

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,
KUMASI
DEPARTMENT OF BUILDING TECHNOLOGY**



**STRATEGIES FOR IMPROVING PROCUREMENT PROCESSES IN THE
AWARD OF CONTRACTS IN PUBLIC SECTOR PROCUREMENT IN GHANA-
A CASE STUDY OF MUNICIPAL ASSEMBLIES IN THE BRONG AHAFO
REGION.**

Masters Thesis Submitted to the College of Architecture and Planning of Kwame
Nkrumah University of Science and Technology in partial fulfillment of the requirements
for the award of a degree of **Master of Science in Procurement Management**

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KNUST
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THE DEGREE OFMASTER OF SCIENCE PROCUREMENT MANAGEMENT
ADMINISTRATION**

NOVEMBER, 2013

DECLARATION

I declare that I wholly undertook this research under supervision and where other scholarly works have been used, it was duly acknowledged.

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I declare that I have supervised the student in undertaking the research reported herein and I confirm that the student has effected all corrections suggested.

..... Date.....
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Head of Dept. Name Signature Date

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ABSTRACT

Procurement plays a very vital role in economical growth and development of any country if well managed. The major Problem contributing to the poor performance of procurement of goods, Works and services in award of contract is that, there have not been compliance with the policies and regulations of the Act.(663) public procurement Act(2003) Act 663. This research is aimed at identifying strategies for improving procurement processes in the award of contracts in public sector procurement. The study suggests that effective procurement processes are measures of improving procurement processes and performance in award of contract. To achieve the objective of the study, 5 managerial staff members in each of the 7 Municipal assemblies in the Brong Ahafo region of Ghana were targeted as respondents to provide the needed information for the study. This comprised municipal coordinating directors, planning officers, finance officers, engineers and the head of procurement unit. The findings of this study revealed that lack of expertise in an organization, poor communication, ambiguity in role clarification, insufficient budget allocation, incredible information provided by the contractors and delays in budget allocation are the problems militating against procurement entities in the award of contracts. The study outlined recommendations for improving the procurement processes in the award of contracts in public sector procurement.

Key words: Strategies, improvement, Ghana, performance and process.

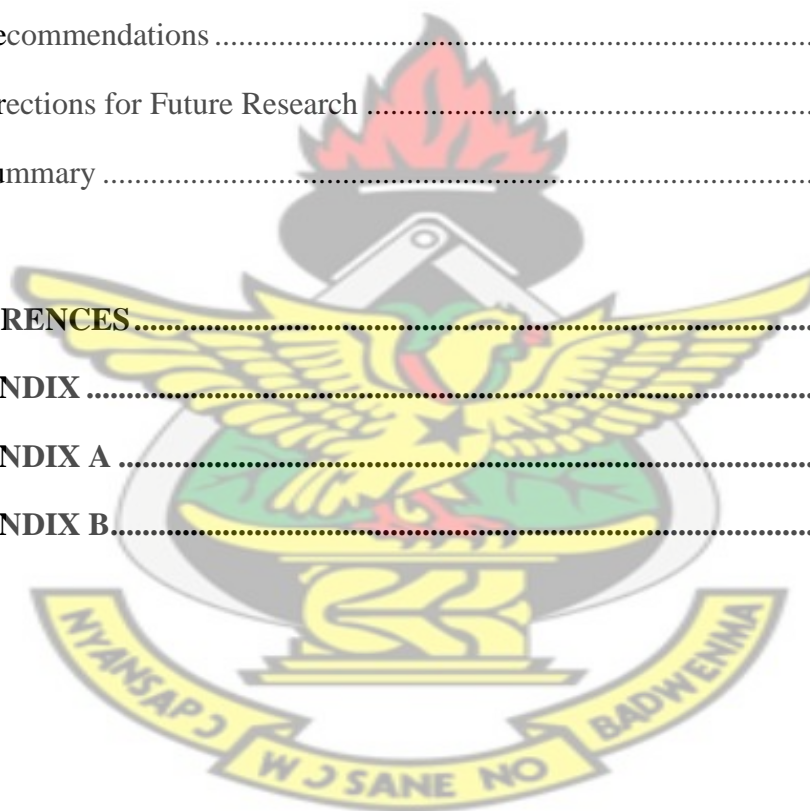
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CHAPTER ONE

1.0 Introduction

The term Procurement Process is used to describe the process required to supply equipment, materials and other resources required to carry out a project. This process usually involves sub-processes such as acquisition, purchasing, logistics, monitoring, quality assurance and contract administration (Stuckhart, 1995). It is a process of identifying and obtaining goods, works and service. It includes sourcing, purchasing and covers all activities from identifying potential suppliers through to delivery from supplier to the users or beneficiary. It is favorable that the goods, works and services are appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time and location(Mangan et al 2008). In most public entities, regardless of the effort by the partners like World Bank, International Trade Organization, the United Nations Conference on Trade and Development, the World Trade Organization and others, the procurement process has not been given the recognition it deserves in the developing countries. This could be deliberate or complete ignorance on the value the procurement could contribute to any organization(Telgen et al, 1997).The failure to establish effective strategy ,i.e. Pre-procurement planning and credible process of procurement of works have led to abandonment of public project, irregular and biased decision that have costly consequences to every entity. Actually, the need to have coherent methods of procurement of works in public entities particularly in developing countries has to be looked at closely by the players in the industry.

1.1 Background to The Study

The public sector has been playing an active role through the involvement in the execution and delivery of public projects to improve the quality of life of the citizens. However, there are many concerns that have been shown for the difficulties in managing public sector projects. Due to that human behaviors and the conflicts that often take place in projects, poor performance and corruption resulting from non adherence to process and procedures, poor resource utilization, fraud at both pre and post contract phase, poor personal management and training, inadequate payment and benefit have resulted in poor public project delivery. For most developing countries, government's procurement has always been considered as an economic policy tool with which they can promote industrial development by channeling public finances to their own countries' infant industries. Civil society organizations have traditionally focused on the use of public procurement as a means by which public authorities can promote socially and environmentally friendly policies. In developing countries, the potential is huge since on average procurement accounts for 70% of public spending. But the developmental and socioeconomic implications have largely been neglected by recent analysis by the World Bank and the Organization for Economic Cooperation and Development (OECD). Eurodad's work intends to fill at least a part of this gap (McCrudden and Christopher, 2007)

Though management shows interest in managing and controlling the procurement performance as efficiently and effectively as possible, the real problem is how to realize procurement goals that are influenced by internal and external force in the public sector

(Callender and Mcken, 2007).In view of the importance of the procurement of goods, works and services, there is the need to have coherent methods of performance of procurement of goods, works and services. It is therefore necessary to investigate the measures that would enhance procurement processes and procedures in public sector (Telgen, 2007).In most developing countries, the procurement function is transitioning from a clerical non-strategic unit to an effective socio – economic that is able to influence decisions and add value (Facolta di Economic, 2006).Developing countries in one way or another have reformed their public procurement regulations. The reform has not only been limited to regulations but also included public procurement policies and process, methods, procurement organizational structure and the workforce. The reforms have been as a result of joint effort with various development partners like the World Bank, International Trade Centre etc. Most procurement entities in public sectors face problem of rapid changes in public procurement procedures and requirements. Knudsen (1999), suggested that good procurement strategy starts from efficiency and effectiveness in procurement function in order to change from being reactive to being proactive to attain set performance levels in an entity. According to Weele (2006), procurement performance is considered to be the result of two elements: effective procurement process and efficiency. This means that good procurement performance is not an end in itself but a means to effective process and efficient control and monitoring procurement function (Lardenoije, et al, 2005).

1.2 Problem Statement.

In spite of the controlling efforts by the management of certain public entities and the Government of developing countries like Ghana and the developing partners like world Bank to improve performance of procurement, public procurement is still marred by shoddy works, low compliance level despite effort by the public procurement and disposal of assets Authority (PPDA) to put in place measures to improve compliance. Failure to implement or delayed implementation of recommended performance standard has resulted in unnecessarily high operational cost. In addition, the procurement Departments of public entities are faced with the problem of lack of information about the procurement procedure, its inputs, outputs, resource consumption and results and are therefore unable to determine their efficiency and effectiveness. This problem requires the establishment of clear procurement procedures and performance standards. These when adopted, will provide decision – makers in procurement departments with unbiased and objective information regarding the performance of the procurement function (Knudsen, 1999). Therefore the purpose of the study is to identify how the procurement process could contribute to improve effective performance.

1.3. Aim

The aim of the study is to explore and advance knowledge on strategies for improving procurement processes in the award of contracts, in public sector procurement.

1.4. Specific Objectives

The specific objectives are:

- Identify and examine strategies used for improving procurement processes in the award of contract
- To explore the basic problems which affect the effectiveness of procurement processes in award of contract?
- Identify solutions to address the problems which affect effectiveness of procurement processes and recommend ways of improving it.

1.5. Research Questions

The following questions will be asked.

1. What are the processes involved in awarding contracts?
2. What are the strategies used in the procurement of works?
3. What are the problems confronting the entity in the process of awarding contracts?

1.6. The Research Methodology.

The purpose of this study is to identify how procurement process in the Municipal Assembly can contribute to improve performance focusing on efficiency and effectiveness. Therefore, the data presented in this study was collected using primary and secondary sources. The primary data was gathered through questionnaires and interviews with the staff members at the managerial level of the entity including (i.e. Engineers, Municipal Assembly workers, and contractors in the selected municipal assemblies in Sunyani Municipal. The data were analyzed using tables and charts. The secondary

information was obtained from text books, journals, online sources and other publications.

1.7. Scope and Limitation of the Research

This study was limited to the municipal Assemblies in Sunyani. It includes managerial staff consisting of planning officers, District Coordinating Directors, Head of procurement Unit finance officers and engineers being a total of five (5).

1.8. The Organization of the Research.

The research consists of five chapters. The chapter one consists of the introduction, aim, objectives, problem statements, research questions, methodology, scope and limitations. The chapter two consists of literature review of concepts, theories and authors'. The chapter three consists of the methodology of the study, that is the research design, sampling procedure or techniques and data tools. Chapter four contains the result and summary of findings and chapter five is the conclusion and recommendations.

