

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
COLLEGE OF ARTS AND SOCIAL SCIENCES
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TOPIC:

ASSESSING THE EFFECTIVENESS OF THE PUBLIC PROCUREMENT ACT, 2003
(ACT 663), OF GHANA ON THE MANAGEMENT OF PROCUREMENT
OPERATIONS OF UNIVERSITY OF EDUCATION, WINNEBA.

KNUST

BY

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DECLARATION

I hereby declare that this submission is my own work towards the Master of Business Administration (MBA) degree and that to the best of my knowledge it contains no material previously published by another person nor material which has been accepted for the award of any degree of the university, except where due acknowledgement has been made in the text.

 
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DEDICATION

This work is dedicated to my beloved wife: Mrs. Cynthia Ohenewaa Okyere and daughters: Laurencia Okyere and Isabella Okyere for their company and prayers.

I equally dedicate it to my sweet mother: Mary Afua Doduwa and deceased father: Mr. Emmanuel Kwaku Okyere, for their good intention for my life and education.



ABSTRACT

The importance of procurement cannot be overemphasized. The government of Ghana in December, 2003 instituted the Public Procurement Act (PPA), 2003 (Act 663) to benchmark procurement operations in the country. Prior to the PPA the system was fraught with numerous challenges. Stakeholders were demanding competition, efficiency, transparency and accountability in procurement activities and the effective use of resources. The study was to assess the effectiveness of the PPA on the management of procurement operations in the University of Education, Winneba (UEW). The aim is to look at the applications, challenges and achievements and to recommend the better way forward. The study compared the existing procurement system in the university and compared it with the PPA. The researcher sets the problem statement, objectives and research questions to design the research. Qualitative and quantitative research techniques were employed. Questionnaires and interviews were administered to gather the relevant data in UEW. Available literatures relating to the topic were reviewed. These include; books, magazines, journals, gazettes, publications and were duly referenced. The responses were analysed using SPSS to generate frequency tables, percentages and bar charts. After discussion the major findings were clearly stated. Useful recommendations were finally made to address the problems discovered. The study suggested review of the act to optimize its objectives of ensuring greater value for money, transparency, accountability, efficiency and elimination of malpractices such as embezzlement of funds, bribery and corruption which are rampant in public institutions in the country.

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TABLE OF CONTENT

TITLE	-	-	PAGE
DECLARATION	-	-	i
DEDICATION	-	-	ii
ABSTRACT	-	-	iii
ACKNOWLEDGEMENT	-	-	iv
TABLE OF CONTENT	-	-	v
LIST OF TABLES	-	-	ix
LIST OF FIGURES	-	-	x

CHAPTER ONE

1.0 GENERAL INTRODUCTION	-	-	1
1.1 Background of the Study	-	-	1
1.2 Statement of the problem	-	-	2
1.3 Objectives of the study	-	-	3
1.4 Research Questions	-	-	4
1.5 The scope of the study	-	-	5
1.6 Research Design	-	-	6
1.7 Overview of research Methodology	-	-	6
1.8 Significance of the study	-	-	7
1.9 Limitation of the Study	-	-	7
1.10 Organization of the study	-	-	8

CHAPTER TWO

2.0 LITERATURE REVIEW	-	-	10
2.1 Introduction	-	-	10
2.2 Definitions of procurement and public procurement			11
2.3 Goals of Public Procurement	-	-	11
2.4 Importance of Public Procurement	-	-	12
2.5 The Scope of Public Procurement	-	-	13
2.6 Public Procurement World Wide	-	-	13
2.7 Assessment of Public Procedure Reform in Developing Countries			14
2.8 Ghana Procurement Process Prior to the Enactment of PPA			19
2.9 Procurement Reform Proposals	-	-	20
2.10 The Procurement Law of Ghana	-	-	21
2.11 Challenges of Public Procurement Act	-	-	25
2.11.1 Lack of requisite expertise	-	-	25
2.11.2 Lack of career path progression to attract qualified staff			26
2.11.3 Cost overruns	-	-	27
2.12 Corruption	-	-	28
2.12.1 Problem Assessment of Corruption in Ghana	-	-	33
2.12.2 Corruption in Ghana	-	-	33
2.12.3 Critical issues on public procurement of corruption in Ghana			33
2.12.4 Prevention	-	-	34

