

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

COLLEGE OF ARCHITECTURE AND PLANNING

DEPARTMENT OF BUILDING TECHNOLOGY



**AN EXPLORATION OF THE APPROVAL PROCESS IN THE
PUBLIC PROCUREMENT ACT 663:
IDENTIFYING THE EFFICIENCIES AND INEFFICIENCIES
IN PROCUREMENT**

**A Thesis submitted to the Department of Building Technology in partial
fulfillment of the requirements for the award of Master Of Science (MSc) in
Procurement Management**

BY

DIYAUDEEN MAHMUD KHALID

SEPTEMBER, 2013

DECLARATION

I hereby certify that all materials contained within this report is my own work towards the award of MSc Procurement Management and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University.

All sentences or passages quoted in this dissertation from other people's work have been specifically acknowledged by clear cross-referencing to the author.

Khalid Diyaudeen Mahmud
(PG7175712) **Signature** **Date**

Certified by:

Rev. Dr. F.D. K. Fugar
(Supervisor) **Signature** **Date**

Prof. Joshua Ayarkwa
(Head of Department) **Signature** **Date**

ACKNOWLEDGEMENT

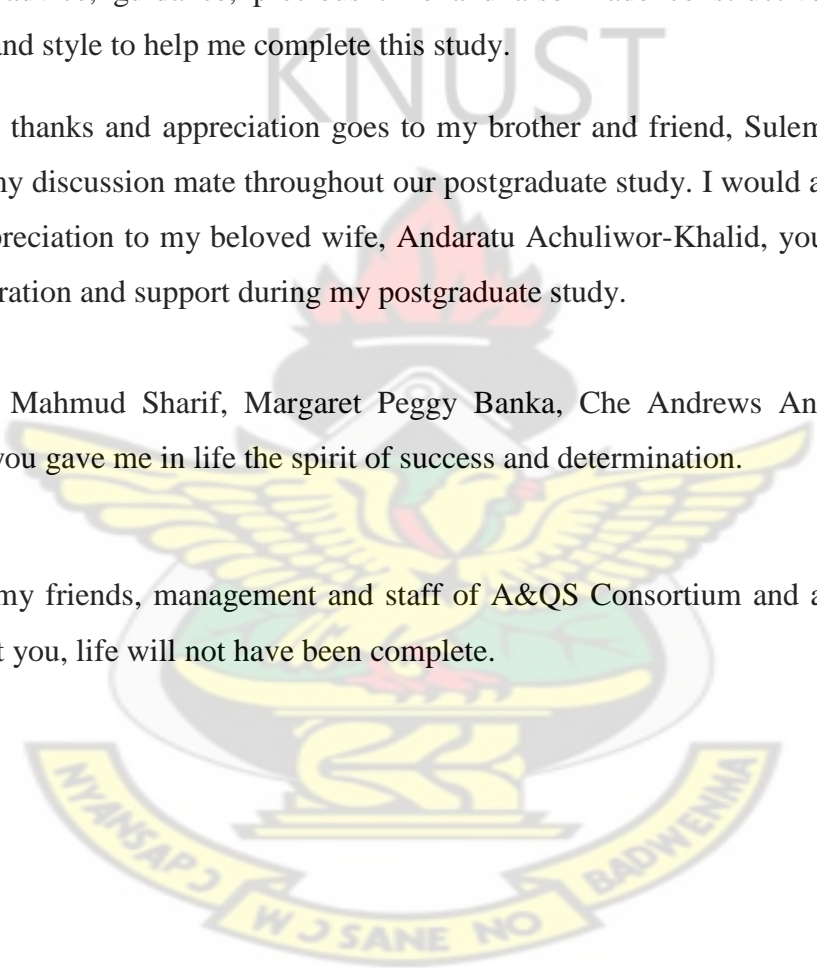
All praise belongs to Allah the Almighty, Lord of the worlds, most gracious and ever merciful ‘who created man from an adhesive clot of blood, taught man by the pen and taught man what he knew not’ for having brought me this far in life.

I wish to express my profound gratitude to my supervisor Rev. Dr. F.D.K Fugar, who gave me invaluable advice, guidance, precious time and also made constructive suggestions both in substance and style to help me complete this study.

My special thanks and appreciation goes to my brother and friend, Suleman Abdul-Razak who served as my discussion mate throughout our postgraduate study. I would also like to express my sincere appreciation to my beloved wife, Andaratu Achuliwor-Khalid, you provided me with so much inspiration and support during my postgraduate study.

To Khalid Mahmud Sharif, Margaret Peggy Banka, Che Andrews Anzagira and Lee Felix Anzagira, you gave me in life the spirit of success and determination.

Finally to my friends, management and staff of A&QS Consortium and all my course mates, I say without you, life will not have been complete.



DEDICATION

I dedicate this work to my beloved wife, ANDARATU ACHULIWOR-KHALID, my parents, MR AND MRS MAHMUD KHALID AND ALIMA KHALID respectively, my lovely daughter, NADA T.M. KHALID, and siblings, ZEENAT and SHARIF for their selfless, relentless and unflinching contribution towards my education and my life in general.

KNUST



TABLE OF CONTENTS

PAGE

DECLARATION	i
ACKNOWLEDGEMENT	ii
DEDICATION	iii
TABLE OF CONTENTS	iv
LISTS OF TABLES	vii
LISTS OF FIGURES	viii
LISTS OF ACRONYMS	ix
ABSTRACT	x
CHAPTER ONE	1
1.1 INTRODUCTION.....	1
1.2 BACKGROUND OF THE STUDY	1
2.3 PROBLEM STATEMENT	3
1.4 SIGNIFICANCE OF THE STUDY	4
1.5 RESEARCH OBJECTIVES	5
1.6 SCOPE	5
1.7 RESEARCH METHODOLOGY/ DESIGN	6
1.8 ORGANISATION OF CHAPTERS	7
CHAPTER TWO	8
LITERATURE REVIEW	8
2.0 Introduction	8
2.1 Definition of public procurement	8
2.2 Legal and regulatory framework for public procurement in Ghana.....	9
2.3 PROCUREMENT STRUCTURES.....	12
2.4 Procurement Methods and Procedures in Public Procurement Act, 2003 (Act 663)	15
2.5 Performance/Compliance with Procurement Procedures.....	23

2.6 Procurement principles and ethics.....	28
2.7 Procurement Challenges and Consequences of Poor Procurement	32
2.8 Corruption and Inefficiencies in Public Procurement	34
2.9 Importance of public procurement and polices	35
2.10 Empirical Evidence on Procurement processes and its challenges	36
CHAPTER THREE.....	39
METHODOLOGY.....	39
3.0 Overview	39
3.1 Research design.....	39
3.2 Area of study	40
3.3 Population and Sample Size.....	41
3.4 Sampling procedure of study.....	43
3.5 Sources of data	45
3.6 Data collection instruments.....	45
3.7 Pilot testing of instrument	46
3.8 Administration procedure.....	47
3.9 Data Analysis	47
3.10 Ethical considerations	49
CHAPTER 4.....	50
DATA ANALYSIS, DISCUSSIONS AND PRESENTATIONS.....	50
4.0 Introduction.....	50
4.1. Responses received	50
4.2 Demographic information of respondents.....	51
4.3 Level of knowledge of the Public Procurement Act	54
4.4 Compliance of the Public Procurement Processes	57
4.4 Implementation challenges of the Act 663 (2003).....	61
4.4 Reforms to improve on the inefficiencies in the Procurement process	66

CHAPTER 5.....69

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION.....69

 5.0 INTRODUCTION.....69

 5.1 Summary of Findings.....69

 5.2 Conclusions.....70

 5.3 Recommendations.....71

REFERENCES.....73

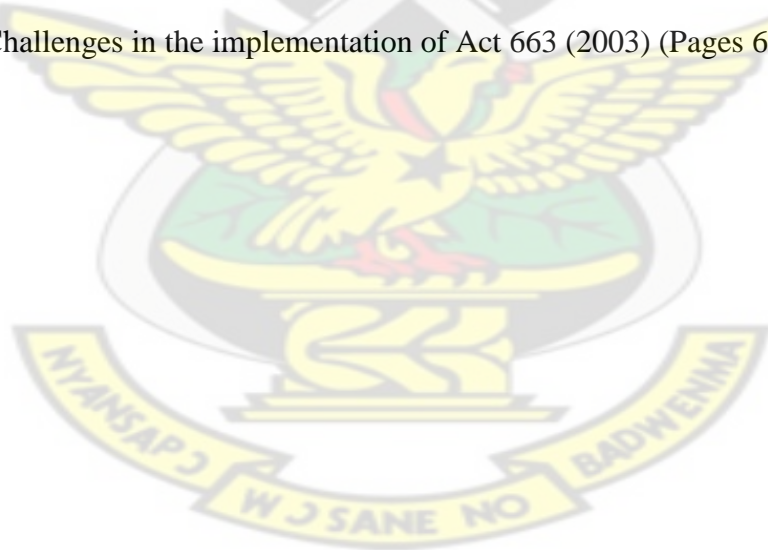
APPENDIX.....77

QUESTIONNAIRE.....78



LISTS OF TABLES

Table 2.1: Legal Framework of Procurement Act	11
Table 2.2: Selection of Procurement Methods.....	19
Table2.3:Compliance assessment tool.....	24
Table2.4: Compliance level of Public Entities in Ghana	27
Table 4.1: Responses from the entity committees/board.....	50
Table 4.1: Gender of respondents	51
Table 4.2: Years of experience in procurement practices.....	53
Table 4.3: How long does it take you to solicit for bid.....	55
Table 4.4: How long does it take you to respond to invitation to bid.....	55
Table 4.4: Understanding of the legal document.....	57
Table 4.5: Result of the stages in the Procurement process.....	60
Table 4.6: Challenges in the implementation of Act 663 (2003) (Pages 62-64)	65



LISTS OF FIGURES

Figure 4.1: Age of respondents	52
Figure 4.2: Educational level of respondents.....	53
Figure 4.2: Educational level of respondents.....	54
Figure 4.3: Evaluating and responding to tender document received.....	56

KNUST



LISTS OF ACRONYMS

PPB - Public Procurement Board

PPA - Public Procurement Authority

PU - Procurement Unit

SPSS - Statistical Package for Social Sciences

STD - Standard Tender Document

SPP - Sustainable Public Procurement

ICT - International Competitive Tendering

NCT - National Competitive Tendering

CPAR - Country Procurement Assessment Report

OECD - World Bank, the Organization for Economic Cooperation and Development

PPME - Public Procurement Model of Excellence

PAS - Performance Assessment System

PEs - Procurement Entities

CPI - Corruption Perception Index

TI - Transparency International

MMDAs - Metropolitan, Municipal and District Assemblies

Bolga - Bolgatanga

ABSTRACT

The implementation of the Public Procurement Act is very crucial to state institutions since it addresses loopholes within a public administrative system, which sometimes leads to the misapplication of state funds. The study therefore examines the Public Procurement Act in relation to the approval process as well as a robust exploration of the efficiencies and inefficiencies in procurement. As a nascent research, aimed at contributing to the relatively burgeoning of studies of procurement, academic research and industrial perspectives served as a base to the study. This study adopted the quantitative survey research approach as its research design. This choice was premised on the fact that the study sought respondents' views, opinions or perspectives on the issues under study. Owing to this, survey questionnaires served as an instrument in the general collection of data from the district and municipal assemblies. These questions were grouped in categories to collect data on nature of procurement systems, state of compliance, as well as the challenges in implementing public procurement. The data obtained during the survey was analyzed using both descriptive and inferential analysis techniques. It was revealed that, the delay in establishing full time operational Procurement units with the full complement of staff, inadequate contract management skills among some service providers, lack of sanctions to public officials for poor performance, delay in payment of works executed by service providers and low bid prices offered by bidders due to award of contract to the lowest evaluated bidder were some of the challenges that threatened the integrity of procurement in Ghana. The study recommended that, the government should endeavor to review the Act to limit the number of steps in procurement process so as to reduce the level of bureaucracy in the system. Bureaucracy delays the smooth procurement process and eventually affects public financial management since it adds more cost to contractors and government if they are to pay interest rate.

CHAPTER ONE

1.1 INTRODUCTION

Public procurement is the act of providing goods, services or awarding work assignments by a state body, organization, institution or some other legal person regarded as a procuring entity in the manner and under the conditions prescribed by a nation's law (PPB, 2003). It is also defined as the acquisition of goods, works and services which involves hiring of contracts or consultants to carry out services. The Procurement Act was legislated to ensure efficiency, effectiveness, accountability and transparency.

1.2 BACKGROUND OF THE STUDY

In Ghana, the Public Procurement Act (Act 663) 2003, was passed to complement public procurement processes in the public service, secure judicious, economic and efficient use of state resources, and furthermore, ensure that public procurement is fair, transparent and non-discriminatory (Ministry of Finance, 2001). The government of Ghana, in consultation with its development partners had identified the public procurement system as an area that required urgent attention in view of the widespread perception of corrupt practices and inefficiencies, and to build trust in the procurement system. A study conducted by the World Bank (2003a) reported that about 50-70% of the national budget (after personal emoluments) is procurement related. Therefore an efficient public procurement system could ensure value for money in government expenditure, which is essential to a country facing enormous developmental challenges.

Public procurement systems are the link between public desires such as roads, hospitals, educational facilities, security needs among others; and private sector providers. Government

provides goods and services to meet the diverse needs of her citizens (Wittig, 1999). The needed resource to produce these needs are obtained from either internal government organizations or from sources external to the government in the private sector (domestic or international suppliers). Government traditionally then 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. Hence governments are expected to apply the highest professional standards when they spend money on behalf of taxpayers to ensure they get a good deal and to provide appropriate and necessary goods and services to the quality required to meet user needs. 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). The procurement approach and procedure need to be relevant and appropriate for what is being purchased and the market must be able to provide it at an affordable price. Contracting authorities are required to promote sustainable development objectives through procurement in a way that is consistent with value for money and the legal framework for public procurement. In particular, they must contribute to achievement of the targets and commitments on sustainable operations of the government and in the governments sustainable Procurement Action Plan. Authorities should also incorporate social issues into procurements where they are relevant and proportionate to the subject matter of the contract.

The Act provides procedures and processes for the procurement of goods, works and consulting services. Section 21 of the Act requires the procurement entities to prepare procurement plan for each fiscal year and prepare quarterly updates for approval by the Tender Committee. The Act also outlines the procedure for the development of specifications, bid invitation, bid evaluation, submission of bid evaluation report, award of contract and contract management. However, procurement is still an undervalued process in the public sector in some economies not excluding the Ghanaian economy (Verhage et al., 2002). Poor procurement performance and lack of transparency in procurement means that Government builds fewer schools, hospitals and infrastructure than it has budgeted for. The current study therefore examines approval process in the public procurement Acts 663 of selected district and municipal assemblies in the Upper East Region and identifies a number of challenges confronting the implementation of the Act.

