

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**COLLEGE OF ART AND BUILT ENVIRONMENT**

**DEPARTMENT OF BUILDING TECHNOLOGY**

**“IMPACT OF PUBLIC PROCUREMENT ACT, 2003 (ACT 663) ON PROCUREMENT  
OF GOODS IN PUBLIC SECOND CYCLE INSTITUTIONS IN AGONA WEST  
MUNICIPAL AND AGONA EAST DISTRICT ASSEMBLIES IN THE CENTRAL  
REGION OF GHANA”**

**By**

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**The**

**Requirements for the Award of Master of Science Degree in**

**PROCUREMENT MANAGEMENT**

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## DECLARATION

I hereby declare that this submission is my own work 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 degree of the University, except where due acknowledgement has been made in the text.

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## DEDICATION

This project work is dedicated to THE LORD GOD ALMIGHTY in whom I live and move and have my being; then to my beloved mother in-law (Mrs. Comfort Hanson), Mrs. Elizabeth Dosu, Miss Lydia Hanson, Rev. Frank Agyekum-Ankrah and the last but not the least my lovely father in-law (Mr. Eric Hanson). I really appreciate their love and support.



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Notwithstanding the support acknowledged by me, I am solely responsible for all errors and omissions found in this work.

## ABSTRACT

There have been many failures in procurement activities because of bad practices that result from a lack of knowledge of the required procurement procedures to ensure effectiveness and efficiency. The Act among other things seeks to harmonize procurement processes by ensuring a fair, transparent and judicious use of state funds. Despite the passage of the Act 663 there have been series of challenges with its implementation. Lacks of funds and bureaucracy have been reported to affect the operations of government institutions including those in the educational sector. The study sought to assess the impact on procurement of goods activities in public second cycle institutions. The objectives of the study are: establish the requirements of the PPA and their significance to the procurement of goods in second cycle institutions, To ascertain whether the requirements of the Act 663 are complied with, examine the benefits, the challenges and the impact of compliance with the requirements of the Act 663 and finally recommend ways of ensuring efficient and effective procurement activities. The study used a descriptive or survey research design. The respondents were headmasters/headmistresses, accounts officers, procurement officers, supply officers, and store keepers in the five second cycle institutions. Questionnaires were administered to the entire population of 25 respondents with 100% response rate. The data collected was analyzed using statistical package for social sciences (SPSS version 20). The results revealed some benefits of complying with the Act 663 such as promotes competitions, reduces fraud and corruptions and increases accountability. Challenges such as the bureaucratic nature of the Act which results in delays in the award of contract, Lack of qualified procurement personnel and lack of training avenues and institutions to train procurement staffs are faced in all the institutions. Recommendations were subsequently made in the light of the findings; such as establishment of a professional procurement agencies or body and training avenues or institutions

to train more procurement personnel to handle public procurement effective and efficient to ensure the achievement of best value for money in all procurement activities in the country.

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## CHAPTER ONE

### GENERAL INTRODUCTION

#### 1.1 Background

In the provision of public goods and services, huge sums of money are spent by government (Gnanih, 2012). The European commissions (2007) argue that public procurement is needed in these processes to ensure effective and efficient use of the state's scarce resources. They subsequently define public procurement as a process employed in acquiring goods, services and works for the public; it must be effective so as to be beneficial to all citizens. It is estimated that in the United Kingdom as high as over £150 billion is spent annually on goods and services for the public.

According to Thai (2001), governments are responsible for procuring goods, services and capital assets, such use of state resource by government is term as government or public procurement. Procurement staffs must ensure judicious use of resources by demonstrating good sense of accountability. A World Bank report (2003a) state that as high as 70% of the budgets is spent on procurement and it related activities (Ameyaw et al, 2012).

Addressing the problems concerning public or government procurement, more laws were passed and enacted to ensure the achievement of expected results in public procurement. In Ghana, the Public procurement Act, 2003 was passed to provide the legal framework for procurement in respect of goods, services and works using public funds. The law was enacted to harmonize the procurement process, ensure that government procurement is transparent and fair, among other things.

In other words the Act seeks to ensure judicious use of state funds (PPA 2003). Although the Public Procurement Act was enacted in December 2003 by Parliament, it entered into force in August 2004 to enable procuring bodies have legal powers to conduct transactions, obtain any relevant approval within the governmental hierarchy and arrange the necessary financing for the purchase of goods in Ghana. Since the entry into force of the Act, the sectors of education, like any other public procurement entity is used to perform procurement activities in accordance with the law to meet the requirement.

The public second cycle institutions is a major organization under the ministry of education involved in the purchase of goods to ensure all year round access in the various schools. However, there have been many failures in procurement activities because of bad practices that results from a lack of knowledge of the required procurement procedures to ensure effectiveness and efficiency. Consequently, the procurement staffs are often trained through seminars and workshops on procurement procedures. The study seek to establish the impact, the Act has had on procurement of goods contract in public second cycle institutions due to the above.

## **1.2 Problem Statement**

The public procurement Act was passed to guide government's expenditure despite this there exist challenges with the implementation of the Act. Corruption has increased drastically within the government sector hence rendering the law ineffective (Transparency International (2012). Lack of funds and bureaucracy has been report to affect the operations of government institutions including those in the educational sector. The problems above among others have negative impact on the procurement processes of public second cycle institutions in Ghana. It makes their activities difficult, and creates environments which discourage the use of the appropriate procurement procedures. The above difficulties may be caused by; the delay in government feeding grants to

arrive on time and the ban placed on collection of additional fees in schools since 2001. Additional fees paid by students have contributed to the management of the schools to provide certain goods when there is a lack of funds. Due to above ban placed on payment of additional fees, almost all the public schools relied on the government feeding grant to manage the activities of the schools.

This study is to establish the extent to which ethical issues and other concerns related to procurement were addressed by the law in examining the impact of the law on public procurement practices in the public second cycle institutions.

### **1.3 Research Questions**

- (i) What are the requirements of the PPA, 2003 (Act 663)
- (ii) Does procurement practitioners comply with the requirement of the Public Procurement Act (Act 663) in public second cycle institutions?
- (iii) What are the effects of the implementation the Public Procurement Act (Act 663) on procurement of goods in public second cycle institutions?
- (iv) What can be done to enhance efficient and effective procurement of goods activities in public second cycle institutions in Ghana.

### **1.4 Aim and Objectives**

#### **1.4.1 Aim**

To assess the impact of the Public Procurement Act on the procurement activities of public second cycle institutions in the Agona West Municipal and Agona East District Assemblies.

### **1.4.2 Objectives**

The objectives were;

- (i) To establish the requirements of the Public Procurement Act (Act 663) and their significance to the procurement of goods in second cycle institutions in Ghana.
- (ii) To ascertain whether the requirements of the Public Procurement Act (Act 663) are comply with in public second cycle institutions in the Agona West Municipal and Agona East District Assemblies.
- (iii) To examine the benefits, the challenges and the impact of compliance with the requirements of the Public Procurement Act (Act 663) in procurement activities in the public second cycle institutions.
- (iv) To recommend ways through which the Public Procurement Act (Act 663) can be used to enhance efficient and effective procurement of goods in public second cycle institutions in the Agona West Municipal and Agona East District Assemblies.

### **1.5 Significance of the Study**

The outcome of the study will be an important source of information to the Public Procurement Authority, The Ghana Supply Company and management and procurement officers in public second cycle institutions. The PPA will be well informed about the influence of the Public Procurement Acts on the activities of second cycle institutions and the possible ways that can be followed to ensure efficient and effective procurement of goods practices in public second cycle institutions in the Agona West Municipal and Agona East District Assemblies.

Essentially, this study would not only contribute to knowledge and theory, but unraveled weaknesses in the Act and challenges faced by professionals entrusted with procurement operations.

The study will also be beneficial to the Ministry of Education and the other ministries to undertake interventions to promote efficient procurement processes that will help obtain best value for money. Again, the findings will add up to the pool of data required by other researchers in their bid to come out with interventions to solve procurement problems in the nation and also serve as a source of information for further research work on the subject.

