 2007). Public Procurement denotes to the purchase of goods, machinery, provisions, and or assistances acting for a state agent (Public Procurement Authority, PPA, 2007). A fundamental feature of government activities is the procurement of goods and services by state representatives (World Trade Organization, 2010).

Strong Public Procurement systems are defined as systems offering a high level of openness and beneficiary in the application of a procurement budget (European Commission, 2007). According to the Organization for Economic co-operation for development (2007), a huge diversity of merchandise, services and social works are from privately owned businesses spanning from fundamental automated tools to the construction of bridges, schools, hospitals are procured by state-owned organizations.

The Government of Ghana thought of how to always have value for money when its funds are being expended. In order to improve public financial management, the Ministry of Finance introduced Public Procurement interventions as part of reform measures to achieve its objectives. According to Ghana Ministry of Finance (2001), the purposes of the procurement reform proposals are to:

- encourage nationwide growth;
- improve congruence with other native and global laws;
- encourage contest, efficacy, transparency and culpability; and
- ensure value for money.

According to the World Bank (2003) when the purposes of the procurement modifications are done a yearly reserve of about US\$150 million are predicted via amend management of government-financed procurement only. A vital deliverable of the procurement reform is the Procurement bill, which was passed into law by in year 2003 by parliament.

After independence, Ghana has tried numerous efforts to address the defectiveness in its procurement process through enacting laws and improving existing legislations relating to finances. For instance, in 1960, Ghana Supply Commission was established by the Government of Ghana. This was followed by the National Procurement Agency Decree (SMCD 55) which was passed by the Supreme Military Council (SMC) in 1976. In 1979, another law, thus Financial Administration Decree was also enacted. All these laws, decrees and instruments were meant to offer an inclusive model of managerial influences to control the activities of procurement within the public sector.

Since the 1990's a number of reviews in Ghana's public financial management systems have occurred. These were after the Structural Adjustment Programme (SAP) had been found to have inadequately addressed the country's economic problems (Hutchful, 2002). Some of the reviews included the Public Expenditure Review (PER), Country Financial Accountability Assessment (CFAA), Country Procurement Accountability Report (CPAR) and Accountability Action Plan (AAP).

The above mentioned reviews came out with a lot of findings which indicated major weaknesses in the financial management of the country. Some of these were weak budget formulation and preparation, lack of ownership and accountability of budgets by sector ministries, weak expenditure monitoring and control, lack of proper

accounting and auditing systems, lack of quality and timely data on government resources, obsolete and weak compliance with financial management procedures and lack of conducive framework for the management of public funds.

In reaction to these weaknesses, the Government in 1993 put in place a detailed procurement reform intended to amend the effectiveness of its financial management systems. Hence, the Public Financial Management Reform Programme (PFMRP) became a weighing scale in the procurement processes in 1995. The PFMRP was designed following extensive consultation with policy makers in the executive and legislature, ministries, department and agencies, the private sector and civil society. The purpose of PFMRP was to encourage competence, transparency and answerability in the public financial management system. The biggest element of PFMRP was the procurement reforms. In 1999, Government of Ghana established Public Procurement Oversight Group (PPOG) to steer the detailed reform programme (PPA, 2007). The exercise was to better the general public financial management in the country. The reform event recognized defect and administrative impuissance in the country's procurement structure. These included the lack of an inclusive public procurement policy and the deficit of a wide-ranging legal administration to guarantee the honor of the public procurement system. Others were lack of a main body with the essential ability, technical know-how and efficacy to grow a rational public procurement policy. To ensure that public officials are not corrupt in their operations, reforms have been adopted for smooth procurement practices. Each year Government of developing nations spend huge amount of money to acquire goods, works and services for public use. The necessity for accountability and competence in government purchases has come at such a time when the economy of the country has almost come to a standstill. Several emerging states have comprehended that a well-organized procurement system

donates to good governance (Thai, 2004). Adjei (2006) indicates that 24% of total importation into the country from 1982 to 2002 went into public procurement but currently, it is between 50-70% of Ghana's budget in exception personnel emoluments. This still takes huge part of the Gross Domestic Product (GDP).

It is therefore evident that effective reforms and good public procurement practices will go far to cut government spending and enhance business. So as to avoid the assorted deficits and organizational deficiencies in the public procurement process, it was regarded necessary to pass an inclusive procurement law. The standard tender records reinforced the act. Suitable managerial and official preparations were to be made with an omission frame to supervise or regulate the public procurement system (Adjei, 2006).

The above development led to the promulgation of the PPA (Act 653) in 2003. The Act was to encourage the application of public procurement as a device for national growth. It was expected to harmonize the utilization of principles involving procurement linked with global resolutions and agreements and encourage contest, competency, answerability and transparency in the public procurement procedures.

Ghana's development has been challenged over the years, and needs strong obedience of the procurement regulations and procedures that will reduce cost. A fruitful incorporation of the regulations relies on a huge degree on both partisan and lasting administration. The efficiency and effectiveness of public procurement law will depend also on professional/technical support provided by technocrats within

Ministries, Departments and Agencies (MDA's) (Boachie-Danquah, 2009).

1.2 Statement of the Problem

It has been realized that public procurement plays an important role in all public institutions in the country. Public Procurement principles, though an important facet in public institutions it is faced with lots of challenges. In discussions with its growth collaborators, the Ghana government had determined the procurement system of the public as a sector that requires emergency care in respect of the global assessment of corrupt activities and incompetence's, and to establish reliance in procurement scheme (Ameyaw et al., 2012).

The Public Procurement Act has been enforced since 2003 but Public Procurement practices to conform to the Procurement law by various entities have been very challenging (Adjei, 2006). The National Public Procurement Authority of Sierra Leone in 2005 reported several challenges affecting the work of the Authority. Some of these challenges identified in the report were insufficient funding, lack of proficient staff, organizational constraints and logistical limitations (Ameyaw et al., 2012).

Forgor, (2007) agrees with the World Bank (2003b) report that absence of good preparation and education of procurement managers on the development is an obstacle that faces procurement practices. Improper record keeping (World Bank 2003b), adjournments paying of suppliers and contractors are also crucial factors challenging procurement practices (Azeem, 2007). Several allegations relating to irregularities in procurement processes are leveled against NVTI involving direct and indirect procurement resulting in low competition and non-adherence to the Public Procurement Act (Act 663) (Public Accounts Committee, 2012). A number of authors have investigated the challenges to public procurement practices at Metropolitan/Municipal/District Assembly (MMDAs). However, not much study has been conducted into the challenges to public procurement practices in State

Institutions. Hence, this research to identify the challenges encountered with State Institutions and find out how these challenges could be ameliorated.

1.3 Research Questions

The following question has been formulated for the research:

1. What are the challenges faced by to the National Vocational Training Institute (NVTI) in trying to practice the procurement law?
2. How can these challenges be ameliorated to ensure smooth practices of the procurement Act?

1.4 The Aim of the Study

The aim of the research was to explore into the practice of the public procurement within National Vocational and Training Institute (NVTI).

1.5 Specific Objectives

The specific objectives were to:

- To identify the challenges encountered with Public Procurement practices at National Vocational and Training Institute (NVTI); and
- To identify solutions to ameliorate these challenges at National Vocational Training Institute (NVTI).

1.6 Significance of the Study

This study will offer vital information to policy makers concerning the influence of the procurement law for public institutions in the country. Judicious administration of public procurements schemes has been recognized as very significant to facilitate nationwide growth. Due to this, consecutive governments have identified that improvement in the procurement laws is a validation for judicious application of taxpayer's money. The procurement administrations are sturdily controlled and

instituted to safeguard achievement of value for money via transparency, equality, cost-effectiveness, competency and encouragement of contesting indigenous industry. It is therefore very important for a study of this kind to be undertaken to evaluate the performance of Public Procurement Act on public entities and challenges confronting the reform.

The study would provide empirical data to facilitate proactive management action to improve the quality of procurement of goods and services being provided at various directorates.

1.7 Scope of the Study

The study was limited to the challenges of Public Procurement practices at the National Vocational and Training Institutes in Greater Accra because of availability and accessibility of information. It ensured detailed investigation which yielded more valid and reliable results. Also the study was limited to core employees especially all those who are involved in public procurement activities within NVTI in the Greater Accra Region. This facilitated mobility to the target population as well as to cutting down cost comparatively. Other factors like time and convenience were also taken into consideration.