2.3 PROBLEM STATEMENT

Every country whether developed or developing that uses state funds for its operations must comply with the Public Procurement system if there is any. The implementation of the Public Procurement Act is very crucial to the state institutions since it addresses the loopholes in the system which sometimes leads to the misapplication of State funds. The main objectives of the Public Procurement Act 663 are to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of state resources, ensures fair public procurement, transparent and non-discriminatory and to reduce or eliminate corruption in the procurement process (Public Procurement Act 663, 2003).

Despite the important role played by the Procurement Act, government institutions are not effectively applying the Procurement Act. World Bank report (2003) revealed that poor

procurement practices have led to accumulated interest on late payments and the frequent price changes due to extensive renegotiations, increased government expenditure and reduced savings. Unfortunately, little attempt has been made to assess the causes that impede on the implementation of the Act. The lack of knowledge of the legal framework work caused by the poor dissemination of the Act and regulations and lack of incentives to follow proper procedures caused by the weak monitoring and enforcement has also resulted in the non - compliance of the Act 663 (PPA, 2007).

Also the Public Procurement Authority (PPA), researched into the performance of hundred procurement entities. The result showed an overall procurement performance of 47.61% in program design, (52.3%) management systems (40.8%), procurement processes and contract management (46.1%). The study also revealed that there was a low advertisement of tender opportunities and low awareness of publication of contract award which indicates a level of non-compliance of the law (Adjei, 2006). Hence the researcher finds it appropriate to examine whether or not the government institutions are following the approval processes provided in the Public Procurement Act, and if they were, what were the inefficiencies in the implementation of the Public Procurement Act.

1.4 SIGNIFICANCE OF THE STUDY

Many authors suggest that not much scientific and systematic enquiry has been conducted to examining the approval processes of the procurement Act and identifying inefficiencies of Public Procurement Act. It is against this back drop that this study is important to be carried out to have a holistic examination of the Procurement Act and identify its inefficiencies. The study investigates into the problems and makes recommendations to formulate comprehensive

strategies to address the situation, especially at the district level. The study will serve as source of information for future researchers who might be interested in the subject matter of this study. It will therefore serve as good background information upon which they will design their own study.

1.5 RESEARCH OBJECTIVES

The main objective of the study is to examine the Public Procurement Act in relation to the approval process and identifying its inefficiencies in procurement.

The specific objectives of the study are as follows:

- To explore the level of compliance of procurement entities to the Public Procurement Act in the Upper East Region.
- To identify the specific challenges that militate against the smooth implementation of the Public Procurement Law.
- To identify the efficiencies and inefficiencies and proffer robust reforms for public procurement

1.6 SCOPE

This research was conducted in the Upper East Region and the researcher zeroed in on some selected District and Municipal Assemblies of the region. A study of this nature would have made far reaching conclusions if it had taken into consideration all the District and Municipal Assemblies in the Region and done a comparative study between several districts in different regions that practice procurement Act. Better still, it would have been appropriate to study procurement Act over a period of time in different regions. Time and financial resources will however render such an approach an impossible venture.

1.7 RESEARCH METHODOLOGY/ DESIGN

The study was designed to examine the approval process and inefficiencies of the public procurement Act, 2003 (Act 663). The target population was Procurement Unit, Entity Tender Committee, Review Board and Evaluation Panel Members, Procurement Practitioners and Public Procurement Authority. Questionnaires were designed for the Procurement Unit officers, Entity Tender Committee members, Review Board and Evaluation Panel Members and interview guide were the major tool for data gathering for the Public Procurement Authority. The sample size for the study was 100 which were taken from the various selected district and municipality Assemblies. These were selected with the purposive and simple random sampling method. Information for the study was obtained from questionnaire, personal interviews and discussions with professionals responsible for procurement, entity tender committee members and some of the officials of the Public Procurement Authority. Data collected was inductively explained to represent the situation.

A criterion was developed to assess/measure the compliance and the performance level of Procurement Entities. Quantitative and qualitative methods were used to analyze the data. The data were computed into percentages and subsequently presented in the form of pie charts, bar charts and tables. Computer data analyses software such as the use of Statistical Package for Social Sciences (SPSS) was employed to analyse the data in order to help interpret results.

1.8 ORGANISATION OF CHAPTERS

This study is divided into five chapters as follows.

- Chapter one covers the introduction of the study. This is mainly made up of the background of the study, problem statement, significance of the study, research objectives and questions, and scope of the study as well as the research methodology/design.
- Chapter two covers the literature review and theoretical frame work of this study and a profile of the study organization. Literature will be reviewed on the concept of Public Procurement, Procurement Methods, Processes and Procedures in the Public Procurement Act, 2003 (Act 663), Good Practices and Importance of Procurement, compliance of the procurement Act, procurement Challenges and Consequences of Poor Procurement and corruption and inefficiencies in Public Procurement.
- Chapter three examines the method of the study. It will outline the compliance assessment tool, questionnaire design and development, the determination of sample size and administration of questionnaires as well as method of data analysis.
- Chapter four presents the analysis and interpretation of the data gathered. It will also feature a discussion of the data.
- Chapter five focuses on summary of findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The literature review chapter looks at the various works bothering on Public Procurement Act, 2003. The review helps to answer some of the questions raised in the objectives and also provides supportive information that is necessary to the study. This review lends much credence to books, articles and research works that cover the areas of definition of public procurement, Legal And Regulatory Framework For Public Procurement In Ghana, Procurement Structures, Procurement Methods, Processes and Procedures in the Public Procurement Act, 2003 (Act 663), Performance/Compliance with Procurement Procedures, Procurement principles and ethics, Procurement Challenges and Consequences of Poor Procurement, Corruption and Inefficiencies in Public Procurement and Importance of public procurement and polices.

2.1 Definition of public procurement

According to the Public Procurement Act, 2003 (Act 663), public procurement is ‘the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract’ (PPA Module, 2007).

Odiambo and Kamau (2003) defined public procurement as the purchase of commodities and contracting of construction works and services if such acquisition is effected with resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid as well as revenue received from the economic activity of state.

According to World Bank (1995a), public procurement means procurement by a procuring entity using public funds. Wittig, (1998) opined that the items involved in public procurement range from simple goods or services such as clips or cleaning services to large commercial projects, such as the development of infrastructure, including road, power stations and airports. Public procurement is different from private procurement, because in public procurement the economic results must be measured against more complex and long term criteria. Furthermore, public procurement must be transacted with other considerations in mind, besides the economy. These considerations include accountability, non-discrimination among potential suppliers and respect for international obligations. For these reasons, public procurement is subjected in all countries to enacted regulations, in order to protect the public interests. It is worth noting that unlike private procurement, public procurement is a business process within a political system and has therefore significant consideration of integrity, accountability, national interest and effectiveness. Public Procurement may also be defined as the process by which organizations acquire goods, works and services using public funds. It is a comprehensive process that runs from proper procurement planning, budget allocation, bids invitation, bids evaluation, award of contract, contract management, performance measurement, monitoring, auditing and reporting.

2.2 Legal and regulatory framework for public procurement in Ghana

The structure of the legal and regulatory framework of public procurement in Ghana consists of the Public Procurement Act 663 of 2003, Public Procurement regulations, Public Procurement manual; Standard tender documents and Guidelines to assist public procurement practitioners.

- **Regulations**

The Minister for Finance issues regulations in consultation with PPA, under section 97 of the Act. They contained detailed rules and procedures for all aspect of the procurement system, the operations of PPA and procurement entities and the conduct of procurement activities.

- **Guidelines**

The guidelines are issued by the Public Procurement Authority (PPA) under the Act and provide supplementary guidance on specific topics. Example: disposal, single source procurement, margins of preference, and further guidelines are issued as required by the PPA.

- **Standard Tender Document**

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

- **Public Procurement Manual**

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

Table 2.1: Legal Framework of Procurement Act

LEGALFRAMEWORK	DETAILS
Public Procurement Act,2003 (Act 663)	Provide a comprehensive legal regime to harmonize and safeguard public procurement
Public Procurement Manual	Provides practical guidance and step-by-step procedures for undertaking procurement in accordance with the Act.
Standard Tender Documents (STD)	They comprise standard invitation and contract documents for procurement of all values. There are separate standard tender documents for goods, works and services.
Public Procurement Regulations	They contain detailed rules and procedures for all aspects of the procurement system, the operations of PPA and procurement entities and the conduct of procurement activities.
Guidelines	Issued by the Public Procurement Authority(PPA)which provides supplementary guidance on disposal, single source procurement, margins of preference, framework contract agreements, sustainable public procurement (SPP) etc.

Source: PPA Regulations (2003)

2.3 PROCUREMENT STRUCTURES

Act 663 sets out the structures of public procurement and each of these structures are set up in accordance with the appropriate composition outlined in Schedule 1 and 2 of Act 663.

The main structures as outlined in Part II and which fall within the scope of this work are: Public Procurement Authority, Procurement Entity, Head of Procurement Entity, Procurement Unit, Entity Tender Committees, Entity Review Boards and Tender Evaluation Panel.

2.3.1 Public Procurement Authority (PPA)

The Public Procurement Authority acts as the statutory advisory and co-coordinating body on procurement (Part I of Act 663). All Procurement Entities, Tender Committees and Tender Review Boards are required to abide by the technical guidelines and regulatory instructions issued by the PPA. The PPA is responsible for the overall co-ordination, direction and development of Government procurement practices and procedures.

2.3.2 Procurement Entity

From the procurement Manual a Procurement Entity is an organization or person that has legal/administrative mandate for procurement purposes. It is defined as any entity conducting public procurement under the Act. A Procurement Entity is responsible for all procurement activity of the entity in compliance with the law and any regulations or administrative instructions issued by the Ministry of Finance in consultation with the Authority (Section 15, (1) Act 663).

The head of entity is required to establish a procurement unit to undertake all activities related to procurement within the entity in accordance with the Act and shall appoint or designate a

proficient procurement person with the requisite qualifications, experience and skills as head of the procurement unit to undertake the detailed activities of procurement on behalf of the procurement entity (Regulation 15).

2.3.3 Procurement Unit

A Procurement Unit is an outfit in a procurement entity with the responsibility of overseeing procurement. The head of the Procurement Unit and their team shall be responsible for undertaking and co-coordinating all detailed procurement activities with the procurement entity.

2.3.4 Entity Tender Committee

Section 17 of Act 663 orders each procurement entity to establish a Tender Committee in the manner set out in schedule 1. Tender Committee is established at the following levels: Central Management Agency/Ministry/Sub vented Agency; Tender Committee for Regional Co-coordinating Council; and Metropolitan/Municipal/District Tender Committee.

For the purposes of this research we concentrate on Metropolitan/Municipal/District Tender Committee. The committee is made up of eight (8) members and is responsible for:

- Review procurement plans in order to ensure that, they support policies and programmes of the Assembly.
- Confirm the range of acceptable cost of items to be procured and match these with the available funds in the approved budget of the Assembly.
- Review the schedules of procurement and specifications and also ensure that, the procurement procedures to be followed are in strict conformity with the provisions of this Act, its operating regulations and guidelines.

- Ensure that, the necessary approval is secured from the relevant Tender Review Board in terms of the applicable threshold in Schedule 3 of this Act, prior to the award of the contract.
- Facilitate contract administration and ensure compliance with all reporting requirements under this Act.
- Ensure that, stores and equipment are disposed of in compliance with this Act.

2.3.5 The Regional Tender Committee

The Act of 663 also establishes Regional Tender Committee to procure goods, works and services at the regional level. The functions of the Regional Tender Committee are similar to the entity tender committee as stipulated above.

2.3.6 Tender Evaluation Panel

Tender Evaluation Panel evaluates tenders and assists the tender committee in its work. A panel is an ad hoc body of not more than five members constituted for a specific procurement package. The panel includes members with skills, knowledge and experience relevant to procurement requirements.

2.3.7 District Review Board

A District Review Board is established in accordance with schedule 2 of the Act to review procurement decisions of the District Tender Committee within the thresholds set out in schedule 3 of the Act 663. The District Review Board is to review the activities at each of the procurement cycle, which will lead to the selection of the lowest, evaluated tender by the District Tender Board. The board is made up of five (5) members.

2.3.8 Regional Review Board

A Regional Review Boards is established in accordance with schedule 2 of the Act to review procurement decisions of the Regional Tender Committee within the thresholds set out in schedule 3 of the Act 663. The Regional Review Board is to review the activities at each of the procurement cycle, which will lead to the selection of the lowest, evaluated tender by the Regional Tender Committee. The board is made up of five (5) members.

KNUST

2.4 Procurement Methods and Procedures in Public Procurement Act, 2003 (Act 663)

The various methods of procurement are prescribed in the law for use by public procurement entities and the choice of a particular method is based on the amount involved and the circumstances surrounding the procurement.

2.4.1 Procurement Methods

2.4.1 .1 Competitive Tendering

Section 35 & Part V of Act 663 endorse the use of competitive tendering method for standard high value procurement for goods, works and consultancy services. The two types of competitive tendering methods include

1. International Competitive Tendering (ICT), which is used when effective competition cannot be achieved without the inclusion of foreign firms (s.45).
2. National Competitive Tendering (NCT) is used when the procurement entity so decides (s.44) and subject to contract value thresholds specified in Schedule 3.

It is the most preferable methods under the law, as it encourages maximum competition in the procurement system. The invitation to tender is always advertised and opened publicly.

2.4.1.2 Request for quotations

The method is based on comparing price quotations obtained from at least three foreign or local suppliers for goods/works that are small in value. Initiating a fully-fledged tendering or other competitive tendering procedure is normally time consuming and costly exercise, hence the main idea is to allow procuring entities to use a simplified procedure in those instances where the contract value is so small that the administrative effort related to a full-fledged tendering procedure appears out of proportion (Acts 663, 2003). This is stipulated in Sections 42-43 of Act 663.

2.4.1.3 Two-Stage Tendering

This method of tendering is only allowed where detailed specifications cannot be made available before going to tender (s.36) or the optimal solution is unknown. In the case of services, it is used to obtain proposal or offers on various means to meet its procurement requirements. (Source: Sections 36-37 of Act 663)

2.4.1.4 Restricted Tendering

This is a procurement method with limited competition. A maximum of six and a minimum of three short-listed suppliers are invited to tender. The Restricted Tendering method is applied mainly where procurement requirement is of specialized nature and there is enough evidence to show that there is limited number of potential suppliers. A procurement entity requires specific approval from the Public Procurement Authority (PPA) in order to apply this method. (Source: Sections 38-39 of Act 663)

In 2009 a total of 167 out of 179 entities received approval to use this method of procurement as compared to 2008 approval of 166 out of 173 applications received (PPA Annual report, 2009).