CHAPTER TWO

Literature Review

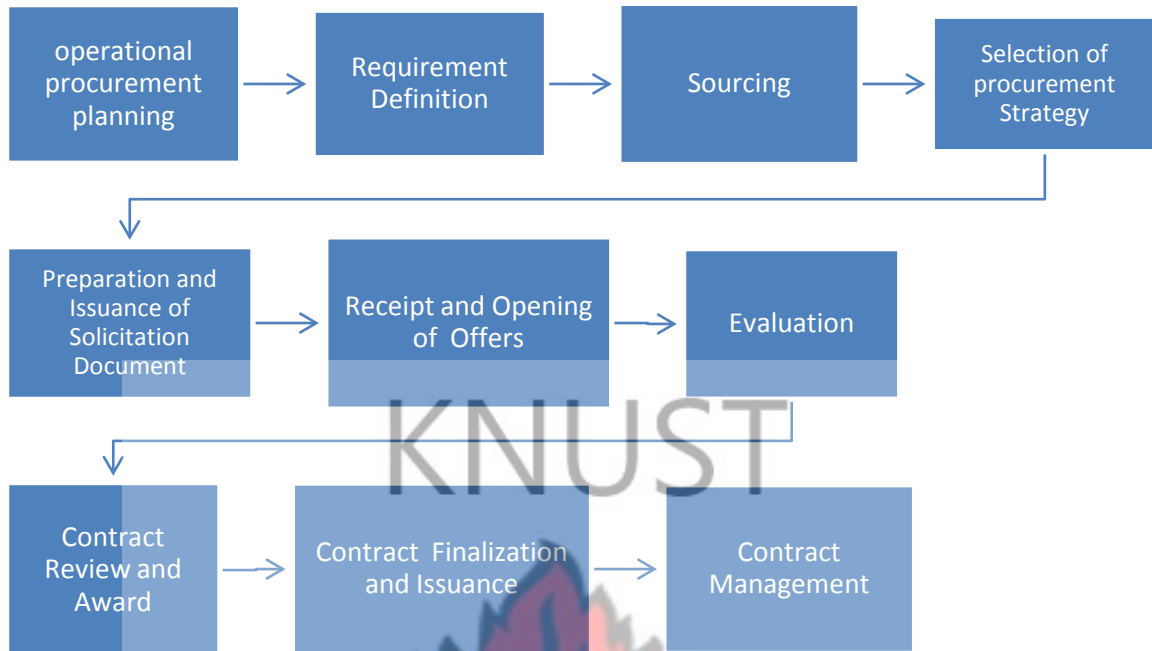
2.0Introduction

Even though the effective procurement processes continue to be very low in public sector. The ultimate aim is to create a system of improving the procurement process by which procurement entities in the public sector prepare and award public projects. The literature review covers procurement processes, familiarity with regulations, professionalism and institutional factors.

2.1. Procurement Processes involved in awarding contract

Even though there are guidelines for the procurement process, there are still ethical issues that arise in project procurement that eventually leads to a lower quality outcome for the projects. These guidelines detail services of consultants, engineers, technical, financial, legal, architecture, design and others (Othmanet.al,2010).

The flowchart below shows each of the stages in the procurement process- UN



Interagency procurement working group IAPWG, (2006) UN Procurement practitioner's Handbook

2.1.1. Operational Procurement Planning

The ultimate goal of procurement planning is coordinated and integrated action to fulfill a need for goods, services or works in a timely manner and at a reasonable cost. Mullins(2003) has argued that procurement planning is the process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entities operations are met as required in the efficient way. Early and accurate planning is essential to avoid last minute, emergency or ill-planned procurement, which is contrary to open, efficient and effective and consequently transparent procurement. In addition, most potential savings in the procurement process are achieved by improvements in the planning stages. Procurement planning clarifies what is needed and when it is needed to both user and buyer. procurement planning enables the procurement

entity and its staff to work smoothly to achieve the organization's goals with the right quality and quantity of inputs in place; ineffective procurement planning may result in failure to achieve those goals and procurement principles and causing damage to the credibility of the organization (Thai,2004).Adequate procurement planning and prioritization of needs by each procurement entity is an essential prerequisite to effective purchasing for the following reasons

- Funding for procurement is unlikely to be sufficient to meet all requirements, and scarce financial resources must be channeled that the priority aims of procurement entity are adequately met before spending on less essential procurements.
- Effective planning allows requirements to be aggregated into larger purchases at lower unit cost.
- Procurement of common user items may also be aggregated for more than one procurement entity into framework (call-off) contract for six months or a year, to permit further economies of bulk purchasing.
- Publications of a realistic annual procurement plans allows private sector to respond more effectively to the requirement and specifications of Government through investment in staff and equipments. Interagency procurement working group IAPWG, (2006) .

2.1.2Requirement Definition

Requirement definition involves defining and describing what is needed and will be procured, collecting information, identifying appropriate solutions and specifying these in

specifications for statement of works (SOW) for works. Specifications and SOW constitute the technical basis for the solicitation and the evaluation of offers to determine if they satisfy the requirements as stipulated in the solicitation documents. They become the “heart” around which the eventual contract is written and later administered. They have an effect on the procurement that lasts its entire lifetime—from planning, through bid evaluation, award and contract performance up to completion and post contract evaluations. Requirements should be defined with the aim of opening up competition, i.e. no use of unnecessary restrictions. Requirement definition should identify the exact need (technical and quality), aiming at avoiding over-specifications (as this may increase the cost) or under-specifications (where needs will not be met), as well as the “when” it is needed (timing), (Hinson and McCue 2004)

2.1.3 Sourcing

Sourcing is defined as a technical activity with the purpose of identifying existing suitable products and services on the market and qualified suppliers available to provide those products and services. Hinson and McCue (2004) say that sourcing is the process of identifying sources of supply that can meet the organization’s immediate and future requirements for goods and services. Sourcing also aims at collecting and analyzing information about capabilities within the market to satisfy the organization’s requirements, such as obtaining updated cost\ information, determining the appropriate technology and alternative products, as well as identifying appropriate supplier qualification criteria. A thorough sourcing process, leading to identification and invitation of relevant suppliers, ensures maximized competition, by allowing the most

relevant and suitable companies to compete (Babich. and Pettijohn, 2004).In other words, the procurement entity would have preferred list of approved contractors or suppliers that would be maintained. These are companies that have been through selection process and found to best satisfy the need of the company.

2.1.3.1. E- Sourcing

E-sourcing is an electronic process which is used to support the specification phase of the procurement process. It is used for pre-qualifying contractors or suppliers and also identifies suppliers that can be used in the selection phase; example of e-sourcing is the UN Global Market Place (UNGM) (Neef and Hall,2001)

2.1.4. Selection of a Procurement Strategy

Once a fully funded and approved requisition is accepted by the procurement unit and appropriate sourcing has been conducted, the procurement officer's role is central in determining the appropriate procurement strategy. The purpose of identifying and selecting an appropriate procurement strategy is to find the best way to obtain the solution/result to satisfy the needs of the end user for goods, works and services by obtaining the most advantageous pricing and contractual conditions through a competitive process that will best deliver what is required in a timely manner while ensuring achievement of the guiding procurement principles. A procurement strategy includes choice of the type of arrangement and/or contract to be concluded, choice of the

procurement method and type of competition to be adopted to purchase the required goods/services/works.(Davidson and Wright 2004)

2.1.5. Preparation and Issuance of Solicitation Documents

Solicitation documents are the documents used to request potential suppliers to offer a quotation bid or proposal to provide the required goods, services or works. Preparation of solicitation documents covers the process of assembling and formalizing the information and documentation necessary for potential suppliers to prepare responsive and easily comparable offers, consistent with the requirement and procurement strategy. Procurement officers should ensure that the solicitation documents create a “level playing field”, i.e. all potential suppliers receive the same information at the same time, to prepare offers; measurable evaluation criteria that will allow suppliers the same chances to receive the contract award; ensure that commercial risks are fairly distributed between the organization and eventual supplier; ensure that the terms of the eventual contract are clearly expressed and thus suppliers understand the rights and obligations they will be expected to enter into. All requirements should be clearly expressed in terms that are conducive to receive a sufficient number of responsive offers so that the outcome will best meet the organization’s needs. Procedures should be clearly expressed to avoid unnecessary procurement officer’s time in explanations. (Babich. and Pettijohn, 2004)

2.1.5.1. E- Tendering

E- tendering in its broader sense, e- procurement involving electronic data transfer to support operational, tactical and electronic procurement (Tonkin, 2003). It does not include closing the deal with the supplier but facilitates a large part of the tactical procurement processes. It results in equal treatment of contractors or suppliers, transparent selection process, reduction in legal errors, clear audit trail, more efficient in the tactical procurement process and improved time management of tendering procedures. Some UN organizations such as UNDP-IAPSO and UNHCR have used e- tendering in the formulation long term agreement for goods, works and services.

2.1.6. Receipt and Opening of Offers

After the solicitation process, offers are received, registered, opened by an individual not directly involved in the procurement function. In some organizations it is the same authority that is in charge of opening the offers. For quotations, it is usually the procurement officer in charge who receives them. As specified in the solicitation documents, offers should be received. The purpose of this formal process is to ensure that offers are received, handled and opened according to the instructions provided in the solicitation documents and that transparency and confidentiality is maintained as specified in the relevant regulations, rules and procedures of the organization. This process is usually handled by an independent authority within the organization normally not directly involved in the procurement function (e.g. the unit responsible for quality assurance). There may be differences in the way quotations, bids and proposals are handled.

2.1.7. Evaluation

The evaluation process consists of the preliminary examination and evaluation of the offers received, and considered to be valid, to assess their responsiveness to specifications and requirements as defined in the solicitation document, analyze their cost and benefit, and determine their price and value. Evaluation, together with the requirement definition and the evaluation criteria and method specified in the solicitation document, is the basis for the subsequent selection of the offer that provides the best value for money for the organization. Best value for money in the context of evaluation of offers, means that price alone is not always the only criterion factored into an evaluation method. Other criteria such as quality, availability, time, compliance, cost for maintenance and support, life cycle cost, etc. are part of the equations to determine the best return on investment of the procurement of goods, services or works. Evaluation is conducted by a designated evaluation team and in accordance with the relevant regulations, rules and procedures, using the evaluation criteria and method pre-determined in the solicitation document in order to conduct a fair and unbiased evaluation. The evaluation process also needs to be transparent, and therefore each step of the process documented in an evaluation report which subsequently is the basis for the recommendation of award (Babich. and Pettijohn, 2004).

2.1.7.1. Ineffective Evaluation of the Process

The importance of accountability has become an important agenda especially to the public sector. This mechanism of accountability is indispensable for promoting a high

standard of ethical conduct in order to move towards a developed nation (Beh, 2007). Public projects should be more closely evaluated to ensure that the public expenditure is used wisely. Thus the public accounts committee needs to have a balanced composition to act in non-partisan manner on public expenditure issues. The open tender process is one of the ways to mitigate the possible conflict of interest and to promote cost-efficiency in project procurement. Currently all public sectors have been directed to comply with the current procurement policies with the improvement of the open tender system. This is to ensure the transparency and accountability to the project procurement among the public sectors.