### **1.6 Limitations of the Study**

The research will not be without constraints, these are;

- A closed ended questionnaire was used for the data collection which prevented the respondents to give their varied views on the topic discussed.
- Some important stakeholders of procurement in schools such as vendors or suppliers were omitted in the study survey which may affect the outcome of the study.

### **1.7 Scope of the Research**

Geographically, the scope of the research was the Public second cycle institutions within the Agona West and Agona East District Assemblies in central region. These assemblies were selected because of the relatively proximity to the researcher and also the fact that data was readily available to the researcher. The respondents in these institutions were perceived to be qualified and competent, they were selected because their activities are affected by the Public Procurement Act, and thus their contributions were essential in the assessment of the impact.

### **1.8 Research Methodology**

The study employed a mixed methodology approach of enquiry, utilizing both qualitative and quantitative. Qualitative data sourced literature on the topic from sources such journals, books, and the internet among others. Hereafter called the secondary source. This research relied on the procurement procedures outlined in the Act 663(2003) issued by parliament of Ghana to achieve

value for money in procurement activities in the country, manuals on Act 663 (2003) issued by the Public Procurement Authority of Ghana and world bank guidelines for procurement, online media and other literature. The quantitative approach utilized a questionnaire survey in gathering views on the topic from the respondents of the study which consist of 25 research participant, such information is referred to as primary data. The data was further analysed using simple statistical tools such as Statistical Package of Social Sciences (SPSS Version 20)

### **1.9 Organization of the Research**

The study has been organized into five (5) chapters. Chapter one introduces the study. It discusses the background to the study, the research problem, aim and objectives, scope, limitations and importance of the study. The chapter after this is titled “Literature Review” which discussed at length, issues on procurement practices in Ghana. Chapter three explains the research methodology while the results of the study are discussions in chapter four. Chapter five completes the study with conclusions and recommendations been drawn from the findings.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Overview**

This section brings together relevant literature in connection with the research topic in order to provide theoretical foundation for the research. It comprises of issues such as the overview of the Public Procurement Act, key provisions or requirement of PPA 2003(Act 663) which are relevant

to the research, the benefits and the challenges since the implementation of the Act in Ghana as well as the impact the Act has had on procurement practices in Ghana.

## **2.2 Overview of the Public Procurement Act in Ghana (Act 663)**

In the year 2003, Ghana enacted its public procurement law to serve as the legal framework for the establishment of the procurement board, methods, structure, rules, and procedures, for the review and provision of goods and services. It also spell out how goods, stores, plants and equipment, and other miscellaneous provisions should be disposed (Acquaye, 2011). The five basic pillars established by the Public Procurement Act, 2003 (Kumaraswamy 2006, cited in Kwatiah, 2014) are;

- (i) the transparent legal and institutional framework,
- (ii) the standardized procurement procedures and standard tender documents,
- (iii) the independent control system,
- (iv) the proficient procurement staff,
- (v) The anti-corruption measures

## **2.3 Procurement Structures**

In ensuring the smooth flow of the procurement processes, The PPA, 2003 (Act 663) establishes the Procurement Structures; the Public Procurement Board to provides the administration and institutional arrangement for procurement, Tender Committees, Tender Evaluating Panels and Tender Review Boards. Each of these structures has its designated function.

### **2.3.1 Public Procurement Board**

The function of the Board is to see to it that all procurement activities in the country are carried out to ensure proper use of government resource and also prevent discrimination (Section 2, of

Act 663). According to Section 3 of the Act, “the Board” shall perform the following functions such as drafting and implementing policies, monitoring and supervising procurement activities and publishing information on procurement etc.

### **2.3.2 Procurement Entity**

Unlike the PPB, the PE is an institution or persons which have been given the legal powers to conduct procurement on behalf of the government (PPA 2003, ACT 663). The following are types of procurement entities in Ghana currently; these are government agencies, departments, ministries, institutions and state own businesses. The entity head is responsible to ensure that the provisions of the Act are complied with. He is also required to establish a Procurement Unit.

### **2.3.3 Procurement Unit**

This is a setup within a Procurement Entity mandated to carry out all procurement activities within the entity. This unit usually headed by a person with the necessary qualifications, experience and skills to manage procurement activities (PPA 2003, ACT 663).

### **2.3.4 Entity Tender Committee**

According to section 17 of the Act, this body is responsible for ensuring that all due processes in the procurement Act have been followed.

## **2.4 Procurement Procedures of PPA, 2003 (Act 663)**

Procurement procedures are step by step approach to ensure that rules, principles and regulations governing public procurement are duly followed to ensure that the Public Procurement law (Act 663) is adhered to by all public procurement entities.

### **2.4.1 Procurement Plan**

The procurement law mandates all entities to prepare a yearly plan that details the procurement activities for the forthcoming year. The date set for the completion of this plan is 30<sup>th</sup> September of the preceding year. The plan goes through review and approval by other departments before they are implemented (Aduamah, 2014).

### **2.5 Procurement Methods**

There are various Procurement methods used for acquiring goods, works and services. Several factors influence the selection of each type procurement method. Typical example is threshold requirement. Per the act, the following methods can be used in Ghana: Competitive Tendering, Restricted Tendering, Two-Stage Tendering, Single Source Procurement and Request for Quotation.

#### **2.5.1 Competitive Tendering**

This method involves maximum competition among bidder. All tenderers are eligible to bid for the delivery of the good, works or services being advertised. The tendering process is open to the public. Under this method of procurement, we have International Competitive Tendering (ICP), National competitive tendering (NCT) and Framework Agreement (FA). ICP is used for works of high value or complexity such that it is unlikely to attract enough local bidders. In Ghana, projects such as the construction of highways, interchanges, ports have seen this method being used. NCT on the other hand is used when the value of the project is comparatively low per the threshold limit set by the Act. In this case foreign bidders are not supposed to tender. The difference between NCT and FA is the threshold limit.

### **2.5.2 Request for Quotations**

One major setback in the use of competitive tendering is the bureaucracy and cost involved in carrying out the processes especially when the contract value is small. Thus, to simplify the procedure for contract where the value is small as per the definition of the threshold limits Request for Quotation is used (Public Procurement Acts 663, 2003).

The method involves comparing price quotations from a minimum of 3 suppliers (either foreign or local) for goods or works where the value relatively small.

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

This method is used only in the situation where detailed specifications are not ready prior to the tendering.

### **2.5.4 Restricted Tendering**

This method is a competitive tendering procedure whereby limit is set on those who can apply (usually a minimum of 3 and maximum of 6 short-listed bidders are asked to tender). Moreover, the method is used when the work involved is of a specialized nature and also the number of suppliers is limited. The procurement entity need approval from the Procurement board before the method can be used. According to the 2009 annual report of PPA, 167 out of 179 entities had their proposal approval to use restricted tendering. The figure for the year 2008 was 166 out of 173

### **2.5.5 Single Source Procurement**

This method does not involve any competition. Only one supplier is awarded the contract. The method is used under the following conditions: when there is urgent need, the good can only be supplied by one source, the procurement concerns national security etc. Statistics show that 323

out of the 360 single source applications received were either approved or conditionally approved compared with the 318 out of 342 in 2008 by PPA (PPA Annual report, 2008/2009).

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**Table 2.1 Thresholds for Procurement Methods**

<b>Procurement Method/Advertisement</b>	<b>Contract Value Threshold</b>
(1) Pre-qualification	Above GHC 35 billion
(a) Goods	Above GHC 70billion
(b) Works	(not more than 10% of cost of works)
(c) Technical Services	
(2) International Competitive Tender	Above GHC 15.0 billion
(a) Goods	Above GHC 20. 0 billion
(b) Works	Above GHC 2.0 billion
(c) Technical Services	

(3) National Competitive Tender	More than GHC 200 million up to GHC 2.0 billion
(a) Goods	More than GHC 500 million up to
(b) Works	GHC 15 billion
(c) Technical Services	More than GHC 200 million up to GHC 2.0 billion
(4) Restricted Tendering	Subject to Approval by PB
(5) Price Quotation	
(a) Goods	Up to GHC 200million
(b) Works	Up to GHC 500million
(c ) Technical Services	Up to GHC 200million
(6) Single Source Procurement and Selection	Subject to Approval by PB
(7) Advertisements for Expressions of Interest for Consulting Services	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

## **2.6 Benefits of Compliance with PPA 2003 (Act 663)**

Despite the huge challenges affecting the successful application of the Public Procurement Act, there are some few benefits accrued from the implementation of the Act. The Act will also be more beneficial to the public if implementation challenges are addressed. The following are some the benefits of implementation of the Procurement Act in Ghana.