1.8 Overview of Methodology

A questionnaire was used in the collection of the primary data. The population for this study comprised all those involved in public procurement activities within NVTI in Greater Accra. The researcher conveniently chose the institution as the case study due to accessibility and limited time frame for the research. Census sampling was adopted in the selection of the respondents. The descriptive statistics tool such as frequency, percentages and mean scoring rate were used for the analysis.

1.9 Limitation of the Study

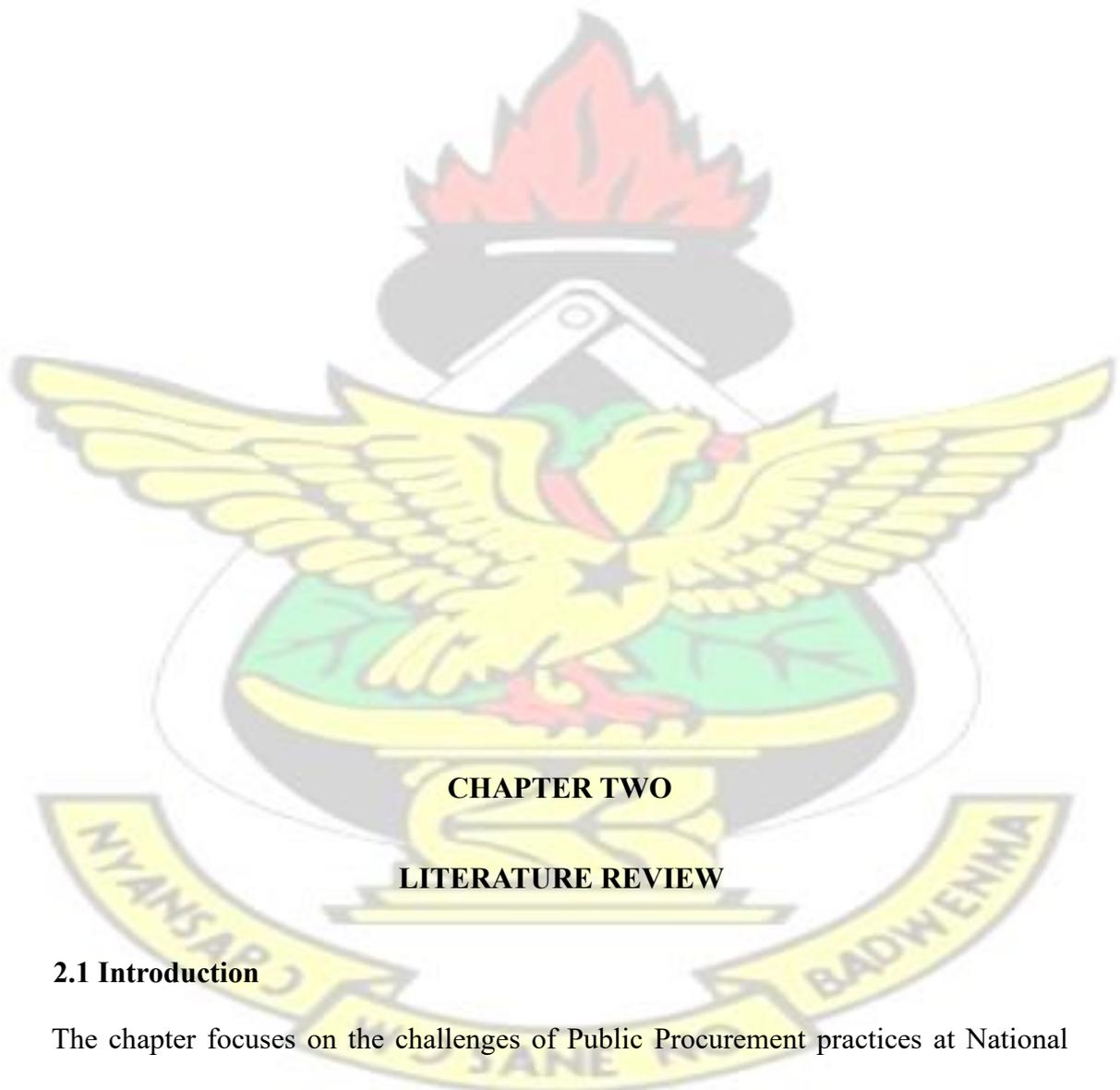
The following were some of the difficulties during the study:

1. It was hectic combining academic thesis with busy office schedules and family ties,
2. Unwillingness of some respondents to release information that will enrich the study with the fear that the information might leak to the press in spite of the assurance that the study was for academic purposes only, and
3. The risk and finance commitment involves in traveling to administer questionnaires to respondents.

1.10 Structure of the Study

This thesis has been divided into sections of five (5). Chapter one covered the introduction, the research problem, objectives and relevance of the study. Chapter two reviewed the relevant literature on the Public Procurement practices and then focuses on how procurement functions were undertaken before and after the reforms in Ghana. In this section, an ephemeral history of the Public Procurement Law and how other nations have practice their procurement law. Chapter three discussed the methodology applied to solve the study purposes. This included method of data collection and analysis. Chapters four analyzed and critique the results. Chapter five concluded the study and made recommendations for the National Vocational Training Institute (NVTI).

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter focuses on the challenges of Public Procurement practices at National Vocational Training Institute. Literature is first presented on an overview of public procurement practices in NVTI with an elaboration for understanding of the

procurement system in Ghana. The challenges that face public procurement practices in Ghana are mainly discussed.

2.2 The Definition of Public Procurement

The concept of procurement has been defined by numerous scholars. Procurement is undertaken everywhere both in public and private organizations and it can be described by a lay person as the process of acquiring goods for use. As put by Hunja (2003), public procurement is the procedure by which greater portion of public reserves are used by state agencies to acquire merchandise and services from the private area. According to the PPA of the Republic of Ghana, Public Procurement is the process by which Government funds are used to purchases goods, works, and services. Additionally, Adjei (2005) agrees with the definition. He defines public procurement as the procedure by which public administrations and institutions use government funds to legally acquire goods, works and services. The definition mentions some critical words which include „legal“ and „public funds“. These words indicate that procurement is done not in isolation but through a legal process so as to manage the often scarce funds of a nation. The tenets of Adjei’s definition can also be found in the definition given by Ghana Integrity Initiative (2007) cited in OseiOsei-Owusu and Gyapong (2013), Public procurement is the purchasing of properties, goods and services at the optimal probable value of possession, in the true specification at the appointed time, in the right place for the straight gain or application of state, organization etc., broadly through a contractual agreement. This definition however, further gives meaning to public procurement by indicating the expected state of the procured merchandise and services which are the optimal quality and quantity and the right time all of which ensure the principles of public procurement which will be explained subsequently. The researcher defined public procurement as a process by

which public funds is used to legally purchase goods, works and service from private provider for both private and public use.

2.3 Overview of Public Procurement in Ghana

Public procurement is critical in the management of the scarce resources of many governments particularly in the developing world where financial resources are very limited. According to the World Bank (2003), Ghana spends around 600 million US dollars in purchasing of merchandise and services. This adds up to around 10% of the nations GDP. This figure has soared up in recent times considering increase in population overtime. These statistics confirms the need for proper management of state resources through an effective process such as public procurement which is ably guarded by the Procurement Act 663 (2003).

2.4 The Public Procurement Reforms in Ghana

Ghana and for that matter governments that have ruled the nation have attempted to put in place numerous measures to manage the spending of government in order to make effective use of resources. Some reforms programmes have been introduced overtime to manage government purse. Key programmes and policies that have been introduced to reform public procurement or government spending in Ghana include the Public Financial Management Reform Program (PUFMARP) 1996. This policy was introduced by Ex-President Jerry John Rawlings to effectively and efficiently manage public spending in the country.

To further strengthen the reformation of the public procurement system, government introduced the Public Procurement Oversight Group (PPOG) as a major body to lead the process of reforming state procurement in Ghana. The work of the PPOG led to the introduction of the PPA, 2003, (Act 663) and also the establishment of the Public

Procurement Authority (PPA) as overseers and implementation body charged with of regulating, approving and ensuring the various entities and committees of the procurement entities adhere to the regulations and guidelines provided in the Procurement Act. The Public Procurement Body were given authority and responsibility to move from just procuring goods, works and services for organizations and institutions as was hitherto done by Ghana National Procurement Agency and Ghana supply company limited (Anvuur and Kumaraswamy, 2006).