2.12.5 Corruption control measures	-	-	35
2.13 Pilot self-Assessment of the procurement system (PPME) Tool			36
2.14 Ethical issues in procurement	-		38
2.14.1 Examples of Unethical Conduct in Procurement			38
2.14.2 Responsibility of Officers	-	-	39
2.14.3 Sanctions for Non-Compliance with Ethical Standards			39
2.15 Electronic (E) Procurement	-	-	40
2.16 Review of procurement operations of UEW before			
Enactment of PPA 663	-	-	41
2.16.1 Procedure for Local Purchasing	-		42
2.16.2 Purchase Requisition	-		44

CHAPTER THREE

3.0 METHODOLOGY AND ORGANISATIONAL PROFILE			45
3.1 Introduction	-	-	45
3.2 Description of Research Methodology	-		45
3.3 Research Design.	-	-	46
3.4 An Assessment Design	-	-	46
3.5 A Case Study Design	-	-	47
3.6 Justification for Case Study Design		-	47
3.7 Ethics in Business Research	-	-	48
3.8 Population	-	-	48

3.9 Sampling and Sampling Techniques	-	49
3.10 Variables	-	50
3.11 Data Collection Methods	-	50
3.11.1 Questionnaire	-	50
3.11.2 Interview	-	51
3.11.3 Observation	-	52
3.11.4 Secondary data	-	53
3.12 Data analysis	-	53
3.13. Constraints/ problems.	-	54
3.14 Profile of the University of Education, Winneba		54

CHAPTER 4

4.0 DATA ANALYSIS AND DISCUSSION OF FINDINGS		57
4.1 Introduction	-	57
4.2 Background Analysis of Data	-	57
4.3 Data Analysis	-	57
4.3.1 Background of respondents	-	58
4.3.2 Level of Adherence to the Public Procurement Act (PPA)		61
4.3.3 Problems and challenges in the application of the PPA		67
4.3.4 The impact of PPA on management of procurement operations of UEW	-	72

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS,

CONCLUSION AND RECOMMENDATIONS. - 75

5.1 Introduction - - 75

5.2 Summary of Findings - - 78

5.3 Conclusion - - 78

5.4 Recommendations - - 79

REFERENCES - - 82

APPENDIX A - - 87

APPENDIX B - - 94

LIST OF TABLES

Table 1. Gender - - 58

Table 2. Types of contracts mostly awarded by UEW 62

Table 3. Tender process that mostly benefits UEW/Clients 64

Table 4. The frequency of disputes that occurred last year, 2008 70

LIST OF FIGURES

Figure 1. Age of respondents	-	-	58
Figure 2. Period worked in the organization	-	-	59
Figure 3. Position of staff	-	-	59
Figure 4. Duty of staff	-	-	60
Figure 5. Level of adherence to PPA in UEW	-	-	62
Figure 6. Procurement method mostly used by UEW	-	-	63
Figure 7. Most beneficial procurement method to contractors	-	-	65
Figure 8. Quality, time and cost Assurance method	-	-	66
Figure 9. Level of private sector participation	-	-	67
Figure 10. Smooth implementation of PPA	-	-	68
Figure 11. Official manipulation method	-	-	68
Figure 12. Strategies to avoid delays	-	-	69
Figure 13. Strategies to avoid conflict resolution	-	-	71
Figure 14. Sources of funding for procurement	-	-	72
Figure 15. PPA has enhanced procurement operations	-	-	73
Figure 16. Achievement of PPA on UEW operations	-	-	73
Figure 17. Reduction of corruption in procurement	-	-	74

