

CHAPTER ONE

1.0 INTRODUCTION

1.1 Study Background

Procurement may be defined as the acquisition of goods, works and services. This embraces not only purchasing, that is, buying of goods, but it also includes hiring of contracts or consultants to carry out services. Standards required in procurement are high quality service, economy and efficiency, and fairness in competition. Thus a procedure must be followed and is applicable to all contracts for goods and works.

There has been an increase in finance by the World Bank for procurement of health sector goods; pharmaceuticals, vaccines, contraceptives and nutritional supplements under various health, population and nutrition projects over the past few years, and this trend is expected to continue. Assistance under these projects supports the procurement of, for example contraceptives for family planning programmes, pharmaceuticals, vaccines and other health sector goods for AIDS, tuberculosis, leprosy, malaria and Maternal and Child Health (MCH) programmes. The bank programmed \$1.8 billion for the period 1997/98 for the health, nutrition and population sector of which financing for pharmaceuticals accounted for between \$220 million and \$250 million of this total. Apart from salaries, pharmaceuticals represent the largest category of recurrent health expenditure in most government budgets. The total value of pharmaceuticals changing hands in the developing world is estimated at \$44 billion (Woodle, 2000).

Government budgets make significant contributions to public sector drug financing, often allocating 20-50% of the government health budget to procure drugs (Falkenberg and Tomson, 2000). Prior to the enactment of the Public Procurement Act, 2003 (Act 663), many conferences had been held both locally and internationally. One of them was the 9th

International Anti Corruption Conference, 10-15th October 1999 held in Durban, South Africa (Wittig, 1999). At the conference, the discussion centred on both domestic and international imperatives for reform of public procurement, with specific information on the state of public procurement in selected countries in Africa. The public procurement sector is often the largest domestic market in less developed countries. As an international agency providing technical assistance, International Trade Centre has a long history of helping countries to develop their export potential and improve import operations to lower costs through improved purchasing techniques. The International Trade Centre's experience in developing countries is that public procurement can account for up to 50%-70% of imports.

Any improvements in the public procurement system can have a direct and beneficial effect on the overall economic situation of a country. One measure of this fact is the emphasis which the World Bank and regional institutions like the African Development Bank are placing on assisting developing countries to review and revise their procurement systems. Within the Africa region, over one fourth of the countries has or will have an active public procurement improvement programme. It therefore became necessary for Ghana also to reform its procurement practices and procedures to conform to international standard, hence the Public Procurement Act, 2003 (Act 663).

Public procurement systems are the bridge between public requirements such as roads, hospitals, defence needs among others; and private sector providers. Government provides goods and services to meet the diverse needs of her citizens (Wittig, 1999). Inputs needed to produce these needs are obtained from either internal government organizations (hospitals, public works departments and others) or from sources external to the government in the private sector (domestic or international suppliers). In this sense,

government traditionally uses its budget process to decide on making or buying through the procurement system, just as a private company makes similar decisions in their enterprise resource plan.

However, unlike private sector procurement, public procurement is a business process within a political system, with distinct considerations of integrated, accountability, national interest and effectiveness (Wittig, 1999). Wittig continues that the business operations of governments as controlled by public procurement systems, affect many different elements of society. First are the procuring entities that have needs for material support (e.g. roads, hospitals, desks, educational supplies and others), to fulfil their designated national missions. Then there is the business community of actual or potential suppliers to satisfy the government's identified requirements. But for the government agency's needs to be properly considered by a supplier, they must be expressed in clear terms, compatible with public policies involving such areas as competition, social and economic goals, and transparency of the basic rules and procedures.

Procurement actions should encourage suppliers to value government business and provide satisfactory quality service and price in good time. There are also professional associations, academic entities, and public interest groups, which have important views on how public management institutions are to perform. The general public is more likely to feel satisfied when they know that expenditures made through the public procurement system are economical, rational and fair. It has been said that in Ghana public procurement represents 24 per cent of national imports accounts for between 50 per cent and 70 per cent of the national budget, excluding personnel emoluments, and represents about 14 per cent of Gross Domestic Product (GDP) (Daily Graphic, Monday, June 12, 2006, pp35).

Mr. A. B. Adjei, the Chief Executive, Public Procurement Authority, Ghana, writing on the topic 'Public procurement reforms in Ghana, an overview of the Public Procurement Act 663', said efficient public procurement systems have significant socio-economic and development implications. Poor procurement performance and lack of transparency in procurement means that Government builds fewer schools, hospitals and infrastructure than it has budgeted for. Additionally, less people understand government budget and expenditure, and may find it difficult to hold it accountable. Improvement in public procurement systems therefore has direct impact on good governance. He emphasized on the saying of experts that corruption can add as much as 25 per cent to cost of government procurement, resulting in inferior quality infrastructure and unnecessary purchases. The Commission for Africa Report recommends that the international community encourages more transparent procurement policies, particularly in the areas of engineering and construction.

Over a period of time, public procurement in Ghana has been characterized by unclear legal framework, lack of harmonized procedures and weak institutions for managing the procurement process. Responding to the challenge, the government, after a major review of the public expenditure system in 1993, designed a comprehensive Public Financial Management Reform Programme (PUFMARP) in 1995. The major component of PUFMARP was the Public Procurement Reform Programme. In December 2003, Parliament enacted the Public Procurement Act, 2003 (Act 663) (Daily Graphic, Saturday September 16, 2006, pp 10).

The Ministry of Health as part of issues outlined in the five year Medium Term Health Sector Strategy (MTHS) from 1997 to 2001 for Ghana, identified procurement as one of the key areas for capacity building. In view of this in 1999, the ministry produced a first

edition of procurement procedure manual to guide it, its agencies and other public health institutions in procurement matters. This manual went a long way to improve procurement practices in the health sector where donor funding was prominent. The procurement procedures laid down in the document took into consideration:

1. World Bank's Staff Appraisal Report for the Health Sector Support Programme (1997, 3)
2. Memorandum of Understanding of the review of the first year of Medium Term Health Sector Strategy (M T H S) (April 1998, 2), outlining the common procurement procedures to be followed under the Health Account.
3. Finance Handbook for Regions and Districts, Ministry of Health, March 1996 (5), and
4. Rules and Instructions for Accounting, Treasury and Financial Reporting, Ministry of Health, January 1998 (6).

Extensive reference was made to World Bank Procedures throughout this document. Globally, there was no other international organization that had developed and disseminated procurement practice over such a long period. The Ministry's procedures were acceptable to most donors and were regularly used and accepted by most of the major funding institutions (Ministry of Health Procurement Procedure Manual, 1999).

This document was intended to provide procurement guidance to Ministry of Health (MOH), its departments and health facilities and all other organizations and individuals who carried the responsibility of the day to day implementation of procurement activities and procurement projects in the Public Health Sector (Ministry of Health Procurement

Procedure Manual, September, 1999). The practices detailed here recognized the three main areas that can be distinguished in procurement, i.e. the procurement of consumable goods, civil works and services. Many of the guiding principles might be used across a wide spectrum of publicly funded procurement.

The Public Procurement Act, 2003 (Act 663) enacted by the parliament of the Republic of Ghana seeks to provide for public procurement, establish the public procurement Board, make administrative and institutional arrangements for procurement, stipulate tendering procedures and provide for purposes connected with these.

The main objective of the Act is to harmonise the processes of public procurement in the public service to secure a judicious, economic and efficient use of state resources in public procurement and ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner.

It is also the obligation of all public entities to buy drugs and non-drug medical consumables and other goods that may be determined from time to time by the Minister of Health, Budget Management Centres (BMCs) to first source their requirement from the Regional Medical Stores or Central Medical Stores as appropriate. Budget Management Centres may only buy the said items from the open market (i.e. outside the Medical Stores system) when such items are not available at the Medical Stores and when this is confirmed by the issuance of a 'certificate of unavailability' from the Medical Stores.

With the enactment of the Act, Adansi South District public health entities which also depend on public funds for operations were to follow all the rules and regulations and procedures spelt out in the Act.

1.2 Profile of Study Area

The Adansi South District is one of the twenty-one (21) administrative districts in the Ashanti Region. It was cut out from the then Adansi East and West Districts in 2005. Lying on the southern most part to the region, it is bordered by the Obuasi Municipality to the west, the Adansi North District to the North, the Assin District of the Central Region to the South and Birim North and South Districts of the Eastern Region to the east. It has a current estimated population of 129,189 (projected from the 2000 population census).

The district has very rich and fertile land which promotes farming. Majority of the inhabitants are farmers cultivating both cash and food crops. It has a high ethnic mix dominated by Asantes, Ewes, Fantis, Akuapims and Ga-Adangbes. This provides a higher cultural variability especially in attitude and response to health risk behaviour. The settlement determinants favour hamlets and cottages phenomenally, at the expense of urbanization. The district is so vastly extended that from one end to the other measures a distance of 94km passing through two other districts, Adansi North and Obuasi Municipal.

Greater part of the road net work is in the deplorable state and this impedes smooth health care delivery in the district. There are 200 communities in the district. The district can boast of many rivers namely Pra, Subin, Fosu and other small streams which provide good drainage but at the same time cause high incidence of diseases like schistosomiasis and onchocerciasis. There is also problem with sanitation mainly as a result of indiscriminately refuse dumping and poor sewage management. To facilitate health care delivery, the district has been divided into five main sub districts namely, New Edubiase,

Ataase, Akrofuom, Ampunyase and Akutreso. There are twelve health facilities where the district hospital is sited at the district capital, New Edubiase. The major items used to facilitate work in the health facilities in the district are as follows:

- Stationery
- Medical instruments
- Drugs
- Disinfectants
- Fuel
- Dressing
- Office accessories
- Furniture
- Equipment
- Non drug consumables

1.3 Problem Statement

Every institution that uses state funds for its operations was supposed to comply with the Public Procurement Act 2003, (Act 663) with effect from August 2004. The implementation of the Public Procurement Act is very crucial to these institutions. It is to address the loopholes in the system which million of cedis of the state funds were misapplied through procurement.

Delivery of health care cannot be done properly if logistics management is poorly handled. Health facilities rely on drugs, non-drug consumables, stationery, laboratory reagents and others to provide health care service to clients and patients. At any point in time, there is the need to get the right quantity of logistics to save life. Shortage of essential inputs may create situation where the laid down procedures outlined in the Act will not be followed and purchases done on ad hoc basis. Suppliers and creditors will thus take advantage of this and over exploit the system to the detriment of the state's scarce resources. Ad hoc purchases affect quality of goods, works and services procured. The Public Procurement Act was put in place to make regulations governing the acquisition, receipts, control, issue

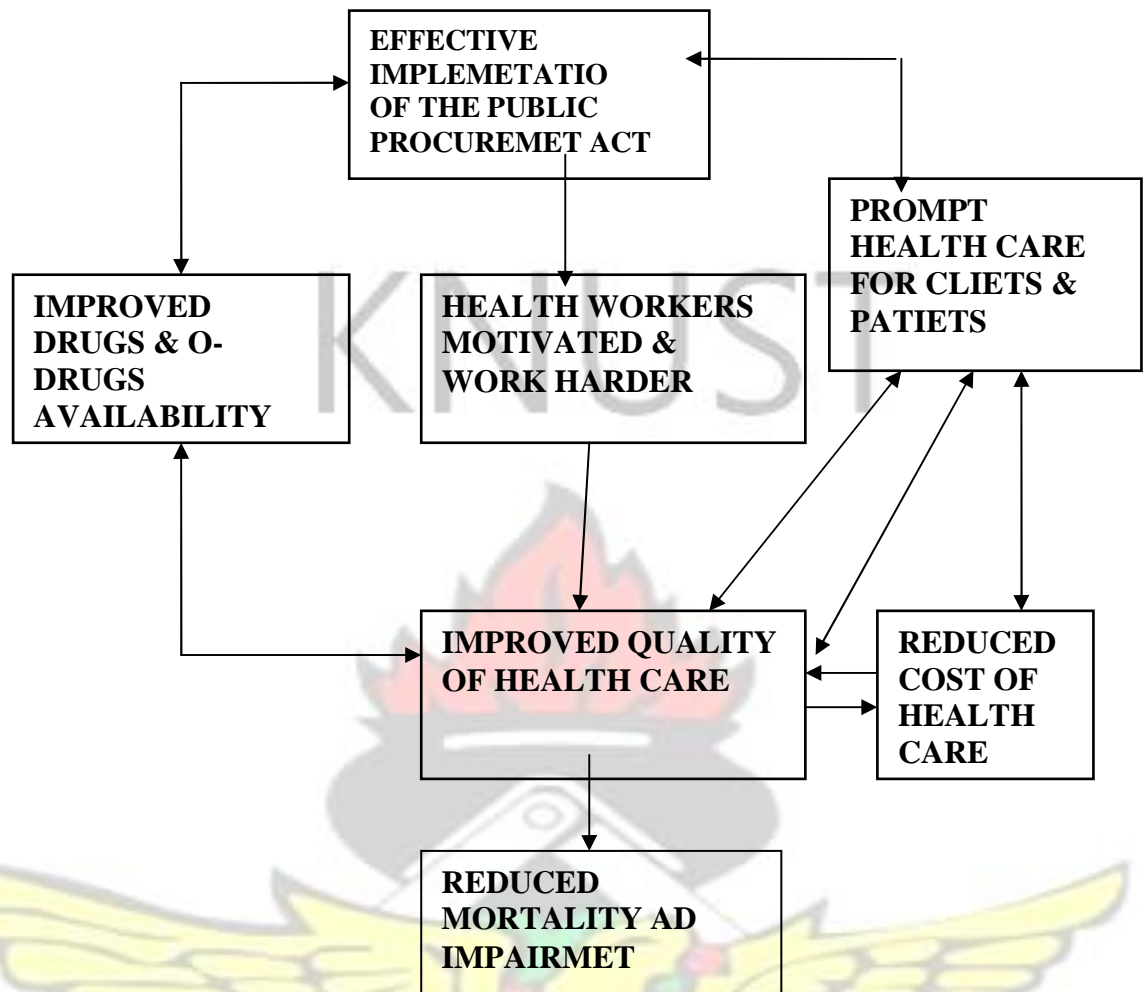
and disposal of stores. A greater percentage of materials and services inputs needed for smooth service delivery are procured from outside the sector.

Thus the study aimed at assessing whether or not the Adansi South District Health facilities were going by the rules and regulations provided in the Public Procurement Act, and if they were, what were problems encountered, lessons learnt, and prospects of the Public Procurement Act in enhancing service delivery.

1.4 Rationale of Study

Notwithstanding the regulations put in place, frequent shortage of logistics and ad hoc purchases in our health institutions still prevail. This is seriously affecting service delivery. The study would investigate into the problems and made recommendations to formulate comprehensive strategies to address the situation, especially at the district level.