2.4.1 The Public Procurement Act, 2003 (Act 663)

As mentioned earlier, PPA 2003 is the main legal regulatory framework developed out of the numerous reform programmes to guard the public procurement process in Ghana. The Act clearly indicates its role in public procurement, objectives of the Act, operations and purposes connected with procurement practices. The Act which is divided into 9 parts establishes or the responsible bodies and their responsibilities. It also outlines the procurement structures, procurement rules, tendering procedures amongst others.

From this it is clear that the Act has a key role to play in removing often identified challenges such as corruption and other misapplication of funds identified with public procurement entities Ghana (Osei-Tutu et al, 2010). However, a gap is also identified by Nketia-Asante (2013) on the implementation challenges of the Act.

This is the major focus of the study.

2.5 Procurement Methods

The Public Procurement Act 663 outlines 6 key public procurement methods to be used by public institutions in Ghana. These include Competitive Tendering (International and National), Restricted Tendering, Two-Stage Tendering, Request for Quotations

and Single Sourcing. These are further elaborated on as specified in Part IV of the procurement Act.

Competitive Tendering (Section 35)

Procurement entities are encouraged to use Competitive Tendering except in cases and conditions stipulated in the Act. There are two types of competitive tendering which are National and International Competitive Tendering. National Competitive tendering are limited to local businesses who can submit bids for an advertisement however, International competitive tendering must open the invitation to foreign firms to participant in all the processes. Every time open competitive tendering is adopted, efficacious contest is attained. The method as the name denotes provides a platform for competition using quality and cost-based method of selection for organizations who bid by responding to advertisement made openly in National newspapers. The Act states that if an entity decides to use a particular technique of procurement other than tendering competitively, it will require to comprise in the records evidence that it depends on to justify the use of that method. This underscores the importance of the method in ensuring competition a key principle of public procurement. Weele (2000) affirms the importance of Competitive Tendering by indicating that members of the European Union have the potency of saving 4% off their budget spending if they applied effective competitive tendering processes.

Two-stage tendering (Section 36-37)

A 2-level tendering is required to be used by a procurement agency, as stated by the PPA 663 (2003):

- a. During times where it not reasonable for the procurement agency to develop comprehensive stipulations for the assets or merchandise, in the event of services, to determine their features and where it finds offers on diverse ways

of achieving its requirements so as to acquire the most appealing answer to its purchasing of necessities; or where the nature of the merchandise is susceptible to swift growth in technology; and

- b. At periods where the procurement agency inquires to involve into an agreement for scientific studies, laboratory experiment, with the exception of where the agreement involves the creation of goods in enough amounts to determine their market potential or to recoup research and growth costs. The method involves 2 stages of tendering. At the first stage bidders present the technical and contractual details in their bids for selection and screening down of bidders by the procurement entity. Selected bidders are then invited to present their bids a second time with the financials inclusive.

Restricted Tendering (Section 38-39)

Restricted Tendering is one of the non-competitive methods outlined by the Procurement Act. Though it is criticized for its lack of competitiveness and thus a potential method for corruption, especially when not applied in accordance with the processes outlined by the procurement Act. The Act indicates that the method can be used when the goods or services being procured are limited to a number of suppliers or contractors. Again it is eligible when the value of the goods does not correspond to the time and resources for inspecting and assessing a number of suppliers. Entities after meeting the conditions for using this method shall invite and select in discriminatorily select from the contractors capable for providing the good or services. Notice of using this method is to be published in the Procurement Bulletin.

Single-Source (Section 40-41)

This process is also another non-competitive method for procurement. This method like the restricted tendering is used in special conditions as indicated by the Public

Procurement Act (663). The Act states that this method is eligible for use when goods or services are available from a known tenderer or contractor; emergency or catastrophic situations which are unforeseen and in cases where additional goods are needed and also need for compatibility of goods procured earlier. This method is only used when approved by the Procurement Authority. However, looking at the conditions presented for using this method, a key question that emanates is what happens when the Procurement Authority delays in approving the go ahead for an entity. Could the entity use it and justify its actions by the emergency attached to the goods they were procuring? These are all critical questions that need answers to address the challenges of the Public Procurement practices.

2.6 Benefits of Public Procurement in Ghana

Public Procurement has a number of gains to the public expenditure of Ghana. The PPA in its yearly account indicates a number of benefits to public entities in Ghana. A key benefit mentioned is the successful completion of project on time, in the right quantities and meeting standards in terms of quality. These they indicated were as a result of the Procurement Act that now presents a detailed guideline for procurement and as a result promoting competition, reducing corruption and also making sure that standard procedures are followed when using state resources. Again, though anecdotal the PPA suggests that an effective public procurement system goes a long way to improve confidence of the ordinary Ghanaian in the public organizations. This improves payment of taxes, fees and all monies people pay as they are confident it will be effectively and efficiently used.

2.7 Challenges to the Public Procurement

From discussions made, it is clear that the major objective for the establishment of the PPA is to reduce the anomalies in the public procurement system of Ghana. However,

the introduction of the law does not seem to have totally nipped the problems of procurement in the bud as there are challenges associated with these laws and guidelines.

A key challenge that is found in literature is the lack of political will to carry out the procurement activities as it restricts activities of corruption and mismanagement which are identified as characteristics of political powers. According to Sahr, (1998) cited in (Ameyaw and Osei Tutu, 2012) the potency for such reform programmes or laws to thrive in a Nation is highly dependent on the strong political will of people in power who are the key implementers. Any show of apathy or non-compliance defeats the entire idea to change any system. Philip (2002) argues that, it is not the making of the laws alone that ensures transformations and reforms but concerted effort and willingness of all key stakeholders to ensure the operation of the laws is the key to the effectiveness and efficiency of such laws and reforms. Osei-Tutu et al (2010) speaks on the issue of corruption and asserts that reforms that are meant to tackle corruption such as the procurement Act often fail as there are less strategies and political will especially from the top hierarchy of government who uses such laws to boost their image but do little in terms of willingness to prosecute defaulters who are party faithful"s amongst others.

Political interference is identified to be one major challenge of implementing procurement in Ghana. The World Bank (2004) suggests that, though there is an Act that guides the procurement process. The strong power given to procurement heads some of who are appointed through the political process leads interference on what the entities should do even if it contradicts the guidelines outline in the Public Procurement Act.

Corruption is also one major challenge. Though the Procurement Act 663 aims to fight corruption in terms of procurement, the situation is dire as the same people who the law seeks to fight against lead the process in implementation of procurement in Ghana. Considering Mawenya (2008) assertion that the expense of corruption in the whole continent is projected to about \$148 billion per annum and with Ghana's bad reputation in corruption in terms of its corruption perception Index as identified by (Transparency International, 2012). The operation of the procurement law will always be a challenge. The report ranks Ghana as one of the leading corrupt countries in Ghana identifying some public offices who are the enforcers of the Public Procurement in Ghana as the most culpable to this crime.

The human resource capacity for implementing public procurement is also a major challenge. Though undocumented information reveals that, there is a gradual drafting of procurement oriented people into public institutions to undertake procurement activities. The year 2003 account by the Country Procurement Assessment Report by the World Bank discovered that, majority workers of the Ministries, Departments and Agencies (MDAs) and District Assemblies (DAs) accountable for procurement were not well vexed in procurement procedures. This the report contend is always a major challenge in a technical process like Public Procurement where standard procedures like Tendering and Evaluation of Bids need to be applied. This reinforces the argument by (Azeem, 2007), that meagre propagation of procurement law among the obstacles confronting the smooth integration of public procurement regulations.

The absence of career growth medium and meagre remunerations of procurement individuals obstruct developments in procurements (World Bank, 2003). Improper keeping of records (World Bank, 2003), delays in remuneration of contractors and

suppliers are identified as some of the vital elements that obstruct developments in procurement (Azeem, 2007). The inadequate competent staff challenge is further compounded by inadequate capacity building in some instances. For instance, procurement officials in Malawi were found to be limited in terms of understanding of basic procurement processes such as understanding of standard tender procedures, evaluation amongst others (ODPP Annual Report, 2007). The report outlines: “reduction in expertise, deficit of competent economic resources, deficiency of proper office space and non-conformity with some requirements of the law, inadequate management of records by agencies and gallop pricing of merchandise and services by tenderers”.