CHAPTER ONE

1.0 GENERAL INTRODUCTION

1.1 Background of the Study

In all spheres of human spending, right from individuals homes to private and public organizations there are acquisition of goods, works and/or services. In the past, there were no uniform and strict rules and procedures regulating how money was spent in such organisations. Individual firms had their unique way of purchasing items. As a result, some people at the helm of affairs sometimes take undue advantage to spend funds to their private interests rather than in respect of the organisational or public goals. Accountability, Transparency and Ethical Conduct has suffered for years since there was no reference point to benchmark procurement activities. In 2003, the government of Ghana saw the need to provide value for money and to ensure that public funds are spent in a transparent, efficient and fair manner. Hence, the enactment of the Public Procurement Act, PPA (Act 663), in December 2003. The act became effective and operational on 27th August, 2004 and Public Procurement in Ghana therefore is subjected to its Implementing Regulations and Administrative Instructions. This provides the general rules governing Public Procurement and serves as a benchmark to assist procurement entities to procure in accordance with it. In this era of diminishing resources and increasing demand for accountability and transparency in government in our democratic world, the stakeholders of the public sector are demanding more effective and efficient use of public resources.

Key to developing good procurement systems is the understanding of the mission and goals of the overall organisation, the role played by the sub-entities within the overall structure and the relationships among the various entities. The procurement management system in the public sector is a tool for achieving political, economic and social goals. The procurement process spans the whole life cycle from initial conception and definition of the needs of the public service through to the end of the useful life of asset or the end of a contract. Every procurement system shares certain core components – budgeting, cash and debit management and accounting (Hunja, 2001). This assessment causes the challenges of the current legal and regulatory framework, organization of procurement, procuring entities' capacity to conduct procurement, internal and external controls, anticorruption measures and prevailing practices.

This study will unveil the achievements, challenges and recommendations regarding the implementation of the Public Procurement Act in a higher educational institution, UEW.

1.2 Statement Of The Problem

Of late, it is uncommon to read in the daily newspapers the terms “corruption” and “causing financial loss to the state”. This is because public procurement has been overshadowed with inefficiency, malpractices and lack of ‘value for money. This has resulted in the delays in the implementation of national development plans, cost overruns and wastage of tax-payers’ money with significant damage to public morale and good governance. The use of public funds to finance government procurement of goods, works and services has suffered from corruption. The new PPA, 2003, (Act 663) aims at increasing the transparency of procurement processes. Its provision helps to monitor tender proceedings by third parties, and independent institutions if such is the

request of the contractor. It is constitutionally mandatory that all public organisations and institutions apply the Act to their procurement operations. However, common sense shows that some public firms and educational institutions go contrary to this obligation. Sometimes some tertiary institutions are accused of embezzlement of state funds and disregard to the PPA. Some of the procurement departments of the universities and polytechnics are seriously blamed of fraud and mismanagement of public funds meant for the smooth running of the institutions. Procurement activities such as Contract Awards, Assets Disposals, Purchasing of Goods and Services do not always follow the due processes as stipulated in the Act. This study is meant to reveal whether these assertions are true in the case of UEW. It will also investigate whether the University applies the Act to the letter in procurement activities.

The study will analyse the Public Procurement System and its vulnerability to corruption in the institution of study. The achievements and challenges, in particular, the need for a stronger legislative framework, improved proceedings and practices, implementation of the existing law, improved institutional capacity, compatibility with international best practices and an end to corruption would be reviewed.

1.3 Objectives Of The Study

The overall objective of the public procurement system is to provide value for money to the government by ensuring that public funds are spent in a transparent, efficient and fair manner.

Broad Objective: The main objective of this study is to assess how the Public Procurement Act (PPA) 2003, (Act 663), is effectively and consistently applied in the

management of public procurement operations of UEW to enhance efficiency, transparency and best procurement practices with acceptable standards.

