

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

KUMASI

COLLEGE OF ARCHITECTURE AND PLANNING

DEPARTMENT OF BUILDING TECHNOLOGY

**“ASSESSMENT OF THE LEVEL OF COMPLIANCE OF TENDERING
PROCEDURES OF PUBLIC PROCUREMENT ENTITIES”**

Case study at Estate Management Department of the Ghana Health Service

A THESIS PRESENTED TO THE DEPARTMENT OF BUILDING TECHNOLOGY,
KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR A DEGREE OF MASTER
OF SCIENCE IN PROCUREMENT MANAGEMENT

BY

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KNUST



CERTIFICATION

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

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ABSTRACT

In 2003, the Government of Ghana put together the main Public Procurement Act currently used in Ghana and enacted the Act to fight against and overcome shortcomings in Public Procurement process. The new structure was also intended to foster competition, efficiency, transparency and accountability in the tendering Process of Public Entities. However compliance by the entities has been the greatest challenge in the attainment of the said objectives. The research therefore assessed the level of compliance of tendering procedures of public procurement entities for works using National Competitive Tendering at the Estate Management Department of the Ghana Health Service office in Accra. Compliance/Performance measuring tool for assessing tendering procedures from the invitation to tender to the award of contract for works under the National Competitive Tendering was used with regards to the dictates of the PPA 663. The overall compliance/performance of 78% was achieved at the Estate Management Department of the Ghana Health Service which showed that compliance level obtained was good but much work needs to be done to improve compliance of tendering procedures at the entity. Explanatory research was used to provide a better understanding to the situation with explanatory typologies method used to analyse and explained the indicative assessment level of compliance of tendering procedures. To improve compliance and ensure smooth implementation of the Act, the following, were recommended: The Public Procurement Authority should partner with all Stakeholders to ensure that award of contracts are published in newspapers of national circulation; all documents relating to the tendering procedures should be recorded; Public Procurement Authority should adopt a compliance assessment tool to measure compliance of entities; the Public Procurement Authority should undertake vigorous information dissemination to all stakeholders and training of

selected procurement staff as trainers and involving them in delivering training for procurement entities.

Key words: Tendering; Procurement; Tender Document; and Tender Evaluation.



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DEDICATION

I wholeheartedly dedicate this research work to the Lord Almighty through whose guidance and protection I have been able to reach this far in my education. Secondly, to the people who gave meaning to my life, my wife, and my children and to all loved Ones.

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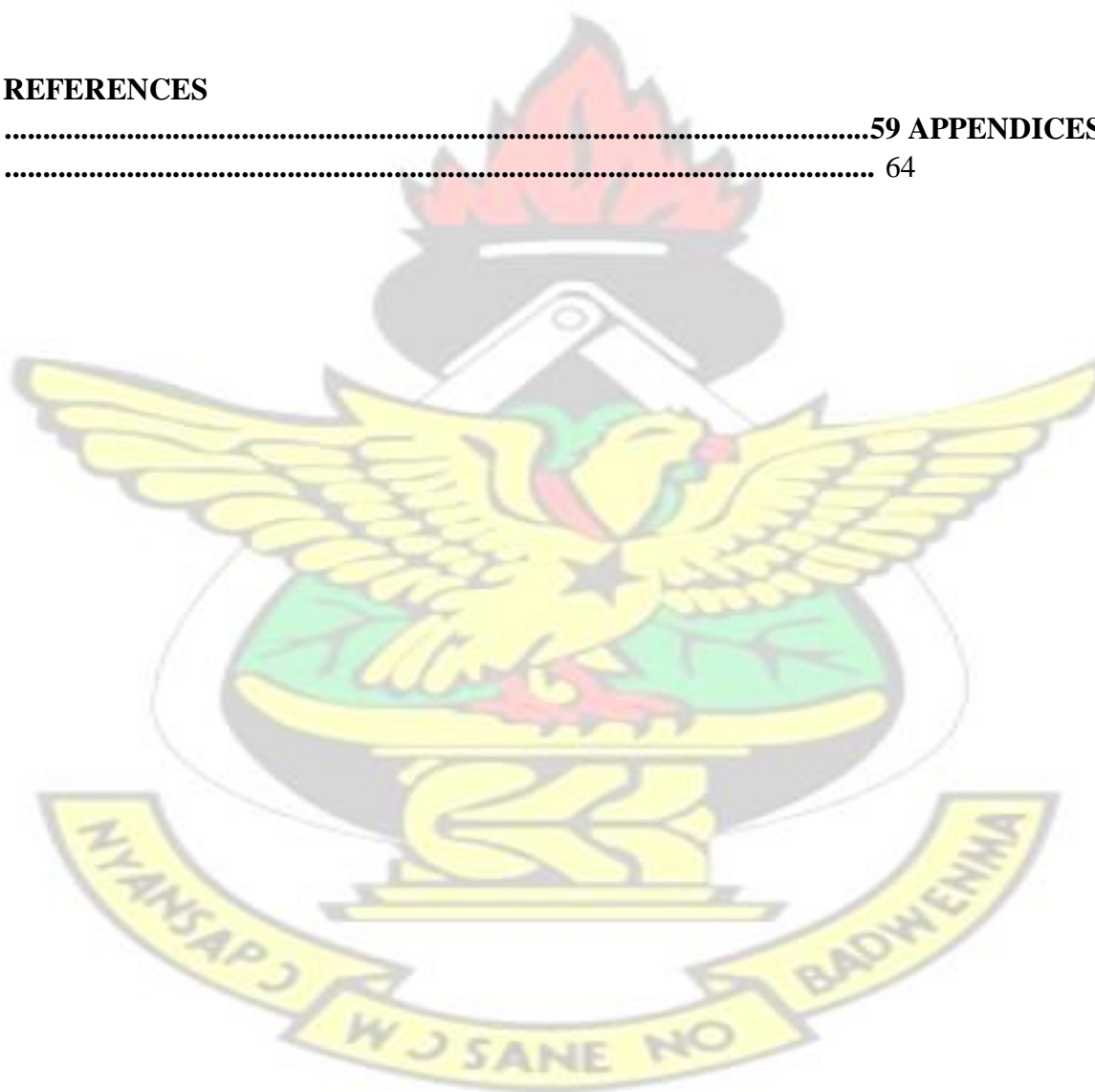
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LIST OF ABBREVIATIONS

BLIs	Baseline Indicators
CAT	Compliance Assessment Tool
CPIs	Compliance Indicators
CF	Compliance Factor
CPAR	Country's Procurement Assessment Report
DAC	Development Assistants Committee
EMU	Estate Management Unit
GoG	Government of Ghana
GHS	Ghana Health Service
ICB	International Competitive Bidding
NCB	National Competitive Bidding
NCT	National Competitive Tendering
OECD	Organization for Economic Co-operation and Development
PE	Procurement Entity
PPA	Public Procurement Authority
PU	Procurement Unit
PUFMARP	Public Financial Management Reform Program
PPA	Public Procurement Authority
PPB	Public Procurement Board

RFQ.....Request for Quotations

STD.....Standard Tender Document

UN.....United Nation

WB.....World Bank

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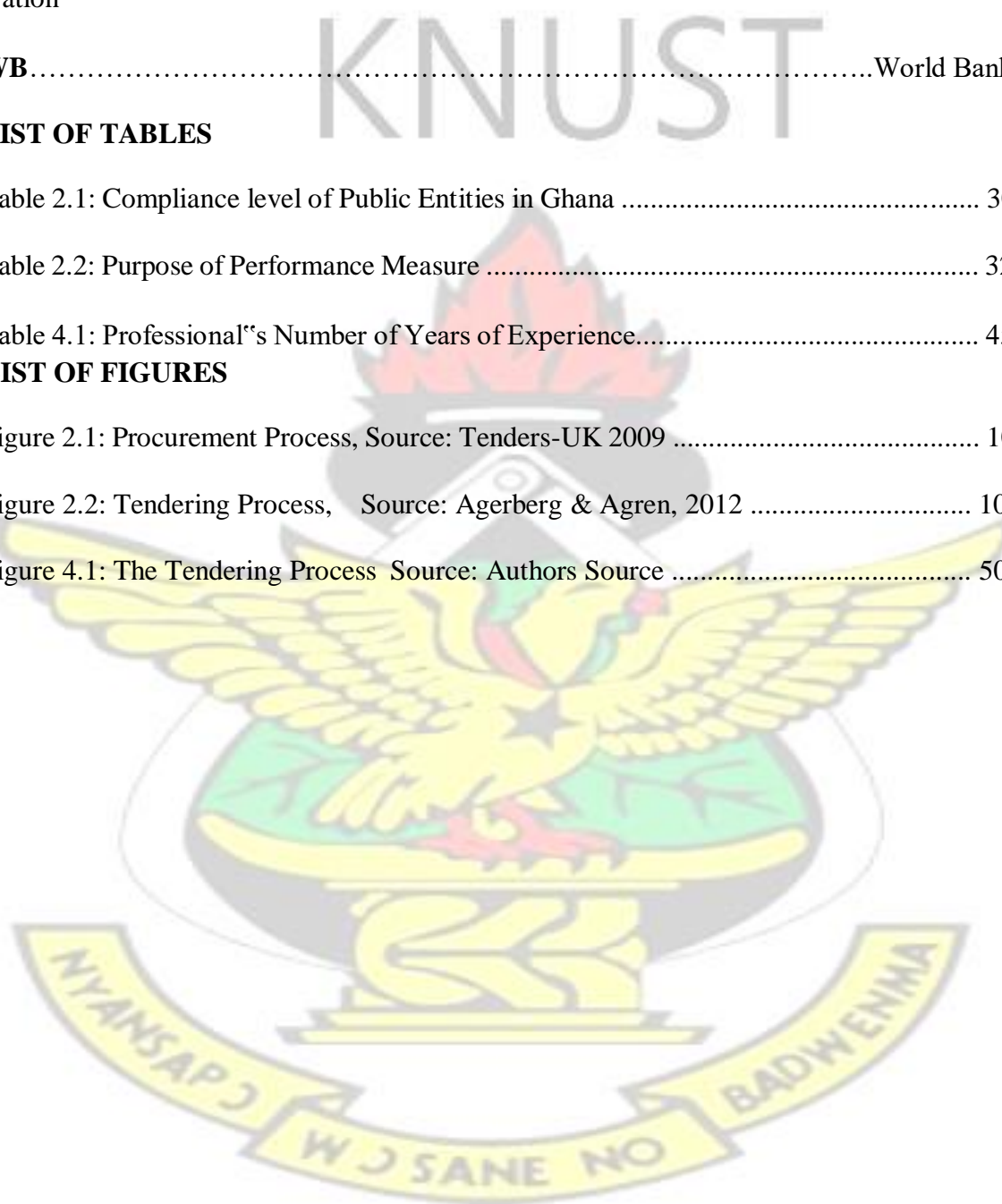
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CHAPTER ONE

GENERAL INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The Government of Ghana (GOG) implemented an integrated Public Financial Management Reform Programme (PUFMARP) in mid-1996. Various PUFMARP components aimed to improve macroeconomic planning, resources allocation and budgeting, revenue collection, expenditure control and accounting, cash management, aid and debt management, audit and procurement (Short, 2003). However, The Public Financial Management Reform Program (PUFMARP) commencing the Ghanaian Public Procurement was guided by many different rules in 1996.

Public Entities (PE) found it difficult to identify which of the procurement rules to follow, the lack of the procurement rules resulted in no existing policy framework for public procurement entities or lack of existing institutional framework arrangement, and the absence of a Central Body for Procurement (Suleiman, 2010).