2.4.1.5 Single Source Procurement

This method involves procurement from a supplier without any competition and it is normally used for procurement of sole or single sourced requirements. This method may be applied when: procurement is for justifiably urgent items, requirements can only be supplied by one source, additional requirements for purposes of standardization, purposes for research, experiment, study or development, procurement that concerns national security. *(Source: Sections 40-41 of Act 663)*

In 2009, 323 out of 360 single source applications received were either approved or conditionally approved as against 318 out of 342 in 2008 by PPA (PPA Annual report, 2008/2009). The PPA Board was urged to examine very carefully the conditions for approving sole-source procurement applications with the view of making it more of an exception rather than the norm due to the abuse by entities and political leaders over the years.

2.4.2 Procurement Procedure

2.4.2.1 Procurement Planning

The Public Procurement Act 663 provides for the activity of planning under part 3. Section 21 stipulate as follows;

A Procurement Entity shall prepare a procurement plan to support the approved programme and the plan shall indicate: Contract packages, Estimated cost for each package, The procurement method, processing steps and times, and 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, each Procurement Entity shall submit an update of the procurement plan to the Tender Committee.

The Act required procurement entities would need to plan their procurement for the coming year by the 30th of November of the preceding year. The plan would be reviewed and approved by their Entity Tender Committees, after which the plans are updated every quarter.

2.4.2.2 Development of Specification/Tender Document

The preparation of Tender Documents is the responsibility of head of procurement unit. Upon receipt of requisition to procure and notification of availability of funds, the head of procurement proceeds with the preparation of the document (Procurement Manual, section 5).

Schedule 4 of the Act, required the use of a Standard Tender Document (STD) for all procurement of works funded by Government of Ghana, unless an alternative format has been specifically approved by the Public Procurement Authority.

2.4.2.3 Selection of Procurement Methods

The thresholds for applying the different procurement methods are defined in schedule of Act 663. Available procurement methods are spelled out in sections (35, 36, 37, 38, 39, 40, 41 and 43) of the Act as indicated in table 2.1.

Table 2.2: Selection of Procurement Methods

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

	b. Works c. Technical services	a shortlist	Up to Gh¢20,000
6	Single-source procurement	In emergency situations and when only one supplier or contractor is available.	Subject to approval by PPA

Source: Public Procurement Act, 2003

KNUST

2.4.2.4 Tender Invitation

The requirement to advertise the intention to procure works is outlined in Section 47 of Act 663 for procurement using International and National Competitive Tendering. Section 47 (1, 2) required that invitation to tender or invitation to pre-qualify, to be published in the Procurement Bulletin and at least two newspapers of wide national circulation.

Section 48 (1) of Act 663 indicates the contents of a typical advertisement. Section 55 of the Act states that the provision of tender security is required for all International and National Competitive Tenders.

2.4.2.5 Tender Submission

Section 53 (1) of Act 663 stated as follows:

Fix the place for, and a specific date and time as the deadline for the submission of tenders;

Allow tenders at least six weeks to prepare their tenders for International Competitive Tendering and for National Competitive Tendering not exceeding four weeks. Section 53 (2) allows a minimum of two weeks for preparation of tenders for National Competitive Tenders;

Tenders are deposited in a tender box provided at the place of submission as stated in the tender documents until the due closing date (section 5(12) Manuals, 2007).

2.4.2.6 Tender Opening

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

2.4.2.7 Formation of Tender Evaluation Panel

In accordance with Section 19 of Act 663, the Entity Tender Committee, appoint a Tender Evaluation panel constituting of minimum of three qualified members and not more than five members (Section 5 (14) Manual, Section 19 (1, 2) Regulations) to evaluate tenders received.

2.4.2.8 Tender Evaluation and Reporting

Section 57, 58 and 59 of Act 663 describe the general procedures to be followed in the examination of tenders, determination of responsiveness of tenders and evaluation of tenders. The determination of responsiveness of tenders shall conform to the requirements set out in the tender invitation documents (Section 58 (1) of Act 663). The successful tender is based on the lowest evaluated tender price (Section 59 (3) of Act 663). The standard Tender Evaluation Forms are to be used by Procurement Entities in the evaluation of tenders (Section 59 (6) of the regulations).

2.4.2.9 Submission of Tender Evaluation Report for Approval

The Tender Evaluation Panel submits an Evaluation Report to the Entity Tender Committee for approval using SPF2B form (Section 59 (6) Regulations). The evaluation Report forms part of the Records of procurements proceedings required under Section 28 of the Act.

The Entity Tender Committee reviews the evaluation report and recommendations presented in the evaluation report. The Review Authority may recommend rejection or approval of the evaluation report (Section 5 (15), Manual). Section 64 of the Act prohibits negotiations with a supplier or contractor.

2.4.2.10 Award of Contract and Notification of Contractors

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

2.4.2.11 Contract Documentation/Request for Approval

The Procurement Unit (PU) prepares the Contract Document. The Contract Documents contain specific details relating to the tenderer, the tenderers offer, agreement, and performance security (Section (5/17), Manual). The PU requests for approval of Contract Document using form SPF2C.

2.4.2.12 Signing of Contract

With the approval of the contract document, the P.U. arrange for the contract to be signed by each party to the contract (Section 65 (2) of Act 663, Section 5 (17) Manual). Provision of performance security is a pre-requisite for contract signature.

2.4.2.13 Notification of Unsuccessful Tenderers

All unsuccessful tenderers are notified immediately the contract is awarded. Tender security of unsuccessful tenderers is released (Section 65 (9) Act 663, Section 5 (17/2) Manual).

2.5 Performance/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 Authority; make administrative and institutional arrangements for procurement; stipulate tendering procedures and provide for purposes connected with these (The Public Procurement Act 2003). The Public Procurement Authority in its review in 2006 identified the weakness in the public institutions that need urgent attention. These are: Lack of qualified procurement personnel, incorrect interpretation and application of some provisions of the procurement Act, slow pace in regularizing the Draft Regulations, lack of clear procedures for Emergency Procurement.

Training Avenues or Institutions, poor Record Management (scattered files), poor handling of Suppliers' Complaints, poor Procurement Planning, Mobilization & Implementation, poor Contract Management and high cost of Advertisement (PPA, 2007). Country Procurement Assessment Report (CPAR), prepared by a team of Government officials, World Bank and donor staff, and national consultants, reveals substantial inefficiency in public procurement and concludes that the principle of "value for money" is not achieved. This is true for both governments financed and donor financed procurement. The main findings of the 2002 Country Portfolio Performance Review of World Bank projects also revealed slow project implementation and disbursement among other factors due to, a large extent of inadequate procurement planning, non-transparent procurement procedures and poor contract management.

A review in 2002 of 132 works contracts which constitute an important part of public expenditure indicated that about 84% incurred cost-overruns of up to 30% of the initial amount (World Bank, 2003b). Similar findings of public procurement weaknesses were recorded in the 1996 Country Procurement Assessment Report (World Bank, 1996).

Successive waves of management and financial reforms have, inter alia, focused on improving public procurement efficiency, effectiveness and outcomes (Calendar & Matthews, 2002). Requirements for greater performance produce a refocusing of procurement management away from accountability for compliance through rule-bound codified processes (McCue & Pitzer, 2000) towards accountability for outcomes.

2.5.1 Compliance Assessment Tool

In order to determine the level of compliance with Act 663, a compliance assessment tool was developed OECD. The tool is based on assessment of procurement performance and Public Procurement Model of Excellence (PPME). The purpose of the tool was to obtain data from the documents of procurement contracts undertaken by the entities.

Table 2.3: Compliance assessment tool

Main Compliance	Key Compliance	Information rated on scale 0-5
MANAGEMENT SYSTEM	Effectiveness of Leadership	<ul style="list-style-type: none"> • Training programme(s) in place • Seeking technical support from the body with over sight role • Carrying out internal procurement auditing • Good record keeping
	Human Resource	<ul style="list-style-type: none"> • Having Staff with professional

	Development	<p>procurement qualification</p> <ul style="list-style-type: none"> • Putting internal auditors in place and giving them procurement training
	Monitoring and Control Systems	<ul style="list-style-type: none"> • Putting proper payment systems in place for every contract • Capturing procurement transactions in Cash budgets • Putting in place quality control mechanisms for contracts • Effective use of available procurement information dissemination systems
	Compliance with ethics and regulatory framework	<ul style="list-style-type: none"> • Appropriate use of procurement plans and contract documents • Use of Standard Tender Documents (STD) and Manuals • Use of right procurement methods • Anti-corruption measures put in place
	Complaints system, structure	<ul style="list-style-type: none"> • Fairness and transparency in resolution of cases within the terms established in the legal framework
INFORMATION AND COMMUNICATION	Procurement Information Searching and Dissemination	<ul style="list-style-type: none"> • Awareness of use procurement website, procurement internal notice boards and newspapers • Capacity to use and using the procurement information dissemination systems
	Interaction with the marketplace	<ul style="list-style-type: none"> • Having knowledge of and interacting with the marketplace • Interacting with all procurement stakeholders
PROCUREMENT PROCESSES	Procurement Planning	<ul style="list-style-type: none"> • Having an adequately defined procurement plan • Posting plan on the net

	Procurement Publicity	<ul style="list-style-type: none"> • Advertising tender invitations • Sending information for placement in procurement bulletin • Using internal notice boards to display procurement information
	Bid Preparation and Invitation	<ul style="list-style-type: none"> • Use of STDs • All bid documents containing same evaluation criteria • Stating reasonable date and time for bid opening
	Submission, opening and Evaluation of bids	<ul style="list-style-type: none"> • Stating date, time and venue for bid submission • Stating date, time and venue for bid opening • Having secured tender box in place • Having tender opening register • Keeping minutes of bid opening including all opening records • Evaluating tenders in accordance with tendering requirements
	Award of Contract	<ul style="list-style-type: none"> • Notifying Winner of Contract • Publicizing contract awards • Notifying losers of bid
CONTRACT MANAGEMENT	Project Planning and Mobilization	<ul style="list-style-type: none"> • Taking Works Programme from executers • Taking Advance payment Guarantees for advance payments made
	Project Implementation and Supervision	<ul style="list-style-type: none"> • Preparation of project monitoring reports • Organization of project progress meetings • Comparing and analysing planned progress against actual

Source: Adopted from World Bank/OECD/DAC, 2004

2.5.2 Performance Assessment System (PAS)

The Performance Assessment System (PAS) report gives a qualitative report on the performance of PEs as captured by the assessment exercise using the Evaluation Grid. The PAS report looks at four (4) main areas: Management Systems, Information and Communication, Procurement Process, and Contract Management.

PPA Annual Report, (2009) revealed that the achievements for 2007 and 2008 under the Performance Assessment System were lower in all the categories than those for 2009 because more low spending entities were included in the assessment. However there is a massive improvement in the 2009 nationwide assessment in all the four indicators above. Whereas the 2007, 2008 and 2009 national performance is 38.96% and 36.94% respectively, the 2009 performance of 59% is an over improvement in the previous achievements. This is shown in table 2.4.

Table 2.4: Compliance level of Public Entities in Ghana

Description	2007 (%)	2008(%)	2009 (%)
Management System	34.84	34.62	54.93
Information and communication	43.15	39.82	56.03
Procurement Process	44.34	42.65	67.73
Contract Management	33.52	30.66	53.98
Total	38.96	36.94	59.00

Source: PPA Annual Report, 2008 & 2009

2.6 Procurement principles and ethics

The basic objectives of good procurement are to procure the right quality of goods, works or services from a reliable supplier in the right quantity ensuring cost effectiveness; delivered at the right time; to the right place; in the right quantity and at the right price whilst achieving the lowest total cost. In the achievement of the objectives of a good procurement system the following factors are of utmost importance: Professionalism; Transparency; Value for money; Competitiveness and Accountability. Other factors include Fairness; Efficiency and ethical approach to the conduct of procurement functions.

2.6.1 Professionalism and transparency in public procurement

Professionalism is the discipline whereby educated, experienced and responsible procurement officers make informed decisions regarding procurement functions and therefore can be argued that the role that procurement professionals play in the procurement system of the Ghanaian economy is critical to the economic development of the country (Public Procurement Board, 2007). It is therefore in recognition of this fact that one important object of the Public Procurement Board is stated as follows: ‘the professional development, promotion and support for individuals engaged in public procurement and to ensure adherence to ethical standards by trained persons’ (Adjei, 2006). Transparency on the other hand means the application of the same rules to all suppliers of goods, works and services and that these rules are publicized as the basis of procurement decisions prior to their use. Transparency enables the creation of open, fair and transparent procurement procedures. Transparency helps in the growth of in-country investments and competitiveness as the public sector is seen as a responsible business partner. Transparency is considered one of the best deterrents to corruption and allows access to information by the public.

2.6.2 Value for money and competitiveness in public procurement

Value for money refers to the optimum combination of ‘whole life cost’ and ‘quality’ to meet the customer or the end-users requirement of the procured goods or service under consideration and usually reflected in the price of the item procured. The object of the Public Procurement Board is ‘to harmonize the processes of public procurement in the public service to secure a judicious, economic and efficient use of state resources in public procurement’ attest to the value for money principle of the procurement system (Public Procurement Act, 663). Competitiveness on the other hand refers to the active participation of the private sector and or suppliers in the procurement process through the making of procurement information accessible to all; through advertising of tenders; sourcing reviews; prequalification and the adoption of transparent procedures in the procurement systems. The benefits of competitiveness cannot be over emphasized and includes potential savings for the economy; increases in the supplier base; and the development of the local industries within the economy and thereby eventually leading to economic development and poverty reduction.

2.6.3 Accountability, fairness and efficiency in public procurement

Accountability, fairness and efficiency are three cardinal pillars that procurement reforms seek to achieve in that a very fair and accountable procurement system helps in the efficient utilization of the state resources judiciously. Procurement practitioners need to be very fair in their day-to-day dealings with their suppliers and potential bidders and the public at large in order to earn the trust of the various actors within the procurement system. Accountability refers to the process of holding an individual or an organization fully responsible for actions and functions they are engaged in over which they have authority to exercise those functions. The benefits of accountability and fairness are as follows: the strengthening of the perception of transparency and fairness; the reduction of the incidence of corruption; the development of mutual trust and

the fact that procedures are adhered to for example in all stages of the tendering process. An efficient public procurement system has the benefit of being operated in a very timely manner with little or no bureaucracy and thereby helping to instill and underpin the trustworthiness of the procurement system. In a nutshell the above can be achieved by best procurement practices.