Specific Objectives: The specific objectives of the study are:

- a) To find out the effective application of the PPA 2003,(Act 663) on the planning, execution, and monitoring of procurement operations of the University (UEW)
- b) To identify the achievements it has made since its adoption and implementation on the management of UEW procurement operations.
- c) To analyse the challenges it has faced since its implementation in the management of procurement operations in the University.
- d) To make recommendations on possible amendments to the law.

1.4 Research Questions

The study addresses the following research questions.

Primary Research Question

- What are the effects of the Public Procurement Act since its inception on the management of procurement operations of UEW?

Secondary Research Questions

- a) How does the university plan, execute and monitor public procurement operations?

- b) Is there the existence of a comprehensive and transparent legal and institutional framework, guided by an independent procurement oversight body for policy and quality control?
- c) Does the University use modernised procurement procedures and bidding documents, including transparent bid-evaluation and award procedures and transparent contract management?
- d) Is there available a proficient procurement staff applying the regulations and procedures efficiently and transparently?
- e) Has the implementation of the PPA helped to minimise corruption?
- f) Is there any involvement of the private sector in the public procurement operations?
- g) Do contractors adhere to contractual commencement and completion schedules?

1.5 The Scope of the Study

The study covers mainly the management of procurement activities of UEW. The PPA 2003, (Act 663) and the public procurement board of Ghana are the reference points to benchmark the procurement operations of the UEW which is selected as a case study for this research work. The study would cover the procurement operations from when the Act was passed to present (December, 2003- August, 2009).

1.6 Research Design

Research design entails all the procedure to go through in achieving the research objectives. The research is designed to take place in the University of Education, Winneba. This location is chosen not only because of accessibility but also because of the different number of campuses and locations it has in the country. The procurement procedures employed in this university is similar to other public universities in the country. It indicates the population and sample selected. The sampling procedure used is outlined. It describes the research instruments and applies the concepts used in the study. This includes the population sampling procedure, instruments and their design, the procedure for data collection and how data will be analysed and reported. The population will be the staff of UEW involved in procurement operations such as the procurement managers.

Primary data: Questionnaires were used as primary data collection instruments to gather information about procurement activities. Purposive sampling procedures were used to select the procurement managers and simple random sampling to select other staff who are directly involved in procurement activities.

Secondary data: Information from books, the internet, articles, journals, historical documentations will also be examined. Ethical issues were strictly adhered to.

1.7 Overview of Research Methodology

In an attempt to address the problems and find a valuable solution to them, the following research methodology procedures were followed to achieve a successful study. Primary and secondary data were used. The primary sources include Interviews, Observations and Questionnaires. Personal interviews were held with responsible stakeholders in

charge of procurement of the UEW. The targets were more especially on top management and departmental heads using non-probabilistic sampling procedures like the purposive sampling techniques. The Questionnaires were administered to staff to obtain more information on the achievements, challenges and the general management of procurement practices in the University in order to compare it with the provisions of PPA 663. The secondary data used include library materials like magazines, newspapers, books, the internet and procurement documents in UEW such as the Financial / Stores Regulation Manual, the PPA book and manuals.

1.8 Significance of the Study

The public outcry against corruption and bribery and the misuse of public funds at some of the universities have necessitated the need for this study. The increasing desire of most organisations for value for money and the current financial crisis have made very imperative the need for accountability and transparency in the financial expenditure of profit and not- for- profit organizations. This study will also reveal how educational institutions apply the PPA in the efficient management of their procurement operations to minimise costs. The findings and the recommendations would go a long way to help other public universities in their procurement activities. Statistics show that public procurement accounts for 50 – 70% of the national budget, 14% of GDP and 24% of total imports ([www. ppbghana.org](http://www.ppbghana.org)). This has both economic and social impact on the country.

1.9 Limitation of the Study

A study of this nature should have taken enough time to contact most if not all of the managers in the various branches of the university who are involved in the administration of procurement operations.

However, due to time and financial constraints the study was limited to some selected staff of UEW. Exorbitant transportation cost, phone call costs, internet charges and printing costs were all self-financed which was a problem. The limited time for the research work also happened to be unfavourable because one had to do the project work alongside semester's work and examination.

