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KUMASI-GHANA

The concept of value for money as applied in public procurement in Ghana

The Case of Ho Municipal Assembly

By

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MASTER OF SCIENCE

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CERTIFICATION

I hereby declare that this thesis herein is my own work towards the award of Master of Science (MSc.) in Procurement Management and that, to the best of my knowledge, it contains neither material previously submitted to or published by any other person nor material which has been accepted for the award of any other degree of the University or to any other body, except where due acknowledgement has been duly made in the text.

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ABSTRACT

Procurement is a new area of learning that specializes in attainment of value for money. In this case, issues of ethics, technical Know-how and project management again come to play as they are important in procurement ethics, techniques, principles, procedures and systems. The aim of this study was to investigate the application of the concept of Value for money in public procurement processes in Ghana. With regards to aim, objectives were set which included the identification of critical elements and various approaches under the public procurement Act and to propose the application of best practices and standards by public procurement entities to ensure value for money in the procurement processes. Research findings helps to reveal the extent of knowledge and application of the concept of value for money by public procurement personnel (entities) in the country. Results from questionnaires distributed to a sample size of 76 procurement professionals showed some of the driving tools in facilitating the achievement of value for money. The study concluded by advocating for VFM analysis to be integrated with overall public investment planning and recommended among others that professional education, on the dimensions, practices and procedures in the public procurement system is given to practitioners and all stake holders in the supply chain to ensure public funds are spent in a transparent, efficient and fair manner to attain best value in the works procurement industry in Ghana. Also, there should be regular procurement activities appraisal, checks to observer for passivity with procurement actions in the firm by the internal auditor and public procurement authority for consistent enforcement of the prevailing rules and regulations in procurement.

TABLE OF CONTENT

CERTIFICATION	II
ABSTRACT	III
LIST OF TABLES	X
LIST OF FIGURES	XI
LIST OF ACRONYMS	XII
DEDICATION.....	XIV
ACKNOWLEDGEMENT	XV
CHAPTER ONE	1
GENERAL INTRODUCTION.....	1
1.1 BACKGROUND	1
1.2 PROBLEM STATEMENT	2
1.3 RESEARCH QUESTIONS	3
1.4 AIM AND OBJECTIVES.....	4
1.4.1 Aim	4
1.4.2 Objectives	4
1.5 SCOPE.....	4
1.6 METHODOLOGY	5
1.7 SIGNIFICANCE OF THE STUDY.....	6
1.8 LIMITATIONS OF THE STUDY	6
1.9 STRUCTURE OF DISSERTATION.....	7

CHAPTER TWO	8
LITERATURE REVIEW.....	8
2.1 INTRODUCTION	8
2.2 THE CONCEPT OF PROCUREMENT	8
2.3 THE CONCEPT OF VALUE FOR MONEY AND DEFINITION.....	10
2.3.1 The concept of value.....	10
2.3.2 The concept of value-for-money (VFM)	11
2.3.3 Essence of Value for Money Assessment.....	12
2.3.4 Value-for-money in Ghana	13
2.3.5 Functions of Procurement Unit.....	14
2.3.6 Approaches adopted to ensuring value for money in Public Procurement	15
2.3.7 Measuring value-for-money	17
2.4 ELEMENTS OF VALUE FOR MONEY	17
2.4.1 Economy	18
2.4.2 Efficiency.....	18
2.4.3 Effectiveness:.....	19
2.4.4 Professionalism.....	19
2.4.5 Transparency, Competitiveness and Fairness (Equity).....	20
2.4.6 Accountability.....	21
2.4.7 Ethics	21
2.4.8 Technology	21
2.4.9 Whole Life Costing.....	22
2.5 IMPLEMENTATION OF THE VALUE-FOR-MONEY APPROACH	23
2.5.1 Achieving value-for-money in metropolitan, municipal and district assemblies	24

2.6	VFM CONCEPTUAL FRAMEWORK	24
2.6.1	Crucial Mechanisms	24
2.6.2	Measures	25
2.6.3	Transformers	25
2.6.4	Donor part	25
2.6.5	Sureness heights	25
2.6.6	Choices for VFM Development and Valuation	26
2.7	PUBLIC SECTOR PROCUREMENT	27
2.7.1	Concentration in Procurement	28
2.7.2	Regionalization scheme of procurement.....	28
2.7.3	Procurement, a Factor In Achieving Value For Money.....	29
2.8	COMPETITIVE TENDERING (SECTION 35 AND PART V OF PPA 2016, ACT 914).....	31
2.8.1.	Competitive tendering methods	31
2.9	THE RELATIONSHIP BETWEEN COMPETITIVE TENDERING AND VALUE FOR MONEY	33
2.10	THE IMPACT OF THE PUBLIC PROCUREMENT ACT 663 ON	34
2.11	GOOD PRACTICES AND IMPORTANCE OF PROCUREMENT	35
2.12	MERITS OF PUBLIC PROCUREMENT PRACTICES.....	35
2.13	CHALLENGES OF PUBLIC PROCUREMENT IN GHANA	36
2.14	ACCOUNTABILITY, FRAUD AND CORRUPTION.....	36
2.14.1	Unethical behavior	36
2.14.2	Political interference	37
2.14.3	Insufficient measures for controlling and assessment.....	37
	CHAPTER THREE	38

RESEARCH METHODOLOGY	38
3.1 INTRODUCTION	38
3.2 RESEARCH DESIGN	39
3.3 DATA COLLECTION	39
3.4 INSTRUMENTATION	40
3.5 FIELD WORK	41
3.5.1 Data Collection Procedure	42
3.6 RESEARCH POPULATION TECHNIQUES	42
3.6.1 Population of the Study.....	42
3.7 DATA ANALYSIS.....	44
3.8 VALIDITY OF THE INSTRUMENT	44
CHAPTER FOUR.....	45
ANALYSIS AND INTERPRETATION OF DATA	45
4.1 INTRODUCTION.....	45
4.2 BACKGROUND AND CHARACTERISTICS OF RESPONDENTS	46
4.2.1 Response Rate to Questionnaire	46
4.2.2 Academic Qualification of Respondent.....	47
4.2.3 Professional Affiliation of the respondents	48
4.3 YEARS OF WORKING EXPERIENCE.....	49
4.4 KNOWLEDGE OF PROCUREMENT PROCESS AND PRACTICES	50
4.5 CONCEPT OF VALUE FOR MONEY MANAGEMENT	51
4.6 VALUE FOR MONEY ASSESSMENT	52
4.7 DIMENSIONS OF VALUE FOR MONEY	54

4.8 PROCUREMENT PRACTICES AND SELECTION OF TENDERING METHOD.....	55
4.9 PROCUREMENT PRACTICES AND SELECTION OF TENDERING METHOD.....	57
4.10 MEASURES EMPLOYED AS AN APPROACH TO ENSURE VALUE FOR MONEY	60
4.11 PROCUREMENT STANDARDS, POLICIES AND PROCEDURES	62
4.11.1 Practices and Policies under Tender Opening	62
4.12 PROCUREMENT PRACTICE AND POLICIES OF TENDER EVALUATION UNDER PUBLIC PROCUREMENT ACT.....	64
4.12 TENDER EVALUATION REPORT / CONTRACT AGREEMENT	66
CHAPTER FIVE.....	68
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.....	68
5.1 INTRODUCTION	68
5.2 SUMMARY OF KEY FINDINGS AND CONCLUSIONS.....	68
5.2.1 Identify the critical elements of procurement in ensuring Value for Money	68
5.2.2 Identify the various approaches under the public procurement Act used to encourage the attainment of value for money.....	69
5.2.3 To propose the application of best practices and standards by public procurement entities to ensure value for money of procurement processes	70
5.3 CONCLUSIONS	70
5.4 RECOMMENDATIONS	71
5.4.1 Capacity Building of the Public Procurement Practitioners	72
5.4.2 Appraisal, Checks For Passivity	72

5.4.3 Heading	73
5.4.4 Use of Competitive Tendering Method	73
5.4.5 Adhering To Procurement Rules and Responsibilities	73
5.4.6 Procurement Planning.....	74
5.4.7 Further research work	74
REFERENCES	75
APPENDIX A	82

LIST OF TABLES

TABLE 3.1: RESPONDENTS POPULATION	43
TABLE 4.1: DETAILS OF RESPONSE RATE OF RESPONDENTS	46
TABLE 4.2: DETAIL OF ACADEMIC QUALIFICATION OF THE RESPONDENTS	47
TABLE 4.3: DETAIL OF PROFESSIONAL AFFILIATION OF THE RESPONDENTS.....	48
TABLE 4.4: YEARS OF WORKING EXPERIENCE OF RESPONDENTS IN THE MUNICIPALITY.	49
TABLE 4.5 RESPONDENTS LEVEL OF UNDERSTANDING OF THE CONCEPT OF VALUE FOR MONEY	52
TABLE 4.6: ANALYSIS OF RESPONDENTS’ OPINIONS ON DIMENSIONS CONSIDERATION FOR VFM	54
TABLE 4.7: RESPONDENTS RESULT ON PROCUREMENT PRACTICES AND SELECTION OF TENDERING METHOD	57
TABLE 4.8: RESPONDENTS RESULT ON PROCUREMENT PRACTICES AND SELECTION OF TENDERING METHOD	59
TABLE 4.9: RESPONDENTS RESULT ON MEASURES EMPLOYED AS AN APPROACH TO ENSURE VALUE FOR MONEY.....	61
TABLE 4.10: DETAILED OF RESPONDENTS’ ASSESSMENT OF PROCUREMENT PRACTICES AND PROCESS UNDER TENDER OPENING.	63
TABLE 4.11: RESPONDENTS RESULT ON TENDER EVALUATION UNDER PUBLIC PROCUREMENT ACT.	65

TABLE 4.12: TENDER EVALUATION REPORT / CONTRACT AGREEMENT.....	66
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LIST OF FIGURES

FIGURE 4.1: DETAILED THE LEVEL OF KNOWLEDGE IN PROCUREMENT PROCESS AND PRACTICES.....	51
FIGURE 4.2: VALUE FOR MONEY ASSESSMENT	53
FIGURE 4.3: ANALYSIS OF RESPONDENTS’ OPINIONS ON DIMENSIONS CONSIDERATION FOR VFM	55
FIGURE 4.4: GRAPH OF PROCUREMENT PRACTICES AND SELECTION OF TENDERING METHOD	57
FIGURE 4.5: GRAPH OF PROCUREMENT PRACTICES AND SELECTION OF TENDERING METHOD	60
FIGURE 4.6: MEASURES EMPLOYED AS AN APPROACH TO ENSURE VALUE FOR MONEY	62
FIGURE 4.7: GRAPH OF APPROACHES UNDER PUBLIC PROCUREMENT ACT	64
FIGURE 4.8: GRAPH OF PROCUREMENT PRACTICES AND POLICIES OF TENDER EVALUATION UNDER PUBLIC PROCUREMENT ACT.....	66
FIGURE 4.9: GRAPH OF PROCUREMENT PRACTICES AND POLICIES OF TENDER EVALUATION REPORT / CONTRACT AGREEMENT UNDER PUBLIC PROCUREMENT ACT.....	67

LIST OF ACRONYMS

SPSS	Statistical Package For The Social Sciences
GDP	Gross Domestic Product
MDA	Municipal And District Assemblies
PMI	Project Management Institute
PPA	Public Procurement Act
DFID	Department For International Development
ICAI	Institute Of Chartered Accountants Of India
MMDA	Metropolitan, Municipal And District Assemblies
MDA	Ministries, Departments And Agencies
DA	District Assemblies
PPA	Public Procurement Authority
HMA	Ho Municipal Assembly
PPP	Public-Private Partnerships
VFM	Value For Money
NDPC	National Development Planning Commission
BV	Best Value
IASC	Inter-Jurisdictional Alliancing Steering Committee
NOP	Non Owner Participants

BVM	Best Value For Money
IRBM	Improved Result Based Management
APS	Australian Public Service
CPG	Commonwealth Procurement Guidelines
ICT	International Competitive Tendering
NCT	National Competitive Tendering
PUFMARP	Public Financial Management Reform Program
ODA	Official Development Assistance
PPR	Public Procurement Regulations
PPB	Public Procurement Board
ETC	Entity Tender Committees
TRB	Tender Review Boards
STD	Standard Tender Documents
MDG	Millennium Development Goals
GDP	Gross Domestic Products
ODA	Official Development Assistance
OECD	Organizations For Economic Cooperation And Development
WLC	Whole Life Costing
MCE	Municipal Chief Executive
CIPS	Chartered Institute Of Purchasing And Supply
PMI	Project Management Institute
GhIE	Ghana Institution Of Engineers
GIA	Ghana Institute Of Architects

GhIS	Ghana Institution Of Surveyors
ITT	Instruction To Tenderers
MEAT	Most Economically Advantageous Tender
THREE “ES”	Economy, Efficiency And Effectiveness

DEDICATION

This research work is dedicated to God Almighty for His grace and sustenance on me throughout the study period, and to my Parents Mr. Kwamuar Delali Johnny, Mrs. Kwamuar Beatrice Senanu, and Kwamuar family, and my beloved Xorlali Dunu who inspired me not to relent in my endeavor to attaining a higher Distinction.

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CHAPTER ONE

GENERAL INTRODUCTION

1.1 BACKGROUND

In countries worldwide, enormous sums of money are spent through administration in acquisition of infrastructure, amenities and consultancy for the public. In UK, it is estimated that as high as 1 billion pounds is used up on public procurement annually (World Bank, 2003). In Ghana expenditure on public procurement sum up to around 14% of the nation's Gross Domestic Product (GDP) (Adjei, 2006). The Ghana Integrity Initiative (2007) explains Civic Obtaining as the means of acquiring goods, services and works at the optimum possible total price in which ownership is transferred from seller to the buyer in the correct measure and value, at the correct period, in the correct domicile for the complete profit of regimes, companies, or entities, usually via an agreement" (Wikipedia procurement website, 2007).

In Ghana like other countries, owing to the huge capital outlay in public expenditure, there have been increasing calls for incorporation of the idea of Value for money (VFM) in procurement systems to warrant efficient utilization of state resources (Barly, 1994). The concept has been recognized as one of the ways to address the current challenges of public procurement such as inflated project cost, bureaucracy, unfairness, discrimination and lack of transparency which leads to little output, inadequacy and forfeiture of state funds (Nketia-Asante, 2009). Penny (2012), described Value for money as raiding top equilibrium amid all three "Es" these include economy, efficiency and effectiveness. Economy can be described as decreasing the budget of properties aimed at a doings, per repute for upholding quality. Efficiency also talks about growing yield with a set of input, or decreasing

input for an assumed output, with respect for maintaining quality. The third “E” that is Effectiveness is well-defined as productively realizing the envisioned outcome from a doings (Penny, 2012).

The author further stressed out that VFM is not an instrument or a technique, but then a tactic of discerning about using assets soundly. Institute of Chartered Accountants of India (ICAI) (2011) in United Kingdom reported that VFM is frequently used as a structure for measuring cost efficiency through the public sector. A fourth “E” which stands for “equity” is used to guarantee that VFM investigation takes into account the significance of attainment needs of diverse clusters in procurement processes (ICAI, 2011). Thus, the concept of VFM is a key element in public procurement globally.

1.2 PROBLEM STATEMENT

The structure acquired through civic units like Municipal, Metropolitan and District Assemblies (MMDAs) remain vital in providing definite civic requirements in encouragement to advance the living standard of the universal community. A decent procurement must consequently have well-being realisation management, which will help attain worth on every cedi used up. Projects in addition to programmes can only be observed as fruitful if the planned needs and profits are become conscious (McCartney, 2000). The coming into been of the Public procurement (amendment) Act 2016, Act 914, most Public procuring entities argue that the provision of the Act alone does not necessarily help in the attainment of value for money to which is one objective of the Act under section two (II) sub.sec.15 meanwhile the PPA 2016, Act 914 was enacted to address weaknesses in public procurement. There are concerns on tender appraisal and assortment are founded on lowermost amount and not the best assessed amount. Job period, price, and communiqué are illy controlled in the Nation

thus resulting in Value for Money perception unsuccessful. The survey was sure arranged datum that civic buying bodies in the nation do not take privilege for procuring infrastructure which considers striking finest equilibrium amid the three “Es” economy, efficiency and effectiveness. The majority of public outflow packages of Ministries, Departments and Agencies (MDAs) and District Assemblies (DAs) comprise resources building procurement (Westring, 1997). Every development trendy civic procurement structure resolve consequently devour through significant influence in all whole financial state of the nation which end up in financial reserves leading to productivity of national overheads. Nevertheless, consecutive assessments plan discovered large inadequacies then settled that worth was not being attained on expenditure comprehended equally in management or patron funded projects (Ansah, 2014). Focus of the study is therefore, to assess the impact of the application of Act 914 in the achievement of value for money for public procuring entities using Ho municipal Assembly in the Volta region of Ghana as a case study.