1.5 Figure 1: Conceptual Framework



The Public Procurement Act 2003, (Act 663) would improve service delivery in our health facilities. Logistics for operations would be readily available where frequent shortage of drugs and non-drugs consumables would be things of the past. There would be value for money since prepared procurement plan would be adhered to, to avoid emergency purchase which did not give enough time to go through the procurement procedures.

Health workers would also be motivated to work harder to improve health service. Patients would receive prompt service and this would reduce deaths and impairments in the communities and the society.

1.6 Research Questions

The following questions regarding the implementation of the Public Procurement Act, 2003 (Act 663) guided the study:

1. Do the Adansi South District Health facilities have well prepared Procurement Plan in place, and adhering to it?
2. Do various entities in the health sector in Adansi South District have active Procurement Committees in place?
3. Have the authorities of the Adansi South District organized in-service training for staff involved in logistics management?
4. Do stocks and stores purchases go through the procurement system?

1.7 General objective

The main objective of the study was to assess the critical implementation issues associated with the operationalisation of Public Procurement Act, 2003 (Act 663) in health entities in the Adansi South District.

1.8 Specific objectives

- To determine the level of compliance of Health facilities in the district with the Public Procurement Act since 27th August 2004.
- To assess the involvement of the various sub districts and units in the selection of inputs and logistics they require to perform their duties
- To find out whether an Annual Procurement plan is prepared and followed for all purchases.
- To assess the current practices related to stores management.
- To make policy recommendations to improve current situation.

1.9 Limitations of the study

1. The study was a descriptive one and thus suffered from bias even though attempt was made to limit it to its barest minimum.
2. The study relied on secondary data as well for information, the presence of faulty data definitely posed problem to the study.
3. The implementation of the Public Procurement Act 2003 (Act 663) started late 2004 and little education and dissemination of information about it had taken place.

In view of this, responses to some of the questions in the questionnaire were not very clear to respondents. Little was known about the existence of the Act.

4. Some respondents viewed the study as more of audit than an academic study and thought findings of the study would be going to the higher authorities who would know their short falls. This influenced them in the way and manner they responded to some of the questions.
5. The study required the effective co-operation and the involvement of all the people in the study population and any attempt made to shelve information created problem for effective recommendations as a result of faulty findings.

1.10 Definition of Terms

1.10.1 Health

Health is defined as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity” (Greene and Simon 1994, p7). This definition conveys the broad meaning of health; signifying that health is more than “not being sick”.

A critical look at the definition implies that factors apart from actual disease affect a person's state of health.

1.10.2 District

A politically defined geographical area governed by a local authority; for example in Ghana, any one of the districts.

1.10.3 District Assembly

The political and administrative structure of a district, comprising the General Assembly, the Executive Committee, the District Administration and its technical departments (including the planning and coordinating units) the decentralized departments, the sub-structures (Urban/Town/Zonal/Area Committees) Other components of the assemblies internal environment are NGOs operating in the district, Civil Society within the district and Traditional Authorities within the district.

1.10.4 Ghana Health Service

Unless otherwise qualified District Health Services in this study means the Ghana Health Service (GHS) at the district level. It includes the committees, teams, and staff of the health facilities at the district, the sub-district and the community levels. The District Health Directorate or Administration (DHA), or the District Health Management Team (DHMT), District Hospital Management Team, the Sub-district Health Team (SHMT), the Community Health Committee (CHC).

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Overview

A country may want to undertake public procurement reforms to support essential internal administrative improvements, to help qualify for international financing from multilateral institutions or to help integrate a country into the multilateral trading system.

Governments need to deliver services and to construct and maintain infrastructure for the people they serve. This responsibility often results in the purchase of goods from, and payment to, the private sector to render services and perform works on their behalf. During the past decade there has been a trend amongst governments to privatize services and activities traditionally provided by government. This has increased the use of public sector procurement to secure the services of private contractors who enter into relationships with public bodies to provide these services or to undertake these activities on behalf of such bodies. In this context, the private sector is used as a substitute for government itself. The mechanism for doing so is a contractual relationship whereby government contracts with private organizations to provide services, goods or engineering and construction works or any combination thereof (Govender and Watermeyer, 2000).

The core aspects of public procurement systems involve getting the right items at the right time, and at the right price, to support government actions. But, just trying to define the “right” item, time, price and others leads into a variety of public and private functions and political decisions (example should the item come from private or public production sources, should a premium be paid to aid local manufacturers, etc.) Without a serious and sustained review of such decisions, policy makers may find that their policies are not being supported, or are actually being undercut from within the government meant to serve them (Wittig, 1999).

Generating savings through procurement system improvements is done now almost routinely in the private sector, where the procurement function helps companies to respond quickly to market changes. As an example, the typical cost structure of a manufacturing firm is that for every dollar earned, around 60 cents is spent on purchased activities, and 10 cents in profit. If through better management of the purchasing function the cost of purchased materials were reduced by 10%, it would make a saving of 6 cents on every dollar. The result would be a 6% reduction in the total cost of the finished product (Wittig, 1999).

For a long time, the subject of Public Procurement would not get any attention from key decision- makers in government. It was considered an administrative function too mundane to worry about. However, several developed countries have taken steps recently to revise their public procurement systems to improve their efficiency and generate savings. The federal government of the United States of America began a programme to reinvent government in 1994. One of its first tasks was to reform the laws of the Public Procurement system to make it more efficient. Likewise the United Kingdom began a study in 1998, called Efficiency in Civil Government that has resulted several improvements for government. The government of France is developing recommendations that will also improve the efficiency of its Public Procurement system.

In all these cases, billions of dollars have been, or are expected to be, saved through improvement of procurement actions (Wittig, 1999). Given the significance of the resources controlled through public procurement systems and the need for improvement, the World Bank, the African Development Bank, the United Nations Development

Programme (UNDP) and International Trade Centre (ITC) agreed to co-sponsor a conference on Public Procurement Reform in Abidjan, Cote d'Ivoire, (thereafter referred to as the Abidjan conference) from 30th November to 4th December 1998.

The conference was attended by donors and other institutions concerned with public procurement world-wide. The Abidjan conference helped to stimulate a fresh look at procurement in many of the countries. Through questionnaires, briefings and discussion, a representative image of public procurement operations in selected African countries emerged from the conference (Wittig, 1999).

2.2 Definition of Concepts

The Oxford Advanced Learner's Dictionary (2001) defines procurement as the process of obtaining supplies of something, especially for a government or an organization. Procurement can also be defined as the acquisition of goods, buying or purchase of works, hiring contractors and consultants services (International Bank for Reconstruction and Development Guidelines for Procurement, 2004)

Procurement may be defined as the process, which creates, manages and terminates contract. It is therefore concerned with activities that both precede and follow the signing of a contract. It is a common practice in countries to regulate public sector procurement in a legal framework. This is a manner in which goods, services and works are obtained and the manner in which rights are granted and controlled. However, it is not common practice, particularly in developed countries, to define the resources whether in individuals or businesses, which must participate in the procurement process.

Therefore the beneficiaries of the procurement process are not usually considered in conventional procurement system (Gounden, 2000).

The use of public procurement to achieve social outcomes is widespread, but detailed information about how it operates is often sketchy and difficult to find. It is considered how governments currently attempt to use contract to produce desired social policy outcomes through public procurement.

Governments also increasingly play a role as active participants in the market itself, by purchasing public works, supplies and services. The focus of government attempts to combine these two functions: participating in the market as a purchaser and at the same time regulating it through the use of its purchasing power to advance conceptions of social justice. Although the term shares certain similarities, the diversity of ways in which procurement and social policy have been brought together goes beyond simply awarding contracts in certain conditions, and extent include for example the definition of the contract, the qualifications of contractors and the criteria for the award of contract (McCrudden, 2004).

As a way of summary, procurement can simply be defined as the process by which an organization obtains materials, services and equipment needed to carry out its activities in order to achieve its objectives or goals.

2.3 Compliance with Procurement Procedures

The Public Procurement Act, 2003 (Act 663) is an act of parliament to provide for public procurement, establish the Public Procurement Board; make administrative and

institutional arrangements for procurement; stipulate tendering procedures and provide for purposes connected with these (The Public Procurement Act 2003).

The Minister of Finance and Economic Planning, Mr. Kwadwo Baah –Wiredu, had said that the government was committed at the highest level to ensuring compliance with procurement procedures. That he said was to ensure value for money thus acts as a disincentive to corruption (Daily Graphic, Monday, May 22, 2006, pp.41). The minister said compliance with transparent procurement practices would enable the government to put into practice its concept of good governance and “zero tolerance” for corrupt behaviour. He said the government therefore, attached great importance to the implementation of the Public Procurement Act, (Act 663) to ensure that the nation’s scarce resources were efficiently utilized (Daily Graphic Monday, May 22, 2006 pp 41).

The Chief Executive of the Public Procurement Board (PPB), Mr. Agyenim Boateng Adjei has assured the public that the board would supervise, monitor and evaluate procurements by public institutions to ensure compliance with the requirements of the Public Procurement Act 2003, (Act 663). He stated that “in spite of all difficulties, the board would press on to entrench the use of fair and transparent methods in the acquisition of goods, works and services with regard to the use of public funds” (Daily Graphic, Saturday, August 26, 2006 pp,16).

The chairman of the Public Procurement Board, Mr. Kwasi Abbey Sam, also said that since the inauguration of the board in August 2004, it had worked assiduously to fulfil its objectives to “ensure that the acquisition of rights, works or services by the public sector were done at the best possible total cost in an open and sincere manner”. He explained that

the board did not do procurement to clear the erroneous impression, adding that its role was to steer procurement activities in the public sector in the right direction (Daily Graphic Saturday August 26, 2006, pp 16).

2.4 Involvement of the Sub-Districts and Units of the Health Entities in Selection of Inputs and Logistics

User units, departments and sub districts of health entities are in the better position to describe and give specifications of the right types of inputs and logistics required for the performance of their duties. It is therefore necessary for the management to seek their inputs into the preparation of the procurement plan. Procurement decisions of an entity shall be taken in a corporate manner and any internal units concerned shall contribute to the decision making process (Public Procurement Act, 2003 (Act 663), Section 15(3)).

Decentralization, one of the cornerstones of the Medium Term Health Strategy (MTHS) policy, automatically promotes the “pull system”. This means that decisions in purchases are taken on the levels where the goods will be used (Ministry of Health Procurement Procedure Manual, 1999).

2.5 Presence and Implementation of Annual Procurement Plan

According to the Public Procurement Act, 2003 (Act 663) section 21, a procurement entity shall prepare a procurement plan to support its approved programme and the plan shall indicate:

- a) Contract packages
- b) Estimated cost of each package
- c) The procurement method
- d) Processing steps and times

A procurement entity shall submit to its Tender committee not later than one month to the end of the financial year the procurement plan for the following year for approval. After budget approval, and at quarterly intervals after that, each procurement entity shall submit an update of the procurement plan to the tender committee. The procurement entity shall send to the Tender Review Board, procurement notices for contracts and procurement plans above the thresholds stipulated in schedule 3 for publication in the Public Procurement Bulletin. A procurement entity shall not divide a procurement order into parts or lower the value of a procurement in order to avoid the application of the procedures for public procurement in the Act (Public Procurement Act, 2003 (Act 663)).

As part of preparation of World Bank financed project, the borrower shall prepare and, before loan negotiations, furnish to the Bank for its approval, a procurement plan acceptable for the Bank setting forth:

- a) The particular contracts for the goods, works and or services required to carry out the project during the initial period at least eighteen months;
- b) The proposed methods for procurement of such contracts that are permitted under the loan agreement and
- c) The related Bank review procedures. The borrower shall update the procurement plan annually or as needed throughout the duration of the project. The borrower shall implement the procurement plan in the manner in which it has been approved by the Bank (Procurement Guidelines under the International Bank for Reconstruction and Development, 2004).

2.6 Stores Management

Taking manufacturing as an example, the primary objective of the stores function is to provide a service to the operating departments. All other stores activities, although have their own relative importance, they are subordinate to this main responsibility. In much the same way the stores management in the health sector also serve these purposes, which can be analyzed into five parts as follows:

1. To make available a balanced flow of raw materials components, tool, equipment and any other commodities necessary to meet operational requirements.
2. To provide maintenance materials, spare parts and general stores as required.
3. To receive and issue work in progress and finished products.
4. To accept and store scrap and other discarded materials as they arise.
5. To account for all receipts, issues and goods in stock.

Stores responsibilities are to make sure that inputs and logistics used in the hospital are always available to keep work going. Effective stores management system is guided by the following principles or tenets:

2.6.1 Economy

It has been emphasized that service is the principal objective of the stores function, but it is obviously desirable to provide that service economically. The most important consideration here is to keep the inventory value at the lowest practicable level to economize in the use of working capital and to minimize the cost of storage (Jessop and Morrison, 1994).

2.6.2 Identification

Identification is the process of systematically defining and describing all items of stock. It includes the preparation of a stores code or vocabulary, the adoption of materials specifications and the introduction of a degree of standardization (Jessop and Morrison, 1994).

2.6.3 Receipt

Receipt is the process of accepting, from all sources, all materials, equipment and parts used in the organization, including supplies for manufacturing or operating processes, plant maintenance, offices, capital installations and finished products (Jessop and Morrison, 1994).

2.6.4 Inspection

Inspection, in this context means the examination of incoming consignments for quantity and quality. Very often there is a separate inspection department, which does this work, but otherwise stores personnel inspect goods. Whatever the system of inspection in force, it is the duty of the stores unit to see to it that the inspection is done before items are accepted into stock. Quality assurance activities and co-maker relationships between buyers and suppliers have reduced the extent to which the inspections of incoming goods are undertaken, but it remains an important activity (Jessop and Morrison, 1994).

2.6.5 Issue and Dispatch

This is the process of receiving demands, selecting the items required and handing them over to users. It includes also, where necessary, the packing of issues and the loading of vehicle with goods for delivery (Jessop and Morrison, 1994).

2.6.6 Stock Records

These may be manual or maintained on computer, and record particulars of receipts, issues and balances, of stock (Jessop and Morrison, 1994).

2.6.7 Stores Accounting

Stores accounting is the process of recording stock movements and balances in value. There are four main methods of pricing of materials issued. These are cost price, average price, market price and standard price (Jessop and Morrison, 1994).

2.6.8 Stock Control

Stock control is the operation of continuously arranging flows of materials so that stock balances are adequate to support the current rate of consumption, with due regard to economy. It includes the related process of provisioning, which is the means whereby instructions are given for the placing of orders, minimum and maximum levels, re-order level and economic order quantity (Jessop and Morrison, 1994).