### **2.6.1 Reduces Fraud and Over/Under Invoicing**

In 2005, KPMG reported high incidence of fraud in many enterprises in South Africa. It was as high as 76% and 32% of management believes employees engage in it while employees also believe management engage in fraud. This is similar across most Africa countries, including Ghana.

According to Vantor, it appears fraud continues to increase in many firms despite the attempt to prevent it. Procurement practices provide avenues for many potential fraud actions including kickbacks, and commercial bribery among other frauds. In our local context, the Ghanaian Public Procurement law was enacted due to such high incidence of fraud over the past years in procurement. As state by the Ministry of Finance and Economic Planning in 2001, the Act 663 is to harmonized the procurement process and thus prevent or minimize high incidence of fraud in public procurement (Wuako, 2014)

### **2.6.2 Fairness and Equality**

The main objective of the enactment of the PPA, 2003 (Act663) was to promote fairness and transparency in procurement processes (Ministry of Finance, 2001 cited in Osei-Tutu et al, 2011). In the past, suppliers and contractors who have links with the incumbent government were the only firms able to secure contracts; consequently there was the need to review the existing Procurement regulation and through review as thus observed through the enactment of the Act (Osei-Tutu et al, 2011 cited in Wuako, 2014). Under the Act 663, suppliers and contractors are evaluated based on specific criteria in order to ensure fairness and equality.

### **2.6.3 Increase Accountability**

Those entrusted with the spending of public funds should always have the nation at heart, and should be accountable to the citizens. In fact, the Act was enacted in order to increase accountability in public procurement processes (Wuako,2014).Accountability involves government having high regards for law and conducting businesses subjected to critical scrutiny (Smith-Deighton, 2004). Prior to the enactment of the PPA 2003 (Act 663), the issue of accountability was pressing requiring immediate action and as a result, the government identified public procurement as the breeding

grounds for widespread corruption and inefficiencies (Ameyaw et al, 2012). The eradication of these inefficiencies and corruption would improve accountability in the utilization of public resource and funds in the procurement practices (Wuako, 2014).

#### **2.6.4 Promotes Competition**

One significant aspect of principles of public procurement was to allow for competition so as to realize the best value for money as stipulated in PPA 2003 (Act 663). When two or more tenderers are engaged in procurement processes to select the lowest evaluated tender is term as competition in public procurement; Raymond (2008) observed that competition is the best mode through which good, works, or services should be procured. That is the bases of every award in public procurement process should be the most competitive tenderer after all consideration. Study also opine that procurement using competitive tendering has the tendency of eradicating or minimizing the widespread problems of fraud and it facets associated with public procurements (Erridge et al,1999).

#### **2.6.5 Provides Value for Money**

Prior to the establishment of the PPA 2003(Act 663), several attempts were made by governments to ensure value for money in public procurement terrain (Ameyaw et al, 2012). The Public Financial Management Reform Programme (PUFMARP) was passed in 1996 to advance to see to the judicious use of state funds (Ameyaw et al, 2012). The PUFMARP identify several weaknesses in procurement process including lack of comprehensive public procurement policy and lack of rules and regulations to guide the processes, thus militate against value for money in the whole procurement process (Osei-Tutu et al, 2011). The PPA 2003(Act 663) was purposely enacted to offer a breakthrough in providing value for money in public procurement.

### **2.6.6 Cost Savings**

In every competitive tendering, the lowest evaluated tender is awarded the contract which ensures cost savings. Indeed, Ameyaw et al. (2012) observed that high cost of procurement to the state is encountered when there is a compromise in the use of competitive procurement methods.

### **2.6.7 Effective Procurement Ethics**

Prior to the formation of the Act, procurement officials were not guided by any set of rules and regulations. They were operating haphazardly. Indeed, some of these conducts and practices were instrumental in fueling the high levels of corruption and judgment debts we experience today (Wuako, 2014). The procurement Act streamlines the duties of the procurement entities, provides a comprehensive ethical standards; the procurement entities are supposed to meet or demonstrate, etc. Atkinson (2003) also noted that procurement entities are held to higher standard of ethics that most other professions do not.

## **2.7 Challenges of Procurement in line with the Act 663**

Though the promulgation of the Procurement Act, 2003, (Act 663) has brought great achievement or successes to public procurement practices, yet it also presented its own challenges to the procurement process. This section, discussed the various challenges.

### **2.7.1 Delays Payment**

Procurement activities in the public domain are more regulated than that of private sector. A number of rule, regulations and procedures have to be followed and a lot of considerations to be taken into account (Chamberland, 2005 cited in Wuako 2014). These long procedures affects the procurement process including delays in the payment of monies for goods and services (Raymond, 2008). Palaneeswaran and Kumaraswamy (2000) argue that public sector should introduce new

management techniques and approaches to cope with the procurement industry and improve payment procedures.

### **2.7.2 Delays the Award of Contract**

As noted earlier on the long processes involved in the selection process results in delays in the award of contract (Raymond, 2008)

### **2.7.3 Too many requirements to be meet.**

Competition is basically employed when procuring most goods and services. Transparency requires the government to adhere to higher standards of conduct by ensuring that conduct will be open to scrutiny (Smith-Deighton, 2004). To ensure this, too many requirements must be meet in the tendering process and award of contract.

### **2.7.4 Inadequate Qualified Procurement Personnel**

Studies have shown that, there are inadequate qualified procurement personnel in most of the procurement entities and this cause a lot of inconsistencies leading to gross inefficiency of the concept. Moreover, the Act mandates the procurement board to, develop, promote and support training and professional development of persons engaged in public procurement however, this this is hardly done (Ameyaw et al, 2012).

### **2.7.5 Lack of Training Avenue or Institution**

To propel procurement to achieve its goal of ensuring value for money is often very difficult (Raymond, 2008). Moreover, to understand the implications procurement has for the public sector is technically complex and demands complete understanding of the Act (Bauld and McGuinness, 2006). Basically, this is as a result of lack of education and training facilities (Palmer and Butt, 1985). In agreement with Palmer and Butt, (1985), Raymond (2008) noted that procurement

personnel are inadequately educated leading to serious consequences such as breaches of codes of conduct.

#### **2.7.6 Poor Record Management**

According to ADB (2004) report, Good governance refers to the process and structure that ensures good management of state resources. In Ghana, record management bleeds. And this makes procurement governance less efficient and deflated resulting in increased corruption.

Improvement in record management is key in ensuring good governance of resources in public sector, information technology is element to ensure proper record management such as Eprocurement which is an online system that can streamline the procurement process is already in motion in developed countries which is now used to deliver services and to communicate with citizens and organizations in the digital era using internet (Wuako, 2014)

#### **2.7.7 Poor Contract Management and High Cost of Advertisement**

The better the quality of information provided, the less likely that it will result in an unsatisfactory purchase. Erridge *et al* (1999) reported that, the most important information source for suppliers is the tender advertisement and, for the contracting authorities, the bids submitted and provision of inaccurate data will result in misunderstandings and increased costs.

### **2.8 Impact of PPA 2003 (Act 663) On Procurement Practices**

The Procurement Act was designed to harmonized procurement activities within the public sector in Ghana so as to ensure that challenges and weaknesses existed in public procurement is resolved (Ameyaw et al., 2012).

However, there is no empirical evidence of significant impact of the PPA 2003(Act 663) on procurement practices since its implementation; this section will look at the impact of the Act on procurement practices in Ghana.

### **2.8.1 Delays in Payments**

In practice, there are several documents that complement the Act 663 in its operations; one of such documents is the standard tender document (STD) which details out the terms and conditions governing the contracts. The conditions stated among other things including the mode of payments, dates of payments, unfortunately the payments are always unnecessarily delayed, especially where the funding agency is Government of Ghana, because certificates for the work done or service provided would have to be approved by recognized authorities as indicated in the Procurement Act and the conditions of contract (Wuako, 2014).