1.3 RESEARCH QUESTIONS

Based on the problems identified the following questions were posed to guide the study:

- i. What are the elements of procurement in attaining value for Money?
- ii. What approaches are there, under the public procurement Act which seeks to promote value for money; and
- iii. What is the frequency of application of best practices and standards by public procurement entities to ensure value for money of procurement processes?

1.4 AIM AND OBJECTIVES

1.4.1 Aim

The aim of the study is to investigate the application of the concept of Value for money in public procurement processes in Ghana.

1.4.2 Objectives

The specific objectives of the study include the following:

- i. To identify the critical elements of procurement in ensuring Value for Money.
- ii. Identify the various approaches under the public procurement Act used to promote the achievement of value for money.
- iii. To propose the application of best practices and standards by public procurement entities to ensure value for money of procurement processes.

1.5 SCOPE

This research endeavoured to examine the concept of VfM as applied in public procurement in Ghana, focusing on Ho Municipal Assembly. The study looked at the significance of VfM in government spending, detailed on some of its implications for government activities in Ghana. The study also focused on the procurement of works at the Ho municipal Assembly in the Volta region of Ghana. The assembly was selected since it is the largest assembly in Volta region and one of the largest in the country. In addition, the study area was geographically convenient to the researcher. The study also looked at the extent of application of procurement elements of Value for money (i.e. Efficiency, Effectiveness and Economy) in the procurement processes of the assembly. Public procurement (amendment) Act 2016, Act 914 was central to the study. Moreover,

the study included all the personnel in the various departments who are directly involved in procurement activities at the municipality.

1.6 METHODOLOGY

Research methodology denotes the procedures that are adopted to achieve research. According to Gray et al., (2007) it is defined as the learning of the research processes, methods, philosophies, measures and tactics for meeting data, examining it, and inferring it. The data collection instruments were mainly questionnaires, unstructured interviews and review of contract documents. It also involved sampling techniques and statistical tools for organizing and interpreting both structured and unstructured data (Bryman, 2008).

The study would involve the collection of both secondary and primary data so us to be able to make meaningful discussions from the findings of the current study. The methodology adopted comprises an extensive literature review of the concept of Value for money and its application in national purchase processes. Ghana's Public procurement (amendment) Act 2016, Act 914 is a supplementary material to this study. The information was gathered from journals, publications, internet sources, books, previous thesis in this investigation area. The drive of the review is to help find the cavities in collected works and also find a suitable procedure for carrying out the rest of the work. The data collected from the respondents would be analysed using content analysis and SPSS software package. The data will be analysed into descriptive statistics such as mean, frequency, percentages etc. The results will be shown in the procedure of tables and graphs.

1.7 SIGNIFICANCE OF THE STUDY

Among the aims of the public procurement Act, is to bring reforms in the Ghanaian procurement system and ensures efficiency, transparency, value for money. Thus, the attainment of worth for cash spent is considered paramount for any attainment process, whether in the public or private sectors. The current study will be beneficial in the following regards: In the first place, the findings will reveal the extent of knowledge and application of the concept of value for money by public procurement personnel (entities) in the country. The procurement practices used by these people will be assessed to find out if they really help certify worth on expenditure. Moreover, findings of the research can inform a review of some provisions of the procurement Act to make it more responsive in promoting the achievement of value for money. The study can also be a foundation for data and an orientation manuscript for students and forthcoming researchers who would like to embark on further studies in related field.

1.8 LIMITATIONS OF THE STUDY

Due to the limited duration (time) required in undertaking the study; it was only the Ho municipal Assembly (HMA) which was used as a cased study. Ideally, the inclusion of more public entities would have been more appropriate selected especially when it comes to generalization of the finding. Moreover, several respondents remained unwilling towards given out certain data about their procurement activities for fear of been victimized by higher authorities or for the fear of their information been published in the media.

To address the above challenges, the researcher obtained an introductory letter from the Head of the institution to aid him explain to all identified members of the population that it's for academic purpose only. Moreover, various techniques ranging

from questions, interviews to document appraisal were adopted to gather the data. Finally, for every respondent, the purpose of the study was well explained to them. They were also assured of the confidentiality of the information they provided.

1.9 STRUCTURE OF DISSERTATION

The research work has been divided into five (5) sections as follows:

Section one displays an overview to the work by briefing on the contextual and report of the research problem. It points out the overall purpose and goals of the study, the scope, methodology, justification of the study among others. Chapter Two reviewed pertinent literature on civic procurement and the theory of value for money. The review was then narrowed down to the Ghanaian Public Procurement Act 914. This section is meant to help recognise the breaches in the existing works and thus grow means to discuss them. Moreover, the review will also help to describe a suitable procedure for mission the present survey. Chapter Three involves Research methodology encompasses research data, study population, specimen procedure, sample size, data gathering tool and data investigation. Chapter Four comprised deliberations on the fallouts. The outcomes of the work were reported on in this unit. The relationship between the discoveries of the current learning and existing works were established. Chapter Five looks at Conclusions and recommendations that were made at this stage of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter lays emphasis on the literature appraisal of the subject. This chapter analyses prose on the matters of the theory of value for money and Public Procurement. In this chapter, the researcher reviewed existing literature on concept of value for money as applied in Civic Procurement in Ghana and then presented a theory which guided the study.

2.2 THE CONCEPT OF PROCUREMENT

Civic acquisition is typically precise as the attainment of consultancy, facility and infrastructure through contractual framework, funded wholly or in share from national purse (World Bank, 1995). It includes selection assessment and dire issue of “make or buy” choice which might lead to the delivery of facilities and amenities in a suitable situations (PPB, 2003). Procurement is the procedure of buying, hiring or

attaining works, properties and facilities on a reasonable cost in the correct amount and excellence, by the correct period, in the correct domicile aimed at thru profit or for national usage, companies, normally via a pact' in agreement with the Public procurement (amendment) Act 2016, Act 914. From this time administration pledges to economic self-control, liability, clearness, moral behaviour and actual administration of civic attainment of worth for national expenditure is authoritative. This becomes portion of the basis in areas the rough guide of the Public procurement (amendment) Act 2016, Act 914 in the nation to control public expenditure so as to get value for money nevertheless, this amount has remained incredulous with certain problems in expenditures, communiqué blockages, administration and over-all interruptions in the procurement processes. According to Waara (2007), Public Procurement is any procuring achieved by any public expert inside the usual area or inside the services area. According to Sarpong (2007), procurement is the running of workable achievement of goods, works and services to enhance value for money in a complete an expert, auditable and clear outline. The public procurement rules relevant to acquiring units also hinge on the entire acquisition value is finished or beneath the so-called "threshold values", which vary as respects properties, facilities and building works. For procurement to attain its aim it has to be carried out in a professional way and in an economic manner. Global knowledge proposes four fundamental philosophies upon which procurement scheme is founded (World Bank, 2003).

- Make best use of best low-cost and effectiveness.
- Endorsing competitiveness and allowing supreme contribution from dealers and contractors for the provision of supplies, infrastructure and consultancy.
- Reasonable and unbiased handling of all dealers.

- Transparency in events and limiting chances for dishonesty and collusive doings.

2.3 THE CONCEPT OF VALUE FOR MONEY AND DEFINITION

A rising quantity of regimes are adopting Public-Private Partnerships (PPPs) to acquire set-up. Governments go into PPPs for a range of motives. However, for many administrations the possibility to attain superior “value for money” than other procurement and conveyance models is an imperative (World Bank, 2013).

2.3.1 The concept of value

A good understanding of VfM is important. What is meant by the terms ‘value’ and ‘adding value’. According to Morwood et al. (2008), price is what you pay, value is what you get. In recent times people know the price of everything and the value of nothing. Langford (2007) opines that value has economic, cultural and social relations. A pioneer Ricardo (1817) establishes that the value of a commodity remained the amount of labour needed to produce it. The value of all commodities is proportional to the amount of labour applied to manufacture. In MMDAs, value is the relationship between functionality, user satisfaction and cost. According to Blockley and Godfrey (2000), some values are hard and some are soft. The worth of hard values is more easily measured whilst the worth of soft values are often partly personal, partly shared and can be difficult to measure dependably. Money is a determinant of degree of worth but worth is not automatically shown in relations of money (Barton, 2010). Value is actually the main purpose of project management. The nature of value is a subject of much philosophical study although in practice it is universally recognised as value for money. Furthermore, value could be recognised as not just fitness for purpose at an established price in a apt way but then also as providing that imperceptible deliverables for associations that can comprise

superiority in excellence of relations, control, knowledge, ethos and ethics, status and faith. In addition, Walker (2012) suggest that worth is a mix of the 'iron triangle' of piece procedures described earlier composed per prospects of expected distribution of laxer and regularly unspecified essentials.

2.3.2 The concept of value-for-money (VFM)

Value for Money (VFM) usually denotes acquiring of minimum-price choice. Green procurement lengthens the meaning to comprise lifespan sequence charges and every relevant feature including excellence supply for usage, and suitability to meet tenacity, appropriateness, suitability and capacity of merchandise to improve national aims. Philosophy of value for money anxieties not solitary on attainment, value/charge but then also considers proficiency and usefulness of an obtaining procedure. Value-for-money (VfM) in simple rapports, means receiving a decent contract from civic expenses. VfM is one vital issue to be measured when design strategies, sequencers and schemes and when attractive any verdicts linking the use of public assets. In procurement, VfM may be defined as the best blend of entire lifespan charge and excellence of works or facility to satisfy final consumers requisite (Walker and Rowlinson, 2010). That is VfM syndicates cost, quality and sustainability to achieve client requirements. The theory is typically used in public procurement using state purse. It tolerates all facets of organisation of public assets in all procurement cycles. This is the means of discovery of answers which attain the best combination of class and efficiency for the smallest expense. VFM can be further cost operational to purchase an extra unfailing facility or an improved classic asset with lower upkeep costs and a lengthier working lifespan. In this setting, cost earnings thought entire lifespan charge excellence funds summit a requirement suitable to use and enough to satisfy end users necessities; and sustainability stand for financial, public and ecological profits.

In most public institutions in Ghana, especially among MMDAs a large number of fiscal decisions trailed to obtaining procedure e.g. anywhere principal development needs to be procured. In Britain, the pressure from government to reduce expenditure in the public sector, and in local government particular, the term value for money is widely used in current speeches (Zain, Subramaniam and Goodwin, 2004). The term VFM has some appeals in public sector procurement. The general appeal of the concept VfM stems from the fact that the ordinary citizen never likes to pay rates or taxes and it gives room to a manner in which government income is spent (World Bank, 2003).

Basically, the upsurge of VfM in local government has been great public concern in recent years about the basis for raising income and the manner in which it has been spent. Over decades the whole system of local government finance has been investigated and occasionally severely criticised, but only in recent years that attempts are made to define and therefore maximise VfM which lies at the root of many spending problems (Dawuda, 2010). The dissatisfaction with the manner in which government income has been applied; an attempt to improving its use has been officially attached to the term VfM in the government environment and has indeed been the subject of legislation.

2.3.3 Essence of Value for Money Assessment

VFM measures if or not management gets supreme profit on works, properties and facilities it attains, inside the assets accessible to it. Value for money' is to assure premium results possibly are become as money is spent. One essence is to determine extent of the entire lifespan cost and value of projects meets the purchaser's necessities. It reflects on the amount of the element or facility bought Value for Money (VFM) examines serious extent of competence in obtaining productivity and result. VFM improves passivity to planned and combined tactics to procurement

(PPA Manual, 2006). This, of course, has important structural and official effects. It safeguards the Public Procurement Act and Regulations remain not co-operated. Procurement roles are vital test alongside which all worked procurement organization must be given a lecture to defend a procurement result as essential circumstances leading to greatest worth, limpidity and answerability in civic earning (World Bank, 2003). This related to placement of capitals aimed at recognition of roughly predictable worth of financial, effectual and operative way. The buying experts must unceasingly add value to their piece and novelties needed to bring better value to the procuring body. Hence, public procurement experts require distinct services and gen to capably and well run the procurement course whiles public bodies endeavour to inspire procurement staff in relations to compensation and well state of service.

2.3.4 Value-for-money in Ghana

In Ghana Public procurement represents between 50% -70% of the state economic activity and around 14% of Gross Domestic Product (GDP) (Adjei, 2006). Information from World bank report show that annual wealth of civic expenditure for consumables, infrastructure, and facilities amounted US\$600 million (World Bank, 2003) this indicated spikily 14% of national (GDP) and forms an even greater element in national economies. Many economic activities particularly in Ghana naturally fell into the category of public utilities such as Ports and Railways and, of course, roads and irrigation systems. Naturally, central government, local government, the public and other state institutions have developed particular forms, taking some account of local political and social conditions. Everywhere in central and local government and in other parts of the public sector the problems of providing VfM are serious. Hence the concept of VfM to be considered in all public

institutions' projects and activities since the process is much more valuable in our social context.

2.3.5 Functions of Procurement Unit

Procurement outfit is one of the important work stations in the institution, precisely that of the public sectors, because it is accountable and answerable for all actions concerning purchases in the institution as it ensures cash and treasured assets that the outfit has are used effectively for their planned rationale. Hence the outfit is around to administer the tactical stuffs fit to the institution. Lamming and Cox (1999) recognized one of the skills of procurement experts is the capability to acquire (by possession or rheostat) or those resources that will permit the firm to suitable and accrue worth (profit, for itself. According to Lyson (1993) purchasing remained normally considered as any usual office task, nevertheless he drew two vital parts which takes lots of private and public divisions to identify procurement as a crucial action. These are: Professionalism and Profitability in Procurement. The term profitability has a wider sense than economic increase and complete to conceal all that is beneficial to the firm (Lysons, 1993). Profitability can be enhanced in all organisations by guarantying that the rate of purchased materials, works and services are beneficial to the institution, achieving value for money, resourceful obtaining identifies the difference amid prices and value. (Lyson 1993).

According to Lyson (1993) the development of professionalism in purchasing has brought about growth of organisations affected by endorsing the idea of professionalism, such organisations comprise Institute of purchasing and supply, UK, to which national purchasing association all over the world are allied.

2.3.6 Approaches adopted to ensuring value for money in Public Procurement

The Public Procurement (Amendment) Act 2016, Act 914 highlights the vital goals of outstanding procurement are to acquire the right worth of goods, works or services from a reliable dealer in the right quantity certifying cost efficacy; sent at the right time; to the right place; in the right quantity and at the right price whereas attaining the lowermost whole charge. In the achievement of the purposes of a decent procurement scheme, the following dynamics are of utmost status:

- ✓ The procurement activities of the institution should aim at achieving VFM.
- ✓ VFM in the institution should serve as a check on unplanned procurement activities.
- ✓ The procurement officials of the institution shall be professionals and experienced in the field of practice.
- ✓ Management have to regularly appraise its procurement activities to ensure VFM.
- ✓ Procurement activities should ensure that the institution links its budgets to procurement plan so as to achieve best value on money spent.
- ✓ The institution should have a policy on VFM for procurement activities.
- ✓ The institution plans annual procurement spending against its budget of income and expenditure to ensure VFM.
- ✓ Procurement activities are carried out in an economic, efficient and effective manner such that it reduces corruption and improves service delivery of the institution leading to VFM.
- ✓ Procurement entities liaise with Public Procurement Authority always for timely and require procurement information.