1.10 Organization of the Study

This research work covers five main chapters. Chapter one is the general introduction. It comprises the conceptual orientation that serves as a background to the study, the statement of the problem, the research questions, objectives, justification, scope, profile, methodology, organization and limitation of the study.

Chapter two is the literature review which forms the basis of the theoretical framework. It contains references to relevant books, journals, websites and other sources of information about procurement and in-depth treatment of the topic. Other research works performed around the topic are reviewed. The conceptual framework and definition of terms are also here.

Chapter three comprises the methodology and organisational profile. This is made up of research methodology, method of data collection, sampling technique, population, primary and secondary data collection instruments.

The fourth chapter contains analysis of data obtained on the field. The findings were analysed and discussed here.

Chapter five consists of the summary of findings, recommendations and finally conclusion of the entire project work.

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CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter focuses on the review of relevant literature on public procurement in relation to the management of procurement operations. An attempt is made to examine some time tested best procurement practices that are of international standard. The chapter will begin with general definitions of procurement and public procurement and their importance. Goals of procurement would be also addressed and mention would be made of the global view of procurement. Ghana procurement processes prior to the enactment of the procurement Act 2003, (Act 663) would be carefully reviewed.

2.2 Definitions of Procurement and Public Procurement

Procurement is the acquisition of goods, works or services at the best possible total costs (right cost), in the right quantity, right quality, at the right time and in the right place for the direct benefit or use of the procurer (PPA 2003, Act 663).

The London Contracts and Suppliers Group define procurement as a full range of activities related to purchasing goods, services and works. It can range from contracting an entire service to purchasing small assets such as office equipment.

The procurement process does not end at the commissioning or contract award stage, but spans the entire life cycle of the product or service from inception and design through to contract management and disposal of any redundant assets.

Public procurement is the process by which large amounts of public funds are utilized by public entities to purchase goods, works and services from the private sector (Hunja, 2001).

2.3 Goals of Public Procurement

Erridge and McIlloy, (2002), distinguish three sets of goals, sometimes conflicting, against which policy and values may be analyzed in relation to public procurement. These are regulatory, commercial and socio-economic as briefly summarized below.

Regulatory Goals

These ensure that procurement activities and contracts meet the requirements of propriety and transparency. According to Erridge and Greer (2002), “Public relations and accountability systems reinforce formal procedures and encourage risk avoidance culture. Risk must be appropriately allocated between client and contractor. The purpose of control is to contain risk rather than avoid risk” (Treasury, 2000).

Commercial Goals

In order to meet commercial goals, procurement activities and contracts must meet requirements of economy and efficiency. Cost must be reduced while quality increased. Public choice theorists argue that “without market discipline civil servants have no incentive to control costs and are likely to expand production beyond socially optimum levels to maximize their own rewards in terms of status, power and income” (Erridge and McIlloy, 2002). Competitive tendering will result in greater economic efficiency through reductions in cost and maximization of savings and operating efficiency. The

emphasis on competition resulted in resistance to the implementation of successive government reports. A procurement system that has loose or opaque rules and which are also properly enforced provide opportunity for misuse of the contract award process through corruption or other patronage arrangements.

Socio- Economic Goals

In the pursuit of socio-economic goals, the emphasis on the use of public procurement is to support wider government policy to improve the social welfare of the population (Treasury, 1995). The provision of schools, employment, construction of clinics and roads, protection of minorities are some of the policies pursued by governments.

2.4 Importance of the Public Procurement

Procurement is a tool for achieving political, economic and social goals as stated in the first chapter of this thesis. The critical importance of this tool explains why procurement for goods, works as well as services are financed by grants from national and international aid agencies or by loans from the World Bank or other Donor Organizations. The importance of procurement encompasses access to schools, hospitals, and other social services, the generation of employment, free movement of goods and services and increase in social services and national integration.