2.6.4 Ethical standards in public procurement

Ethics has to do with upholding moral principles and values which influences our beliefs, actions and decisions and involves leading an unquestionable lifestyle especially within the professional domain. In the procurement system, ethical standards and considerations are very important for the following reasons: procurement staffs are representatives of their organizations in dealing with suppliers as likened to principal-agent theory; excellent ethical conduct in dealing with suppliers is essential to the creation of a good buyer-supplier relationship and the fact that procurement staff are more exposed to the temptation of acting unethically than most other employees.

Section 86 of the Public Procurement Act, 2003, requires the compilation and publication of code of conduct by the Public Procurement Board and is found in the regulations with respect to the following: confidential information; supplier relationship; gifts and entertainment and the fact that officials and their immediate families must not sell goods and services to their own agency. Officials are not to disclose to any third party confidential or proprietary information; officials are to avoid conflict between their personal financial interests and their official duties and officials are not to accept directly or indirectly any gift from any person or entity which has or seeks to obtain a contract with their own agency, department or ministry.

Section 32 of the Public Procurement Act 2003 states as follows: ‘ A procurement entity shall reject a tender, proposal, offer or quotation if the supplier, contractor or consultant that submitted it, offers, gives, or agrees to give, directly or indirectly to any current or former officer or employee of the procurement entity or governmental authority, a gratuity of any form; an offer of employment; or any other thing of service or value as an inducement with respect to anything connected with a procurement entity and procurement proceedings (Public Procurement Act, 2003). While regulations 32(2) states that, ‘a procurement entity shall record any such attempt in its record of proceedings and immediately notify the Public Procurement Board of any attempt to influence an award of contract or performance of a contract.

The private sector is not exempted from responsibility to act ethically and transparently in procurement proceedings with the Government of Ghana as this illustrated by the fact that tenderers are required to sign a formal declaration before being allowed to participate in any procurement process: “I hereby certify that I and all officers of the company which I represent will uphold the highest ethical standards in doing business with the government of Ghana. We will not attempt to bribe government officials with money or other goods or services; we will not request favorable treatment and we will not seek information about competitors or other information regarding the procurement process. I understand that if I or other officers of the company which I represent are found to have breached this commitment that sanctions will be made against the company, including being debarred from doing business with the Government of Ghana for a period of five(5) years”(Public Procurement Board, 2007).

2.7 Procurement Challenges and Consequences of Poor Procurement

An effective public procurement system is essential for good governance. A poor procurement system results in higher costs to government and the public. World Bank, (2000) report indicated that poor procurement delays project implementation which further increases costs, leads to poor project execution performance and delays the delivery of benefits to the beneficiaries. It also increases scope for corruption, generate more complaints and raise concerns about the integrity of the procurement process and discourages good firms (both national and foreign) from participating in bidding, thus deprive the country of receiving better prices and goods, works and services.

There is less participation in economic activities by the private sector if the government is not seen as a reliable or fair business partner. This reduces private competition and value for money obtained by the government and also reduces private sector growth and investment. It can result in higher tax levels, higher levels of debt (or the inability to repay existing debts) or reduced public service. Reduced public services mean reduced standards in health care, education, infrastructure etc. negatively affecting the country's development and poverty reduction initiatives. Donors have less confidence in the governments of developing countries and reduce levels of assistance or insist on their own procurement procedures. When Goods, works and services are delivered or completed late, it affects the delivery of public services and completion of projects. Stores are not managed well, leading to stock-outs becoming obsolete as a result of excessive stock-holding. Goods, works and services are of poor quality and quickly deteriorate or fail for example; a sub-standard road will quickly break up, requiring repair (PPB, 2007). Fluctuation of prices in developing economies has a negative impact on government's gross expenditure, thereby affecting the overall procurement's yearly budget. Price is one of the components of evaluating procurement (Agyenim, 2009).

The procurement process is complicated because of the size and bureaucratic nature of government. Even though public procurement has similarities with the private sector, such as its focus on value, competitiveness, and accountability, it also has some special characteristics that make it different. For example, the procurement process which includes selecting bidders, evaluating tenders, and selecting contracts should be transparent to the public. In addition, public organizations must follow certain rules and restrictions imposed by the government.

As posited by Weele (2000), purchasing procedures are usually embedded in lots of bureaucracy and require that every superior puts his/her signature under the intended order. The extensive authorization procedures make procurement a tedious, laborious and slow process. It explains why most procurement entities within the governments of developing countries are more procedure rather than result oriented. He argues that his experiences with governmental procurement projects show that lack of proper procurement procedures and a professional approach to purchasing may lead to significant cost overruns and overruns of time schedules. According to him, the European Commission (EC) estimates that its member countries annually would save at least 4% of their purchasing budgets, provided that they would apply consistent and competitive tender procedures in their dealings with suppliers. This means that bureaucracy and undue procedures in Procurement process may lead to loss of money through over spending and it affects government budget. It is also clear that Weele's view is not far different from the World Bank's assertion that delays as a result of bureaucratic system increase government expenditure. In addition, public procurement is faced with the challenges imposed by a variety of environmental factors (external factors) such as market, legal environment, political environment, organizational and socio-economic environmental factors. Regardless of the effort by the central government and its related agencies and the acknowledgement that the

procurement department is capable of adding value to the organization, still a large number of the internal customers act on their own and more frequently bypass the procuring department Osei-Tutu et al. (2011).

2.8 Corruption and Inefficiencies in Public Procurement

Osei-Tutu et al. (2011) a reviewed publication relates that it is vital to make a distinction between instances of corruption and cases of inefficiency or lack of competence. While these problems occasionally go hand-in-hand, and some solutions are helpful in all areas, there are also trade-offs. For example, choosing to speed up a Procurement process might condense its transparency, making it very efficient but more prone to corruption. This is because it enhances subjectivity.

Robb (1996) postulated that corruption is prevalent at the procurement planning and final account preparation stage which are susceptible to manipulation and fraudulent deals. According to Shakantu (2003), the separation of design from construction, competitive bidding and payment procedures of contractors are possibly susceptible to corrupt practices. Public procurement is perceived to be susceptible to corruption from project inception to completion (Gelléri and Csáki, 2003; Shakantu, 2006). A study conducted by Symons (2000) in South Africa, identified huge corruption in public procurement sector. Some of the fraud identified includes the submission of fictitious and exorbitant invoices for materials and labour as well as bribes in return for work and even prompts payment. In some cases procurement officials were found to have connived with contractors and/or consultants to indulge in unethical practices. Shakantu (2006) also reported that; proprietary information infringements and stealing other peoples' drawings during the design stage; collusive bidding during the tendering stage; cash inducements (bribery) for over-valuing work performed during the site operations stage; negligence in the

form of poor quality documents during production documentation stage; fraudulent conduct such as covering up poor workmanship during site operations are some of the corrupt practices going on in the procurement process. National Conference for Cleaner Public Life (2003) identified several forms of corruption which include; influencing of the law-making process; forming of cartels by bidders; bribing of the decision makers in order to win bids; conflict of interest and massaging of the processes to favour a particular bidder. Corruption also manifests itself in various forms including; bribery, embezzlement, fraud, favoritism, extortion, conflict of interest, political bargains, abuse of discretion and abuse of power (Habtermicheal, 2009).

The passion to win contract at all cost stimulates suppliers, contractors and consultants to indulge in corrupt activities by paying bribes to procurement managers (Osei-Tutu et. al., 2009). Shakantu (2006) asserted that consultants such as architects, quantity surveyors, construction managers, management contractors and clerk of works normally have an idea of what the clients are paying for and ought to be the first line of defense for clients against corrupt practices.

Also, the 2009 Corruption Perception Index (CPI) released by Transparency International (TI) shows Ghana not making progress in the fight against corruption through passing of legislations. The country maintained its 2008 score of 3.9 in the 2009 CPI report. Ghana's score in the Transparency Internationals report, points to the fact that corruption is still deeply rooted in the country's procurement process (Transparency International, 2009). For example, a 2002 internal audit report revealed significant procurement irregularities in some of the major hospitals in Ghana.

2.9 Importance of public procurement and polices

The main objectives of Act 663 are to harmonize public procurement processes in the public service, is to secure judicious, economic and efficient use of state resources and to ensure that

public procurement functions undertaken within the public sector are fair, transparent and non-discriminatory. (Source: *Republic of Ghana Public Procurement Act, Act 663*).

Hunja, (2003) opined that procurement policies are important from a development perspective. Reducing poverty and attaining health, education, and other objectives requires getting the most out of the limited funds available for state purchases of goods, services, and infrastructure. Efficient public procurement practices also contribute towards the sound management of public expenditures more generally.

Procurement planning enables the identification of major investment expenditures, which in turn facilitates budgetary decision-making. In addition, the effective provision of public services often requires the coordinated delivery of materials and the like, which the state purchasing apparatus must accomplish. It is difficult to imagine how a state can deliver substantial improvements in the well-being for its citizens without a public expenditure system that includes effective public procurement policies. This recognition accounts in part for the growing interest in public procurement laws and practices and in the feasibility and likely consequences of their reform (Agbesi, 2009). Public procurement has increased donor trust in public systems and has helped improve in donor funding, grants and loans, and foreign direct investment in Ghana.

2.10 Empirical Evidence on Procurement processes and its challenges

Frempong et al. carried out a study in 2013 on the assessment of the impact of the public procurement act 663 (2003) of the republic of Ghana, approaching a decade of its enactment. The research relied on both primary and secondary data. The targeted population was 70 which included the staff and managers of the procurement department, store officers, senior staff, head of department and personnel who constitute the. The study concluded that the benefits derived

from using the Public Procurement Act, 2003 (Act 663) include the assurance of quality goods, timely delivery of goods, right delivery of right quantities, transparency, reduced corruption, value for money, right price is given and right place of delivery is assured, uniformity in performing procurement activities, economic and efficient use of state resources and harmonize public procurement processes in the district assemblies and also greater efficiency.

Further, they observed that following difficulties from the research; difficulties in applying and implementing the Public Procurement Act, 2003 (Act 663), lack of usage flexibility, lack of authority to dispose public assets, the lack of independent are too small for entities like a district assembly in case of emergency situation. The Public Procurement auditing function, no central body with technical expertise and also threshold Act has been largely effective.

Elegbe (2013) opined that Nigerian Public procurement system is not functioning as it ought to and is still riddled with corruption, fraud and irregularities. He realized that the major challenges confronting the Nigerian Public procurement system is the clear difference in levels of understanding of the procurement function between procurement officials in high profile and low profile ministries, with high profile ministries possessing staff with a higher degree of understanding and the involvement of politicians in the procurement process posed a serious problem.

Ameyaw et al. (2012) conducted a research into the implementation challenges to the public procurement law 2003 (act 663) and the purpose was to identify the various implementation bottlenecks to the Ghana Public Procurement Law 2003 (Act 663). They adopted multiple research approaches, including; interviews and questionnaire survey of 49 District Assemblies

and Metropolitan and Municipal Assemblies in the Ashanti and Brong-Ahafo Regions of Ghana. The study identified low capacity of procurement professionals, low interaction between procurement entities and Public Procurement Authority (PPA), deliberate controlling of competition, non-compliance with provisions of the law, splitting of contracts into smaller lots, lack of funds and non-cooperativeness of suppliers, as the major challenges militating against the implementation of the Public Procurement Law. Ameyaw et al. (2013) in their research confirmed that the perception of corruption exists in public procurement in Ghana and that corruption is more prevalent at the tender evaluation stage of the procurement process.

Mahmood (2010) investigated in the Public procurement and corruption in Bangladesh confronting the challenges and opportunities. He concluded that the implementation of procurement process is far from satisfactory, due to the following problems, poor advertisement, short bidding periods, poor specifications, nondisclosure of selection criteria, contract awards by lottery, one-sided contract documents, negotiations with all bidders and rebidding without adequate grounds, occurrence of corruption involving donor agency are not uncommon at nationally or globally and or other levels.

CHAPTER THREE

METHODOLOGY

3.0 Overview

This chapter deals with the methodology of the study. The research was designed to examine the approval process in the public Procurement Act 663 and identifying its efficiencies and inefficiencies in procurement. This chapter pays attention to the methods that were employed in the study, the target population, sample size and sampling techniques as well as the various and appropriate sources of data and how the data were collected. It also includes the profile of the study area which consists of physical characteristics, population size and other characteristics of the study area.

3.1 Research design

Creswell (2006) defines a research design as procedures for collecting, analysing, interpreting, and reporting data in research studies. Thus, the procedure of data collection, analysis, interpreting and reporting results was quantitative.

The basic type of research are descriptive versus analytical; applied versus fundamental; quantitative versus qualitative; conceptual versus empirical and others, such as longitudinal research, stimulation research, clinical or diagnostic research, laboratory and field research among others (Stangor, 2007; Babbie, 2005).

Stangor (2007) however argues that in social research, under which this research falls, the three main methods of collecting primary data are experimental research, field or observation research and survey research.

This study adopted the quantitative survey research approach as its research design. This choice was premised on the fact that the study sought respondents' views, opinions or perspectives on the issues under study.

Survey research is a data collection method which requires asking people, referred to as respondents for information using either verbal or written questions. Survey research provides a quick, inexpensive, efficient and accurate means of assessing information about the population. It requires that questions asked, whether verbal or written are well thought of and structured by the researcher. The structured method of survey therefore involves the development and administration of questionnaire with a fixed list of questions in a standard sequence which has mainly fixed or pre-categorized answers. The structured questionnaires may be self-administered, where the respondents are expected to complete them by themselves or as part of a conference purposefully convened to complete the questionnaire.

Self-administered questionnaires do not require interviews and therefore has a lower cost and also eliminates interviewer bias. It also allows respondents' time to consult and give considered answers and because respondents may not be required to reveal their identity, they are likely to give more honest answers. It also permits wider geographical coverage and the use of large samples, yielding large volumes of highly reliable data which is normally easy to analyze (Appiah-Agyekum, 2006; Opoku, 2005; Asika, 1991).

3.2 Area of study

The Upper East Region of Ghana is located in the north eastern corner of the country between longitude 00 and 10 West and latitudes 10° 30'N and 11°N and bordered by Burkina Faso to the north and Togo to the east the west by Sissala in Upper West and the south by West Mamprusi in Northern Region.

The capital is Bolgatanga, sometimes shortened to Bolga. Other cities include Bawku and Navrongo. In area, the Upper East Region is 8842 square kilometres with a population of 917,253 covering 7.8% of Ghana's land mass.