- ✓ Procurement activities of the institutions are always assessed annually by the Public Procurement Authority.
- ✓ Management should support VFM objective of the institution.
- ✓ Procurement activities in the institution are simple and timely resulting in VFM.
- ✓ The institution applies fair and transparent rules for the selection of tenders.
- ✓ The institutions procurement activities are established through competitive processes and negotiations.
- ✓ The institutions shall pre- disclose the selection criteria to tenderers and to forbid the procurement entity to change it, once the process has started.
- ✓ Criteria for the selection of contractors should be set and agreed by all the parties.
- ✓ Regular procurement audits and monitoring for the compliance with procurement activities in the institution.
- ✓ Strong or consistent enforcement of the prevailing rules and regulations.
- ✓ Mechanisms of enforcement should not become a barrier so as to make the system insufficient, bureaucratic and costly.
- ✓ Punitive sanctions to procurement officials who fail to comply with the procurement activities in the institution.
- ✓ Procurement contract documents should be stated in simple language devoid of different interpretations requiring revisions and reviews.
- ✓ Supplier, Contractor and Consultant who attempt to influence procurement process should be sanctioned and debarred from government of Ghana contracts.

2.3.6.1 Stores departments

Well established Stores Departments must be in place to serve as check on procurement activities, leading to VFM. It liaises with management and procurement unit to prepare annual budget for both allocated and unallocated stores. It inspects, receives, stores and issues goods, works and services. It also serves as the originating department for procurement of stock items.

2.3.7 Measuring value-for-money

There are identified numbers of important elements and proposed framework to assess potential techniques for measuring VfM. The measurement methods vary mostly in their skill to ration what materials. Dawuda (2010) has expounded exact answers to assessing VfM. A joint answer is to ponder on the excellence of checking and appraisal, fiscal reportage and structural efficacy. Though these answers are not entirely speaking the vital basics recognised to quota VfM, nonetheless essential steps to gaging it on the production equal. Additionally, VfM theory can be used to numerically quota result and bearing with great heights of participation and at a comparatively low cost in public projects and services mainly focusing on economy, efficiency to effectiveness.

2.4 ELEMENTS OF VALUE FOR MONEY

According to Barnett et al, (2010), the assessment of VFM includes investigating all of the three (3) elements namely economy, efficiency and effectiveness, classifying the relations amid them and drawing deductions founded on proof around how well they do together. Other elements such as quality, cost, and fitness for purpose, timeliness, convenience are also important. In lieu of procurement to attain its objectives, it must allow these rudiments; Professionalism and Value for Money (Economy) to operate well. Amusingly, the descriptions likewise denote to an ideal

equilibrium, as compared with a 'maximum' output ratio, signifying that it is not the instance that the low-cost choice continually signifies superior value for money, and pointing to the alteration of inputs-outputs and outputs-outcomes as the topic of real interest in value for money rulings.

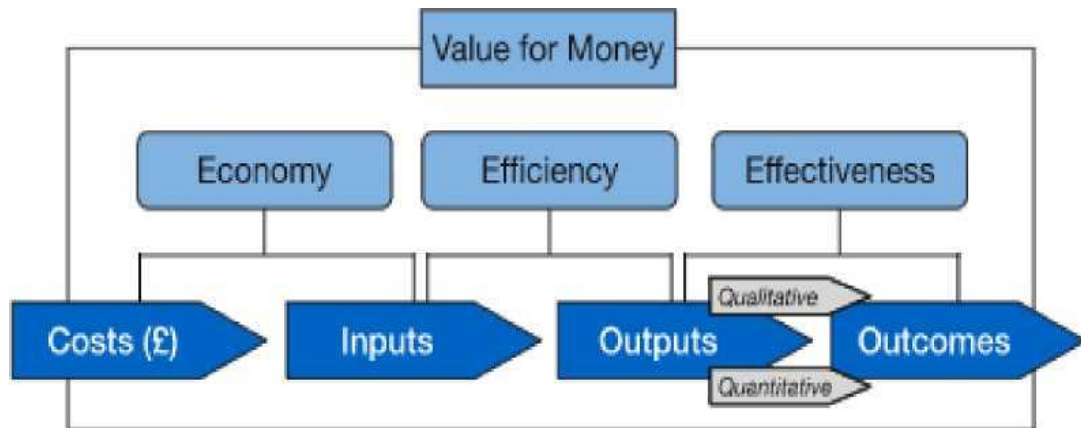


Figure 2.1: Defining value for money

Source: (Audit Commission, 2010)

2.4.1 Economy

This is a ration of what drives into providing a service. This is to save a cautious, financial and resourceful usage of public assets at a sensible cost. Value for money is not about attaining the lowermost original price. It is well-defined as the optimal blend of total lifespan expenses and excellence. Unit costs inputs are typically used as a monetary ration.

2.4.2 Efficiency

This is a degree of output which contracts with how ample you acquire out relative to what is place in effectual public procurement structure functions in a judicious way, through least officialdom, although acting sensibly to the requests of the final consumer of the need acquired. Efficiency is often regarded in relations of the best quality at the lowest cost. Which is best held through open competitiveness.

In Ghana efficiency in Public Procurement is to convey procurement events in a specialised and translucent atmosphere with a vibrant set of predefined instructions to stand-in improved competition thus inspiring competence and novelty between buyers.

Thus, public units must be signified by able workers proficient of hitting the Public Procurement (Amendment) Act 2016, Act 914 into repetition to reach efficacy and value for money.

2.4.3 Effectiveness:

Qualitative and quantitative procedures of upsurge or reduction in results that display that an agenda ‘is real in bringing its planned purposes’. This inspects the association amid productivities and results.

The role of pointers in value for money valuations advocate a major role for pointers in VFM valuation since they deliver a degree of output’ (efficiency), and ‘qualitative and quantitative procedures of upsurge or reduction in results’ (effectiveness). Clearly, then, the quality of these pointers and the convenience of statistics to care dimension of growth against them have vital effects for VFM.

2.4.4 Professionalism

It’s the discipline whereby refined, knowledgeable and liable procurement captains sort informed decisions regarding purchase operations. The role of procurement professionals is grave to Ghana’s monetary growth. This acknowledges the fact that Public Procurement Authority focuses its assets on the preparation, expert growth, advertising and sustenance for entities that are involved in public procurement to warrant loyalty to skilled and moral canons (Adjei, 2006).

The buff attains these by developing measurements Improvement Strategy Daily which intended at warranting that:

- Every Procurement unit has an operational Procurement entity which is controlled through experts who are qualified and exhibits competencies, and follows all code of integrities.
- Professionals in the field as public servants should have career paths in procurement and prearranged prospects to improvement professional procurement credentials.
- Establishment of a Procurement Professionals Association.

2.4.5 Transparency, Competitiveness and Fairness (Equity)

This is a vital facet of warranting accountability and abating corruption, and has grown fame in firms for Economic Cooperation and Development (OECD) countries. Transparency is a core governance value (Smith-Deighton, 2004). Transparency ensures that equal rules relate to all dealers of contracts and that these guidelines are shown as the foundation for procurement choices preceding to their usage. To avoid bribery in the civic procurement structures it is essential to circulate calls for bidders, alerting pact awards in the media, plus the fruitful bidder's name and final price, and making award standards more clear and liable. These are some of the plain values of transparency in state procurement which straight touch crooked practices (Evenett et al, 2005). Effective appraisal of tender official papers; the publication of award outcomes; fair and speedy protest and dispute resolution handling processes and the disclosure of signed contracts; and the use of sovereign appraisal systems, which are reliable with the terms of tender documents.

2.4.6 Accountability

The theory of accountability does not solitary smear to the state sector (Barrett, 2000). The Panels of private sector firms are also liable to their investors (Hughes, 2003). Accountability can be clarified as the method of allotment a discrete or a firm fully liable for all facets of the procurement practise over which they apply power. The spirit of responsibility is to reinforce the insight of transparency and fairness. It decreases the occurrence of bribery and applies the Act 914 and regulatory framework which clearly defined responsibilities (PPA Training Module 3, 2007).

2.4.7 Ethics

This is one more key code of procurement anywhere Buying experts are detained to advanced values of ethical behaviour than folks in other professions, yet some do not even know what is anticipated from them (Atkinson, 2003). Ethics is concerned with moral principles and values which rule our politics, activities and choices. Moral method suggests model tactic to all procurement courses that cannot be quizzed. For example, tolerant or demanding cash, travel, meals, theatre, gifts, favours, discounts or anything of physical value from tenderers or potential tenderers or discussing or accepting future engagement with a bidder or potential bidder is one of the behaviours banned by Ghana's Public Procurement Code of Ethics:

2.4.8 Technology

Electronic procurement transactions upsurge transparency and practical competence deprived of bias to competition (Hill, 2005). The advantages of electronic procurement include: an upsurge in contract obedience, leveraging the procurement spend, amplified participation of staff, and lesser handling charges. The lack of a business electronic procurement system in state firms, means analysis of expenditure

on a macro-economic level will be found difficult. Electronic procurement transactions bids the potential of reducing expenditure and streamlining clerical processes. In Brazilian, it has allegedly ran to major cost stashes and an upsurge in the transparency and accountability of state firms (Almeida, 2004). Electronic procurement can also care well for geometric reportage, improved transparency (Wiseman 2000). However, realizing these novelties in Ghana involves high cost of structure expansion, and training personnel in the state firms.

2.4.9 Whole Life Costing

Flanagan et al. (1989) recognised that Whole Life Costing (WLC) is a fiscal appraisal method that involves the valuation of the entire cost of an asset above its effective lifespan, plus preliminary principal outlays, preservation charges, operative overheads and the charge or profit of subsequent disposal at the expiration of this one's lifespan. It might likewise be supposed to be the overall charge of possessing an asset above its full lifetime. Total lifespan charge comprises every expenses such as project and production charges, operational charges, allied funding charges, devaluation, and discarding expenses. Whole-life charge likewise receipts definite charges which remain generally unnoticed into account, such as ecological effect and public charges. The Cyprus Procurement Directorate (2008) shows that whole life estimation of an article can be largely alienated into three classes: procurement, operational and discarding charges.

- Procurement charges are gained for things bought.
- Operational charges are gained as an effect of truly consuming the thing or caring for it (conservation expenses).

- Discarding charges are gained on discarding or once allocating through spot pollution or further injurious things. There can likewise be certain revenue which will be grasped on discarding if the resources through a resale or left over worth. This plus several leasing revenue once resources remain not in usage can be balance of beside the charges in decision of the entire lifespan charge.

2.5 IMPLEMENTATION OF THE VALUE-FOR-MONEY APPROACH

For government, as well as in some other state entities such as MMDAs, the Public Procurement Act 2016, (Act 914) it's obligatory for the Controller and Accountant General and the Auditor General to appraise the economy, efficiency and effectiveness as respect of government expenses. For local government, under the same Act, the auditors of local specialists are obligatory to be content that the organisations concerned have finished good preparations for safeguarding that economy, efficiency and effectiveness in the submission of assets have been attained (Kotoka, 2012). Against this difficult background, the National Development Planning Commission (NDPC) in collaboration with the MMDAs have taken it upon themselves to ensure that the three criteria of economy, efficiency and effectiveness which must be separately defined are applied to the latter regarding MMDAs projects. Policy makers at the local level nevertheless must decide what best provides the values or satisfactions to the particular community they serve.

Clearly while it is difficult enough to identify the values recognised by individual people, it is much more difficult to identify the values of a group of people in particular communities, and certainly impossible to measure them.

2.5.1 Achieving value-for-money in metropolitan, municipal and district assemblies

The five basic pillars of a healthy-performing procurement fiduciary managing' are all articulated in Ghana's Public Procurement Act (World Bank, 2003). The procurement reforms of Ghana are not, of themselves, adequate situations for the attainment of VfM. Kotoka (2012) admits this point and calls for better pact supervision and superior expertise in the procurement sector. The sole dependence upon the out-dated approaches and the use of mostly price-based supplier assortment standards appear to be vital mistakes when dealing with social projects or public projects and services (Palaneeswaran et al 2001). There are discrepancies in procurement systems descriptions and vocabulary. The spread of procurement schemes and the transfer methods, at its smallest size, are a replication of the purpose of the world-wide edifice industry to stride towards a happier upcoming and to speech long-known and known glitches. An organised tactic bearing in mind all procurement preparations and scheme transfer modalities is measured the finest mode to protected VfM in MMDAs. Nonetheless, these procurement systems and distribution systems are classic and through coherent request can donate to the insight of Ghana's search for VfM in state ventures, especially that of MMDAs.

2.6 VFM CONCEPTUAL FRAMEWORK

This section talks about the conceptual framework of VFM.

2.6.1 Crucial Mechanisms

Value for money inspects best connexion amid prices/capitals and paybacks/results carried over procedures which convert efforts over and done with events into productivities which remain essential and enough to cause products.

2.6.2 Measures

VFM is enhanced finished thought and consolidation of budget, proficiency in addition worth procedures. It helps control and safeguard expenditure, correct and astute ingesting the best way we can. The equilibrium amid this three processes nonetheless not the complete equal for apiece of them signifies the best way to decent VFM. This important view meanwhile, suggests that in tough settings, a sensible result might solitary be attainable at a fairly tall contribution charge.

2.6.3 Transformers

The best equilibrium for the 3Es needs the featuring of setting, danger and expectations which usually bounds on efficiency, competence and budget. In relations of transformers, present are imperceptible charges and advantages to influence rulings on VFM. In totality, in all agenda endings, VFM rulings are through at the onset would want to reflect not solitary on presentation counter to strategy but accidental charges and profits.

2.6.4 Donor part

These are important trials to encounter in decisive in what way to quality prices and profits once creation worth of cash decisions. This constituent of the VFM charter is a cue that the ascription or input inquiries essential to be responded at all VFM rulings and that pretentious a pro-rata right on products founded on efforts might be also simple an tactic.

2.6.5 Sureness heights

Statistics superiority is important portion in at all VFM ruling. This in detail is related to in what way clear moulds stand complete around dependability, significance and sturdiness of the facts customary charity and extra openly is related

in what way subtle VFM discovery shall remain to variations slightly moulds complete. The final fact is of exact significance to the choices aimed at gaging VFM in a supremacy setting as clarified in the choices examination underneath.

An amount of choices stood measured by an opinion to arbitrating in footings of:

- In what way fine reinforce the ‘crucial gears’ is in the agenda?
- At what degree did they arrest and improve events of budget, competence and usefulness
- In what way did they endure related peril and postulations?
- Whether they contract through ascription queries strongly
- How vulnerable they are to deprived facts, superiority or related facts hypothesis

2.6.6 Choices for VFM Development and Valuation

Founded on the VFM values exhausted as of contextual and refining on the logical agenda overhead, a perfect bestowing four choices for refining and measuring worth aimed at cash stood industrialised

2.6.6.1 Choice A: Enhanced Grades Founded Administration (EGFA).

Developments in EGFA and extra scheme organisation procedures are cast-off to validate better VFM.

2.6.6.2 Choice B: 3Es Assessment and Premiums Method

The main procedures related by procedures such as Budget, Competence and Usefulness stand known and castoff to degree agendas; and wherever these procedures and trials should be slanted to echo their virtual status.

2.6.6.3 Choice C: Tendencies Examination

This is appraisal of growth in contradiction of pointers is castoff to amount usefulness and in which starting point, boards and original tendencies are entirely taken into thought.

2.6.6.4. Choice D: Price Profit Examination

This is anywhere results remain monetized and fiscal substitutions are presented in instruction to type a straight contrast amid charges in addition to the monetary worth of profits. These choices are snowballing, edifice upon apiece extra and systematic since an aptitude to prove that we achieve what we prepare with VFM in cognizance to an aptitude to amount (then liken) the worth we produce with the cash we spend.

2.7 PUBLIC SECTOR PROCUREMENT

Procurement of MMDAs projects and services entail the investment of large sums of funds. As a result, in all MMDAs projects expenditure, demands are made to show that value is being obtained for the expenditure incurred. Official buying of works need to be satisfied that the best achievable result would be attained taking into account wholly connected prices and assistances done the whole procurement sequence (Kotoka, 2012). The process of make sure worth for cash is unique of the three determinations of the Nation-wide Procurement Policy. Organisation attaining essential to reach the premium income and concert for the money existence rewarded. Value is not the solitary indicator of value (Kotoka, 2012). This emphasises on achieving best outcome for capital expenditure project undertaken rather than minimising capital outlay. The question arises ‘Is VfM best served by the, so called, competitive tendering process?’ There is a deeply held view in many

public bodies and also in some sections of the private sector that VfM is best achieved, or in the extreme, can only be achieved, through a procurement model that involves a competitive tendering process and contract.