These challenges discussed are not unique to Ghana as other countries particularly in Africa have also identified same challenges in their procurement system. The National Public Procurement Authority of Sierra Leone (2005) report several encounters in the integration of state procurement in the country. Challenges identified include: weak financing, insufficient personnel capacity and managerial and supply challenges. These challenges are obviously synonymous to the challenges discussed in this chapter.

2.8 Consequences of Poor Procurement on Organizations

A poor public procurement system reduces confidence in government. It affects the ordinary citizen in terms of taxes and contributing to the resource base of government to use for procurement. Again it detracts investors whose money was used for undertaking government business and general development of the nation. Donors will either lose confidence or dictate their own standards or terms in procurement. Also, the lack of confidence in the system also reduces competition and thus reduces entities chance of ensuring value for their money (World Bank, 2002).

Furthermore, a poor procurement system also dampens the confidence of the private sector to engage in any business. This decreases private and public competition and transparency and encourages further corrupt practices by the public sector. Could lead to increased levy stages, increased stages of liability or upsurge public service. A poor relationship with the private sector and low competition as a result of lack of confidence in the system leads to lower standards and poor service delivery. Lateness in the delivery of goods and at low qualities incurs extra cost as it easily gets spoilt and thus requiring frequent repairs (PPA, 2007). The procedures in procurement is sophisticated due to the magnitude and red tapes of business owned by the government. In spite of the fact that, public procurement is the same as the private sector, the former dwells on cost, rivalry, openness and transparency, having some distinct attributes which renders it diverse from the later. For instance, the procedure of procurement that involves choosing tenders, assessing bids and choosing agreements must be open and see-through to the community. Also, civic establishments must follow particular acceptable guidelines and limits enforced by the state.

As suggested by Weele (2000), procuring measures are typically full of a lot of bottlenecks and need that all managers append his autograph under the designated directive. The widespread approval processes induce procurement a time consuming, boring, and difficult and sluggish down procedure. This gives the reasons wherefore majority organization among the states of developing economies are more “in the pipe line” and not out performance positioned. He is of the view that, his encounter with state procurement projects illustrate that non adherence of adequate procurement processes and a specialized expertise to purchasing might result to important cost and time overruns. As suggested by him, the European Commission calculates that

European nation makes yearly savings proximately four percent of their buying targets, when they employ persistent and rivalrous bid processes in their encounters with tenderers or suppliers.

At the National Vocational Training Institute (NVTI), procurement activities are supervised by the various head of the various branches with no formal procurement department to handle purchasing activities, people normally incorporated are challenged by pervert practices at a point. Poisson (2010) asserts that it not a novel phenomenon. The motives for this was that corruption matters emerged just lately on global plan with the use of the OECDs 1999 gathering on fighting enticement of overseas civic authority in global commercial dealings and the use of the 2003 United Nations Convention Against Corruption. Moreover, the companies attached in NVTI which falls under the Ministry of Employment and Labor Relations feared that the simulacrum of the Institute might be dented and so resources assigned or government support to the segment may dwindle.

The research centers on the challenges of the public procurement practices within National Vocational Training Institute because of the novel constraints that sprouted like the speedy development in assets assigned to the department, the decentralization of Ministry's scheme of financing and administration among others. According to Poisson (2010) such obstructions reveal novel chances for massive scope bribery and scam.

The research addresses the process to amend answerability and transparency in all sectors of scheduling and administration like funding, managerial, public procurement that is of better involvement and assessments. Concluding, it demonstrates that proper procedures better liability and transparency in that area, measures put in place to

maintain standards, build capacity, follow administrative processes and promote greater ownership. It is interesting to note that corruption to a very large extent influence all sectors of scheduling and administration. The competency of the procurement regulations is founded on fairness, clearness and answerability. Assuming such elements cannot be pleased, indicating that procurement activities are obstructed.

The National Vocational Training Institute (NVTI) is under the MELR, each institution directed by institute managers, and the officials in charge of procurement activities are accountant, head of departments with procurement officers at headquarters of the NVTI who oversees procurement activities of the institute. This leads to the use of wrong methods and side stepping of procedures.

2.9 Improving Procurement Challenges

A number of measures should be put in place to improve public procurement in Ghana. Shaw (2010) opines that independent auditing of procurement entities is very critical if the challenge of corruption in public procurement can be reduced. Auditing as identified by Shaw should not only be the means to improve procurement but also prosecution and sanctioning of defaulters. It was supported by Ameyaw et al, (2012) that punitive measures should be strictly applied as in the Act to deter officers and service providers who breach the procurement process. Also, on the part of suppliers, procurement entities should ensure that contracts are not given only to organizations that had lower prices but also had the tendency of ensuring that procurement entities had value for money by providing goods on time, in the right amount and at acceptable standards (Shaw, 2010). Procurement ought to be flawless with incorporated with other areas of supplying and activities in the firm, like storekeeping, sharing, funding and human resources. An incorporated technique to facilitate distribution will admittedly

donate to the eventuality, competent and efficacious distribution of humane aid. Uncluttered verbal relation strokes, appropriate stream of certification and continuous response will aid equip the procurement procedure. The inclusion of the supply responsibility in evaluations will equip supplies to schedule for facilities distribution, yet for supplies to be fruitful, the scheme of procurement must properly incorporate and clear in the general feedback scheme. During distress times, well approachable supplies arrangement and reaction will aid to speed check the growth of a feedback plan, personalized for a particular condition (Shaw, 2010).

The multiple obstructions fighting against the creaseless operation of civic developments in procurement in Africa may partially be assigned to the weak nature of incorporating entities to strongly side with done nations on their traditions, sociofinances, partisan, moral, and social responsiveness, so as to guide developments that fits particular national requisites. An evaluative look at majority of African nations present civic regulations of the public shows a restriction on the application of technology. The condition renders it to a greater complex to competently honor agreements and supervise state of work, but somewhat support bottleneck procedures. With alterations in information and verbal relations know-how among organizations happening at a quick step (Zsidisin and Ellram, 2001), it is essential that nations in Africa sustain stride with current techniques to information administration so as to be rivalrous.

Steadily moving long relations in a competitive commercial society aids organizations attain higher productivity via deducting cost, bettering quality, and growing customer feedback (De Toni et al., 1994). Cooperating crosswise the procurement activities delivers chances for improved utilization of procurement expertise and resources improve yields and the propagation of optimal practice (Mandiyambira, 2012). Agbesi

(2009) asserts that the establishment of a unified procurement unit, information dissemination, early payment, training and capacity building and rate reasonability analysis would be solutions to some of the procurement challenges. Procurement entities should ensure that unified procurement units are established manned by qualified and experience professionals. There are so many approval levels such as the entity head, entity tender committee and the review boards. Gnanih (2012) suggested that the PPA in consultation with the Ministry of Finance should take steps to review the Act to minimize the gauge of bottlenecks in the scheme. Officialdom nature postponements the smooth management of the procurement process since it adds more cost to the contractor operations and government if they are to pay interest on delays. Badenhorst-Weiss and Nel (2011) opines that the procurement system requires the creation of three bid committees namely the bid specification committee, the evaluation committee, and the tender committee. He asserts that Public procurement malpractices could be limited through the involvement of stakeholders (civil society organizations) to be part of the procurement process. Waynes (2005) confirms the complaints by disappointed bidders of government/entity actions before and after contract award allow the process of government to improve.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter was used by the researcher to obtain information in relation to the study. It looks at the choice of methods, techniques, procedures for gathering and analyzing data, research designs, population and instrument used in data collection. The essence of combining these tools was to produce research findings that are based on relevant and verifiable evidence to warrant valid conclusion.

3.2 Research Design/Strategy

Bless and Higson-Smith (2004) defined research design/strategy as a set of procedures that direct the researcher in the procedure of verifying a particular assumption and excluding other possible explanation. It was emphasized that research strategy is the plan that the researcher will pursue to execute an investigation to address the research questions (Saunders et al., 2007). The researcher used case study as the strategy for the research. The study was based on identifying the challenges of the public procurement practices, the NVTI perspective. This research employed quantitative research approach in the data collection and analyses of responses.

