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DEPARTMENT OF BUILDING TECHNOLOGY

AN ASSESSMENT OF POST CONTRACT AWARD MANAGEMENT

PRACTICES AT THE AHAFO ANO NORTH DISTRICT ASSEMBLY

BY

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DECLARATION

I hereby declare that this submission is my own original research and that, to the best of my knowledge, it contains no material previously published by another person or material which has been accepted for the award of any other degree of this University or any other institution. References from the works of others have been duly acknowledged.

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DEDICATION

This study is dedicated to my parents, siblings and friends.

ACKNOWLEDGEMENT

ABSTRACT

Procurement entities in Ghana, and more especially district assemblies do not pay much attention to post contract award management practices. An assessment report by the PPA on the procurement performance indicate low compliance with contract management practice by the public procurement entities. The challenges of post contract award management practices at the district assemblies are profound and as a result leads to huge losses of financial resources to the country. In its Annual Progress Report (2012), the Ahafo Ano North District Assembly identified project abandonment and completed projects not in use as some of the issues of contract irregularities facing the district assembly. Even though much has been written about contract management practices a thorough and critical assessment is yet to be fully carried on the practices at the post contract award stage at the district assemblies. The Public Procurement Authority acknowledges this fact and is in the process of developing contract management guidelines for public procurement entities. It is in light of these observations that the researcher decided to undertake an assessment of post award management practices at the Ahafo Ano District Assembly and explore areas of the assembly's post award management activities for further improvement. The research adopted a quantitative approach to research in its data gathering and analysis. Close ended questions were formulated on ten key areas of post contract award management. To enhance the assessment, open ended questions were added to solicit for the respondents view on the weaknesses and strength of the assembly's post contract award management practices. The questionnaire was administered to contracting officers, requisitioners, project managers and other stakeholders such as legal

and finance officers. To obtain different perspectives on the challenges of post award contract management, maximum variation sampling, a type of purposive sampling was used obtain a sample size of forty two for the research. The Statistic Package for Social Science (Version 22) and Microsoft Office Excel (2013) aided the analysis. Relative Importance Index formula was used to score the data. Data analysis reveal that there is an underperformance in the areas of risk management, performance monitoring, contract close-out and information systems. Abandoned projects, poor communication channel, unutilized projects and unclear roles and responsibilities at the post contract award management stage of the procurement process. All the areas of post contract award management needs improvement even though some obtain scores a little above average The measures recommended for the assembly in improving its post contract award management practices includes the development of policies, procedures and rules for different contract on the basis of its nature and risk management plan for the post award activities. Contract performance monitoring and dispute resolution management needs to be improved. The assembly should adopt integrated team approach comprising multifunctional teams to manage its contracts. Information systems like Enterprise Resource Planning needs to be adopted.

Keywords: contract management, contract, downstream contract activities, upstream contract activities, best practices

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The contractual objective of the procurement of any good, work or service is successful project completion (Thai 2004). Successful project completion according to National Institute of Governmental Purchasing (NIGP, is successful procurement of the right item, in the right quantity, for the right price, at the right time and at the right quality, (Davison, *et al* 2012). Contract management is a process for meeting objectives, terms and conditions of the contract by delivering on contractual obligations by the parties to the contract (Nketia-Asante 2015). Good contract management requires that the service provider and the procurement entity fully meet their respective obligations as efficiently and effectively as possible. The activities in the procurement process can be grouped into five stages: planning, soliciting for offers, evaluation of offers, award of contract and contract management. Contract management spans through all the stages of the procurement process (Kakwezi 2012).

The contract management process can be split into three main areas: delivery management, relationship management, and contract administration (Support for Improvement in Governance Management, 2011). Contract management process ensures that contractors good, work or service is delivered to specification, establishes a constructive working relationship between the parties to the contract and safeguard the integrity of the contract. Mockler (2010) cited by Tampe, *et al* (2010) assert contract management is instrumental in achieving organizational objectives. Aikins (2012) suggest that, one of the way to stem the tide of judgment debt situation in a developing country like Ghana is by adopting proper contract administration practices. The promulgation of the Local Government Act 1993 (Act 462) has made the District Assembly responsible for the overall development

of the district. The district assembly is responsible for initiating plan and strategies for the effective mobilization of resources and promoting and supporting productive activity and social development in the district. The District Assemblies develop the district by providing social amenities and engaging in environmental programs to promote societal wellbeing. In order to promote the district development the Assembly enter into contract with contractors for the provision of goods, works or services. Effective management of the relationship between the district assembly and contractors are very important in making sure that contract delivery is successful and value for money for the public purse is achieved. However, procurement entities in Ghana pay little attention and effort to contract management phase of the procurement process. An assessment by the Public Procurement Authority (PPA), (2009) reveals a disturbing trend in terms of contract management performance by the procurement entities. To achieve value for money from procurement activities, procurement entities must demonstrate a strong commitment to the canons of contract management in all manner of procurement (Appiah 2012).

The Auditor-General Report (2013) on the management and utilization of District Assemblies' Common Fund (DAFT) and other statutory funds also found low compliance with contract management practice as one of the problems facing the District Assemblies. This situation of low compliance with contract management practices ought not to happen since contract management is a means by which procurement activities do manifest into real results. A contract thought to be great at the award stages can develop challenges some months down the line, if a contract administrator is not appointed to manage its operations. Managing the contractual process is necessary because if the contractor realizes that the client is not monitoring progress, it may get careless and delivery will be less than acceptable, or it may create and demand variations not provided for in the contract (Support for Improvement in Governance Management, 2011).

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1.2 Problem Statement

The purpose of contract management as stated by the United Nations (2006), is to ensure that all parties meet their respective obligations in an efficient and effective manner, delivering the required outputs as stated in the contract and achieving value for money. It also protects the rights of the parties and ensures required performance when circumstances change. It has been argued that procurement entities in Ghana and more especially District Assemblies do not pay much attention to contract management (Public Procurement Authority, 2012). An assessment report by the Public Procurement Authority on the procurement performance also indicate low compliance to contract management practice by the procurement entities (Appiah, 2012). A report by the Public Procurement Authority (2012) considers contract management as well as poor record management as some of the main challenges facing procurement entities in the year 2011. This often resulted in the escalation of project cost and affect the value for money as one of the principles of public procurement in Ghana. In its annual report, the Auditor-General department found gross mismanagement practices with regards to contract management practices (Auditor-General Report, 2013). These malpractices included overpayment of contract sum, overpayment of mobilization, abandoned projects and completed projects not been in use (see Auditor General Report, 2013). In the Ashanti region, the District Assemblies made payments amounted to GH¢ 93,448.3 for work done without performance certificate. Contract sum for the year 2013 were overpaid by GH¢ 2,472. Payment of GH¢ 18,645 to various contractors were not updated in the contract register. Contract management practice at Ahafo Ano North District Assembly, according to the Auditor-General (2012) is characterized by overpayment of contract sum, overpayment of mobilization and abandoned projects. In its Annual Progress Report (2012), the Ahafo Ano North District Assembly identified project abandonment and

completed projects not in use as some of the issues of contract irregularities facing the district. This contract management problem led to the Ahafo Ano North District Assembly to terminate the contract of seven contractors for abandoning projects allocated to them (Modern Ghana, 2013). Failure on the part of a procurement entity to manage contracts entered into often times result in the award of judgment debt against the procurement entity. As captured in the Auditor–General's Report (2013), the District Assemblies made payments a little over GH¢ 100,000 to its contractors as judgment debt due to their failure to manage contracts entered into.

The solution to this problem is for the Public Procurement Authority to develop contract management modules to be used to conduct training for public officers in charge of procurement and other stakeholders on how to manage contract effectively as possible. There must also be in place a monitoring mechanism to check adherence to proper procedures used in contract management. The benefits include ensuring that good, work or service delivered meet fully the laid down requirements in the terms and conditions of contract and achieving value for money. Even though much has been written about contract management practices a thorough and critical assessment is yet to be fully carried on the practices at the post contract award stage by the district assemblies. The above gross mismanagement is yet to receive a critical assessment in academia. This study therefore fills the gap in literature by assessing post contract award management practices at the district assembly of Ahafo Ano North. It is hoped that a critical evaluation of the practices will reveal some of the weaknesses in the management practices so as to help avoid some of the mistakes in managing contracts at the district assembly.

1.3 Aim of the Study

The aim of this study was to explore post contract award management practices of the

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Ahafo Ano North District Assembly that needs further improvement.

1.4 Objective of the Study

To achieve the aim of this study, the following objectives were set out:

- To analyze post contract award management practices by the Ahafo Ano North District Assembly.

- To identify the strengths in the post contract award management practices at the Ahafo Ano North District Assembly.

- To identify the weaknesses in the post contract award management practices at the Ahafo Ano North District Assembly.

1.5 Research Question

The following research questions have been proposed:

- What practices are used by the Ahafo Ano North District Assembly in its post contract award management?

- What strengths lie in the practices used by the District Assembly's in its post contract award management?

- What weaknesses lie in the practices used by the District Assembly's in its post contract award management?

1.6 Significance and Rational of the Study

Successful project completion is the contractual objective of the procurement of any good, work or service and contract management is a process that ensures that the contractor deliver good, work or service in accordance to the terms and conditions of contract. Delivering good, work or service that meets laid down conditions and specification ensure

value for money for the taxpayer. Therefore it becomes imperative for a procurement entity in order to achieve successful project completion and value for money for the taxpayer to adopt best contract management practices.

Effective contract management is required by both public and private organizations to reduce cost and improve on financial and operational performance (Elsey, 2007). The rational for this study is as a result of the failure of procurement entities in Ghana, for that matter the Ahafo Ano District Assembly to put in place best practices to manage contracts with their contractor to achieve value for money for the taxpayer. The importance of contract management is meeting the objectives of the contract, ensuring that what is delivered comply fully to stated requirements, clear roles and responsibilities are defined and understood by contract managers and above all achieving value for money (Central Procurement Directorate, Northern Ireland, 2012) . Managing contracts also protects the rights of the parties and ensures required performance when circumstances change. Contract management practice also has not received the needed attention by procurement entities in developing countries like Ghana and there is mounting evidence leading to the indication that knowledge is required on the performance of contract management in the procurement process as suggested by

Kakwezi (2012).

1.7 Scope of the Study

Geographically, this research was conducted at Ahafo Ano North District Assembly in the Ashanti Region of Ghana. Contextually, this study was to explore areas of post contract award management practices of the Ahafo Ano North District Assembly. The study analyzed practices in the post contract award management by the Ahafo Ano

District North Assembly and identifies the strengths and weaknesses in the practices. This study covered the management of contractual relationship between the district assembly and its contractors from the award of contract to contract closeout. Procurement is the acquisition of good, work or service and therefore this study looked at the activities carried out by the Ahafo Ano District Assembly to manage its procurement contracts in the post contract award stage. The questionnaire was sent to practitioners of contract management (example contracting officers, requisitioners and project managers).

1.8 Research Methodology

This research adopted a survey method to obtain primary data for this study. Questionnaire, comprising of close-ended and open ended questions were used to obtain data from respondents. The arrangement of the study is developed and supported with the literature review and ideas from books, journals and other professional papers. This approach allowed the researcher to make deductive suggestions from previous studies and also make inductive readings into the current study from the data collection and information gathered. Questionnaires were administered to procurement practitioners, contracting officials and stakeholders who partake in the post contract award management process at the Ahafo Ano South District Assembly. Statistical Package for Social Sciences (Version 22) and Microsoft Office Excel (2013) was used for the presentation of data and analysis. Relative importance index were used to analyze the quantitative data collected.

1.9 Organisation of the Study

The study was organized into five chapters. It begins with Chapter one comprises of the background of the study, the problem statement, research objectives, significance and rational of study. Chapter Two, deals with the review of related literature of the study.