2.7.1 Concentration in Procurement

Procurement is exclusively united when each significant selections on what, how, when, to acquisition of properties whichever by exposed tender or through discussions remain measured by an unit's cranium headquarters or a central public element excited by the duty to attain supplies to realise need of the organization such as the Public Procurement Authority. Dimitri et al 2006 supplementary that countries such as Mexico (1996), and further governments in Latin America accepted federal obtaining schemes. Procurement in the fitness zone is not absent when the securing of drugs are complete debauched temporarily green procurement rules is proposed at gaining goods through trivial or not at all result on the environs meanwhile civic obtaining indicates a big share of nation-wide economical together progressive and developing states like ours. Benefit of concentration in obtaining shelters productivity, (reserves and charge control), higher negotiation power, Merchandise calibration, Checking dealers act and the realization of value for money. Etc. (Dimitri et al, 2006).

2.7.2 Regionalization scheme of procurement

It is the differing of federal as distinct or native organisations are proxy reign to select in what way, what and when to obtain. Yet education spectacles that when organisations cultivate greater, treatment the outlays of devolved passages developed rough. That is why the vital edifice is company ended the eons in America, UK, and

Asia. Likewise it was discovered that central procurement is worth to defend 15% - 20% on procurement of materials and facilities. Meanwhile the central edifice of purchasing proposal all civic portions frequent things aimed at a usual epoch of period at an promised (typically renegotiable) charge. Civic detachments are inspired to assume such pact edifices when it aids to obtain materials, facilities and services at unsure charges which support to achieve worth for cash. (Dimitri et al 2006.)

Hitherto it might not stand diverse in the nation as it has not combined all buying procedures nevertheless, the route of the Public Procurement Amendment Act 914 (2016) and creation of the Public Procurement Authority (PPA) assist in caring completely procurement pacts in our nation. Ho Municipal Assembly adopts both centralised and decentralised procurement systems in carrying out its day to day activities. In an economic, efficient and effective manner it blends these to achieve best value for money spent.

2.7.3 Procurement, a Factor In Achieving Value For Money

According to Agyemang, (2005), procurement includes the whole headway of attaining material or amenities. It instigates when an activity or Bureau has recognised a lack and stanch on its gaining requirement. Procurement remains over the actions of jeopardy estimate, following and measuring extra keys, pact award, supply of work and imbursement for effort or amenities prepared and whole to the final, removal of factual at the end of its appreciated life expectancy. An energetic portion of the procurement series which lingers checking and valuation of everything acquired. The nation has industrialised and publicised Procurement Act legislated and passed through the Parliament in 2003 and must be acclaimed for. The following stage would be its use in the arena for efficiency and effectiveness reinforced by

pragmatic, apparent and answerable audit practise. A very noteworthy component in the 'procurement' cycle is 'value for money' as preserved in PPA 663 of 2003 and carefully compulsorily to be observed by all civic workers positioned in workplace to obtain properties and facilities on behalf of the Government. 'Value for money' is the essential code basis of Government procurement. Value for money is improved in Government procurement by encouraging competitive procurement processes in non-discriminating manner and endorsing usage of capitals in a financial prudent sense to achieve fiscal, resourcefulness and moral. Expense is not the solitary conclusive mouth in determining worth of cash. The substitute obtaining procedures, an entire lifespan charge valuation of the scheme bearing in mind influences such as prime of life of the flea market intended for the ventures or facilities required; the presentation times past of apiece potential supplier; the comparative peril of apiece offer; the plasticity to regulate to likely differences above the lifespan of the venture or facility; fiscal deliberations plus entirely relevant straight and unintended paybacks and overheads above the entire buying sequence; the predicted value that might be gotten, or charge that might be sustained at the point of discarding and the assessment of agreement choices. All likely bidders must consume the equal chances to contest for national corporate and necessity, focus to the usual strategies in the Procurement Act and remain preserved justifiably founded on lawful, marketable, mechanical, and fiscal aids, and not on the grade of radical association or tenure, setting, background and magnitude. In petite, it can be potted that the obtaining procedure itself is a significant worry in attaining worth for cash. Procurement procedures impose expenditures on management, interventions and possible bidders. The charges must be measured once defining a course proportionate with the measure, opportunity and comparative danger of the planned obtaining. For the

Procurement Act to function to accomplish constructive results, proper routine dimension of such bureaucrats want to be founded by smearing crystal clear and responsible inspections (by truthful peripheral secluded organizations) through little periods of equal intervals (quarterly) where applicable.

2.8 COMPETITIVE TENDERING (SECTION 35 and PART V OF PPA 2016, ACT 914)

Tender denotes official proposal to source for materials of a settled value. From a purchase viewpoint competitive tendering is a procurement method in which probable dealers are asked to create a secure and clear proposal of the amount and conditions on which they determine resource stated goods and services, which upon receipt, will be the foundation of a succeeding contract (Lysons and Frrington 2006). Tender is usually founded on specification of supplies provided by the buyer nevertheless a substitute is to invite dealers to succumb a key and an amount to a challenge founded by the buyer. It is clear that tendering is founded on principles of competitiveness, fairness and accountability, transparency, openness and probity once the entire procedure is meant at safeguarding best value for money and not inescapably lowermost amount. In response to the above declaration Dimitri et al (2006) reverberated that though it is competitive procurement (open bidding) it is unbolted solitary to befitting contractors to assure decent contracts effecting.

2.8.1. Competitive tendering methods

Per section 35, 36, and 38, of the public procurement Act 914 (2016) is the numerous means of competitive tendering. Hence competitive tendering which is made up of International, National, limited tendering and two (2) stage tendering. Domestic competitive tendering concerns acquiring locally engage state modest proffering

measures. (Section 44) even though Global competitive bidding is active for huge amount indenture which invite external suppliers owing to unobtainable close by or cannot be provided on justification of methodological and extra capabilities composed through monetary restraint. (Section 45).

Limited bidding is approved out for details of budget and competence and focus to the endorsement of the Panel involves in procurement by income of controlled bidding. (Section 38) If goods, works or services are accessible solitary since a restricted figure of dealers or servicers. Formerly likewise if the period and charge obligatory investigative and assessing a huge figure of bidders is uneven to the worth of the goods, works and services to be acquired.

Choosing competitive technique of tendering the actual instrument for guaranteeing value for money, a study done by Dimitri et al (2006) showed that the procurement expert is faced with two main choices. Principal is the competitive tendering plan to accept and quantity of deal lots. The competitive tendering plummet in two key classes Sealed-bid tendering and dynamic reversed auctions, with the sealed bid tendering, dealers submit proposals deprived of detecting the offer finished by the ally's whiles in dynamic auctions amounts are revealed in the process of the race so that dealers use the chance to outdo their competitors before the auction come to an end. The likely challenge with this system is that it can last for long. (Dimitri et al (2006) If handled professionally, it helps the procuring entity to make gains, hence the attainment of best value for money spent.

2.9 THE RELATIONSHIP BETWEEN COMPETITIVE TENDERING AND VALUE FOR MONEY

According to Malcolm (1994) the system of possession takes important facet which distinguishes firms, as the civic society enforces duties with detail to public accountability which clue to suggest systems of bidding and suggest strategies in the direction of dealers' assortment. In total, he ricochet that the national lawful supplies and state rules concerning competitive tendering processes is augmented by edicts of the European public and by guidelines emerging out of Overall Contract on Rates and Profession (GATT) are clear ways of confirming value for money in civic area. Thus procurement systems for getting competitive proposals composed with the usage of conveyance strategies are understood to be the itinerary to monitor in edict to attain top value for the obligatory buyer can acquire a set of worth which represents structures of excellence, distribution and amenities and prices.

The Chartered Institute of Purchasing and Supply (CIPS. 2011) circulated that the costs power of civic sector initiative is huge as it pursues to deliver high variety of public facilities like infrastructures, Colleges, health care, crisis facilities etc. hence focus to orders, needs those figures to use the open bidding processes, which shows they have to publishes the offer to bidder rendering to clear instructions intended to protected supreme publicity.

Finally it can be envisioned that competitive bidding processes have countless connexion with value for money, it overlays mode for the buying firm to choice and examine the finest amid the share smooth yet it is time intense nonetheless the firm is guaranteed of receiving the finest dealers to proposal at competitive cost henceforth

realisation of value for the money. Hence the close association amid value for money and competitive tendering.

2.10 THE IMPACT OF THE PUBLIC PROCUREMENT ACT 663 ON PROCUREMENT

The Public Financial Management Reform Program (PUFMARP) in 1996 was announced by Administration through the objective of ornamental community fiscal running usually in the Nation. The Public Procurement Act 914 was voted for to go with civic attaining procedures in the civil service, protected careful, monetary and effectual usage of national properties, and moreover, safeguard that civic obtaining is just, clear and non-biased (Ministry of Finance, 2001). The representation of the law in 2003 additionally certified that contemporary movements in procurement is assumed to convey around the ample desirable stability to indigenous procurement scheme which obligated faulty by corrupt procurement performs such as bribery and other malfeasances (Osei-Tutu et al., 2010). In Ghana, public procurement accounts for 50%-70% of the state funds, 14% of GDP and 24% of imports. Indirectly, civic obtaining consequently has in cooperation communal and financial influence on the republic (World Bank, 2003a). Snowballing the efficiency, competence and clearness of procurement systems is a continuing anxiety of managements and the global growth in public. every republic have accepted that growing the helpfulness of the usage of civic coffers, as well as moneys delivered through certified growth help (ODA) necessitates the reality of a satisfactory state procurement system that sees global values and that functions as planned (Adjei, 2006).

2.11 GOOD PRACTICES AND IMPORTANCE OF PROCUREMENT

According to Public Procurement Authority (2006), Public Procurement has a straight effect on the succeeding; the fruitful distribution of national schemes and civic facilities, complete civic monetary administration by attaining value for money in administration outflow, plummeting exploitation, additional rivalry, financial reserves, decrease commitment planes, besides inspiring secluded area. Public influences of civic procurement comprise improved reverence for rule of law, better public sector services, better forecasts of attaining other management aims, improved contact by indigenous marketplace to national pacts, and improved status for government organisations. This is a signal that procurement has multi-dimensional standing which scratches crosswise all provinces of lives. Governments of evolving nations need to safeguard that they instrument procurement laws totally and eliminate all blockages so as to attain this status as specified by PPA. A research led by PPA shown that the Government of Ghana can save about 25 percent of its local income as of judicious public procurement performance and it decreases government spending. There is no hesitation that public procurement scheme in the nation is in conformism per global finest practices.

2.12 MERITS OF PUBLIC PROCUREMENT PRACTICES

An able, operative and expert presentation of civic buying rules usually donate rigorous administration of civic expenses (Hunja, 2003). There is an increasing indebtedness relations amid exact civic area goals and civic procurement performs. Example, public procurement concerns are regularly a vital effort of packages to control bribery and to safeguard suitable trusted authority for secluded improvement by public bureaucrats are limited (Evenett, et al,

2005). There is upsurge of patron confidence in public schemes through Public procurement. This has aided in patron effectual public procurement planning, also it gives indications to the credentials of key asset expenses, that in turn enables fiscal and distribution choice-creating of procurement experts. It is hard but, to imagine how public can carry important developments citizens welfare. Judicious operation of civic expenses stress on actual and effectual buying strategies. This gratitude explains growing attention on public procurement rules and observations which are probable penalties of improvements, subsidy, gifts and external through asset in the nation.

2.13 CHALLENGES OF PUBLIC PROCUREMENT IN GHANA

Schiele and McCue (2006) delineated public procurement operation encounters as marketplace situations, permissible and party-political setting, structural and socio-economic environmental features. Discovered that, irrespective of the exertion by dominant regime and its associated activities to overcome execution tasks, a huge figure of Procurement professionals in various departments, act on their own and frequently bypass the procuring practices.

2.14 ACCOUNTABILITY, FRAUD AND CORRUPTION

A vital central pillar of public procurement is accountability Soudry, (2007). Deprivation of transparency and accountable structure, massive reserve directed through public procurement structures are tangled with large bribery and misappropriation of state funds (Jeppesen, 2010).

2.14.1 Unethical behavior

Ethics is the education of right rulings and correct and incorrect behaviour. Morals and conflict of concern really touch civic procurement act application. Enormous

control is used by some chief monetary captains. There is also an absence of decent conversation with extra older bureaucrats. In many cases there is absence of acquiescence and request of the strategies obligatory to imitate to the strategies of community procurement act. This has caused diversity in tactics and a non-existence of calibration. According to McCarthy (2006), the fullness of bidder official papers in numerous metropolises is tough to defend.

2.14.2 Political interference

Partisan meddling through the procurement technique stances an encounter to the application procedure and community procurement spending. A decent amount of politician's reason that they have the right to interfere in the obtaining events thus leading to unpredictable procurement conclusions World Bank, (2003).

2.14.3 Insufficient measures for controlling and assessment

Operative strategy creation needs data on whether governments and its agencies are performing well and if planned results are attained. (Acevedo et al., 2010). Robust monitoring and assessment schemes are the ways to collect and assimilate prised data into the strategy. (Acevedo et al., 2010). Rare checking and assessment is allied to the lack of a controlled environs, and the state units are sited in a hard locus to offer result to procurement procedure as vital by the strategy.

In ending, value for money is resulting since the best equilibrium of profits and prices on the foundation of entire charge of title. The natural surroundings of public procurement is such that it comprises optional choice-pleasing on behalf of management at all stages. Misconducts happen through the procurement procedure and scheme cycle, finished the activities and indecisions of party-political captains,

civic domestics, patrons, consultants, outworkers and dealers which prevent attaining Value for Money in Civic procurement, and hamper the growth of the State at large. Government do not have tolerable capitals to discourse all the requirements of its citizens, though unevenly of very scarce projects that national assets are enthusiastic to, do not give us Value for Money. It is therefore incumbent upon the government to encourage competition; transparency and accountability during the tendering process in order to achieving value for money in the public sector

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter explain exactly how the work was carried out. It displays the study area, study design, population, and sampling procedure, data collection, and instrument

design, pre-testing of the instrument, collection procedure, ethical considerations, field work, field challenges, and data analysis.

3.2 RESEARCH DESIGN

The investigator selected quantitative and qualitative study plans (diverse study plan) in job study. Quantitative study approaches, rendering to Marczyk et. al. (2005) endeavours to exploit neutrality, dependability, and generalisation of results, and is obviously attentive in forecast. Main topographies of numerous measureable readings are the usage of tools such as exams or reviews to gather statistics, and confidence on chance philosophy to examine arithmetical theories that agree to study queries of attention. Pfeil and Zaphiris (2010), note that quantitative approaches stand often and labelled as logical in nature, because its implications after exams of arithmetical theories clue to overall implications around physiognomies of a populace. Quantitative approaches are likewise normally branded as presumptuous that nearby is a solitary “truth” that happens, sovereign of humanoid insight. The quantitative technique empowered about evocative examination to be led in instruction to attain the impartial of the study. Qualitative or content analysis, according to Zikmund and Babin (2010) has to do with acquiring information through detecting besides study content methodically to reach the precise data (content) and extra physiognomies of the obligatory memo. Content analysis, in the view of Kumar (2005) examines the message itself and entails the design of a systematic observation recording procedures for quantitative description of the manifest content of communication.

3.3 DATA COLLECTION

In cooperation primary data and secondary information were used in reaching the aims of the study. Primary data came from bureaucrats of all decentralized

institutions working under the Ho Municipal Assembly (HMA), whereas secondary data for the study came partly from Content analysis of the Ho Municipal Assembly Documents as well as articles in both local newspapers and International Journals, other published and unpublished desk top materials on how procurement management strategies can be used to attain organizational goals leading to the achievement of value for money.

In the opinion of Freund and William (2002), minor facts tells to gen that has previously persisted printed. Owing to this realism that minor study are usually printed deprived of careful requirements of a choice or meticulous drive such as this investigative effort, existence occupied into assumed, Zikmund and Babin (2010) opined out that caution necessity be smear while outlay such gen. The facts offered finished minor investigation can be prejudiced, fractional and of deprived excellence. Barely persistently said is secondary facts sufficient in itself that one can make a meaningful conclusion from it. In this reading consequently, the minor information is prudently amended and studied in agreement with the essence of the work.