3.3 Population and Sample Frame

A research population can be defined as the totality of a well-defined collection of individuals or objects that have common, binding characteristics or traits (Satin and Shastry, 1993). The sample frame of this study was the population or staff involve in procurement activities of the institute in Greater Accra. The population for this study comprised all those who are involved in public procurement activities within NVTI

at the Greater Accra where procurement activities are carried out. These include the Entity Tender Committee members, Procurement officer, Institute Managers, Accountants and Heads of Department.

3.4 Census Survey

A census is the study of the available members or element of the population (Satin and Shastry,1993). The researcher adopted the census because of the small population of the study area. A census study occurs if the entire population is very small or it is reasonable to include the entire population (for other reasons). This was used to elicit views from persons who have specific expertise, experience, and knowledge in procurement at NVTI (Sarantakos, 2006). The researcher used the following officials who were directly involved in procurement activities at the Institute.

The researcher used the following officials who were directly involved in procurement activities at the Institute in Greater Accra.

- | | |
|--|---|
| a. Entity Tender Committee Members..... | 9 |
| b. Procurement Officers..... | 1 |
| c. Training Institutions | |
| • New Career Training Institute, Dansoman..... | 4 |
| • Kanda Training Institute, Kanda..... | 4 |
| • Burma Camp Training, Burma Camp..... | 4 |
| • Pilot Training Institute, Kokomemle..... | 4 |
| • Tema Industrial Mission, Tema..... | 4 |

3.5 Data Sources

This study adopted both primary and secondary data. Fundamental data were acquired from responses from respondents via the administering of questionnaires. The primary data provided reliable and accurate first-hand information pertinent to the research. The secondary data was gotten from the Public Procurement Authority, library, internet, research reports, journal, and articles. The secondary data provided the necessary information to guide the conduct of research projects to either confirm or reject the primary data.

3.6 Data Collection Instrument

In order to accomplish the aim and objective of the study, a myriad of questions that are relevant to identifying the challenges to public procurement practices and how to ameliorate these challenges were formulated into questionnaires. Shaw, (2010) as cited in Dakyira, (2014) defines questionnaire as a formed set of questions or statements designed to gather information from respondents that achieved research objectives. The questionnaires may either be structured, semi-structured or unstructured. For the purpose of this research structured questionnaires were used by the researcher to obtain relevant information on the topic. The questions were divided into sections that covered the research objectives and research questions. The first part dealt with demographics of the respondents at the NVTI to provide background information. The background information is important to ascertain the reliability and credibility of the data. The second part of the questionnaire provided the respondent's level of agreement or disagreement with the factors they consider as challenges to the Public Procurement practice in the NVTI. The final part gives the respondent an opportunity to express their views on how these challenges could be ameliorated.

3.7 Pre-Test

In order to test the reliability and validity of the data collection instrument, pre-test was carried out. There was a pilot study conducted. This led to early detection of errors in the questionnaires which were corrected in the process. According to Sarantakos, (1998) it helped the researcher to acquaint himself the study environment and also offered the opportunity to practice research in real situation before the main study began.

3.8 Data Analysis

The data was organized into tables and figures based on the questionnaire given to respondents. The result was then analyzed and converted into percentages and other charts. Quantitative and qualitative methods were employed in the analysis of the data. The result was subsequently computed into percentages. Percentage (%) values, which were not around figures, were approximated to the nearest whole numbers. Diagrammatic representations of the statistical summaries of the result were presented in the form of pie charts, graphs, frequency tables. The respondents rated both the challenges and solutions to the challenges on a Likert scale of 1 to 5. The scaling was as follows:

- | | | |
|---|---|--------------------------|
| 1 | - | <i>Not sure</i> |
| 2 | - | <i>Strongly disagree</i> |
| 3 | - | <i>Disagree</i> |
| 4 | - | <i>Agree</i> |
| 5 | - | <i>Strongly agree</i> |

Likert scaling was used because it has been widely adopted by researchers as an instrument for measuring beliefs, attitudes and opinions. It facilitates data analysis (Coleman, 2011). The data was analyzed using descriptive statistics such as frequencies, percentages and mean score ranking. SPSS and the Microsoft excel were the main software's employed to analyses the data in order to help interpreted results.

The statistical program for social scientist (SPSS) was also used to analyze the pre-coded questions. This packaged was used to compute the percentages because it is easier to use. It can also be used to make a tables needed for discussions of the results. Also Ms Excel was used to draw the graphs for the computed data. This was used by the researcher because of the ease in using Ms excel for this purpose over the other software. The other questions that were open-ended were analyzed by listing all the vital response given by the respondents. They were then considered based on their relevance to the research.

3.9 Ethical Issues`

Permission was sought from the management of the institution to undertake the research. The respondents were informed of the purpose of the research to seek their consent to participate in the research process. The respondents were assured that the use of the responses were purely for academic purposes only.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter explains information gathered from the field through the use of questionnaires. These are analyzed to emphasize response from respondents using various forms of graphical representations. This chapter is also divided into subheadings to throw more light on questions asked on the field in relation to the objectives of the study.

4.2 Study Organization

National Vocational Training Institute was established in 1967 after a tripartite National Manpower Board was formed comprising of representative of the

government, employers (industry) and workers (labour) was to plan the skills development needs and utilization of human resource in accordance with the expected socio-economic development of the country. The Institute received donor support from United Nations and Development Programme Special Fund (UNDP/SF) to establish and run NVTI programmes for both phase one two. UNDP provided funds for the first phase of the project which was of four years' duration was approved. The Ghana government provided 10% of the donor's contribution for the first phase of the project. As part of the agreement, the UNDP provided for expertise in addition to tools, equipment and fellowships.

The plan of the project was signed on 23rd October, 1968 and started operations on 25th October, 1968 with the International Labour Organization (ILO) acting as the executing agency and the then Ministry of Labour, Social Welfare and co-operatives now Ministry of Employment and Labour Relations as the co-operating agency. The NVTI was then established by an Act of Parliament which gives the Institute the powers and authority to operation its functions. Parliament on the 12th January 1970 passed Act 351 to give the Institute a legal backing of the establishment of the National Vocational Training Institute (NVTI).

4.2.1 Vision Statement

We will provide the best systems of employable Technical Vocational Education and Training skills.

4.2.2 Mission Statement

To provide demand-driven employable skills and enhance the income generating capacity of basic and secondary school leavers, and such other persons through

competency-based Apprenticeship, master craftsmanship, Testing and Career development.

4.2.3 Core Value:

- Pursuit of excellence;
- Teamwork;
- Respect for all;
- Truth, honesty and integrity; and □ Cost-effectiveness.

4.2.4 Departments

The Institute operates under three main divisions:

- ❖ Finance and Administration;
- ❖ Testing;
- ❖ Programmes and Operations;
- ❖ Department of Apprenticeship;
- ❖ Department of Instructor and Master craftsman training;
- ❖ Department of Monitoring and Evaluation;
- ❖ Department of Centre Training;
- ❖ Department of Counseling and career development;
- ❖ Department of Accounts;
- ❖ Department of Internal Audit;
- ❖ Department of Human Resource; ❖ Department of Public Relations; and ❖ Department of General.

4.2.5 Functions

According to the Act of Parliament (Act 351) establishing the National Vocational Training Institute, it is to function as follows:

1. To organize apprenticeship, in-plant training and training programmes for industrial and clerical workers and train Instructors and training officers required for the purpose;
2. To provide for vocational guidance and career development industry;
3. To develop training standards and evolve effective trade testing and certification policies and programmes;
4. To initiate a continuing study of the country's manpower requirements at the skilled worker level; and
5. To establish and maintain technical and cultural relations with international organizations and other foreign institutions engaged in activities connected with vocational training.

4.2.6 Nature of Business

The Institute operate thirty-four (34) training Institute across all the regions of the country. It provides training in twenty-eight (28) skill areas.