2.1.8. Contract Review and Award

Contract review is an essential step in the contracting process. It provides for independent written advice on the acceptability of the procurement process undertaken, and the proposed commitment of funds by the highest level procurement authority or officer with the appropriate delegated authority, through contracts or purchase orders (awarding authority). Award is the formal decision and approval to establish a contract with a successful supplier or tenderer based on independent review of the procurement process within the limits of awarding authority. The award phase marks the successful conclusion of the procurement process and starting point for contract finalization and execution (Davidson and Wright, 2004). In addition, once the tenderers are evaluated and scored, the tenderer will be notified with approval or a rejection. Successful tenderers are notified

in writing. It is the procurement best practices to offer unsuccessful tenderers chance for a debriefing to enable them find out why they were not selected.

2.1.8.1. Non Transparency Selection Process

One of the main reasons that ethical issues occur in plan procurement is due to the non transparent selection process. For example succession agreements and Government procurement lead to sub-optimal outcomes (Beh,2007). This has lead to allegation of corruption whereby the public works department is under siege. Currently, it is crucial that the issue of transparency and accountability to be focus on especially when it comes to public expenditure. Problems of accountability arise when governments ignore ethics and constitutional and legal provisions in conducting public money and affairs. This also includes the disregard of the administrative systems, tasks that are complex until it is difficult to identify who is responsible for what activities are underfunded. When the problems of accountability occur thus there are many potential of unethical behavior to occur that would influence the ethical decision making in plan procurement. Failure to control the bidding exercise is also causing unethical behavior. It will end up with underbidding by contractors and this will affect the project implementation and project delivery to the end user (Rahman et. al.2007). It is important to control bidding exercises to ensure that the public sectors are getting the most qualified contractor to perform the based on the specific requirements. If this is not controlled it may cause the low project quality.

2.1.9. Contract Finalization and Issuance

Contract finalization is the process followed by the procurement officer to form a written contract with a supplier. The purpose of contract finalization is to ensure that all proper elements are in place to conclude a written agreement that protects the interests of the organization and reflects the offer made by the supplier in response to the requirement presented by the organization. A contract is formed on the basis of an “offer” and an “acceptance” and in the context of procurement in the UN system of organizations, is a written document, containing the agreement, terms and conditions between the organization and the supplier, and which serves as proof of the obligation. In the UN system of organizations contracts are based on competitive solicitation processes. However, under certain circumstances (e.g. direct contract, sole source or complex contracts); in order to proceed to form a contract with the selected supplier, the procurement officer may need to clarify and negotiate terms and conditions. Proper procedures should be followed to ensure that no negotiations take place with respect to issues already agreed at the solicitation stage and that the parties are clear about their respective rights and responsibilities. In certain cases, negotiations may be carried out with the selected supplier regarding payment terms, supplementary terms and conditions, delivery, etc. Negotiations nonetheless should result in a clear understanding of responsibilities under the contract. In this context, negotiation is the process of arriving at an agreement on the terms and conditions of a contractual agreement through discussions between the organization and the supplier.(Davidson and Wright, 2004).

2.1.9.2. Contract Management

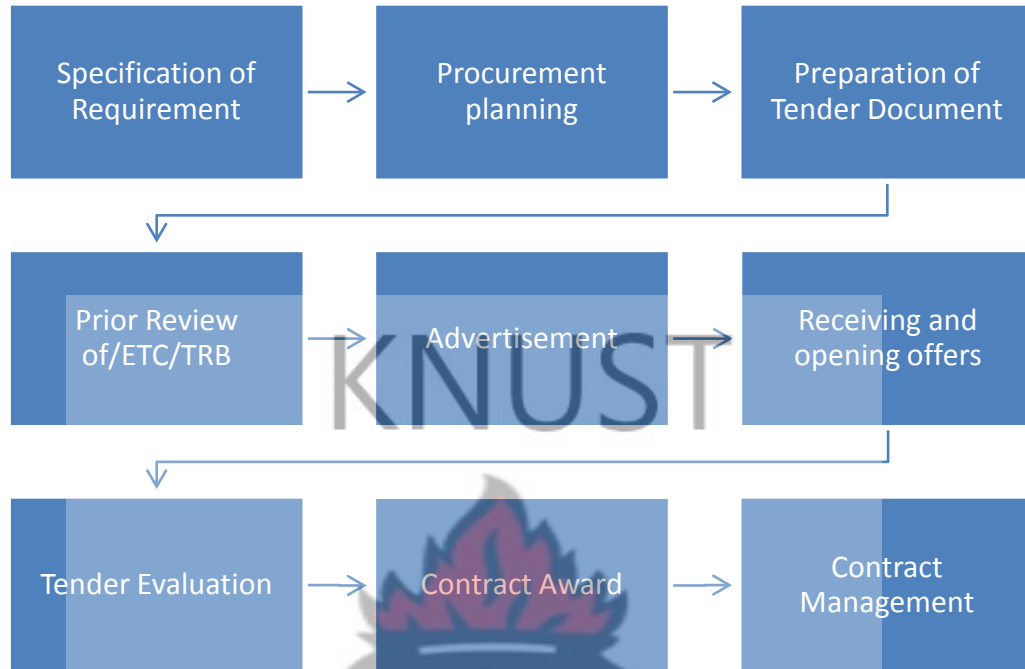
The terms “contract management” and “contract administration” are often used synonymously. However, “contract management” is commonly understood as a broader and more strategic concept that covers the whole procurement cycle including planning, formation, execution, administration and close out of a contract and goes beyond the day to day “administrative” activities in the procurement cycle. Because it is difficult to draw the line between the two terms and because the majority of the organizations commonly use “contract management” when describing the contract administration phase. The purpose of contract management is to ensure that all parties to the contract fully meet their respective obligations as efficiently and effectively as possible, delivering the business and operational outputs required from the contract and providing value for money. It also protects the rights of the parties and ensures required performance when circumstances change of relevant activities, as well as documentation in a contract file throughout the process. the procurement officer is responsible for following up and ensuring that the actions of the supplier and the UN organization are in line with the contractual responsibilities, that the contract is amended to reflect agreed changes in circumstances, and that any claim or dispute is resolved amicably according to the terms of the contract. Payment for the goods or services should be handled independently from the procurement function, while contract close out again is the responsibility of the procurement officer. The stages of contract management are intended to ensure that the parties work together to achieve the objectives of the contract. Contract management is based on the idea that the contract is an agreement, a partnership with rights and obligations that must be met by both sides to achieve the goal. Contract management is

aimed not at finding fault, but rather at identifying problems and finding solutions together with all contracting parties involved.(UN procurement practitioner's handbook – 2006)

2.2. Procurement Process –Ghana

To ensure sanity and value for money in the public procurement landscape, the government of Ghana in 1996 launched the Public Financial Management Reform Programme (PUFMARP). The purpose of the programme was to improve financial management in Ghana. PUFMARP identified weaknesses in the procurement system. Some of these weaknesses included: lack of comprehensive public procurement policy, lack of central body with technical expertise, absence of clearly defined roles and responsibilities for procurement entities. Ameyaw, et al. (2012). The Country Procurement Assessment Report of Ghana produced in 2003, revealed that most staff members of Ministries, Departments and Agencies (MDAs) and District Assemblies (DAs) responsible for procurement were not procurement-proficient, even though they have been trained. The report contended that application of the PPA and the Standard Tender and Contract Documents will not be successful without broad training and 'refresher' programmes for officials in charge of procurement. Similarly Forgor (2007) agrees that lack of proper training of managers on the procurement process is a challenge that confronts procurement reforms. This supports the assertion that poor dissemination of procurement law is one of the challenges facing the smooth implementation of public procurement laws (Azeem, 2007).

The flow chart below shows procurement process -Ghana



Adapted from UN procurement Practitioners Handbook, (2006)

2.2.1. Requirement Definition

The requirement needs to be fully identify with detailed technical specification, drawings and plans as appropriate .The technical department of the procurement entity prepares plans, drawings ,detailed specification and a bills of quantity or activity schedule for the required works procurement Requirement definition involves defining and describing what is needed and will be procured. PPA(2006)Public procurement Act,2003 (Act 663)the procurement department should develop or communicate a plan on how to deliver the service or goods required, the plan must be developed in collaboration with the other functions within the organization, so that it is integrated into the organization's strategy and therefore provided for adequately (Shaw,2010).

2.2.2. Procurement Planning

Mullins(2003) has argued that procurement planning is the process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entities operations are met as required in the efficient way. The procurement entity shall submit to its Tender Committee not later than one month to the end of the financial year, submit the update of the procurement plan to the tender committee after approval of the budget, send to the Tender Review Board notices for contracts above the threshold in schedule 3 for in the public procurement bulletin. Procurement planning consists of Contract Packages, estimated cost for each package, the procurement methods and processing steps and times. PPA, 2003- Manuals, Public Procurement Act,2003 (Act 663)

2.2.3. Preparation of Tender Document

This is a document prepared by procurement officers by modifying the appropriate Standard Tender Document (STD) issued by the PPB as listed in schedule 4 of Act 663. The Tender Document covers the process of assembling and formalizing the information and documentation necessary for potential contractors to prepare responsive and easily comparable offers and consistent with the requirement and procurement strategy. Instructions to tenderers and General condition of contract are not changed. However, modification can only be made through the Tender Data sheet and Special Condition of Contract respectively. The key sections that need completion and modification are, Invitation to tender, Tender Data sheet, Technical Specification, Schedule of

requirement. The special condition of contract, sample forms are completed by the supplier. PPA 2003 – Manuals, Public procurement Act, 2003 (Act 663)

2.2.4. Prior Review

This is a body established in accordance with schedule 2 of the Act to review procurement decisions within the threshold set out in schedule 3 of the Act. The TRB is to review the activities at each step of the procurement cycle which will lead to the selection of the Lowest Evaluated Tender by the procurement entity. Shaw (2010) argues that it is very easy to forget the review stage, particularly when there is a lot of procurement activity taking place as in the case of an emergency. Consequently, the review stage is very important and has got three main objectives. These are review with the original user or beneficiary on whether the original needs they had have been met, a review of the performance of procurement in carrying out the procurement process, and a review of the supplier performance. In emergency situations, the review step happens much later in the emergency. Emphasis during the emergency is focused on obtaining the goods, works and services and meeting the needs of the users. The TRB approve submission, reject a submission with reasons, and approve submissions subject to clarifications or minor amendments. PPA(2006)-Manuals, Public procurement Act 2003(Act 663)

2.2.5. Advertisement

Advertisement is the process whereby procurement entity makes the prepared tender document available for respective tenderers to have access to it. Advertisement for NCT and ICT shall be published in the public procurement bulletin and the PPB website and at least two local daily newspaper of general circulation in Ghana. The information contained in the advertisement must correspond to the information in the Tender Document and in particular the relevant information in the Tender Data sheet. The period allowed for advertisement is 6 weeks for ICT and 2 weeks for NCT. The content of the advert includes, the source of funding, the goods to be procured, qualification requirement for tenderers, procedure for obtaining the tender document, the place and deadline for submission of tenders, the fees to be paid for the tender document and the value of any tender security required. PPA(2003) –Manual, Public procurement Act, 2003(Act 663)