Chapter three also deals with the method and methodologies applied in the study. Chapter four analyses and discuss the data collated. The final chapter, Chapter five, contains summary of the findings of the study, conclusions and the appropriate recommendations.
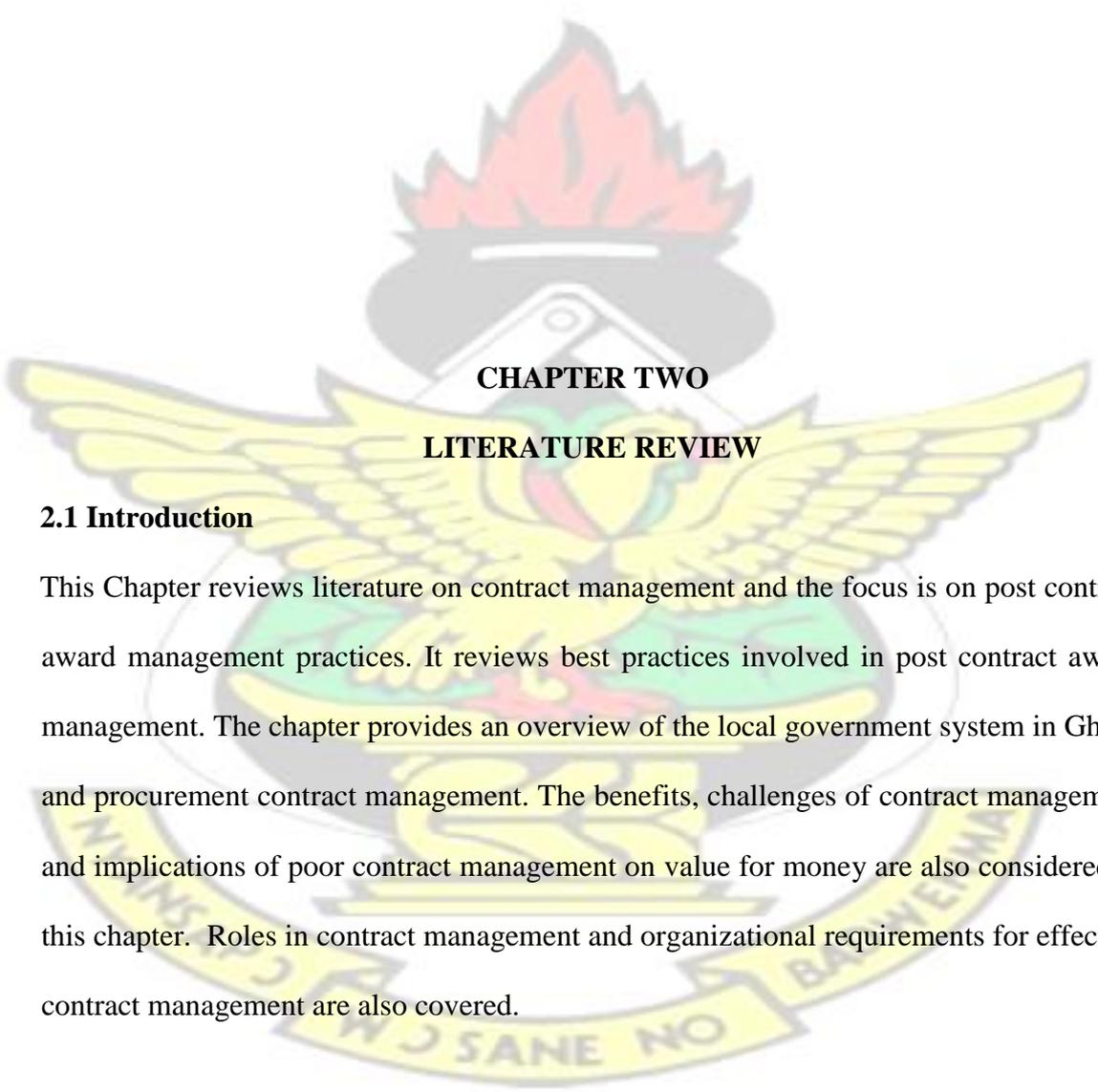
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This Chapter reviews literature on contract management and the focus is on post contract award management practices. It reviews best practices involved in post contract award management. The chapter provides an overview of the local government system in Ghana and procurement contract management. The benefits, challenges of contract management and implications of poor contract management on value for money are also considered in this chapter. Roles in contract management and organizational requirements for effective contract management are also covered.

2.2 Overview of the Local Government System

The Local Government Act 1993, Act 462 establishes and regulates the local system in Ghana. District assemblies are created by this Act. The Minister shall by legislative

instrument establish an Assembly in accordance with clause 3 of article 241 and it shall constitute the highest governing body in the district. The district assembly is composition is made up of the district chief executive, members of parliament for the area, one person from each electoral area and any other persons not exceeding thirty percent of the total membership of the assembly. The functions of the assembly include the political and administrative authority over the district and responsible for the overall development of the district. The assembly also formulates plans and initiate programs for the provision of infrastructure, works and services in the district. The district establishes departments in performing its function and district tender boards to provide advice on contract award matters. Some of the departments established by the assembly includes central administration department, district health department, works department, urban Roads and budget and rating department.

The local government departments of district assemblies commencement instrument 2009 (the instrument), L.I 1961 seek to operationalize the decentralized departments at the district level. Functions of the works department include assisting in the formulation of works policies, inspect projects initiated by the assembly and facilitate public buildings maintenance. The assembly get funds for development from district assembly's common fund, internally generated funds and in consultation and approval from the Minister obtain loans from commercial sources. The district assembly is required to prepare budget at the end of each financial year and submit it to the regional coordinating council.

2.3 The Meaning of Contract

Contract is of an agreement, or an obligation, whereby one party becomes bound to another to pay a sum of money, or to do or omit to do a certain act; or, a contract is an act which contains a perfect obligation. In other sense, it is an agreement between two or more

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persons, concerning something to be done, whereby both parties are hound to each other, or one is bound to the other (Constitution Society, 1856). The law of contract was developed from the "law of merchant". The sources of law of contract in Ghana among others comprises of English law of contract, Contracts Act 1960 (Act 25) and Mortgages Decree 1972 (NRCD 96). General requirements for forming a valid contract includes: offer, unqualified acceptance, consensus ad idem, valuable consideration, intention to create legal relations, genuineness of consent, contractual capacity of parties, legality of object, possibility of performance and certainty of terms.

2.4 Procurement Contract Management

Procurement is the acquisition of goods, works or services. Goods means objects of every kind and description including raw materials, products and equipment and objects in solid, liquid or gaseous form, and electricity, as well as services incidental to the supply of the goods if the value of those incidental services does not exceed that of the goods. Works mean work associated with the construction, reconstruction, demolition, repair or renovation of a building or structure or surface and includes site preparation, excavation, erection, assembly, installation of plant, fixing of equipment and laying out of materials, decoration and finishing, and any incidental activity under a procurement contract. Services are intellectual and advisory in nature provided by firms or individuals using their professional skills to study, design and organize specific projects, advice clients, conduct training or transfer knowledge, (Public Procurement Authority, 2006).

A standard tender document for a procurement contract consists of instructions to tenders, qualification and evaluation criteria, tender forms (bill of quantities, qualification criteria), technical drawing and design, conditions of contract and performance security forms. The methods for procuring goods, works or services in Ghana are generally selective tendering

and open tendering methods. Selective tendering are single source tendering, restricted tendering and request for quotation. Open tendering method is national and international competitive tendering. These methods of procuring works depend on the threshold of the procurement or the contract sum, Public Procurement Act, Act 663 (2003). The type of contract arrangements for a procuring goods, works or services project includes lump sum contract, cost reimbursable contract and other adaptations like turnkey contract. The contract documents that regulate the relationship between the contracting parties includes contract agreement, letter of acceptance, bids and appendices, special conditions, general conditions of contract, specifications, drawings and priced bill of quantities. The Procurement Practitioners Handbook identifies ten stages in the procurement process. The process includes: planning the procurement, definition of requirement, sourcing, selection of procurement strategy, preparing and issuing tender documents, receipt and opening of offers, evaluation of offers, contract review and award, contract finalization and contract management (United Nations, 2006). Managing contracts effectively is important for achieving the objective of the procurement process. Post-contract issues needs to managed, monitored and resolved for the contract to reach its final destination. Postcontract issues in the procurement of goods, works or services identified in the procurement manual includes: contract effectiveness, appointment of contract manager, valuation of work, preparation of interim and final payment certificates, deduction of retentions, contractual disputes, delays in performance, insurance claims and damages, release of performance securities and contract closure (Public Procurement Authority, 2006).

The PPA in its Electronic Bulletin (2012) has developed flowcharts for the management of contracts by public procurement entities. Below are the flowcharts for works, goods and services

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Contract Management Flowchart For Works
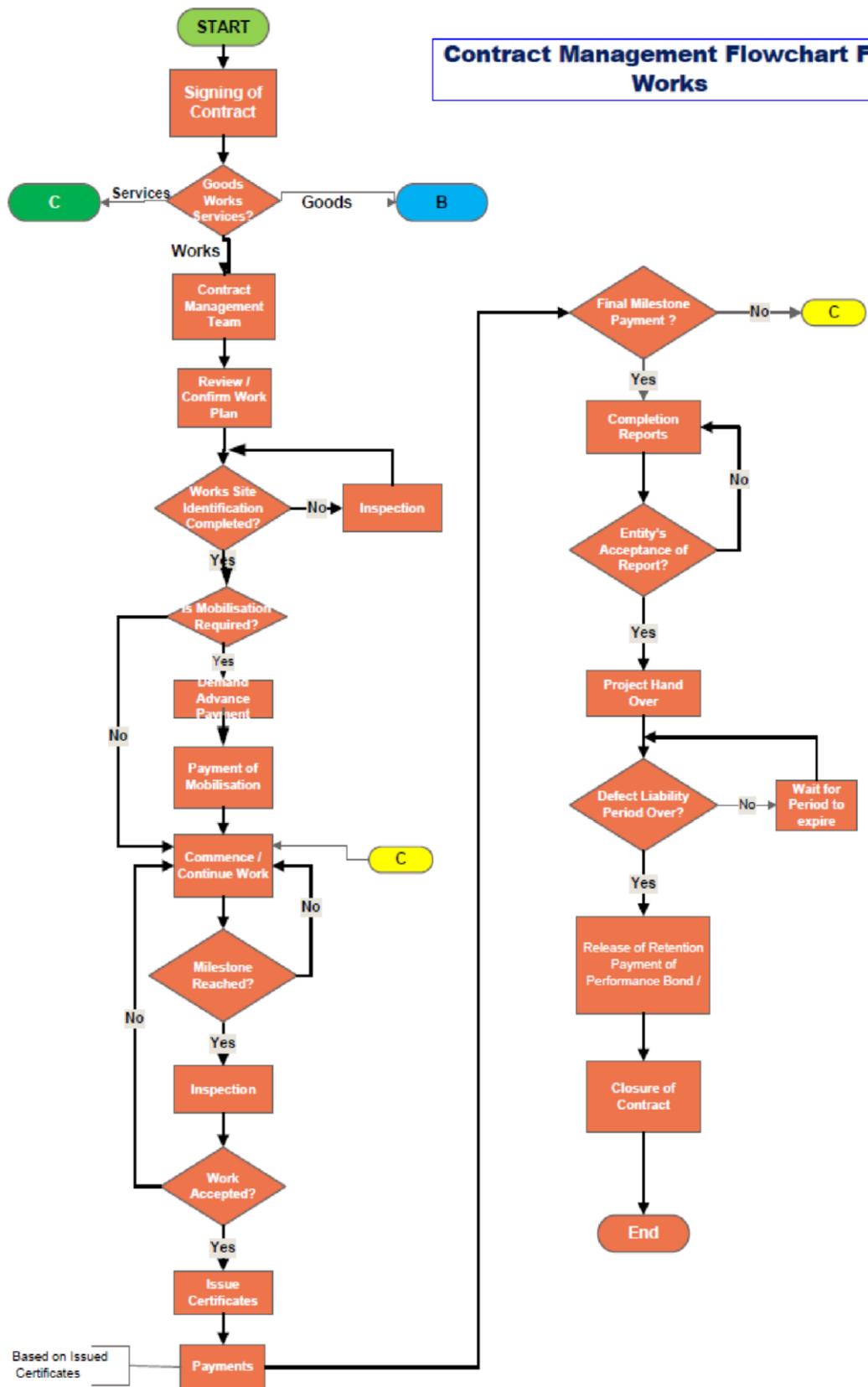
Fig 2.1: Source: PPA, Electronic Bulletin 2012.

Contract Management Flowchart For Goods

B → **Assign Contract Manager** → **Follow-up for Delivery** → **Inspection** → **Items Accepted?**

Items Accepted? — No → **Send To Supplier** → (loops back to Follow-up for Delivery)

Items Accepted? — Yes → **Delivery to Store** → **Sign SRV** → **Follow up on Payment** → **Enforce Warranty Clauses** → **Is Warranty Period Over**

Is Warranty Period Over — No → (loops back to Enforce Warranty Clauses)