But in 1999, the Public Procurement Oversight Group was formed to design and coordinate the reform (Osafo-Mafo, 2003). This group was also formed to oversee the improvement of the countries public procurement systems. In the process, many shortcomings and organizational weaknesses were identified in the country's procurement system (Ibid). They include the absence of a comprehensive public procurement policy, and the lack of a comprehensive legal regime to safeguard the integrity of the public procurement system. Ibid

The Government of Ghana in 2003 put together the main Public Procurement Act which is currently used in Ghana. The guidelines provided are to fight against and overcome some

of the shortcomings of tendering procedures. This Procurement Act was implemented to replace the many different rules that guided procurement activities. The new structure of the Procurement Act was intended to foster competition, efficiency, transparency, and accountability in the Procurement Process of Public Entities. Though competition and improvements is increasing in the procurement processes, but to argue that efficiency, transparency and accountability are improving, one would have to take a closer look at each procurement entity's tendering procedures (Gnanith, 2012).

Notwithstanding, most tendering processes have been a subject of controversy in recent years. Almost every major government project has generated controversy. This study was to assess the level of compliance to tendering procedures of public entities with the passage of the PPA 2003, Act 663. This study was motivated by desire to come up with feasible recommendations to the challenges being faced and assess the level of compliance of the tendering procedures. The purpose of assessing the tendering procedures of the selected public entity is to provide designated public authorities with information for preparing, and evaluating the tendering procedures.

The focus for the assessment of the tendering procedures are to identify the area of operational performance that can be improved upon to strengthen specific procurement practices, such as preparing bidding documents, evaluating bids and awarding contracts.

1.2 PROBLEM STATEMENT

The objectives of the Public Procurement Act 663 is to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of state resources, ensure fair public procurement, transparent and non-discriminatory and to reduce or eliminate corruption in the procurement process (PPA, 2003). Despite the important role played by the Procurement Act, it appears that government institutions in Ghana go through

a lot of lengthy bureaucratic processes in acquiring goods, works and services due to the passage of the Procurement Act. According to Nketia-Asante (2009) this bureaucratic processes lead to low productivity, inefficiency and loss of money and detrimental effect on government budget. Poor procurement practices have led to accumulated interest on late payments and the frequent price changes due to extensive renegotiations which further exacerbate the funding problem and have increased government expenditure and reduced savings (World Bank, 2003). The lack of knowledge of the legal framework caused by poor dissemination of the Act and regulations and lack of incentives to follow proper procedures due to weak monitoring and enforcement has also resulted in the non - compliance of the Procurement Act 663(Agbesi, 2009).

The research therefore was an attempt to examine the level of compliance, reviewing and evaluating the tendering procedures in order to identify its strengths and weaknesses on government savings as well as the effects on transparency in the use of state resources.

1.3 RESEARCH QUESTIONS

It would be safe to assume that the problem of this research is located within the context and framework of the following research questions:

1. What are the documentary procedures of tendering often used for works under the National Competitive Tendering?
2. What is the appropriate compliance measuring tool used for the assessment of tendering procedures for works under the National Competitive Tendering?
3. How can the tool identified be used to measure the level of compliance of tendering procedure for works under National Competitive Tendering with regards to the dictates of the PPA?

1.4 AIM AND OBJECTIVES

The research was aimed at “assessing the level of compliance of tendering procedures of public procurement entities" for works using National Competitive Tendering.

Specific objectives include the following:

- 1.To examine documentary procedures of tendering for works under the National Competitive Tendering;
- 2.To identify an appropriate compliance measuring tool for assessing tendering procedures for works under the National Competitive Tendering; and
- 3.To use the tool identified to measure the level of compliance of tendering procedure for works under the National Competitive Tendering with regards to the dictates of the PPA.

1.5 JUSTIFICATION FOR THE STUDY

Studies of tendering procedures have revealed that not much scientific and systematic enquiry has been conducted to assess the effect of tendering procedures for the National Competitive Tendering in Ghana and the developmental impact this is having on the country's agenda for economic growth. It is against this back drop that this study is important to be carried out to unearth the effect of the Public Procurement Act on Tendering Procedures of Public Entities as an engine for economic growth in Ghana.

1.6 SCOPE OF STUDY

The study was focused on the tendering procedures at the Estate Management Department (EMD) of the Ghana Health Service (GHS) Head office in Accra, assessing the compliance level of the tendering procedure for works using National Competitive Tendering Procedures.

The review comprehensively looked at the tendering procedures for some of the key compliance areas, namely: Invitation to Tender; Submission of Tender; Security/ Bond; Tender Opening; Tender Evaluation; Contract Award at the EMD of GHS without focusing attention on all the Public Services due to time limitations and no or little difference in most stakeholders in the public entities.

Contextually, the study looked at effects of the Tendering Procedures for Works National Competitive Tendering of Public Entities with respect to the Public Procurement Act, which states; "**Assessment of the level of compliance of Tendering Procedures of Public Procurement Entities**", Case study in the Estate Management Department of the Ghana Health Service.

1.7 RESEARCH METHODOLOGY

Exploratory research, as the name states, intends merely to explore the research questions and does not intend to offer final and conclusive solutions to existing problems.

Conducted in order to determine the nature of the problem, exploratory research is not intended to provide conclusive evidence, but helps us to have a better understanding of the problem. (Saunders *et al.*, 2007) warn that when conducting exploratory research, the researcher ought to be willing to change his/her direction as a result of revelation of new data and new insights.

“Exploratory research tends to tackle new problems on which little or no previous research has been done” (Brown, 2006). Moreover, it has to be noted that “exploratory research is the initial research, which forms the basis of more conclusive research. It can even help in determining the research design, sampling methodology and data collection method” (Singh, 2007).

1.8 ORGANIZATION OF THE STUDY

The research is grouped into five chapters. The first chapter provided background information of the study, ; aim and objectives; research questions; justification and scope of the study. The literature on procurement, and assessment of the level of compliance of tendering procedures of public entities would be reviewed in chapter two. Research design, population, sample and sampling procedure, sources of data, data collection instruments and data analyses which form the methodology of this study are discussed in chapter three. Chapter four analysed the data while chapter five presents a summary of the findings, conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter presents the concept of tendering. By the definition of tendering, it is the process of making offer, bid or proposal, or expression of interest in response to an invitation or request for tender. Tendering procedures are generally utilised for procurement or contracts involving substantial amounts of money which is utilised by;

1. Government department, office and agencies;
2. Private sector companies and business.

While the concept of tendering may seem challenging, it can be easily tackled by having a plan of „attack', this can be addressed by the compliance to the tendering procedures of the

public procurement Act. Tendering procedures are designed to encourage competition and promote efficient, effective and ethical use of government resources.

2.2 PROCUREMENT

Procurement is a process of identifying and obtaining goods and services. It includes sourcing, purchasing and covers all activities from identifying potential suppliers through to delivery from supplier to the users or beneficiary. It is favorable that the goods/services/works are appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location (Mangan *et al.*, 2008).

2.2.1 Role of Procurement

Lewis and Roehrich (2009) agitate that procurement is a key activity in the supply chain. Procurement can significantly influence the overall success of an emergency response depending on how it is managed. In most organizations, procurement represents a very large proportion of the total spend and should be managed effectively to achieve optimum value for money. Procurement works like a pivot in the internal supply chain process turning around requests into actual products/commodities or services to fulfill the needs (Caldwell *et al.*, 2009). In addition, Benslimane *et al.*, (2005) contend that the overall aim and objective of procurement is to carry out activities related to procurement in such a way that the goods and services so procured are of the right quality, from the right source, at the right cost and can be delivered in the right quantities, to the right place, at the right time.

Moreover, Caldwell *et al.*,(2009) state that there are three important principles of procurement. The **first** principle is transparency, which provides that all phases in the procurement process are fair and accurately documented. The **second** principle is that of accountability and it points out that there is need for accountability to financiers, who may

require certain rules to be followed when using the money they have provided. **Finally**, there is the principle of efficiency and cost effectiveness and this principle is about meeting the „six rights“ of supply (price, right time, right quantity, quality services, and delivery to the required places and from the most cost effective source).

Procurement has an important role to play and according to Shaw (2010), every organization should put in place effective systems of procurement to protect shareholders funds. The procurement function forms a key part of any management strategy. The particular features of procurement are the budgets involved, the frequency of activities and technical complexity of the functions. More recently as a function procurement has been complicated by the inclusion of „manufacturing partnering“ and by the acceptance that best value cannot be measured by price alone, but needs to take account of time, quality and sustainability considerations as well (Shaw, 2010). Procurement activity must, therefore, be considered as an internal part of the business planning process and must relate to the asset management strategy. Three major questions therefore have to be asked in connection with establishment of good procurement practice and these questions according to (Nakamura, 2004), are as follows;

- Does the project meet organizational objectives?
- How does it fit into the development strategy, asset management strategy and the business plan?
- Will embarking upon this project undermine existing commitments?

2.2.2 Procurement Strategies

According to Potts (2008), the selection of procurement decides the level of risk in the construction project. The procurement involves four parts:

- Organizational method
- Payment system

- Tender
- Conditions of contract

The organizational method illustrates how an organization is designed. Payment system defines how the client is paid, examples are price based alternatives; lump sum and cost based alternatives; cost reimbursement. Tender procedures can be open or selective. According to GNA (2008) each procurement method is in monetary terms used at the same amount in infrastructural projects.

2.2.3 Procurement Process

Shaw (2010) points out that the procurement process can be wrapped into three steps.

These are need identification, procurement planning and tendering of goods, works or services required, and sourcing, awarding, and supplier management to facilitate timely delivery.

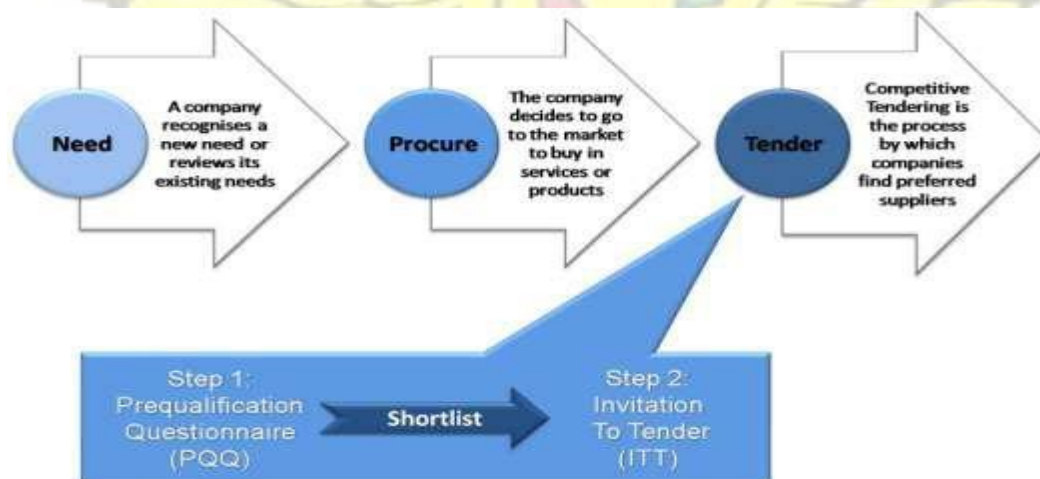


Figure 2.1: Procurement Process, Source: Tenders-UK 2009

2.2.4 Procurement of Works

Works 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. (Manuals-PPA Act 663, 2003)

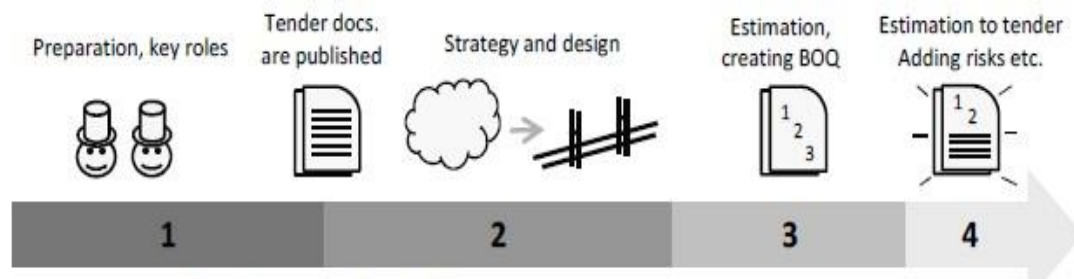


Figure 2.2: Tendering Process,

Source: Agerberg & Agren, 2012

2.2.5 Public Procurement System

The process in which public sector institutions acquire goods and services, Public procurement systems are highly centralized and State Procurement Boards govern procurement (Bovis, 2007).