2.2.6 Receiving and Opening of Tenders

The procurement unit makes sure that tenders are deposited in the designated locked tender box until the tender opening. Tenders opening panel shall be formed and comprise of at least 3 persons including a number of entity tender committee to ensure that minute of the opening are dully taken. Tenders are opened on a predetermined date and time and for purposes of transparency, it is not permitted for the opening to be halted or postponed once the process begins. **PPA(2003)-Manual**, Public procurement Act, 2003(Act 663)

2.2.7 Tender Evaluation

(Maurer, 2004).defines evaluation as the process that determines the actual quality, reliability, delivery, etc. of the goods, works and services. The procurement department coordinates the following analyzing and evaluating the bids against set criteria, specification requirements and presenting the analysis to the procurement appointed committee, verification of supplier capability and quality control/ assurance processes, reviewing product inspection results where necessary, Verification of technical evaluation reports where applicable, Negotiates with vendors where it is recommended by the committee, placing orders and expediting the delivery. In addition, Shaw (2010) contended that it is very important for the procurement department to assess and consult on any big price variations, to avoid potential conflict of interest, undue influence, price fixing and favoritism, and to ensure consultative decision making and sharing of responsibilities. The procurement entity constitutes an evaluation panel consisting of a minimum of 3 persons with the required expertise to conduct the evaluation. The evaluation panel conducts a preliminary examination of tenders to determine whether tenders are complete and responsive to the basic instructions and requirements of tender document including checks. Public procurement Act 2003 (section 69). The entity has specified time to evaluate the tenders received, make a contract decision and inform both successful and unsuccessful tenderers. Prior to the advertisement of tender documents, a scoring criteria will be developed against which candidate will be marked and graded. Consideration such as price and quality are usual scoring criteria. In other words tenders are assessed against the criteria set out in the advertisement or tender documentation. The assessment should follow the pre-defined evaluation strategy and be consistent with the

ultimate objectives of the project/procurement. The financial and qualitative elements of tenders are assessed separately. Weightings may be applied to the criteria to allow price and non-price factors to be scored to reflect their importance to the project and to arrive at a final value for money judgment. For complex procurements, this process requires skilled and experienced staff. The final selection should be the tender which offers best overall value for money. The WTO Agreement on Government Procurement (GPA) Article XVI provides that; “Entities shall not, in the qualification and selection of suppliers, products or services, or in the evaluation of tenders and award of contracts, impose, seek or consider offsets.

2.2.8 Contract Award

This is a situation where a successful tenderer is notified of the award and in turn, the successful tenderer is required to confirm in writing acceptance of the tender award and submit the appropriate performance security (if required). The tenderer is invited for the signature of the contract. Failure to do so, the procurement entity may award the contract to the next lowest evaluated tenderer. The entity then submits the notice of award to the PPB within 30 days of contract signature for publication on PPB website. The information on contracts awarded/ signed shall include Name of supplier or contractor, Description of the goods or works, Contract sum, duration of the contract, Procurement methods used and the source of funding.

2.2.8.1 Notification of Unsuccessful Tenderers

All unsuccessful tenderers are notified immediately once the contract has been awarded and justification for not being awarded is given and their tender securities returned to them after the award. PPA (2003) Public procurement Act, 2003 (Act 663) of the Public Procurement Law requires that procurement entities communicate the results of any procurement exercise to unsuccessful bidders. The survey revealed that in 87% of the cases, this aspect of the Law was not implemented

2.2.9 Contract Management.

Contract management is essential to ensure that the objective of procurement processes is achieved and that all contractual obligations and activities are completed efficiently by both parties to the contract. The procurement unit concerned must ensure that routine monitoring of all current contract is maintained so that swift remedial or preventive measures can be taken when problems arise. Some post contract issues that need to be dealt with includes, contract effectiveness, delivery and inspections, Insurance claims, Payment to the supplier or contractor, Contractual dispute, Delays in performance, Claims for damages, Installation and commissioning, Release of performance security and retentions and contract closure .PPA(2003)- Manuals, Public procurement Act2003 (Act 663)

2.3. Procurement Methods.

The “Act on promoting quality assurance in public works” enacted in December 2003 was an epoch-making revision of the public procurement system, in that it initiated a shift from the conventional “procurement by competition based only on price” to “procurement based on combined excellence in price and quality”. The method of awarding bids based on overall evaluation in which the winning bid is decided from a comprehensive evaluation of the content of the technical proposal combined with the bid price, has gradually been expanded in scope while its application has been continuously revised based on trials. The procurement methods that can be used for procurement of goods, works and services includes International competitive tendering (ICT), National competitive tendering (NCT), Two- stage tendering (National or International), Restricted tendering(National or international), Single source (Direct procurement) and Request for quotation (RFQ). Public Procurement Act, 2003 (section 35)

2.3.1International Competitive Tendering

International Competitive Tendering is appropriate for high value or complex procurement, or where the supply of goods or scope is unlikely to attract adequate local competition. The Act requires the use of ICT for procurement of goods above the threshold stated in the, PPA (2003)-Manual, Public Procurement Act, 2003 (Act 663)

2.3.2. National Competitive Tendering

National Competitive Tendering (NCT) is appropriate for lower value procurements where the goods by their nature or scope are unlikely to attract foreign completion or where there are justifiable reasons for the procurement entity to restrict tendering to domestic suppliers. The Act permits the use of NCT for procurement of goods valued at the threshold stated in the schedule .PPA(2003- Manuals, Public Procurement Act, 2003 (Act 663)

2.3.3. Two- stage Tendering

This is a procurement method in which the procurement entity invites tenderers in the initial stage to contribute to the detailed specification of the goods or works. Following review and consultations, new detailed specifications are prepared and a restricted tender issued in the second stage to all participants who were not rejected in the first stage. It is an appropriate method of procurement when it is not feasible for the procurement entity to formulate detailed specifications. Public Procurement Act, 2003 (section 36).

2.3.4. Restricted Tendering

Restricted Tendering is a tendering process by direct invitation to a shortlist of pre-qualified, pre-registered or known suppliers and is subject to a specific approval being granted by the public procurement Board (PPB). It is an appropriate methods of procurement where

- The requirement is of a specialized nature or has a requirement of public safety or public security which make an open competitive tender inappropriate
- Due to the urgent nature of the requirement, an open competitive tender is not practical
- The number of potential suppliers is limited and open competitive tender has failed to bring an award of contract. public procurement Act, 2003 (section 38)

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2.3.5. Single Source

This is a direct procurement and is subject to a specific approval being granted by the PPB. Single source procurement is appropriate when there is an urgent need of goods, works or services, where owing to catastrophic there is an urgent need for the goods, works and services making it impractical to use other methods of procurement because of time involved and where goods, works or services to be supplied is available from one supplier or contractor. PPA(2003) – Manuals Public procurement Act, 2003 (Act663).

2.3.6. Request for Quotation

Request for quotation also known as “shopping” is used when comparing price quotations obtained from several suppliers usually at least three to ensure competitive prices. It is used for readily available goods or technical services that are not specially produced or provided to the particular specification of the procurement entity and also for goods where there is an established market if the estimated value for the procurement

contract is less than the amount in schedule 3.PPA(2003) – Manuals, Public procurement Act, 2003 (Act 663).

2.4.Role of Procurement

Lewis and Roehrich (2009) agitate that procurement is a key activity in the supply chain. Procurement can significantly influence the overall success of an emergency response depending on how it managed. In most organizations, procurement represents a very large proportion of the total spend and should be managed effectively to achieve optimum value. of stocks, for both internal customers and program needs. In addition, Benslimane, et al (2005) contend that the overall aim and objective of procurement is to carry out activities related to procurement in such a way that the goods and services so procured are of the right quality, from the right source, are at the right cost and can be delivered in the right quantities, to the right place, at the right time. There are ‘six rights’ in procurement and they can be achieved through following specific objectives of procurement (Benslimane et al, 2005). These specific objectives are;

- To buy quality materials, items and services economically from reliable sources;
- To ensure timely delivery through the selection of capable and efficient suppliers;
- To continuously locate, evaluate and develop economical and reliable supply sources;
- To identify the most reliable sources of supply through either open tender, multi-stage tendering (pre-qualifying suppliers and retaining only those that are capable of meeting the organization’ requirements; strategic sourcing) and limited tendering.
- To investigate the availability of new materials and monitor trends in market prices;

· To buy in accordance with organizations policies; Moreover, Caldwell et al (2009) say that there are three important principles of procurement. The first principle is transparency, which provides that all phases in the procurement process are fair and accurately documented. The second principle is that of accountability and it points out that there is need for accountability to financiers, who may require certain rules to be followed when using the money they have provided. Finally, there is the principle of efficiency and cost effectiveness and this principle is about meeting the 'six rights' of supply (price, right time, right quantity, quality services, and delivery to the required places and from the most cost effective source). The procurement function forms a key part of any management strategy Shaw (2010) points out that the procurement process can be wrapped into three steps. These are need identification, planning and specification of goods or services required, and sourcing, awarding, and supplier management to facilitate timely delivery.

2.5. Public Procurement System:

The process in which public sector institutions acquire goods, works and services. Public procurement systems are highly centralized and State Procurement Boards govern procurement (Bovis, 2007) To ensure improvement in procurement, Maurer (2004) prescribes that organizations should use 'best value' techniques, which embody aspects such as challenging sustainable procurement training programs are put in place for practitioners to access. What organizations do and how they do it, making comparisons with others, consulting people affected by the organization's services, and establishing that value for money is obtained during procurement. An assessment of Ghana's

procurement system in 2007 by the OECD/DAC although confirming substantial progress in public procurement since 2003, also alluded to the fact that some provisions in the Public Procurement Act have proven to be ineffectual and require adjustments or modifications. These include, incorrect interpretation and application of some provisions of the procurement law, slow pace in regularizing draft regulations, lack of clear procedures for emergency procurement, lack of training avenues for practitioners, poor record management, poor handling of suppliers' complaints, poor procurement planning, poor contract management and high cost of advertisement. According to the report these challenges cut across most African countries (OECD/DAC, 2011). The report further indicates that no Key stakeholders such as the private sector and audit institutions also lack procurement expertise (OECD/DAC, 2011). The ADB/OECD (2008) estimate that, public procurement accounts for about 20 per cent of government expenditure worldwide. Across Africa, government procurement averages around 10 per cent of GDP and can account for up to 70 percent of public expenditure, as in the case of Tanzania and Uganda (Woolcock, 2008). In Botswana, public procurement exceeded \$ 1 billion in 2003 (Lionjanga, 2003). In Ghana, about 43.8 per cent of the national budget is spent on public procurement, and a further 90 per cent of all development partners inflows are spent through procurement related activities (World Bank, 2003). Government expenditure on public procurement in South Africa accounts for 13 per cent of GDP or \$ 14 billion in 2003. There is also an additional \$ 5 billion in procurement by state owned enterprises, making 17 per cent of GDP in total (Woolcock, 2008). In developed economies, the procurement functions' contributions to GDP cannot be over-emphasized. In the European Union, public procurement accounts for 16 per cent of GDP (Mathew,

2010). It is also estimated that the public sector in the UK spends £150 billion a year on goods and services necessary to deliver public services (European Commission, 2007). According to the Australia Procurement and Construction council (APCC) the value of procuring capital assets, maintenance, goods and services by the federal government now exceeds AUD \$100 billion dollars per year (APCC, 2008). The APCC argues that if one per cent each across board savings is made through effective and efficient procurement in these areas, the federal government could be saving about one billion dollars per year on procurement. Most African countries have made incredible efforts at reforming their public procurement regulations and practices. In countries like Ghana, Uganda, and Kenya, the reforms have not been limited to regulations alone, they have included public procurement processes, methods, procurement organizational structure, and even the workforce (Ameyaw, et al, 2011). As procurement moves towards being a tactical and strategic function, it has become imperative that staff development through training take centre stage in the developmental process (Humphreys et al., 1998). More importantly, with the call for the incorporation of technology into procurement processes.