Most developing countries procure goods, works and services through tendering as a requirement insisted upon by their development partners. Low income countries spend 20% of their Gross Domestic Product (GDP) (about US \$ 216 billion) for procurement of goods, works and services.

(ECOWAS), European Union (EU), European Free Trade Area (EFTA) and the General Agreement for Tariffs and Trade (GATT) as well as World Trade Organization (WTO) have modified their procurement legislature to conform to internationally agreed norms and regulations. Hence, the United Nations Commission on International Trade Law (UNCITRAL) introduced a model procurement Law in order to guide countries in reforming their procurement systems.

The International Labour Organization (ILO) -Turin in collaboration with the World Bank have offered courses in procurement management for World Bank Borrowers since 1989. The Republic of Macedonia in March, 2004 made certain improvements to and a harmonization of its first public procurement law of 1998 by adopting European Union (EU) directives and standards as a basis for regulation of the public procurement system (Anerta, 2006).

The traditional model was unfriendly with the “principal” finding ways of procuring services from the agents on beneficial terms by means of contract mechanisms, which would curb and reduce the agent’s, inherit advantage (Williamson, 1995). Reform has largely brought uniformity of public procurement procedure, thus enabling application of the fundamental principle of transparency, cost effectiveness and competitiveness in the process (through advertising in an official journal) rather than necessarily the achievement of competitive supply.

2.7 Assessment of Public Procedure Reform in Developing Countries

Most developing economies especially in Asia have embarked on public procurement Reforms. Much tends to be claimed for benefits of procurement system contributions to good governance by increasing confidence that public funds are well spent. There is the

need to satisfy the demands of a more enlightened citizenry for more efficient and transparent systems of service delivery by government and for a greater accountability in the management of public expenditure (Hunja, 2001).

“Transparent procurement procedure can contribute to a more efficient allocation of resources through increased competition, higher quality procurement and budgetary savings for governments and thus for tax-payers. They can also help attract more investment by lowering risk. Objective and transparent procedures can in addition help enhance the efficiency of local suppliers as they compete for public contracts, thereby improving trade prospects by making these suppliers more competitive exporters. Finally, transparent procurement procedures can help limit bribery and corruption, which are particularly rampant in the procurement field” (Byatt, 2001).

To cite an EC submission to the WTO working party in the run up to the Cancun meeting in 2003, benefits of transparency include:

“Efficiency and Innovation: Public procurement applied in a transparent environment with a clear set of predefined rules may allow tendering companies from both developed and developing countries to foster enhanced competition thus stimulating innovation among bidders.

Better value for money: Transparent tendering should lead to effective competition by comparing offers from different bidders. When tenders are to be opened to foreign bidders, the differences in terms of value and quality regularly bring prices down, as in any auction system. Public entities and government have a political duty to purchase

goods, services and works through the most economically advantageous offer. Budget expenditure is reduced through transparent procurement open to foreign suppliers as it increases competition and lowers prices.

Encouraging investment and partnership: Access to a foreign market when tenders are to be opened to foreign bidders, is always difficult, requiring, as it does, previous market research, the setting-up of a distribution system, the opening of local branches and/or the appointing of representatives. It is usually the case for foreign bidders wishing to win a public contract to set up a joint venture or similar partnership with local suppliers who are more familiar with domestic law, rules and procedures thus increasing the chances of success. Transparency will therefore increase investment and partnership.

Reducing corruption: Among the different forms of corruption, political corruption, the tendering process is one of the most significant and distorting of all corruption practices: extra expenditure for public budget ultimately borne by tax payers, reducing free competition and quality of deliverables, discouraging investment, etc. publishing calls for tenders, notifying contract awards, including the successful bidder's name and final price, and making award criteria more transparent and accountable are some of the basic principles of transparency in government procurement which directly affect corruption practices" (EC Submission to the WTO, WT/WGTGP/W/41, June 2003).