The region is divided into Districts and Municipalities:

1. Kassena-Nankana Municipal
2. Kassena-Nankana West District
3. Builsa South District
4. Builsa North District
5. Bongo District
6. Bolgatanga Municipal
7. Bawku Municipal
8. Bawku West District
9. Binduri District
10. Pusiga District
11. Garu-Tempane District
12. Talensi District
13. Nabdram District

3.3 Population and Sample Size

The population is the complete set of individuals (subjects), objects or events having common observable characteristics in which the researcher is interested (Agyedu et al., 1999). The population for this study comprised all those who are involved in public procurement activities within the Upper East Region. The main reason for using this category of people is that their

activities directly or indirectly have a bearing on public procurement within Upper East Region which is the scope for the study. Act 663 provides the membership structures of tender committee, review board, procurement units and Evaluation Members.

3.3.1 Tender Committees: Eight (8) members make up the District Tender Committee and Regional Tender Committee respectively

3.3.2 Review Boards: Five (5) members make up the District Review Board and Regional Review Board respectively.

3.3.3 Procurement Units: Investigation showed that majority of the districts is yet to establish the unit. Hence a committee has been setup made up of 3 members to represent the procurement unit.

3.3.4 Evaluation Panel: They are made up of 5 members.

Nine (9) districts and the Regional Coordinating council were selected for the study, since they have involved in public procurement activities for a long time.

From the above, the target population of 80 Entity Tender Committees, 50 Entity Review Boards, 42 Entity Procurement Units and 70 Entity Evaluation Members were identified.

The table below shows the different types of respondents, population and sample sizes used in the study.

Table 3.1: Population and sample size

Respondent	Population size	Sample size
Entity Tender committees	80	30
District review boards	50	20
Entity Procurement units	30	10
Evaluation members	50	20
Allowance for non-response		20
TOTAL	210	100

According to Bailey (1994) a sample size of 100 is sufficient.

3.4 Sampling procedure of study

According to Stangor (2007) sampling is “selection of people to participate in a research project, usually with the goal of being able to use these people to make inferences about a larger group of individuals”. Any sampling process therefore presupposes the existence of a population from which the sample will be drawn. There are several ways to ensure that the sample drawn is as representative of the population as possible so that any conclusion drawn may be as close to the characteristics of the population as possible. These principles will be applied in drawing a sample for this research work.

There are two methods normally used for sampling. These are probability and non-probability sampling (Stangor, 2007; Opoku, 2007). The choice as to probability or non-probability sampling is usually determined by the nature and composition of the working universe or population from which the sample will be drawn and the nature of the study or research being carried out. Probability sampling is the sampling technique which ensures that every member

element or unit of the population has an equal chance of being included in the sample (Stangor, 2007). Techniques of probability sampling include simple random sampling, systematic sampling, stratified random sampling, and the cluster sampling method. Non-probability sampling, on the other hand, refers to processes of selection which are not random. Stangor (2007) is of the view that the non-probability sampling method is used when the researcher is dealing with populations that are difficult to get a sampling frame or cannot guarantee the accuracy of the sampling frame. It includes the convenience sampling, purposeful or judgmental sampling, snowball sampling.

In this study, the researcher purposively targeted public entities in the categories of local government such as Metropolitan, Municipal and District Assemblies (MMDAs) in the Upper East Region of Ghana. Also, the simple random sampling method was used in selecting the respondents. In undertaking this sampling method, the researcher took the names of all procurement officers and committee members in each district and municipality and coded them. Coding involves using either alphabetic or numeric representations instead of names. After that, the names were printed on pieces of paper and cut into pieces. These pieces of codes were then put in a bowl and shuffled. Thereafter, the researcher selected the number that had been predetermined as the sample size. When respondents were picked, the codes were matched with the names to know who exactly had been sampled in the study. Thereafter, the researcher sorted out these officers and administered the questionnaires to them.

3.5 Sources of data

Using more than one data collection instrument strengthens and gives credibility to the study (Patton, 2002). For the purpose of this research, and in order to achieve the objectives, both primary and secondary data were used.

The secondary data contributed towards the formation of background information, and analysis. The secondary data was gathered from various publications of foreign and Local Origin, books, journals, articles, newspapers, reports obtained from libraries, PPA, Public Entities, and the internet on the subject to obtain additional information in order to answer the research questions. According to Bahsa, (2008) data collected from the secondary sources significantly complemented primary data and enhanced the interpretation of the results.

Primary data will be collected with the instrumentality of a questionnaire and an interview guide in accordance with the principles of a survey. Appiah-Agyekum, (2006), Asika (1991) and Opoku, (2005) have observed that the survey method of data collection involves the development and administration of a questionnaire; which might be self or interviewer administered. In this study the experts in the Public Procurement Authority were interviewed with the instrumentality of an interview guide while questionnaires were administered to the other respondents.

3.6 Data collection instruments

The instrument used in data collection was questionnaire. Data for the research was collected mainly through the administration of questionnaire to respondents. All sets of questionnaire contained opened and closed-ended questions. The closed ended questions enabled the researcher direct the respondents towards the desired responses while the open ended questions gave

respondents the opportunity to express themselves, without any restrictions. On the other hand the open ended approach was chosen to enable the researcher ask follow up and delve deep into the subject matter to ensure a deeper understanding of the subject matter is achieved. These explanations, expatiations were quoted to back up the analysis where the need arose.

Generally, the questionnaire was designed to collect general data from the district and municipal assemblies. These questions were grouped in categories to collect data on nature of procurement systems, state of compliance, as well as the challenges in implementing public procurement.

The first part collected information about demographic characteristics of respondents. These included the gender, age, level of education, capacity of members of the procurement structures and training received. The second part collected information about the compliance with the Act 663. Four main compliance areas were adopted for determination of the compliance levels. Indicators that designated compliance were also used. Specific information or records that designated the indicators were also identified and respondents were asked to rate on a scale of 0 – 5; “0” rating indicated absence of the required information whilst “5” indicated that the information available was satisfactory. The third part collected information about the challenges faced in the approval process of the Act 663. In this section each item was scaled from 1-4 with the statement: Strongly Agree, Agree, Disagree, and Strongly Disagree respectively.

3.7 Pilot testing of instrument

The initial questionnaire developed was piloted with two respondents each at the selected districts and municipal assemblies to ensure that the questions were clear and not ambiguous, such that responses would be consistent with the purpose of the study. A Few questions were

reviewed as a result of non-response from the respondents of the pilot study. This was done to improve the reliability and validity of the questionnaire.

3.8 Administration procedure

Permission was sought from the management of the organization with an introductory letter to allow the researcher to undertake data gathering from the institution. The letter specifically explained (who is expected to be the recipient) that the information being sought was for academic purpose and hence would not attract any financial rewards.

The respondents were also assured that the information disclosed was for academic purposes alone and would not be found in any publication targeted at maligning them nor the organization they worked with. After submitting this letter, appointments were scheduled with the top managers and the selected officers. In total, this process took approximately three weeks. The data collected were then grouped, coded and made ready for analysis.

3.9 Data Analysis

The data obtained during the survey was analyzed using both descriptive and inferential analysis techniques.

3.9.1 Descriptive Analysis

Quantitatively, data was coded, counted, categorized into tables and processed to provide frequency table and percentages using the Statistical Package for Social Sciences (SPSS version 20). A simple method of calculating averages was applied in compliance assessment indicators.

3.9.2 Inferential Analysis

One sample t-test

One sample t -test is a statistical procedure often performed for testing the mean value of a distribution. It can be used under the assumption that sampled distribution is normal. For large samples, the procedure often performs well even for non-normal populations.

The one sample t -test is given as:

$$t = \frac{\bar{x} - \mu}{s_{\bar{x}}} \quad \text{where} \quad s_{\bar{x}} = \frac{s}{\sqrt{n}} \quad \text{with } n - 1 \text{ d.f.}$$

$s_{\bar{x}}$ = estimated standard error of the mean

The statistical hypothesis is:

$$H_0 : \mu_1 = \mu$$

$$H_A : \mu_1 \neq \mu$$

Assumptions of the t-Test:

- Independent Observations: Each person's score in the sample is not affected by other scores; if, for example, 2 subjects cheated from one another on the exam, the independence assumption would be violated
- Normality: The population sampled must be normally distributed
- Need to know only the population mean
- Need sample mean and standard deviation

3.10 Ethical considerations

Ethical considerations were adhered to in this study. Ethical issues such as confidentiality, personal data protection, consent and respect of research respondents or subjects were rigorously observed. Conscious effort was made not to coerce or cajole any respondent into accepting to be part of the study. This means respondents' individuality and right not to assist in the study was respected.

KNUST



CHAPTER 4

DATA ANALYSIS, DISCUSSIONS AND PRESENTATIONS

4.0 Introduction

This chapter seeks to analyze and discuss the results of the study with the aid of questionnaires.

The chapter is made up of five (5) sections. The first section talks about the demographic characteristics and background information of the respondents. The second section reviews the procurement methods/procedures and processes. The third section examines the compliance with the Act 2003 (ACT 663) with respect to the approval process. The fourth section identifies the challenges in the implementation of the Procurement Act 2003. The final section proffers robust reforms for public procurement.

4.1. Responses received

In all 100 questionnaires were distributed to respondents. Out of 100 questionnaires given to respondents, 80 were received representing an overall response rate of 80.0%. The collected responses were made up of 25 completed questionnaires from entity tender committee members, 15 from District review boards, 10 from Entity Procurement units, 15 from evaluation members and the remaining were the allowance for non-response. This is represented in Table 4.1 below:

Table 4.1: Responses from the entity committees/board

Respondent	Questionnaire sent	Responses received	Responses rate (as% of total)
Entity tender committees	30	25	31.25
District review boards	20	15	18.75
Entity Procurement units	10	10	12.5
Evaluation members	20	15	18.75
Allowance for non-response	20	15	18.75
TOTAL	100	80	100.0

Source: Field Survey (2013)

4.2 Demographic information of respondents

In order to achieve the objectives of the study data was collected on the background characteristics of the respondents. The demographic characteristics of respondents used in the study included gender, age, level of education, number of years in the committee, years of experience in procurement practices and formal training on procurement.

4.2.1 Gender of respondents

Table 4.1 shows the gender of the respondents sample for the study. Out of the responses obtained from the field, 60 respondents, representing 75% were male, and the remaining 40 respondents, representing 25% were female. The skewed result in favour of male may be attributed to the heavy dominance of male in the procurement profession.

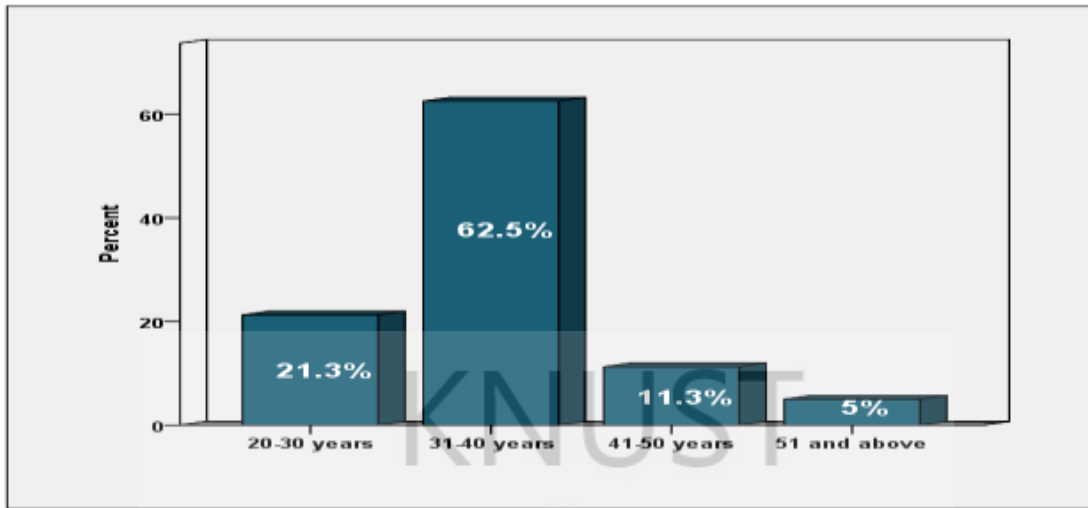
Table 4.1: Gender of respondents

	Frequency	Percent
Male	60	75.0
Female	20	25.0
Total	80	100.0

Source: Field Survey (2013)

4.2.2 Age of respondents

This age distribution depicted in figure 4.1 shows that, majority of the respondents sampled were within the age interval 31-40 years. Also 21.3% of the respondents were between the ages of 20-30 years, 11.3% of the respondents were between the ages 41-50 years and 5% of the respondents were aged 51 and above. The result shows that more than half of the respondents were below 40 years. Thus majority of the respondents were within the youthful stages.

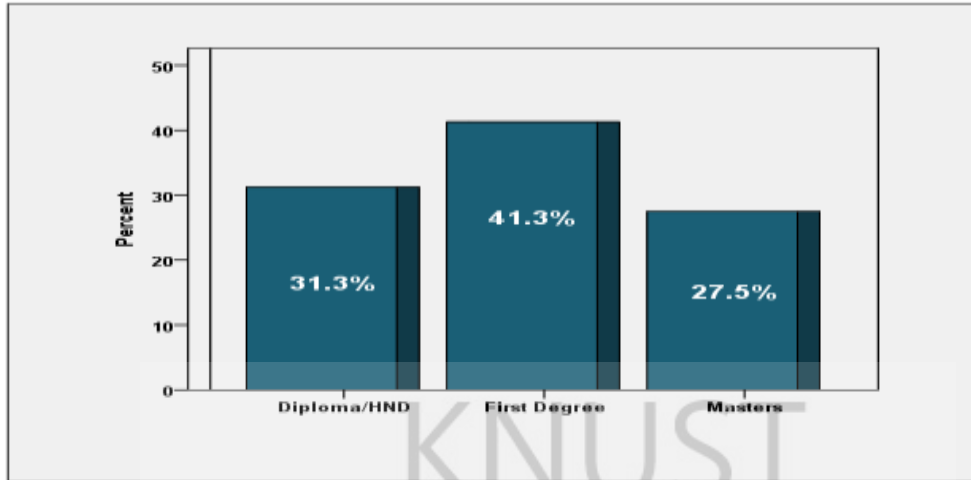


Source: Field Survey (2013)

Figure 4.1: Age of respondents

4.2.3 Educational level of respondent

Since the focus of the study was to explore the approval processes with the Act, it was important to find out the level of education of the respondents as this will help to assess the level to which they can appreciate key issues in the Act. From the figure below, it was found that, majority of the respondents were holders of university degree, which constitute 41.3%, this was followed by Diploma holders which also constitutes 31.3% and Post Graduates constitutes 27.5%. The result clearly shows that all the respondents selected were professionals. This was expected, since the respondents were already working in the departments which have a required educational level for its minimum qualification. However, the low percentage of post graduate degree holders indicates that there were a few professionals in procurement practice with authority.