4.2.7 Management

The Management Board is the overall policy-making body of the NVTI. The Government through the Ministry of Employment and labour Relation appoints members of the Board of Directors. National Apprenticeship Council, the National Clerical Council, and the National Trade Testing Committee advised the Management Board on its policy-making matters. The Council and the Committee are tripartite in composition are made up of representatives of Government, the Employers Association and Ghana Trade Union Congress. A Director, who is a member of the Board, does the day-to-day administration of the Institute.

4.3 Demographic Data of Respondents

Data was gathered on the characteristics of respondents to show data on the characteristics of the respondents we spoke to. It is however, important to indicate that out of the proposed 30 respondents on 25 of the questionnaires were administered as a result of time constraint. Data is thus analyzed based on these 25 respondents' answers.

4.3.1 Gender Distribution

In dealing with gender, it was realized that 20 out of the 25 respondents representing 80% were males. Table 1.1 throws more light on the gender distribution of respondents.

Table 4.1: Gender Distribution of Respondents

Gender	Frequency	Percentage %
<i>Males</i>	20	80
<i>Females</i>	5	20
<i>Total</i>	25	100

Source: field survey, 2014

From Table 4.1, it is realized that 5 respondents representing 20% of the total number were females while 20 forming 80% of the total number were males. This clearly shows that there are more male participants than females in this survey. An indication of more male involvement than females in the procurement process.

The study sought to find out the educational qualifications of respondents.

Responses are illustrated in Figure 1.

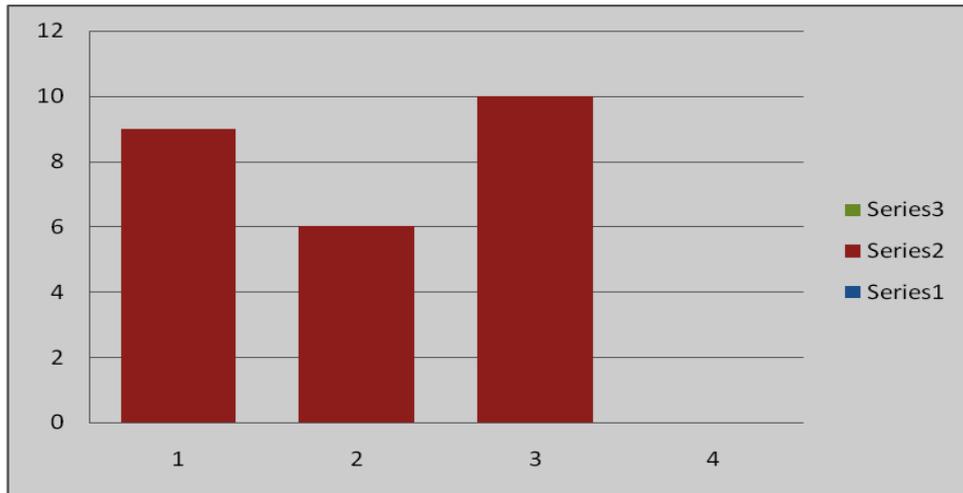


Figure 1: Educational Qualification of Respondents, Source: field survey, 2014

It is realized from Figure 1 that 9 out of 25 respondents had first degrees, 6 had master's degree with the majority of respondents thus 10 having Diploma. This shows a high educational level of respondents and thus an understanding of the procurement process. Furthermore, the researcher wanted to find out from respondents the number of years spent at NVTI, responses are as follows. Out of 25 respondents, 3 forming 15% of respondents had been with NVTI for less than 3 years, 6 representing 23% of respondents had been with NVTI between 3-5 years, 7 constituting 28% of respondents had been with NVTI between 6-8 years, the majority of respondents thus 9 making 34% of respondents had spent between 9-11 years at NVTI. Responses are further highlighted in Figure 2 below.

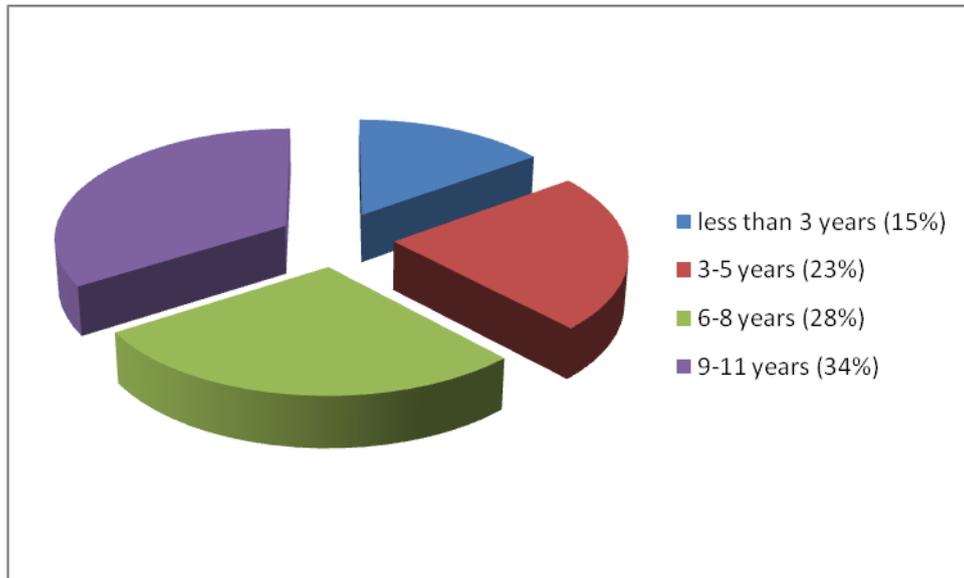


Figure 2: Number of Years Spent at NVTI, Source: field survey, 2014

This data coupled with the educational levels of respondents makes it clear that respondents are well vexed with the procurement process as a result of experience and their educational levels.

4.4 Public Procurement Reform

This section was to find out from respondents' knowledge on the public procurement and its effects. Respondents were asked whether they understand the public procurement law in the country. Out of 25 respondents, 10 forming 42% of respondents stated „yes“ that they understand the public procurement law in the country while 15 representing 58% of respondents stated „no“ that they do not understand the public procurement act. Table 4.2 explains further.

Table 4.2: Respondents and Procurement Law

Response	Frequency	Percentage %
Yes	10	42

No	15	58
Total	25	100

Source: field survey, 2014.

Table 4.2 shows that majority of respondents thus 58% do not understand the public procurement act in the country while 42% understand the procurement law. It was also realized that most respondents who understand the procurement law are all from the headquarters of NVTI while the rest are from the various branches of NVTI spread across the country.

The researcher wanted to find out from respondents whether they have had any form of training on the public procurement act. Out of 25 respondents, 8 representing 31% of respondents stated “yes” while 17 forming 69% of respondents stated no. Once again all respondents who stated „yes“ were all from the headquarters of NVTI.

Figure 3 illustrates further.

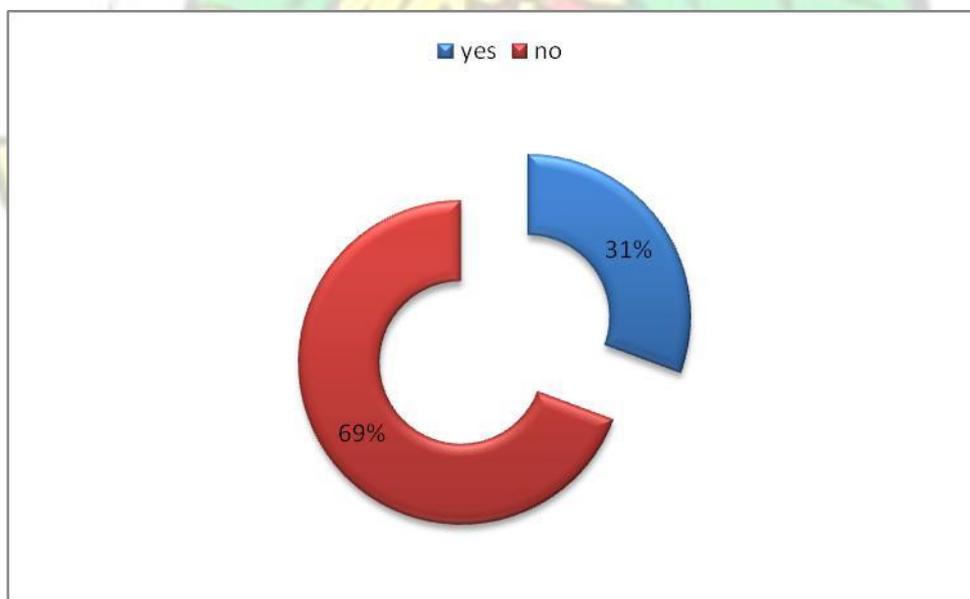


Figure 3: Training on the Public Procurement Law, Source: field survey, 2014.