Is Warranty Period Over — Yes → **Closure of Contract** → **End**

Contract Management Flowchart For Services
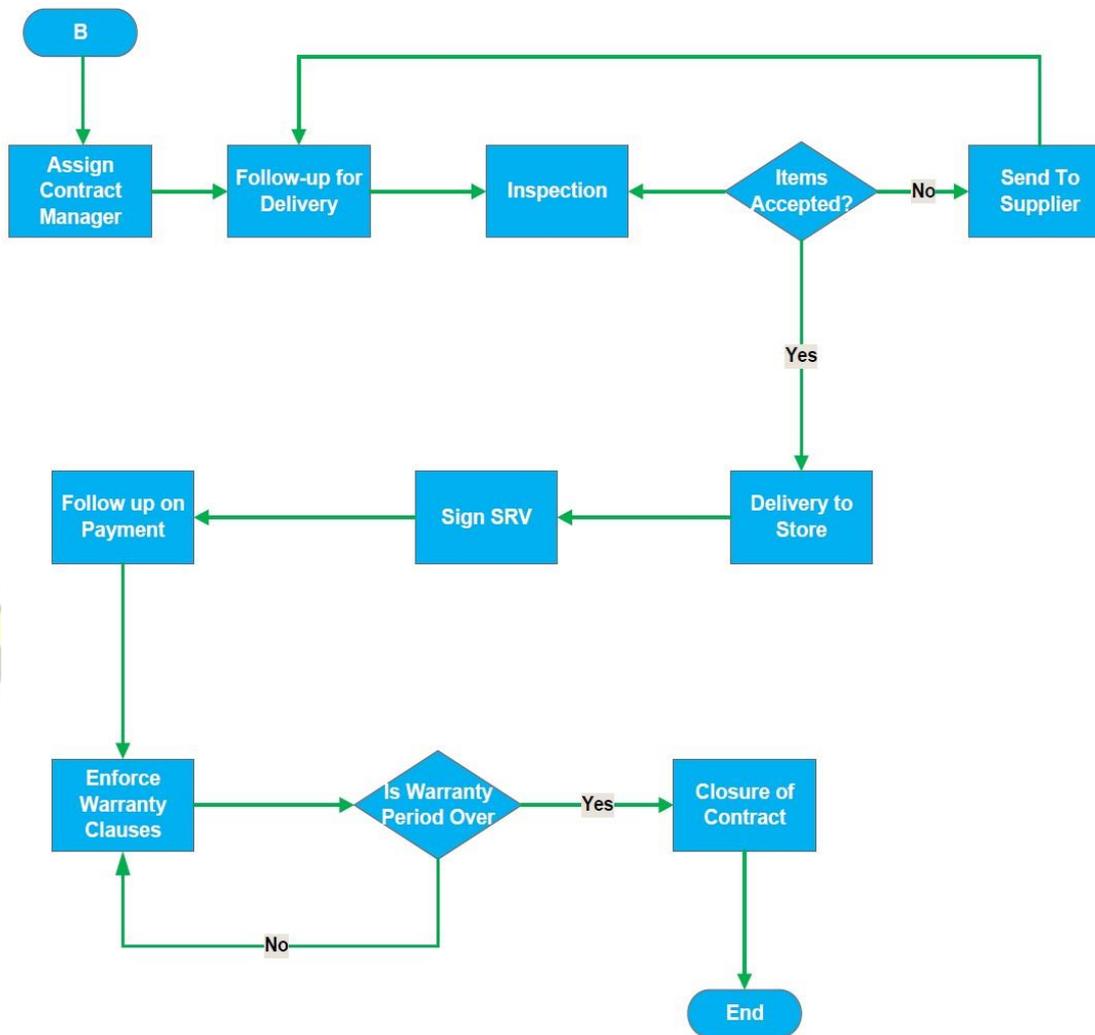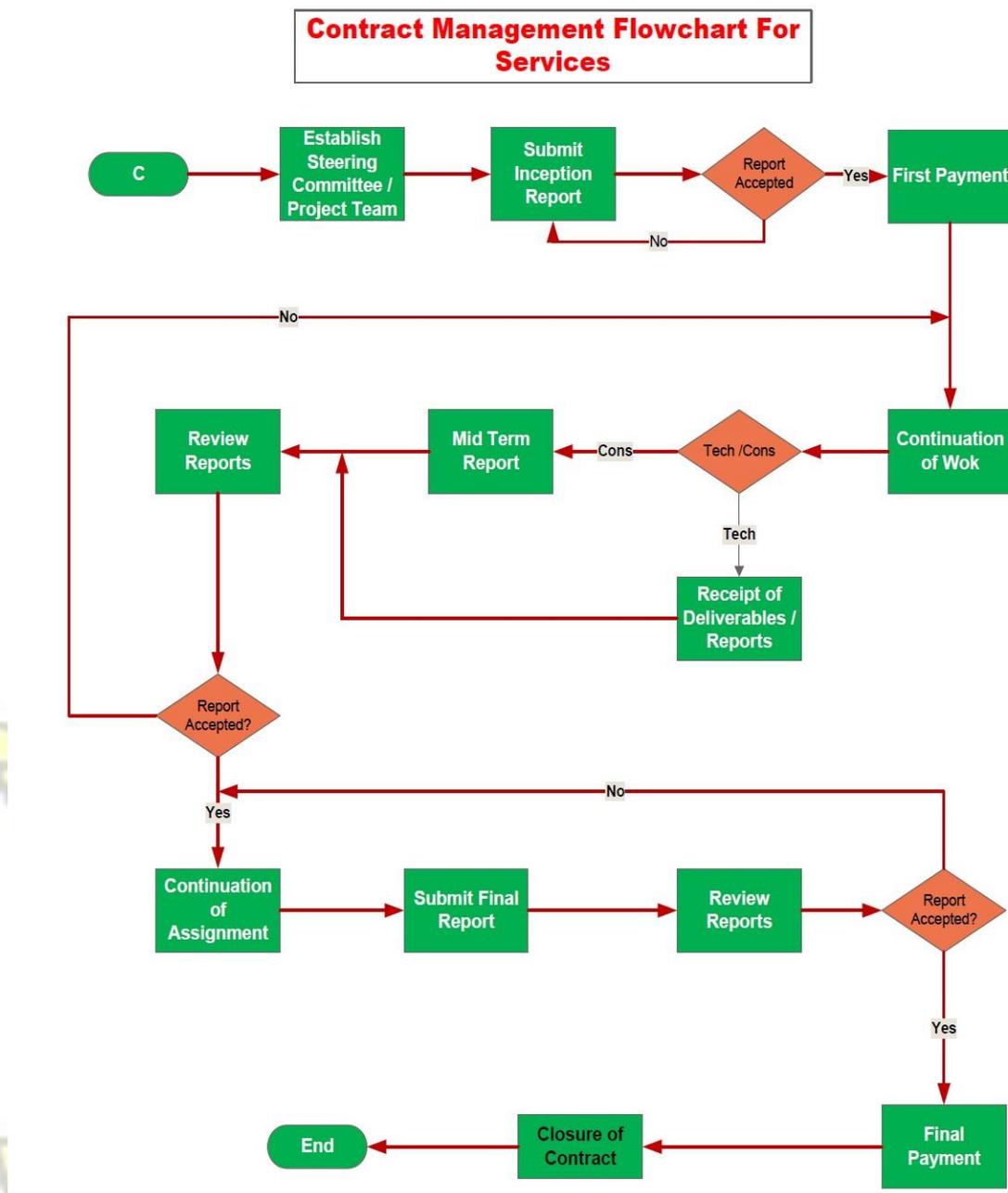
Fig. 2.3: Source: PPA, Electronic Bulletin 2012

2.5 Challenges to Contract Management

There are a number of challenges to managing a contract and for that matter strategies must be mapped to handle these challenges. Some of them include how to keep records and filing of documents, how to handle project variations and contract amendments after signing of contract due to a change in need, coordination of management team to achieve

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contractual goals and skilled personnel to manage the contract. How to supervise the contract and communication between parties also pose a challenge to the contract. Often time's contractors may pursue their own interest at the expense of employer's desired outcome. There must be clear roles and responsibilities that will ensure accountability.

The main challenge to contract management in Ghana is that, procurement entities in Ghana do not pay the needed attention to contract management and only do so when contracts begin to encounter problems (Public Procurement Authority, 2012). Some of the challenges in a contract management includes lack of proper monitoring allowing the service provider to pursue own interest instead of what is stated in the contract document, failure to take decisions and decisions not made at the right time and failure for parties to understand their responsibilities and obligations. Others are misunderstandings, disagreements and underestimations in the contractual agreement which has the potency to derail progress and missing the opportunity to improve value for money (Office of Government Commerce, United Kingdom, 2008). Challenges to the successful management of the post contract award phase includes contractor failure to deliver contract output on time, allowing third party to monitor contract progress, accountability and reporting requirements. The mitigating strategies to combat these challenges includes making modifications to original specification, making know to the contractor expected deliverables, progress meetings and proper monitoring of contractor performance (Office of the Comptroller General Ministry of Finance, Canada, 2013). These challenges result in contract document poorly drafted, failure to make adequate resources to manage the contract and not having the right people to manage contracts. Poor measurement of performance and poor monitoring and managing retained risk also do occur.

2.6 Implications of Poor Contract Management on Value for Money

Value for Money is generally used to refer to a situation whereby best results are achieved from a procurement activity with respect to money spent. The ultimate aim of any procurement is to obtain value from what is been purchased. The term value for money is narrowly defined as acquiring an item at the lowest price but more broadly defined include not only the price for which the item was obtained but may include product quality, after sales service, expected length of service and other conditions of sales. Value for money in public procurement include taking into consideration how the procurement is going to stimulate local employment, favoring local contractors or disadvantaged group and considering environmental issues. Value for money is the main goal of public procurement and defined as setting clear and definite objectives as possible for each procurement activity by the local assembly such as stimulating employment at the district assembly and sourcing the procurement by the lowest cost that deliver those objectives (United Nations Capital Development Fund, 2013). The Public Procurement Act 2003, Act 663 in establishing the public procurement board identified the objective of the public procurement to include harmonizing the procurement process in the procurement entities to ensure effective, efficient and economic use of state resources. Tang (2008) cited by Kalubanga and Kakwezi (2013), identifies three main ways to measure value for money. They are made up of economy, efficiency and effectiveness. This identification is based on the conventional understanding of the term.

Economy is procuring an item at the right quality and quantity whiles minimizing cost. Efficiency is a way of measuring productivity. It establishes the relationship between outputs and inputs used in acquiring those outputs. In other words it examines what must be spent and what is actually derived. Effectiveness is achieving the target objectives or the extent to which intended results are achieved. Poate & Barnett (2003) cited by Kalubanga and Kakwezi (2013), proposed a different way of measuring value for money.

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They explain that value for money can be measured on the basis of total commitment value to a particular procurement, or based on risk rating of the procurement i.e. high risk, medium risk and low risk. Value for Money auditing is an examination of how financial, human and physical resources are managed with due regard to economy, efficiency and effectiveness and accountability is served according to Comprehensive Auditing (1994). Garner (1984) asserts that the reason behind assessing value for money is because it leads to good management and secondly the public demands it (Kalubanga and Kakwezi, 2013). According to Boisclair (2008) auditing value for money is a way of examining public institutions ability to control cost in the discharge of their responsibilities (Kalubanga and Kakwezi, 2013). It also establishes accountability. What is central to the concept of value for money in public institutions is that public funds should be used judiciously and that public officials should be accountable to the economical, efficient and effective management of the resources entrusted to them (Office of the Auditor General of Canada, 2000). Contract management is the process by which parties to a contract honor their respective contractual obligations imposed on them by the terms and conditions of the contract. The process ensures that service provider deliver goods, works or services to contract terms. This comes about by building good working relationship between the employer and the service provider and putting in place measures to settle disputes and reacting to situations as and when they arise. It ultimately leads to the achievement of the procurement objectives set and achieving value for money. The Ghana value for money contract assessment project identified post-contract award challenges to the attainment of value for money to include poor contract implementation and weak contract terms.

Contractor's freedom to outsource aspects of works to subcontractor without the employer's approval also poses a challenge to value for money attainment. Poor acceptance/taking-over procedures and inadequate warranty provisions, or weak arrangements for post-contract maintenance support adversely impact on value for money.

Other findings that affect value for money are adverse payment terms that are unfavorable to the purchaser and often not tied to specific deliverables from the Supplier and payments not always related to progress of works completion. The contractual process is bedeviled with non-use of standard forms of contract. Where model forms of contract are used, the case remains that substantial amendments are being introduced under the Special Conditions, which expose the employer to significant financial and contractual risks (Moro, 2011). The Project also found out that, in a case where a value for money assessment is done at the contract formation stage of a project, value for money may be affected during contract implementation by capacity constraints in implementation management, supervision or cost control. This shows that

notwithstanding the effort and due diligence done on pre-contract effectiveness value for money audit, without effective contract management at the post contract stage of the project value for money can never be attained. Escalation of project cost, missing project deadlines and outcome or delivery not meeting standard requirements are the consequences of poor contract management.

2.7 Benefits of Effective Contract Management

The key to effective contract management is having a clear set of contract outputs or outcomes and actively working with the supplier to ensure the delivery and achievement of these requirements. Some of the benefits of effective contract management is that it ensures timely delivery of goods, works or services. Full realization of the benefits of the procurement process and contract is ensured. The process leads to good relationship and achieve value for money, State Procurement Board, South Australia (2014). The Central Procurement Directorate, Northern Ireland (2012), sees the benefits of effective contract management to include proper contract close-out and handover, establishment of accountability and effective control of budget, defines clear roles and responsibilities and

achieves best value for money. Contract management is described by Elsey (2007) as successful if it leads to satisfactory service delivery acceptable to both parties to the contractual agreement, ensures efficiency and ultimately value for money. It also exhibit professional and objective debate over change issues and settle contract disputes and avoid surprises. A research conducted by Zant and Schlosberg (2002) indicate effective contract management result in reduced legal cost, leads to compliance with policies and regulatory guidelines and reduction in erroneous payments.

2.8 Effective Contract Management Requirements

According to the Municipal Association of Victoria, Australia (2011), for local governments to effectively manage their diverse contracts, they must have in place a range of elements to support the management of contracts. These elements that improve contract management practice across contracts are: leadership; people and skills and processes, documentation and technology.

Leadership is required to steer affairs and provide commitment to contract management improvement. Responsibilities in contract management must be identified and defined clearly to enable the appointment of people with the required skills to fill those positions and execute activities required of the position. Process that helps in the delivery of planned contract outcome is required. Proper and consistent record keeping is needed to help in executing and managing contracts. The processes and documentation must be supported by practical and well understood technology.

2.9 Roles and Responsibilities in Contract Management

Roles and responsibilities in contract management must be properly demarcated and defined to help in managing contracts. Some of the areas of responsibility in contract management are: supplier management, invoicing and payment, contract administration, performance monitoring and contract review. The roles performed at these areas of

responsibility includes managing the supplier relationship, making payments to the supplier within payment terms, monitoring contract performance and participating in in the strategic review of contracts when it expires, Municipal Association of Victoria, Australia (2011).

2.10 Best Practices in Contract Management

Best practices are techniques used to detect and avoid problems in the acquisition, management, and administration of contracts. Best practices are practical techniques gained from practical experience that may be used to improve the procurement process, Office of Federal Procurement Policy, United States of America (1994). These techniques may include the process to deliver best practices and the management of

certain activities.