2.3 STANDARD TENDER DOCUMENT

This document will be varied according to the actual procedure being used, i.e. open, restricted, negotiated or competitive dialogue, but these elements feature in all tendering procedures. The tendering process can be identified as one of the major activities in the construction process and competitive tendering is the most frequently used method to decide who is going to be responsible for a projects execution (Winch, 2010).

2.3.1 Standard Tender Document for Works

Standard Tender Document for Works 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

tenderers 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 (Manuals-PPA Act 663, 2003).

2.3.2 Section I: Instructions to Tenderers (ITT)

This Section provides relevant information to help Tenderers prepare their Tenders. Information is also provided on the submission, opening, and evaluation of Tenders and on the award of Contracts. Section I contains provisions that are to be used without modification (PPB STD, 2004).

2.3.3 Section II. Tender Data Sheet (TDS)

This Section consists of provisions that are specific to each procurement process. The section supplements the information or requirements included in Section I (Instructions to Tenderers) (PPB STD, 2004).

2.3.4 Section III. Evaluation and Qualification Criteria

This Section contains the criteria to determine the lowest evaluated Tender and the qualifications of the Tenderers to perform the contract (PPB STD, 2004).

2.3.5 Section IV: Tender Forms

This Section contains the forms to be used for the Tender, Price Schedules, and Tender Security(PPB STD, 2004).

2.3.6 Section V. Eligible Countries

This Section contains information regarding eligible countries (PPB STD, 2004).

2.3.7 Preparation of Works Tender Document

The preparation of tender documents is the responsibility of Head of Procurement Unit. Upon receipt of requisition to procure and notification of availability of funds, the Head of Procurement proceeds with the preparation of the document. The tender document must be prepared by modifying the appropriate Standard Tender Document (STD) issued by the PPB. The key sections that need completion and modifications are;

- The Invitation to Tender,
- The Tender Data Sheet. □ Technical Specification/Drawings
- The Bill of Quantities.
- The Conditions of Particular Application, Forms of Tender, Tender Security, Forms of Agreement and Performance Security to be completed by the Contractor (Manuals-PPA Act 663, 2003)

2.3.8 National Competitive Tendering

National Competitive Tendering is appropriate for lower value procurements, where the works by their nature or scope are unlikely to attract foreign competition, or where there

are justifiable reasons for the Procurement Entity to restrict tendering to domestic contractors. The Act permits the use of NCT for procurement of works valued between the thresholds stated in Schedule 3 of Appendix B (Manuals-PPA Act 663, 2003).

2.4 DOCUMENTARY PROCEDURES OF TENDERING

The Part V Tendering Procedure of the PPA, 2003 is divided into three Sub-Parts, and 22 Sections from Section 44 to 65. The Sub-Parts are as follows;

- Sub-Part I – Invitation of Tenders and Applications to Prequalify
- Sub-Part II – Submission of Tenders
- Sub-Part III – Evaluation and Comparison of Tenders

2.4.1 Sub-Part I: Invitation of Tenders

In procurement proceedings in which the procurement entity decides that only domestic suppliers or contractors are likely to be interested in submitting tenders, the procurement entity may employ national competitive tendering procedures (PPA, 2003). International competitive tendering shall be used whenever open competitive tendering is used and effective competition cannot be obtained unless foreign firms are invited to tender (Ibid). Part IV and Part V shall apply with such modification as may be necessary whenever effective competition cannot be obtained unless foreign firms are invited to participate in procedures apart from open competitive international tendering such as selective tendering or invitation for proposals (Ibid)

2.4.2 Procedures for inviting Tenders

PPA 663, Section 47, A procurement entity shall invite tenders or, where applicable, applications to prequalify by causing an invitation to tender or an invitation to prequalify, to be published in the Procurement Bulletin. The invitation to tender or invitation to prequalify shall also be published in at least two newspapers of wide national circulation. The invitation may also be published in a newspaper of wide international circulation, in a relevant trade publication or technical or professional journal of wide international

circulation. Invitations to tender and invitations to pre-qualify above thresholds defined in Schedule 3 of Act 663 (PPA 2003).

Sections 48 and 66 of PPA (2003), Act 663, provide the detailed contents of the invitation to tender, invitation to prequalify, and invitation for expression of interest. The "Particular Instructions to Applicants" of the Standard Prequalification Documents and the Standard Tender Documents include specific qualification criteria. The publications are assessed to include sufficient information to allow bidders to determine their interest and ability in bidding.

2.4.3 Contents of Advertisement

The information contained in the advertisement must correspond to the information in the Tender Document and in particular, the relevant information in the Tender Data Sheet.

The advertisement should include as minimum, brief information on:

- the source of funding;
- the works to be procured;
- any qualification requirements for tenderers (e.g. a requirement for a minimum level of experience in the subject of the procurement);
- the procedure for obtaining the Tender Document;
- the place and deadline for submission of tenders;
- the fee to be paid for the Tender Documents. This must reflect only the cost of printing and delivery to prospective Tenderers;
- the value of any Tender Security required (PPA 2003).

2.4.4 Provision of Tender Documents

Section 49 of the Act states the requirement for tender documents to be provided to suppliers or contractors and the price that may be charged.

The following Regulation is issued to supplement the provisions of Section 49 of the Act; the price to be charged for the tender documents shall reflect only the cost of printing them and providing them to suppliers or contractors, and shall not be directly or indirectly related to the value of the contract; procurement entities shall ensure that tender documents are available for before publication of the invitation; potential tenderers shall be allowed to inspect tender documents before confirming their decision to purchase the tender documents; 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 tenderers the opportunity to purchase a tender document at any time prior to the tender closing date. Failure to provide a tender document for inspection or purchase by potential tenderers may constitute grounds for complaint under Part VII-Review of the Act (PPA Regulations, 2003).

2.4.5 Clarifications and Modifications of Tender Documents

Section 51 of the Act provides the clarification and modification of tender documents.

The following Regulation is issued for clarification of Section 51: For the purposes of Sub-section 51 (2) a “reasonable time” for the submission of request for clarifications shall be fourteen (14) days prior to the deadline for submission of tenders in the case of an international tender, and seven (7) days prior to the deadline for submission of tenders in respect of a national tender; The Procurement Entity shall respond to each request for clarification within seven (7) days of receipt of the request, and may extend the deadline for submission of tenders in accordance with Section 53 (3) (PPA Regulations, 2003).

2.4.6 Sub-Part II: Submission of Tenders

PPA (2003) Act 663, Section 53 defines the conditions and procedures for submission of tenders. Most tenders are submitted on a pre-defined form which has the effect of

standardizing the offers and discouraging exclusions, alternative bids and other qualifications. For traditional procurement methods, the tender presentation normally includes the form of tender and a covering letter. (Brook, 2004) Instructions to tenderers should include a date, time and location for submitting a tender. The contractor is responsible for presenting the documents by the time given and in some cases may be permitted to send a tender by e-mail or facsimile transmission, followed up by first-class post (Ibid).

For appropriate security, tenders should be submitted in sealed envelopes and maintained in a safe place with access controlled. In the case of electronic tendering, online submissions must be received into an electronic bid box and maintained to high standards of security for long term record-keeping and audit. At no time shall bids/proposals be in unencrypted format. Copies decrypted for bid evaluation purposes shall not affect the integrity of the original record (OECD, 2010).

Clarity on how bids are submitted is critical in minimizing rejection of otherwise compliant proposals. The law and the regulations must give clear provisions in this respect. For example, the number of copies, the sealing and marking of envelopes and in the case of electronic bidding, the security requirements should all be specified (Ibid).

2.4.7 Tender Security

Section 55 of the Act states that the provision of tender security is required for all National competitive tenders for procurement of works, however in the case of procurement of consultants services tender security is not required. It is therefore normal for the entities to demand that the Tenderers or Supplier's ability to perform in accordance with the instructions or contractual obligations be secured with a financial guarantee.

2.4.8 Sub-Part III: Evaluation and Comparison of Tenders

The Evaluation and Qualification Criteria specify the criteria that the Purchaser will use to evaluate the tenders and post-qualify the lowest-evaluated Tenderers. This section specifies the parameters for and any other adjustments to the Instruction to Tender (ITT) Clauses related to the evaluation of tenders and the qualification of tenderers and the proposed ITT products, similar to the role of the TDS (PPB STD, 2004).

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 competitors. Procurement Entities 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 (and its consultants) and tenderers during the Tender evaluation process. (PPB Manuals, 2003)

2.4.9 Opening of Tender

Section 56 of the Regulation stated that “tender opening should commence not later than two (2) hours after the deadline for submission of tenders and continued without break until all tenders have been opened by the entity tender committee. They must ensure that minutes of the tender opening proceeding are also duly documented. Section 56 of Act 663, requires that tenders should be opened immediately after the close of tenders. A tender opening committee is constituted and is made up of at least three persons including a member of the Entity Tender Committee.

2.4.10 Formation of Tender Evaluation Panel

A Tender Evaluation Panel shall be an ad hoc body of not more than five members constituted for a specific procurement package. The panel shall include members with

skills, knowledge and experience relevant to procurement requirements, which may include: relevant technical skills; end user representation; procurement and contracting skills; financial management or analysis skills; or legal expertise (PPA Manual 5(14)&Regulation 19(1,2), 2003).

Members appointed to the Panel may be staff of the Procurement Unit but no Member of the Entity Tender Committee shall act as a member of the Tender Evaluation Panel.

Evaluation of low value or routine procurement shall normally be undertaken by the Procurement Unit. Where the evaluation is of a technical specialized nature, additional members may be invited to join the Tender Evaluation Panel to ensure transparency, members of the Tender Evaluation Panel shall not be directly involved in the approval of any award of contract (PPA Manual 5(14)&Regulation 19(1,2), 2003).

2.4.11 Tender Evaluation and Reporting

Section 57, 58 and 59 of Act 663 described the general procedures for the examination of tenders, determination of responsiveness of tenders and evaluation of tenders. The standard Tender Evaluation Forms are to be used by Procurement Entities in the evaluation of tenders (Section 59 (6) of the regulations).

The determination of responsiveness of tenders shall conform to the requirements set out in the tender invitation documents (Section 58 (1) of Act 663). The successful tender is based on the lowest evaluated tender price (Section 59 (3) of Act 663).

2.4.12 Submission of Tender Evaluation Report

The Tender Evaluation Panel shall prepare an evaluation report for submission to the Head of Entity. The evaluation report shall be prepared using the standard Format for the

Evaluation of Works. The evaluation report shall form a part of the record of procurement proceedings required under Section 28 of the Act (PPA Regulation, 2003).

2.4.13 Award of Contract and Notification of Contractors

Section 65 of the Act specifies the proceeds of acceptance of tender and entry into force of a procurement contract. The Act required notice of the tender award issue to the successful tenderers within 30 days of the acceptance of the contractor submitting the tender (Section 65 (1) Act 663). The successful Tenderer is required to confirm in writing acceptance of the tender award and submit the appropriate performance security.

2.4.14 Signing of Contract

Section 65 of the Act specifies the process for acceptance of tender and entry into force of a procurement contract subject to the terms stated in the tender documents. A precise definition of the conditions for entry into force of the procurement contract including any additional conditionality for contract effectiveness such as the provision of a performance security, shall be provided in the tender document.