### **2.8.2 Cumbersome and Expensive Procedures**

Procurement officers must ensure strict adherence to the Public Procurement Act which requires satisfying the requirements stipulated in the Act throughout the procurement processes. For instance, depending on the threshold of the Contract, the Act stipulates advertisement in national dailies (PPA 2003, Act 663). Such procedures could be expensive and as a result it has been observed to constitute high cost. Also, a number of requirements will also have to be satisfied in the procurement process, leading to back and forth of the process. The cumbersome nature of such procedures and requirements may delay the entire procurement process.

### **2.8.3 Enhancing Competition**

Competition is a key in ensuring value for money (vfm) in public procurement. The act requires that all prospective tenderers should be given the chance to bid for a contract. The purpose of this section is to enhance competition among tenderers in public procurement which had not been given the necessary attention it deserved. Despite the provision of section 49(1) since its enactment and enforcement in Ghana, there still seem to be deliberate effort by procurement officials to ignore this provision. Ameyaw et al. (2012) observed that procurement entities deliberately limit competition by refusing to provide more opportunities to tenderers in any given tender. In certain instances, the tender documents are sold to only one contractor or supplier and processed under different contracting proposals. In short, the Act has somewhat not been successful in the enhancement of competition.

### **2.8.4 Communication enhancement**

There is always correspondence amongst the parties in procurement at every stage in the procurement processes. Successful and unsuccessful tenderers are equally privy to what has happened throughout the whole process. Unsuccessful tenderers are always informed about the reasons for their unsuccessfulness. Detailed Evaluated reports are expected to be documented according to the Act (Wuako, 2014). Communication between procurement entities and the Public Procurement Authorities is imperative towards the implementation of the Law in Ghana. Unfortunately, there has been low interaction between these two agencies. The poor handling of suppliers' complaints as observed by PPA (2007) seen in Osei-Tutu et al (2011) suggests laxity in communication in the procurement process. Partly, the Act has impacted on communication in the procurement process and has also failed in certain regards.

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## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter deals with the detail description of the methods and procedure to be employed in the study in order to address the topic, The Impact of PPA 2003(Act 663) On Procurement of Goods in Public Second Cycle Institutions in Agona West and East Assembly. It comprises of the research design for the study, population, sample size and sampling technique, data collection and analysis techniques.

#### 3.2 Area of the Study

The study was carried out in all the Senior High Schools located in the two selected assemblies in Central Region of Ghana, namely; Agona West Municipal Assembly and Agona East District Assembly.

There are only five public second cycle institutions in the two assemblies, comprising of three from Agona West and two from Agona East. Swedru Secondary School(SWESCO), Swedru School of Business(SWESBU) and Nyarkrom Senior High Technical School are the only three public second cycle schools in the Agona West Municipal Assembly which has Agona Swedru as it capital. Kwanyako Senior High Technical School and Nsaba Secondary School (NSASS) are the schools located in Agona East with Agona Nsaba as it capital. The two Agona assemblies is a twin

assemblies which was formerly known as Agona District Assembly with Agona Swedru as its capital and was separated into the two assemblies in 2007 during president Kuffour's regime.

### **3.3 Research Type and Design**

The study employed a mixed methodology approach of enquiry, utilizing both qualitative and quantitative. Qualitative data sourced literature on the topic from sources such as journals, books, and the internet among others. Hereafter called the secondary source. This research relied on the procurement procedures outlined in the Act 663(2003), manuals on Act 663 (2003) and World Bank guidelines for procurement, online media and other literature. The quantitative approach utilized a questionnaire survey in gathering views on the topic from respondents of the study.

### **3.4 Method and Source of Data**

Both primary and secondary sources of data were obtained for the study. The primary data was obtained directly from respondents through the administration of the questionnaires. The primary data provided reliable and accurate firsthand information relevant to the study. The secondary information was obtained from the library, internet, journals, articles, published works, research reports and the schools.

### **3.5 The Population of the Study**

The population was made up of twenty five (25) respondents comprising five (5) from each of the five public second cycle institutions in the two selected Assemblies, they are; headmasters or headmistresses, procurement officers, accounts officers and store keepers. The inclusion of the procurement officers was to help in bringing to bear the extent to which PPA through Ghana Supply Company has affected the efficient and transparent use of public resources through the implementation of the Act 663. Also, including procurement officers and supply officers was to

help in bringing out some positive and negative effects of the implementation of the procurement law and the other challenges in the procurement processes for procuring the services of suppliers.

The researcher used non-probability purposive sampling to select the heads of schools, procurement officers, accounts officer, supply officers, finance Officers and store keepers to participate in the study.

### **3.6 Data Collection method**

The study used questionnaire to gather primary data from the respondents. The design of the questions was guided by information gathered from the literature review. The questions were closed ended. A census survey was used in gathering the data for the study. Census is used to survey everyone in the entire population of the study; census is feasible where you have known small groups of individuals in the study population to ensure that their views are represented.

The entire population of 25 was used in gathering the data for the research since the number is small.

The researcher personally administered all the 25 questionnaires to the respondents by going to the various schools to administer them after having sought their consent and explained the objectives of the study to the participants. The decision to survey all the twenty five respondents from the five institutions was informed by the fact that the population was too small, sampling procurement practitioners would be deemed to have been inadequate for generalization purpose. This is understandable, bearing in mind that not a greater number of persons are involved in procurement practice in the Second Cycle Institutions. All the 25 questionnaires administered to the entire population were retrieved

### 3.7 Design of Questionnaires

As explained earlier on, the questions were closed ended which do not allowed the respondents to specify their varied opinions on issues concerning the public procurement in their institutions. The questionnaires comprise five main sections. The first section consisted of set of questions which were intended to seek information on demographic data of the respondents. The second section was based on the requirement of the Procurement Act.

The respondents were asked to answer question as to whether they comply with the requirement enshrined or stipulated in the Public Procurement Act, 2003(Act 663) by using phrases such as always comply, not always and not at all.

The third section was on the benefits of the procurement law (Act 663) since its enactment and implementation in public second cycle institutions. Some benefits of implementing and complying with the requirements of the Act 663 were stated and respondents were asked to state their stands as to whether they are in agreement.

Despite the Act 663 being helpful to public procurement practitioners, there are also a number of problems or challenges faced when implementing the Act or complying with the requirement of the Act 663, section four addresses the above by asking respondents to answer yes or no to list of challenges faced when implementing the Act in their institutions.

Last but not the least was the most important aspect of the research which was captured in section five, that is the impact of implementing the Act in public second cycle institutions. A number of both positive and negative impacts were listed and respondent were asked to state whether they impacted on their procurement activities. .

### **3.8 Data Analysis**

The questionnaires retrieved were coded and analysed using simple statistical tools such as the Statistical Package for Social Sciences (SPSS Version20) software package. The interpretation of the data was consequently done by the SPSS. Descriptive analysis was carried out and the data was presented graphically and in tabular forms to elucidate the discussion in the study. The outcome of the analysis was assessed with the research objectives.

### **3.9 Ethical Issues and Considerations**

The researcher adhered to the highest standards of ethical considerations by ensuring the following ethical requirement

Anonymity and Confidentiality: The researcher ensured that no respondent had the name indicated in the study. Additionally, respondents were assured of the purely academic nature of the study.

Plagiarism: The researcher ensured acknowledgement of all sources that were contacted in the study.

Informed Consent: All research participants had their permissions sought and their voluntary redraw from answering the question was assured and permitted.

## **CHAPTER FOUR**

### **DATA ANALYSES, DISCUSSION AND PRESENTATION**

## 4.1 Introduction

The results of the study were discussed in this chapter. As mentioned earlier on, the schools selected include; the Swedru Secondary School, Swedru School of Business, Kwanyako Senior High Technical School, Nyarkrom Senior High Technical School and Nsaba Presbyterian Senior High School.

## 4.2 Demographic Information of Respondents

This section was considered relevant as it provides proof of the credibility of the respondents selected for the study.