2.6.9 Stocktaking, Stock Checking and Stock Audit

Stocktaking is the process of physical verification of the quantities and condition of goods, usually on a periodic basis for the purpose of ensuring that an appropriate figure appears in the organization's accounts. Stock checking is similar, but may be done on an ad hoc basis for operational reasons. Stock audit involves an external agency and the purpose is for verification (Jessop and Morrison, 1994).

2.6.10 Storage

Storage comprises the management of storehouses and stockyards, the operation of handling and storage equipment and the safe custody and protection of stock (Jessop and Morrison, 1994).

2.6.11 Disposal of Waste and obsolete items

Items which have expired and become obsolete are disposed off as quickly as possible through the laid down procedure to avoid cost of keeping them (Jessop and Morrison, 1994).

2.7 Procurement Methods, Processes and Procedures in the Public Procurement Act, 2003 (Act 663)

The following methods and procedures are stipulated in the Public Procurement Act:

2.7.1 International Competitive Bidding (ICB)

International competitive tendering is used and effective competition cannot be obtained unless foreign firms by nature or by value of contract are invited. ICB procedures are also used for goods and works contract exceeding the threshold of fifteen billion cedis and twenty billion cedis respectively. ICB tenders shall be openly advertised and eligible bidders shall be allowed to submit bids. The tender document shall be in English and expressed freely in convertible currency.

The bidding period shall not be less than six weeks from the first date of advertisement or the date of availability of the tender document whichever ever one comes later. The advertisement shall be made in a national newspaper of wide circulations.

Additionally, the advertisements shall be placed in the international press at least six weeks prior to the deadline of submission of bids (Public Procurement Act, 2003 (Act 663), Section 45).

2.7.2 ational Competitive Bidding (CB)

National competitive Bidding procedure shall be where the entity decides that only domestic suppliers or contractors may submit tenders either by nature or by value of contract. The local currency (cedi) shall generally be used for the purposes of bidding and payment unless specified otherwise in the bidding documents. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper and the Public Procurement Bulletin.

The time allowed for bidding this and deadline for submission of bids shall be at least thirty (30) days from the date of publication or the date of availability of the tender documents. The value of threshold for goods is between two hundred million and two billion cedis, whilst works goes for between five hundred million cedis and fifteen billion cedis and technical service is between two hundred million cedis and two billion cedis (Public Procurement Act, 2003 (Act 663), Section 44).

2.7.3 Restricted Tendering

Restricted Tendering is like shopping for goods, it is a limited tendering which functions by direct written invitation without open advertisement, but from a selected list of contractors. Other exceptional reasons which justify restricted tendering as a departure from ICB and NCB procedure would be:

- (i) Limited number of interested/eligible contractors

- (ii) Time constraints or emergency
- (iii) Other mitigating factors.

In cases where restricted tendering is used in lieu of ICB or NCB, this method would require prior approval of the Public Procurement Board and/or Development Partners (Public Procurement Act, 2003 (Act 663), Section 38).

2.7.4 Price Quotation

Shopping shall be used for procuring readily available off-the-shelf good of standard specifications of commodities that are small in value, not exceeding the threshold of two hundred million cedis for goods, five hundred million cedis works and two hundred million cedis for technical services.

Quotations shall be solicited from as many different suppliers as possible but in any case not less than three. Invitation of quotations shall be in writing and will indicate the description and quantity of the goods as well as desired delivery time, and place of delivery, including date, time and place of submission of quotations. Quotations shall be in writing and shall be opened and evaluated at the same time as indicated in the request for quotations. The request for quotations should indicate that quotations submitted later than the time and date specified in the request would be rejected (Public Procurement Act, 2003 (Act 663), Section 42).

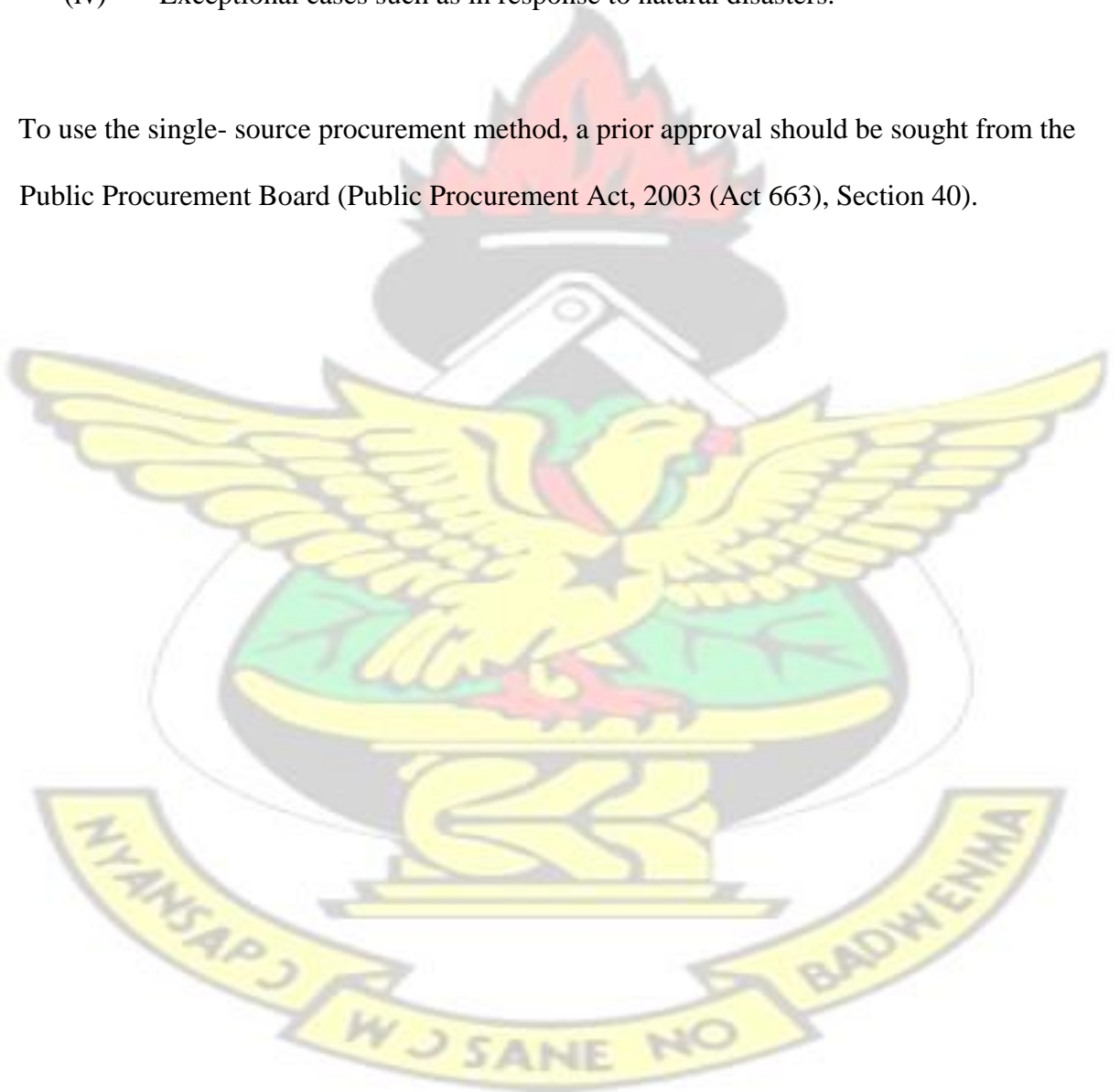
2.7.5 Single- Source Procurement

Procurement through placing direct orders (single sourcing) as a method is not encouraged; however, where it is necessary to be used, it shall be restricted to and reserved for;

- (i) Procurement of items which are proprietary in nature.

- (ii) Repeat orders to meet additional requirements of the same produce or for essential spares from the supplier of earlier procured equipment, provided there is no upward revision in the price of the item or a change in specification.
- (iii) Extension of works contract where this is deemed the most economic procedure.
- (iv) Exceptional cases such as in response to natural disasters.

To use the single- source procurement method, a prior approval should be sought from the Public Procurement Board (Public Procurement Act, 2003 (Act 663), Section 40).



CHAPTER THREE

3.0 METHODOLOGY

3.1 Introduction

This chapter gives a detailed description of the methods and techniques used in the study, for the collection, analysis and presentation of data.

3.2 Design

This study, a descriptive study, sought to examine the implementation of the Public Procurement Act, 2003 (Act 2003) in the health facilities in the Adansi South District in the Ashanti Region.

3.3 Data and Data Sources

Results from both primary and secondary data in all the health facilities were analysed in this study. Data were collected from both health managers and workers. In the case of the health managers, the researcher wanted to know how they went about with purchases for the facilities after the enactment of the Act. On the part of the health workers, the researcher wanted to ascertain if they had fair idea on how items they used in performing their duty were obtained.

3.4 Study population

The study targeted health workers in the Adansi South District in the Ashanti Region. Both employees in the management position and those in the lower level positions were considered. The study wanted to know how the new Procurement Act was being adhered to, by the management of the facilities. In case of the other workers, the purpose for their inclusion was to see if they had fair idea about the Act. The total number of health workers in the district was eighty, comprising forty employees of New Edubiase Government

Hospital, ten staff of the District Health Directorate and thirty employees in the five sub districts. The sub districts were New Edubiase, Ataase, Akutreso, Akrofuom and Ampunyasi.

There were twelve health facilities, including the district hospital located in the district capital- New Edubiase. Out of the total number of eighty health staff in the district, seventy were chosen as the study population. The reason for this was that the seventy health workers in the district had the ability to read and understand the Public Procurement Act.

3.5 Sample Size and Sample Techniques

Out of the seventy study population, fifty staff representing 71% of the study population was selected as sample size.

Twenty people were interviewed from the hospital, representing forty percent of the sample size, whilst seven officers in the district health directorate who were all members of the procurement committee were interviewed making it fourteen per cent and a total of twenty three were interviewed from the five sub-districts which was forty six per cent.

At least four people were interviewed from each sub district.

A simple purposive sampling technique was used in selecting the respondents for data collection. Since the study wanted to ascertain the extent of the implementation of the Public procurement Act 2003 (Act 663) in the district as far as health facilities were concerned, officers in the management positions were interviewed. The other workers who were not directly involved in purchases were also interviewed to know if they had any idea about the whole issue at stake. The knowledge of the ordinary workers on the Act would go a long way to improve procurement management in the facilities since they were in the operational level of the health entities. Their requests served as inputs for those at the

management level to decide what to buy, quantities to be procured and how to purchase the inputs. The health workers and managers interviewed came from all the five sub districts, the district hospital and the district health directorate.

3.6 Pre-Testing

The questionnaire was pre-tested at Fomena in the Adansi North District which borders the study district in the north and has similar characteristics in terms of economy and geographical location. Ten people in both Fomena Health Centre and the District Health Directorate were selected for the pre-testing. The responses of these people provided basis for reframing of some of the questions to suit the sample unit.

3.7 Data Collection Techniques and Tools

The study used interviews and written questionnaires administration approaches to gather data. Personal interview was engaged by the researcher to ascertain how the officers and the workers of the health facilities in the Adansi South District were implementing the Public Procurement Act 2003 (Act 663), problems encountered and how these problems could be lessened to pave the way for effective implementation of the Act. The interview was done face-to-face.

Majority of the workers who were not in the management position were interviewed to find out from them if they had fair idea on how input and material, resources were obtained for them to perform their duty. Here, interview schedule and questionnaire were used as data collection tools. In administering written questionnaire, both selfadministered questionnaire and interviewer-administered questionnaire were used.

Questionnaires were handed over to the officers who were directly involved in procurement for the facilities by the researcher to answer and collected them later. It took about one week for majority of the officers to return their answered questionnaire. The interviewer-administered questionnaires were done face-to-face and targeted the workers who were usually involved in the clinical services and would not get time to answer the questionnaire if given to them.

The questionnaire involved fifty questions in all out of which two questions were open ended and the rest were in the closed ended.

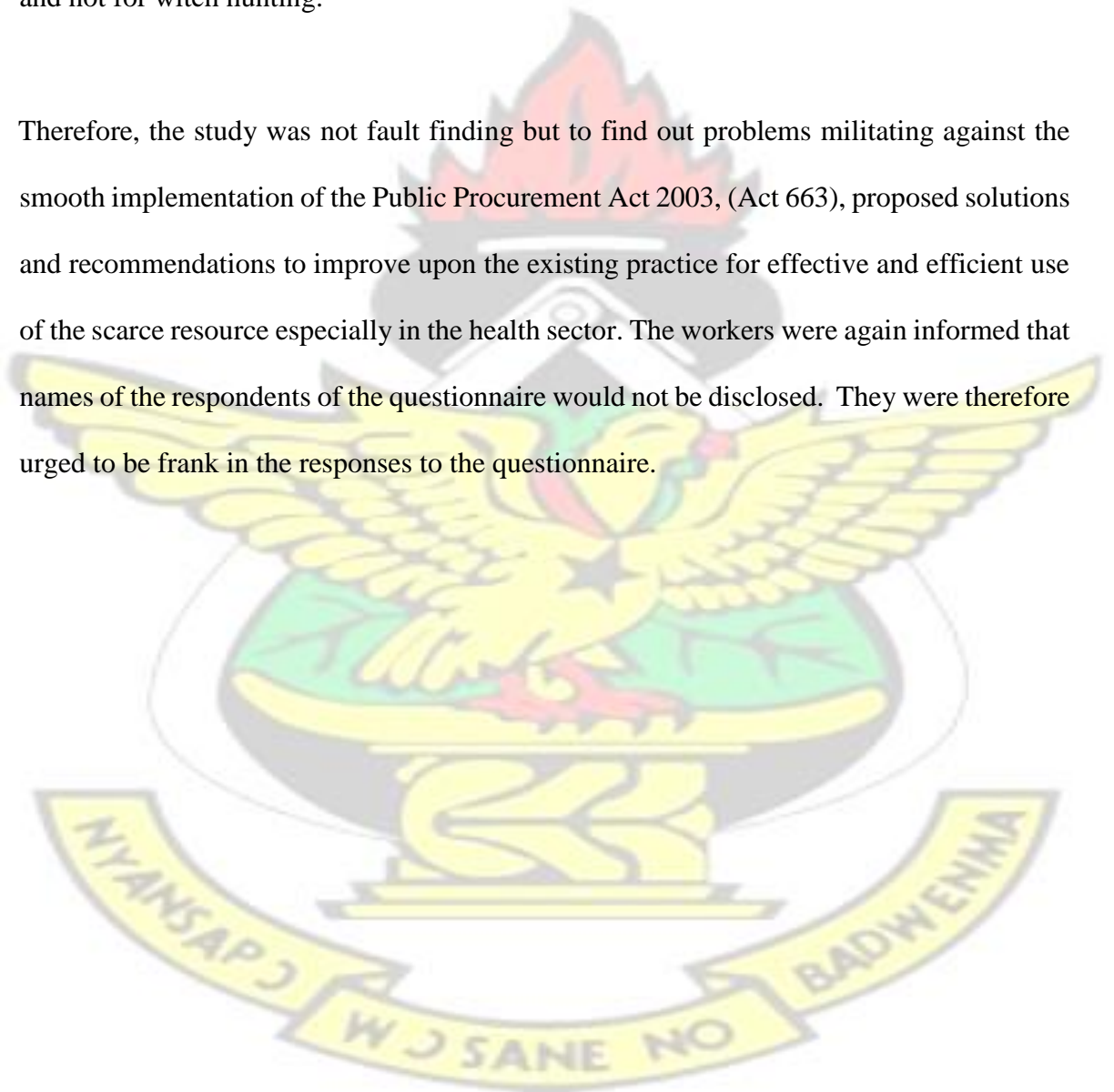
3.8 Table 1: Study Variables

VARIABLE	INDICATOR	DEFINITION
Knowledge of the Public Procurement Act	Availability of training report and a copy of the Public Procurement Act 2003	Brief or training session given to staff
Compliance with the Public Procurement Act.	Availability of Purchasing committee minutes, L. P. O, SRA, Requisition books, Procurement Register and other documents	Adhering to the spelt out Procurement Procedures
Involvement of subdistricts and user units in the selection of inputs	Presence of Procurement plan for the financial year	List of items and their quantities outlined by user units and sub districts.
Proper stores management	Availability of required personnel and logistics	Receipt of goods into proper storage stock level controlled and issuing
Procurement committee	Minutes of Procurement committee meetings in place	Decisions taken by more than one person, on purchasing activities.
Frequency of purchases	Procurement vouchers, receipts	The number of times a facility goes for purchases
Time of delivery of goods, works and services and payment	Availability of award of contract letter and certificate of completion of project or service	The period between the time a contract is signed and the time of final execution of project