2.4.15 Notification to Unsuccessful Tenderers

All unsuccessful Tenderers should be notified immediately once the contract has been awarded. Tender securities of unsuccessful Tenderers should be promptly returned after awards have been made (PPA Regulation, 2003).

2.4.16 Return of Tender Securities

All Tender Securities must be returned immediately to the Tenderers, as soon as they are no longer required, i.e. once the relevant contract is signed and all conditions for contract effectiveness have been met (PPA Regulation, 2003).

2.5 TENDERING PROCEDURES COMPLIANCE WITH PPA, 2003

There are just small differences between how the tendering procedures are performed according to prescribed documentation of the Public Procurement Board (PPB) Standard Tender Document (STD), 2004 and how it is performed in practice. One possible explanation is the high quality documents. The established routines assist the tendering team throughout the process and make it more effective.

However, the routines are not in detail describing how the process should be carried out. Furthermore, the departments tendering process corresponds well with the traditional tendering model, which is described by (Brandt and Franssen, 2007).

2.5.1 Types of Tendering

Departments should normally adopt open tendering for invitation of tenders. Under special circumstances and where approval from the concerned authorities have been obtained, departments may invite tenders in any of the alternative ways, namely selective tendering, single and restricted tendering, and prequalified tendering as provided for in PPA Act 663, 2003. There are 4 types of tender process:

1. **Open** – all interested parties are able to submit full tenders.
2. **Restricted** – a selection is made of interested parties and the strongest are invited to go forward to the full tendering stage.
3. **Competitive Dialogue**- following a selection process, the buyer enters into dialogue with potential bidders, to develop one or more suitable solutions for its requirements and on this basis chooses which bidders will be invited to submit full tenders.
4. **Negotiated** – a buyer may purposefully select one or more bidders with whom to directly negotiate contract terms. This procedure is rare and only used where there are specific technical or artistic reasons why more open procedures would not work. An

example would be where a supplier owns the intellectual property on a specific service or product that the supplier requires (Tenders-UK, 2009).

2.5.2 Abuse of Tendering Procedures

Brook (2004) stress that; all those involved in tendering are to use fair and efficient methods which are the best and most professional techniques in use today. The prime aim is to select the right contractor who will give the client good value for money. Unfortunately, individual interests and lack of time can stand in the way of good practice, and the parties to a contract are often unclear about the true nature of the agreement.

Some of the problems faced in tendering are:

a. Large tender lists

Open competition has been widely criticized in the construction industry, but it continues to be used, mainly by local authorities. They argue that there cannot be the suspicion of favoritism and the lowest possible price will be secured. The reports of the Simon (1944) and Banwell (1964) committees stress the need to avoid the temptation to rely on price alone; there should be a sensible number of competent firms selected who can comply with the quality and time requirements. Some clients impose performance bonds to make up for the failings in the system, thus adding to the cost of construction and hoping that a poor job can be corrected when a contractor fails to complete satisfactorily. With the high costs of tendering in mind, many reputable contractors will not willingly take part in open tendering, particularly where local authorities have been known to receive tenders from over 30 contractors. In one example an authority issued tender documents to 28 firms interested in tendering for a multi-storey car park using the design and build system. It is difficult to understand the logic of so many architects producing designs with such a small chance of success (Brook, 2004).

b. Short tender periods

The time for tendering should be determined by three factors: the size of the project, the complexity of the project and the standard of the documents. In practice the design and tender documentation is often late with clients wanting to make a start on site quickly, thus eroding the time available for the estimate. A „rough“ estimate could be produced quickly but a contingency sum would be needed for unknown risks. Contractors would prefer to examine the project, the site, and the documents and agree methods with the contract staff and sub-contractors, prepare a programme and look for tipping facilities. In fact the longer the tender period, the more likely it is that the contractor will find savings which would increase the possibility of winning the contract and may produce a better price for the client. The estimator will try to respond to such short tender periods by telephoning his enquiries to suppliers and sub-contractors, making use of information from previous jobs, manually or with the help of a computer. The depth of analysis will be reduced, there is a greater risk of errors and the price is likely to be greater to reflect such problems (Brook, 2004).

c. Tender documentation

The estimator should receive enough drawings to understand the nature and scope of the works. The minimums needed are elevations and floor plans to measure temporary works (such as scaffolding), site plans to consider materials access and distribution and component drawings where non-standard elements are to be priced. References to brand names and specialist suppliers should include current telephone numbers and addresses.

Information must be provided about any restrictions which might affect the contractor's choice of method. The site investigation report (or extracts) should be sent to each contractor. With design and build projects, problems have arisen when all contractors have been expected to carry out their own site investigations – clearly an enormous waste of effort and a further burden on the already considerable costs of tendering.

Perhaps differences between documents might be expected at this stage, and so the bills of quantities are used to specify the amount and quality of the works. Discrepancies between the bill descriptions and specification clauses do cause problems but should reduce with the use of Coordinated Project Information (CPI). There will always be people who want to change the agreed conventions. The estimator needs to be alert to traps such as: „earthwork support shall include all means of holding up the sides of excavations including sheet piling“ (normally measurable) or „hack off external render where necessary and renew“ (where necessary could be small isolated sections or the whole wall if the contract administrator so decides). Amendments to the tender documents should be avoided but can be allowed early in the tender period. Once quotations have been received from suppliers and sub-contractors, changes will be difficult to build into the bid. Estimating without bills of quantities is much more time consuming, not only because so much time is needed to take off quantities but enquiries to sub-contractors are delayed and the risk of errors is greater (Brook, 2004).

d. Asking for tenders when the work is unlikely to proceed

There is a tradition in the construction industry for estimates to be given without charge to the client. This can be at great cost to unsuccessful contractors. Some have reported that it costs about 0.25% of the tender price to prepare a bid for a traditional lump-sum form of contract: a design and build tender can cost as much as 2%. Contractors will continue to accept this financial risk provided they are submitting tenders to clients who use selective tendering and eventually award a contract to one of the bidders (Brook, 2004).

e. Qualified tenders and alternative bids

The tenderers should submit his bid without adding conditions to his offer. All contractors must consider the terms of their offers, and sometimes will not be able to comply fully with

the instructions of the client. On the other hand they should recognize the need for a common basis from which the best bid can be selected. Contractors may produce an improvement to the design or see a method for completing quicker, and often can calculate an alternative price. Provided an offer is made which complies with the original brief, alternative tenders are considered by employers (Brook, 2004).

f. Failure to notify results

A contractor can monitor his tender effectiveness when he receives information about his performance in relation to other tenderers. Tender prices should be published if a contractor is to review his suitability for the type and value of projects. Clients are becoming increasingly reluctant to publish figures because the lowest tenderers could attempt to recover the difference in value between his tender and the second lowest, either before the contract is awarded or later during the construction period. Contractors commonly ask for a briefing on their performance, but will not be told the other tender sums (Brook, 2004).

g. Late receipt of tender documents

Estimators do their best to deal with requests for tenders sometimes at short notice, but when tender documents arrive later than promised their programme of work will be affected, and other opportunities to tender may be harmed. It has become common practice for tender submission dates to be held firm regardless of how late the tender documents are dispatched (Brook, 2004).

2.5.3 Contractors Tendering

Preparation for tendering can be related to high costs as well as time consumption [Wilson and Kusomo, (2004); Hassel and Långström, (2004)]. The cost for tendering varies between 5-15% of the contract sum, depending on size and complexity of a project. Results indicate

that one of six tenders turns out to be a winning tender. Thus it is important to decide whether to tender or not (Wilson and Kusomo, 2004).

Two studies investigate factors to determine the decision whether to tender. Fayek et al. (1998); lists 15 factors which decide whether to tender or not. The results from the study aligns with Bajaj et al. (1997), who rank the most important factor to what project type it concerns. The type of project answers how well the project is suited to the business plan, number of competitors and time for tender. The second most important factor whether to tender or not, relies on the availability of personnel. Additionally, a contractor can have several intentions to tender on a project. Fayek *et al.*, (1998) identify the most usual intention to win the contract, but also to enhance reputation.

2.6 COMPLIANCE MEASURING TOOL

The indicators are intended to provide harmonized tools for use in the assessment of procurement systems. Although the indicators are designed for use in the assessment of the central government or national procurement system in a country, they can be adapted for use in procurement entities level assessments (OECD, 2010).

There are two parts of the indicators: baseline indicators (BLIs) that deal with the formal and functional features of the existing system; and compliance/performance indicators (CPIs), that deal with monitoring performance data to determine level of compliance with the formal system (Ibid).

2.6.1 Performance/ Compliance Assessment Systems

The assessment tool is to evaluate performance at the procuring entity level of public service. This system was developed by the IDEAS Centre under the Swiss/Ghana Partnership for Promoting Transparency and Accountability in public procurement (Public Procurement Authority, 2004) uses qualitative criteria as well as quantitative data.

It is used as a enabling an entity to identify its areas of changes in performance.

2.6.2 Application of the Baseline/Compliance Performance Indicators

The application of the BLIs is based on a review of the existing regulatory framework and the institutional and operational arrangements, while the application of the CPIs relies on data obtained from a representative sample of tendering procedures and information obtained through interviews or surveys with stakeholders in the procurement system.

Interviews or surveys are required in matters for which hard statistical or factual information cannot be obtained or in cases where perceptions on how the system operates are critical to its competitiveness and transparency.

For assessing the compliance/performance indicators, the assessor obtains information from a sample of relevant tendering process, from existing documents and from the surveys or interviews mentioned above.

The indicators are seen as a tool used to identify in broad terms the strengths and weaknesses of the procedure and as support for a more thorough analysis to be carried out by the assessors since the indicators alone cannot give a full picture of tendering that is by its nature complex. Moreover, several indicators are not amenable to hard measurement in terms of facts and figures and assessing their performance is better accomplished through surveys or interviews with participants at the Estate Management Department.

2.6.3 Relationship between Compliance/Performance

Procurement performance provides the basis for an organization to assess how well it have progressed towards its predetermined objectives, identifies areas of strengths and weaknesses and decides on future initiatives with the goal of how to initiate performance improvements.

Compliance as a concept compares the conduct of the regulators to the equivalent legal obligation that the regulators should comply with (Gelderman *et al.*, 2006; Lange 1999). Therefore, compliance is considered by political and social regulators as a prescribed process of elimination or avoidance of risk that is normally associated with public procurement systems. Assessment of public procurement management performance is defined in terms of compliance with the set procurement rules (Schapper, *et al.*, (2006).

The public procurement Act, 2003 (Act 663) specifies a number of rules, process, procedures and ethics for the whole procurement process and for that matter, tendering procedures. These rules aim to secure efficiency in the use of public funds to ensure nondiscrimination, fairness, transparency and accountability in the tendering procedures.

Literature suggests that Public Procurement Act is the basis of measuring procurement performance. This means that there is a positive relationship between compliance to the Public Procurement Act and Procurement Performance. For any organization to become more competitive Amaratunga & Baldry (2002) suggest that performance is a key driver to improving quality of services while its absence or use of inappropriate procedures can lead to non-compliance with purchasing function. PPA agrees with this assertion and so conducts annual performance assessment to establish compliance level of entities in Ghana.

2.6.4 Performance Measurement

Performance measurement is viewed as a warning, diagnosis and control system, that is used to keep track of economy (looking back), efficiency (current organizational process), effectiveness (output in the short term) and efficacy (output in the long term) (Teelken & Smeenk, 2003).

Performance indicators includes: Implementing regulation that provide defined processes and procedures not included in higher-level legislation, Model tender documents for goods,

works, and services, Procedures for pre-qualification, Procedures suitable for contracting for services or other requirements in which technical capacity is a key criterion, User's guide or manual for contracting entities and General Conditions of Contracts (GCC) for public sector contracts covering goods, works and services consistent with national requirements and, when applicable, international requirements (OECD-DAC/World Bank, 2006).