### 4.2.1 Experience of Respondents

The main intent of this question was to ascertain how long the respondents have practice procurement. Table 4.1 shows the results. The results revealed that all the respondents have one way or the other practice procurement and have some kind of experience when it come procurement activities, most of them have practice procurement within a limited of years. 60% of the respondents representing 15 out of the 25 have only practice procurement within the last five (5) years, 36% representing 9 respondents has partake in procurement activities in the last 10years that is between 6-10 years and 4% representing 1 out of the 25 respondents have been in procurement activities above ten years that is 11-15 years of experience. The above indicate that the respondents are experience in procurement and their responses are valid for the study.

**Table 4.1: Number of years of practicing procurement**

Years	Frequency	Percent
1-5 years	15	60.0
6-10 years	9	36.0
11-15 years	1	4.0

Total	25	100.0
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Source: Field Data Sep., 2015

#### 4.2.2 Position of respondent at the institution

Table 4.2 indicate the research participants or the respondents used for study, it consists of five heads of institutions, five account officers, five procurement officer , five supply officers and five store keepers from the five schools who answered the questionnaires employed in this study.

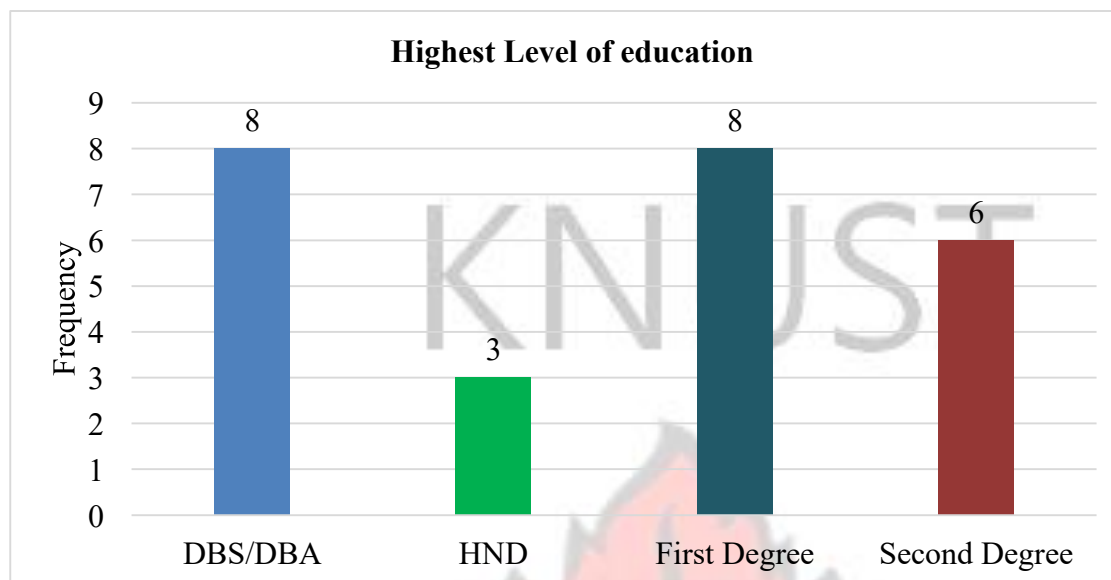
**Table 4.2 Position of respondent at the institution**

	Frequency	Percent
Headmaster	5	20.0
Accounts Officer	5	20.0
Procurement Officer	5	20.0
Supply Officer	5	20.0
Store Keeper	5	20.0
Total	25	100.0

Source: Field Data, Sep., 2015

#### 4.2.3 Highest level of education

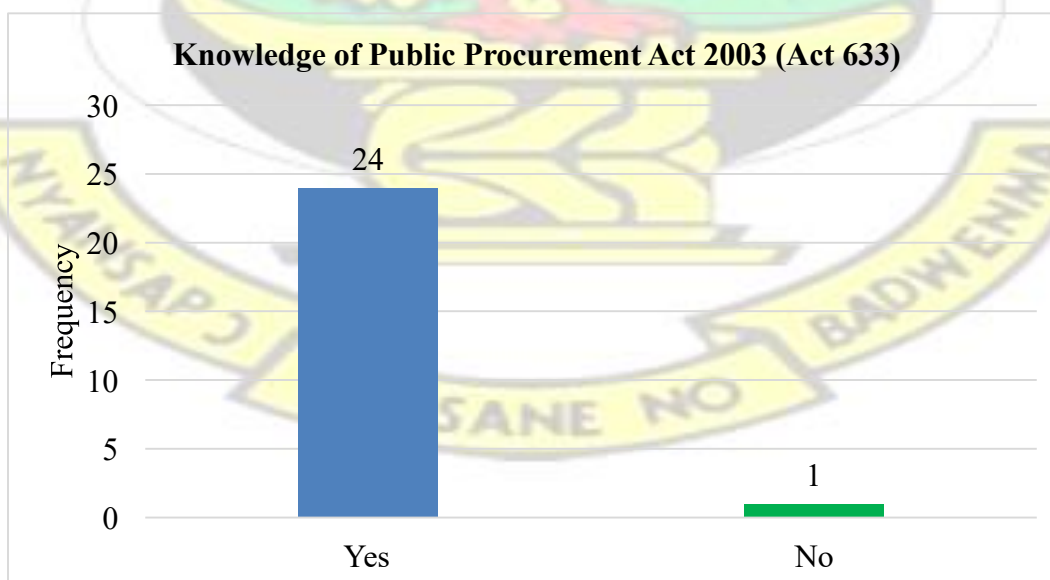
From Fig 4.1, majority of the respondents hold first degree and Diploma in business study or administration (DBS/DBA) which constitutes 32% each followed by second degree holders who formed 24% of the total population. Higher National Diploma (HND) constitutes 12%.



**Fig 4.1 highest level of education (Field Data, Sep., 2015)**

#### **4.2.4 Knowledge of Public Procurement Act 2003 (Act 633)**

This question sought to establish the awareness on the existence of Public Procurement Act from the respondents. Respondents were thus asked to indicate by answering Yes or No. Majority of the respondents indicated that, they are fully aware of the existence of the Act. Figure 4.2 indicate that, 96% representing 24 out of 25 answered yes to have knowledge of the procurement law.



**Fig 4.2 Knowledge about the Procurement Act (Act 633) (Field Work, 2015)**

#### **4.2.5 Existence of Procurement Unit**

This question also sought to establish the existence of procurement unit in the institutions from the parties involved in the procurement process. Respondents were thus asked to indicate by answering Yes or No. Table 4.3 shows that all the respondents answered yes to whether or not they have a procurement unit that oversees procurement activities in their various institutions.

**Table 4.3: Availability of procurement unit in institution**

	Frequency	Percent
Yes	25	100.0

Source: Field Data, Sept., 2015

#### **4.3 Requirements of Procurement Act**

##### **4.3.1 Competent Personnel Are Engaged By Procurement Unit**

This question sought to establish from the respondents whether or not they engaged qualified and competent professional in procurement processes at the procurement since it is required of a procurement unit to satisfy.

Tables 4.4(a) and 4.4(b) indicate that. 32% of the respondents representing 8 out of 25 confirmed that they engaged the services of a qualified and competent procurement staffs to handle procurement activities always whilst 68% representing 17 respondents answered not always, meaning they do not often engage the services of qualified and competent procurement personnel with respect to engagement of internal auditor, again majority of the respondent answered not always meaning they don't have internal auditors in the schools but they at times brings in auditors

to audit the procurement activities in the school, this consists of 40% representing 10 respondents answered always and the remaining 60% responded not always

**Table 4.4(a) Engagement of qualified and competent staff to handle public procurement activities**

	Frequency	Percent
Always	8	32.0
Not Always	17	68.0
Total	25	100.0

Source: Field Data, Sept., 2015

**Table 4.4(b) Engagement of internal auditor to audit procurement activities**

	Frequency	Percent
Always	10	40.0
Not Always	15	60.0
Total	25	100.0

Source: Field Data, Sept., 2015

#### 4.3.2 Procurement Plans

The intent of this question was to ascertain whether or not the entities (schools) adhered to preparation and submission of procurement plan. From table 4.5(a) and table 4.5(b), it was affirmed that, all the public second cycle institutions submitted the procurement plans to PPA either manually or electronically for each fiscal year. This means they prepare and submit their procurement plans to PPA website and the schools (entity) website every fiscal year. They also ensure that, procurement requirement are aggregated to achieve economies of scale where appropriate.