3.4 INSTRUMENTATION

Questionnaire technique founded the key study tool aimed at the study. Similarly survey method decided the defendant's desirable suppleness to response the queries at their suitable time. Closed structured interrogations helped to gather data from the panel respondents. The answers were narrowed to a fixed set of responses where the respondents ticked the category that best describes the situation. The questionnaire was divided into two sections. Section one dealt with issues concerning demographic features of respondents. Section two outlined the strategic procurement practices now being used by HMA to help attain value for money. The second part tried to elicit data regarding the concept of VfM as applied in public procurement in Ghana,

focusing on HMA. For effective and efficient assessment of the set objectives, a likert rating scale was utilised to help extract the suitable ratings and the respondents were asked to grade on a five-point Likert scale (Durdyev and Mbachu, 2011). Statistical marks of 1 to 5 rankings remained owed to a number of statements in agreement to the direction of the statements.

3.5 FIELD WORK

Preceding to the management of the mechanism, a casual acquaintance call was done to HMA for the validation of the quantity of staff liable and engaged in the procurement procedure and also those who certify that there is VfM for all the projects displayed by the assembly. The Municipal Chief Executive (MCE) of the assembly was written to for permission to carry out the study in all the units and divisions of HMA. Heads of the various units, departments and divisions in HMA were given a copy of the approval letter to carry out the study in their various areas of control. The interview was self-conducted, but with some support from the heads and some principal administrative assistants. In order not to disturb the working hours of respondents, the researcher met with all the selected heads in each unit or division to explain the purpose of the study, to seek for their consent to participate in the study and to assure them of confidentiality.

For the purpose of data collection, selected respondents in each unit were contacted personally to explain the purpose of the study and to conduct the interview. One interview session lasted for 27 minutes. Largely the medium of communication for staff of the HMA was English. The interview sessions were conducted from unit to unit, from division to division, and from one person to another. The interviewing of the respondents started from June 22, 2015 to August 18, 2015. Therefore, two months was used to conduct the interview. Out of the 126 workers, 76 were involved

in procurement responsibilities, all 76 workers were involved and 71 responded representing 93.4% response rate which according to Best and Kahn (2012) is appropriate and significant to use.

3.5.1 Data Collection Procedure

A time structure not extra than two weeks was specified to probable defendants to respect the surveys. At recesses, the investigator kept prompting the defendants of their duty to the work. At the ending of the period setting, the investigator for myself went round to gather the replied surveys. Care was in use to safeguard that each area needed been completed but anywhere that did not relate to the defendant. Defendants who also sense their constraint in responding to certain questions required clarification from the investigator.

3.6 RESEARCH POPULATION TECHNIQUES

The section talks about the population and procedure in extracting the sample size

3.6.1 Population of the Study

Population is the whole collection of elements that fall within a scheme set of standards (Ary et al, 2010) whatsoever the simple piece, the populace continually comprise the whole collection of components in which the investigator is involved in achieving data and report deduction. The panel people for the work remained all the upper organization and procurement captains in the different departments and agencies of the HMA who were directly or indirectly involved in the procurement process and also these carrying out projects in the municipality. According to the Ho Municipal Assembly (2014), the current staff strength of the municipal assembly stood at 126. The auditors were also considered.

The census strategy was adopted to determine the sample size for the research. Only Seventy- Six (76) staff directly involved in issues regarding project management and procurement process hence the target population for the study is 76.

Target Respondents	Target Population	Minimum Sample Size Required	No of Questionnaires Allotted
Municipal Chief Executive	1	1	1
Directors	12	12	12
Deputy Directors	24	24	24
Auditors	2	2	2
Planning Officers	2	2	2
Procurement Officers	7	7	7
Finance Officers	5	5	5
Quantity Surveyors	11	11	11
Budget Officers	2	2	2
Architects	1	1	1
Engineers	9	9	9
Total	76	76	76

Table 3.1: Respondents Population

Source: (Field survey, 2015)

3.7 DATA ANALYSIS

The researcher employed SPSS version to help analyse data from the field and this helped in calculating descriptive statistics such as mean, mode and median of the various variables. The necessary bar charts, frequency tables emanating from the analysis have been presented in the fourth chapter.

3.8 VALIDITY OF THE INSTRUMENT

Pallant (2001) described rationality as a term defining extent that precisely replicates the idea it is strategic to measure. In this opinion cogency merely denotes to how precise the gadget was talented to gather the reply from the defendants as deliberated by the investigator. Validity is the grade to which the work precisely responses the inquiries it was scheduled to respond to. It inspects the honesty or the superiority of the work technique and the correctness of the fallouts. Also validity, according to Zikmund and Babin (2010), is a degree or the mark to which a notch honestly signifies an idea. Dependability signifies also in what way exact a quota is in that the diverse effort at evaluating similar object meets on the opinion. Dependability, in the view of Carlson and Anderson (2007), is a pointer of evaluating interior constancy and is the main to sympathetic dependability. A degree is dependable when varied efforts at evaluate somewhat assemble on the similar consequence once a quantifying procedure offers reproducible marks, the gaging gadget is dependable. Reliability is essential nonetheless not adequate situation for validity. Reliability gauge might not be lawful. A reliable but unacceptable gadget will produce steadily imprecise grades. The facts gathering gadgets, i.e. the questionnaires for the research, remained verified for their validity and reliability. By validity, the finest pointers or inquiries afterwards a serious checked of a variability of likely pointers stood elected to degree the idea or topic material which is insight or boldness of defendants with respects to

procurement events at Ho Municipal Assembly. This was through likely subsequently the pre-test. On the other hand to content the necessity for reliability, pointers stood analyzed to see the grade of consistency in gauging the idea at hand. To this end, vagueness in phrasing and indistinct inquiries on selected pointers were detached or modified afterward.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF DATA

4.1 INTRODUCTION

Chapter four provides a full methodical conversation of the findings of the work in tables and charts arrangement. The section deals with an analysis of information gathered from the survey questionnaire issued to the respondents so as to achieve the

objectives of the study. The initial aspect of the result deals with general background information of the respondents. The basic frequency tables for the information, charts and Relative Importance Index to identify the most critical of procurement system in ensuring Value for Money were used.

To this end, categories of respondents targeted were Procurement officers, works Engineers, Planning officers, Heads of tender boards, Architect, Quantity Surveyors, Structural Engineers

Budget officers, internal auditors etc.

4.2 BACKGROUND AND CHARACTERISTICS OF RESPONDENTS

This section discusses the background of the respondents to the questionnaire.

4.2.1 Response Rate to Questionnaire

The facts were gathered from the surveys questioner do administer to the involved respondents in the Ho Municipality. The Table 4.1 below had shown the sample size of the respondents. Seventy - Six questionnaires were administered out of which 71 representing 93.4% were returned. A questionnaire was responsive if all inquiries relative to the subject were fully answered.

Table 4.1: Details of Response Rate of Respondents

	Respondents	Total
No. of Questionnaires distributed	76	76
No. Received	71	71
Rate of Returned	93.4%	93.4%
No. Responsive	65.0	65.0

Percentage	91.5%	91.5%
N=65		

Source: (Field Survey, 2016)

A total of 65 questionnaires were said to be responsive representing 91.5% (n=65) of the questionnaires returned as displayed in Table 4.1 above. The result also shows that there were only few respondents who could not answer all the questions representing a marginal percentage of 8.5%.

4.2.2 Academic Qualification of Respondent

To assess the credibility of the information gathered as shown in Table 4.2 below it was observed that most of the respondents have had their formal and higher education up to the Post Graduate Diploma level representing 35.4% followed by BSc. Hons with 23.1%. This in cumulative terms represents 58.5%. This is an indication that there are blend of both graduate and post- graduate personnel working in the municipality and that the information may not be skewed to one side only, hence the information provided can be relied on.

Table 4.2: Detail of Academic Qualification of the respondents

Qualification	Nr.	Percentage %
BSc. Hons	15	23.1
P.G.Diploma	23	35.4
Mphil	11	16.9
MSc/MEng	13	20.0

PhD	2	3.1
Others	1	1.5
Total	65	100.0

Source: (Field survey, 2016)

4.2.3 Professional Affiliation of the respondents

In gaining insights to the professional qualification or affiliation attained by the respondents, the study revealed as shown in Table 4.3 that, out of the 65 respondents, about 30.8% represents respondents who had professional membership of Ghana Institute of Surveyors, followed by Eighteen (N=18) respondents as the second highest with 27.7% representing those with CIPS-Uk. The third one being Ghana Institute of Engineers with 23.1%, while Ghana Institute of Architect, PMI and others had the corresponding percentages 9.2%, 4.6% and 4.6% respectively. This implied that the information sought is largely from 53 of the respondents belonging to GhIS, CIPS-UK and GhIE and have a reasonable professional working experience in the procurement of works.

Table4.3: Detail of Professional Affiliation of the respondents

Professional Body	Nr	Percentage%
CIPS-Uk	18	27.7
PMI	3	4.6
GhIE	15	23.1
GIA	6	9.2

GhIS	20	30.8
Others	3	4.6
Total	65	100.0

Source: (Field survey, 2016)

4.3 YEARS OF WORKING EXPERIENCE

Table 4.4 beneath displays that in view of the 65 defendants surveyed approximately sixty-three percent (n=42) of the target respondents have had more than ten years working knowledge in the procurement industry with a considerable total of 37% (n=25) which has less than ten years working knowledge in the same business. The data depicted that 18.5% of the defendants took 1-5 years at work involvement, 16.9% had 6 – 10 years working experience and 29.2% had 11-15 years working experience representing the highest in the table. The findings demonstrations an indication that the trial scope is blend of both the old and young specialists in the business. The conclusion deduced consequently from the reading is not prejudiced on the information opening among the old and the young specialists in the industry. The result as displayed provided the level of working experience and knowledge which would help in creating confidence in the credibility of the data.

Table 4.4: Years of Working Experience of Respondents in the Municipality.

Years	No. of Respondents	Percentage (%)
1 – 5 years	12	18.5
6 –10 years	11	16.9
11 –15 years	19	29.2
16 –20 years	15	23.1

21-years and above	8	12.3
TOTAL	65	100.0

Source: (Field survey, 2015)

Figure 4.2 indicates that the age groupings were fairly distributed. The highest work experience was between 11-15 years representing 28.4%, 22.4% had worked for 16-20 years, 20.9% had also worked between 6-10 years as the third, 16.4% had worked for 1-5 years and stands as the fourth in percentage terms and finally approximately 12% had worked for than 21 years. These findings indicate that the respondents have had enough working experience in the construction industry.

4.4 KNOWLEDGE OF PROCUREMENT PROCESS AND PRACTICES

From Figure 4.3 below, it can be observed that 76.9% of respondents confirmed that their organizations prepare annual procurement plan. The above information goes to buttress the basis of this research as the percentage clearly depicts that procurement plan is one most important document in the procurement cycle in Ghanaian Procurement Industry and mostly used to achieve vital aims of Public Procurement. Again 67.7% of the respondents as shown in Figure 4.3 indicated that they keep good records of the procurement proceedings and as well have appreciable knowledge of the concept of value for money. In Figure 4.3 below, It is again revealed that 63.1% of the respondents caused the organizations to publish notices of procurement be it contract award or tender notices in the PPA websites.

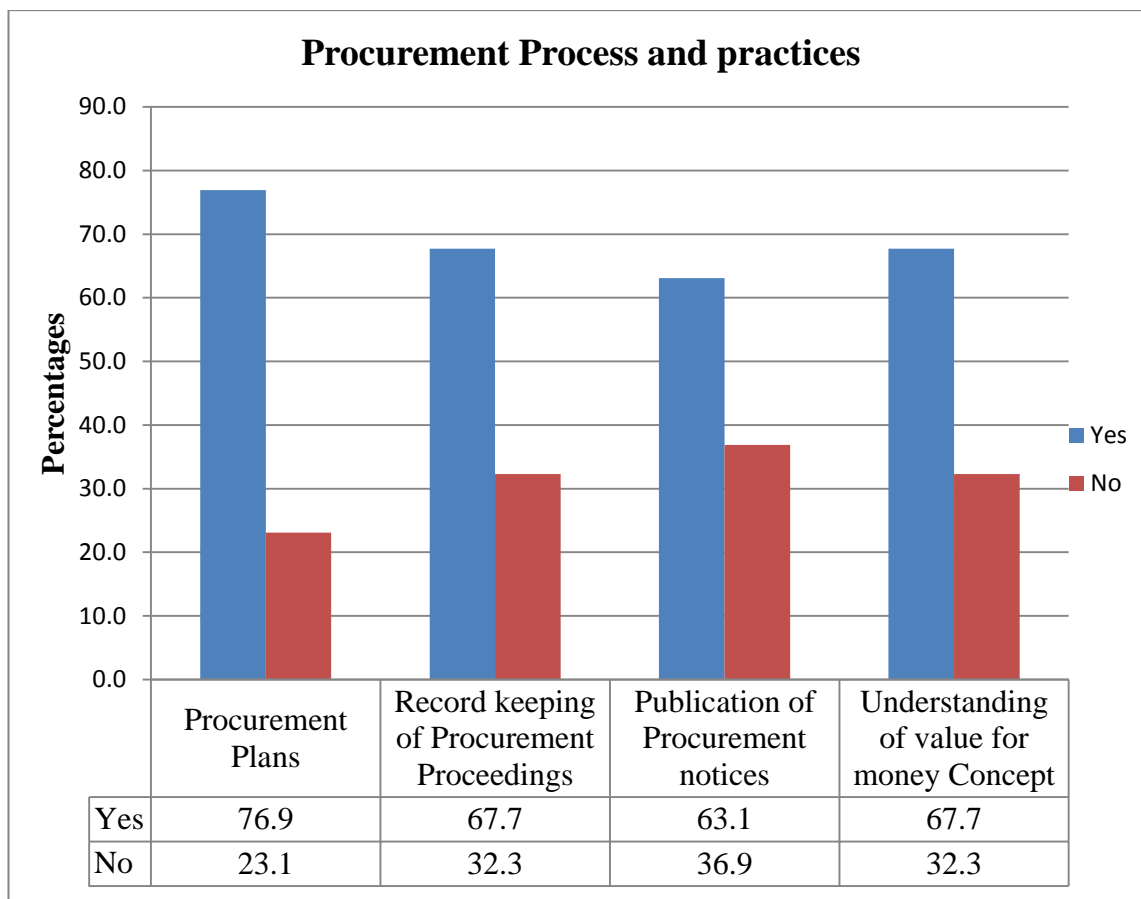


Figure 4.1: Detailed the level of knowledge in procurement Process and practices

Source: (Field Study, 2016)

4.5 CONCEPT OF VALUE FOR MONEY MANAGEMENT

The responses given to determine the neck and neck indulgent of the concept of value for money management is summarized in Table 4.5, below which reveals that about 32.3% of the respondents have little understanding while 24.6% have moderate understanding and 18.5 have virtually no understanding. Collectively it shows that 50.8% of the respondents have no knowledge and expertise of the theory of value for money management in buying practice. This indicates the fact that ensuring a careful, fiscal and proficient usage of public assets at a sound rate can never be achieved hence in practice providing VfM as noted in central and local governments and in other public sectors still remains serious problems (Rezaee, 2005).

Table 4.5 Respondents level of understanding of the concept of value for money

Options	Frequency	Relative Frequency	Percent
Not at all	12	0.1846	18.5
Little extent	21	0.3231	32.3
Moderate	16	0.2462	24.6
Some extent	10	0.1538	15.4
Great Extent	6	0.0923	9.2
Total	65		100.0

Source: (Field Study, 2016)

4.6 VALUE FOR MONEY ASSESSMENT

With reference to Figure 4.4 below it shows that 72.3% (N=) of the respondents practicing in the Municipality do not carry out value for money assessment of government projects in order to obtain the extreme profit from works, properties and amenities it procures, inside the assets obtainable to it as is the case in the literature. Contrary, it is again displayed that 75.4% (N=) of the respondents affirm that they undertake internal audit of documents and core controller strategies to check and determine the compliance of the public procurement act 633. This implies that the two actions are never performed hand in hand to achieve a good deal from public expenditure.