2.6.5 Performance Assessment System (PAS)

The Performance Assessment System (PAS) report gives a qualitative report on the performance of PEs as captured by the assessment exercise using the Evaluation Grid.

The PAS report looks at four (4) main areas: Management Systems, Information and Communication, Procurement Process, and Contract Management.

Management system – examines leadership, human resources, monitoring and control system, ethics and compliance with regulatory framework, and complaints, appeals and disputes resolution mechanism.

Information and communication – This category examines entities' capacity to give out information in the right format, and ability to utilize information received including market place, data analysis, and knowledge of Apex Body.

Procurement Process – This category seeks information on the entities knowledge of the procurement cycle and how they conduct their activities at each stage. This covers procurement planning, notice, preparation of tender documents invitation for tenders, submission of tender, tender opening, tender evaluation. And contract award.

Contract Management – This measures how entities follow through the performance of the contracts they award. This includes planning and mobilization, implementation, supervision, inspection, inventory control and disposal, and reporting.

Table 2.1: Compliance level of Public Entities in Ghana

Description	2007 (%)	2008 (%)	2009 (%)
Management System	34.84	34.62	54.93
Information and Communication	43.15	39.82	65.03
Procurement Process	44.34	42.65	67.73
Contract Management	33.52	30.66	53.94
Total	38.96	36.94	59.00

Source: PPA Annual Report, 2008 & 2009

2.9 PERFORMANCE MEASURING TOOL

Performance management has become a key element in modern public sector governance and many developing countries have introduced it as a means to measure organizational and individual efficiency in order to ensure that public sector organizations meet the needs of the public (Ohemeng, 2009).

Increasing the effectiveness, efficiency and transparency of public procurement systems has become an ongoing concern of governments and of the international development community (OECD, 2006).

Measuring performance is a graceful way of calling an organization to account (Bruijn (2007) and in public sector performance measurement, accountability is the central concern (Heinrich, 2007).

For a performance measurement system to be regarded as a useful management process, it should act as a mechanism that enables assessment to be made, provides useful information and detects problems, allows judgment against certain predetermined criteria to be performed and more importantly, the systems should be reviewed and updated as an ongoing process (Ong & The, 2008).

The way in which performance measurement systems are used can differ widely depending on their application (Feurer&Chaharbaghi,1995).

Some performance measurement systems are used as reporting mechanism while other systems are employed for controlling the performance of products, employees and other resources within an organization. Performance measurement systems can provide (quality) information to decision makers so that they can determine whether efforts are on course and help managers understand when their programs are succeeding or failing (Cook *et al.*, 1995).

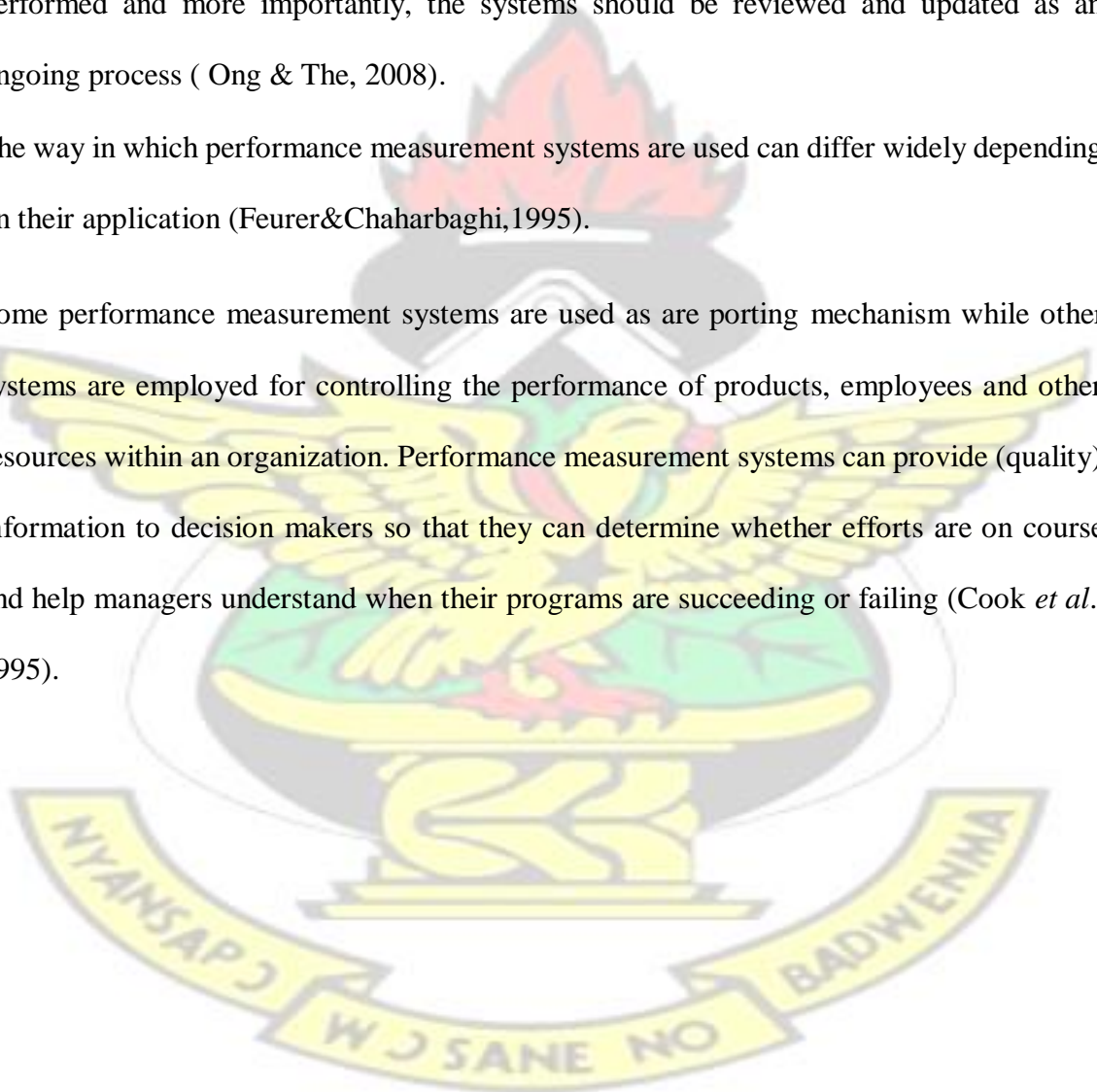


Table 2.2: Purpose of Performance Measure

PURPOSE	QUESTION	PRIMARY USE
Evaluate	How well is my public agency performing?	Compare data with desired results to judge performance
Control	How can I ensure that my subordinates are doing the right thing?	Establish desired behavioral or input standard from which to gauge individual or collective deviance
Budget	On what programs, people, or projects should my agency spend the public's money?	Define good, acceptable and poor levels of efficiency
Motivate	How can I motivate line staff, middle managers, non-profit and for-profit collaborators, stakeholders, and citizens to do the things necessary to improve performance?	Set reasonable and significant targets
Promote	How can I convince political superiors, legislators, stakeholders, journalists, and citizens that my agency is doing a good job?	Understand what the public cares about
Celebrate	What accomplishments are worthy of the important organizational ritual of celebrating success?	Discern the kinds of achievements that employees and collaborators think are worth celebrating
Learn	What working or not working?	Be able to detect unexpected (and significant) developments and anticipate a wide variety of common organizational, human, and societal behaviors

Improve	What exactly should who do differently to improve performance?	Understand or be able to predict how Management actions affect the inside-the-black box behavior of the people who contribute to desired outputs and outcomes
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Source: Behn, (2003)

2.9.1 Country's Procurement Assessment Report (CPAR)

Country Procurement Assessment Report (CPAR), prepared by a team of Government officials, World Bank and donor staff, and national consultants, reveals substantial inefficiency in public procurement and concludes that the principle of “value for money” is not achieved. This is true for both governments financed and donor financed procurement. The main findings of the 2002 Country Portfolio Performance Review of World Bank projects also reviewed slow project implementation and disbursement among other factors due to, a large extent of inadequate procurement planning, non-transparent procurement procedures and poor contract management. A review in 2002 of 132 works contracts which constitute an important part of public expenditure indicated that about 84% incurred cost-overruns of up to 30% of the initial amount (World Bank, 2003b). Similar findings of public procurement weaknesses were recorded in the 1996 Country Procurement Assessment Report (World Bank, 1996).

2.10 SUMMARY

In summary, the research was aimed to provide Public Entities (PE) and authorities with adequate information to use for assessing the tendering procedures for the National Competitive Tendering to identify its strengths and weaknesses. The objectives formulated to find out the level of compliance of the tender procedures in public procurement entities are; to examine documentary procedures of tendering; to identify an appropriate compliance measuring tool for assessing tendering procedures; and to use the tool identified

to measure the level of compliance of tendering procedure for works under the National Competitive Tendering with regards to the dictates of the PPA.

Compliance/performance indicators (CPIs), that deal with monitoring performance data to determine level of compliance with the formal system for tendering procedures was used.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Explanatory or Qualitative research design was used to explain indicative assessment level of compliance of tendering procedures Public Procurement Entities as a whole and using the Estate Management Department of the Ghana Health Service Head Office in Accra. The term explanatory research implies that the research in question is intended to explain, rather than simply to describe, the phenomena studied. This chapter will include sampling size and determinant, research method, research design, sources of data, qualitative data collection with a sampling size and determinant. The Public Procurement Act, 2003 associated with the research work was adopted with the aim to determine the level of compliance with the procurement law and finally the data was analyzed and existing records examined.

Exploratory research was conducted to provide a better understanding of the situation, but not designed to come up with final answers or decisions. It was used in order to provide very rich, meaningful information or even definitive explanations for the “assessment of the level of compliance of tendering procedures of public procurement entities”. The method of explanatory research included literature searches, depth interviews, focus groups, and case analyses.

The literature research involved press (newspapers, magazines, etc.), trade literature, academic literature, or published statistics from research in the related field of studies.

Interviews were conducted with relevant parties including the managers and staff members of the Estate Management Department of the Ghana Health Service to solicit information relevant to the problem. Group interaction was the key aspect that distinguishes focus group interviews from depth interviews, which was conducted with one respondent at a time. It is also the primary advantage of the focus group over most other exploratory techniques. Because of their interactive nature, ideas sometimes drop “out of the blue” during a focus group discussion. In addition, there was a snowballing effect: A comment by one individual triggered a chain of responses from others. As a result, responses were often more spontaneous and less conventional than they might be in a depth interview. Finally the case analysis studied intensively the examples of the phenomenon of interest and explanatory typologies analysis was used to explain indicative assessment level of compliance of tendering procedures.

3.2 PROFILE OF THE STUDY AREAS

This section provides a brief description, and characteristics of the study areas. The Department which falls under the study areas is the Estate Management Unit of the Ghana Health Service head office in Accra. The Department ensures that proper integrated planning and budgeting for optimal location, and quality of health facilities. It also provides advice, standard technical norms and management guidelines for contract administration to all levels. In addition, it will ensure proper acquisition and legal ownership of all health estates and maintain database on health estates (GHS, 2013).

3.3 SAMPLING SIZE AND DETERMINANT

The research dealt with a total sample of Six (6) staff in the Estate Management Department of the Ghana Health Service head office in Accra. However among them, it was only a total of four (4) that responded and avail themselves for the interview. This involved the use of

structured interview as the main data collection instrument used for the study and non-standardised interview approach. This entity was selected on the basis that many tendering processes are undertaken there with international standards. These people targeted were chosen because of their experiences and continuous involvement in the tendering procedures at the GHS.

Data was collected by the use of semi-structured interviewed schedule; each interview lasted for not more than one hour as the process deals with direct questions related to tendering procedures in the procurement act and the interviewees were adequately informed of the interviews and the questions was sent to them earlier for them to prepare. Though they did not agree to be recorded, there was no problem with the whole process.