Figure 3 shows that majority of respondents have had no training on the public procurement law while 31% mainly from the head office have had training on the public procurement practices

4.5 Responses on challenges to public procurement practices

Table 3 shows the summary of the responses, weighted mean, standard deviations and ranking of the factors responded by the participants.

Table 4.3 Challenges to public procurement at NVTI

No	Challenges of the Public Procurement practices	Mean	SD	Rank
1	<i>Bureaucratic nature of government business</i>	4.48	0.915	1 st
2	<i>Political interference</i>	4.44	0.903	2 nd
3	<i>Lengthy approval levels</i>	4.16	0.818	3 rd
4	<i>High cost of projects</i>	4.20	0.829	4 th
5	<i>Coordinated bribery and corruption</i>	4.12	0.807	5 th
6	<i>Unrealistic threshold methods for Institution</i>	4.08	0.796	6 th
7	<i>Low level of competition</i>	4.04	0.785	7 th
8	<i>Lack of knowledge of the procurement Act</i>	4.00	0.774	8 th
9	<i>Uncoordinated projects by Entity</i>	3.96	0.764	9 th
10	<i>Alleged conflict of interest</i>	3.84	0.736	10 th
11	<i>Service Providers not confident of the procurement process</i>	3.76	0.718	11 th
12	<i>Procurement function is low in the Entity</i>	3.64	0.694	12 th
13	<i>Limiting competition by the Entity (short of tender forms)</i>	3.52	0.674	13 th
14	<i>Funds not used for the intended purpose</i>	3.48	0.668	14 th
15	<i>Low remuneration of procurement officers</i>	3.44	0.736	15 th
16	<i>High cost of advertisement</i>	3.40	0.657	16 th
17	<i>Inadequate funding of procurement</i>	3.24	0.641	17 th
18	<i>Lack of adequate training for procurement officers</i>	3.32	0.648	18 th
19	<i>Wrong interpretation of the procurement Act</i>	3.28	0.640	19 th
20	<i>Untrained Entity heads and procurement practitioners to handle complains</i>	3.24	0.641	20 th
21	<i>Splitting of procurement into smaller unit to avoid approval from the Board</i>	3.20	0.639	21 st
22	<i>Service Providers find it difficult to secure bid, and performance securities</i>	3.12	0.635	22 nd
23	<i>Poor dissemination of information about the procurement Act.</i>	3.04	0.633	23 rd
24	<i>Inadequate recordkeeping systems</i>	3.00	0.632	24 th
25	<i>Inadequate sanctions for procurement offenders</i>	2.96	0.632	25 th
26	<i>Increased procurement malpractices</i>	2.92	0.633	26 th

27	<i>Too much paper work in procurement</i>	2.80	0.639	27 th
28	<i>Shoddy works by contractors/suppliers</i>	2.76	0.641	28 th
29	<i>Unqualified evaluation panel members to handle evaluation</i>	2.68	0.648	29 th
30	<i>The Procurement Act favours the Entity</i>	2.00	0.775	30 th
31	<u><i>Delay in payment</i></u>	<u>1.44</u>	<u>0.887</u>	<u>31st</u>

Source: author's fieldwork, 2014

The results show that NVTI is faced with myriad of challenges. The five (5) most essential factors of public procurement agreed by the respondents are as follows:

4.5.1 Bureaucratic nature of government business

The respondents agreed that this is the most essential variable militating against public procurement. This factor had the highest mean score value of 4.48. According to Weele (2000) the procurement procedure are usually embedded with a lots of bureaucratic and requires every superior to put his/her signature under intended order. He argues that undue procedural may lead to significant cost overrun. Agyenim (2007) also confirms that bureaucracy leads to fluctuation of prices which is one of the components of evaluating procurement.

4.5.2 Political interference

This factor was ranked second on the list of procurement challenges at the NVTI with the weighted score mean of 4.44. This indicates that there is a strong political inference from superior officers. As a results of pressure from above the process are sidestepped and contracts are awarded to contractors/suppliers based on political interest instead of the processes out outlined in public procurement. World Bank (2004) confirmed that a number of politician think that they have the right to intervene in the procurement procedures there leading to capricious procurement decision. This is a breach of section 92 (1) b of the Act which states that direct influencing in any manner

or attempting to influence in any manner, the procurement process to obtain an unfair advantage in the award of a procurement contract is an offence.

4.5.3 Lengthy approval levels

The respondents agreed that this is the most essential factor affecting public procurement. The variable had a mean score value of 4.16. Delay in the approval levels can result in high interest payment on loans. Reduction in the number of approval levels can considerable some cost in procurement. Acquaye (2011) stated that typical International Competitive Tendering (ICT) may require a minimum of 6 months from the invitation of Tender to commencement of works. According to the respondents the approval authorities meet once in a month and sometime they fail to meet. This increases procurement lead time and cost of doing business.

4.5.4 High cost of projects

This is one of the most important variables with a weighted mean value of 4.20. The respondents identified high cost of projects as another factor which adversely affects public procurement. The World Bank stated that delays increase government expenditure. This was confirmed by Weele (2000) that delay would lead to loss of money through overspending and it affects government budget. The European Commission (EC) estimates that its member country annually will save at least 4% of their procurement budget provided they will apply consistent and competitive tender procedures in their dealings with suppliers.

4.5.5 Coordinated bribery and corruption

With weighted mean score value of 4.12 the respondents identified coordinated bribery and corruption as one of the most vital factor affecting public procurement. Thai (2004) states that Public Procurement has been perceived as an area of waste and

corruption. Osei-Tutu (2012) also confirms that corruption occurs throughout the procurement process and project cycle, through the actions and inactions of political officers, public servants, clients, consultants and suppliers. Lengwiler and Wolfstetter (2006) revealed that the quantum of money changing hands through corruption in public procurement is estimated between \$390-400 billion per annum all over the world.

4.6 Solutions to ameliorate challenges public procurement practices

The respondents were asked to express their level of agreement or disagreement to the number of listed factors that could remedy the public procurement challenges.

Table 4: Solutions to ameliorate public procurement challenges

No	Solution to ameliorate the challenges	Mean	SD	Rank
1	<i>Procurement malpractices can be reduced through opened and transparent practices</i>	4.64	0.968	1 st
2	<i>Formula for Thresholds calculation should be reviewed to reflect current economic situation</i>	4.60	0.955	2 nd
3	<i>Procurement function should have single and independent unit.</i>	4.36	0.877	3 rd
4	<i>Set up a central fund for procurement activities to ensure effective procurement planning</i>	4.32	0.864	4 th
5	<i>Long stages of approval levels should be reduced to avoid delay in the process</i>	4.28	0.853	5 th
6	<i>Entity heads and procurement practitioner should be trained to handle complains</i>	4.16	0.818	6 th
7	<i>the Act should be review to empower service Providers to protest</i>	3.88	0.745	7 th
8	<i>Sanction Institution that sells tender document to limit competition</i>	3.68	0.701	8 th
9	<i>Government support tertiary Institutions to train more procurement professional</i>	3.44	0.662	9 th
10	<i>Sanction entities that fails to writing unsuccessful bidder</i>	3.36	0.653	10 th

Source: Fieldwork, 2014

4.6.1 Procurement malpractices can be reduced through opened and

transparent practices

According to Badenhorst-Weiss (2011) states that public procurement malpractices could be limited through the employment of stakeholders such as civil society organizations to be part of the procurement process. Lewis and Roehrich (2009) also confirm that in order to improve procurement, practitioners should guard and mitigate against risk, understand the market, build relationships with suppliers, meet in a timely manner and constantly monitor performance to service provision.

Shaw (2010) suggested that organizations should always ensure that sufficient procedures are done to check that work has been satisfactorily done before payment is made.