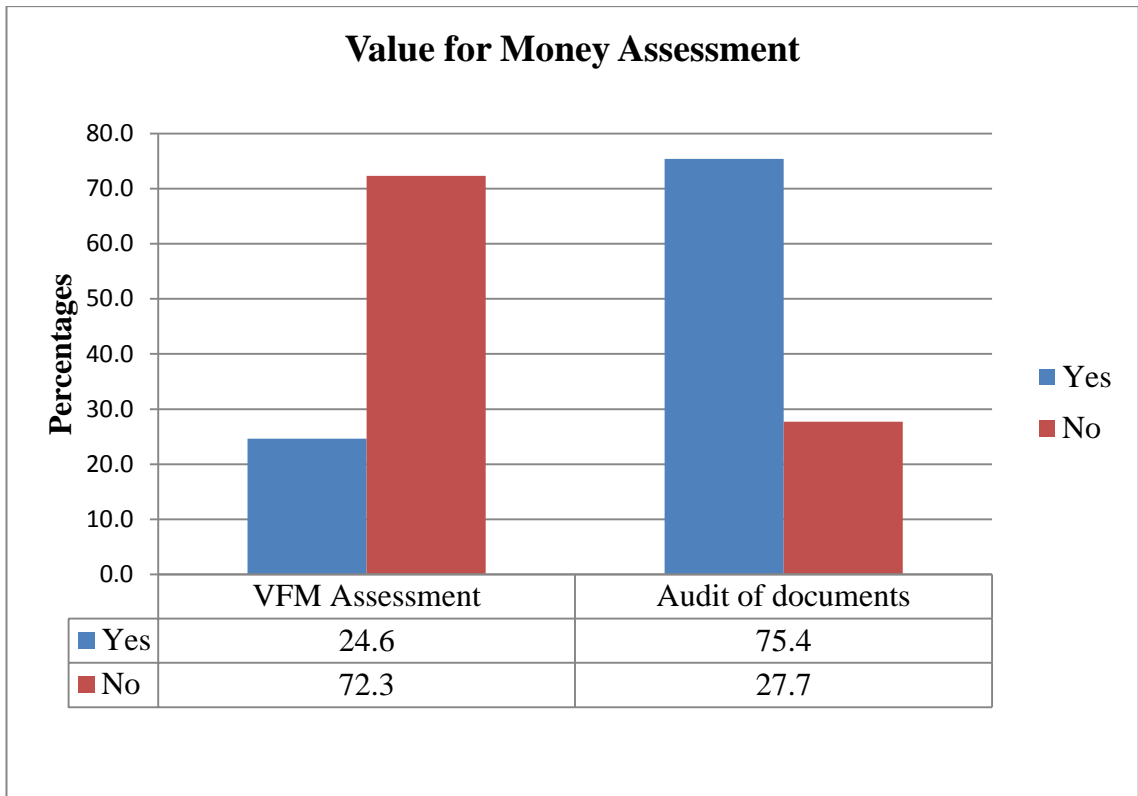


Figure 4.2: Value for Money Assessment

Source: Field Study, March, 2016.

4.7 DIMENSIONS OF VALUE FOR MONEY

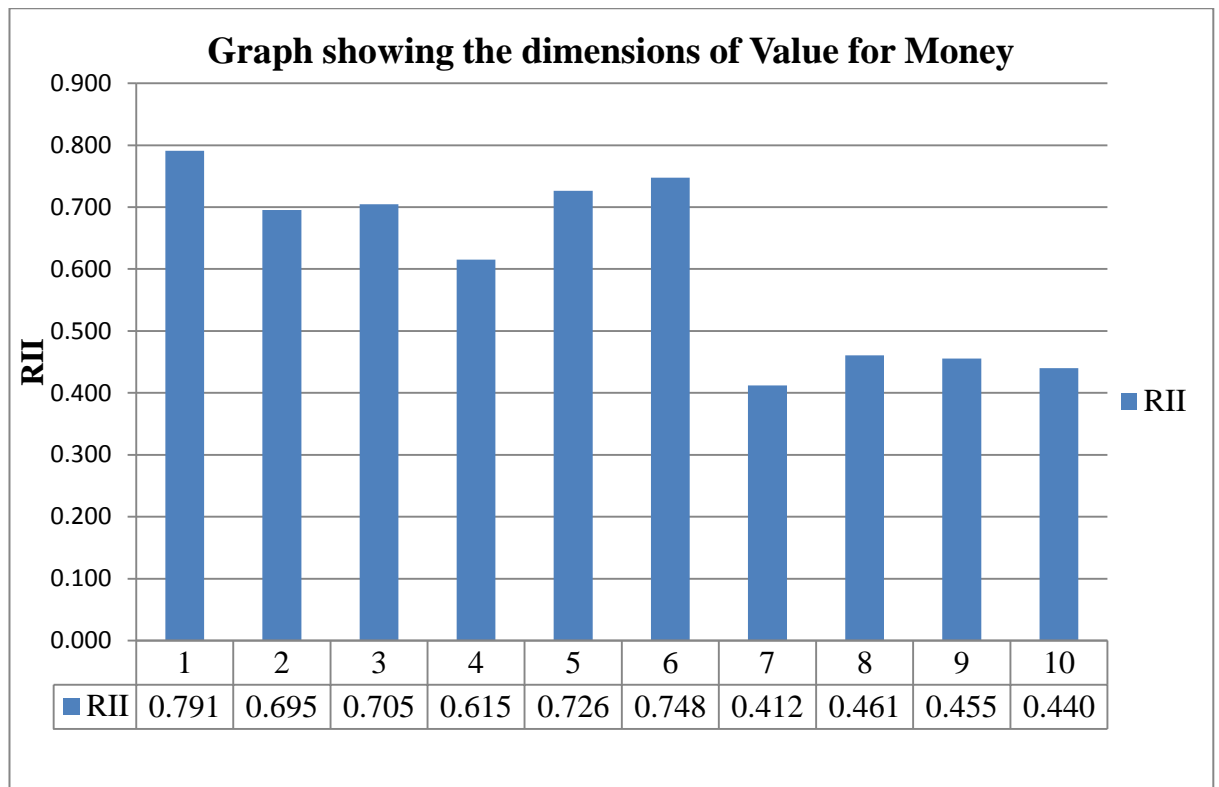
Table 4.6: Analysis of Respondents' opinions on dimensions consideration for VFM

Dimensions	Level of Considerations					Total	ΣW	Mean	RII	Rank
	1	2	3	4	5					
Economy	0	3	17	25	20	65	257	3.954	0.791	1 st
Efficiency	0	4	34	19	8	65	226	3.477	0.695	5 th
Effectiveness	1	5	29	19	11	65	229	3.523	0.705	4 th
Equity	4	9	31	20	1	65	200	3.077	0.615	6 th
Quality	0	9	15	32	9	65	236	3.631	0.726	3 rd
Cost	1	5	18	27	14	65	243	3.738	0.748	2 nd
Professionalism	25	17	18	4	1	65	134	2.062	0.412	10
Technology	23	16	16	14	0	69	159	2.304	0.461	7 th
Complexity	19	17	22	6	1	65	148	2.277	0.455	8 th
Flexibility	13	31	16	5	0	65	143	2.200	0.440	9 th

Source: Field Study, 2016

From the literature, the assessment of VFM involves several dimensions. This section elicited information on respondents' level of consideration and awareness of dimensions of VFM. The results of the responses were analysed using Relative Importance Index (RII) as shown in Table 4.7 above. It was observed that six dimensions had their RII values above the average score of 0.605. Economy has been established as the most widely considered dimension with RII of 0.791 and ranked 1st. Cost was ranked second with RII of 0.748, followed by Quality with an index of 0.726, Effectiveness with an index of 0.705 ranked fourth. The rest are Efficiency and Equity with RII values of 0.695 and 0.615 respectively. These findings are an

indication that although so many dimensions existed, the RII values of the first six dimensions are above the RII average score of 0.605 signifying that these six dimensions are the most frequently considered in the case of value for money evaluation.



Source: Field Study, March, 2016.

Figure 4.3: Analysis of Respondents' opinions on dimensions consideration for VFM

4.8 PROCUREMENT PRACTICES AND SELECTION OF TENDERING METHOD

From the literature, Competitive Tendering is an approach for achieving VFM. This section collects information on respondent's procurement practices and selection of tendering method as a tool for achieving VFM. The results of the responses were analysed as shown in Figure 4.6 and Figure 4.7 below Analysis on respondents result

on the question of the rate of independence of the procurement unit fifty one (51) respondents signifying 78% of the workers cross-examined showed that the firm's procurement unit on its own whereas fourteen (14) respondents signifying 22% responded that the procurement unit is a subset of finance unit. This inquiry meant at discovering if the procurement unit functions on its own or is alleviated below other work station in the firm. As analyzed in **Figure 4.6** beneath, it came to light that the procurement unit functions on its own giving to the popular answer from the survey and can therefore act professionally bearing in mind VFM elements of economy, efficiency and effectiveness to achieve best value for money spent. While answers to the question which regulates whether the firm has perpetual dealers or not, forty nine (49) defendants signifying 75% responded that the firm see to not maintain perpetual dealers, though sixteen (16)of them signifying 25% answered that the firm maintains stable dealers. Predominant of the defendants who replied the inquiry showed that the firm do not maintain stable dealers. Hence it is inferred that the firm often opens bids and thus make sure it's not essential to retain stable dealers. It was established again from the analysis that, in measuring the effect of competitive bidding as a means for attaining value for money defendant's answer obviously shows that 62 defendants indicated yes as a response signifying 95%. 3 of the defendants responded no signifying 5% specifying that the firm is not degenerative of its assets meanwhile it is receiving worth from its procurement.

Table 4.7: Respondents result on Procurement Practices and Selection of tendering method

Items	Procurement Practices and Selection of tendering method	Yes	No
I	Is the procurement unit/department on its own?		
VI	Do you have permanent suppliers?		
VII	Has the competitive tendering method helped you in achieving value for money?		

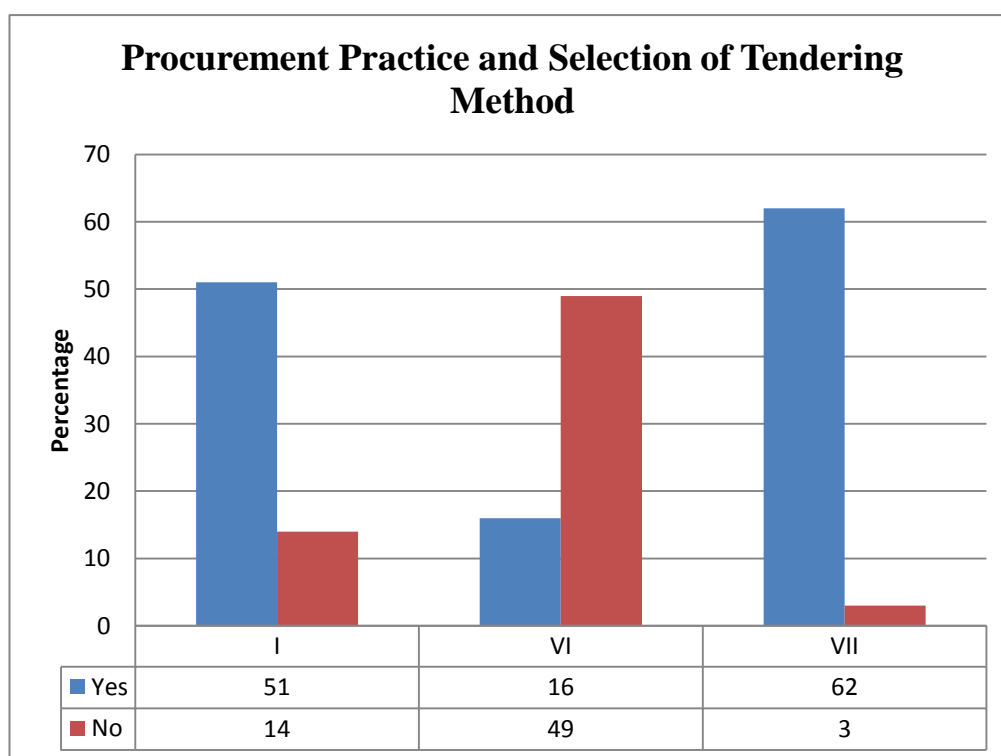


Figure 4.4: Graph of Procurement Practices and Selection of tendering method

4.9 PROCUREMENT PRACTICES AND SELECTION OF TENDERING METHOD

This section displays the answer to the inquiry which regulates the kind of bidding process used in awarding contracts as publicised in the **Figure 4.7** beneath. Fifty

three (53) defendants signifying 82% settled that competitive bidding is practice in giving contract, ten (10) defendants signifying 15% responded that the firm practises single sourcing in giving contract, although two (2) defendants signifying 3% responded that the firm uses sole sourcing in giving contract. In all it was recognised that the firm practises competitive bidding in giving greatest of their contract. On the other hand, the investigator sought to discover the competitive bidding technique adopted within the firm. **Figure 4.7 shows that** forty nine (49) defendants interrogated signifying 75% responded that the firm practises open bidding in giving its contract, fifteen (15) defendants signifying 23% held the view that the firm adopts two stage bidding in giving of pact, whereas one (1) defendants also responded that the firm adopts restricted bidding in giving of contract signifying 2%.The inquiry was intended to discover the kind of competitive bidding adopted by the firm. It can be inferred from the answers that the firm generally adopts the opening bidding technique in giving contract which is the finest meanwhile it resolve to obtain properties, infrastructure and amenities at competitive cost. On the inquiry of sources for obtaining bid official papers, **figure 4.7** beneath designates that forty one (41) signifying 63% defendants settled that bid official papers are acquired from the procuring firm whereas twenty four (24) defendant signifying 37% answered that bid official papers are acquired from the internet. The studies display that the firm warrants stuffs physically. Whereas inquiry (12v) was intended to determine in what way frequently the firm practice competitive bidding as shown below in **Figure 4.7**. **Figure 4.7** beneath shows that fifty seven (57) defendants signifying 88% responded that the firm engages in competitive bidding frequently, whereas eight (8) defendants signifying 12% assumed that the firm adopts competitive bidding seldomly, In all it can be inferred that the firm frequently adopts the use of the competitive bidding

technique. Nevertheless this aided the investigator to attain the aim of the research work.

Table 4.8: Respondents result on Procurement Practices and Selection of tendering method

Items	Procurement Practices and Selection of tendering method
II	How are tendering documents obtained by suppliers? a. From the organization (...) b. From net (...) c. Others -----
III	What type of tendering procedures do you use in awarding contracts? a. Competitive tendering. (...) b. Single sourcing (.....) c. Sole sourcing (...)
IV	If competitive tendering, which type? a. Open tendering (either national or international) (...) b. Two stage tendering, (...) c. Restricted tendering. (....)
V	V. How often does your organization make use of competitive tendering? a. More often, (...) b. Once in a while (...) c. Other. -----

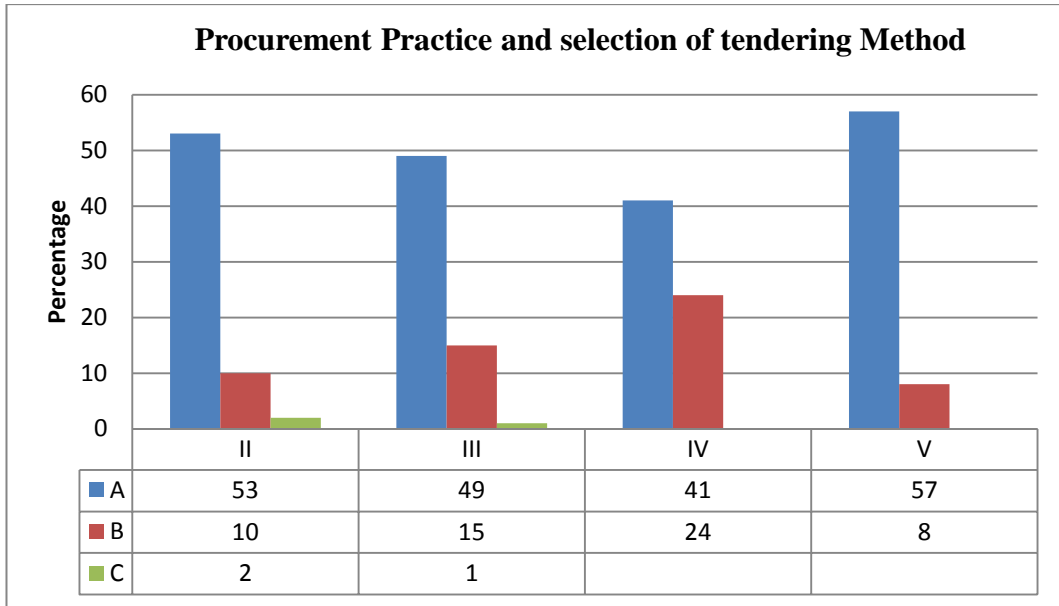


Figure 4.5: Graph of Procurement Practices and Selection of tendering method

4.10 MEASURES EMPLOYED AS AN APPROACH TO ENSURE VALUE FOR MONEY

This section shows the answer to the inquiry which regulates measures employed as a method to certify value for money as shown in **Figure 4.8** below. On average 66.8% of the respondents consider the above practices and policies as means in public sector procurement to achieve VFM. In another development about 33.2% on average of the respondent answered that they did not undertake these standard practices and policies. Eye has to be kept on these approaches in the procurement of works inside the public sector, thus making them statutory and binding. The implication is that about One-Third of the respondents do not follow established practices, policies and procedures that is out of three respondents one do not adhere to the rules governing Public Procurement. Hence this negative practice does not encourage the attainment of greatest value for money spent in acquisition of infrastructure in the municipality since it can easily lead to bias in the delivery of the officers and finally resulting in collusion among contractors, misappropriation,

misallocation and embezzlement of state funds. It still aided the investigator to realise the aims of the research work.