Source: Field Survey (2013)

Figure 4.2: Educational level of respondents

4.2.4 Years of experience in procurement practices

From table 4.2, majority of respondents (47.5%) had considerable experience in procurement practices above 5 years. Also 20 of the respondents (representing 25%) had experience in procurement practice ranging between 3-5 years, 11.3% of respondents had experiences in procurement practice ranging between 1-2 years and 16.3% had less than a year. This indicates that majority of respondents were experienced in the procurement reform since the formulation and practice of the Act in 2004. It also shows that respondents are regular participants in public procurement activity and can really give good assessment of the approval process and how to improve on it.

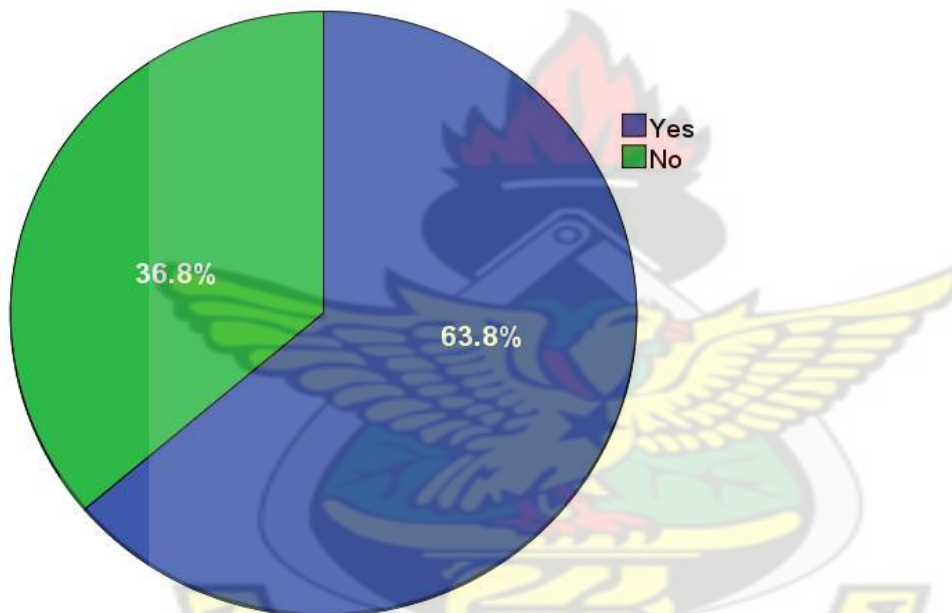
Table 4.2: Years of experience in procurement practices

	Frequency	Percent
Less than a year	13	16.3
1-2 years	9	11.3
3-5 years	20	25.0
Above 5 years	38	47.5
Total	80	100.0

Source: Field Survey (2013)

4.2.5 Formal training on procurement

From the figure below, majority of the respondents (representing 63.8%) indicated that they have had formal training on procurement while 36.8% of the respondents indicated that they have not had any formal training on procurement. The result shows that majority of the respondents are Procurement professionals. This is encouraging because to understand the veracity of the efficiencies and inefficiencies in the approval process, it requires technical staff with procurement qualification and training.



Source: Field Survey (2013)

Figure 4.2: Educational level of respondents

4.3 Level of knowledge of the Public Procurement Act

This section seeks to ascertain respondent's level of knowledge regarding Procurement method, procedures and processes.

4.3.1 Soliciting for bid

The results from table 4.3.1 indicate that the majority of the respondents (representing 71.3%) opened tender bidding between one to two months. This was followed by one week (16.3%), and

three weeks (12.5%). The result clearly shows that all the district and municipal assemblies followed the procurement Act which requires that tender bids must be opened for a period not exceeding six weeks. The Act stipulates that the period for bidding should not be less than one week and not longer than six weeks. Aglomaesa (2010) opined that the length of bidding period is one of the key requirements of the Act.

Table 4.3: How long does it take you to solicit for bid

	Frequency	Percent
One week	13	16.3
Three weeks	10	12.5
Six weeks	57	71.3
Total	80	100.0

Source: Field Survey (2013)

4.3.2 Response to invitation to bid

From the table below, majority of the respondents (representing 41.3%) indicated that it takes one month to respond to invitation to bid, 36.5% of the respondents said it takes two weeks and 22.5% said it takes three weeks to respond to invitation to bid.

Table 4.4: How long does it take you to respond to invitation to bid

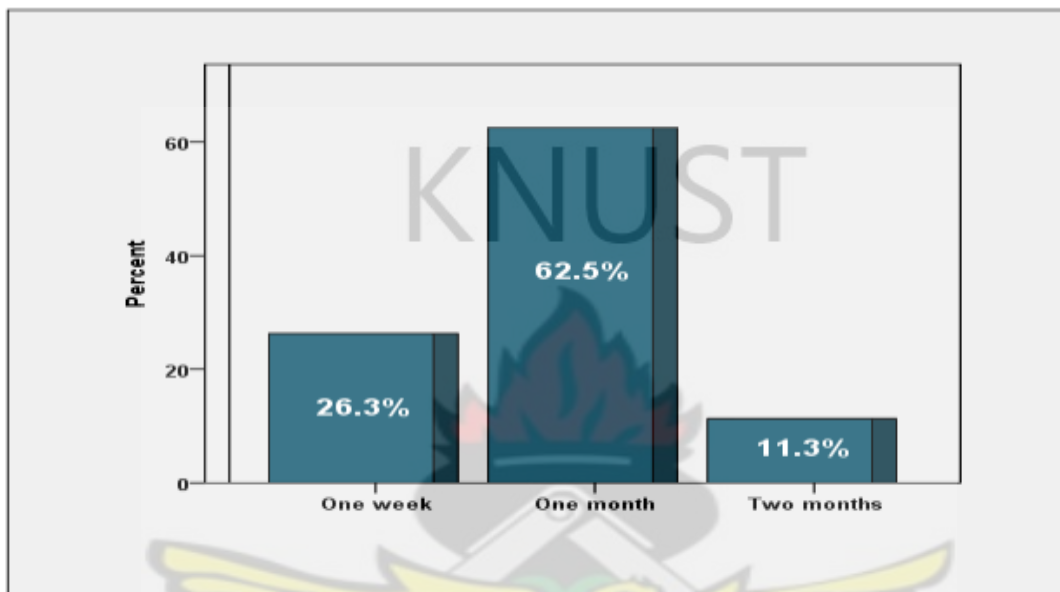
	Frequency	Percent
two weeks	29	36.3
three weeks	18	22.5
one month	33	41.3
Total	80	100.0

Source: Field Survey (2013)

4.3.3 Evaluating and responding to tender document received

From figure 4.3, more than half of the respondents (62.5%) indicated that it takes one month to evaluate and respond to tender document received. This was followed by 26.3% of the

respondents who said it takes one week to evaluate and respond to tender document received. Finally, 11.3% of the respondents said it takes two months to evaluate and respond to tender document received.



Source: Field Survey (2013)

Figure 4.3: Evaluating and responding to tender document received

4.3.4 Understanding of the legal document

From the table below, majority of the respondents (representing 78.8%) indicated that they had good understanding of the Procurement Act, Act 663 (2003), 18.7% indicated that they had a very good understanding of the Procurement Act, Act 663 (2003) and 2.5% of the respondents said they had fair understanding.

Also, 71.2% of the respondents (representing majority) indicated that they have good idea about the procurement regulations, 25% of the respondents indicated that they have a very good idea about the procurement regulations and 3.8% of the respondents indicated that their understanding towards the procurement regulations is fair. With regards to respondents understanding on

Procurement manual, majority of the respondents (representing 61.3%) indicated that they have a very good understanding concerning Procurement manual and 38.8% of the respondents indicated that they had good understanding concerning Procurement manual.

Finally, 58.7% of the respondents indicated their understanding toward the standard tender document is good, 37.5% of the respondents said their understanding is very good and 3.8% of the respondents said their understanding is fair.

Table 4.4: Understanding of the legal document

	Very Good	Good	Fair	Poor
Procurement Act, Act 663(2003)	15(18.7%)	63 (78.8%)	2 (2.5%)	
Regulation	20 (25%)	57 (71.2%)	3 (3.8%)	
Procurement Manual	49(61.3%)	31(38.8%)		
Standard Tender Document	30(37.5%)	47 (58.7%)	3 (3.8%)	

Source: Field Survey (2013)

4.4 Compliance of the Public Procurement Processes

This section seeks to explore the level of compliance of the Public Procurement processes enshrined in the Act 663. Thus a five point Likert Scale questions were used to determine the level of compliance of the Procurement process. On a scale of 1 to 5, respondents were asked to indicate their level of agreement of the Procurement process as follows: Absence of compliance = 1; Low compliance = 2; compliance is satisfactory =3; compliance is good = 4; compliance is excellent =5. Table 4.1.3 presents the results of respondents' knowledge of the Act.

Table 4.5 shows the ranking of the stages in the procurement processes based on their mean scores alongside the one sample t-test which was used to determine whether the mean score of a factor is significantly different from the population mean, $\mu=2.5$. The mean score above the

$\mu=2.5$ indicate that compliance with procurement process is adhered to and the mean score below the $\mu=2.5$ indicate the compliance with procurement process is low.

From the table below, twelve (12) stages of the Procurement process were identified by the respondents as stages with high compliance. These stages identified had their mean scores greater than the population mean ($\mu=2.5$), and were found to be statistically significant. Among the 12 stages, vetting of certificate with mean score = 4.49 was the highest ranked followed by contract signing stage with mean score =4.46, sales of tender document with mean score = 4.41, notification of award with mean score = 4.21, Pre-qualification with mean = 4.20, Invitation to bid with mean score =4.20, advertisement with mean score =4.04, payment of certificate with mean score =3.91, post-qualification with mean score =3.80, needs assessment with mean score =3.54, Procurement Plan with mean score =3.24 and Project monitoring stage with mean score = 2.63.

On the other hand, six (6) stages in the procurement process were identified as stages with low compliance. These stages identified had their mean scores less than the population mean ($\mu=2.5$), and were found to be statistically significant. The stages identified are beneficiary selection with mean score =1.56, Tender Evaluation with mean score = 2.23, selection of procurement method with mean score = 2.44, Notifying losers of bid with mean score = 1.56, release of tender security of losing bidders = 1.84 and Publicizing contract award with mean score = 2.25.

From the results, beneficiary selection from this study emerged as the one of the stages with low compliance. This stage is where authorities decide where to locate what project. This is normally characterized by tribalism, nepotism, political expediency and corruption. The main reason why it is not complied with in accordance with Act 663 (2003) might be because of the interference

beneficiary communities who sometimes are compelled to pay some monies to officers who have been entrusted with the responsibility of deciding where to locate various projects.

Also tender evaluation was found to be one procurement process where compliance is low. This can be attributed to the fact that evaluation panel members are sometimes pressurized to disqualify the most competitive tender and rather recommend favorites of politicians or those in authority. The evaluation panel should therefore be given a close monitoring to ensure that they comply with the Act. Selection of procurement method was identified in the study as another stage where compliance is low. Part IV of the Public Procurement Act 2003, Act 663, outlines the various methods (competitive tendering, two-stage tendering, restricted tendering, single source procurement and request for quotation) and the conditions under which each procurement method should be used. Schedule 3 of the law also presents the thresholds (contract price)/conditions within which any of the above could be adopted. Some of these methods like single-source procurement and price quotation are malleable and can easily be influenced in favor of a particular bidder.

Publicizing contract award was one of the stages where compliance was low. This is normally attributed to the high cost of advertisement. In an attempt to promote transparency and accountability in the dealings of the Public Procurement Authority, the Act has directed that notices be given in a widely circulated local and international newspaper. However, this endeavor has over the years increased the cost of procuring materials, logistics and services for public entities, some of which, the cost of advertisement out-weighs the real cost of the item.

Finally, notifying losers of bid, release of tender securities of losing bidders is attributed to inadequate capacity of procurement personnel. In March 2005, The Paris Declaration on Aid

Effectiveness highlighted the need to develop the procurement capacity of developing nations (OECD, 2005). Training of procurement managers in public entities should be on top of the agenda in the bid to ensure compliance with the law.

Table 4.5: Result of the stages in the Procurement process

Stage of the Procurement Process	Mean	t	Df	Mean difference	Sig.
PRE-TENDER STAGE					
Procurement Plan	3.24	7.301	79	0.737	.000
Beneficiary selection	1.56	-11.276	79	-.938	.000
Needs assessment	3.54	7.662	79	1.038	.000
Selection of procurement method	2.44	-.322	79	-.006	.000
TENDERING STAGE					
Advertisement	4.04	15.174	79	1.537	.000
Sales of tender document	4.41	20.070	79	1.912	.000
Tender Evaluation	2.23	-4.459	79	.027	.000
Pre-qualification	4.20	13.736	79	1.700	.000
Post-qualification	3.80	10.504	79	1.300	.000
Invitation to bid	4.20	15.626	79	1.700	.000
CONTRACT AWARD STAGE					
Notification of award	4.21	11.065	79	1.713	.000
Contract signing stage	4.46	20.506	79	1.963	.000
Publicizing contract award	2.25	-1.853	79	-.250	.068
Notifying losers of bid	1.56	-11.276	79	-.938	.000
Release of tender securities of losing bidders	1.84	-5.244	79	-.663	.000
CONTRACT EXECUTION STAGE					
Vetting of certificate	4.49	29.866	79	1.987	.000
Payment of certificate	3.91	10.592	79	1.413	.000
Project monitoring stage	2.63	.883	79	.125	.380

Source: Field Survey (2013)

4.4 Implementation challenges of the Act 663 (2003)

This section intends to identify the challenges confronting stakeholders in the implementation of the Public Procurement Act. Each respondent was asked to rate each factor based on his/her experience.

From the table below by the majority view, Seven (7) factors were agreed by respondent as the most important factors impeding on the smooth implementation of the Procurement Act 663 (2003). They are as follows:

1. Inadequate training of procurement staff
2. The delays in establishing full time operational Procurement Units with the full complement of staff
3. Illiteracy and inadequate contract management skills among some service providers
4. Inadequate capacity in effective procurement planning
5. Lack of sanctions to public officials for poor performance, non-compliance with the law and code of ethics
6. Delay in payment of works executed by service providers.
7. Low bid prices offered by bidders due to award of contract to the lowest evaluated bidder

The factors are discussed below:

4.4.1 Inadequate Training of Procurement Staff

Inadequate training of procurement staff was identified by respondents (representing 58.8%) as of the one important factor. The Public Procurement act has clearly stated in section 3(k), as part of the functions of the Board, to “develop, promote, and support training and professional development of persons engaged in public procurement and ensure adherence of the trained persons to ethical standards”. This however, seems to be the opposite of what is exactly on the ground. The public procurement authority, after its review in 2006, reported that there is lack of

qualified procurement personnel in the system that cause a lot of inconsistencies leading to gross inefficiency of the concept.