3.9 Ethical Consideration

For the purpose of minimizing the fears of health workers and also to have access to the health facilities, consent was sought from the Regional Health Directorate in Kumasi, the District Health Directorate in New Edubiase and the District Hospital. Letters for permission were written to all these authorities. In the preamble to the questionnaire, the health workers were made to understand that the study was meant for academic purpose and not for witch hunting.

Therefore, the study was not fault finding but to find out problems militating against the smooth implementation of the Public Procurement Act 2003, (Act 663), proposed solutions and recommendations to improve upon the existing practice for effective and efficient use of the scarce resource especially in the health sector. The workers were again informed that names of the respondents of the questionnaire would not be disclosed. They were therefore urged to be frank in the responses to the questionnaire.



CHAPTER FOUR

4.0 PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

This chapter presents the analysis of data which were collected from study sites in the Adansi South District in Ashanti region. Specifically, data were collected from the New Edubiase District Hospital, the District Health Directorate and the five sub-districts, namely New Edubiase, Akutreso, Ataase, Ampunyase and Akrofuom in line with the topic “Operationalising the Public Procurement Act: critical implementation issues in the health entities in Adansi South District, Ghana.

4.2 Background Characteristics of Respondents

Table 2: Level of workplace of respondents

Variable	Frequency	Percentage
DHD	6	12
Hospital	21	42
Sub district	23	46
Total	50	100

Source: Field Data, 2006

Table 2 shows the level of workplaces of the respondents in the study. Twelve percent (12%) were made up of members of staff from the District Health Directorate, forty two percent (42%) from the District Hospital and forty six percent (46%) from the SubDistrict. These were the areas where health workers of Ministry of Health/Ghana Health Service in the district interviewed were stationed.

Table 3: Age Distribution of Respondents

Variable	Frequency	Percentage
<25	5	10
26 – 30	11	22
31 – 35	8	16
36 – 40	5	10
41 – 45	6	12
46 – 50	5	10
51 – 55	5	10
Total	50	100

Source: Field Data, 2006

Table 3 displays the age distribution of the respondents in the study. The ages of the respondents ranged between twenty four years and fifty-five years. The highest age group was 26 – 30 years (22%).

This was followed by the 31 – 35 age group (16%) and 41 – 45 year group (12%).

The age groups below 25 years, 34 – 36, 46 – 50 and 51 – 55 were 10% each. This showed that in the Adansi South district, majority of the health workers were in their youthful age group.

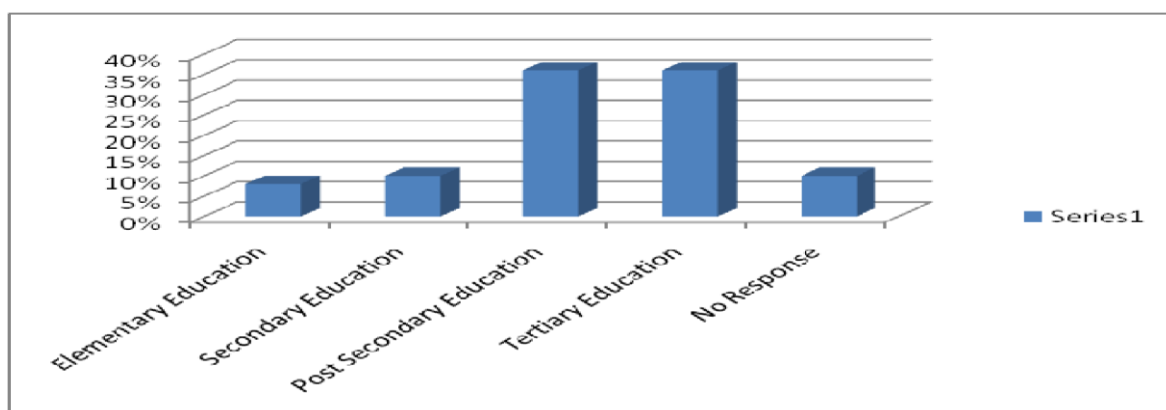
Table 4: Grade of respondents

Variable	Frequency	Percentage
Nurse/Midwife	27	54
Dispensing Technician	6	12
Technical Officers	5	10
Field Technician	3	6
Health Assistant	2	4
Accountant	2	4
Pharmacist	1	2
Medical Officer	2	4
Administrator	1	2
Principal Store Keeper	1	2
Total	50	100

Source: Field Data, 2006

According to table 4, a high percentage (54%) of the respondents was in the grade of Nurses/ Midwives grade. Dispensing Technicians who were next to the Nurses/Midwives also constituted twelve per cent (12%), with technical officers forming ten percent (10%). Field Technician, Health Assistant, Accountant, Pharmacist, Medical Officer, Administrator and Principal Store Keeper on their parts were 6%, 4%, 4%, 2%, 4%, 2% and 2% respectively. When it came to concentration of health workers, nurses for both clinical and public health activities, Adansi South district could not have been said to be under staffed.

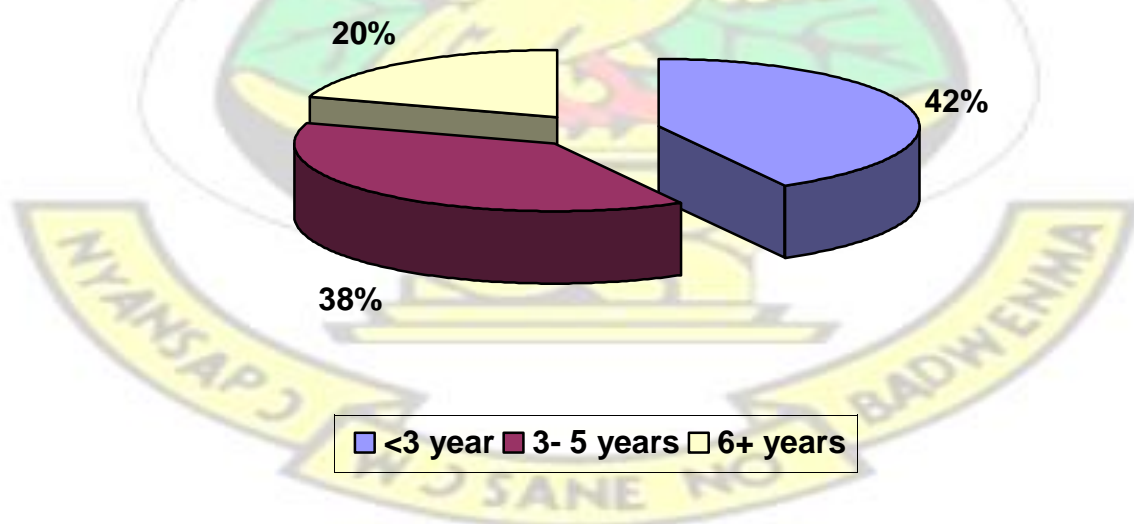
Figure 2: Educational Level of Respondents



Source: Field Data, 2006

Figure 3 depicts the educational level of the respondents. Majority of the respondents (36%) had certificate level of education. This was followed by those of tertiary level of 22%, then diploma (14%) and secondary level (10%). The least level of education of the respondents was middle school leaving certificate (8%).

Figure 3: Length of stay at Facility

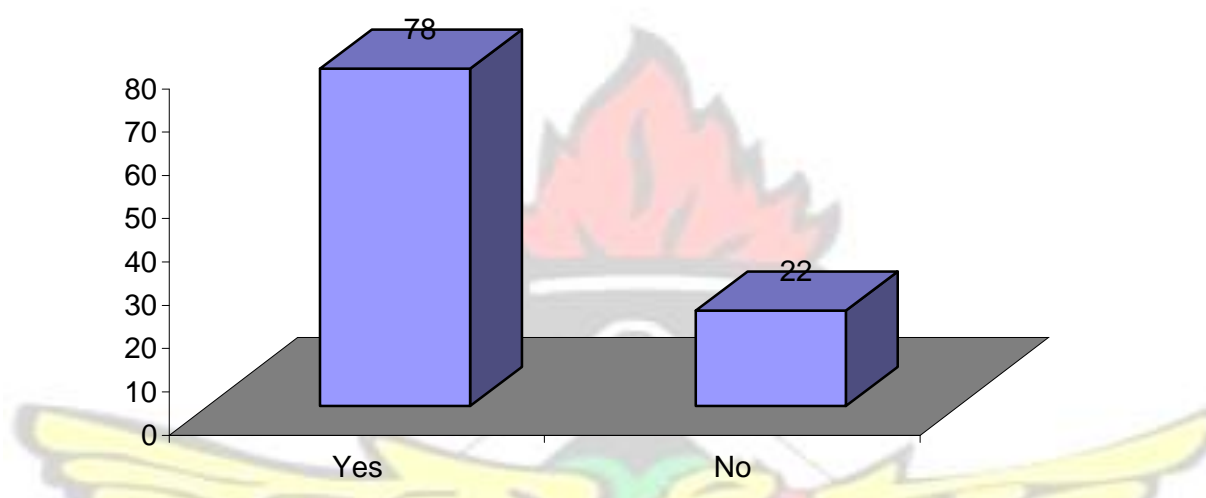


Source: Field Data, 2006

Figure 4 indicates that forty two percent (42%) of the health workers had spent less than three years in their facilities.

Thirty eight percent (38%) of them had also stayed in their respective facilities between 3-5years, whilst twenty percent (20%) had stayed in their posts for six years and beyond. This implied that most of the respondents had stayed with their facilities for a long period and therefore could give a clear picture of the procurement practices in their institutions.

Figure 4: Knowledge of the Procurement Act



Source: Field Data, 2006

Figure 4 shows that seventy eight percent (78%) of respondents had heard of the Procurement Act. Of this 41% of them indicated that they heard about the Act through the media, 23.1% heard about it from meetings, 20% from training sessions, 12.9% from friends and 2.6% hearing the act from the national procurement workshop. However, a substantial number (22%) of the respondents maintained they had no knowledge of the act. This implies some weaknesses in the information flow in some of the facilities within the district. When further asked whether respondents had either seen or had copies of the Act, only twelve percent (12%) replied in the affirmative, and went further to say that they had made occasional reference to the Act.

All of these officers played various roles in the procurement system at their respective levels. The rest who were the majority (88%) had neither read nor had copies of the Act, a situation which needed attention. In describing the Public Procurement Act, the respondents gave diverse explanation as to what they knew about the Act. Some 34% described the Procurement Act as a mere policy document that does not have any impact on the purchasing habits and processes on the ground.

Twenty-four percent (24%) were however of the view that the Act provides guidelines for procuring goods and services in the public sector. Whereas others (14%) mentioned that they only knew it to be an Act of Parliament, 4% described it as a document that facilitates the tender processes in the public sector. As high as 24% of the respondents did not know what the Act is at all.

Table 5: Methods of Procurement

<u>Method</u>	<u>DHD</u>	<u>Hospital</u>	<u>Sub District</u>	<u>Total</u>	<u>% of Total</u>
Single-Source Procurement Through the Regional Medical Stores	2	3	3	8	16
Price Quotations	2	15	12	29	58
Competitive Tendering	2	2		4	8
Other (Specify)		1	1	2	4
	0	0	7	7	14
<u>Total</u>	<u>6</u>	<u>21</u>	<u>23</u>	<u>50</u>	<u>100</u>

Source: Field Data, 2006

According to table 5, close to 60% of the respondents mentioned the Regional Medical Stores as their preferred place for purchases, sixteen percent (16%) used Single Source Procurement, eight percent (8%) also mentioned Price Quotation method, four percent (4%) indicated Competitive Tendering, and as fourteen percent (14%) said they did not use any of the above mentioned methods to secure their needs for work.

Again, 46% of the respondents described the Procurement Act as very useful in facilitating their procurement process. 24% were however on the contrary since they saw the Act as less useful in their procurement process. 12% claimed even though the Act is good in itself, its implementation and associated usefulness in their procurement process is yet to be realised. 14% of the respondents abstained from rating the importance of the Act in their procurement process.