2.11 Contracts Management Process

Management of the procurement contract goes through number of stages before the contractual objectives are realized. The management of a contract is made up of preaward and post award contract activities. Pre-contract award activities involves seeking management approval, assembling project teams, developing contract strategy and plan, drafting specification and procedure for tendering, evaluating suppliers and awarding contract. Post award activities mainly involve managing the delivery, relationship and contract administration (Elsey, 2007). The process for managing a contract can be studied using a six phase model (Rendon, 2007). These phases includes; procurement planning, planning for solicitation, solicitation, selecting source of supply, contract administration, and contract close-out. The management of these contracting phases in important to the success of the contract. Managing contract is similar to managing a project. Every contract is a mini-project which has a distinctive goal, consumes resources, which has a start and

end date, and plans and coordinates significant activities, as well as contract documentation throughout the process. The handbook for procurement practitioners by the United Nations (2006), has distinguished six different stages of the contract management process. The process is made up of:

- Enabling contract management;
- Contract performance monitoring and control;
- Change management;
- Dispute management and resolution;
- Financial management and payment; and
- Contract completion and close out

Enabling contract management ensures that there is a shared understanding by management team as to what is to be accomplished and desired outcomes. The service provider should considered part of the management team. Steps should be taken to define roles and responsibilities and obligations are communicated to the parties. Systems and procedures are put in place to monitor performance. Contract file is open at this phase and proper documentation is planned for the duration of the contract. This phase also involves holding pre performance meetings and determining methods for effective communication. Contract performance and monitoring requires that once a contract commences, performance is monitored, there is collection of information and measures to ensure that performance does not deviate from expectation. The size and complex nature of the contract determines the resources and techniques needed to perform this task. Monitoring methods used includes physical observation, testing, progress reports and technical reviews. Change management are activities taken to prevent unwarranted changes and at the same time incorporating changes necessary into the contract. Some of the changes that needs to be managed in the contract includes delays, variations and financial changes. Financial changes involves cost overruns and cost growth. Claims by contractors for delays

and variations must be properly investigated and necessary action taken to address the issue. Dispute management and resolution should be anticipated in planning the contract management, to take care of disputes and disagreements in the contractual relationship. Procedures to be followed must be spelt out beforehand to address disputes and disagreement as and when they arise. Ambiguities in the contract language is one of the cause of friction in the contract relationship. Nature of the contract relationship and different organizational processes are another potential cause of dispute and disagreement between the parties. Procedure and methods to address disputes may involve mediation or arbitration. Financial management and payment to the service provider is important for the successful completion of the project. The supplier has the right to be paid for work done expressed in the terms and conditions of contract. Payments must be done in timely and prompt manner to enable the supplier to continue to deliver on his promises. Proper documentation and certification must accompany each and every payment to the supplier. Payments made to suppliers maybe termed advance, partial, progress, final or retention payment. Contract completion and closeout ensures that all obligations are met and that the procedure and timeframes for warranties, guarantees and after sales support are sufficiently defined. Contract closeout procedure occurs when all obligations of the contractor are fulfilled and there is an issue of final payment certificate due the contractor. The flowchart below shows each of the stages in the contract management process.
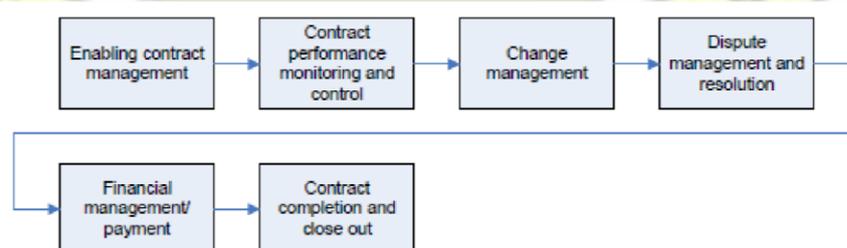
Fig. 2.4: Source: UN Procurement Practitioner's Handbook 2006

The Better Practice Guide by Australian National Audit Office (2007) suggest five phases in the contracting process for managing contracts. The phases include developing the contract, formalizing the contract, entity arrangements for managing contracts, managing individual contracts and ending the contract. The process begins with developing the contract. The key task under developing the contract includes identification and management of risk, obtaining senior management involvement and commitment and identifications of resource needs. Other tasks involved in developing the contract are identification of roles and assigning responsibilities, involvement of stakeholders and behaving ethically. Determination of the form of contract is done at this phase of the process. Formalizing the contract is the phase which seeks to come out with a binding contract document which is a reflection of all deliberations and agreements between the parties. Contract documents at this phase are approved and signed. Other key task at this phase are reporting requirements, debriefing of tenderers, keeping records on the contract and address of complaints. Entity arrangements for managing contracts consist of the preparations involved in the contracting process to manage contracts to achieve value for money. Effective lines of communication are established between stakeholders to compare notes and share ideas. Systems and procedures to manage the various contract are determined. Managing the contract is concerned with how to administer individual contracts and assessing contract performance. Individual contract variations and modifications are negotiated and disputes are resolved. Records on contract payments and claims are kept. The last phase is how to end the contract between the parties. Ending the contract involves finalizing administrative requirements, evaluating the outcome and arranging transfer of project. Residual obligations in the form of warranties, guarantees and retention must be properly managed. There is also documentation and sharing of lessons learned. Contract close-out activities involves; reviewing and preparing close-out checklist, final contract performance report, supplier assessment form and issue of final

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acceptance. Other contract close-out activities are liquidating securities and closing contract file.

2.12 Post Contract Award Management Practice

Many definitions on contract management normally refer to the post award contract management activities. Success is achieved in contract management through effective management of the pre award and post award contract management activities. The process of managing contract creation, execution and analysis to maximize operational and financial performance whiles minimizing risk is referred to as contract life cycle management. Post award contract activities can be broken into three main areas of service delivery management, relationship management and contract administration

(Elsey, 2007). These post award activities according to Support for Improvement in Governance Management (2011), must be carried out smoothly and effectively between the employer and the service provider. Service delivery management ensures that what is delivered as output conforms to the right level of quality and performance level is satisfactory as stated in the terms and conditions of the contract. Some of the delivery management activities for a work contract involves checking quality of workmanship and materials and ensuring that outcome conforms to the drawings and designs in requirement in the technical specification. Relationship management establishes an open and useful relationship between the employer and the supplier working together towards the achievement of desired outcome. The goal of relationship management is to iron out differences as they arise and minimize disputes and disagreements. The relation between the employer and the supplier must be professional towards the objective of managing issues and resolving disagreements. Contract administration establishes the governance structure for the managing the contract. The contract administration ensures that the day

to day aspects of the contract is run effectively and efficiently. This contract management

area permits changes to the documentation throughout the contract life

cycle.

Contract management and contract administration are often perceived to be the same. The

United Nations Relief and Works Agency procurement manual (2012), sees post contract

award aspects of contract management that monitors and control contract performance,

changes to contract, dispute resolution, financial management and contract completion as

contract administration. The International Atomic Energy Agency (IAEA) administrative

manual cited by Joint Inspection Unit, United Nation (2014) also hold similar view to that

of United Nations Relief and Works Agency (UNRWA) on contract administration as

monitoring and management of supplier performance to realize value for money. However,

contract management is believe to be a strategic concept and broader 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 (United Nations, 2006). Elsey (2007) view contract management to comprise of pre

award and post award contract activities. Value for money in the procurement process for

can be achieved only necessary attention is paid to the delivery of works. Supervision is

necessary to obtain best results from a team and by extension contract management is

important in achieving value. Other activities of the post award contract management that

must be properly managed to attain value for money includes changes in the contract,

assessment of risk, performance review and contract closure (Elsey, 2007).

Changes do occur in the duration of the contract especially for large and complex projects.

These changes must be effectively and properly managed to achieve contract objectives.

Any significant change in the contract has an impact on the scope and viability of the

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contract for either the employer or the supplier. Changes can be an increase in the scope of work in the contract which will necessitate for claims for additional work. Changes can come in the form of contract amendment, modification or variation among other things. The importance of risk management in cannot gloss over in contract management. Risk has the potential of derailing the achievement of operational and financial performance in the contract. The activities involved in the identification and controlling of risk successfully are termed as risk management. Some examples of risk in a contract are issues such as: fluctuations in the price of market commodities, industrial unrest, deterioration of quality and force majeure. Performance review requires that constant monitoring of performance and control measures to correct poor performance. Performance is monitored against what is acceptable in the contract to identify substandard and taking corrective action. Performance review ensures actual results are compared with planned performance and helps improve decision making. Contract closure are activities performed to draw curtains on the contract or to bring the contract to a finality. Contract is terminated by performing all obligations therein the contract. A contract can also be terminated by either of the party as a result of another party failing to fulfill his part of the contract bargain. The best practice in large construction contract in a situation where the contract ends in accordance with what was planned in the contract, there must be evidence that the contract was completed to the parties' satisfaction. Contract closure activities are carried out to ensure that there are no outstanding matters. The Australian National Audit Office (2007) Better Practice Guide identifies six factors that must be managed effectively in the post award contract management. These factors are: the management of risk, relationship management, resource management, specifying responsibilities, ethical behavior and record keeping. Managing risk in the process involves identifying the various risk emanating from the contracting stages, assessing their likely occurrence and impact and implementing strategies to eliminate or mitigate their impact on the contracting process.

Relationship management is developing open, professional and constructive relationship with the service provider to ensure successful delivery of the desired outcome. Managing resources is the ability to have skilled personnel and experts to perform various roles in the contracting process. The process involves specifying roles and responsibilities for people to know what is required of them and therefore making them accountable for various actions and inactions. Ethical behavior is necessary to ensure transparency and fairness in the process. It builds trust and makes service providers want to participate in the process and eschew corruption and unfair practices. Records on the contracting process must kept at all times for easy reference, provide evidence of business conducted and mitigate legal and other risk.

The Good Practice of Contract Management Framework by Office of Government Commerce, United Kingdom (2008) classifies four broad sectors of structure and resources, delivery, development and strategy comprising eleven areas that procurement entities must consider in developing and managing contracts. The first block is a pre contract award activity whiles the other three blocks are post contract award management activities. Structure and resources comprises of planning and governance, people and administration. Structure and resources is concerned with the planning of contract management activities including governance structure, roles and responsibilities, record keeping and skilled people in the contract management team. Managing relationship, performance, risk and payment and incentive constitute the delivery block. Delivery is facilitated by continuous communication and strong relationship with suppliers. Contract performance is monitored and deviations are investigated to facilitate necessary corrections and ultimately desired outcome. Payments and incentive mechanisms are in line with the terms of the contract and are well managed. Risks are assessed and contingency plans are developed to mitigate severity of the various risks. Development

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block is made up of contract and supplier development. The contract is regularly reviewed to effectively handle changes to the contract. Measures like lean and six sigma are introduced to improve the supplier performance. The customer and the supplier engage in joint working or shared activities and shared risk programs for the benefit of all parties. Strategy sector comprises of supplier relationship and market management. This block develop programs for relationship building with suppliers and wider market issues that impact on the contract that lie beyond the supplier are managed. George-Nwabugwu (2013) has suggested post contract management best practices for various projects. These best practices covers: contract administration process, project manager qualities, voucher processing and contract closeout. Contract administration process is made up of post award orientation, effective communication, pre-construction meeting, dispute resolution and customer satisfaction survey. Post award orientation is organized for contract administrators, project managers and suppliers to achieve a clear and mutual understanding of all contract requirements to identify and resolve potential problems before contract performance. Post award orientation is done either by conference, letter or other forms of communication. Effective communication process helps to communicate contract requirement to contractual parties. The process helps build mutual and beneficial relationship between the employer and the supplier. Good communication process helps to communicate roles and responsibilities in the contract process including the duties of the project manager and reduces project problems in the future. Pre-construction meeting to discuss responsibilities and restrictions in the administration of the contract. There is also discussion on the personnel appointed to administer the contract, quality control and testing. The contract administration process must have in place alternative dispute resolution to resolve contract disputes and disagreement. In order to ensure there is customer satisfaction, the process should be able to obtain customer opinion through surveys. Project manager must be trained on the duties of the position. The role and

responsibilities of the project manager are clarified and the limitations of the role are made known. There must be effective incentives to obtain the best from the project manager. Voucher processing includes measures to review and approve vouchers for all payments. There must enough guidance on how to conduct voucher reviews and procedure on submission of voucher and processing. A contract closeout activity begins by drawing management attention. Management information system must be in place to monitor contract closeout activities including documents closeout. According to the Municipal Association of Victoria, Australia

(2011), there are ten elements which are considered to be key in good contract management practice. These ten key elements of good contract management practice are: contract mobilization, contract administration and record keeping, contract roles and responsibilities, managing relationships, performance management, contract monitoring, negotiate contract variations, managing contract disputes, ethical business conduct and contract completion. Contract mobilization are steps involved in transitioning the contract to the execution stage and it includes key activities like review of contractors operational performance and discussion on process and procedures to be followed in achieving contractual obligations. Contract administration governs the contractual relationship and the changes that may occur in the contract. Contract roles and responsibilities is about the composition of contract management team and the skills require of them for the various areas of responsibilities that may be identified.

Relationship management is one of the cannon fodders for successful contract delivery. Performance management is establishing key performance indicators to measure performance and the contract is monitored with agreed timeframes and these key performance indicators. Contract variations are negotiated and controlled by contracting organization. A variation is a formal amendment to the terms and conditions within or outside the intent of the Contract and it has implications on time, cost and quality.

Procedures for resolving disputes includes negotiation, mediation, arbitration and litigation. Ethical standards must be upheld by persons engaged in the management of contracts to preserve integrity in the contract. The completion of the contract is discharge when there is due performance. The Aboriginal Procurement and Contract Management Guidelines by the Ministry of Finance, Canada (2013) identifies performance monitoring, risk management, contract amendment, resolving disputes and documenting of records as potential practices in managing contracts after they have been awarded. Post contract award management activities identified by Office of Sponsored Programs and Research (2011) of Central State University, United States of America is similar to the literature reviewed above. The activities are made up of setting project team and assigning task, performance monitoring, making payment on a timely basis, contract changes which include revised project schedule and submitting final report and deliverables. The process and the management of post award contract management activities includes: enabling contract management, contract performance monitoring and control, change management, dispute management and resolution, financial management and contract completion and closeout. Other activities that must be managed in the process are risk, ethical behavior, specifying roles and responsibilities and record keeping. The United Nations Procurement Practitioner's Handbook (2006) contract close out procedure involves the following eight steps:

1. Review and confirm appropriate action taken according to contract close-out checklists;

2. Prepare final contract performance report (jointly by requisitioner and procurement officer), including lessons learned;

3. Prepare supplier assessment form and forward for appropriate action;

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4. Issue final acceptance on the basis of the requisitioner's report;

5. Make final financial settlements;

6. Liquidate/return bonds and/or securities;

7. Record any residual obligations (warranties, etc.) and advise requisitioner of procedures; and

8. Close out contract file.

The main functional areas of post contract award management comprises of service delivery management, relationship and contract administration. For effective contract management, organizations require the necessary leadership, skilled people and procedure for managing post contract award management.