3.4 RESEARCH DESIGN

Qualitative research is a system of inquiry which seeks to build a holistic, largely narrative, description to inform the researcher's understanding of a social or cultural phenomenon. Qualitative research takes place in natural settings employing a combination of observations, interviews, and document reviews.

McMillan and Schumacher (1993) defined qualitative research as, "primarily an inductive process of organizing data into categories and identifying patterns (relationships) among categories." This definition implies that data and meaning emerge "organically" from the research context.

The function of a research design was to ensure that the evidence obtained enables the researcher to effectively address the research problem as unambiguously as possible (De Vaus, 2001). Given this, the research designs identify the research problem clearly and justify its selection, review previously published literature associated with the problem area,

clearly and explicitly specify the research questions central to the problem selected (Kirshenblatt-Gimblett, 2008).

3.5 RESEARCH METHOD

The in-depth interview was adopted as the preferred methodology to capture the real story. The use of interviews as a methodology was quite often an onerous task because working with words and their multiple meanings was more difficult than working with numbers. It requires clarifying, stop off points, and going off on tangents, while numbers are far less ambiguous (Miles & Huberman, 1984).

As there was a relatively low population interviewed, quantitative methods were inappropriate. The complex information varied considerably, lending this research to indepth interviews: The creative depth interview is an entranceway to narrative understanding. It is a situated, encapsulated discourse balancing intimacy and distance, which opens the way to understanding how particular individuals arrive at the cognitions, emotions, and values that emerge from the conversational journey. It is an adventure in sense making. The purpose is to construct a narrative of the many stories heard from the many interview partners. This interpretive process is on-going and informs each subsequent interview (Miller & Crabtree, 2004).

3.5.1 Qualitative Approach

The rich stories that emanated from the interviews were gratifying and enlightening. They represented much greater and more meaningful data. However, undoubtedly the most pervasive source of data is the interview. Yet in narrative research this is rarely the type of highly structured, rigidly employed, rapid snapshot interview that is often employed by what Wolcott (1995) calls 'closet quantifiers' (Smith & Weed, 2007).

3.6 SOURCES OF DATA

Both primary and secondary sources of data were used to obtain information for the studies.

The primary data was obtained directly from respondents through the administration of structured interviews. The secondary information was also obtained from the library, internet, journal articles, newspapers and research reports. The idea of secondary information was to gather necessary information to guide the conduct of the research project in order to confirm or reject the primary data. The method adopted for achieving the proposed objectives was mainly a comprehensive library based and internet search study involving the analysis of primary and secondary data. In order to complete the main objective of assessing the compliance level, the Public Procurement Act, 2003 with the Organization for Economic Co-operation and Development(OECD) assessment was used as the main tool for the assessment. This was used to assess the level of compliance of the tendering procedure of public procurement entities. The sampling population for the study was made up of procurement officials and planning officers.

3.6.1 Data Collection

Structured interview facilitated the collection of data that ensured the best matching of concepts with reality; it provided the same responses from a given set of respondents and helped reduce inconvenience caused by unfavourable questionnaires. The data collected was to assess the practical considerations of the level of compliance of tendering procedures of public procurement entities. Though distinct categories are there, in reality these categories may seem much more ambiguous to researcher gathering data in the field. Nonetheless, it is useful to divide them here for the purpose of discussion (Snape & Spencer, 2003).

3.6.2 Recording the Data

The importance of getting the quotes and the words correct was not lost on the author. No matter what style of interviewing is used, and no matter how carefully one words interview questions, it all comes to naught if the interviewer fails to capture the actual words of the person being interviewed. The raw data of interviews are the actual quotations spoken by interviewees. There was no substitute for these data (Patton, 2002).

3.6.3 Coding the Data

Getting the data into some conceptual and structural workable order was a challenge because of the ambiguity of the spoken word, the wide variety of thoughts and opinions expressed and the interview processed itself. The author looked at the field notebook, and using color coded post-it notes, looked for raw "chunks" of data with wide, vaguely similar themes and then began the process of "drilling down" looking for patterns and summarizing segments of data collected.

Coding procedures including the important procedures of constant comparison, theoretical questioning, theoretical sampling, concept development, and their relationships – help to protect the researcher from accepting any of those voices on their own terms, and to some extent forces the researcher's own voice to be questioning, questioned, and provisional (Strauss & Corbin, 1998).

Qualitative researchers concede no research is value free and that it is, therefore, impossible to rule out a certain amount of subjectivity in the way data are interpreted. Our judgment and perceptions are colored by our beliefs, values and attitudes (SCU, 2006).

3.7 THE INTERVIEW PROCESS

The convergent interviewing technique was employed during the initial one-on-one interviews with the key players. Convergent interviewing has been seen as a useful inductive qualitative method to investigate under researched areas (Rao & Perry, 2003). “Convergent interviews serve to collect, analyze, and interpret qualitative information about a person’s knowledge, opinions, experiences, attitudes, and beliefs through a series of interviews that converge on important issues” (Carson, *et al.*, 2001; Dick 1990; Nair & Riege 1995 cited in Rao & Perry 2003).

3.7.1 One-On-One Interviews

The use of in-depth interviews is useful when relatively few subjects are available as in this case with the six identified staff of GHS as well as the possibility that information from each subject is likely to vary and in a complex way. Each has their own story to be told in their own right and quantitative data collection not relevant with use of questionnaires and on-line surveys for example not doing justice to the rich data. As Veal (2006) suggests the in-depth interview is ideal for such an exploratory study.

3.8 DATA ANALYSIS

Data analyses was performed by the review of internal records, individuals interviewed, and sometimes situations or people are observed carefully in qualitative research analysis.

In an explanatory typology used, the descriptive function follows the conventional usage, but in a way that is heavily modified by its theoretical purposes. The constituent attributes are extracted from the variables of a preexisting theory (McKinney 1950).

The explanatory typology used was based on an explicitly stated preexisting theory. That theory was originally derived inductively from observations, and deductively using

ordinary language or formal methods. Regardless of how the theory was first produced, however, an explanatory typology was primarily a complement to deductive approaches, because filling in the cells requires working through the logical implications of the theory: given its posited causal relationships, what particular outcomes are associated with different combinations of values of the theory's variables?

3.8 COMPLIANCE ASSESSMENT TOOL

In order to determine the level of compliance with the Public Procurement Act 663, a compliance assessment based on OECD tool of assessment of procurement performance as described in the OECD Methodology was the main assessment tool used.

The compliance/performance indicators (CPIs) associated with the baseline indicators was adopted since the author intended to determine the level of compliance with the Procurement Law. The CPIs help identify those areas where compliance or performance is weak. However, the Baseline Indicators presents “snapshot” comparison of the actual system against the international standards that the BLIs represent. They address four pillars: a) the existing legal framework that regulates procurement in the country; b) the institutional architecture of the system; c) the operation of the system and competitiveness of the national market; and d) the integrity of the procurement system. Each pillar has a number of indicators and sub-indicators to be assessed.

To date, the tool has been used to assess the procurement performance of over one thousand procurement entities and generated invaluable results that guides the regulatory function of the PPA. For instance, previous assessment reports revealed severe challenges confronting procurement entities as far as compliance with the provisions of the Public Procurement Act, 2003 (Act 663) is concerned (PPA E-Bulletin, 2013).

The indicators are intended to provide harmonized tools for use in the assessment of procurement systems. Although the indicators are designed for use in the assessment of the central government or national procurement system in a country, they can be adapted for use in sub national or agency level assessments. There are two parts of the indicators: baseline indicators (BLIs) that deal with the formal and functional features of the existing system; and Compliance/performance indicators (CPIs), that deal with monitoring performance data to determine level of compliance with the formal system.

The CPIs help identify those areas where compliance or performance is weak. Based on review of the CPI data, analysis and findings were recorded. The baseline indicator assesses the strengths and weakness of National Procurement Systems.

3.10.2 Design/Usage of Compliance Assessment Tool

The compliance tool designed and used employed a scoring system whereby the EMD of Ghana Health Service was assessed within six(6) key compliance areas, namely: Invitation to Tender; Submission of Tender; Security/ Bond; Tender Opening; Tender Evaluation; Contract Award.

The compliance tool used was also divided into six(6) columns: Key compliance criteria; Section of procurement Act 663, 2003; Evidence (Indicator of evidence); Proof of Evidence; Scores (Compliance = 1, Non compliance = 0); and Comment/observation.

3.9 SUMMARY

The Researcher adopted explanatory or qualitative research design to explain indicative assessment level of compliance of tendering procedures. This emphasizes detailed contextual analysis of a limited number of events or conditions and their relationships.

Primary and secondary sources of data were used to obtain information for the study.

The primary data was obtained directly from respondents through the administration of

structured interviews and the secondary information was also obtained from the library, internet, journal articles, newspapers and research reports.

The sampling target population for the study was made up of procurement officials, finance officers, and planning officers. The research dealt with a total sample of six (6) at the Estate Management Department of the Ghana Health Service head office in Accra. This involved the use of structured interview as the main data collection instrument used for the study and non-standardised interview approach.

Qualitative research was taken in places of natural settings employing a combination of observations, interviews, and document reviews. Qualitative data collect information as written or visual images and report findings as words. Given this, the research designs identify the research problem clearly and justify its selection, review previously published literature associated with the problem area, clearly and explicitly specify the research questions central to the problem selected (Kirshenblatt-Gimblett, 2008).

Convergent interviewing technique was employed during the initial one-on-one interviews with the key players.

In order to determine the level of compliance of tendering procedures with the Act 663, a compliance assessment based on OECD tool of assessment of procurement performance as described in the OECD methodology was used as the main tool to assess the level of compliance of tendering procedure of public procurement entities. The essence of the data analysis was to examine existing practices, observe the phenomenon as it occurs, conduct unstructured and structured interviews, or use any one of a variety of other approaches to analyze what is happening in the given situation.

CHAPTER FOUR

FINDINGS, DISCUSSIONS AND PRESENTATIONS

4.1 INTRODUCTION

In this chapter, findings from interviews, observations and internal document studies will be presented. The chapter will also focus on how a department within the studied institution manages practically tendering procedure in compliance to the provision of the Public Procurement Act 2003, Act 663. It also presents survey results, findings and interpretation, and is structured into two sections. The focus of this chapter is to discuss the findings from the field which was aided with structured interview questionnaires. Findings for this study were centred on the three main objectives of the research and a general question on the other part within the tendering procedures by the Public Procurement Act, 2003, Act 663. It was however, necessary to consider issues that concern the assessment of the level of compliance of tendering procedures of public procurement entities with the provision of the PPA 2003, Act 663 at the Estate Management Department of the Ghana Health service Head office in Accra.

4.1.1 Background of the Interviewee

The staffs interviewed at the Estate Management Department of the Ghana Health Service were averagely over 6years of working experience in the tendering procedure and it was evident that they had immense knowledge about the tendering processes of the PPA 663. They play vital role in the tendering process at the EMD. The education levels of the interviewees were all first degree holders with one of them pursuing

second degree in Procurement Management. The GHS organized periodic training for all professional in this Department, which means staff members involved in the tendering procedure only follow and adopt the provision of PPA 663, 2003. The interviewees play a major role in the tender documentation, evaluation to the award of the contract and their role is not affected by projects characteristics (Size, contract form and type of project) of works contract.

Table 4.1: Professional's Number of Years of Experience

TABLE 01: PROFESSIONAL NUMBER YEARS OF EXPERIENCE	
General Professional	EXPERIENCE
1. Quantity Surveyors	6
2. Architects	6
3. Structural & Civil Engineers	3
4. Service Engineer	3

Source: Author Source

4.2 COMMENTS ON COMPLIANCE/PERFORMANCE

The CPIs helped identify areas where compliance or performance is weak. Based on review of the CPI, analysis and findings were recorded. The compliance tool designed and used assessed within six(6) key compliance areas, Invitation to Tender; Submission of Tender; Security/ Bond; Tender Opening; Tender Evaluation; Contract Award. The staffs at the EMD are also very much aware of compliance assessment and once a while, do carry out assessment themselves.