Table 4.9: Respondents result on Measures Employed as an approach To Ensure Value for Money

Items	Value For Money Practices	Tick	
		Yes	No
Q1	Does your organization pre- disclose the selection criteria to tenderers and forbid the procurement entity to change it once the process has started?		
Q2	Do your organization set criteria for the selection of suppliers?		
Q3	Does your organization prepare tender document in a simple language that is easy to understand?		
Q4	Do you consistently enforce the prevailing rules and regulations according to Act 663 in carrying out procurement activities?		
Q5	Have mechanisms for enforcement of regulation by the institution become a barrier to the smooth procurement operations, so as to make the system insufficient, bureaucratic and costly?		
Q6	Does your organization apply punitive sanctions to procurement officials who fail to comply with the procurement activities in the institution?		
Q7	Should Supplier Contractor Consultant who attempts to influence procurement process be sanctioned and debarred from government of Ghana contracts?		
Q8	Does your organization undertake regular procurement audits and monitoring for the compliance with procurement activities in the institution?		
Q9	Does public procurement Authority annually assess procurement activities of the institution always?		

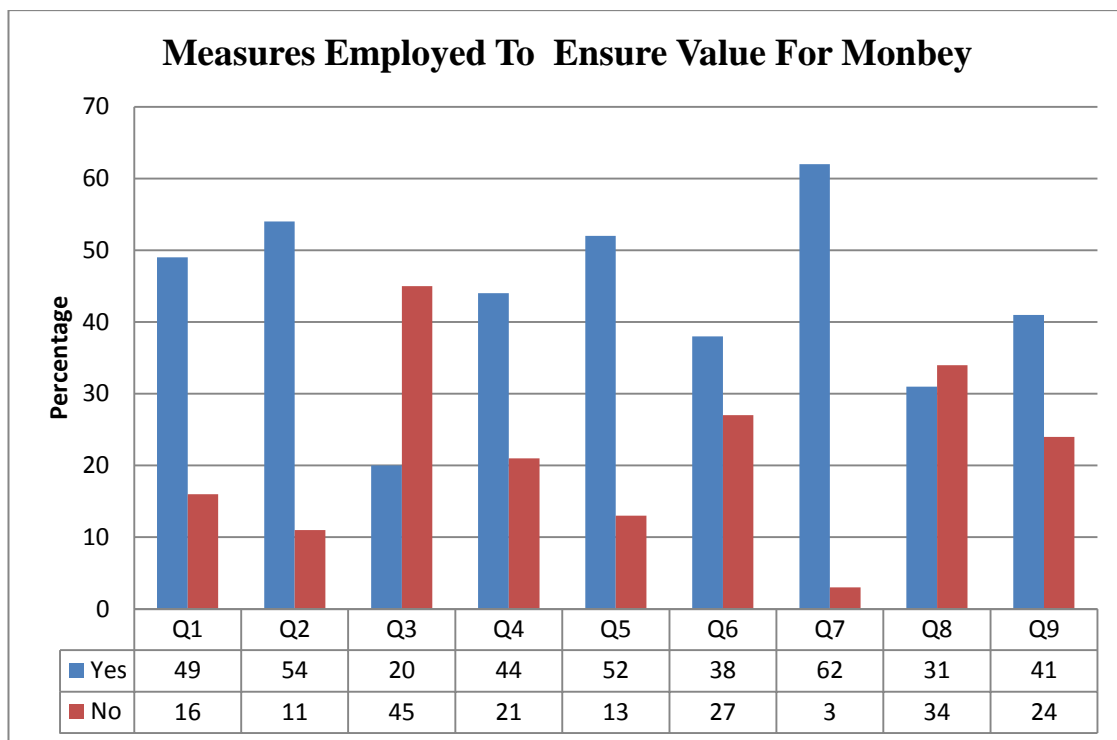


Figure 4.6: Measures Employed as an approach To Ensure Value for Money

Source: (Field Study, 2016)

4.11 PROCUREMENT STANDARDS, POLICIES AND PROCEDURES

From the literature, the standards, policies and procedures are designed inter alia to provide uniform procedures for the procurement of goods, works and services and for asset disposal, ensure transparency and accountability in all operations, and consistency with the guidelines of Development Partners where necessary; ensure the consistent application of the provisions of the Act and Regulations; and promote the consistent application of best procurement practices and international standards.

4.11.1 Practices and Policies under Tender Opening

As part of the endeavour an attempt was made to establish procurement Practices and Policies under Tender opening commonly used by Municipal Assembly as enshrined in the act to address the second objective of the study. This section deals with procurement practices and policies under tender opening in the procurement system.

As indicated in Tables 4.10 and figure 4.9 below between 69.2% and 58.5% of the respondents confirmed that the first –five practices are used to promote and achieve value for money.

On average 64.3% of the respondents consider the above practices and policies as tools in public sector procurement. In another development about 35.7% on average of the respondent answered that they did not undertake these standard practices and policies under tender opening. These standard practices, strategies and trials are to be kept an eye on in the attaining of properties, infrastructure and facilities in the civic domain, thus making them statutory and binding. The implication is that about One-Third of the respondents do not follow established practices, policies and procedures that is out of three respondents one do not adhere to the rules governing Public Procurement.

Hence these negative practices do not encourage the attainment of greatest worth for money spent in obtaining of infrastructure in the municipality since it can easily lead to collusion among contractors, shoddy works, misappropriation, misallocation and embezzlement of state funds.

Table 4.10: Detailed of Respondents’ assessment of Procurement Practices and Process under Tender Opening.

Items	Yes	No	Total	Percentages		Total
				Yes	No	
P1	43	22	65	66.2	33.8	100
P2	42	23	65	64.6	35.4	100
P3	41	24	65	63.1	36.9	100
P4	45	20	65	69.2	30.8	100

P5	38	27	65	58.5	41.5	100
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Source: Field Study, March, 2016.

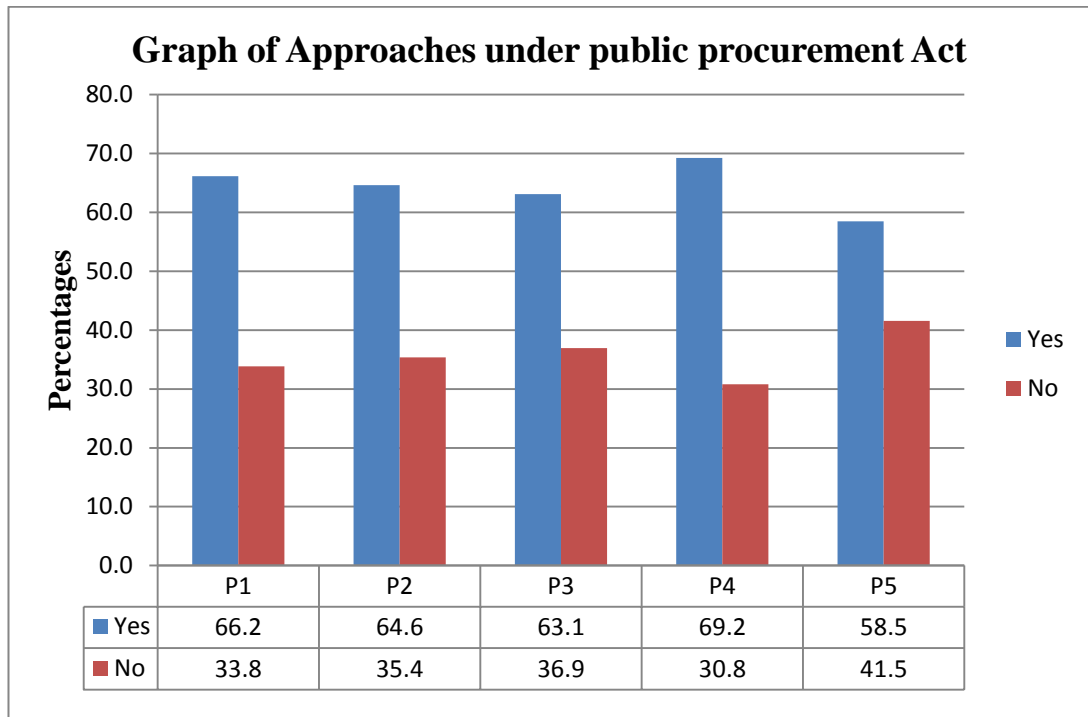


Figure 4.7: Graph of Approaches under public procurement Act

Source: (Field Study, 2016)

4.12 PROCUREMENT PRACTICE AND POLICIES OF TENDER EVALUATION UNDER PUBLIC PROCUREMENT ACT

The results as shown in Figure 4.11 shows that all the Sixty – Five respondents were conscious of the Procurement Practices and Policies of Tender Evaluation under public procurement act in Ghana but their working knowledge of how they applied practices and policies to procurement appeared limited. This thought is supported considering the average percentage of 55.4% of the respondents who answered yes as against 51.8% of the respondents who indicated by answering no to the practices and policies. 51.8% on average is seems moderately high as against the rule which says

that all civil workers engage in procurement are appreciative to monitor the Civil Service Code and the protocols controlling civil procurement. The general aim of the public procurement is to bring value for money spent to the Government by ensuring public coffers are consumed in a clear, effectual and just way. The result is a signal that in spite of the general awareness of the normal undertakings, rules and measures in the procurement of infrastructure in Ghana there are still limitations in practice.

Table 4.11: Respondents result on Tender Evaluation under public procurement Act.

K1	Are the verification of the authenticity of submitted Tender Documents such as Statutory Certifications, Commercial, technical and Financial capacities done in Tender Evaluation Activities?		
K2	Is it good that a member of the Entity Tender Committee shall act as a member of the Tender Evaluation Panel?		
K3	Do you undertake physical visits to cross check references during documentary analysis of submissions such as projects undertaken by Tender / Bidders?		
K4	Is Correction of Errors done fairly and used to enhance the Tender Evaluation outcome?		
K5	Do you recommend award of contract to contractors solely on the basis of information provided and evaluation criteria provided in the tender documents?		

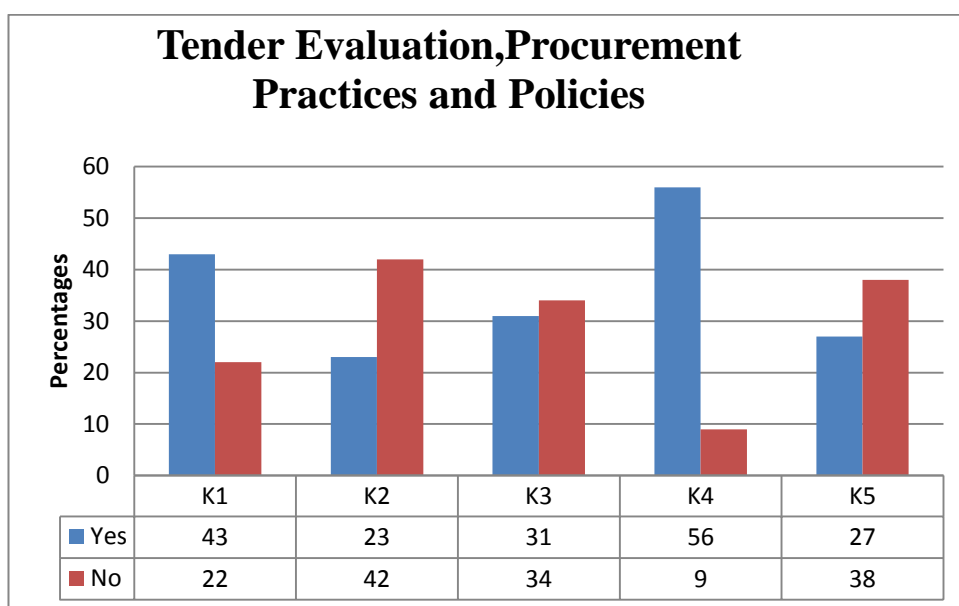


Figure 4.8: Graph of Procurement Practices and Policies of Tender Evaluation under public procurement Act.

Source: Field Study, March, (2016)

4.12 TENDER EVALUATION REPORT / CONTRACT AGREEMENT

Table 4.12 Respondents result on Procurement Practices and Policies of Tender Evaluation Report / Contract Agreement under Public Procurement Act.

Table 4.12: Tender Evaluation Report / Contract Agreement

Items	Yes	No	Total	Percentages	
				Yes	No
X1	50	15	65	76.9	23.1
X2	44	21	65	67.7	32.3
X3	41	24	65	63.1	36.9
X4	53	12	65	81.5	18.5
X5	48	17	65	73.8	26.2
X6	38	27	65	58.5	41.5

X7	47	18	65	72.3	27.7
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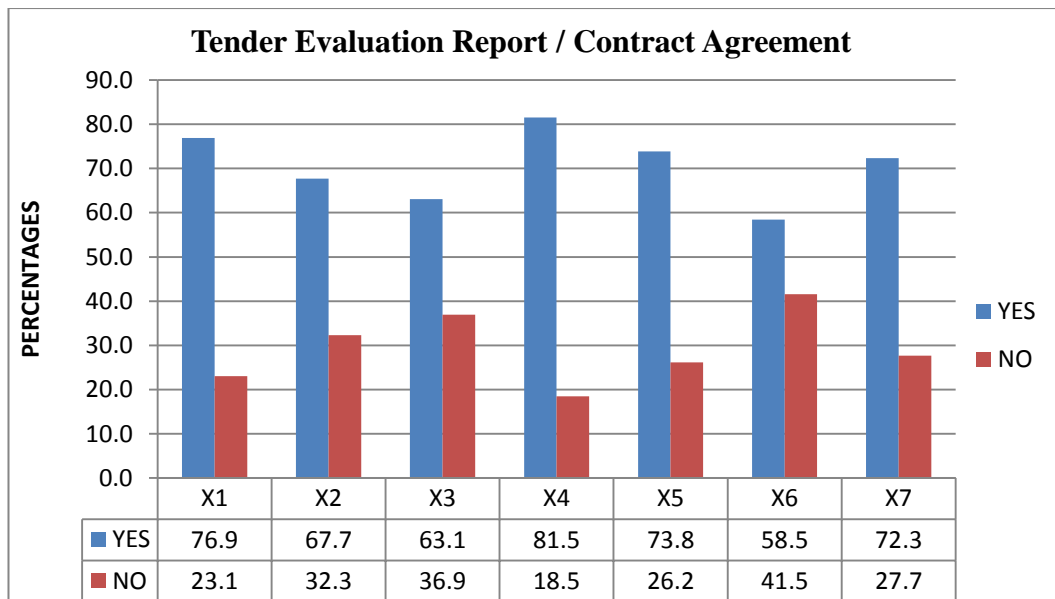


Figure 4.9: Graph of Procurement Practices and Policies of Tender Evaluation Report / Contract Agreement under public procurement Act.