<center>**CHAPTER THREE**</center>

<center>**RESEARCH METHODOLOGY**</center>

3.1 Introduction

This chapter presents the research methods used by the researcher in the conduct of this study. The chapter begins by presenting the research design, sources of data collection, methods of data collection, and sampling design. The chapter ends with techniques used in data processing and analysis for this study.

3.2 Research Design

Research design, according to Bhattacherjee (2012), is a broad plan for data collection in on a research topic. It is an outline for undertaking empirical research that answers specific research questions and involves at least three processes: data collection, instrument development and sampling process. Kothari (2004) defines research design as a plan that identifies sources of data collection, strategy that describe the approach to gather and analyze data; and constraints for example time and budget to the research. Research design depends on the research question, the availability of data and the skills and preference of the researcher (Gilbert, 2007).

This study adopted both quatitative and qualitative approach in its data collection and analysis. The process for this research design was made up of data collection, data collection instrument and sampling procedure. Research approaches describe the overall framework used to look at reality based on a philosophical stance e.g. empiricism (Clarke, 2005). According to Creswell (2003), the quantitative and qualitative research approaches are the two major models of research and the reasons for choosing either of them or combining the two models includes the assumptions of each model, training and experience of the researcher, psychological attributes, nature of the problem and audience

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of the study, Clarke (2005). Data for this study were collected data from both secondary and primary sources. The instrument for collecting data was questionnaire and a purposive sampling process was used to sample the population. Field survey which is cross-sectional in nature was used to collect data. The research also analyzed data collected by other researchers or sources. Popular research designs include field surveys and secondary data analysis but the phenomenon being studied determines the research design used in the study. For instance the researcher can integrate existing theories into a larger one by adopting a positivist design of survey research (Bhattacherjee, 2012).

3.3 Choice of Study Area

The research area was Ahafo Ano North District area in the Ashanti Region with Tepa as its district capital. The choice of the Ahafo Ano North district area was because the assembly's post contract award is fraught with management challenges leading to early termination of contracts as reported by the assembly's Annual Progress Report, (2012) and the Auditor-General's Report (2014). It is hoped that this research findings gave an indication of what goes on in the other district areas especially those in the Ashanti Region.

3.4 Sources of Data Collection

In this study data were used from both secondary and primary sources.

3.4.1 Secondary Data Collection

To get a picture of the processes and activities involved in post contract award, body of literature and theories on best practices to post contract award management were sourced. Books, online Journals, articles and other professional papers on contract management were searched through online and library.

3.4.2 Primary Data Collection

The primary data collected were in the form of questionnaire. Closed and open ended questions were administered to the respondents for the survey. According to Bhattacherjee (2012), research design must attempt to collect quantitative and qualitative data using a combination of methods. For example, in a survey questionnaire for closed and open-ended questions can be used to collect quantitative and qualitative data that may introduce useful insights into the study that would not be available from quantitative data alone.

3.5 Method of Data Collection

Survey research was used in this study is to collect data on post contract award management practices at the Ahafo Ano District Assembly. Questionnaire was used in data collection in this study. The questionnaire is a tool to assess the processes and activities involved in post contract award management phase of the procurement process. This questionnaire benefited from work done on post award management activities by Joint Inspection Unit of the United Nations (2012). The questionnaire uses a crosssectional survey comprising of questions on key contract management categories and processes. The questionnaire was anonymous and sent to contracting officers, requisitioners and project managers, as well as other stakeholders such as finance and legal officers in the post contract award management stage at the Ahafo Ano District Assembly. A total of forty two respondents constituted the sample size. Thirty five people representing eighty three percent responded to the questionnaire.

The questionnaire was developed to offer a focus on post contract award activities. The activities and processes involved in managing contracts differ depending on the nature of the contract. Small contracts require less activities and processes unlike complex contracts which require large layers of processes and activities. This questionnaire does not

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distinguish among contracts; it however addresses practices contract management applicable to all contracts. The questionnaire is valuable to identify and strengthen best practices. It provides an opportunity to improve on the processes requiring necessary action. The close ended comprised of ten categories of key post contract award management process:

1. Governance/enabling environment;

2. Risk management;

3. Performance monitoring, evaluation and reporting;

4. Change management;

5. Financial;

6. Dispute management and resolution;

7. Contract close-out and lessons learned;

8. Information systems;

9. Human resources and capacity-building; and

10. Assurance systems and control.

Each category of the close ended questions contains a number of practices or activities formulated to solicit responses from survey participants.

A 5-point likert scale ranging from (1-Never, 2-Seldom, 3-Sometimes, 4-Most of the Time, 5-Always) were options from which respondents ticked for the various activities that measures the level of practice of the categories outlined above. Open ended questions offered the respondents the opportunity to state in their opinion the strengths and weaknesses of the post award management practices of the assembly.

3.6 Sampling Design

Sampling design, according to Kothari (2004) is a plan for obtaining a sample from a given population is known as sampling design. It involves the techniques used by the researcher to choose the items for the sample. The steps involved in sampling design are: type of universe, sampling unit, source list, size of sample, parameters of interest, budgetary constraint and sampling procedure. The respondents were people who do participate in the post award stage of the procurement process. A total number of eightyfour people were identified as people who partake in the post contract award management activities of the assembly. Forty two were chosen as the sample size for this research using purposive sampling method. Participants for non-probability sampling are chosen based on a predefined criteria (Saumure and Given, 2008).

3.7 Data Processing and Analysis

The Statistic Package for Social Science (Version 22) and Microsoft Office Excel (2013) aided the analysis. Scores assigned to each activity by the respondents were entered and subsequently the responses from the forty two questionnaires were statistical analyzed. The elements of each management category were examined and their ranking in terms of their practice as perceived by the respondents were done by use of Relative Importance Index (RII).

The computation was done using RII formula, (Muhwezi, Acai and Otim, 2014):

$$RII = \frac{\sum W}{A*N} \qquad (0 \le RII \le 1)$$

W is weight given to the five points on the scale

A is the highest weight on the scale

N is the total number of respondents

Relative Importance Index (RII) values range is between 0 to 1 (0 not inclusive). A high value of RII indicates that an element or category of contract management is practiced more frequently and a low value of RII indicates that an element of management is practiced less frequently. The quantitative analysis measures the practices at the postaward management, but the level of management practices is not explained by the use statistics. Qualitative data is rather analyzed to identify consistencies, strengths and areas for improvement.
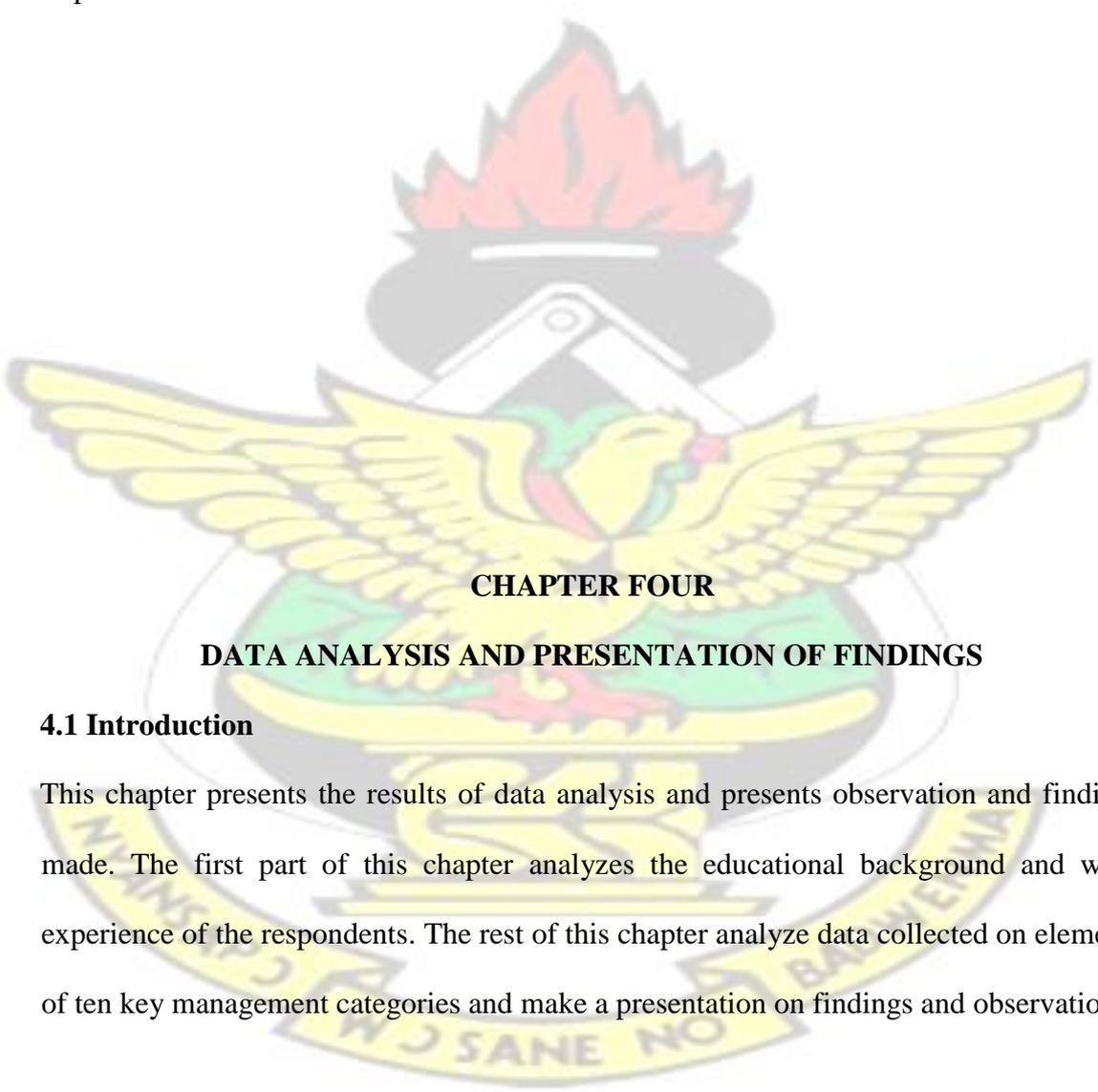
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents the results of data analysis and presents observation and findings made. The first part of this chapter analyzes the educational background and work experience of the respondents. The rest of this chapter analyze data collected on elements of ten key management categories and make a presentation on findings and observation.

4.2 Demographic

Most of the respondents are working with the Ahafo Ano North District Assembly. They hold higher National Diploma certificates, first degree and post graduate degrees. They are

mostly working in the procurement, works, legal and finance departments and partake in the post award management stage of the procurement process of the assembly. Nine persons representing twenty five point seven percent have working experience between one to five years whiles twenty six persons representing seventy four point three percent have working experience between six to ten years.

Table: 4.1: Backgrounds of Respondents

	Number	Frequency	Percentage
Educational Qualification	35		
Higher national diploma		6	17.14
First degree		27	77.14
Master degree		2	5.7
Total		35	100
Work experience	35		
1-5 years		9	25.71
6-10 years		26	74.3
Total		35	100

Source: Field data, 2015

4.3 Contract Management Practices

Table 4.2 illustrates RII and Ranking for each element of governance or enabling environment of contract management category. From the table the ability of persons in contract management to apply rules, procedures and policies is a common feature of the management practice in the enabling environment category with an RII of 0.78, personnel compliance with post contract award management policies, rules and procedures (RII 0.77) is ranked second. Support from other offices of the assembly towards contract manager (RII 0.63) is third in the table. The fourth and fifth positions are occupied by contract management persons are held accountable for their roles and responsibilities played in the process (RII 0.62) and the organization holding conference meeting with a contractor to discuss communication channels and process (RII 0.6) respectively. The sixth and seven

positions are occupied by making adequate resources both financial and human toward post award activities (RII 0.59) and there exist professional relationship between the organization and its contractors. The review of policies, rules and procedures on contract management systematical (RII 0.53) occupies the eight positions. The ninth position is occupied by clearly defined roles, responsibilities and accountability in the contract management (RII 0.52). The elements with low relative importance index are the use of integrated teams to manage various types of contract (RII 0.45), vision and strategy for conducting post contract award management (RII 0.46) and differentiating policies and procedures based on the size and value of the contract (RII 0.48).