Table 6: Sequence of Procurement Operation

Sequence	DHD	Hospital	Sub District	Total	% of Total
SQ 1	1	3	5	9	18
SQ 2	-	1		1	2
SQ 3	2	10	8	20	40
SQ 4	1	-	-	1	2
Other	1	5	1	7	14
Non Response	1	2	9	12	24
Total	6	21	23	50	100

Source: Field Data, 2006

Key:

SQ1 = Identification of items required, contacting a supplier for purchasing, seeking approval of the Procurement Committee, invitation of suppliers to submit quotations, evaluation of quotations submitted and awarding of contract

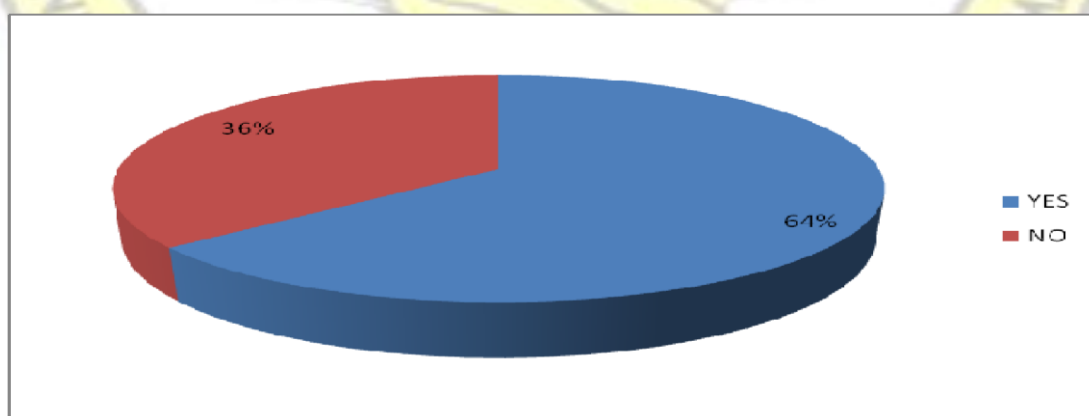
SQ2 = Identification of items, evaluation of quotations submitted, awarding of contract, invitation of suppliers to submit quotation, contacting suppliers for purchasing and seeking approval of the Procurement Committee

SQ3 = Identification of items required, seeking approval of the Procurement Committee, invitation of suppliers to submit quotation, evaluation of quotation submitted, awarding of contract and contacting suppliers for purchasing

SQ4 = Identification of items required, awarding of contract, seeking approval of the Procurement Committee, invitation of suppliers to submit quotations, contacting suppliers for purchasing and evaluation of quotation submitted.

On the sequence of purchases, eighteen percent (18%) answered that they preferred option one (i. e. SQ1). Two percent (2%) said the second (SQ2) option was used in their facility. Forty percent (40%) responded favourably for option three, two percent (2%) said option four, and fourteen percent (14%) mentioned other practices like sole sourcing. The remaining twenty four percent (24%) did not respond.

Figure 6: Centralized Procurement Function



Source: Field Data, 2006

Figure 6 shows the existence of a centralised procurement function in the facilities. Sixtyfour percent (64%) answered affirmative that procurement was centralized and thirty-six percent (36%) said otherwise. It is evident from the discussion that those facilities with the centralized procurement unit may likely to go by the rules and regulations outlined in the procurement act and the contrary may be the case in those without centralised procurement unit.

In a related development, fifty-six percent (56%) of respondents said there was an existence of Procurement Committee in the health entities whilst forty-four percent (44%) indicated non existence of procurement committee.

The procurement committees of the two main health entities in the district, namely, the District Health Directorate and the New Edubiase District Hospital had membership as the District Director of Health Services, the Accountant, the District Information Officer and the Disease Control Officer for the health directorate.

In the hospital, members of the Procurement Committee were mentioned as the Medical Superintendent, the Administrator, the Accountant, the Pharmacist, Matron and the Storekeeper.

Also, fifty percent (50%) of those who said there was no Procurement Committee in the health entities mentioned the Storekeeper as the one who initiated purchases. Nine percent (9%) also mentioned the Administrator as the initiator, and forty-one percent (41%) indicated others such as the medical superintendent, matron or heads of the various units as initiating purchases in their facilities.

Table 7: Frequency of Meeting of the Procurement Committee

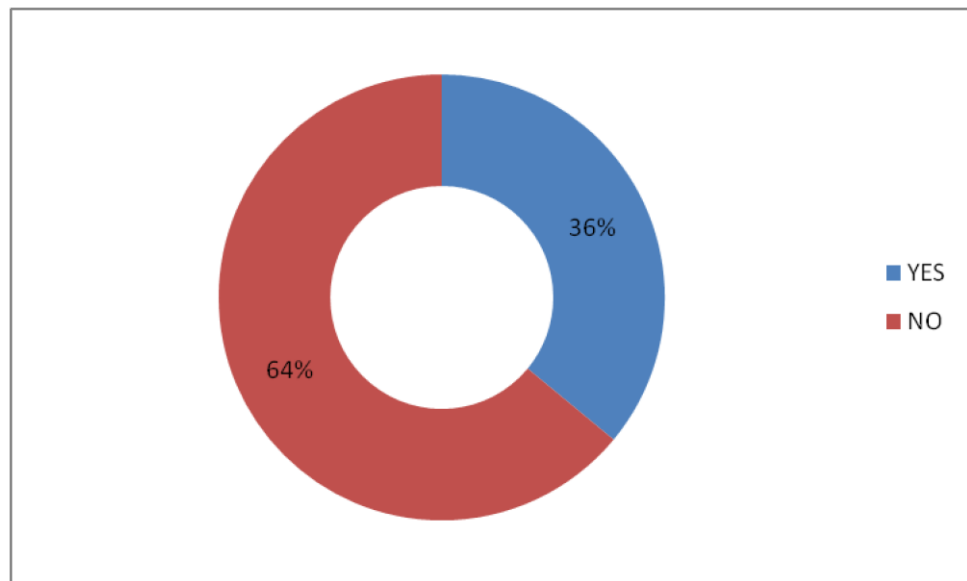
<u>Frequency</u>	<u>DHD</u>	<u>Hospital</u>	<u>Sub district</u>	<u>Total</u>	<u>% of Total</u>
Monthly	3	6	2	11	22
Bi-monthly	2	-	1	3	6
Quarterly	-	4	3	7	14
Every six months	-	-	1	1	2
Others (specify)	-	4	3	7	14
Non response	1	7	13	21	42
Total	6	21	23	50	100

Source: Data Field, 2006

Table 7 shows how frequent the Procurement Committee met in the various facilities. Twenty-two percent (22%) of the respondents answered that the Purchasing Committee met every month, six percent (6%) gave bi-monthly, fourteen percent (14%) indicated every three months, two percent (2%) said the committee met every six months, another fourteen percent (14%) pointed out as others (no existence of a procurement committee at all and even if it was in place no regular meetings was being held) and forty-two percent (42%) did not respond. Meetings of the committees were usually held to consider the needs of the various institutions.

The appreciable percentage (42%) of the respondents who did not answer to the frequency of holding meetings by all the Procurement Committees might mean that since the committee comprised only management members of the entities, the majority of the staff was not aware of their meeting schedules.

Figure 7: Presence of Purchasing Officer, qualification and functions



Source: Field Data

From Figure 7 above, Sixty-four percent (64%) of respondents answered that they had no Procurement Officer but thirty-six percent (36%) said there was one in their facilities. On the qualification of the Procurement Officer, seventy-two percent (72%) said he was a Middle School Leaving Certificate holder, seventeen percent (17%) mentioned that he had tertiary education and eleven percent (11%) answered others as they did know much about the Procurement Officer's qualification. On the Procurement Officer's functions, thirty-seven percent (37%) responded that he dealt in procurement matters, fifty-three percent (53%) mentioned it as storekeeping and eleven percent (11%) said issuing of items.

As to who procures for the entities, forty seven per cent indicated that it was the Storekeeper, three per cent said the Accountant, nine per cent mentioned the

Administrator, thirteen per cent answered that it was the District Director of Health Services and twenty eight per cent gave out others (Pharmacists, Procurement

Committee).

Table 8: Involvement of Sub districts in the selection of inputs

Role	DHD	Hospital	Sub District	Total	% of Total
Yes	4	9	13	26	52
No	2	12	10	24	48
Total	6	21	23	50	100

Source: Field Data 2006

Table 8 shows the involvement of the sub districts in the selection of inputs for work in their various facilities. Fifty-two percent (52%) said they were involved in the selection of inputs required to work whilst forty-eight percent (48%) responded that they were not given the chance to be part of inputs selection process.

Again, forty-two percent (42%) went further to say that they did the selection of the inputs by listing all to the Procurement Committee for approval, about twelve percent (12%) indicated that they based on the existing consumption rate to select the items, four percent (4%) said they relied mostly on the Storekeeper's estimates and forty-two percent (42%) indicated that they only went for the items when the need arose.

Table 9: Availability of Annual Procurement Plan

Availability of	Sub
-----------------	-----

<u>Procurement Plan</u>	<u>DHD</u>	<u>Hospital</u>	<u>District</u>	<u>Total</u>	<u>% of Total</u>
Yes	6	10	9	25	50
No	0	11	14	25	50
<u>Total 6 21 23 50 100</u>					

Source: Field Data 2006

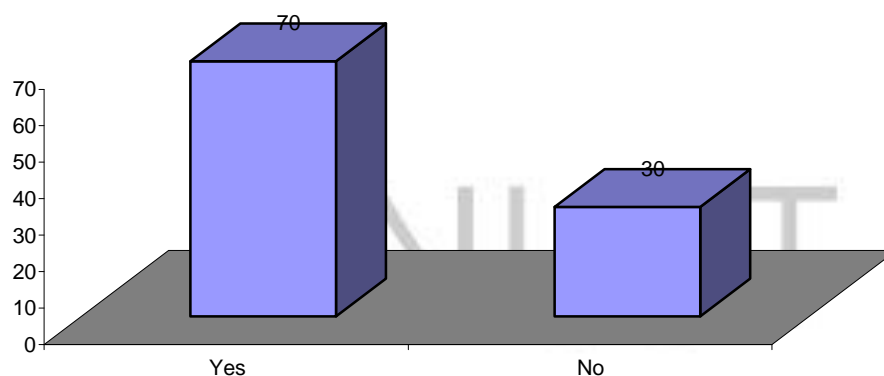
Table 9 shows whether or not an annual procurement plan was available to a facility. Fifty percent (50%) answered affirmative, where as the remaining 50% responded no.

As to whose responsibility was for the preparation of the annual procurement plan, twenty-four percent (24%) said it was the Storekeeper, twelve percent (12%) also mentioned the Accountant, another twelve percent (12%) responded that it was the Procurement Officer, twenty percent (20%) indicated that it was the Administrator and thirty-two percent (32%) said others (did not know whose responsibility for the preparation of the plan).

Twenty-eight percent (28%) responded that they did not depend on the Procurement Plan but used rough estimate for their purchases. Thirty-two percent (32%) said they depended on the work load to estimate their purchase, whilst forty percent (40%) mentioned that their purchases were informed by the previous consumption rate. Whether the existing Procurement Plan was being adhered to or not, thirty-four percent (34%) answered affirmative whilst sixty-six percent (66%) said they did not go by the plan. This was an indication that the adherence to the procurement practices was minimal even in district health institutions.

4.11 Stores Management

Figure 8: The existence of Stores unit

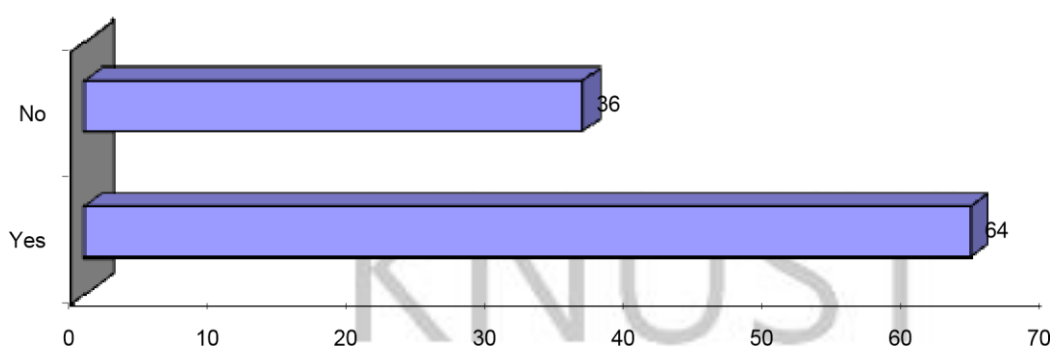


Source: Field Data, 2006

Figure 8 shows the existence of stores unit in the various health facilities. Seventy percent (70%) of respondents said there was a stores unit in their facilities, whilst thirty percent (30%) indicated that there were no stores in their facilities. When asked about the presence of professional Storekeepers to man the stores, fifty-six percent (56%) answered affirmative, whilst forty-four percent (44%) answered negative. Again, forty-six percent (46%) gave the level of education of the storekeeper as Middle School Leaving Certificate, four percent (4%) mentioned Higher National Diploma, whereas sixteen percent (16%) said others (did not know the educational level of the storekeeper) and thirty-four percent abstained from answering the question.

One the number of storekeepers at post, sixty-six percent (66%) said there was only one qualified storekeeper in the district whilst eight percent (8%) indicated two and twenty-six percent (26%) did not respond. Above all, 96% of the respondents indicated that there was no separate purchasing department from the stores at both the hospital and sub district levels. Four percent (4%) however abstained from answering the question on this aspect of stores management.

Figure 9: Adequacy of Storage facilities



Source: Field Data, 2006

Figure 9 explains the adequacy of storage facilities in the health facilities in the district. Sixty-four percent (64%) responded that storage facilities in place were adequate and thirty-six percent (36%) indicated they were not adequate. Improvised places had been turned into stores which did not provide pave way for proper stores management practices.

Table 10: Inspection and Safety of stocks

Who Conducts Inspection and checks of stocks	DHD	Hospital	Sub District	Total	% of Total
Storekeeper	4	4	6	14	28
The Accountant	-	5	2	7	14
The Administrator	-	6	1	7	14
The Officer in-charge of user unit	-	3	6	9	18
Other (Specify)	1			1	2
No response	1	3	8	12	24
Total	6	21	23	50	100

Source: Field Data, 2006

Table 10 shows the responsible officers who conduct checks and inspection of stocks in the various facilities in the district.

Twenty-eight percent (28%) said quality and quantity checks of goods were done by the storekeeper. Fourteen percent (14%) indicated that it was the Accountant whilst another fourteen percent (14%) pointed out that it was the responsibility of the Administrator.

Eighteen percent (18%) also indicated that inspection and quality checks of stocks was done by officers in-charge of the user units, with two percent (2%) responded that it was others like the Matron, the Medical Superintendents and twenty-four percent (24%) gave no response. In terms of safety procedures to protect stocks from thieves and disaster, fifty percent (50%) said fire extinguishers had been installed in the stores to take care of fire outbreak. Twenty-eight percent (28%) answered that security personnel were attached to the stores unit to guard stores in their facilities. Two percent (2%) claimed that other safety measures like mesh wires were used whilst fourteen percent (14%) did not answer the question on this issue.