**Table 4.5(a): Preparation and submission of annual procurement plans**

	Frequency	Percent
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Always	25	100.0
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Source: Researcher's Field Work, Sept., 2015

**Table 4.5(b): Aggregation of requirements to achieve economies of scale**

	Frequency	Percent
Always	25	100.0

Source: Researcher's Field Work, Sept., 2015

### 4.3.3 Tender Preparation and Invitation

This seeks to establish the level of compliance by schools with respect to tender preparation and evaluation. The entire respondent answered always to almost all the requirements concerning tender preparation and evaluation, 100% answered always to requirements such as; use of standard tender documents from PPA for procurement activities, ensures that all tender documents contain the same evaluation criteria, and advertisement of tender invitation using PPA Website, national newspaper and internal notice but 56% always send information for placement in procurement bulleting whilst the remaining 44% do not. Table 4.6(a), Table 4.6(b), Table 4.6(c) and figure 4.3 below indicate the above.

**Table 4.6(a): Use of standard tender documents from PPA for procurement activities**

	Frequency	Percent
Always	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.6(b): whether tender documents contain the same evaluation criteria**

	Frequency	Percent
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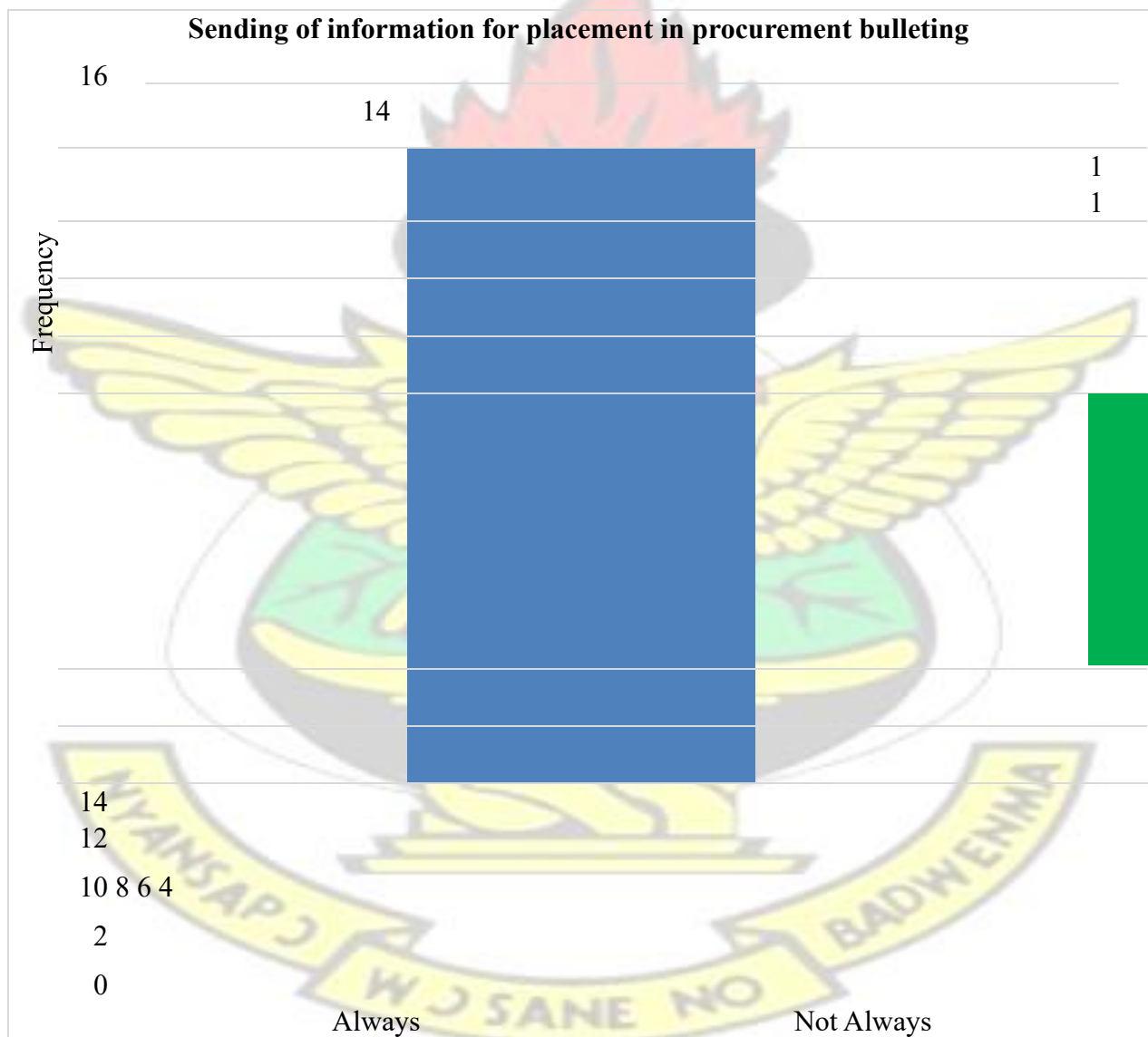
Always	25	100.0
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Source: Researcher's Field Work, Sept., 2015

**Table 4.6(c) Advertisement of tender invitation using PPA Website, national newspaper and internal notice**

	Frequency	Percent
Always	25	100.0

Source: Researcher's Field Work, Sept., 2015

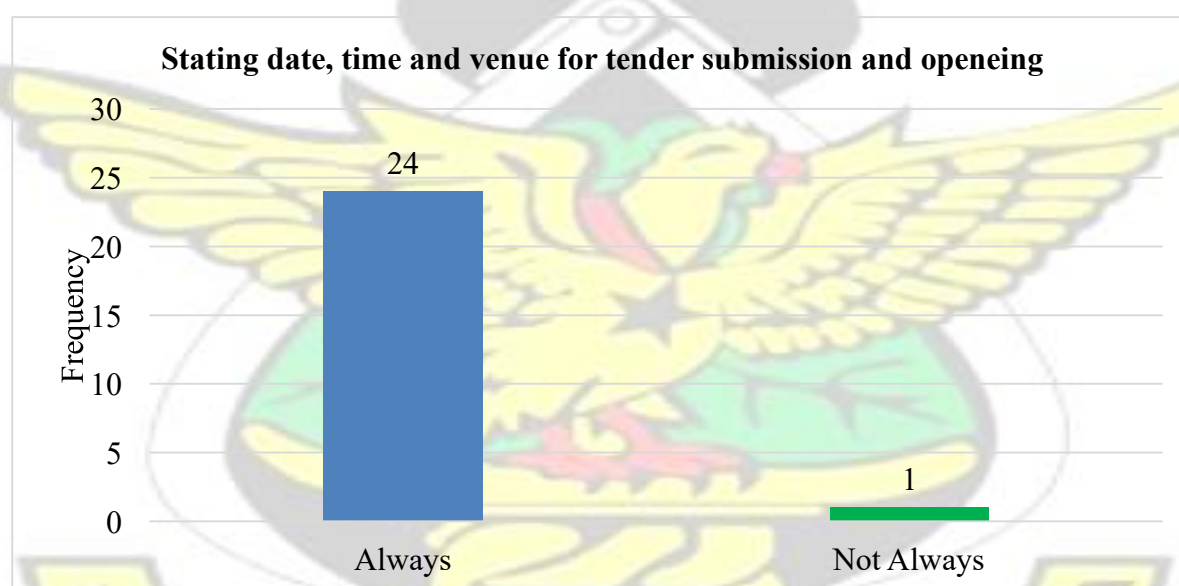


**Figure 4.3: sending of information for placement in procurement bulleting**

Source: Researcher's Field Work, Sept., 2015

#### 4.3.4 Submission, Opening and Evaluation of Tender

This question was established whether the respondents complied with the requirement concerning submission, opening and evaluation of tender such as; Stating date, time and venue for tender submission and opening, having a secured tender box and tender opening register in place, evaluation of tenders in accordance with tendering requirement and Tender evaluation conducted by competent persons. The tables below indicate that, the procurement entities comply with all the issues concerning submission, opening and eventuation since 100% responded that they always comply with three of the four requirements while only 4% representing 1 out of 25 respondents answered not always to stating date, time and venue for tender submission and opening as shown in figure 4.4.