Table: 4.2: Governance / Enabling Environment

S/No. Category Elements	RII	Ranking
Personnel managing contracts are well versed in applicable 1 contract management policies, procedures and rules.	0.78	1
There is compliance with applicable policies, procedures and 2 rules by all personnel involved in the post-award contract phase.	0.77	2
There is adequate support to contract managers by other offices 3 in the organization (procurement, legal, finance, etc.).	0.63	3
Persons managing contracts are held accountable for adhering 4 to contract management policies, procedures and rules.	0.62	4
The organization conducts conference with the contractor upon 5 awarding contract discuss communication levels and processes	0.6	5
Post-award contract management activities have adequate 6 financial and human resources.	0.59	6
Professional relationships exist between the organization and the contractor and based on cooperation and mutual 7 understanding.	0.57	7
Policies, procedures and rules at post-award stage are 8 systematically reviewed and improved.	0.53	8

S/No. Category Elements	RII	Ranking
Roles, responsibilities and accountabilities in contract management for all involved personnel and all decision making 9 processes are clearly defined.	0.52	9
Contract management policies, procedures, and rules depends 10 on contract size, complexity and value.	0.48	10
The assembly provides clear vision and strategy for the post11 award management of contracts.	0.46	11
Depending on the value, size or complexity of contracts, the organization uses an integrated team approach to managing 12 contracts, consisting of multifunctional teams	0.45	12

Source: Field data, 2015

Table 4.3 contains elements of risk management. The elements of risk management in the table are having relative importance indexes below 0.5. The least of them is frequent assessment of risk over the life of the contract (RII 0.32), followed by involvement of contractors in identifying risk in the contract (RII 0.34), risk mitigation plan for contract risk (RII 0.38), quantifying risk in financial terms (RII 0.39), the next is assigning responsibility for implementing risk mitigation treatment (RII 0.39) and the last is risk assessment plan that address and mitigate contractor fraud (RII 0.46). The relative importance indexes for elements under risk management indicate the organization post award management activities hardly involves risk assessment and risk mitigation treatment.

Table: 4.3: Risk Management Category

S/No. Category Elements	RII	Ranking
Contract risk assessments and/or plans specifically 1 address contractor fraud risks and mitigation.	0.46	1
There is clear designation of responsibility for implementing any necessary risk mitigation 2 treatment.	0.39	2

	Contract management related risks are quantified and 3 expressed in financial terms.	0.39	2
	There is a risk management plan in place for the post 4 award activities that includes a risk mitigation plan.	0.38	4
5	Contractors are involved in identifying contract risks.	0.34	5
	Contract risk is assessed frequently over the life6 cycle of the contract.	0.32	6

Source: Field data, 2015

Table 4.4 has elements of Performance monitoring, evaluation and reporting and their relative importance indexes and rankings. Monitoring of key performance indexes (KPI's) with a relative importance index of 0.71. The second position went to taking corrective action upon detection of variance in performance (RII 0.69). The third and fourth positions are occupied by dealing with underperformance systematically (RII 0.66) and performance reports include cost overruns explanation (RII 0.65). The fifth position went to measurement of end user satisfaction by the organization (RII 0.58). The sixth and seventh positions are occupied by feeding performance reports into the procurement systems and process (RII 0.55) and evaluation reports on contractors recorded in a central database (RII 0.5). The elements of performance with low relative importance indexes includes providing contractor with evaluation information and seeking feedback (RII 0.4), monitoring performance based on contract features like size (RII 0.4), developing key performance indexes for complex contracts (RII 0.46) and timely submitting performance reports (RII 0.49).

Table: 4.4: Performance Monitoring, Evaluation and Reporting

S/No.	Category Elements	RII	Ranking
1	Key performance indicators are systematically monitored.	0.71	1

	Statement	RII	Rank
2	Corrective action is immediately taken when variance between actual and expected performance is detected.	0.69	2
3	A contractor's underperformance is systematically dealt with (e.g. withholding payment)	0.66	3
4	Contract performance and/or exception reports that include explanation on cost overruns are included in the reporting chain.	0.65	4
5	The organization measures and reports on end-user satisfaction levels.	0.58	5
6	An evaluation of the overall performance of a contract is conducted, and is fed back into the procurement system and management process.	0.55	6
7	Contractor evaluation reports are recorded in a central database.	0.5	7
8	Contract performance reports (periodic and final) are submitted in a timely manner.	0.49	8
9	Clear, measurable and relevant performance indicators (KPIs) are developed for complex/large value contracts	0.46	9
10	The level of contract performance monitoring and control is decided on the basis of contract value and complexity	0.4	10
11	The organization provides relevant evaluation information to the contractor and seeks feedback.	0.4	10

Source: Field data, 2015

Table 4.5 contains elements of change management. Elements under change management that is a frequent occurrence in change management at the organization are instituting administrative procedures and control clauses to manage contracts (RII 0.75), followed by negotiation on contract time extension (RII 0.67). The third position is shared by executing contract changes accompanied by certification of availability of funds and using standard templates for change modification and request with an index of 0.63. Elements of change management that occupy fifth position are shared by persons with authority do effect contract changes and modifications and documenting justification for contract changes (RII 0.59). The least practiced activity is identifying persons authorized to effect contract changes prior to contract commencing (RII 0.55).

Table: 4.5: Change Management

S/No.	Category Elements	RII	Ranking
1	Change control clauses and administrative procedures are in the contract and define how changes should be managed throughout 1 the contract life-cycle.	0.75	1
2	Contract time extensions are negotiated / agreed before the 2 expiration date of the contract.	0.67	2
3	Standard templates exist for processing change requests and 3 contract modifications.	0.63	3
4	Contract changes that cause an increase in funds are not 4 executed without a certification of availability of funds.	0.63	4
5	Designation of persons with authority for contract change negotiations and modifications (changes on schedule, price, 5 performance, quality etc.) is clearly established for all contracts.	0.59	5
6	Justification of time or cost increases of contracts is documented.	0.59	5
7	Persons with an authority for contract change are identified by 7 the organization before or immediately after contract award.	0.55	7

Source: Field data, 2015

The table 4.6 indicates RII and ranking for elements of financial management. The most practiced financial activity with the highest relative importance index is obtaining authorization and approval before making payments (RII 0.72), followed by invoking penalty for underperformance by withholding payments (RII 0.71). Linking performance to payments (RII 0.65) sits at the third position. The fourth and fifth positions are occupied by acknowledging receipts of goods and services in a timely manner (RII 0.64) and review of pricing arrangements regularly (RII 0.63). The sixth position went to reporting and recording cases of payment delays and their causes (RII 0.55). The least practiced activity

under financial management is certifying and recording receipt of goods and services prior to making payments (RII 0.54).

Table: 4.6: Financial management

S/No.	Category Elements	RII	Ranking
1	All necessary authorizations and approvals are obtained prior to making payments.	0.72	1
	Penalties (withholding of payments etc.) are invoked for 2 underperformance.	0.71	2
3	Payments are linked to performance of contracts.	0.65	3
	Timely acknowledgment of receipt of goods and services is provided allowing financial units to process payments on time 4 and/or take advantage of discounts.	0.64	4
	When contract price adjustments are allowed, pricing 5 arrangements are regularly reviewed and updated.	0.63	5
	There is record and reports on cases of delays in payments 6 and causes of delay.	0.55	6
	Receipt of goods and services are certified and recorded at all 7 instances by designated/authorized officials prior to payment.	0.54	7

Source: Field data, 2015

Table 4.7 records RII for elements of dispute management and resolution. The activity high in the table is the assembly providing support legally for dispute resolution (RII 0.54, followed by the organization's preparedness to resort to arbitration when disputes emerge and process in place to terminate contracts with an index of 0.51 each. The last position is shared by clear dispute procedures for resolving disputes, resolving disputes through negotiation and settling outstanding claims carefully with an index of 0.5 each.

Table: 4.7: Dispute Management and Resolution

S/No.	Category Elements	RII	Ranking
1	Organization provides adequate legal support for dispute resolution cases.	0.54	1
2	The organization is capable and prepared to resort to arbitration when other dispute resolution procedures are exhausted.	0.51	2
3	Processes to terminate contracts due to cause or default are in place and in use.	0.51	2
4	Contracts include clear dispute resolution procedures that provide for an efficient and fair process to resolve disputes during the performance of a contract.	0.5	4
5	Efforts are made to resolve disputes through negotiation or mediation.	0.5	4
6	Outstanding claims are settled expeditiously.	0.5	4

Source: Field data, 2015

Table 4.8 is about contract close-out activities and lessons learned. From the table inserting lessons learned and best practices in a database, end user participation in contract close out, process for handling and storing contract files, documentation of lessons learned and best practices for continuous improvement and involving other departments in contract close out scored low on relative importance index by the respondents and therefore receive low ranking. The relative importance indexes for these elements are RII 0.4, RII 0.4, RII0.44, RII 0.47 and RII 0.47 respectively. The first position is occupied by release of financial securities after contract completion (RII

0.58). The second position is shared by close out activities involving final delivery verification; final performance reports preparation, financial settlement and recording remaining obligation and observing warranty wisely with and index of 0.54 respectively.

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The fourth position is occupied by documented process for contract close out (RII 0.5).

Table: 4.8: Contract Close-out and Lessons Learned

S/No.	Category Elements	RII	Ranking
1	Financial securities (bid bonds, performance bonds, advance payment bonds, etc.) are released immediately after contract completion.	0.58	1
2	Contract close-out process includes verification of final delivery, preparation of final contract performance reports, financial settlements, and record of any residual obligations.	0.54	2
3	Warranty periods are judiciously observed.	0.54	2
	There is a well-documented process for contract completion and close-out, including checklists, to verify that all contractual 4 obligations have been fulfilled.	0.5	4
	Contract close-out is performed with input by other key areas 5 (legal, finance etc.).	0.47	5
	The organization documents lessons learned and best practices in order to continuously improve its management of procurement 6 and contract management processes.	0.47	5
	There are processes in place for storage, handling and disposal of 7 contract files.	0.44	7
8	Contract close-out activities are performed with input by the end users.	0.4	8
	Lessons learned and best practices are inserted in a central 9 database for use in subsequent contracts.	0.4	8

Source: Field data, 2015

Table 4.9 records the RII for the only element of information system. The relative importance index for the use of automated systems in monitoring and collecting information on contract management is 0.33.

Table: 4.9: Information Systems

S/No. Category Elements	RII	Ranking
The organization uses automation systems and procedures for 1 collecting and monitoring contract management statistics.	0.33	1

Source: Field data, 2015

Table 4.10 contains elements of human capital and capacity building. Knowledge, experience and skills exhibited by persons managing contracts is ranked number 1 with an index of RII 0.74, followed by the use of quality control standards for measuring staff performance (RII 0.73). The third is occupied by pre arranging for expertise before a contract begins (RII 0.65). Training program that addresses post award activities for personnel and making a determined effort to develop and retain management experts with RII of 0.58 each occupy the last position.

Table: 4.10: Human Capital and Capacity Building

S/No. Category Elements	RII	Ranking
Persons managing contracts have the level of knowledge, skill, and experience commensurate with their contracting responsibility (based 1 on contract type, value, size, complexity).	0.74	1
Quality control standards are disseminated and used to evaluate performance of staff managing contracts and to address capacity 2 development needs.	0.73	2
Based on contract complexity and need for specialized expertise, 3 access to such expertise is pre-arranged at the outset of contracts.	0.65	3
A robust induction and training program exists for addressing postaward contract management and it is provided on an ongoing basis to 4 new and existing personnel managing contracts.	0.58	4
The organization makes concerted efforts to develop and retain 5 contract management expertise.	0.58	4

Source: Field data, 2015

Table 4.11 records RII and rankings for elements under assurance and control. Contractor's obligation to report contract fraud stipulated in the contract document has an index of 0.7 and ranked number 1. It is followed by possession of skills by personnel to detect fraud (RII 0.67). The third and fourth positions are occupied by activation of sanctions when necessary (RII 0.61) and auditors are knowledgeable on management systems and requirements of contracts (RII 0.6) respectively. The fifth position is occupied by standard procedures for auditing which includes change control and processes of management (RII 0.59). The sixth position is shared by robust regime for contractors auditing, risk management systems to detect fraud being in place and taking action finding and recommendations proactively with an index of 0.55 each. An element of assurance systems and control occupying the seven position is conducting risk audits and performance evaluation by bodies with oversight responsibility (RII 0.54)

Table: 4.11: Assurance Systems and Control

S/No.	Category Elements	RII	Ranking
1	The contract documents require contractors to report instances of fraud or presumptive fraud observed during the execution of contracts.	0.7	1
2	Personnel involved in managing contracts have the skills to detect fraud.	0.67	2
3	A contractor sanctions mechanism is activated when required.	0.61	3
4	Auditors are sufficiently knowledgeable about contract management requirements and systems.	0.6	4
5	Contract change control and management processes are an integral part of the standard audit procedures.	0.59	5
6	There is a robust regime in auditing contractors and related contract activities.	0.55	6
7	Proactive fraud risk management systems are in place to address contract fraud.	0.55	6
8	There is timely action and compliance on contract management findings and recommendations made by audit and evaluation bodies.	0.55	6

| Risk based audits and performance evaluations of contract management activities are systematically conducted by the organization's oversight bodies (internal and/or external). | 9 | 0.54 | 9 |

Source: Field data, 2015

Table 4.12 records aggregate relative importance index and category rankings. The first objective of this study is to assess post contract award management practices at the Ahafo Ano North District Assembly. The ten key contract management categories are used to assess post award contract management practices at the Assembly. The aggregate relative importance index generated for the various areas of post contract award management indicate human and capacity building to be an area mostly undertaken or practiced by the district assembly with an index of 0.65. The second ranked contract management area or category that follows human and capacity building is change management and financial management with each having an aggregate relative importance index of 0.63. Assurance systems and control came fourth with an index of 0.59. Governance or enabling environment for contract management and performance monitoring and evaluation reporting placed fifth and sixth position with an aggregate relative importance index of 0.58 and 0.55 respectively. Dispute management and resolution is ranked seventh positions with an index of 0.51. Contract close-out activities, risk management and information system obtained aggregate importance indexes below 0.5. The aggregate relative importance indexes for contract close-out, risk management and information system are 0.48, 0.38 and 0.33 and are placed eighth, ninth and tenth positions respectively. The activity or element with the highest of relative importance index in all of contract management categories is persons managing contracts are familiar with contracting rules, policies and procedures (RII 0.78) and it is followed by compliance with laid down rules and policies governing post contract award management by the assembly (RII 0.77) all in the governing environment category. The third highest element of contract management is

contract documents clearly have in them change clauses and procedures of administering change throughout the contract life cycle

(RII 0.75). The elements of contract management with the lowest relative importance index is frequent assessing of risk throughout the contract life (RII 0.32) and it is followed by the use automated systems to gather information and monitor contract management activities (RII0.33), contractors inputs in risk identification (RII 0.34) and developing risk plan that includes mitigation of risk plan for the post contract award stage (RII 0.38). Notwithstanding that some scores are above average in certain categories, there should be room for continuous improvement across all categories.