4.2.1 Invitation to Tender

The publication of advert for the invitation to tender in most cases, **“the Tenderers themselves find them out through staffs at the Department”** as quoted by one of the

interviewees. The standard information provided for Tenderers invitation to Tender and prequalification are those used in the PPA 663.

The assessment showed that the requirement for invitation to tender publicly advertised was generally adhered to, **scoring 2/3** at the department.

Publication of advert "**in most instances, tenders were published in only one national newspaper**". Tendering procedure for works under the National Competitive Tendering which are to be published in two national newspapers with wide circulation and procurement bulletin was not always adhered to.

The publication is mostly done in Ghanaian Times Newspaper and sometimes in the Daily Graphic as well. According to one of the interviewees who was reluctant in bringing this information out, "**this was due to advertisement cost and low awareness of the availability of the procurement bulletin**". This accounts for the limited number of tenderers offering tenders.

Tenderers are "**given opportunity to assess tender document before they purchase it**", but it is always not the case as that was clearly noticed.

The name and address of the procurement entity are also provided in all adverts, with the nature, quantity and place of delivery of the works all provided. In the case of goods advert, the procurement unit of the GHS takes full responsibility of that.

Not only is the nature and location of the works to be executed or the nature of the technical services to be provided shown in the advert, "**but the contract conditions and source of funding are also provided**". For Works NCT, "eligibility requirements are followed or adhered to". Though the time, place and submission of the tender documents are specified,

"the price of the tender document to be obtained is not followed by the PPA guidelines provided".

4.2.2 Tender Submission

The minimum time allowed for submission of tender under the Public Procurement Act 663 was generally adhered/complied to and **scoring 3/3**. Which also means this allows tenderers adequate time to prepare and submit tenders. The maximum time allowed for the submission of tenders is 6 weeks for NCT.

4.2.3 Tender security

The tender security requirement under Sections 55 of the Act 663 accompanied by tenders was adhered to and **scoring 3/3**. Any requirement for a tender security under Section 55 of the Act 663 shall be based on a percentage of between two(2) and four (4) percent of the estimated cost of the procurement, and stated in the tender document as a fixed sum of money. It was further observed that "performance bond was sometimes permitted to be accompanied with tenders", unless otherwise specified tender security directed in the invitation to tender. However, minimum percentage of two (2%) was mostly required in the invitation to tender document.

4.2.4 Tender Opening

Tenders are "submitted in tender box and opened publicly" at the end of the tender period at the time specified in the tender documents as the deadline for the submission of tenders and at "the place and in accordance with the procedures specified in the tender document" as required by the Act. The department **scored 3/3** as a compliance factor which was seen as enhancing transparency in the tendering process.

4.2.5 Tender Evaluations

It was stated emphatically that, “the use of standard evaluation forms for evaluation and qualification of tenderers are used by the Estate Management Department of the GHS and the processes and procedures applicable to evaluation of tenders for NCT works are the criteria used by the PPB template”.

The assessment indicated high level of compliance in tender evaluation for the tendering procedures. The Estate Management Entity **scored 3/3** as compliance factors of the evaluation of tenders. "Approval for evaluation was done by the Entity Tender Committee in accordance to the Act". In addition, the appropriate evaluation criteria and methodology specified in the invitation document was adhered to. It was observed that "the evaluation of tenders are completed within the tender validity period and between two to four weeks estimated leads time stipulated in the procurement manual".

“Preliminary examinations are conducted in accordance with the specific terms contained in the tender document, but this is not always done. This exercise does not really determine whether tenders have completed and are responsive to the basic instructions and requirements of the tender document”. But things such as, “correctly signed and authorized tenders, erasures additions or changes initialed by the tenderers, tender security, manufacturer’s authorization if so required by the tender document, the correct number of copies, etc. are carefully evaluated”.

4.2.6 Contract Awards

Contracts above the threshold in Schedule 3 (Appendix B), should be published in the Procurement Bulletin which shall disclose the names of firms or individuals awarded contracts, the start and completion dates, as well as the value of the contracts. The Law enjoins an entity to inform tenderers of the tender results and publish Contract awards.

However this was not adhered and complied with, **scoring 0/3** and completely ignored. Response from an interviewee was, "**we do not always published names of those awarded with contracts**". Which contribute little to transparency if tender result is not disclosed to tenderers before tender is accepted. A tender that has been ascertained to be successful tender in accordance to the Act, shall be accepted and notice of acceptance of the tender shall be given 30days of acceptance to the tender to the contractor submitting the tender. Notice to unsuccessful tenders is given in written notice by the procurement entity of the Estate Management Department.

4.3 ASSESSMENT OF NATIONAL PROCUREMENT SYSTEMS

The national procurement system of Ghana was assessed in May 2009 based on the OECD-DAC/World Bank Round Table methodology and indicators as defined in the “Methodology for the Assessment of National Procurement Systems” was adopted and used. The use of this tool provided an approach to assess the quality and effectiveness of the national procurement system. In conforming to the four pillar approach of the OECD DAC methodology, the initial assessment report (draft) highlighted the progress already achieved by the Government in the implementation of its public procurement reforms and those areas where further actions are required in order to bring public procurement in the country to levels consistent with the benchmarks (OECD, 2010). The research seeks to address an aspect of the Pillar 1 with regards to the “Assessment of the level of compliance of Tendering Procedures of Public Procurement Entities with the Provision of the PPA 2003, Act 663”.

4.4 GENERIC PROCUREMENT PROCESS

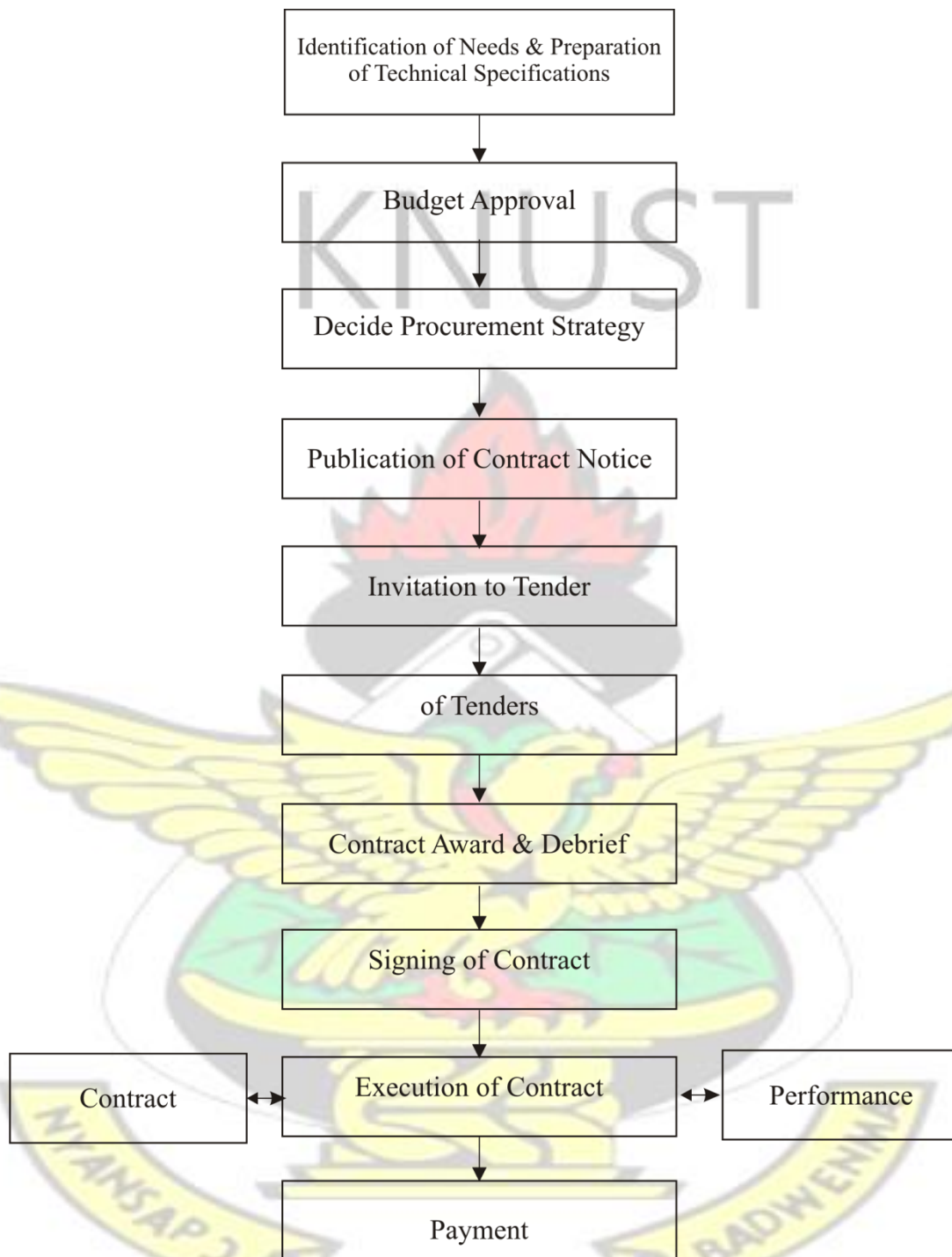


Figure 4.1: The Tendering Process **Source: Authors Source**

The tendering process is not affected by projects characteristics (size, contract form and type of project) for works tendering processes handled by the Estate Management Unit of the GHS; the tendering team is assembled by the structures already set-out at the Estate

Management Unit of the GHS. Market analysis to investigate the competitors in terms of (analyzing their available resources etc.) is only done during post evaluations tendering procedure."There is no strict internal audit which checks if the internal documents and policies of the tendering procedures are complied with, but for the approval of the head of the Unit, the tendering procedures are assumed to comply with the provision of the PPA 663, 2003".The head of unit approved the tendering procedure based on the Schedule 3 of the Act which is guided by the threshold for works contract.

4.4.1 Entering into Force of Contract

Following approval from the relevant review body, the contract will be awarded to the Tenderer who has submitted the lowest evaluated Tender.

Before contacting the Tenderer, a formal commitment of the required funds against the budget of the Procurement Entity must be approved.

Action:

- Prepare/update the Activity and Expenditure Initiation (A&EI) Form and obtain approval of the commitment of funds against the budget of the Procurement Entity.
- Prepare four copies (minimum) of the contract ready for signature by each party to the contract, and include all specific details relating to the Tenderer, the Conditions of Contract, and the Tenderers offer. A clear statement on when the contract becomes effective is also essential since certain contract clauses could be connected with this date, e.g. Mobilization, Site Possession, Validity of Performance Security, etc.
- Obtain the signature of the Head of Procurement Entity on all copies of the contract.
- Provision of Performance Security should be a pre requisite for contract signature. Note that the four copies (minimum) of the Contract will be distributed after signature as follows:
 - Original – Procurement Unit;

- 1st Duplicate – Supplier/Contractor;
 - 2nd Duplicate – the Technical Department concerned; and
 - 3rd Duplicate – Legal Officer/Ministry of Justice.
- Ensure that the contract is duly recorded in the Contracts Register maintained by the Procurement Unit.
 - Arrange the immediate return of Tender Securities to all tenderers and the successful Supplier or Contractor as soon as the Contract becomes effective.

4.5 SUMMARY

The study revealed various levels of compliance among the six compliance/performance areas assessed at the Estate Management Department of the GHS. There are compliance issues to be addressed in the establishment of invitation to tender, tender submission, tender security, tender opening, tender evaluation and contract awards. However there are many areas that show strong compliance in document preparation of tendering procedures.