**Figure 4.4: Stating date, time and venue for tender submission and opening**

Source: Researcher's Field Work, Sept., 2015

**Table 4.7(a) Having a secured tender box and tender opening register in place**

	Frequency	Percent
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Always	25	100.0
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Source: Researcher's Field Work, Sept., 2015

**Table 4.7(b): Evaluation of tenders in accordance with tendering requirement**

	Frequency	Percent
Always	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.7 (c): Tender evaluation conducted by competent persons**

	Frequency	Percent
Always	25	100.0

Source: Researcher's Field Work, Sept., 2015

#### 4.3.5 Contract Award

There are three requirements in the award of contract, all the respondents affirmed that they comply with all the three requirements which are notification of winner of contract, publicizing contract awards on PPA/Entity website and notice boards and debriefing of unsuccessful tenderers within reasonable time. The tables below indicate that.

**Table 4.8(a) Notification of winner of contract**

	Frequency	Percent
Always	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.8(b) Publicizing contract awards on PPA/entity website and notice boards**

	Frequency	Percent
Always	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.8(c): Unsuccessful tenderers are debriefed within reasonable time**

	Frequency	Percent
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Always	25	100.0
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Source: Researcher's Field Work, Sept., 2015

#### 4.4 Benefits of the Compliance with PPA, 2003(Act 663) In Public Second Cycle Institutions

Despite the Act overburden procurement stakeholders, it also comes with a lot of positives which are beneficial to both procurement practitioners and suppliers. In addressing the objective above, respondents were made to state their position as whether they agree with the list of benefits stated as the benefits of compliance with PPA by answering yes or no to each, the benefits were established from the review of previous literature. these are; ensures that the same procedures are applied to all tenderers, promotes competition, increases accountability, reduces fraud or risk such as over or under invoicing, it saves cost, ensure effective procurement ethics, it assesses the credibility of suppliers and finally, it provides best value for money when properly comply with PPA 2003(Act 663). All the respondents answered yes to the above as the benefit of complying with the Act (663) and the other supplementary documents such as standard tender document, manuals and the likes. The following tables indicate the results of the various benefits generated by SPSS version 20.

**Table 4.9(a) Ensuring same procedures are applied to all**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.9(b): Promotion of competition**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.9(c): Increasing accountability**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.9(d) Reduction of fraud-over/under invoicing**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.9(e): Provision of value for money**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.9(f): Cost savings**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.9(g): Effective procurement ethics**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.9(h): Assessment of credibility of suppliers**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

#### 4.5 Challenges of the Implementation of Act 663 in Public Second Cycle Institutions

In an attempt to come out with the challenges of procurement in public second cycle institutions in the two Agona assemblies as well as Ghana as a whole due to the implementation of the Act, it became necessary to establish the various implementation challenges in the education sector.

In respect of this, a number of challenges were identified from previous literature and respondents were made to answer whether or not they face such challenges in the implementation of Act 663 by answering yes or no. the challenges identify are delays payment, delays the award of contract, provides too many requirements for a tender document, over concentration on price as a basis of the award of contract instead of quality of the goods, lack of qualified procurement personnel, lack of training avenues or institutions, poor record management and poor contract management and high cost of advertisement in newspapers. The result generated by SPSS indicates that the entire respondents affirmed all the challenges establish from literature as those they encounter as well when enforcing the PPA 2003(Act 663) and its supplementary documents in the various institutions. The tables below indicate the results of the above.

**Table 4.10(a): delays payment**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.10(b): Delays the award of contract**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.10(c): Provides too many requirements for a tender document**

	Frequency	Percent
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Yes	25	100.0
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Source: Researcher's Field Work, Sept., 2015

**Table 4.10(d): Over concentration on price as a basis of the award instead of quality**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.10(e): Lack of qualified procurement personnel**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.10(f): Lack of training avenues or institutions**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.10(g): Poor record management**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.10(h): Poor contract management and high cost of advertisement**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

#### 4.6 Impact of PPA 2003(Act 663) On Procurement of Goods

After knowing the benefits of PPA 2003(ACT 663) and the implementation difficulties on procurement of goods in public second cycle institutions in Ghana at large, It was necessary to established from respondents the impact of the PPA 2003(ACT 663) on procurement activities in the public second cycle institutions in the two selected assemblies and Ghana at large.

In view of the above, the respondents were made to tick yes or no to the following list of impact established from previous literature. These are delays in payment, cumbersome and expensive procedures or requirements, enhancing competition, communication enhancement, it saves time and finally it ensures checks and balances in procurement processes. The analysis generated by the SPSS indicates that, the entire respondents answered yes to all the list of impact. The tables below show the results of the SPSS analyses.

**Table 4.11(a): Delays in payment**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table4.11 (b): Cumbersome and expensive procedures or requirements**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.11(c): Enhancing completion**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.11(d): Communication enhancement**

	Frequency	Percent
Yes	25	100.0

**Table 4.11 (e): Saves time**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

**Table 4.11 (f): Ensures Checks and balances**

	Frequency	Percent
Yes	25	100.0

Source: Researcher's Field Work, Sept., 2015

## 4.7 Summary

In this chapter, the procurement practices used at the selected institutions were solicited. The challenges the institutions face as well as the impact of the Procurement Act on the procurement activities of the institutions were also discussed. The chapter which follows this chapter presents a summary of the key findings, draw conclusions and make recommendations.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The complex nature of the procurement system calls for an integrated and collaborative approach to discuss and launch reforms in the public procurement system. Since the enactment of the Public Procurement Act, many procurement processes at various education sector has been affected. This research was conducted because of the above.

#### **5.2 Achieving the Research Objectives**

The aim of this study, clearly stated in chapter one, was to assess the impact of the Public Procurement Act 2003 (Act 663) on procurement of goods in public second cycle institutions in Agona West Municipal and Agona East district assemblies in central region of Ghana.

##### **Objective One;**

To establish the requirements of Public Procurement Act 2003(Act 663) and their significance to the procurement of goods in public second cycle institutions in Ghana;

The above was obtained through the reviewing of previous literature to establish the requirement of the Public Procurement Act 2003(Act 663) and how significant are they to procurement in public second cycle institutions. The study reveal a number of requirement when comply with will ensure best value for money in procurement. These are; every entity should have a procurement unit managed by qualified and competent procurement staffs, even though, the institutions have a

procurement unit in place, they lack the services of qualified and competent procurement officers. They just engage the service of people with no or limited knowledge in procurement processes. The entity should prepare annual procurement plan of proper aggregation of requirement for every fiscal year. The plan when prepared must be posted on PPA website. In the area of tender preparation and invitation; the standard tender documents (STD) must be that of Public Procurement Authority and all tender documents for a particular contract should contain the same evaluation criteria to ensure fairness in procurement activities, again, tender invitation should be advertised on PPA website, in the national newspapers and internal notice boards. Tenderers must be given the same date, time and venue for submission and opening of tender documents which ensure transparency in the procurement process. Finally the tender submitted should be evaluated by competent persons in accordance with tendering requirement.

## **Objective Two**

To ascertain whether the requirements of the Public Procurement Act (Act 663) are comply with in public second cycle institutions in the Agona West Municipal and Agona East District Assemblies.

In an attempt to resolve the above, questionnaire was design capturing the requirement stated above in objective one, classes of respondents were made to state how often they comply with the requirement. Almost all the respondents answered that they always comply with the requirement, with the exception of two requirement where 68% of the respondents representing 17 out of 25 stated that they do not always engaged qualified and competent staffs in their procurement activities and again, 60% also answered that they do not often employed the services of an internal auditor to audit their procurement activities.