Table 11: Stocktaking and Disposal of Waste Items

<u>Method of stocktaking</u>	<u>DHD</u>	<u>Hospital</u>	<u>Sub District</u>	<u>Total</u>	<u>% of Total</u>
Periodic stocktaking	1	3	2	6	12
Continuous stocktaking	-	1	1	2	4
Monthly stocktaking	2	12	13	27	54
Quarterly stocktaking	3	2	4	9	18
Other (specify)	-	-	1	1	2
No response	-	3	2	5	10
<u>Total</u>	<u>6</u>	<u>21</u>	<u>23</u>	<u>50</u>	<u>100</u>

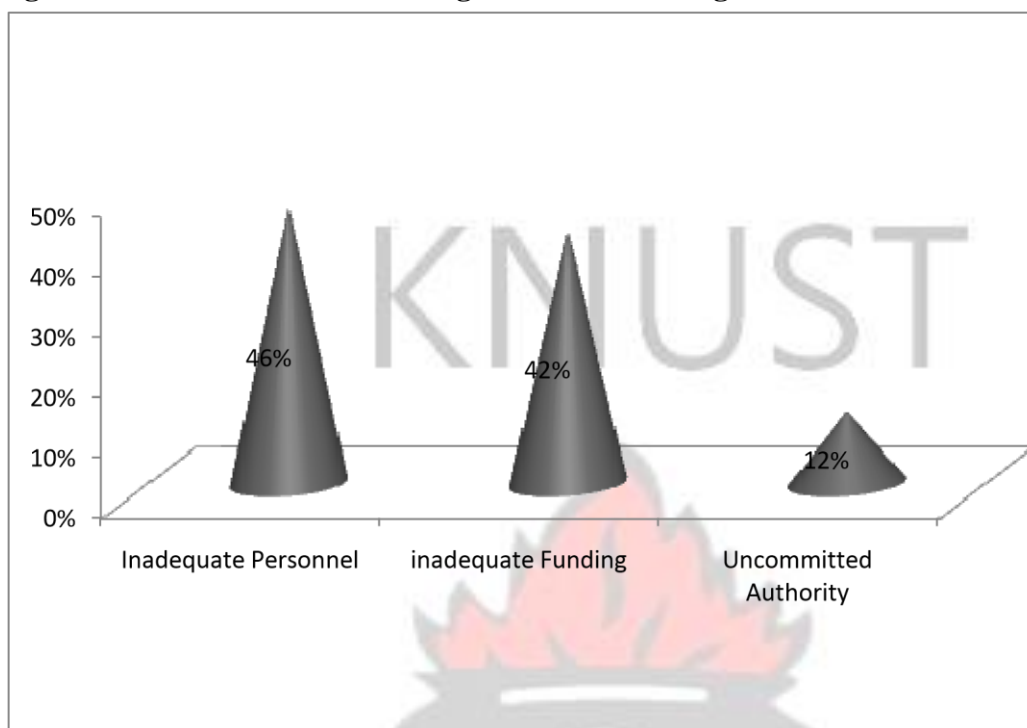
Source: Field Data, 2006

Table 11 illustrates the various methods of stocking by the facilities in the districts.

Twelve percent (12%) responded that periodic stocking was in place, four percent (4%) indicated that continuous stock taking method was being used. Fifty-four percent (54%) responded that stock taking exercise was done monthly. Eighteen percent (18%) said that stock taking was done on quarterly basis. Ten percent (10%) gave no response to the question on this matter. For the follow up question which sought to find out the officers involved in the stocktaking exercise, eighteen percent (18%) mentioned the Accountant. Forty-two percent (42%) said it was the Storekeeper, two percent (2%) indicated that it was the responsibility of the Purchasing Officer, whilst twenty-two percent (22%) mentioned others other than the officers stated above. Sixteen percent abstained from answering.

As regards how entities handled obsolete, scrap and redundant items, forty percent (40%) of respondents indicated that they kept the obsolete, scraps and redundant items in a separate room, thirty percent (30%) of them said they disposed them off (throw them away) after going through the necessary procedures. Fourteen percent (14%) did not give any response.

Figure 10: Problems of Purchasing and Stores Management



Source: Field Data, 2006

Figure 10 shows the specific problems militating against the smooth administration of the stores and purchasing management in the health facilities in the district. Forty-six percent (46%) felt that the lack of requisite personnel was the specific problem hindering the smooth administration of purchasing and effective management of stores.

Forty-two percent (42%) stated inadequate funding whilst twelve percent (12%) indicated lack of will on the part of the authorities. The health facilities in the district did not have professional procurement officers in place since employment of such calibre of staff depended on the central government. Again cash flow to the institutions was not regular.

Table 12: Training and Development for Procurement Staff

Kind of Training	DHD	Hospital	Sub District	Total	% of Total
In-service training	1	7	7	15	30
On-the job training	2	6	4	12	24
Further studies	-	-	1	1	2
None	3	8	11	22	44
Total	6	21	23	50	100

Source: Field Data, 2006

Thirty percent (30%) of respondents indicated that procurement staff underwent inservice-training to update their skills and knowledge. Twenty-four percent (24%) mentioned on-the-job-training for personnel development, whilst two percent (2%) said they attended further studies, with forty-four percent (44%) indicating that they did not obtain any personnel development so far.

It was shown that there were existences of training and development programmes for the procurement personnel of the facilities. These were in-service training, on-the-jobtraining and others even pursued further studies to update their skills and knowledge in the procurement practices. This showed the fact that procurement personnel had been given the appropriate training to make them conversant with the law.

Table 13 Procurement Method Used Before

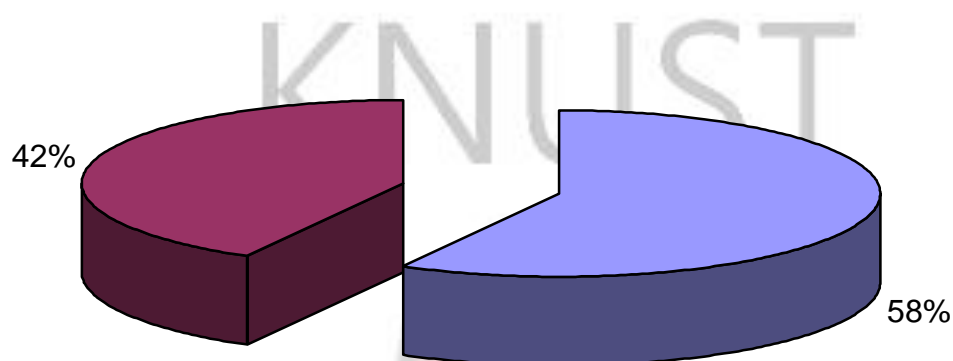
Buying Method	DHD	Hospital	Sub District	Total	% of Total
Single sourcing	2		7	9	18
Price Quotation	3	16	8	27	54
National Competitive Bidding	-	1	2	3	6
Other (Specify)	1		2	3	6
Don't Know	-	4	4	8	16
Total	6	21	23	50	100

Source: Field Data, 2006

Table 13 illustrates the procurement method used previously by the health facilities in the district. Eighteen percent (18%) responded that they used single sourcing method for procurement, fifty-four percent (54%) affirmed price quotation as the method of procurement, six percent (6%) said national competitive bidding, other methods was also six percent (6%) and those who said they did not know was sixteen percent (16%).

The respondents gave circumstances under which they used a particular procurement method as: emergency occurrence (18%), goods available only from a number of limited suppliers (22%), a supplier has exclusive rights to particular goods (8%), others such as upfront purchase where one takes cash to a shop or market to buy what he needs at a particular time (14%) and 38% did not know why a particular method was chosen for purchases.

Figure 11: Availability of Suppliers' Register



Source: Field Data, 2006

Figure 11 shows the availability of suppliers' register in the health facilities. Fifty-eight percent (58%) answered that the facilities had registered suppliers in place whilst fortytwo percent (42%) said there were no registered suppliers in place. As regards the length of time within which suppliers were to submit quotations, six percent (6%) of the respondents indicated that suppliers were given only three days.

Thirty percent (30%) gave one week as a stipulated time for quotation submission, and another six percent (6%) gave it as two weeks. Eight percent (8%) said others like those suppliers contacted on a telephone to make supplies to the health institution whilst thirtyfour percent (34%) responded that they did not know.

Table 14: Availability of tender box for quotations

Tender Box	DHD	Hospital	Sub District	Total	% of Total
Yes	-	13	2	15	30
No	6	8	21	35	70
Quotation Evaluated					
Yes	3	13	4	20	40
No	3	8	19	30	60
Total	6	21	23	50	100

Source: Field Data, 2006

Table 15 shows the availability of tender box in the health facilities. From the table, thirty percent (30%) responded that there was a tender box mounted at an accessible place whilst seventy percent (70%) said there was none in place. On the issue of quotation evaluation, forty percent (40%) said quotations were evaluated before awarding of contract. However sixty percent (60%) claimed that proper evaluation was not done for awarding of contract for supply of goods. This could be attributed to non compliance to the law by the authorities.

CHAPTER FIVE

5.0 DISCUSSION

This chapter discusses the main findings of the study and their relation to the relevant literature reviews on the topic of the Public Procurement Act.

5.1 Knowledge of the procurement act

Majority had heard of the enactment of the Public Procurement Act, 2003 (Act 663). This indicates that staff of the Adansi South District Health Services knew that a regulatory policy had been put in place, to direct the affairs of all procurement issues in the country. It was learnt that they heard about the act through the media like newspapers, radio, television and others.

Though they considered the Act as an important document, they again viewed it as one of the policies the government brought up but not taken very serious. There were no copies of the act which personnel could refer to guide them in their daily activities in procurement processes. This showed that both staff and management of the health facilities in the Adansi South District did not know the details of the Public Procurement Act, which would guide them on purchases to implement the act to the letter.

5.2 Compliance with the Public Procurement Act

Items or inputs used as shown in the study included non-drug consumables, stationery, drugs, office equipment like computers and their accessories, medical equipment and other logistics. It was therefore deduced that health care provisions depended largely on the acquisition of so many inputs and as such properly laid down procurement procedure

needed, to be followed so that the government's objective on the judicious use of state resources was not compromised.

It was again realized that, majority of the institutions depended more on the Regional Medical Stores to acquire their supplies. It was only when these supplies were not available in the medical stores that compelled them to go to the open market, where the various methods spelt out in the act were used. Since few of the items were purchased outside the medical stores, single sourcing and price quotations of procurement methods were usually used. Before purchases were done, the user units made requisition to the authorities, which also referred it to the Procurement Committee for discussion and approval for purchases.

This implied their compliance and commitment to the Procurement Act and the procurement procedures to check fraudulent purchasing acts thereby contributing to saving the scarce resources of the nation (The Public Procurement Act 2003, Daily Graphic Monday, May 22, 2006 pp 41).

In terms of personnel however, there was no professional procurement officer at post in many cases. There were few instances where Purchasing Officers in the institutions carried out day-to-day administration of procurement activities. Yet the level of education of the purported purchasing officers was Middle School Leaving Certificate. This implied that the storekeepers served as both Procurement Officers and the same time performing the functions of storekeeping. This practice defeated the objective of the act, which said procurement, should be done in open and transparent manner to avoid fraud. If one person combined the stores and procurement functions at the same time, transparency was likely to be low.

The main problems outlined to be affecting smooth administration of the purchasing and stores management were lack of personnel, inadequate funding and lack of authorities' will to implement the act. These problems might hinder the process of following the laid down procurement procedures since proper management of procurement was a full time job and required a trained professional to perform these functions. Most of the health institutions in the country and health facilities in the Adansi South district in particular did not have these professionals. The existent storekeepers who were engaged in the old practice were left to perform procurement functions single-handedly. In some of the facilities, there was only the storekeeper, who did not have even an assistant to give a helping hand.

In terms of facilities, they were nothing to write home about though inspection in the stores especially in the district hospital revealed that supplies were nicely arranged in shelves and few pallets. The same could not be told about the District Health Directorate and the health centres in the sub-districts. Offices and consulting rooms had been converted to stores, which did not have the required storage facilities, and supplies were haphazardly scattered about. Most of the facilities also lacked the necessary funds to make regular purchases for their units. As a result of their indebtedness to the Regional Medical Stores, it was not possible, even to have credit purchases with other suppliers.

Suppliers had been registered by the institutions and from time to time they fell on them for quotations to supply goods. Length of time given to these suppliers was at times too short, for them to do the necessary grounds work which might not be adequate and could also force the authorities to make single sourcing or not to be in the position to make the required documentations. Mounting of tender boxes, which is one of the indicators for conforming to the proper procurement practices were present in some of the institutions,

others were not having them. In the district hospital, a tender box had been mounted but in the others they were not.

On evaluation of quotations, even though majority answered yes, it was difficult to get a copy of the evaluation reports. It was again realized that price was the main yardstick used to evaluate quotations.

5.3 Involvement of sub districts and units in the selection of inputs

When it came to the selection of inputs for service provision, it was shown that the sub districts and the units of the hospital were usually contacted to list all the items required to the management for inclusion in the preparation of procurement plan.

Other views indicated that they were not involved in the selection process. This means that at times equipment and other logistics bought became redundancy to the units, which were supposed to use them to provide service. User units could give better specifications on inputs they needed than any other office.

This was contrary to the section 15(3) of the Act which states that, procurement decision of an entity shall be taken in a corporate manner and any internal units concerned shall contribute to the decision making process, any attempt by the various management team to ignore the user units in the procurement decision-making does not conform to the law (The Public Procurement Act 663, 2003).

If the units were contacted in the selection process, they could have listed every item that would be needed for provision of service usually based on the quantities used in the previous year. The various storekeepers of the entities also played a major role when it came to the listing of needs for a facility in terms of types and quantities. It is also possible

that frequent shortage of essential inputs for service provision could also be attributed to the non-involvement of the user unit heads in the decision-making on procurement. This problem came about as a result of under estimation of quantity of logistics required for a particular period. Authorities made their estimates without relying on a proper scientific base.

On the other hand, over estimation could also occur to promote pilfering and expiration of especially essential drugs. It is also accepted that when people are involved in decision-making, they are more likely to embrace it and participate in its smooth and successful implementation.

Failure to fully involve the sub-districts and the units in the procurement decision-making therefore partly accounted for the procurement inefficiencies in the study district in contrast to the decentralisation tenets of the Medium Term Health Strategy (MTHS) policy (Ministry of Health Procurement Procedure Manual, 1999).

5.4 Preparation of Annual Procurement Plan

A procurement plan serves as a guide to managers who engaged in procurement practices. It is one of the requirements of the Public Procurement Act, 2003 (Act 663) which enjoins every entity especially those that rely on state funds to prepare procurement plans for every year and make submission of copies to their various tender committees

The fact that 50% of the facilities did not have annual procurement plan in place meant that they were not adhering to the provisions in the Procurement Act (2003). Section 21 of the Public Procurement Act says that every procurement entity should prepare a procurement plan to support its approved programme and be submitted to its Tender committee not later than one (1) month to the end of the financial year for the following year for approval. For

those who had the annual procurement plan in place, it was clear that the preparation of the annual procurement plan was done by one of the procurement committee members on behalf of the committee based on the previous consumption pattern, rough estimated and work load of the entities.