2.6. Familiarity with Regulations.

The procurement exercise follow some steps according to the PPDA of 2003. These steps must be observed in order to ensure that all stakeholders involved in the procurement exercise obtain fair treatment. These steps include planning for the required procurement over a given period, identifying the source, highlighting specifications, determination of procedure, sourcing offers, evaluation of offers, post qualifications, commencement of contract, contract performance and management, record keeping and accountability,

payment and post contract performance (PPDA, Act, 2003) Gelderman et al., (2006), one of the factors causes of non-compliance with procurement regulations is the level of familiarity with the procurement regulations. De Boer and Telgen (1998) asserted that during the early days of inception of the public procurement regulations, many municipalities could not comply with the regulations because they were not familiar with them. In the developing countries like Ghana, procurement profession is still relatively new. With the regulation having come into force in 2003, it is possible that, the level of familiarity is still low. On the other hand, it is possible that, those who are familiar with the regulation know it so well that they know how to beat the loopholes to their advantage. It is worth noting that the ambiguity in the public procurement procedures may provide a chance for dubious acts including opaque tendering and discriminate supplier selection which may progress into poor compliance levels (Dobler and Burt (1996)

2.7. Professionalism.

Dobler and Burt (1996) defined a profession as “a calling requiring specialized knowledge and often long and intense preparation including instruction in skills and methods maintaining by force of organization or concerted opinion high standard of achievement and conduct and maintaining its members to continued study and to a kind of work to which has for its prime purpose the rendering of a public service”. Millerson (1964) also echoed the definition and listed essential features of a profession as a skill based on theoretical knowledge, a skill requiring training and education, the demonstration of competence by professional passing a test, maintenance of integrity by

adherence to code of conduct, service provided for the public good and that the profession is organized. De Boer and Telgen (1998) cited Geldermanetal.(2006)added that another cause of non-compliance with procurement regulations is the level of familiarity with the procurement regulations. De Boer and Telgen (1998)assert that during the early days of the inception of public procurement regulations in Netherland, many municipalities could not comply to the regulations because they were not familiar with them. The PPDA audit report (2008) revealed that lack of professionalism was high amongst public procurement officers in Uganda and this can still be attributed to the fact that the profession is still young. Procurement professional needs to acknowledge and devise strategies to manage all these complex challenges and must be seen as champions of efficiency and effectiveness and must acknowledge the challenges and their various forms, and their sources. The requirement to educate professionals and equip them with new and higher-level skills has consequently become urgent (Sauber et al,2008). A skill is the ability either to perform a specific behavioral task or the ability to perform a specific cognitive process that is related to some particular task (Peterson and fleet, 2004). However, Riley and Cayer, (2005) report that finding, hiring and retaining dedicated, energetic and ethical employees with special skills is always hard. Each professional body or organization has its own professional code of conduct and policies to guide the ethical behavior among the members. However, failure on the part of professional personnel to exercise the degree of care considered reasonable under the circumstances can cause ethical issues to occur in project procurement. This is because most of the codes of ethics do not address the specific kinds of situations that professionals encounter (Loo,2002).The surveys conducted revealed that only 5% of the

49 entities had procurement staff with qualifications in procurement while 95% lacked procurement qualifications. The low capacity of procurement staff has long been identified as one of the paramount factors that inhibit the successful implementation of procurement reforms. This finding therefore corroborates the ODPP Annual Report (2007) on the situation in Malawi. The ODPP Annual report had suggested that low capacity of procurement staff hampers procurement reforms in developing countries.

Summary: professionalism in public procurement improves compliance level.

2.5. Institutional Factors.

According to Guy (2000), there are six dimensions through which we can judge the level of institutionalization of any structure and its ability to adapt to change, including: autonomy, complexity, coherence, congruence and exclusivity. Implementation of organizational activities depends on the relationships between and within organizations. One way to explain this relationship and its effect on implementation of organizational activities is the principal – agency theory. This theory holds that shirking is likely to occur when there is some disagreement between policy makers and the bureaucracy. Civilian political leaders delegate authority to the bureaucracy with the expectation that the agent does not move quickly enough to reflect the policy preferences, the committee members could show their displeasure by cutting the funding of the organization. Guy, (2004) quoting Calvet et.al., (1989), Moe (1985) and Waterman (1991) found that politicians wield considerable power in affecting bureaucratic outputs via the power of appointment. Hence institutional factors affect compliance level.

CHAPTER THREE

3.0. Research Methodology

3.1. Introduction

The purpose of this study is to identify how the effective procurement process can contribute to improved performance of procurement entities in the award of contract. The section also outlines data collection instrument, research strategy and design, sample size determination, the method and procedures.

3.2 Research Strategy, Design and process.

The strategy of the research states how the research objectives are outlined and the approach used depends on the purpose of the study. The purpose of the methodology and research design is to improve the effectiveness of procurement processes by the procurement entity in award of contract. The research design also deals with the framework for data collection and analysis; the structure that guides the execution of the technique for collection and analysis of data, which provides the connection between empirical data to its conclusions, in a logical sequence to the initial research question of the study (Sarpong,2012); citing Bryman, 2004: 1992); and includes experimental, survey, action research, and case study (Baiden, 2006).

3.3.Data Collection.

Data was collected using questionnaires, face to face interviews with the managerial level of the entity .Data collection involved a secondary and (literature review) and a primary survey. The literature review helped to set the pace for the development of field survey instruments using questionnaires, and interview (Sarpong, (2012), citing Fadhley, 1991). While the literature review positioned the study within its theoretical context, the field survey, which consisted of in-depth exploratory interviews and survey questionnaires were used in the collection of empirical data. The study also employed both qualitative and quantitative methods for data collection. The qualitative methods included the use of in-depth interviews with contractors. The quantitative part involved the use of structured questionnaires on selected Municipal Assemblies of Sunyani municipal.

3.4Content of the Questionnaires

Questions are designed and presented clearly to influence the quality of the responses and response rate. This is to ensure that the right questions are asked well understood and right and credible facts are given. The first set of questions was asked to explore the background data about the respondents, which included information such as the educational background, profession and experience in profession, and nature of the assembly. The last set of questions which were mainly closed-ended type was asked to inquire about the effectiveness of the procurement entity.

3.4.1 Scope of Questionnaire Survey

The questionnaires were administered and retrieved personally by the researcher. The direct interview was used to enable respondents understand the questions, so as to provide the needed information for the study and also to ensure that the questionnaires were completed by the intended recipients, and also to help improve the response rate. The response rate was hundred percent (100%).

3.5. Sampling and Sampling size selection.

Sampling is the selection of units of analyses for the study. The study used purposive sampling. This sampling exposes the researcher to various stakeholders who have different experiences with the issues under study. Sampling refers to the selection of units of analysis for a study (Seale, 1999). The sampling criterion is based on the research problem, purpose, design and practical implications of the research topic. The Brong Ahafo region as at the time of this study was comprised of seven (7) municipal Assemblies including, Techiman, Kintampo North (Municipal), Sunyani Municipal; Sunyani West, Asunafo North, Wenchi and Dormaa West. Multistage sampling (a probability sampling technique) and non-probability sampling techniques such as purposive and snowball sampling were used to obtain the sample from Municipal Coordinating Directors, Planning Officers, Engineers of the assembly, finance officers and the head of the Entity involved in the award of contracts. Qualitative approaches to data collection usually involve direct interaction with individuals on a one to one basis or

in a group setting. . The benefits of using these approaches include richness of data and deeper insight into the phenomena under study.

Unlike quantitative data, raw qualitative data cannot be analyzed statistically. The data from qualitative studies often derives from face-to-face interviews, focus groups or observation and so tends to be time consuming to collect. Samples are usually smaller than with quantitative studies and are often locally based. Data analysis is also time consuming and consequently expensive purposive sampling is characterized by the use of judgment and a deliberate effort to obtain or select representative samples (respondents) by including typical areas or groups in the sample (Kerlinger, 1986; Rea and Parker, 1997; Struwig and Stead, 2001). Krathwohl (1998), states that purposive sampling is where samples are assembled by intentionally seeking individuals or situations likely to yield new instances or greater understanding of a dimension.

3.5.Method of Data Analyses.

The raw data was gathered and processed to put it into a form suitable for analyses.