Table: 4.12: Contract Management Categories

	CATEGORY	AGGREGRATE RII	RANKING
1	Human capital and capacity building	0.65	1
2	Change management	0.63	2
3	Financial	0.63	2
4	Assurance systems and control	0.59	4
5	Governance / enabling environment	0.58	5
6	Performance monitoring and evaluation reporting	0.55	6
7	Dispute management and resolution	0.51	7
8	Contract close-out and lesson learned	0.48	8
9	Risk management	0.38	9
10	Information systems	0.33	10

Source: Field data, 2015

4.4 Major Strengths of Post Contract Award Management Practices of the District Assembly

Twenty one of the respondents representing sixty percent were able to identify the strengths of the Ahafo Ano North District Assembly post contract award management.

The strengths identified included skills, knowledge and experience of the persons managing contracts at the post award stage and the use of standardized contract documents which contain relevant contract clauses that regulates the contractual relationship at the post award stage.

Fourteen respondents representing forty percent were not able to identify the strength of the post award contract management of the Ahafo Ano North district Assembly. Eighty one percent attributed the strength of the post contract award management practice to the skills, knowledge and experience of the persons managing the post award stage of the contract and nineteen percent attributed it to the use of standardized contract documents.

STRENGTH OF THE POST CONTRACT AWARD
MANAGEMENT

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■ Skills, knowledge and experience of post award management persons

■ Use of standardized contract documents
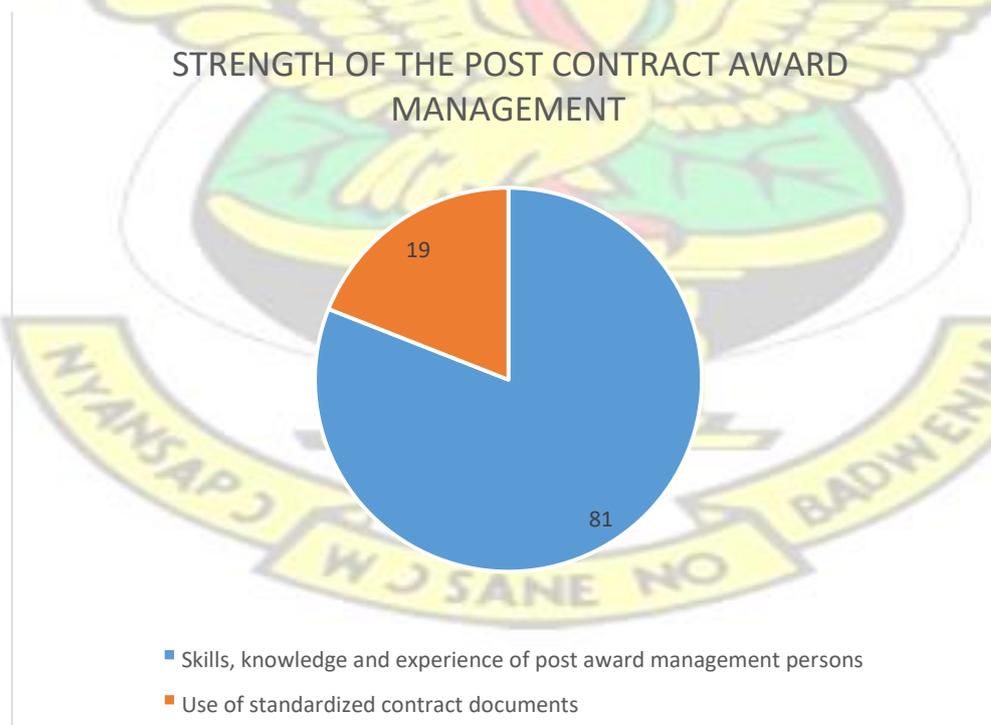
Fig. 4.1: Strengths of the Post Contract Award Management Practices at the Ahafo Ano North District Assembly

4.5 Major Weaknesses of Post Contract Award Management Practices of the

District Assembly

The weaknesses of the Ahafo Ano North District Assembly enumerated by the respondents includes abandoned contracts, unutilized projects, lack of proper contract close-out activities, poor communication channels, unclear roles and responsibilities to payment and processing of voucher problems. These weaknesses asserted by the respondents may the assembly from achieving the objective for which the contract was undertaken in the first place. The weaknesses enumerated by the respondents abandoned projects represent Thirty four percent of the respondents attributed to abandoned projects as one of the weaknesses of the post contract award management at the district assembly. Thirty one percent mention poor communication channels between personnel managing contracts thereby affecting contract monitoring and supervision. Seventeen percent named lack of proper contract close-out activities and handing over of projects. Sixteen point three identified unutilized projects, payment and voucher processing problems and unclear roles and responsibilities in the contract management. These weaknesses identified by the respondents add to challenges in the post contract award management identified Office of Government Commerce (OGC) and Ministry of Finance, Canada.
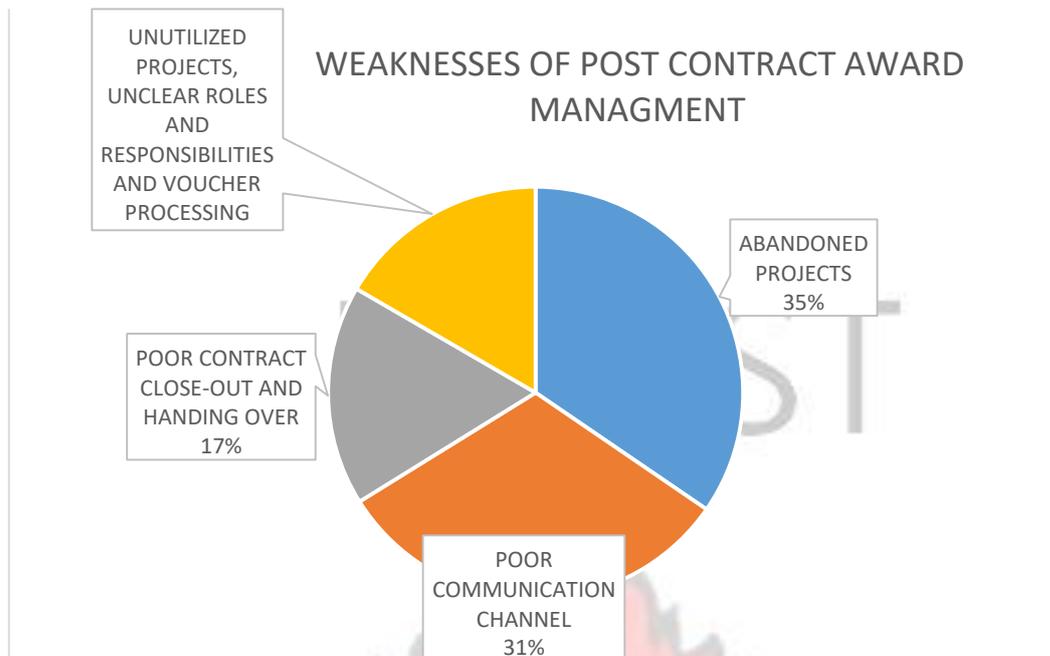
Fig. 4.2: Weaknesses of the Post Contract Award Management Practices at the Ahafo Ano North District Assembly

4.6 Findings and Observation

Policies, procedures and rules are governing contracts do not differentiate contracts on its complexity and value. There are no clear strategy for managing contracts at the post award stage and also the assembly does not effectively use integrated team with multifunctional levels to manage its contracts. Risk at post contract award management is not properly assessed and therefore not well managed. Risk management involves developing risk plan that assesses risks and mitigation strategies to reduce the impact of those risks. This will influence what management activities that needs to be undertaken, persons and skills needed to manage those contracts. Performance monitoring needs to be improved. The Assembly's performance monitoring is bedeviled with the challenge of preparing performance reports on time especially contractor evaluation report and seeking feedback from them. Also developing relevant key performance indexes to monitor do pose a challenge for the assembly. Information systems are not adequately or effectively used by

the assembly to aid in managing contracts at the post award level. Contract close-out activities do not always involve process for handling, storing and disposing of contract files and involvement of end users in close-out activities is not always done. The assembly hardly does document best practices for continuous improvement and share lessons learned. The process for closing a contract is poor and not the best. Other challenges of the post contract award management practices of the Aha Ano North District Assembly includes abandoned projects, unutilized projects, poor communication channels, unclear roles and responsibilities to payment and processing of voucher problems. The strength of the assembly's post contract award management are the skills, knowledge and experience of the persons managing contracts and the effectiveness of contract documents that regulate the contractual relationship at the post award level.
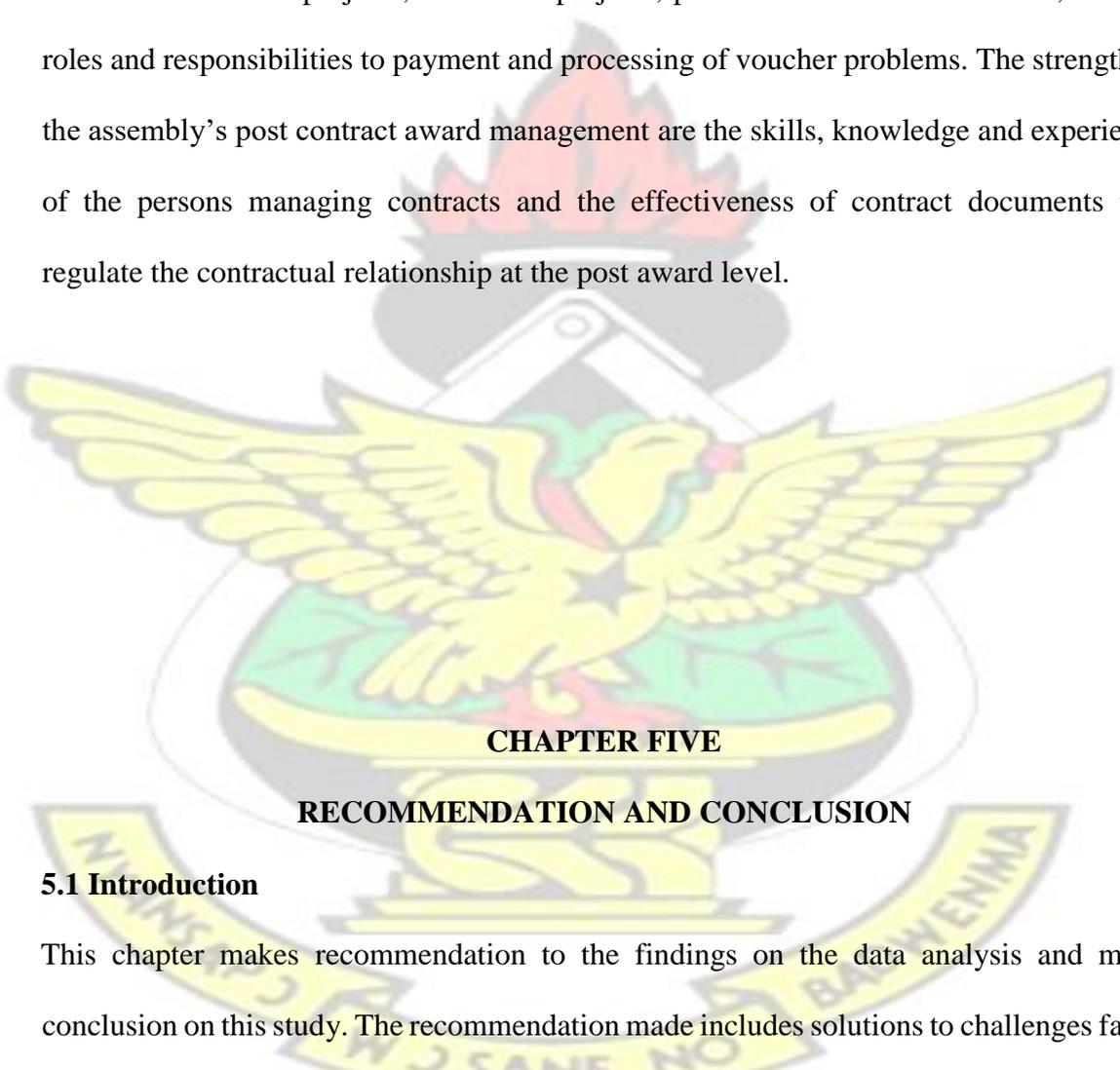
CHAPTER FIVE

RECOMMENDATION AND CONCLUSION

5.1 Introduction

This chapter makes recommendation to the findings on the data analysis and make conclusion on this study. The recommendation made includes solutions to challenges faced by the Assembly in its post contract award management and best practices that will enhance or make effective its contract management practices

5.3 Conclusion

This study made an assessment of post contract award management practices at the Ahafo Ano North District Assembly. The analysis done on data collected indicates contract management challenges at the post award level. Some of the challenges facing the Assembly cover areas of risk management, performance monitoring and reporting, information system and contract close-out. The weaknesses of the Assembly's post award management activities include abandoned projects, unutilized projects and poor channels of communication in the contract management process. The strength of the Assembly's post contract award management practices include the skills, experience and knowledge of its personnel managing contracts and the use of well drafted contract documents that manage the post award level of the contract. The measures and best practices recommended if adopted will go a long way to enhance the Assembly's post contract award management practices and help eliminate some of the challenges it faces.