Source: Field Study, (2016)

Furthermore, it is unconditionally vital that all procurement undertakings are done in a way beyond criticism, with comprehensive neutrality and with no special handling. Every civil worker must steadily relate these rules and measures composed per expert decision and decent administration.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

Resulting from the literature review and the investigation facts analysed in the preceding chapters, this chapter highlights the summary of the key outcomes and the developing matters as of the research work. Arranged on this foundation of discoveries, conclusion is drawn and specific commendations are finished as various likely activities that might aid accomplish the developing matters. The discoveries are categorised below the research aims which include:

- i. To identify the critical elements of procurement in ensuring Value for Money.
- ii. Identify the various approaches under the public procurement Act used to promote the achievement of value for money.
- iii. To propose the application of best practices and standards by public procurement entities to ensure value for money of procurement processes.

5.2 SUMMARY OF KEY FINDINGS AND CONCLUSIONS

Out of the collected works appraised and examination of the investigation outcomes, the results are concise in line with the objectives as below;

5.2.1 Identify the critical elements of procurement in ensuring Value for Money

Subsequently, this objective was addressed by establishing from the literature the dimensions considered and used in procurement system to ensuring the best Value for Money nationwide as revealed by so many researchers. In all, ten dimensions have been identified from the literature and reviewed. It is exciting to memo that amid the investigated defendants it was observed that six dimensions had their RII

values above the average score of 0.605. Economy has been established as the most widely considered dimension with RII of 0.791 and ranked 1st. Cost was ranked second with RII of 0.748, followed by Quality with an index of 0.726, Effectiveness with an index of 0.705 ranked fourth. The rest are Efficiency and Equity with RII values of 0.695 and 0.615 respectively. These findings are an indication that although so many dimensions existed, the RII values of the first six dimensions are above the RII average score of 0.605 signifying that these six dimensions are the most frequently considered in the case of value for money evaluation in Ho Municipality.

5.2.2 Identify the various approaches under the public procurement Act used to encourage the attainment of value for money

Among all the procurement Practices and Policies under selection of tendering method only seven of such have been tested and it is therefore revealed that an average of 66 % and 77% of the respondents confirmed in affirmation that the seven practices are used to promote and achieve value for money. On average 71.5 % of the respondents consider the above practices and policies as tools in public sector procurement. Contrary about One-Third of the respondents on average representing 58.25% do not follow established practices, policies and procedures that is out of three respondents one does not adhere to the rules governing Public Procurement.

On measures employed as an approach to ensure value for money about nine Procurement Practices and Policies under public procurement act in Ghana were tested. The findings showed that an average of 66.8% as against 33.2% of the respondents indicated that they consider and follow the practices and policies.

5.2.3 To propose the application of best practices and standards by public procurement entities to ensure value for money of procurement processes

Seventeen (17) Procurement Practices and Policies were gathered from literature review. The respondents were asked to indicate consistency in the application of best practices and standards by public procurement entities to ensuring best value for money of procurement processes. On procurement practices and selection of tendering method Seven Procurement Practices and Policies under public procurement act in Ghana were tested. The findings revealed that an average of 71.5% as against 28.5% of the respondents consider and follow the practices and policies while the others 28.5% do not.

Again for Tender Opening and Tender Evaluation the following findings have been revealed. Considering the average of the positive responses it was revealed that 56.26% of the respondents involved in procurement consistently comply with the practices and procedures.

On the contrary, an average of 43.74% of the respondents says no which means that they do not follow the laid down practices and procedures.

Meanwhile by best standard all civil workers engaged in buying are appreciative to trail the Public Service Code of ethics and the guidelines controlling civic purchase.

This is an indication of the fact that their working knowledge on application of best practices and standards to ensure value for money of procurement processes seemed limited.

5.3 CONCLUSIONS

On the basis of the findings of the study the following conclusions were drawn:

The delivery of value is not just an essential requirement of good public procurement management it actually defines what procurement management is. Consequently, the

identification of the procurement values, elements and approaches at the earliest juncture and their preservation through the ‘procurement value chain’ defines the success or failure of an activity in the procurement process. The lack of consistency in the definition of VfM is quite striking. This results from two aspects of VfM which can be interpreted quite differently being; the dimensions of value and the timeframe of evaluation. The more considered definitions of VfM recognize that value has many dimensions beyond the conventional economic, efficient and effective perspectives including social and environmental objectives plus intangible deliverables including quality of relationships, leadership, learning, reputation and trust.

In conclusion, it is clear that the concept of VfM as applied in public procurement process in Ghana is largely based on the value the end-users placed on the projects taking into consideration the money assigned to them. However factors such as broader stakeholders’ involvement and participation, logistics, education and staff development contribute to the effectiveness of VfM in the public sector; and in ensuring that VfM is achieved in public project, management must ensure that all projects are evaluated both at the pre-procurement and post-procurement stages. The concept of VfM is understood by procurement officers, however, its application and implementation is what stakeholders and procurement officers are having different view and understanding. Making it difficult to be realise in the local government system.

5.4 RECOMMENDATIONS

Founded on the results emerging from the survey, the succeeding commendations are presented. In general much needs to be done with regards to professional education

and awareness creation on the dimensions for and practices and procedures in the public procurement such that the total aim of civic buying is to deliver value for money spent to the nation by certifying that civil monies are consumed in an economic, clear, effectual and just way are attained in the works procurement industry in Ghana.

5.4.1 Capacity Building of the Public Procurement Practitioners

The research institutions and the governing councils for the various professional associations should take up the challenge to organize workshops training and seminars to introduce their members to the Public Procurement Act, Act 914, the Manuals of Public Procurement Authority of Ghana, and the Regulations of Public Procurement Act 914 so as to deliver even measures for the attaining infrastructure and social amenities, guarantee clearness and responsibility in all procedures, in uniformity with the strategies of donor Associates; certify reliable submission of the necessities of the Act and Regulations; and help develop steady submission of finest procurement activities and global values.

5.4.2 Appraisal, Checks For Passivity

There should be regular procurement activities appraisal, checks to observer for passivity with procurement actions in the firm by the internal auditor and public procurement authority for consistent enforcement of the prevailing rules and regulations in procurement. Punitive sanctions should be administered to procurement practitioners who do not obey and observe procurement ethics in the institution. Also Dealers, and Contractors who try to effect procurement procedure must be punished and expelled from all public contracts using the Public Procurement Act, Act 914, Manuals and regulations.

5.4.3 Heading

The study recommends that procurement professionals should engage in preparation and beginning phases of ventures obtaining through to last distribution and pact end meanwhile it aid and should stop all likely data to reduce the effect of practical issues and fiscal allied issues; eliminate or reduce the want for creation first-hand choices all the period a similar state of affairs ascend afford an idea of locus in contradiction of which philosophies opts to be appraised. Care must be set to financial issues meanwhile maximum of them are yonder the switch of the procurement experts. Consistent conference between procurement specialists in the nation should be encourage to thoughtful consider all contractual and Procurement risks to control the suitable civic procurement structure that deliver best value for money to the nation by certifying that civic moneys are consumed in a clear, effective and just way.

5.4.4 Use of Competitive Tendering Method

The public procurement Act inspires the adoption of Competitive bidding as the default system for all procurement activity where possible (Section 35 and Part V of PPA 2016, Act 914). The institutions procurement activities should be established through competitive processes and negotiations. The institutions shall reveal the assortment measures to all bidder and stake holder before the start of the process and to prohibit procurement officials to alteration of it, when the procedure has begun. Tender documents should be prepared in simple clear language for easy understanding by all parties involved in the process.

5.4.5 Adhering To Procurement Rules and Responsibilities

In addition Government should equip the procurement class through the organization. Directors with all job functions and includes strategy chucks and

measures to endorse clear responsibility and ethics in the procedure, administration and press of procurement activities that are in contradiction of the practice where the Directors assume the position of procurement officer. Hence the problem of who is responsible with practicing or management of procurement processes would linger on.

5.4.6 Procurement Planning

The institutions annual procurement plan should emanate from their annual budget, which will help link procurement spending against its budget of income and expenditure to ensure VFM. Also approaches used as instruments of implementation must not develop into an obstacle so as to impede the systems smooth operation.

5.4.7 Further research work

Submission to the Protocols is mandatory for procurement units and other members in civil procurement. The result is an indication that in spite of the general awareness of the principles, observations, rules and techniques in the procurement of infrastructure in Ghana there are still limitations in practice. Hence it is suggested that, further survey readings ought be piloted into standards,practices, policies and procedures in the procurement of works in Ghana integrating reliable submission of the delivery and techniques thru the public service and how important it is to attain better efficacy, transparency, consistency of records, choices and decrease burden for the procurement of the Nation.

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APPENDIX A

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

KUMASI

COLLEGE OF ART AND BUILT ENVIRONMENT

DEPARTMENT OF BUILDING TECHNOLOGY

INTRODUCTION

The Researcher is a Master of Science in Procurement Management student, conducting a research into the Concept of 'Value for Money' as Applied in Public Procurement in Ghana.

OBJECTIVES OF THE STUDY

The specific objectives below have been set up to achieve the aim of the study.

- i. To identify the critical elements of procurement system in ensuring Value for Money.
- ii. Identify the various approaches under the public procurement Act used to promote the achievement of value for money.
- iii. To reveal the consistent application of best practices and standards by public procurement entities to ensure value for money of procurement processes.

INSTRUCTION TO RESPONDENTS

A maximum of Fifteen (15) questions have been designed. **Please, kindly respond to the questions by ticking (√) the appropriate box or column for each item.**

Please note that any information provided would be strictly treated to the highest

confidentiality as this work is solely for academic purposes. Your assistance in responding to the questionnaire would be very much appreciated. You may please contact the researcher on 0202674300 or hkwanuar @ gmail.com for clarifications. The responses may also be sent electronically using the email address above.

QUESTIONS

Please tick [√] or click in the box [☒] where appropriate

1. What is your highest academic qualification?
 - a) BSc Honours
 - b) P. G. Diploma
 - c) MPhil
 - d) MSc/MEng
 - e) PhD

2. Which professional body are you affiliated to?
 - a) Chartered Institute of Purchasing and Supply (CIPS)
 - b) Project Management Institute (PMI-Ghana Chapter)
 - c) Ghana Institution of Engineers (GhIE)
 - d) Ghana Institute of Architects (GIA)
 - e) Ghana Institution of Surveyors (GhIS)
 - f) Other Specify.....

3. For how long have you been in professional practice?
 - a) Less than 6years
 - b) 6 – 10 years
 - c) 11 – 15 years
 - d) 16 – 20 years
 - e) Above 20years

4. Does your organization prepare annual procurement plans?
 - a) Yes
 - b) No

5. Do you keep records of the procurement proceedings?
 - a) Yes
 - b) No

6. Does your organization publish notices of procurement contact award/tender notices

on the PPA website?

- a) Yes b) No

7. Do staff of the assembly in charge of procurement understand the concept of value-for-

money?

- a) Yes b) No

8. Indicate your level of understanding of the concept of value of money management Practices.

- a) Not at all b) Little extent c) Moderate
d) Some extent e) Great extent

9. Do you carry out value for money assessment?

- a) Yes b) No

10. Is there any audit which checks if the internal documents and policies are complied with?

- a) Yes b) No

11. Kindly indicate the level of consideration of the elements in evaluating value for money in work procurement by ticking (√) or clicking in the box [] where appropriate.

Use the scale: 1 = Not High, 2 = Less High, 3 = Averagely High, 4 = High, 5 = Very High.

No.	Elements of value for money	Levels				
		1	2	3	4	5
1.	Economy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Efficiency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Equity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Cost	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Professionalism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Complexity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Flexibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Kindly indicate consistency in the application of best practices and standards by public procurement entities to ensuring best value for money of procurement processes by ticking (√) or clicking in the box [] where appropriate, using Yes or No, or stating answer for questions 12 to 14.

12 Section (i) – Procurement Practices and Selection of tendering method

- I. Is the procurement unit/department on its own? a. Yes (....) b. No (.....)
- II. How are tendering documents obtained by suppliers?
From the organization (...) b. From net (...) c. Others -----
- III. What type of tendering procedures do you use in awarding contracts?

- a. Competitive tendering. (...)
- b. Single sourcing (.....)
- c. Sole sourcing (...)

IV. If competitive tendering, which type?

- a. Open tendering (either national or international) (...)
- b. Two stage tendering, (...)
- c. Restricted tendering. (.....)

V. How often does your organization make use of competitive tendering?

- a. More often, (...)
- b. Once in a while (...)
- c. Other. -----

VI. Do you have permanent suppliers? a. Yes (-----) or No (-----)

VII. Has the competitive tendering method helped you in achieving value for money?

Yes (-----) No (-----).

13. Section (ii) – Measures Employed as an Approach to Ensure Value for Money

Items	Value For Money Practices	Tick	
		Yes	No
Q1	Does your organization pre- disclose the selection criteria to tenderers and forbid the procurement entity to change it once the process has started?		
Q2	Does your organisation set criteria for the selection of suppliers?		
Q3	Does your organization prepare tender document in a simple language that is easy to understand?		

Q4	Do you consistently enforce the prevailing rules and regulations according to Act 663 in carrying out procurement activities?		
Q5	Have mechanisms for enforcement of regulation by the institution become a barrier to the smooth procurement operations, so as to make the system insufficient, bureaucratic and costly?		
Q6	Does your organization apply punitive sanctions to procurement officials who fail to comply with the procurement activities in the institution?		
Q7	Should Supplier Contractor Consultant who attempts to influence procurement process be sanctioned and debarred from government of Ghana contracts?		
Q8	Does your organization undertake regular procurement audits and monitoring for the compliance with procurement activities in the institution?		
Q9	Does public procurement Authority annually assess procurement activities of the institution always?		

14. Section (iii) Tender Opening, Evaluation, and Contract award under Procurement Practice and policy

Item	Tender Opening	Tick
------	----------------	------

		Yes	No
P1	Do you consider the preparation of a Tender Register necessary during Tendering process for comparison of submitted Tenders to those purchased?		
P2	Do you consider the preparation and signing of Minutes during Tender opening stage necessary?		
P3	Is Tender Closing principles given in the Instruction to Tenderers (ITT) as stipulated in the Tender Documents, adhered to during Tender submissions?		
P4	Do you subject the same level of scrutiny to all envelopes containing substitutions, or modifications, including the reading out of critical details, such as price changes?		
P5	Does Tender Opening commence immediately after the close of the tenders submission (as stated in the tender document)?		
	Tender Evaluation		
K1	Are the verification of the authenticity of submitted Tender Documents such as Statutory Certifications, Commercial, technical and Financial capacities done in Tender Evaluation Activities?		
K2	Is it good that a member of the Entity Tender Committee shall act as a member of the Tender Evaluation Panel?		
K3	Do you undertake physical visits to cross check references during documentary analysis of submissions such as projects undertaken by Tenders / Bidders?		
K4	Is Correction of Errors done fairly and used to enhance the Tender Evaluation outcome?		

K5	Do you recommend award of contract to contractors solely on the basis of information provided and evaluation criteria provided in the tender documents?		
Evaluation Report / Contract Agreement			
X1	Is the Tender Review Board on its own allowed to modify any Submissions or Change the Recommendation in any tender evaluation Report?		
X2	Is enough time normally allocated by Clients for reviewing of Contract Documents by Contractors before Signing?		
X3	Is the Tender Review Board on its own allowed to modify any Submissions or Change the Recommendation in any tender evaluation Report?		
X4	Before the award letter is written, is negotiation over minimum deviations from tender requirement met by Tenderers?		
X5	Do you take minutes for each stage of the Tender Evaluation and attach it to the Tender Evaluation Report?		
X6	Do you involve members of the Tender Evaluation Panel directly in the approval of any award of contract?		
X7	Does your institution allow unsuccessful Tenderers the opportunity to seek debriefing as stipulated under the Public Procurement Act 663 of 2003, from the Entity?		

15. State any professional comments, suggestions or recommendations if any in ensuring that procurement management practices at HMA are made more purposeful and directed towards achieving organisational goal?