Kwagbenu (2003), asserted that procurement staffs lack range of skills and expertise require to handle the full complement of procurement function within public entities, and departmental heads. There is the need for authorities to recruit procurement personnel and organize intensive and regular procurement training for the personnel handling public procurement especially in the area of procurement processes.

This research wish to point out that there is no such clause(s) in the Public Procurement Act indicating where the Authority should get funds specifically for this crucial but costly task of personnel development and promotion

4.4.2 The Delays in Establishing Full Time Operational Procurement Units with the Full Complement of Staff

From the table 65% of the respondents agreed that the delay in establishing full time operational procurement units with the full complement of staff is a major factor. Investigations conducted by the researcher revealed that most of the District and Municipal Assemblies did not have procurement units responsible for procurement. The non-establishment of the procurement unit means procurement functions are diffused in other administrative functions so there is no emphasis on expertise.

4.4.3 Illiteracy and Inadequate Contract Management Skills among some Service Providers

Majority of the respondent (representing 65.1%) agree that illiteracy and inadequate contract management skills among some service providers are other factor that impedes on the implementation of the Act. According to respondents most service providers lack staff with the requisite skills in contract management. The inadequacy in contract management skills leads to increased costs, delay in completion and non-completion of procurement contracts. Contract management which is a core responsibility of the procurement entities is poor.

4.4.4 Inadequate Capacity in Effective Procurement Planning

Inadequate capacity in effective procurement planning was seen by respondents (representing 60%) as one of the constraints to the implementation of the Act. The inadequate capacity was attributed to limited procurement professionals and lack of commitment and support from management of the entities. Basheka, (2006) opined that the consequences of poor or lack of procurement planning can never therefore be amusing. The World Bank Uganda Country Procurement Assessment Report, (2004) summarized these consequences as; procurement failing to timely meet the actual needs of user departments, advantages of scale and bulk purchasing are not achieved, packaging and timing are not utilized to achieve value for money.

4.4.5 Lack of Sanctions to Public Officials for Poor Performance, Non-Compliance with the Law and the Code of Ethics

Another factor agreed by respondent which represent 70% was the lack of sanctions for public officials for poor performance, non-compliance with the law and code of ethics. Even though notices of abuses and non-compliance exist, there was not one instance of punitive measures or

sanctions been preferred against an official. Corruption thrives when erring officials are rarely ever sanctioned. This affirmed Hunja's (2003) findings that in carrying out assessment of existing procurement systems one constantly finds that abuse of the procurement systems arises due to weak or inconsistent enforcement of the prevailing rule.

4.4.6 Delay in Payment of Works executed by Service Providers

Other important factor respondents (representing 70%) perceived to be constraint to the implementation of the Act, was delay in payment of works executed by service providers. According to Aaron Anvur (2006), government contracts are characterized by insecurity of funding, payment delays and extensive arrears. The results are that many projects are abandoned, many contractors are forced into liquidation and the projects have to be re-tendered. Respondents attributed delay payments to delay in releases of funds from the central government, unrealistic estimates in the budget formulation process and inadequate budget allocation for projects.

4.4.7 Low Tender Prices Offered by Tenderers due to Award of Contract to the Lowest Evaluated Tenderer

There was a high level of agreement among the respondents (representing 75.1%). Bidders in attempt to win contracts, offer low bid prices with the results that projects are abandoned midway of the contract. This affirms Halil (2007) observation that the method of awarding project based on the lowest price or Quantity Surveyor's estimate is seriously flawed and should be replaced with more systematic and efficient approach that ensures the price quoted will be based on current market prices.

Table 4.6: Challenges in the implementation of Act 663 (2003) (Pages 62-64)

1= Strongly Agree 2= Agree 3= Neutral 4= Disagree 5= Strongly Disagree

	1	2	3	4	5
Lack of knowledge of legal framework caused by poor dissemination of the Procurement Act and Regulation	21 (26.3%)	16 (20%)	13 (16.3%)	25 (31.3%)	5 (6.3%)
Inadequate training of procurement staff	16 (20%)	31 (38.8%)	13 (16.3%)	12 (15%)	8 (10%)
Lack of incentives to follow proper procedures, caused by weak monitoring and enforcement	30 (37.5%)		4 (5%)	12 (15%)	34 (42.5%)
The delays in establishing full time operational Procurement Units with the full complement of staff	26 (32.5%)	26 (32.5%)	12 (15%)	16 (20%)	
Inadequate/lack of funding to execute procurement activities	16 (20%)	12 (15%)	36 (45%)	8 (10%)	8 (10%)
Failure to attract qualified and competent service providers at the local level	12 (15%)	13 (16.3%)	8 (10%)	35 (43.8%)	12 (15%)
Illiteracy and inadequate contract management skills among some service providers	31 (38.8%)	21 (26.3%)	4 (5%)	12 (15%)	12 (15%)
Inadequate capacity in effective procurement planning	18 (22.5%)	30 (37.5%)	12 (15%)	20 (25%)	
Accusation of conflict of interest, bribery and corruption in some procurement processes.	12 (15%)	21 (26.3%)	4 (5%)	35 (43.8%)	8 (10%)
Lengthy and cumbersome procurement process	32 (40%)		20 (25%)	12 (15%)	16 (20%)
Lack of career development path been established for procurement in the civil service	15 (18.8%)	21 (26.3%)	32 (40%)	8 (10%)	4 (5%)
Lack of procurement cadre in the Civil Service	5 (6.3%)	25 (31.3%)	30 (37.5%)	20 (25%)	
Lack of sanctions to public officials for poor	40	16	16		8

performance, non-compliance with the law and code of ethics.	(50%)	(20%)	(20%)		(10%)
Low level of ceilings set for Entity Tender Committees to operate within.	8 (10%)	21 (26.3%)	8 (10%)	4 (5%)	39 (48.8%)
Inadequate record management systems for the procurement process	18 (22.5%)		12 (15%)	12 (15%)	38 (47.5%)
Lack/ Lost of confidence in the procurement process by suppliers, contractors and other service providers		39 (48.8%)	4 (5%)	12 (15%)	25 (31.3%)
Shortage of experience professional staff	19 (23.8%)	4 (5%)	8 (10%)	28 (35%)	25 (31.3%)
Low salary for procurement staff	26 (32.5%)	14 (17.5%)	28 (35%)	8 (10%)	
Delay in payment of works executed by service providers.	40 (50%)	16 (20%)	4 (5%)	12 (15%)	8 (10%)
Low bid prices offered by bidders due to award of contract to the lowest evaluated bidder	31 (38.8%)	29 (36.3%)	8 (10%)	8 (10%)	4 (5%)
Difficulty in obtaining bid security (i.e. Bid Bond/ Guarantee, Performance Bond/ Guarantee and Mobilization Bond/ Guarantee)	15 (18.8%)	20 (25%)	25 (31.3%)	12 (15%)	8 (10%)

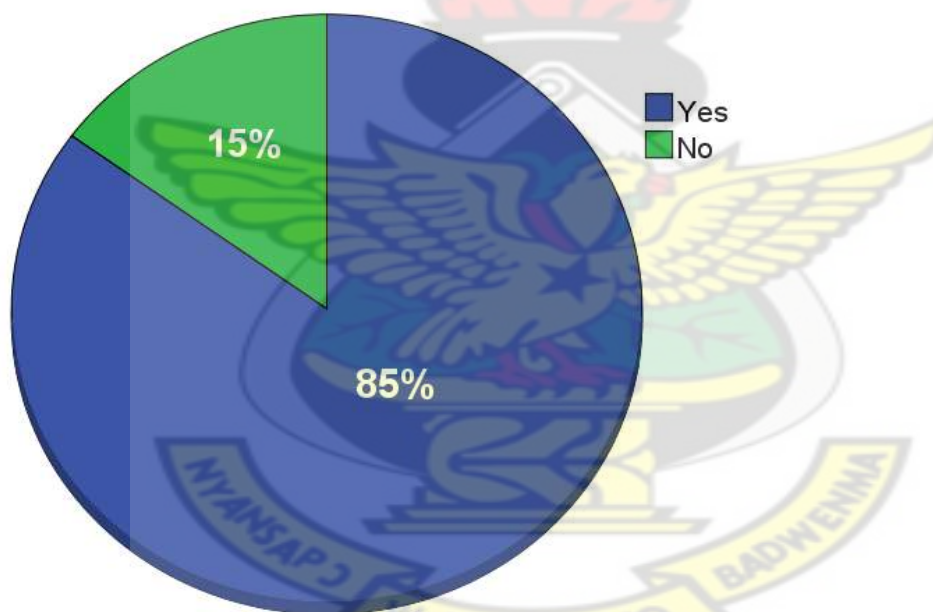
Source: Field Survey (2013)

4.4 Reforms to improve on the inefficiencies in the Procurement process

In the face of the many implementation challenges of the Act 663, this section seeks to establish robust reforms to alleviate the implementation of Public Procurement process of Act (Act 663).

4.4.1 Amendment of Act 663 (2003)

From figure 4.4, it was found that, majority of the respondents (representing 85%) agreed that Act 663 (2003) should be amended to address the challenges in the procurement process to help bring efficiency as well as improve compliance in public entities while 15% of the respondents said it should not be amended. In general, respondents were highly optimistic of the fact that, the amendment of the Act will solve most of the challenges they face in the implementation of the Act.



Source: Field Survey (2013)

Figure 4.4: Do you think the Act should be amended

4.4.2 Recommended reforms

On the issue of what can be done to enhance the prospects of the Procurement process, respondents indicated the following:

- Review of the Law to reduce the discretion it allows and to take care of the challenges being experienced in the procurement activities.
- The membership of the entity tender committee and district tender committee of the district assemblies should be reviewed to include a procurement officer and head of the works department
- Most of the thresholds in the Act are outmoded and makes procurement of goods, works and services in some situations very difficult, therefore the threshold for District and Municipal Assemblies must be reviewed upwards to enable the procurement process in the Entity Tender Committee much more flexible. Thus Public organizations can also be grouped into categories based on their operations and thresholds set for each institution.
- Furthermore, respondents suggested intensified training and educating of procurement officers and suppliers. The Public Procurement Act can also be incorporated in to the curricula in all tertiary institutions so that both students and lectures will have thorough knowledge concerning the use of the Act.
- Finally respondents suggested that e-procurement should be implemented as matter of urgency since much has not been done in the area of e-procurement to reap the benefit that comes with it. Though the Public Procurement Authority has established a website and encourages public entities to create website to enable public entities to assess tender adverts and tender documents as well as post contract awards, public entities have not done enough to reform the information and communication technology in this course as most entities do not have internet facilities or create a website address to upload tender information.

CHAPTER 5

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.0 INTRODUCTION

This chapter presents the findings of the survey from which conclusions are drawn and for which recommendations are made to key actors in public procurement. The findings are outlined in direct response to the specific objectives. Recommendations have been provided to improve the administrative structures, procedures, performance and policies of Public Procurement Authority with the overall aim of improving on the level of compliance of entities in the Upper East Region.

5.1 Summary of Findings

From the analyses conducted preliminary findings revealed that, majority of the respondents were male, indicating male dominate the profession and are at their youthful stage. Also it was refreshing to note that all the respondents were educated at least up to the tertiary level and most of the respondents have also received formal training in procurement. However the training was conducted not as frequently as they expected.

Furthermore, the level of knowledge of procurement practitioners on Procurement Act, Act 663(2003), regulation, Procurement Manual and Standard Tender Document was very high.

The main analysis revealed the stages in Procurement process with low and high compliance. The stages of the procurement process that were identified as having high compliance were: vetting of certificate, sales of tender document, notification of award, Pre-qualification, Invitation to bid, advertisement, payment of certificate, post-qualification, needs assessment, Procurement Plan and Project monitoring stage. Also the stages of the procurement process that were

identified as having low compliance were: beneficiary selection, tender Evaluation, selection of procurement, notifying losers of bid, release of tender securities of losing bidders and Publicizing contract award. Again the findings from the study identified seven (7) major implementation factors that hinder the smooth implementation of the Procurement Act 663 (2003). They are as follows: Inadequate training of procurement staff, the delays in establishing full time operational Procurement Units with the full complement of staff, illiteracy and inadequate contract management skills among some service providers, inadequate capacity in effective procurement planning, lack of sanctions to public officials for poor performance, non-compliance with the law and code of ethics, delay in payment of works executed by service providers and low bid prices offered by bidders due to award of contract to the lowest evaluated bidder.

Finally, majority of the respondents embraced the idea of amending the Procurement Act 663 (2003) as it will solve most of the challenges they face in the implementation of the Act.

5.2 Conclusions

Compliance to Act 663 by procurement entities remains the biggest challenge to realize the objectives of transparency, competition, economy, fairness and accountability in public procurement in Ghana. The research concluded that a varying level of compliance existed among the procurement entities studied. It established that, whereas there was a high level of compliance in areas of procurement process others show low and absolute non compliance. Also the study established the fact that challenges as identified in this study may have some dire consequences on the economy and the integrity of the procurement process in the country. The

desire to derive maximum benefits from the Public Procurement Act, Act 663 (2003) requires addressing the issue of compliance and challenges faced by procurement entities.

Though, the study admits that its findings cannot be generalized due to the limited nature of the sample size, it is believed that the recommendations can be benchmarked to improve on the compliance level in the country as a whole.

5.3 Recommendations

Based on the findings and conclusions of the study, the following recommendations are made:

- It is recommended that the Public Procurement Authority organize regular training programmes to expose stakeholders involved in the procurement process to the provisions and modalities for implementing the Act. This will help to develop the competencies and capacities of the procurement officers and their suppliers in the implementation of the Act.
- There is the need to recruit and employ procurement professionals as procurement officers to the District and Municipal Assemblies. The Higher National Diploma graduates in Purchasing and Supply, trained by the Polytechnics should be employed as Procurement Officers to man the procurement unit of the Assemblies. The introduction of procurement programmes in the Universities will also go a long way to help train more procurement professionals to deal with the procurement process.
- Procurement entities should ensure the establishment of procurement units manned with the required procurement professionals. This could be done by Public Procurement Authority encouraging entities to sponsor a minimum of two students to undertake procurement related courses in the universities and polytechnics and on completion posted to man the units.