### Objective Three

To examine the benefits, the challenges and the impacts of compliance with the requirements of the Public Procurement Act (Act 663) in procurement activities in the public second cycle institutions;

This objective was addressed by identifying the benefits, the challenges and the impacts of implementing the Public Procurement Act (Act 663) from literature. Respondents were asked to answer yes or no to a number of questions concerning the above. In the area of benefits, all the 25 population from the five institutions employed in the study answered yes to all the eight (8) benefits stated on the questionnaire. They affirmed the implementation of the Act 663 has ensure the application of same procedures to all tenderers in a particular tendering activities, the Act 663 has promote competition among suppliers unlike previous, it has reduces fraud such as over/ under invoicing hence ensuring accountability among practitioners of procurement in the country, it helps in saving money, assessing credibility of suppliers and ensure effective procurement ethics that amount to the achievement of best value for money.

Despite the benefits, the following challenges were also identified from literature and all the eight came out to be very challenging to the implementation of the Act. These are; the bureaucratic nature of the Act 663 leads delays in award of contracts and payment for work done. The requirements in the Act 663 were identify to be more than necessary to comply with. Lack of qualified procurement staffs, poor contract management and high cost of advertisement, poor record management and lack of training avenues or institutions train more procurement personnel were identified to be the major challenging affecting the achievement of best value for money in the country.

## **Objectives four**

To recommend ways through which the Public Procurement Act (Act 663) can be used to enhance efficient and effective procurement of goods in public second cycle institutions in the Agona West Municipal and Agona East District Assemblies;

Finally, recommendations are stated below in this chapter as to how best the Procurement Act can be used to enhance efficient and effective procurement of goods in public second cycle institutions in the Agona West Municipal and Agona East District Assemblies.

### **5.3 Recommendations**

A public procurement activity takes a larger portion of government budget after personal emoluments. The World Bank estimated it as 50-70% of the national budget. This signifies the importance of procurement in Ghana and its causality with economic growth. Procurement when well managed can propel rapid growth of the economy. As a result, several studies have been conducted in this discipline mostly concerning the impact of the procurement law (Act 663) and its implementation challenges. Ameyaw et al. (2012), argue that no empirical evidence even exists on the significance impact of the Act on public procurement in this context, this study was conducted to assess the impact of the Public Procurement Act (663) in procurement of goods in public second cycle institutions. In this context, the following are recommended to improve the efficient and effective procurement of goods in public second cycle institutions in the Agona West Municipal and Agona East District Assemblies and institutions across the country (Ghana). □ **Training avenues and Institutions**

From the findings and the literature, it became apparent that the greatest challenge to the implementation of the Act 663 is inadequate professionals. Their knowledge influences their

interpretation of the Act that may be mocking or comply with the requirements of the Act. In this perspective, the study recommends regular training and short courses to update and improve their procurement skills. Of course, this will require funding. It is therefore proposed that the budgetary allocations be made to the Public Procurement Authority in carrying out this mandate

#### **□ Establishment of a professional procurement agency/body**

As in many disciplines, it is important to establish a professional body governed by law to have an oversight responsibility of the actions and omissions of its members. In other parts of the world, there are procurement professionals' bodies; but unfortunately, such a body is still being formed in Ghana. Therefore, professional ethical standards are concerned, no code of conduct whatsoever, except as may be provided by the procurement law. It is therefore recommended that the formation of such a body to administer this important part of the responsibility for monitoring is long overdue.

#### **□ Record Keeping and Management**

Feedback and communication in procurement are imperative to ensuring sound management procurement system. Unfortunately, there seems to be a gap in the record keeping and management.

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The logo of Kwame Nkrumah University of Science and Technology (KNUST) is a large, faint watermark in the background. It features a central shield with a yellow eagle with spread wings, a red and black torch above it, and a yellow banner at the bottom with the text 'NYANSAN SANE NO BAWENMA'. The shield is flanked by two yellow banners with the text 'NYANSAN SANE NO BAWENMA'.

## APPENDICES

**KWAME NKURUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**COLLEGE OF ART AND BUILT ENVIRONMENT**

**DEPARTMENT OF BUILDING TECHNOLOGY**

**RESEARCH QUESTIONNAIRE**

**Introduction:** I am a postgraduate student at the **Kwame Nkrumah University of Science And Technology** Reading A Program Leading To The Award Of **Master's Degree in Procurement Management**.

I am carrying out a project on the topic: "The Impact Of Public Procurement Act On Procurement

Of Goods In Public Second Cycle Institutions In Agona West And East Assemblies In Central Region Of Ghana”. It is important to note that all the information provided will be kept confidential and anonymous and used purely for its academic purposes. I will be very grateful if you could answer the following questions.

#### SECTION A: DEMOGRAPHIC INFORMATION OF RESPONDENTS

1. How many years have you practice procurement?

1- 5yrs. ( )    6-10yrs. ( )    11-15yrs. ( )    above 15 yrs. ( )

2. What is your position at the institution?

Headmaster ( )    Accounts Officer ( )    Procurement Officer ( )    Supply  
Officer ( )    Store Keeper ( )

3. What is your highest level of education?

DBS ( )    HND ( )    First Degree ( )

Second Degree ( )    PHD ( )    Others.....

4. Do you have any Knowledge of Public Procurement Act 2003 (Act 663)?

Yes,

( )    No ( )

5. Do you have a procurement unit in your institution?

Yes ( )    No ( )

#### SECTION B: REQUIREMENT OF PPA 2003 (ACT 663)

In your years of experience, do you always comply with the following requirements of PPA 2003 (Act 663) in procurement of goods activities in your institution?

NO.	REQUIREMENTS OF PPA 2003(ACT 663)	COMPLIANCE LEVEL		
		ALWAYS	NOT ALWAYS	NOT AT ALL

	<b>PROCUREMENT UNIT</b>			
Q6	Qualified and competent procurement staffs are engaged to handle public procurement activities			
Q7	Engagement of internal auditor to audit procurement activities			
	<b>PROCUREMENT PLAN</b>			
Q8	Preparation and posting of Annual Procurement Plans on PPA website for each fiscal year by entity			
Q9	Aggregation of requirement to achieve economies of scale, where appropriate			
	<b>TENDER PREPARATION AND INVITATION</b>			
Q10	The used of Standard Tender Documents from PPA for procurement activities			
Q11	All tender documents containing the same evaluation criteria			
Q12	Advertising tender invitations using PPA website, national newspaper and internal notice boards			
Q13	Sending information for placement in procurement bulletin			
	<b>SUBMISSION, OPENING AND EVALUATION OF TENDER</b>			
Q14	Stating date, time and venue for tender submission and opening			
Q15	Having a secured tender box and tender opening register in place			
Q16	Evaluation of tenders in accordance with tendering requirement			

Q17	Tender Evaluation conducted by competent persons			
	<b>AWARD OF CONTRACT</b>			
Q18	Notifying Winner of Contract			
Q19	Publicizing contract awards on PPA/entity website and notice boards			
Q20	Unsuccessful tenderers are debriefed within reasonable time			

### SECTION C: BENEFITS OF THE IMPLEMENTATION OF THE ACT 663

As a procurement practitioner, do you perceive the following as some of the benefits of the implementation of the Act 663 in procurement of goods in public second cycle institutions in Agona West and East Assemblies in Central Region of Ghana?

NO.	BENEFITS OF THE ACT 663	RESPONDS	
		YES	NO
Q21	Ensures same procedures are applied to all		
Q22	Promotes competition		
Q23	Increases accountability		
Q24	Reduces fraud-Over/under invoicing ( Risk Reduction)		
Q25	Provides value for money		
Q26	Cost savings		
Q27	Effective procurement ethics		
Q28	Assessment of the Credibility of Suppliers		

In your years of experience, do you think the following challenges are faced in the implementation of procurement law in public second cycle institutions in Agona West and East Assemblies in Central Region of Ghana?

## SECTION E: IMPACT OF PPA 2003(ACT 663) ON PROCUREMENT OF GOODS

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NO.	IMPACT OF PPA 2003(ACT 663)	RESPONDS	
		YES	NO
Q37	Delays in payment		
Q38	Cumbersome and expensive procedures or requirements		
Q39	Enhancing competition		
Q40	Communication enhancement		
Q41	Saves Time		
Q42	Ensures checks and Balances		