4.6.2 Formula for Thresholds calculation should be reviewed to reflect current economic situation

The respondents think that there should be a formula for calculating thresholds to reflect current economic situations. Agyekum-Akwatiah (2001) observed that the procurement threshold methods prescribed in the Act 663 since its enactment in 2003 are now woefully unrealistic. Ayitey (2012) agreed and proposed an increase in the threshold. This way the procurement entity will have a greater control to avoid delays in the procurement processes.

4.6.3 Procurement function should have single and independent unit

The respondent agreed that there was the need to ensure the establishment of a unified procurement unit manned by qualified and experienced procurement professionals. The unit should have an independent status to avoid undue political influence by superiors.

4.6.4 Set up a central fund for procurement activities to ensure effective procurement planning

Sufficient funding must be obtained to support procurement activities without relying on any Institution for funds. This will allow for independent procurement unit which will function efficiently to ensure transparency and fairness.

4.6.5 Long stages of approval levels should be reduced to avoid delay in the process

The procurement Act 663 should be reviewed to reduce the number of stages in the procurement process to limit the level of bureaucracy in the system.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary of study, conclusions arrived at and some recommendations. The aim of this research was to identify the challenges to public procurement practices at National Vocational Training Institute (NVTI).

In order to achieve this aim two research questions were asked:

- What are the challenges faced by NVTI in trying to practice Public Procurement laws? and
- How can these challenges be ameliorated to ensure smooth practice of the Procurement Act?

5.2 Public Procurement challenges

The study was set out to identify challenges to public procurement practices at NVTI. The research work was undertaken purposely not only to fulfill the academic work but identify challenges to public procurement practices in NVTI

to inform policymakers. After a series of intensive review and analysis of data relating to Public procurement practices, the following findings were made.

- Bureaucratic nature of government business;
- Political interference;
- Lengthy approval levels;
- High cost of projects;
- Coordinated bribery and corruption;
- Unrealistic threshold methods for Institution;
- Low level of competition;
- Lack of knowledge of the procurement Act;
- Uncoordinated projects by Entity; and □ Alleged conflict of interest.

5.3 Solutions to ameliorate the challenges

The thesis was set out to identify remedies to these challenges of public procurement practice at NVTI. The research work was undertaken purposely not only to fulfill the academic work but to identify solutions to these challenges of public procurement practice in the NVTI to inform policymakers. After a series of intensive review and analysis of data relating to Public procurement practice, the following most essential remedies were identified to ameliorate the challenges. These are:

- Procurement malpractices can be reduced through opened and transparent practices;
- Formula for Thresholds calculation should be reviewed to reflect current economic situation;
- Procurement function should have single independent unit;
- Set up a central fund for procurement activities to ensure effective procurement planning;
- Long stages of approval levels should be reduced to avoid delay in the process;

- Entity heads and procurement practitioner should be trained to handle complains;
- The Act should be review to empower service Providers to protest;
- Sanction Institution that sells tender document to limit competition;
- Government support tertiary Institutions to train more procurement professionals; and
- Sanction entities that fails to write unsuccessful bidder

5.4 Conclusions

Key findings of the study led to the following conclusion:

1. There is no single independent procurement unit resource to carry out its procurement activities without any undue interference. The unit should coordinate all procurement activities be it goods, works or services. The current practice where procurement unit handles goods whereas the projects department deals with works and services.
2. Threshold methods not reviewed. All projects in the NVTI go for high level approval because the threshold is really low and its causes delay in the procurement process.

5.5 Recommendation

From the key findings of the study the following recommendations were made:

1. The PPA should act fast for parliament to review the current thresholds which were fixed since the inception of the Act.
2. NVTI should set a single and unified procurement unit to undertake, monitor and coordinate all activities of procurement that is works, goods and services.

3. PPA should be resources to carry out its mandate of developing, promoting, and supporting training and professional development including service providers in procurement.
4. Government should set up special fund to develop managerial, financial, technical competence of official involved in procurement.
5. PPA should advocate for the improvement of the hierarchical structure of the procurement function in organizations to avoid corrupt practices.

Further research: The effect of transparency and accountability in public procurement.



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APPENDICES

QUESTIONNAIRE

KWAME NKURUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

DEPARTMENT OF BUILDING TECHNOLOGY

Challenges to the practice of Public Procurement within the NVTI.

MSC PROCUREMENT MANAGEMENT

This research is part of a Master's Thesis being conducted in the College of Architecture and Planning, Kwame Nkrumah University of Science and Technology, Kumasi. It is an academic exercise and any input made will help address the challenges to Public Procurement at NVTI, so your participation is important. Participation in this study is voluntary, and all who participate will remain anonymous. Your name is not needed. All information offered will be treated confidentially, and the result will be presented in such a way that no individuals may be recognized.

Instruction

Please provide the correct information by ticking in the appropriate box and fill in the blank where necessary.

A. Personal Information

1. Gender of respondents: Male Female
2. Level of education: Degree Master PhD
Others.....
3. Number of years worked at NVTI.
Less than 3 years 3-5years 6-8years 9-11years over 11 years

Section B: Public Procurement Reform

4. Do you understand the public procurement law? Yes No

5. Have you had any training on the Public Procurement Act, Act 663?

Yes [] No []

6. Is the procurement law useful to your Company?

Yes [] No []

7. How useful is it to you?.....

8. Have you had training on the Procurement Act? Yes [] No []

9. If Yes state the Trainers

.....

10. How often do think procurement training should be organized for you?

Weekly [] Monthly [] Quarterly [] Yearly []

11. Which unit procures the following:

Goods Works.....

Services.....

12. Is there any challenge to the implementation of the Procurement Act?

Yes [] No []

Section C: Effects of challenges to public procurement

Please if yes, indicate using a scale of 1-5: Strongly agree (5), Agree (4), Disagree (3),

Strongly disagree (2) and Not sure (1)

No	Challenges of public procurement	1	2	3	4	5
1	Political interference					

2	Inadequate funding of procurement					
3	Lack of knowledge of the procurement Act					
4	Poor dissemination of information about the procurement Act.					
5	Procurement function is low in the Entity hierarchical structure					
6	Limiting competition by the Entity(short of tender forms)					
7	Too much paper work in procurement					
8	Wrong interpretation of the procurement Act					
9	Lack of adequate training for procurement officers					
10	Service Providers find it difficult to secure bid, and performance securities					
11	Inadequate sanctions for procurement offenders					
12	High cost of advertisement					
13	Delay in payment					
14	Inadequate recordkeeping systems					
15	Splitting of procurement into smaller unit to avoid approval from the Board					
16	Low remuneration of procurement officers					
17	Alleged conflict of interest					
18	Service Providers not confident of the procurement process					
19	Lengthy approval levels					

20	The Procurement Act favours the Entity					
21	Coordinated bribery and corruption					
22	High cost of projects					
23	Untrained Entity heads and procurement practitioners to handle complains					
24	Unqualified evaluation panel members to handle tender evaluation					
25	Increased procurement malpractices					
26	Low level of competition					
27	Unrealistic threshold methods for Institution					
28	Shaddy works by contractors/suppliers					
29	Funds not used for the intended purpose					
30	Uncoordinated projects by Entity					

Please state below any procurement challenge not listed above

No	Challenges of public procurement	1	2	3	4	5
31						
32						
33						
34						
35						
36						

Section D: Solution to ameliorate challenges of public procurement practice.

Please indicate using a scale of 1-5: Strongly agree (5), Agree (4), Disagree (3), strongly disagree (2) and Not sure (1)

No	Solutions to ameliorate the challenges	1	2	3	4	5
1	Procurement malpractices can be reduced through opened and transparent practices					
2	Formula for Thresholds calculation should be reviewed to reflect current economic situation					
3	Long stages of approval levels should be reduced to avoid delay in the process					
4	Entity heads and procurement practitioner should be trained to handle complains					
5	the Act should be review to empower service Providers to protest					
6	Government support tertiary Institutions to train more procurement professional					
7	Sanction Institution that sells tender document to limit competition					
8	Sanction entities that fails to writing unsuccessful bidder					
9	Set up a central fund for procurement activities to ensure effective procurement planning					
10	Procurement function should have a single and unified and independent procurement unit.					

Please state below any remedy to ameliorate challenges not listed above

No	Solution ameliorate the Challenges of public to procurement	1	2	3	4	5
11						

12						
13						
14						
15						

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