- The Public Procurement Authority should partner with Civil Society like the media, non-government organization, community based organizations to ensure that procurement contracts are published appropriately in the newspapers, notice board as well as television stations, radio stations, website of the entities etc.
- Finally, the government should endeavour to review the Act to limit the number of steps in procurement process so as to reduce the level of bureaucracy in the system. Bureaucracy delays the smooth procurement process and eventually affects public financial management since it adds more cost to contractors and government if they are to pay interest rate.



REFERENCES

- Adjei, A.B, (2006), 'Message from the Chief Executive' Public Procurement Board, June 2006.
{Online} Available at www.ppbghana.org/story accessed on 27.04.08).
- Adjei, AB (2005) Public Procurement Authority: What are we learning from different Approaches to Monitoring Capacity and Development? *An Assessment Tool for Public Procurement System and its application to monitoring Capacity and Performance of the Procurement System in Ghana*, Accra Ghana.
- Aglomessa, F. J. (2010). *Procurement Reform in Sierra Leone: A Public Choice Model of Analysis*. Paper presented at the International Public Procurement Conference, October 21-23, Fort Lauderdale, Florida, U.S.A.
- Ahiadeke, C., (2008). *Research Methodology: Theory and Practice in the Social Sciences*,
- Anvuur, A and Kumaraswamy, M.M, and Steven Male, (Jan 2006) *CIW 107 Construction in Developing Economies Symposium in Taking Forward Public Procurement in Ghana*, Santiago, Chile.
- Appiah-Agyekum, (2006), The impact of NGOs on decentralization and Local government in Ghana – the GAIT II example, (Unpublished MPhil Dissertation), UGBS, PAHSM.
- Asika, N., (1991), *Research Methodology in the Behavioural Sciences*. Longman, Lagos-Nigeria
- Babbie, E., (2005). *The Basics of Social Research*. 3rdEdn. Thomson Academic Research
- Basha, V.J.2007.ParadigmShiftinBankingSector.SouthernEconomist, 46(11):23-24.
- Basheka B.C (2008) *Procurement Planning and Local Governance in Uganda: A Factor Analysis Approach*. Paper Presented at the2008 International Research Society for Public Management Conference, from 26-28 March 2008, in Brisbane, Australia.
- Calendar, G., & Matthews, D. (2002). "The Economic Context of Government Procurement: New Challenges and New Opportunities". *Journal of Public Procurement*, 2 (1): 55-71.

Center, Wadsworth, Canana.

Creswell, D. (2006). *Designing- Choosing a Mixed Methods Design*. (Online). Available at http://www.sagepub.com/upm-data/10982_Chapter_4.pdf. [07/07/2012]

Gelléri, P. & Csáki, Cs. (2003). “Voter’s confidence and some other targeted GDSS functionalities: where are they truly needed?” In Proceedings of the DSS 2004 IFIP WG 8.3 Conference in Prato, Italy
Ghana. Sundel Services, Accra – Ghana

Habtermicheal FanielSahle, (2009), Anti-Corruption strategies in the South African Public Sector- Perspective on the contribution of complexity thinking and ICT, PhD thesis, Stellenbosch University, South Africa

Hunja, R.R. (2003) Obstacles to public procurement reform in developing countries. In Arrowsmith, S. & Trybus, M (Eds.) (2003). *Public Procurement: The Continuing Revolution*. Kluwer international

McCue, C.P., & Pitzer, J.T. (2000). “*Centralized vs Decentralized Purchasing: Current Trends in Government Procurement Practices.*” *Journal of Public Budgeting, Accounting & Financial Management*, 12 (3): 400-420.

Ministry of Finance (2001) Procurement Reform Proposals. A component of the Public Financial Management Reform Programme.

NPPA Annual Report. (2005). National Public Procurement Authority Annual Report, 2005. Sierra Leone.

OECD-DAC/World Bank (2006), “*Organization for Economic Committee Development (OECD)/Development Assistance Committee (DAC)/ World Bank*”, *Joint Venture for Procurement: Methodology for Assessment of National Procurement Systems, version 4, pp. 1-16*

- Opoku J.Y., (2005), *A Short Guide To Research Writing in the Social Sciences and Education*, Ghana Universities Press, Accra.
- Osei-Tutu et al. (2011). The level of compliance with the public procurement act (act 663) in Ghana. Management and Innovation for a Sustainable Built Environment 20 – 23 June 2011, Amsterdam, The Netherlands
- PPA (2007), “*Public Procurement Authority (PPA) Annual Report*”, Republic of Ghana, pp.18
- Proceedings of the National Conference for Cleaner Public Life. (2003). Edited by László Keller and Petter Langseth and Published by the United Nations Office on Drugs and Crime.
- Public Procurement Act, 2003 (Act 663) of the Republic of Ghana.
- Robb, D.J. (1996), “Ethics in Project Management: Issues, Practice, and Motive”, Proceedings of the 2nd Annual Conference of the Project Management Institute, New Zealand Chapter Conference, November, 14-15, Auckland, 145-157.
- Shakantu W. (2006), Corruption in the construction industry Forms, susceptibility and possible solutions. *Journal of Civil Engineering*, Vol. 14, No. 7, Pp. 43–47
- Stangor, C., (2007), *Research Methods for the Behavioural Sciences*, 2nd Edition, Pre-Press PMG, Wadsworth, Centage Learning.
- Symons E. (2000), Government concern at low level of infrastructure investment, *The Civil Engineering and Building Contractor*, 34(2), 1999, pp 13–14; S Sigcau, Speech at the Building and Drainage Control Conference, 25 August 2000.
- Thai, K. V. (2004). Challenges in public procurement. In *Challenges in Public Procurement: An International Perspective* Vol. 3. Boca Raton FL, USA: Pr Academics Press
- Transparency International (2009), *Examples of Corruption, March, 2010* Available at: www.transparency.org

- Verhage, Rob, et al. "Procurement Reform in the Ghana Health Sector." *Journal of Public Procurement* 2.2 (2002): 261-268. PDF file.
- Wittig, W. A. and Jeng, H. (2004). Challenges in public procurement: Comparative views of public procurement reform in Gambia. In *Challenges in Public Procurement: An international Perspective Vol. 3*. Boca Raton FL, USA: Pr Academics Press
- Wittig, W.A (1999) Building value through Procurement: A focus on Africa. Paper Presented to the 9th International Anti-corrupting Conference, Durbar South Africa.
- Wittig, W.A (1999) Building value through Procurement: A focus on Africa. Paper Presented to the 9th International Anti-corrupting Conference, Durbar South Africa
- World Bank (1995a) "*Guidelines: Procurement under IBRD Loans and IDA Credits*, World Bank, Washington, D.C.
- World Bank (1996), "*Ghana 1996 Country Procurement Assessment Report*", Washington, D.C.: The World Bank.
- World Bank (2003b), "*Ghana 2003 Country Procurement Assessment Report*", Washington, DC: Ghana Country Department, The World Bank.
- World Bank. (2003a). Public Procurement Act of Ghana - Country procurement assessment report. Washington D.C. - The World Bank. Report No. 29055. (4). Available at: <http://documents.worldbank.org/curated/en/2003/06/3582686/ghana-country-procurement-assessment-report-vol-4-5-annex-8-public-procurement-act>.

KNUST



APPENDIX : QUESTIONNAIRE

QUESTIONNAIRE

TOPIC: An Exploration of the approval process in the public procurement Acts 663: identifying the efficiencies and inefficiencies in procurement

This questionnaire is designed to elicit your honest view on the efficiencies and inefficiencies in public procurement. Please kindly give the best responses you can. You are to answer the questions and give reasons where necessary. Tick (✓) for the answer chosen. Your responses will be treated in confidential and will be used only for research purposes. Your identity is not required; hence your objectivity and truthfulness are highly counted upon for the needed outcome. Thank you.

Section A: General Information and Demographic Data

1. Gender

Male [] Female []

2. Age Group

20 – 30 years [] 31 – 40 years [] 41 – 50 years [] 51 and above []

3. Level of Education

Diploma/HND [] First Degree [] Masters [] Other: _____

4. How many years have you been in the committee?

Less than a year [] Two years [] Three years [] Four years []

Above Four years []

5. Years of experience in procurement practices.

Less than 1 year [] 1 – 2 years [] 3 – 5 years [] Above 5 years []

6. Have you had any formal training on Procurement

Yes [] No []

7. If yes, how often is the training organized?

Monthly [] Every three months [] Every six months []

Every year [] When the need arise []

Section B: Review of the procurement method/procedures and processes

8. How long does it take you to solicit for bid?

One week [] Between one and two months [] Between three and four months []

Five months and above []

9. How long does it take you receive responses to invitation to bid?

One week [] Two weeks [] Three weeks [] One month []

10. How long does it take you to evaluate and respond to tender documents received?

One week [] One month [] Two months [] Three months []

11. Are there unnecessary levels of approvals or cumbersome procedures for procurement?

Yes [] No []

12. If yes, which of the following stages are cumbersome. You may tick more than one (1)

Procurement plan approval [] Entity tender committee [] District review board []

Regional review board [] Central review board [] PPB approvals []

13. Does the unnecessary levels of approvals in your opinion cause delay in procurement?

Yes [] No []

14. Which of the following procurement methods is cumbersome?

- i. International Competitive Tendering []
- ii. National Competitive Tendering []
- iii. Restrictive Tendering []
- iv. Price Quotation []
- v. Single or Sole Sourcing []

15. Please would you explain why this method is cumbersome?

.....

.....

.....

Section C: Compliance of the Act 2003 (Act 663) with respect to the approval process

16. The table provided below shows the compliance assessment indicators with respect to the procurement processes. Please rate the information provided on a scale of 1-5 under each heading. "1" rating indicates absence of compliance, "2" indicates low compliance, "3" indicates that the compliance is satisfactory "4" indicates that the compliance is good whilst "5" indicates that the compliance is Excellent.

PROCUREMENT PROCESSES	Rate
Procurement Planning	
Having an adequately defined procurement plan	
Posting plan on the net	
Procurement Publicity	
Advertising tender invitations	
Sending information for placement in procurement bulletin	
Using internal notice boards to display procurement information	
Bid Preparation and Invitation	
Use of Standard tender documents	
All bid documents containing same evaluation criteria	
Stating reasonable date and time for bid opening	
Submission, opening and evaluation of bids	
Stating date, time and venue for bid submission	
Stating date, time and venue for bid opening	
Having secured tender box in place	
Having tender opening register	
Keeping minutes of bid opening including all opening records	
Evaluating tenders in accordance with tendering requirements	

Award of Contract	
Notifying Winner of Contract	
Publicizing contract awards	
Notifying losers of bid	
Release of tender security of losing bidders	

KNUST

Section D: Challenges in the implementation of Act 2003 (Act 663)

The table below shows the potential challenges/constraints of the implementation of the procurement Act, Act 663.

Please tick the appropriate cell by expressing your opinion on the following.

1=Strongly Agree 2=Agree 3=Neutral 4=Disagree 5=Strongly Agree

	1	2	3	4	5
Lack of knowledge of legal framework caused by poor dissemination of the Procurement Act and Regulation					
Inadequate training of procurement staff					
Lack of incentives to follow proper procedures, caused by weak monitoring and enforcement					
The delays in establishing full time operational Procurement Units with the full complement of staff					
Inadequate/lack of funding to execute procurement activities					

Failure to attract qualified and competent service providers at the local level					
Illiteracy and inadequate contract management skills among some service providers					
Inadequate capacity in effective procurement planning					
Accusation of conflict of interest, bribery and corruption in some procurement processes.					
Lengthy and cumbersome procurement process					
Lack of career development path been established for procurement in the civil service					
Lack of procurement cadre in the Civil Service					
Lack of sanctions to public officials for poor performance, non-compliance with the law and code of ethics.					
Low level of ceilings set for Entity Tender Committees to operate within.					
Inadequate record management systems for the procurement process					
Lack/ Lost of confidence in the procurement process by suppliers, contractors and other service providers					
Shortage of experience professional staff					
Low salary for procurement staff					
Delay in payment of works executed by service providers.					
Low bid prices offered by bidders due to award of contract to the lowest evaluated bidder					

Difficulty in obtaining bid security (i.e. Bid Bond/ Guarantee, Performance Bond/ Guarantee and Mobilization Bond/ Guarantee)					
---	--	--	--	--	--

Please list other challenges in the implementation of Act 663.

.....

.....

.....

.....

.....

.....

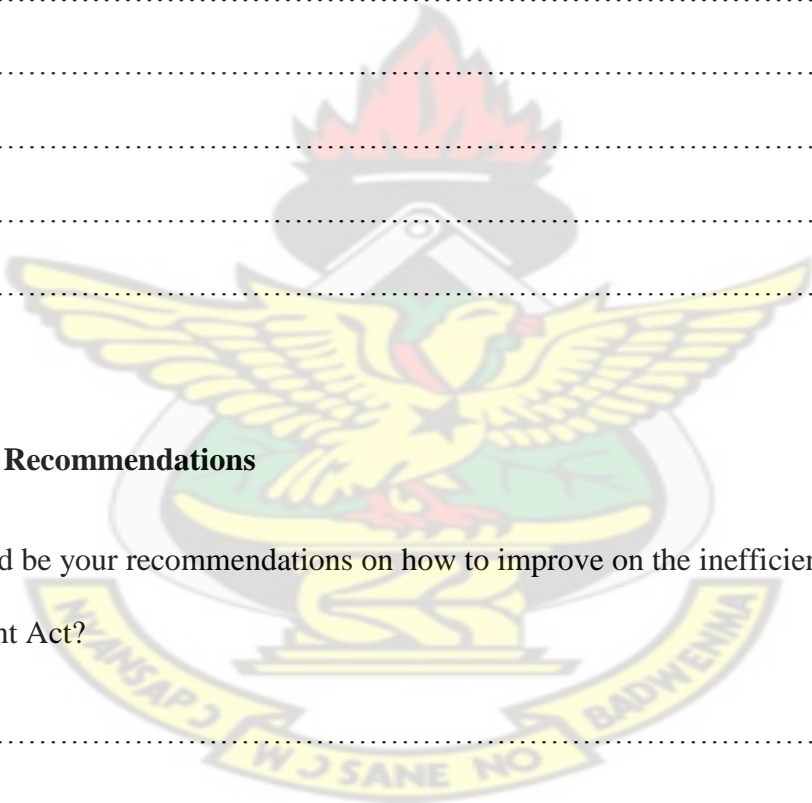
.....

.....

.....

.....

KNUST



Section E: Recommendations

What would be your recommendations on how to improve on the inefficiencies in the procurement Act?

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....