The inconsistent implementation of the existing annual procurement plans at all times by the facilities was one of the problems in our institutions where prepared plan were usually set aside especially when funds came and new ideas arose for implementation. It could also be possible that unforeseen circumstances may occur which was not in the original plan but required immediate attention.

For instance, if a rainstorm got rid of roof of a hospital, immediate action would be required to address the problem else operations in the facility could come to a stand still. If this was the case then the existing annual procurement plans were not flexible to be adapted to changes as in the case of the World Bank financed projects where annual plans were regularly updated to cater for contingencies (International Bank for reconstruction and Development, 2004).

5.5 Stores management Practices

Stores management is the process of accepting and keeping the right quality of goods, inputs, equipment or raw materials in their right conditions for periodic release to the user units and departments. In every organization, stores play very important role for the achievement of its objectives.

In a hospital set up, where lives are saved, and inputs for health care provision are required in the exact specification at the time needed, poor stores management would only inhibit quality of health care.

The study showed that there were some sort of stores in almost all the health facilities in the district either being manned by a trained storekeeper or a designated officer who performed stores function as additional responsibility. Personnel working in the stores were few. Almost all the institutions had only one officer in charge of stores and it became difficult for the officer to perform effectively and efficiently, especially where the officer combined it with other responsibilities. The level of education of the majority of personnel was a Middle School Leaving Certificate holder. With the current trends and the enactment of the Public Procurement Law, the officer's level of education did not augur well for implementing the law to the letter.

It was also established that rooms earmarked as stores were not in the standard form. Some of them were so congested that, items were haphazardly arranged and did not allow free access to them. Storage equipment was also lacking, with the exception of the district hospital, where spacious place had been designated as stores, the rest were not up to standard as far as proper store rooms were concerned.

This situation could affect the efficiency and effectiveness of the procurement processes in the health facilities (Jessop and Morrison, 1994). However, some of the safety measures put in place to protect stock from destruction or theft were the installation of fire extinguishers, detailing of security persons to the stores area. Accepting stocks into the stores was mostly done by listing all items in the store receipt voucher booklet. Stock registers were also considered for receiving items into the stores. Though some of the

facilities did not have the stores receipt voucher, improvised notebooks had been designed to serve the purpose conforming to guidance of effective stores management

(Jessop and Morrison, 1994).

When it came to inspection of items received to the stores, all the officers involved in procurement process took part in the inspection process. The only situation, which was not found to be in line with the proper stores procedure, was where the same storekeeper inspected and checked quantity and quality of goods he himself had received. A situation where the same officer was involved in purchasing, receiving, inspecting and issuing of supplies to the user units, transparency that the law required was compromised (Jessop and Morrison, 1994).

On how the user units received their supplies from the stores, it was realized that requisition was always made by the officer who was the head of the service point. Approval had to be sought from the head of the institution before it was sent to the storekeeper to issue quantities and type of goods available at the time depicting proper stores management practice in the facilities (Jessop and Morrison, 1994).

As part of measures put in place to update management of the institutions in the stock level, periodic stock taking exercise was in place. Stock taking was done either monthly or quarterly depending upon the time that the institution procured. If procurement was monthly done, then stocktaking was held every month to determine the quantities and types of supplies required to be bought at a time.

One important practice, which was missing in almost all the health institutions, was the stock level practices. Minimum, maximum, re-order and lead time levels were not set. The storekeeper therefore did not have any scientific base to check their stock levels and as

such, stock out and shortages were the order of the day which led to emergency purchases which did not give enough time to go through the right procurement procedures. This was a serious setback in the procurement system of the facilities in the district requiring immediate attention to ensure proper stores management and procurement practice (Jessop and Morrison, 1994).

The study also showed that obsolete and redundant items were disposed of through the laid down procedure of stock disposal. Again, some of the scraps were found to be kept in the stores or in a different place. It was however noteworthy to mention that keeping obsolete items in a facility did not conform to the act, since space which could have been used for a meaningful service provision was wasted. Scraps and expired drugs could also pose danger to the health of the people working around where these items were kept.

Obsolete items could be sold through the laid down procedure and raised funds to support the institutions. All sorts of equipment including beds, wheel chairs, trolleys and couches were lying idle and no body knew when they would be disposed off. Even some of the response indicated that some obsolete items were thrown into refuse dump, which also went against inventory procedure.

It was found out that the maintenance units were not in place in all the facilities and as such equipment maintenance was poorly done. Places where maintenance works were always given to outside tradesmen and artisans were not repaired properly to the standard since medical equipment requires technical know how to address such situations (Jessop and Morrison, 1994).

CHAPTER SIX

6.0 CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This last chapter of the study provides the conclusions and recommendations on the study, operationalising the Public Procurement Act: critical implementation issues in Health entities in Adansi South District, of Ashanti Region, Ghana.

6.2 Conclusions

6.2.1. Knowledge of Procurement Act

The study showed that the health personnel in the district did not have full knowledge about the law and as such its implementation could not be without problems. The health personnel in Adansi South District had heard the promulgation of the Public Procurement Act, 2003 (Act 633) to serve as a policy guideline in the procurement procedures. Details of the document were however not known since no training programme had been organised to sensitize them. The little that the workers knew about the law was heard in the media - newspapers, radio and television. In view of this, it was only few officers in management position who were abreast with law.

The health personnel in the district also perceived that the law was only meant for large institutions which operated with huge sums of money, and that health institution in the district and the sub districts required few inputs for operation and that purchases could be done through the old shopping method.

6.2.2 Compliance with the Public Procurement Act

The health facilities in the district used the Regional Medical Stores as a first point of call for majority of their needs. They only went outside the medical stores when items needed were not available there. Procurement committees were present in the main health institutions in the district. The District Hospital had a functioning Procurement Committee, as well as the District Health Directorate. Periodic meetings were held by the committees to consider and approve for type of items to be bought and their quantities required.

As far as the competence of personnel who handled procurement matters were concerned, there was no difference as compared with the existing old storekeeping practices where storekeepers doubled in performing the functions of storekeeping and purchases at the same time. In the whole district health service, no professional procurement officer was at post during the period of the study.

Inadequate funding also served as a problem to hinder proper management of procurement in the district. The capital base of the institutions was nothing to write home about which made some of them indebtedness to the medical stores and suppliers. The indebted health institutions were compelled to procure needs outside the Regional Medical Stores for lack of credit worthy. This usually accounted for the non-compliance of the procurement procedures in the act.

Facilities to make proper stores management easier were inadequate as well. Store rooms did not have enough space to contain more inputs and equipment. Congestion therefore became main problem in the stores. Storage facilities were also inadequate. Suppliers who sold to the health institutions in the district were the same few who were always called upon to submit quotations for supplies. They took advantage to exploit the health institutions by selling items above normal price. It was again noted that, price was the main factor used to evaluate quotations because capacity for proper evaluation process was not in place.

6.2.3 Involvement of Sub Districts and Units in the Selection of Inputs.

The user units of the health entities in the district were somewhat involved in the selection of types of inputs and equipment to be used. In a broader sense, the storekeepers of the various institutions were the major players who made selection of inputs to be used in the facilities. Shortage of essential drugs and non-drug consumables was seen as normal occurrence since it happened frequently. The involvement of the sub districts and the units in the selection of inputs was not always done since some equipment bought became white elephants especially those supplied from the head quarters.

6.2.4 Preparation of Annual Procurement Plan

It was found out that procurement plans were prepared for all the health facilities in the district. Preparation of the plan was usually done by the storekeepers and occasionally supported by the managers of the health institutions.

Another issue that came up was that the plans were not followed in all purchases, since some of the estimates in the plans either fell short or over estimated. Inadequate funding was also a cause for the inability to adhere to the procurement plan. For instance, if funds

were not available, though the need might be there, the right quantity of goods required could not be procured.

6.2.5 Stores Management

It could be concluded that as far as proper stores management was concerned, it was present in the district's health facilities. All purchases for the health facilities were channelled through stores. The items were kept in the stores and issued out periodically with requisition by the unit heads, approved by the head of the institutions. Though some of the rooms designated as stores were not spacious enough to serve as stores, officers who were in charge did their best to achieve their objectives.

6.3 Recommendations

This section seeks to address issues cropped up in the study. They are suggestions being brought up as means to improve the situation, as far as proper procurement procedures were concerned, as spelt out in the act.

6.3.1 In-service and External Training Sessions

The MOH/GHS should organize both in-service and external training sessions for health staff in the district, especially those officers who were involved in procurement procedures. This is because the Public Procurement Act 2003, (Act 663) which is a new document guiding the way and manner procurement matters should be carried out contains so many processes. Officers in procurement have to be given thorough training on the subject so that its implementation will not be a problem. With in-service training, short courses within weeks or more could be held to enable the health managers have indepth knowledge of the Act.

As far as external training was concerned, the Ministry of Health/Ghana Health Service could liaise with the training institutions like the polytechnics and the universities to hold training sessions for personnel in the service in the procedures in procurement. This could even be included in the training curriculum of the training institutions to introduce and train health personnel students to enhance their capacity in the procurement processes.

6.3.2 Recruitment of Procurement Personnel

Procurement Professionals should be engaged by the Ministry of Health/Ghana Health Service to be posted to all districts so that they can oversee proper and full implementation of the procurement law. The Higher National Diploma graduates in Purchasing and Supply, trained by the Polytechnics should be employed as Procurement Managers to man the various health facilities in the districts. This will not only solve the problem of inadequate personnel but to a large extent give way for separating stores functions from purchases, which have become a big issue for a very long time in the basis of transparency since the traditional storekeepers in the health facilities combine the two functions.

6.3.3 Provision of Adequate Funds for Procurement

The government should as a matter of urgency resource the health facilities in the Adansi South District with adequate funds so that inputs could be bought in larger quantities to avoid the frequent shortage of essential drugs and non-drugs consumables in the health facilities.

6.3.4 Support by the District Assembly

It is recommended that the Adansi South District Assembly should go to the aid of the health facilities in the district by way of providing storage facilities and expanding the existing stores of the health institutions within their jurisdiction so that proper stores management could be carried out.

This could be done within the decentralised district assembly common fund to support the health facilities in the storage of the drugs and other consumables procured. This would help address the problem of inadequate storage facilities within the health facilities thereby affecting the stores management and procurement processes in the district.

6.3.5 Strengthening of Procurement Committees in the District

The management teams of the health institutions in the district should be committed to strengthening their procurement committees.

This could be done by holding regular meetings to discuss and give recommendations on items that are required for purchases for a period of time.

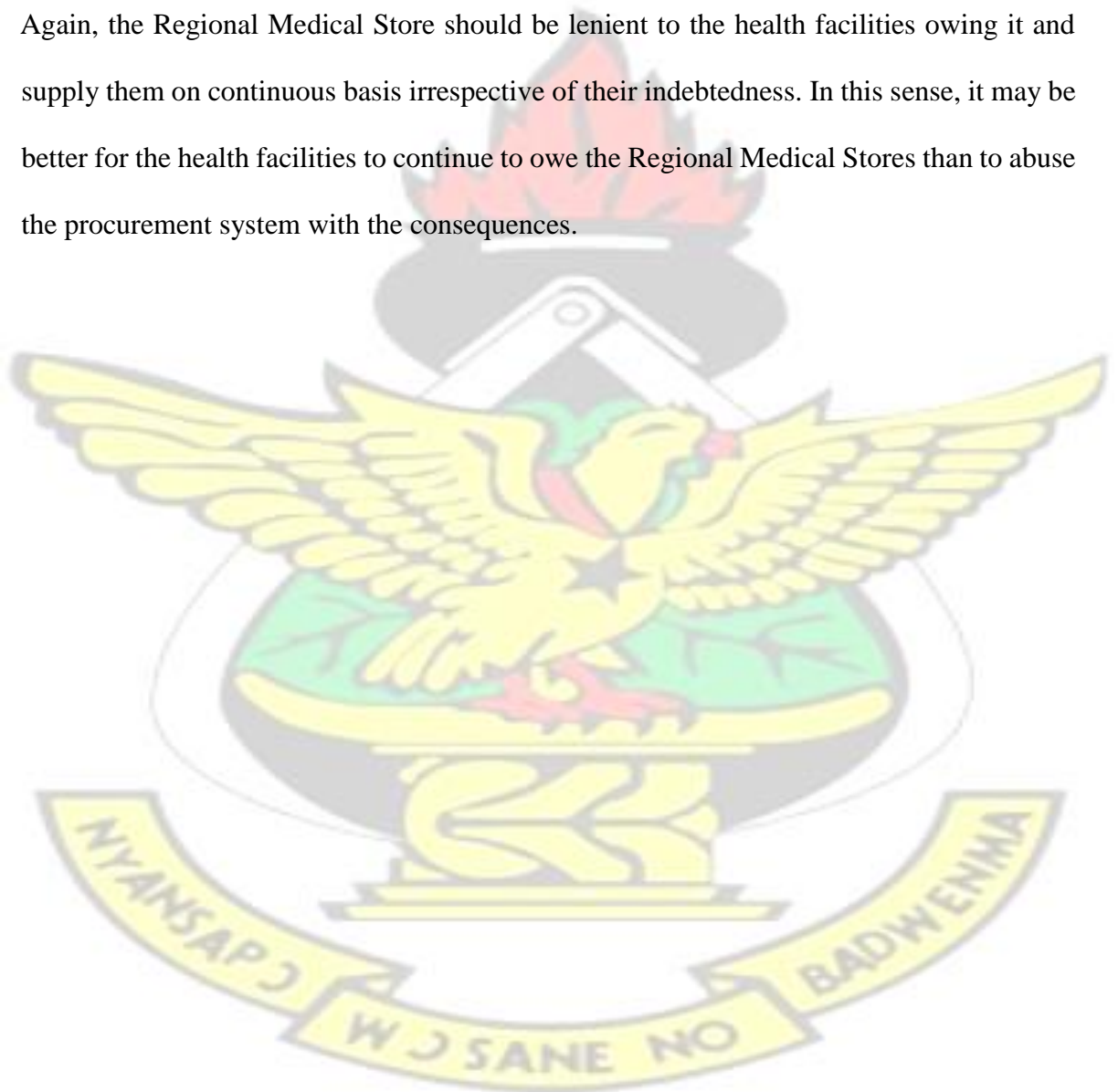
6.3.6 Amendment in the Public Procurement Law

As the law stands now, it is very difficult to implement it in the smaller facilities in the rural areas. The rural health facilities do not have capacity in terms of personnel, storage facilities and others resulting in shortages of essential inputs. The Public Procurement Board could make proposal to parliament for amendments to some parts of the Public Procurement law to suit the smaller facilities in the districts in connection with purchases. For instance, the composition of hospital/health institution tender committee could be obtained from that level.