5.4 Recommendation

- Policies, rules and procedures on post award activities determine how those activities at the post award level should be carried out by contract management persons. Due to the complex and high value nature of certain contracts, policies, rules and procedures for managing post award activities should not be the same for every contract. The Assembly should endeavor to develop different policies, rules and procedure for different contracts on the on basis of its nature.

- The District Assembly should make sure certain risk management plans are developed and in place for certain contracts of value and complexity in the postaward contract activities. These risk management plans ought to include

riskmitigation measures and also define clear responsibility for those persons undertaking such measures.

- Performance monitoring needs to be improved. Monitoring performance ensures that the service provider delivers high quality standards. Performance monitoring at the assembly to a large degree do not distinguish between contracts based on contract value and size, providing performance evaluation to contractors is poor and performance reports are not done in a timely manner. Not all contracts are the same in terms of its complexity and value; therefore performance monitoring should differ for each contract entered into. For complex or high value contracts performance monitoring at the post award stage needs to be done at regular period to ensure high standards.

- The Assembly should adopt information systems like Enterprise Resource Planning systems to support its post-award contract activities or augment the capabilities of their already existing technologies used for gathering information. This will enable the Assembly to gather enough statistics on its various contracts and make monitoring easier.

- Contractual issues like non-payment or honoring of payment certificates and disputes on certain contract issues can make a contractor leave site and abandon projects agreed to undertake. The Assembly should augment its dispute resolution management that foresee contract disputes and make plans to solve as when they arise.

- The use of an integrated team approach with multifunctional teams to managing contracts is necessary do to the fact contracts differ in size, value and complexity. The Assembly should try and adopt integrated team approach towards its high value and complex contracts.

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APPENDIX

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ARCHITECTAURE AND PLANNING

FACULTY OF ARCHITECTURE AND BUILDING TECHNOLOGY

DEPARTMENT OF BUILDING TECHNOLOGY

The researcher is assessing contract management practices at the Ahafo Ano North District Assembly. The research is a dissertation in partial fulfillment of the requirement for the award of a Master of Science in Procurement Management. The information provided would be used strictly for academic purposes only and treated with utmost confidentiality. The researcher will be grateful if you kindly answer the questions below.

Name of your Department/ Organization……………………………………………....

Position in the Department/ Organization …………….………………………………..

Educational qualification ……………………………………………………………

Work Experience …………………………………………………………………….
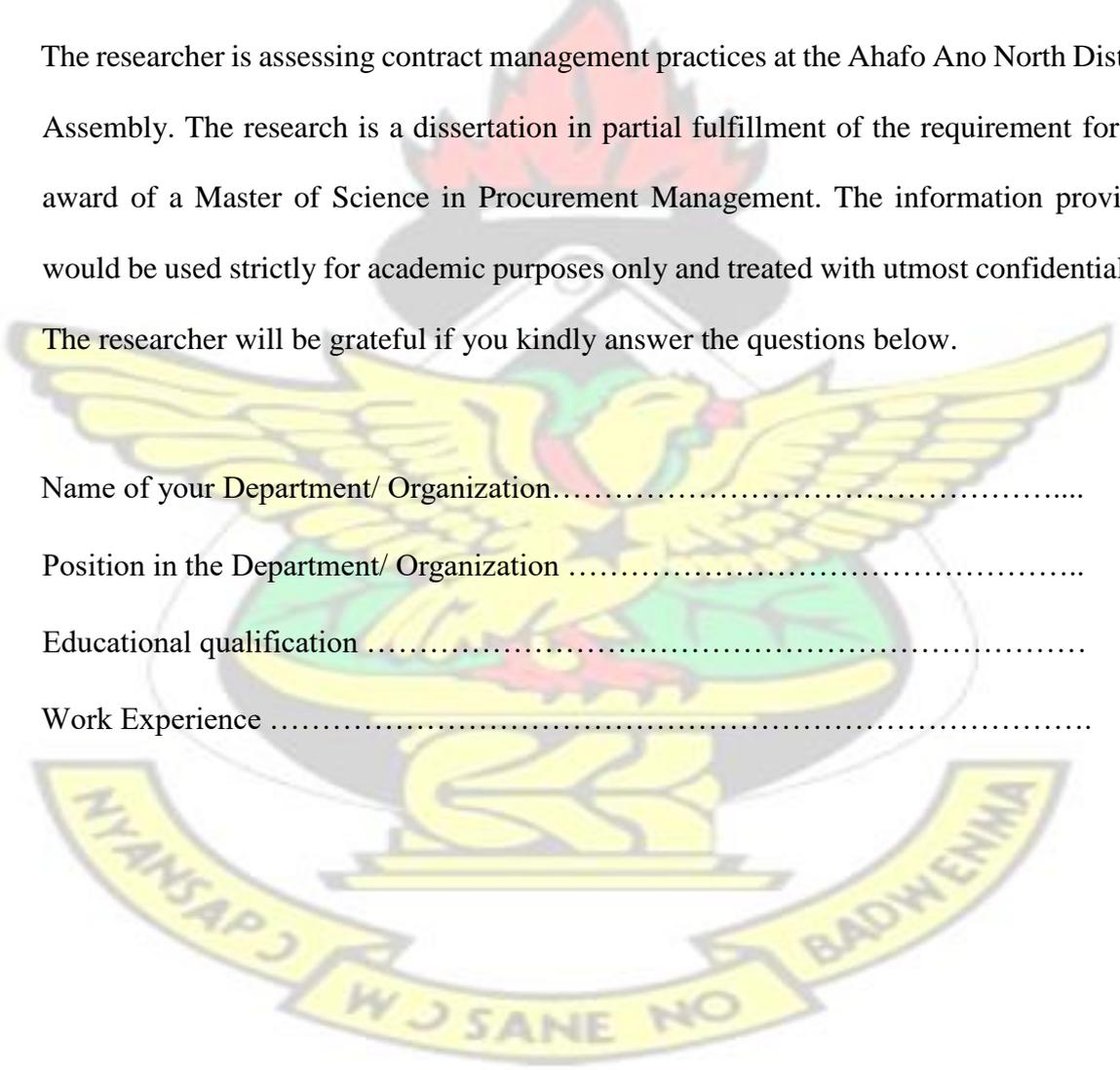
POST CONTRACT AWARD MANAGEMENT PRACTICES AT THE DISTRICT ASSEMBLY

Governance / enabling environment	Never	Seldom	Sometimes	Most of the t	Always	N/A
1. The assembly provides clear vision and strategy for the postaward management						
2. Post-award contract management activities have adequate financial and human						
3. Post-award related policies, procedures and rules are systematically reviewed						
4. Contract management policies, procedures, and rules are mandatory but differentiated based on contract size, complexity						
a5n. dP evraslounne. el managing contracts are well versed in applicable contract management policies, procedures and rules.						
6. There is compliance with applicable policies, procedures and rules by all personnel involved in the post-award contract phase.						
7. Contract management roles, responsibilities and accountabilities, for all involved personnel and all decision making processes are						
8. Depending on the value, size or complexity of contracts, the organization uses an integrated team approach to managing contracts, consisting of multifunctional teams (procurement,						
9. Persons managing contracts are held accountable for adhering to contract management policies, procedures and rules.						

	Never	Seldom	Sometimes	Most of the t	Always
10. There is adequate support to contract managers by other offices in the organization (procurement, legal, finance, etc.).					
11. Upon awarding a contract, the organization conducts a postaward conference with the contractor to discuss communication					
levels and processes (e.g. formal and informal meetings, contract 12. Relationships between organization and contractor are					
managed in a professional manner based on cooperation and					

mutual understanding.

Risk management	Never	Seldom	Sometimes	Most of the t	Always
1. There is a risk management plan in place for the post award activities that includes a risk mitigation plan.					
2. Contract risk is assessed frequently over the life-cycle of the contract.					
3. There is clear designation of responsibility for implementing any necessary risk mitigation treatment.					
4. Contract risk assessments and/or plans specifically address contractor fraud risks and mitigation.					
5. Contract management related risks are quantified and expressed in financial terms.					

Performance monitoring, evaluation and reporting	Never	Seldom	Sometimes	Most of the t time	Always	N/A
1. An evaluation of the overall performance of a contract is conducted, and is fed back into the procurement system and management process.						
2. The level of contract performance monitoring and control is decided based on the size, complexity, value of a contract and applicable risk						
3. Clear, measurable and relevant performance indicators (KPIs) are developed for complex/large value contracts (as part of the contract document or as part of a post-award contract management plan).						
4. Key performance indicators are systematically monitored.						
5. Corrective action is immediately taken when variance between actual and expected performance is detected.						
6. Contract performance and/or exception reports that include explanation on cost overruns are included in the reporting chain.						
7. Contract performance reports (periodic and final) are submitted in a timely manner.						
8. A contractor's underperformance is systematically dealt with (e.g. withholding payment)						
9. Contractor evaluation reports are recorded in a central database.						
10. The organization measures and reports on end-user satisfaction levels						
11. The organization provides relevant evaluation information to the contractor and seeks feedback.						

Change management	Never	Seldom	Sometimes	Most of the t time	Always	N/A
1. Change control clauses and administrative procedures are in the contract						
2. Designation of persons with authority for contract change negotiations and modifications (changes on schedule, price,						
3. Persons with an authority for contract change are identified by the organization before or immediately after contract award.						
4. Contract changes that cause an increase in funds are not executed without a certification of availability of funds.						
5. Standard templates exist for processing change requests and contract modifications.						
6. Contract time extensions are negotiated / agreed before the expiration date of the contract.						
7. Justification of time or cost increases of contracts is documented.						

Financial	Never	Seldom	Sometimes	Most of the t time	Always	N/A
1. All necessary authorizations and approvals are obtained prior to making payments.						
2. Payments are linked to performance of contracts.						
3. Penalties (withholding of payments etc.) are invoked for underperformance.						

	Never	Seldom	Sometimes	Most of the t	Always	N/A
4. Timely acknowledgment of receipt of goods and services is provided allowing financial units to process payments on time and/or						
5. Receipt of goods and services are certified and recorded at all instances by designated/authorized officials prior to payment.						
6. When contract price adjustments are allowed, pricing arrangements are regularly reviewed and updated.						
7. There is record and reports on cases of delays in payments and causes of delay.						

Dispute management and resolution	Never	Seldom	Sometimes	Most of the t	Always	N/A
1. Contracts include clear dispute resolution procedures that provide for an efficient and fair process to resolve disputes during the						
2. Efforts are made to resolve disputes through negotiation or mediation.						

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3. The organization is capable and prepared to resort to arbitration when other dispute resolution procedures are exhausted.						
4. Organization provides adequate legal support for dispute resolution cases.						
5. Outstanding claims are settled expeditiously.						
6. Processes to terminate contracts due to cause or default are in place and in use.						

Contract close-out and lessons learned	Never	Seldom	Sometimes	Most of the t time	Always	N/A
1. There is a well-documented process for contract completion and close-out, including checklists, to verify that all contractual						
obligations have been fulfilled.2. Contract close-out process includes verification of final delivery, preparation of final contract performance reports, financial						
3. Contract close-out activities are performed with input by the end users.						
4. Contract close-out is performed with input by other key areas (legal, finance etc.).						
5. Financial securities (bid bonds, performance bonds, advance payment bonds, etc.) are released immediately after contract						
6. Warranty periods are judiciously observed.						
7. There are processes in place for storage, handling and disposal of contract files.						
8. The organization documents lessons learned and best practices in order to continuously improve its management of procurement and						
9. Lessons learned and best practices are inserted in a central database for use in subsequent contracts.						

Information systems	Never	Seldom	Sometimes	Most of the t	Always	N/A

	Never	Seldom	Sometimes	Most of the t	Always	N/A
1. The organization uses automation systems and procedures for collecting and monitoring contract management statistics.						

Human capital and capacity-building	Never	Seldom	Sometimes	Most of the t	Always	N/A
1. Persons managing contracts have the level of knowledge, skill, and experience commensurate with their contracting responsibility						
2. A robust induction and training programme exists for addressing post-award contract management and it is provided on an ongoing						
3. The organization makes concerted efforts to develop and retain contract management 4. Based on contract complexity and need for specialized expertise, expertise. access to such expertise is pre-arranged at the outset of contracts.						
5. Quality control standards are disseminated and used to evaluate performance of staff managing contracts and to address capacity						

Assurance systems and control	Never	Seldom	Sometimes	Most of the t	Always	N/A
1. There is a robust regime in auditing contractors and related contract activities.						

2. Risk based audits and performance evaluations of contract management						
3. Contract change control and management processes are an integral part of the standard audit procedures.						
4. Auditors are sufficiently knowledgeable about contract management requirements and systems.						
5. There is timely action and compliance on contract management findings and recommendations made by audit and evaluation bodies.						
6. The contract documents require contractors to report instances of fraud or presumptive fraud observed during the execution of contracts.						
7. Proactive fraud risk management systems are in place to address						
8. Personnel involved in managing contracts have the skills to detect fraud.						
9. A contractor sanctions mechanism is activated when required.						

STRENTHS OF POST CONTRACT AWARD MANAGEMENT PRACTICES

USED BY THE DISTRICT ASSEMBLY

What are the major strengths of the Ahafo Ano North District Assembly post award contract management process?

WEAKNESSES OF POST CONTRACT AWARD MANAGEMENT PRACTICES

USED BY THE DISTRICT ASSEMBLY

What are the major weaknesses of the Ahafo Ano North District Assembly post award

contract management process?