The smooth implementation of tendering procedures in compliance to the Public Procurement Act is being hindered by a number of challenges. Many of these issues have resulted in poor procurement decisions, loss of value for money, poor quality of works, abandoned projects and corruption.

The concluding chapter of the study summarize the findings, conclusions and presents recommendations to improve compliance and address implementation challenges.

CHAPTER FIVE

FINDINGS SUMMARY, CONCLUSION AND RECOMMENDATIONS 5.1

INTRODUCTION

This chapter presents and highlights the summary of the findings of the study which are outlined to direct investigation of specific objectives, conclusions that have been arrived at and recommendations made to improve the tendering procedures of public procurement entities in Ghana.

5.2 REVIEW OF OBJECTIVES

This will discuss the three major findings from the research objectives and provide some recommendation for action. The findings were in response to the interviews conducted with 6 people directly involved in the conducting of tendering procedure at the GHS. Thematic analysis for the objective of this qualitative material, as presented in the objectives of the research was used. For the research to yield its meaningful and useful results, it was imperative that the material under scrutiny was analysed in a thematic manner with the objectives of the research detailed in a step-by-step fashion.

5.3 SUMMARY OF FINDINGS

Findings from interviews, investigations, observations and internal document studied will summarily be presented. The findings will focus on how departments within the studied entity manage the tendering procedures practically in the Estate Management Department of Ghana Health Service. The objectives of the study were as follows:

- 1.To examine documentary procedures of tendering for works under the National Competitive Tendering;
- 2.To identify an appropriate compliance measuring tool for assessing tendering procedures for works under the National Competitive Tendering;

3.To use the tool identified to measure the level of compliance of tendering procedure for works under the National Competitive Tendering with regards to the dictates of the PPA.

From the analysis of the assessment of the level of compliance of tendering procedures of Public Procurement Entities carried out, the following main findings were revealed and are presented below.

5.3.1 Compliance/Performance Assessment Tool

Compliance/Performance Assessment Tool incorporating six sections was assessed to determine the level of compliance of the EMD of the GHS. The assessment tool employs the use of sample tender documents to determine the level of compliance of procurement entities. It provides the basis for the measurement of compliance level of procurement entities.

5.3.2 Determination of Level of Compliance

The assessment tool was used to assess the Estate Management Department of the Ghana Health Service as a procurement entity to determine its level of compliance of tendering procedures for works under the National Competitive Tendering form "invitation to tender" right to the "award of contract".

The results of the compliance assessment revealed a total level of compliance of the procurement entities to be about 78% from the invitation to tender to the award of contract at the EMD of the GHS at the Accra office.

The findings indicate a high level of compliance in the areas of use of submission of tender, tender security, tender opening and tender evaluation. Areas indicated low and absolute noncompliance included the invitation to tender and the award of contract of the

procurement entity. The summary of findings in the six assessment criteria areas are presented below:

5.3.3 Invitation to Tender

The assessment showed that the requirement for invitation to tender publicly advertised was generally adhered to, **scoring 2/3** at the department. However, tendering procedure for works under the National Competitive Tendering which are to be published in two national newspapers with wide circulation and procurement bulletin, was not always adhered to. "In most instances, tenders were published in only one national newspaper."

5.3.4 Tender Submission

The minimum time allowed for submission of tender under was generally adhered/complied with and **scoring 3/3**, and means tenderers are allowed adequate time to prepare and submit tenders.

5.3.5 Tender security

The tender security to be accompanied with the tender document was adhered to and **scored 3/3**, and by which two percent (2%) approximately was fixed for the tender security.

5.3.6 Tender Opening

The department **scored 3/3** as a compliance factor which was seen as enhancing transparency in the tendering procedures.

5.3.7 Tender Evaluations

The assessment indicated high level of compliance in tender evaluation for the tendering procedures. The Estate Management Entity **scored 3/3** as compliance factors of the

evaluation of tenders. "Approval for evaluation was done by the Entity Tender Committee in accordance to the Act".

5.3.8 Contract Awards

The Law enjoins an entity to inform tenderers of the tender results and publish Contract awards. However this was not adhered/complied to, **scoring 0/3** and completely ignored.

5.4 CONCLUSION

Compliance to Act 663 by procurement entities as whole remains the biggest challenge to realize the objectives of transparency, competition, economy, fairness and accountability in public procurement entities in Ghana. However, the assessment concluded that the level of compliance of tendering procedures existed at the EMD of the GHS in Accra of about 78% success achieved in the studies. It established that, whereas there was a high level of compliance in areas of submission of tender, tender security, tender opening and tender evaluation, areas including invitation to tender and the award of contract shows low and absolute noncompliance.

5.5 RECOMMENDATIONS

Generally, the compliance of tendering procedures of the public procurement entity with the provision of the PPA 2003, Act 663 need to be improved upon to meet the standard set by the PPB Standard Tender Document.

The studies identified the areas of non-compliance of Tendering Procedures of the Public Procurement Entity in the findings of the research and thereby recommend the following:

1. Publication of Contract Awards

The Public Procurement Authority should ensure that award of contracts are published in newspapers of national circulation as well as, website of the public procurement entities.

The same way, unsuccessful tenderers are notified in writing of tender results. The contract award information should include the name of the contractor and the consultant, project name, award date, location, contract sum and completion period as specified in the Procurement Act 663.

2. Keeping of Records

All documents relating to the tendering procedures should be recorded together and kept in a filing cabinet. The file should contain the following documents with respect to the tendering procedures:

- Tender documents
- Tender invitation/advertisement
- List of tenders received
- Minutes of tender opening
- Evaluation report
- Public notice of award of contract
- Signed contract
- Notification to unsuccessful tenderers
- Appeals/reviews of award of contract received if any
- Minutes of meeting resolving appeals/reviews
- Approval of interim certificates

3. Compliance Assessment

The public procurement authority should adopt a compliance assessment tool to measure compliance of entities.

4. Information Dissemination

The Public Procurement Authority should undertake vigorous information dissemination to stakeholders including the public, service providers ,entity committees, academia, and non-governmental organizations.

5. Training and Capacity

- Procurement entities should be equipped with information technology systems capable of collecting, storing and reporting the data relating to tendering procedures.
- Skills levels of existing staff should be upgraded through extensive programmes of professional training and development in the tendering process.
- Training of selected procurement staff as trainers and involving them in delivering training for procurement entities.
- The universities and polytechnics in Ghana should be encouraged to include procurement courses in business administration, economics, commerce, engineering and technology.

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APPENDICES

APPENDIX A: INTERVIEW QUESTIONS

Research Topic: **Assessment of the level of compliance of Tendering Procedures of Public Procurement Entities**

Background of the Interviewee

1. What role do you play in the tendering process at the Estate Management Department?
2. How many years have you been involved in the tendering process?
3. What is your current Education Level?
4. Have you ever had the opportunity to attend a procurement training programme?
5. Are you always involved in the tendering process irrespective of the size of the project?

The Tendering Process

6. Can you describe a general tendering process? From the announcement of the until the award of contract?
7. Can you describe how the tendering team is assembled?

Compliance/Performance

8. Are you aware of the compliance/performance assessment indicator used to determine level of compliance of public procurement process?
9. Have you ever been involved in any assessment of procurement process?

Invitation for Tender

10. How is the publication of Advert done for invitation of tenders?
11. How many publication medium is this advertisement done?
12. Are tenderers given opportunity to assess tender document before they purchased them?

Tender Submission

13. What is the minimum time allowed for the submission of tender?
14. Prior to the deadline for the submission of tenders, are deadline extended sometimes?
15. What happens to tender submitted after deadlines?

Tender security

16. How is the specified amount of the tender security calculated?
17. Have there been instances that the tender security have been rejected before? 18.
Does the entity sign contract with tenderers whose tender security has expired?

Tender Opening

19. When are tenders opened?
20. When is the tender price recorded and announced?
21. When is the name and address of contractors whose tender is opened be announced?

Tender Evaluations

22. How is tender evaluated ?
23. Which criteria are used in tenders evaluation?
24. How long does it take for tenders to be evaluated?

Contract Awards

25. Do you publish names of successful tenderers?
26. How long does it take to sign a procurement contract?
27. Do you give notice to unsuccessful tenderers in written?

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APPENDIX B: SCHEDULE 3

SCHEDULE 3 **(Section 20, Section 41, Section 43, Section 65)**

1. Thresholds for Procurement Methods

Procurement Method/Advertisement	Contract Value Threshold
(1) Pre-qualification (a) Goods (b) Works (c) Technical Services	Above GHC 35 billion Above GHC 70billion (not more than 10% of cost of works)
(2) International Competitive Tender (a) Goods (b) Works (c) Technical Services	Above GHC 15.0 billion Above GHC 20. 0 billion Above GHC 2.0 billion
(3) National Competitive Tender (a) Goods (b) Works (c) Technical Services	More than GHC 200 million up to GHC 2.0 billion More than GHC 500 million up to GHC 15 billion More than GHC 200 million up to GHC 2.0 billion
(4) Restricted Tendering	Subject to Approval by PB
(5) Price Quotation (a) Goods (b) Works (c) Technical Services	Up to GHC 200million Up to GHC 500million Up to GHC 200million
(6) Single Source Procurement and Selection	Subject to Approval by PB
(7) Advertisements for Expressions of Interest for Consulting Services in local newspapers	Above GHC 700million
(8) Least-Cost Selection	Up to GHC 700million
(9) Selection based on Consultant's Qualifications	Up to GHC 350m
(10) Single Source-Selection	Subject to Approval by PB



2. (B1) Decentralised Procuring Entities - 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 50m
(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

3. (B1) Other Procuring Entities - 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 50m
(2) Entity Tender Committee	> 50m- 1.0b	>100m-2.0b	>50m-1.0b	>50m-500m
(3) Ministerial and Regional Tender Review Board	>1.0b-8.0b	>2.0b-15.0b	>1.0b-8.0b	>500m-3.5b
(4) Central Tender Review Board	Above 8.0b	Above 15.0b	Above 8.0b	Above 3.5b



APPENDIX C: INVITATION FOR TENDERS

FORMAT FOR INVITATION FOR TENDERS

Date: [of issue of invitation]
Project Name: _____
Contract Name: _____
Contract Number: _____

1. The _____ *[name of/Procurement Entity/Employer]* intends to apply part of its budgetary allocation to fund the procurement _____ *[name of Project]* to support its programme of work..
2. The _____ *[name of Employer]* hereby invites sealed Tenders from Contractors for the construction of _____

_____ *[brief description of the Works²]*. The time for completion is _____ *[No. of weeks or dates]*.
3. Tender documents (and additional copies) may be purchased at _____ *[name and address of office]* for a nonrefundable fee of GHC _____, for each set. Interested Tenderers may obtain further information at the same address.³
4. Tenders shall be delivered to _____ *[name and full address of receiving office]* on or before _____ *[time and date of Tender closing]* and shall be valid for a period of _____ *[days]* after Tender submission. Late Tenders will be rejected. Tenders will be opened in the presence of the Tenderer's representatives who choose to attend at *[time and date of Tender opening⁴]* at *[full address of office for Tender opening⁵]*.

² A brief description of the works should be provided, including quantities, location of project, and other information necessary to enable potential Tenderers to decide whether or not to respond to the invitation. Tender documents may require Tenderers to have specialized experience or capabilities; such requirements should also be included in this paragraph.

³ If a Tender security is required, this paragraph should so state. The paragraph should also state the amount of the Tender security in local currency and that the Tender security shall accompany the Tender.

⁴ The time of Tender opening shall be soon after time of tender closing

⁵ The office for Tender opening may not necessarily be the same as that for inspection or issuance of documents or for Tender submission. If they differ, each address must appear at the Invitation for Tenders. Only one office and its address shall be specified for submission, and it should be near the place where Tenders will be opened.