6.3.7 Ensuring Adequate Stock at the Regional Medical Stores

Since the Regional Medical Stores are the first point of call for all health facilities in the region, the medical stores should make effort to stock all the necessary inputs and drugs in order for the level A facilities to get their supplies. This would forestall the abuse of the procurement procedures when purchases are made outside the medical store.

Again, the Regional Medical Store should be lenient to the health facilities owing it and supply them on continuous basis irrespective of their indebtedness. In this sense, it may be better for the health facilities to continue to owe the Regional Medical Stores than to abuse the procurement system with the consequences.



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APPENDIX I

INTERVIEW QUESTIONNAIRE

KWAME KRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF MEDICAL SCIENCES

DEPARTMENT OF COMMUNITY HEALTH

***OPERATIONALISING THE PUBLIC PROCUREMENT ACT: CRITICAL
IMPLEMENTATION ISSUES IN THE HEALTH ENTITIES IN ADANSI SOUTH
DISTRICT, GHANA***

TARGET GROUP: HEALTH MANAGERS AND STAFF

INTRODUCTION

Dear Sir or Madam

Good Morning/Afternoon,

I am a student from the Department of Community Health, KNUST, School of Medical Sciences, Kumasi. I wish to conduct a study among health managers and staff of the Adansi South District. Though the study is purely for academic and research purposes, my objective is to help improve the management and operationalisation of the Public Procurement Act.

To ensure the proper implementation of the Public Procurement Act the study hopes to identify problems, and or loopholes, suggest strategies in the midst of current dispensation that can improve the level of implementation, also recommend ways of making the Act more practicably in the District Health Service.

Please answer the under listed questions as accurately as possible. All information provided will be treated confidential. No name will be ascribed to any response. You are at liberty to answer or not to answer any questions that seem to embarrass you.

I will be very happy if you could spend part of your time to answer the question for me so that I can contribute towards improving health care delivery in the district.

Please complete every item as frankly as possible and make comments wherever necessary.

Thank you.

PLEASE TICK OR STATE WHERE APPLICABLE

AGE:..... SEX, MALE FEMALE

GRADE/POSITION:.....

NAME OF INSTITUTION:.....

YEARS SPENT AT FACILITY:.....

HIGHEST LEVEL OF EDUCATION:.....

AREA OF SPECIALITY:.....

DATE:.....

K OWLEDGE OF PROCUREME T ACT

(1) Have you heard about the procurement Act? (i) Yes (ii) No

(2) If yes, how did you hear about it?

- i. During Training Session
- ii. At Meeting
- iii. In the Media
- iv. Through a friend
- v. Other (Specify)

(3) What do you know about the Public Procurement Act, 2003 (Act 663)?

- i. A mere policy document
- ii. An Act of Parliament
- iii. Procurement Guidelines
- iv. Tender Document
- v. Other (Specify)

KNUST

(4) Have you seen/got a copy of the Act?

- (i) Yes
- (ii) No

(5) If yes, have you been reading /referring to it from time to time?

- (i) Yes
- (ii) No

(6) What does the Procurement Act seek to achieve?

- i. Defined right procurement procedures
- ii. Judicious use of government funds
- iii. Equity and fairness
- iv. Value for money
- v. Other (Specify)

(7) How is it applied at your place of work?

- i. Very useful
- ii. Less useful
- iii. Unnecessary
- iv. Not appropriate for District Health Entities
- v. Other (Specify)

COMPLIANCE WITH THE PUBLIC PROCUREMENT ACT

(8) Please list at least five major items you use to facilitate your work at your department.

- | | |
|---------|-----------|
| i. | ii. |
| | iii. |
| | iv. |
| | v. |
| | vi. |
| | |

(9) How do you obtain these items?

- i. By Single – Source Procurement
- ii. Through the Regional Medical Stores
- iii. By Price Quotations
- iv. By Competitive Tendering
- v. Other (Specify)

(10) How is procurement initiated in your organization?

- i. Recommendation from the Procurement Committee
- ii. Approval from the head of department
- iii. The Storekeeper's initiative
- iv. The user unit's request
- v. Other (Specify)

(11) What are the sequences of operations in purchasing in your organization?

- a) Identification of items required
 - b) Contacting a Supplier for Purchasing
 - c) Seeking approval of the Procurement Committee
 - d) Invitation of Suppliers to submit quotations
 - e) Evaluation of Quotations submitted
 - f) Awarding of contract
-
- i. a, b, c, d, e & f
 - ii. a, e, f, d, b, & c iii. a, c, d, e, f, & b iv. a, f, c, d, b & f
 - v. Other (Specify)

(12) How does your organization view procurement?

- i. A mere reactive buying activity
- ii. A highly professional activity aiming at the best value
- iii. A formality
- iv. Unimportant activity
- v. Other (Specify)

(13) Does your organization have a centralized procurement function?

- (i) Yes
- (ii) NO

(14) Does your facility have a Procurement Committee in place?

- (i) Yes
- (ii) No

(15) If No, who initiates purchases in your entity?

- i. The Storekeeper
- ii. The Administrator
- iii. The Medical Superintendent
- iv. The Accountant
- v. Other (Specify)

(16) Who are the members of the Procurement Committee? Please list them.

- i. ii. iii. iv.
- v.

(17) How often does the Purchasing Committee Meet?

- i. Weekly..... ii. Monthly..... iii. Bi-monthly..... iv. Quarterly.....
- vi. Every six months.....
- vi. Others (Specify)

(18) Does your organization have a Purchasing Officer?

- i. Yes
- ii. No

(19) If yes, what qualification(s) does the Purchasing Officer have?

- i. MSLC
- ii. SSS
- iii. HND
- iv. Graduate
- v. Other (Specify)

(20) If NO, then who procures for your entity?

- i. The Storekeeper
- ii. The Accountant
- iii. The Administrator
- iv. The District Director of Health Services
- v. Other (Specify)

(21) What functions are performed by the Purchasing Officer?

- i. Procurement Matters
- ii. Storekeeping
- iii. Inspection
- iv. Issuing
- v. Others (specify)

(22) Does your organization have a Purchasing Department separate from Stores?

- i. Yes.....
- (ii) No.....

(23) What specific problems hinder the smooth administration of purchasing and stores activities in your organization?

- i. Lack of personnel
- ii. Inadequate funding
- iii. Absence of the required facilities
- iv. Lack of the authorities will
- v. Others (specify)

(24) What kind of training and/or development programme exist(s) for the procurement staff?

- i. In-service training
- ii. On-the job training
- iii. Further studies
- iv. None

- v. Other (Specify)

(25) What method of buying does your organization employ?

- a. Single sourcing
- b. Price quotation
- c. National Competitive Bidding
- d. International Competitive Bidding
- e. Other (Specify)

(26) Under what circumstance do you use the method chosen?

- i. Emergency Occurrence
- ii. Goods available only from limited number of suppliers
- iii. A supplier has exclusive rights in respect of goods
- iv. Owing to catastrophic even
- v. Other (Specify)

(27) Do you have registered suppliers in place?

Yes..... No.....

(28) How long does the facility give to prospective suppliers to submit quotations? a)

Three days

- b) One week
- c) Two weeks
- d) Three weeks
- e) Four weeks
- f) Others, specify

(29) Do you have a tender box mounted at an accessible place?

a) Yes..... No.....

(30) Do you evaluate quotations before the selection of the lowest evaluated bidder?

- a) Yes.....
- b) NO.....

I INVOLVEMENT OF SUB-DISTRICTS IN THE SELECTION OF INPUTS

(31) Do you play any role in the selection of inputs required by your outfit to perform its duties successfully?

Yes..... No.....

(32) If Yes, how do you do it?

- i. Listing all items to the Purchasing Committee
- ii. Following the existing list of items
- iii. Relying on Storekeeper's estimates
- iv. Request for the items when the need arises
- v. Other (Specify)

PREPARATIO OF A ANNUAL PROCUREMENT PLAN

(33) Do you have an annual Procurement Plan in place?

Yes..... NO.....

(34) If yes, who prepares it?

- i. The Storekeeper
- ii. The Accountant
- iii. The Procurement Officer
- iv. The Administrator
- v. Other (specify)

(35) If No, what guides you in your purchases?

- i. Rough estimates
- ii. Work load
- iii. Based on previous rate
- iv. Other, specify

(36) Do you follow the Procurement Plan in all purchases?

Yes..... No.....

STORES MANAGEMENT

(37) Does your organization/department have a stores unit?

Yes..... No.....

(38) Do you have a qualified Storekeeper?

Yes..... NO.....

(39) What is the level of education of the Storekeeper/Acting?

MSLC....., JSS....., SSS....., HND....., other specify.....

(40) What is the grade of the Storekeeper?

- i. Storekeeper
- ii. Senior storekeeper
- iii. Principal Storekeeper
- iv. Supply Officer
- v. Other (specify)

(41) How many people work in the stores?

- i. One..... ii. Two..... iii Three..... iv Four..... v. Other (specify)

(42) Does your organization have adequate storage facilities at the stores?

- i. Yes..... No.....

(43) What procedure does your organization follow in accepting goods into the store?

- i. Listing all items into a notebook
- ii. Listing items in stores receipt voucher
- iii. Listing items in stock register
- iv. No documentation on items received
- v. Other (Specify)

(44) Who does the inspection and the quantity checks of stocks received?

- i. Storekeeper
- ii. The Accountant
- iii. The Administrator
- iv. The Officer in-charge of users unit
- v. Other (Specify)

(45) What safety precautions have been put in place in your organization to protect stocks against fire, loss and theft?

- i. Installation of fire extinguisher in the stores
- ii. Fortified iron gates to all the entrants
- iii. Attached security person at the unit
- iv. Installation of water proof gadgets at the unit

v. Other (Specify)

(46) Does your entity have adequate storekeeping procedures with regards to stock withdrawals?

Yes

No

(47) What method of stock taking is in place?

- i. Periodic stocktaking
- ii. Continuous stocktaking
- iii. Monthly stocktaking
- iv. Quarterly stocktaking
- v. Other (specify)

(48) How often is the stocktaking done within a year?

- i. Once
- ii. Twice
- iii. Twelve times
- iv. Four times
- v. Other (specify)

(49) Who does the stocktaking?

- i. The Accountant
- ii. The Storekeeper
- iii. The Administrator
- iv. The purchasing Officer
- v. Other (specify)

(50) How does your entity deal with obsolete, scrap and redundant items?

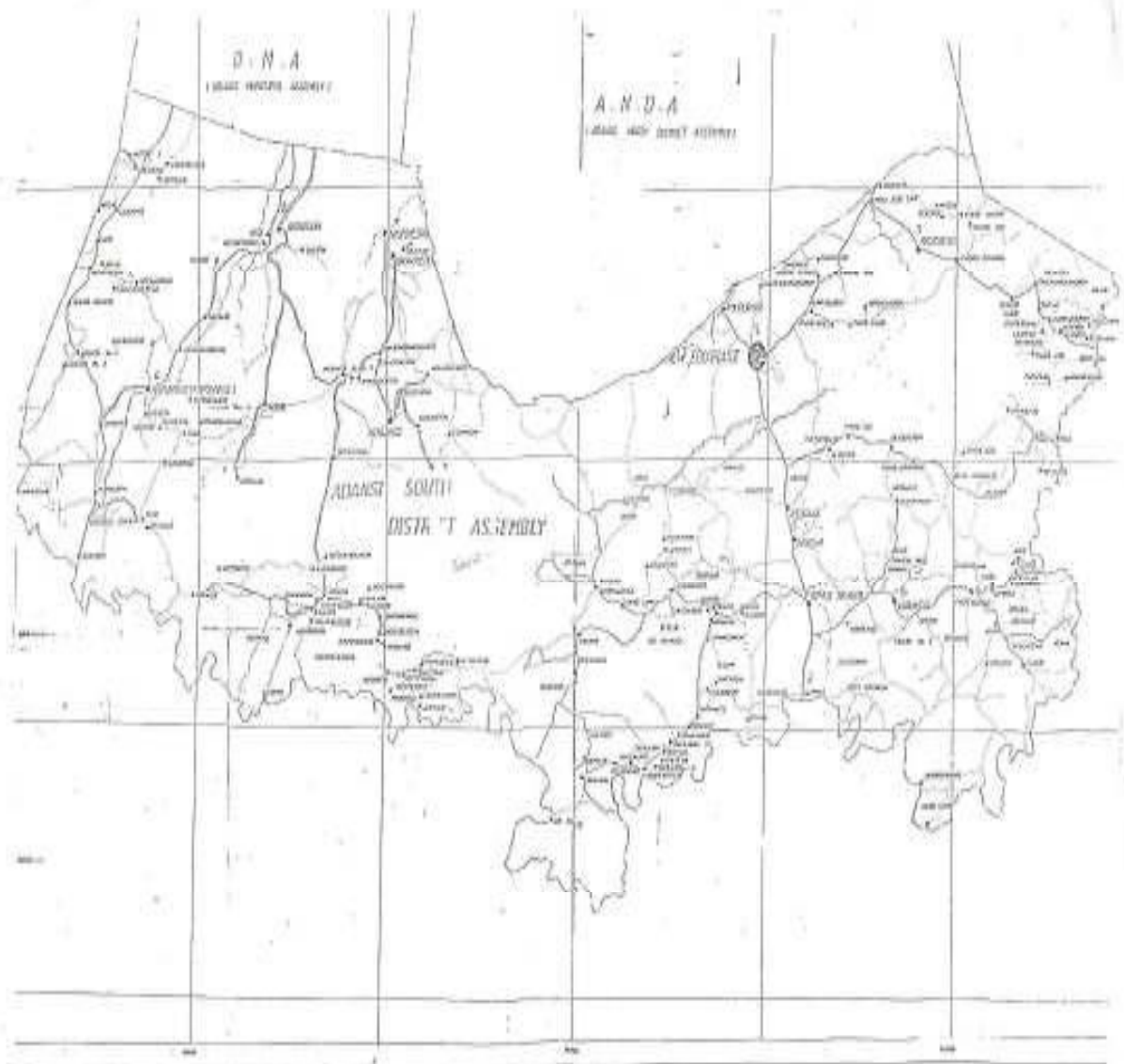
- i. Disposes them after going through the necessary procedures
- ii. Keep them in a separate room
- iii. Keep them in the stores
- iv. Dump them on the refuse
- v. Other (Specify)

KNUST



APPENDIX II

MAP OF ADANSI SOUTH



ADANSI SOUTH DISTRICT ASSEMBLY