The data collected were entered into datasets using the Microsoft Software Programme for Social Sciences (SPSS). The selection of the analytical tool was contingent on a thorough review of available analytical and statistical tools. The Relative Importance Index (RII) was used to rank the variables in order to determine the most critical issues under investigation. The RII is given by

$$\text{The RII} = \frac{\sum W}{AN} \text{—————}$$

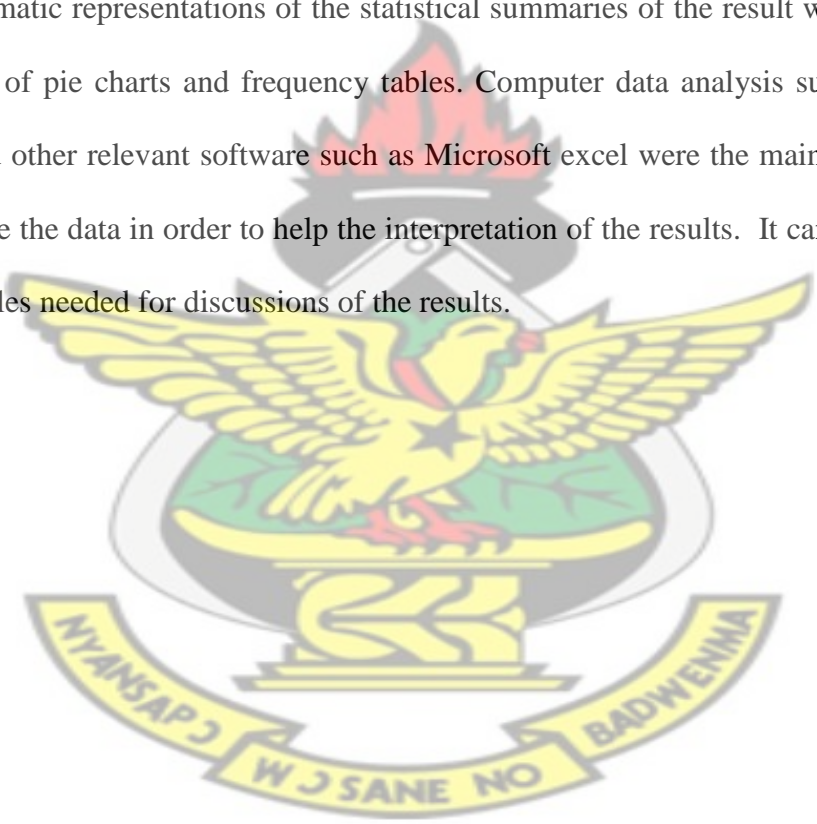
Where:

W is the weight given to each factor by the respondents and ranges from 1 to 5

A = the highest weight = 5

N = the total number of respondents

The data were organized into tables and charts based on the questionnaire given to respondents. The results were then analyzed and converted into percentages and other charts. Quantitative and qualitative methods were employed in the analysis of the data. Diagrammatic representations of the statistical summaries of the result were presented in the form of pie charts and frequency tables. Computer data analysis such as Microsoft word and other relevant software such as Microsoft excel were the main tools employed to analyze the data in order to help the interpretation of the results. It can also be used to make tables needed for discussions of the results.



CHAPTER FOUR

4.0. Discussion of the result.

This section would discuss the result of the data in a form of Tables showing the response of the questionnaire.

		Frequency	Percent
BELOW YEARS	10	14	40.0
11-20YEARS		21	60.0
Total		35	100.0

Q1.Table 4. 1. Existence of the Organization

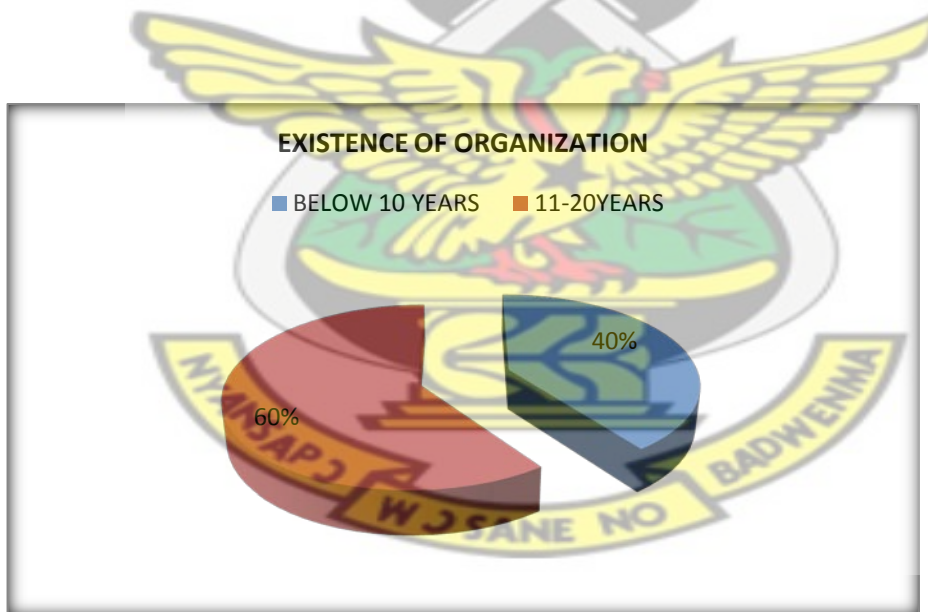


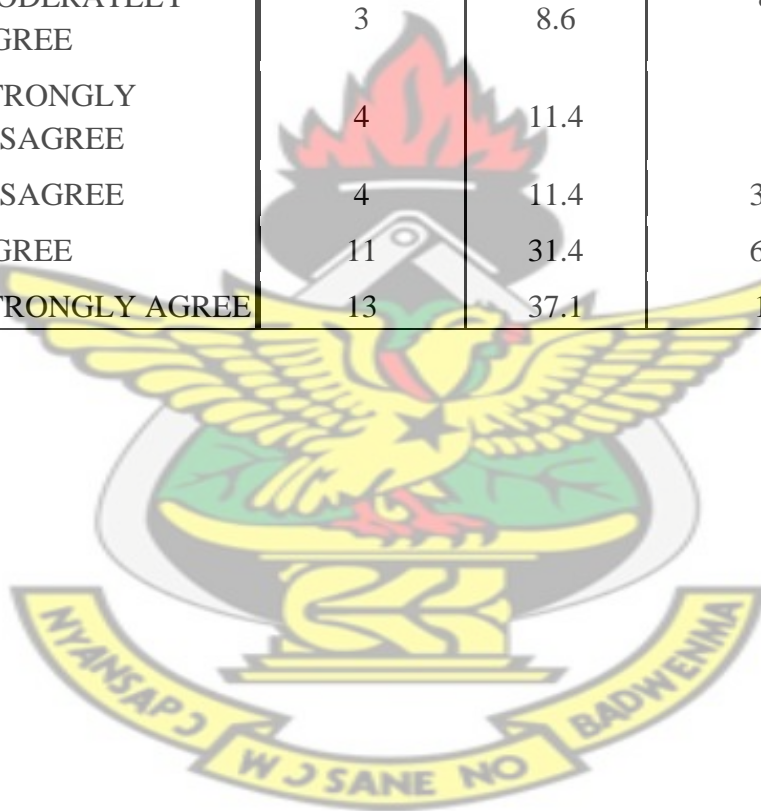
Fig. 2.1 ...Existence of the Organization

To obtain the experiences, effectiveness and expertise of the entity or the organization, the researcher gathered relevant information on the years firms had been in existence

Figure 2.1 gives the number of years an organization had existed. From the responses, it was realized that fourteen organizations had existed below 10 years representing 40%. Twenty one organizations on the other hand had existed for 12-20 years representing 60% of the total responses

Q2 Table 4.2.Perception That Procurement Processes are not Adhered TO

	Frequency	Percent	Cumulative Frequency	Ranking
MODERATELY AGREE	3	8.6	8.6	5th
STRONGLY DISAGREE	4	11.4	20	4th
DISAGREE	4	11.4	31.4	3rd
AGREE	11	31.4	62.8	2nd
STRONGLY AGREE	13	37.1	100	1st



Q2.0 Table 4.2.Perception That Procurement Processes are not Adhered to

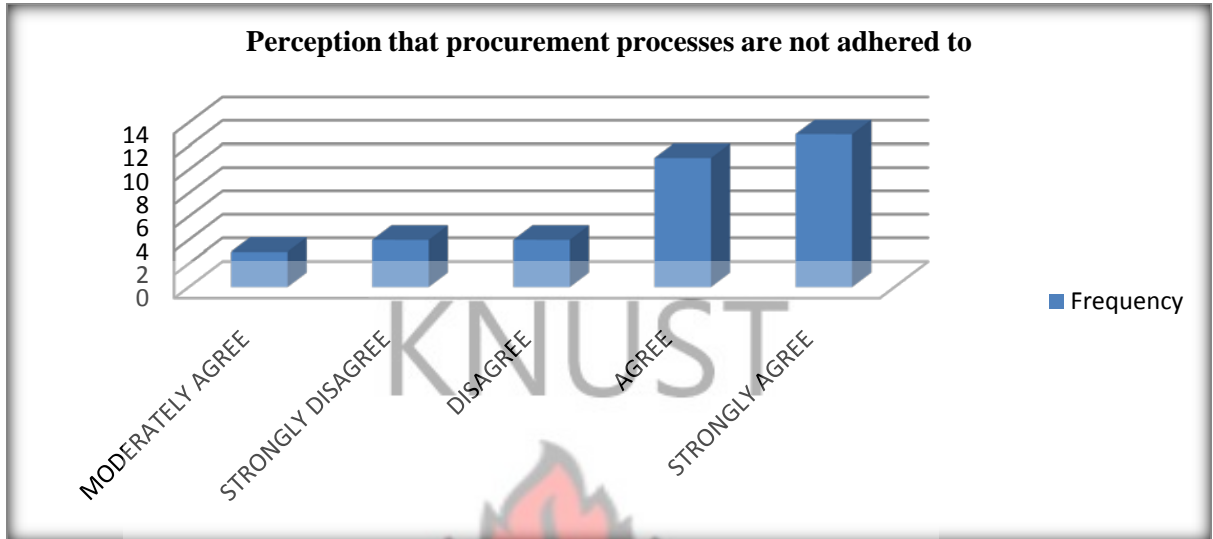


Figure 4.2.shows the survey Perception that procurement processes are not adhered to.

Figure 4.2 above represents the responses of whether the perception that procurement processes had not been followed in contract award. Out of the 35 respondents, 13 respondents representing (37%) strongly agreed that that perception had not been followed. Next to that were respondents who simply agreed that procurement processes had not been followed. Eleven respondents representing 31% agreed. Respondents who disagreed and strongly disagreed had four responses each representing 11%. Three responses representing 8.6% represented those respondents who moderately agreed. This means that, there is general perception that, procurement processes have not been effectively adhered to in the procurement activities in the Brong Ahafo region of Ghana.

Table 4.3. The Role of Procurement Entity During Contract Award

	Variable	IMPORTANT		VERY IMPORTANT		FREQUENCY OF RANKING			
		F	%	F	%	WEIGHTING		RII	RANK
1	ENSURE COMPLIANCE WITH THE PROCESS	11	31.4%	22	62.8%	35	100.0%	0.2121	2 ND
2	ADVERTISES PROJECT	4	11.4%	28	80%	35	100.0%	0.2188	1 ST
3	AWARD CONTRACTS	4	11.4%	30	85.7%	35	100.0%	0.2059	4 TH
4	PREPARES PROCUREMENTS PLAN	8	22.9%	27	77.1%	35	100.0%	0.20	5 TH
5	PROVIDES STANDARD FORMS, GUIDANCE AND MODELS TO ASSIST DEPARTMENT	7	20.0%	26	74.30%	35	100.0%	0.2121	2 ND

The researcher wanted to know the role the procurement unit play especially during the award of contract award and therefore the following variables were provided to have comprehensive views on the entire reasons. The variables were scaled as 1= Not Important, 2 = less important, 3= moderately important, 4= important and 5 = very important and it table below.

From the table 4.3, it is seen that, 62.8% of the respondents as compared to 31.4% indicated that, it is very important for the entity to ensure compliance with the procurement process. This means respondents suggest that it is very important for procurement entity to ensure compliance with procurement process. 80% of the respondents as compared 31.4% supported that, it is very important for the entity to advertise contract for the purposes of transparency, 85.7% of respondents indicated that, it is very important to award contracts based on the evaluation done for the purposes of fairness. 77.1% as compared to 22.9% suggested that, it is very important for the entity to prepare or review contract documents peculiar to a particular contract to ensure that the contract meets the current requirement. 74.3% as compared to 20% indicated that, it is very important for the entity to provide standard forms, guidance and models for departments to meet international standards during procurement of goods, works and services. From the table, variables have also been ranked as (very important) with lowest being 62.8% from the point of view of the respondents. This means that the role of the entity during procurement activities being listed above are paramount that need to be looked at to have efficient and effective procurement processes.

Table 4.4 . The Strategies Used to Assess the Entity for Its Effectiveness

No	VARIABLES	MODERATELY IMPORTANT		IMPORTANT		VERY IMPORTANT		FREQUENCY OF RANKING			
		F	%	F	%	F	%	WEIGHTING		RII	RANK
1	YEARS OF EXISTENCE OF THE ENTITY	6	17.1%	12	34.3%	16	45.7%	35	100.0%	0.2058	2 ND
2	NEW SKILLS AND KNOWLEDGE IMPLEMENTED	6	17.1%	10	28.6%	19	54.3%	35	100.0%	0.20	3 RD
3	INNOVATION BROUGHT TO THE ENTITY	0	.0%	13	37.1%	22	62.9%	35	100.0%	0.20	3 RD
4	EFFECTIVENESS IN MANAGING CONTRACTS	0	.0%	6	17.1%	27	77%	35	100.0%	0.2121	1 ST
5	HIGH LEVEL OF COMPLIANCE	0	.0%	4	11.4%	31	88.6%	35	100.0%	0.20	3 RD

The researcher wanted to find out the strategies used to assess the entity for its effectiveness in award of contract and therefore the following variables were provided to have comprehensive views on the entire reasons. The variables were scaled as 1= Not Important, 2= less important, 3= moderately important, 4= Important and 5= Very Important.

Table 4.5 shows that, 45.7% respondents compared to 34.3% and 17.1% respondents are of the opinion that, years of existence of the entity is a tool for assessing the effectiveness of the entity in the procurement processes. 54.3% compared with 28.6% and 17.1% respondents, are of the opinion that, new skills and knowledge implemented are tools for assessing the effectiveness of the procurement process. 62.9% compared with 37.1%, are of the view that, innovations brought to the entity are strategies for assessing the effectiveness of the entity in the procurement processes. 77% to 17.1% respectively suggested that, effective contract managements are strategies for ensuring the effectiveness of procurement processes. 88.6% as compared to 11.4% respondents are indicated that it is very important for the entity to ensure high level of compliance with procurement rule and regulations in the procurement processes. From the table , respondents responses have also been ranked as(very important) with lowest being 45.7% from the point of view of the respondents. This means that the variables being listed above are some of the strategies that need to be adopted to have efficient and effective procurement processes

Table 4.6.The Major Problems Confronting the Entity in Procurement Process

No.	VARIABLES	IMPORTANT		VERY IMPORTANT		FREQUENCY OF RANKING			
		F	%	F	%	WEIGHTING		RII	RANK
1	INSUFFICIENT FUND ALLOCATION	8	23.7%	26	74.3%	35	100.0%	0.2059	3rd
2	POOR COMMUNICATION AMONG PROJECT PARTNERS	4	11.0%	30	85.7%	35	100.0%	0.2059	3rd
3	INSUFFICIENT PROJECT SCOPE CLARITY	4	11.0%	30	85.7%	35	100.0%	0.2059	3rd
4	LACK OF PROFESSIONALS	8	22.9%	27	77.1%	35	100.0%	0.2000	6th
5	INCREDIBLE INFORMATION PROVIDED BY THE CONTRACTORS	0	.0%	33	94.3%	35	100.0%	0.2121	2nd
6	DELAY IN MAKING FUND AVAILABLE	18	51.7%	12	34.3%	35	100.0%	0.2333	1st
7	AMBIGUITY IN ROLE DEFINITION	8	22.0%	27	78.0%	35	100.0%	0.2000	6th

The researcher wanted to find out major problems confronting the entity in the procurement processes in award of contract and therefore the following variables were provided to have comprehensive views on the entire reasons. The variables were scaled

as 1= Not significant, 2= less significant, 3= moderately significant, 4= Significant and 5= Very significant.

Table 4.6 shows the ranks given by the respondents. With rank 1, the respondents are of the opinion that delays in making funds available is a major problem militating against the entities in the procurement processes. Ranking 2nd, the respondents suggested that, incredible information provided by the contractors is one of the major problem militating against the entities in the procurement processes. Ranking 3rd, the respondents indicated that, insufficient fund allocation, poor communications among project implementation partners and insufficient project scope clarities are the major problems facing the entities in the procurement in the award of contract. Ranking 6th, the respondents indicated that, employment of inadequate professionals and the ambiguities in role definitions are also major problems facing the entities in the procurement processes

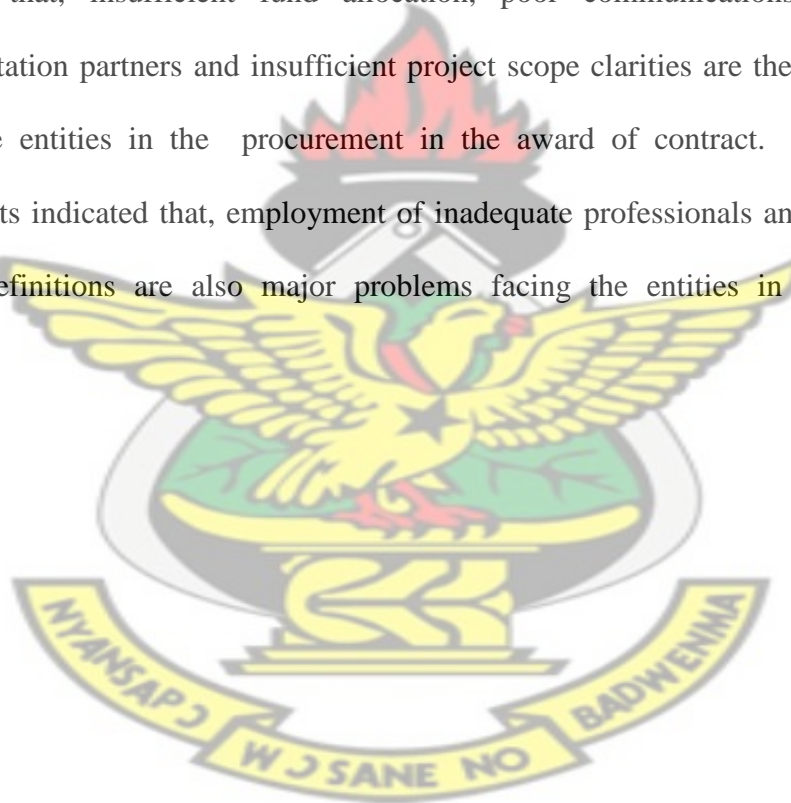


Table 4.7.The Way- Forward for Improving Procurement Processes

No.	VARIABLES	IMPORTANT		VERY IMPORTANT		FREQUENCY OF RANKING			
		%	F	%	F	WEIGHTING		RII	RANK
1	FULL APPROVAL OF PROCUREMENT BUDGET	11.0%	4	85.7%	30	100.0%	35	0.2059	4th
2	EMPLOYMENT OF PROFESSIONALS	11.0%	4	80%	28	100.0%	35	0.2188	1st
	ORGANIZING WORKSHOPS FOR STAFF	11.0%	4	94.3%	33	100.0%	35	0.2121	3rd
3	PREQUALIFYING CONTRACTORS FOR INTENDED PROJECTS	11.0%	4	89.0%	31	100.0%	35	0.2000	5th
4	CRITICAL REVIEW OF EVALUATION REPORTS	11.0%	4	80.0%	28	100.0%	35	0.2188	1st

The researcher wanted to find out the Way- Forward for improving the procurement processes in the Sunyani Municipal Assemblies of the Brong Ahafo Region of Ghana and therefore the following variables were provided to have comprehensive views on the

entire reasons. The variables were scaled as 1= Not important, 2= less important, 3= moderately important, 4= Important and 5= Very important.

Table 4.7 shows that, 85.7% compared with 11% indicated that, full or final approval of procurement budget before procurement commences is one of the tools for a way-forward for improving procurement processes in the Municipal Assemblies. 80% as compared with 11% suggested that Employment of professionals to undertake procurement activities would ensure improving procurement processes to overcome recurring problems in the Assemblies. 94.3% suggested that Organization of Workshops for the Staff is a major tool for improving procurement processes. 89% and 4 respondents representing 11% indicated that, Pre-qualification of contractors for intended projects contribute immensely to improving procurement processes. 28 respondents representing 80% compared with 11% suggested that, Critical Review of Evaluation report to ensure credible award of contract contribute significantly to improving procurement processes. From the table, variables have also been ranked as (very important) with lowest being 80% from the point of view of the respondents. This means that the variables being listed above are some of the way-forward that need to be adopted to have efficient and effective procurement processes

CHAPTER FIVE

5.0. Conclusions and Recommendations.

5.1 Introduction

This section concludes the research study on “ Strategies for improving procurement process in Award of Contract in Public Sector’”. It would outline the conclusions drawn from the analysis of the data collected as well as recommendations based on the analysis of the data to ensure effective procurement processes in public sector procurement for achieving value for money. This chapter will explore the review of objectives set and the findings as a result of these objectives and directions for future research.

5.2 Conclusions

This study was set out to asses’ strategies for improving procurement processes in award of contract in public sector procurement in the municipal assemblies in Brong Ahafo Region. The research was conducted purposely not to fulfill academic pursuit, but also to obtain the level of effectiveness with reference to the processes in the public procurement Act since its implementation in December 2003. Intensive review and analysis relating to public sector procurement indicated that, developing countries like Ghana had a number of challenges associated with procurement processes.

5.2.1. Review of Research Objectives and Findings

The first objective was to identify and examine the strategies for improving the procurement processes adopted in the award of contract in the municipal assemblies in Brong Ahafo Region: The variables for addressing this objective were obtained as a result of extensive literature review on the role of procurement entity. These roles were incorporated into the questionnaire for responses. The questionnaires were analyzed and the findings include that the entity ensuring compliance; preparation of procurement plans; advertise projects; award contract; provision of standard forms and guide lines; and prepares evaluations.

The second objective was to explore the basic problems confronting the municipal assemblies in Brong Ahafo Region in the procurement process: In the case of this objective the findings of the research consist of: insufficient fund allocation to the entity; poor communication among project partners; insufficient project scope clarity; lack of professionals; incredible information provided by the contractors, delay in making fund available and ambiguity in role definition implemented. Even though these were identified strategies for improving the procurement process, there were inadequate professions to ensure compliance with the procurement rules to affect the process, poor communication which also delays the project implementation.

The third objective was to identify solutions to address the problem and Ways of improving the procurement processes in the award of contracts. The findings of this research are employment of professionals; organization of workshops for the staff; critical review of evaluation report; full approval of budget and poor prequalifying of contractors for intended projects. They were identified as major setbacks in the

effectiveness of procurement processes in award of contracts in the municipal assemblies in Brong Ahafo Region.

5.3. Recommendations

The improvement or development of effective procurement processes is to be equipped with the key missions and the goals of the organization, responsibilities performed by the other entities with the overall structures, networking among the various activities and the link between the public procurement cannot be overemphasized. For effective procurement performance, adherence to the regulation does not only enhance processes but also helps to achieve efficiency and eliminate possible causes of corruption in the public sector procurement. In view of the above submissions, the following recommendations have been made.

1. Employing the right caliber of procurement personnel to perform procurement activities is one of the key parameters for the success of procurement Act. This could only be possible when qualified procurement professionals are employed to undertake procurement activities in the Sunyani Municipal Assemblies.
2. Public sectors especially Sunyani Municipal Assembly should have a separate procurement department full of professionals to undertake training programmes to help the entity equipped with more qualified professionals. The model for the training should involve Tender Review Board, Entity Tender Committee, Evaluation panel, and public and private oversight committee.
3. Improved intercommunication systems to facilitate communication

4. The procurement entity should be independent in discharging its duties without out any form of political interference that could delay the entity's procurement activities to cause the nation's resources for development to go waste especially when there is a change of Government or Municipal chief Executives.
5. The entity should ensure that funds for any procurement activities are fully approved before procurement processes start. This would ensure that contracts awarded would not be left uncompleted.
6. The entity should be sure that evaluation reports critically reviewed by District Tender Review Board or Regional Tender Review Board before the least evaluated responsive tenderer is selected for a successful completion of projects in the Municipal Assemblies. .
7. The Act 2003 of (Act 663) states that the PPA makes it mandatory that contract awarded be posted in PPA website and published in the procurement bulletin section 31 of Act 663. It is of the opinion that Sunyani Municipal Assembly should make effort to comply with it.
8. The Sunyani Municipal Assembly should try to practice e-procurement processes to ensure efficient use of the nation's limited resources.

5.4 Directions for Future Research

The following areas were identified for further research

1. Future study to investigate empirically the challenges militating against procurement entities in public sector procurement;

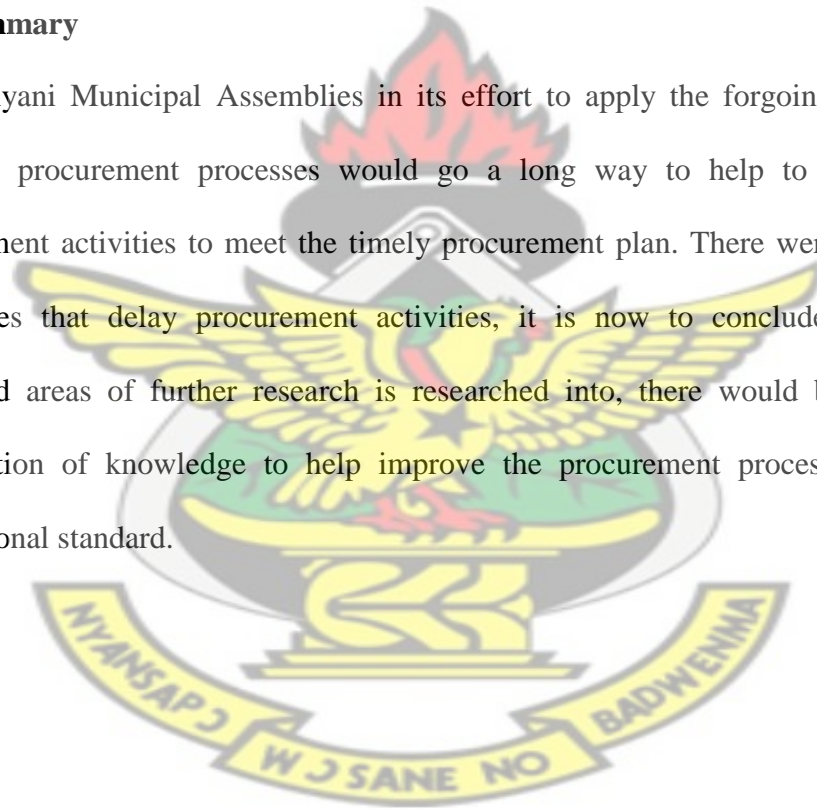
2. A future study to explore the impact of procurement Act 2003 (Act 663) of procurement practices project delivery.

I am highly optimistic that, if the above recommendations are followed, and the identified problems addressed, it would help to reduce the challenges militating against the entity in its procurement processes.

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5.5. Summary

The Sunyani Municipal Assemblies in its effort to apply the forgoing discussions on effective procurement processes would go a long way to help to improve all the procurement activities to meet the timely procurement plan. There were however some challenges that delay procurement activities, it is now to conclude that when the identified areas of further research is researched into, there would be a tremendous contribution of knowledge to help improve the procurement processes to meet the international standard.



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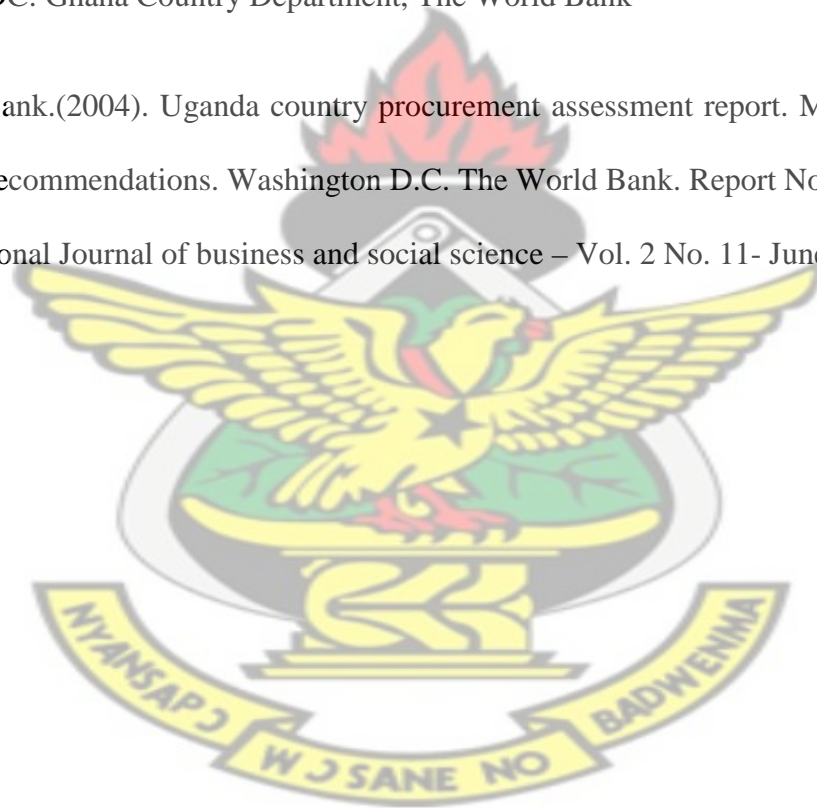
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APPENDIX

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APPENDIX 1

Survey Questionnaires

Preamble:

This survey is being conducted as part of my masters programme and any information provided would only be used for academic purposes

APPENDIX A

Section A:

Level of Education -----

Profession -----

Years of Experience -----

Section B:

Table 3.1 How many years has your organization been in existence?

Variable	Frequency
Below 10 years	
11 – 20 years	
21 – 30 years	
Over 30 years	
Total	

Source: Field Survey, August, 2013

1. Effective Procurement processes

Table 3.2 On a scale of 1-5, where

1. Strongly disagree. 2. Disagree. 3. Strongly agree. 4. Moderately agree. 5. Agree

It is perceived that best practices with regards to procurement processes has not been followed in the procurement of work. As a result of that, many public sector projects are left uncompleted

No	Variable	1	2	3	4	5
1	Strongly disagree					
2	Disagree					
3	Strongly agree					
4	Moderately agree					
5	Agree					

Table 3.3 On a scale of 1-5, where

1. Not important. 2. Less important. 3. Moderately important. 4. Important. 5. very important

where What are the Role of procurement entity during contract award?

No	Role of procurement entity	1	2	3	4	5
1	Ensure compliance with the procurement process					
2	Advertises projects					
3	Award contracts					
4	Prepares procurement plans					
5	Provides standard forms, guidance and models to assist departments					

Table 3.4 On a scale of 1-5, where

1. Not important. 2. Less important. 3. Moderately important. 4. Important. 5. Very important.

What strategy is used to assess the entity for its effectiveness in award of contract?

No	Strategies for assessing effectiveness	1	2	3	4	5
1	Years of existence of the entity					
2	New skills and knowledge implemented					
3	Innovation brought to the entity					
4	Effectiveness in managing contracts					
5	High level of compliance					

Source: Field Survey, 2013

2. Problems Confronting the Entity in Procurement processes

Table 3.5. On a scale of 1-5, where

1. Not significant. 2. Less significant. 3. Moderately significant. 4. Significant. 5. Very significant.

What are the major Problems confronting the entity in procurement process.

No	Problems confronting the entity	1	2	3	4	5
1	Insufficient fund allocation					
2	Poor communication among project partners					
3	Insufficient project scope clarity					
4	Lack of professionals					
5	Incredible information provided by the contractors					
6	Delay in making fund available					
7	Ambiguity in role definition					

2. Way – forward for Improving Procurement Processes

Table 3.6 On a scale of 1-5, where

1. Not important. 2. Less important. 3. Moderately important. 4. important. 5. very important

Way forward- for Improving Effectiveness of the entity in procurement process

No	Ways of improving effectiveness	1	2	3	4	5
1	Full approval of procurement budget					
2	Employment of professionals					
3	Organizing workshops for staff					
4	Prequalifying contractors for intended projects					
5	Critical review of evaluation reports					