In many developing countries, public procurement has not been viewed as having a strategic impact in the management of public resources. It was largely treated as process-oriented "back office" support function implement by non-professional staff of

the buying agencies. Consequently, little effort was expended to ensure that the policies and rules and institutional framework governing the procurement system were maintained in a most efficient and economic way that the system delivered the best value for money.

Recently, however, this has been changing. In the face of shrinking budgets, and the need to fight corruption, governments are realizing that significant savings can be gained by a well structured and organized procurement system. Also a well organized procurement system contributes to good governance by increasing confidence that public funds are well spent. Hence, the need to institute reforms aimed at making the procurement system more transparent and efficient to increase the accountability of public officials.

Most colonial states have maintained procurement systems that largely resemble pre-independent regimes. Significant changes have amounted to marginal effect with some of the rules while leaving the general framework intact.

Deeply vested interests for example, local business cartels may have an interest in maintaining a legal framework that prohibits competition from foreign suppliers.

Another group with vested interest in maintaining the status quo is often individuals or entities managing the reform. There are evidences that suggest the benefits of procurements reforms that focus on positive change in some procurement related outcome that follows the implementation of a reform.

An example is found in Lemke's, 2003 account of polished experience after a new public procurements law came into force on 1st January, 1995. This law mandated the announcement of certain states contracts in a newly created Bulletin of public procurement which is now distributed to potential bidders in paper and in electronic

form. Reports for the years 1996 –2001 contained the number of announcements in this bulletin and the average number of offers made by contractors for each announcement. The fact that the number of offers rises from over time (from 3.64 in 1996 to 5.50 in the first half of 2001) might be thought to support the hypothesis that the increased transparency (the publication of announcements) resulted in more bidders for state contracts.

However, in many developing countries public procurement has not been viewed as having a strategic impact in the management of public resources. It is largely treated as a process-oriented “back office” support function and often implemented by non-professional staff of the buying agencies. Hence, little effort is expended to ensure that the policies, rules, and institutional framework governing the procurement system were maintained in a manner that ensure that public funds were used in the most efficient and economic way and that the system delivered the best value for money.

Recently, this has been changing gradually in the face of shrinking budgets and the need to fight corruption. Governments are realizing that significant savings can be gained by a well-organized procurement system. Through the strengthening of transparency and procurement procedures including for example, eliminating any tender specification that favours a particular tender, Guatemala’s Ministry of Health reported savings of 43% on the purchase of medicines.

The Colombian Ministry of Defence reported generating 47% savings in the procurements of Military goods. In Pakistan such reform resulted in savings of more than Rs 187 million (US \$ 3.1million) for the Karachi Water and Sewerage Board.

2.8 The Ghana Procurement Process prior to the enactment of the PPA.

Ghana had accumulated considerable and valuable experience on public procurement under civil and military administration in the pre independence era. Before 1957, there was a procurement policy in which public procurement was treated as part of the colonial administrative process in the British Empire. The colonial administration engaged the Public Works Department (PWD) for procurement of work and Crown Agents for the procurement of goods. After independence (i.e., from 1957 to 1967), government relied less frequently on Crown Agents for procurement of goods and procured goods directly through MDAs. Ghana set up a Ghana National Construction Corporation (GNCC) to carry out procurement of works and reduced the force account component of PWD. In 1960, Ghana Supply Commission (GSC) was established by the government for the procurement of goods for all public institutions. GSC therefore took over the functions of Crown Agents. In 1976, the government established Ghana National Procurement Agency (GNPA) for procurement of bulk items such as sugar, fertilizer, auto parts, etc. for sale to the public and private sectors.

GSC and GNPA had purchasing manuals for their use. In 1975, the Architectural and Engineering Services Corporation (AESC) was established to carry out consulting services for works contracts. Public Institutions were therefore mandated to use GSC, GNPA, GNCC and AESC for public contracts except for State Owned Enterprises (SOEs).

In 1967, the government set up Central, Regional and District Tender Boards as advisory bodies for works contracts and subsequently in 1996 changed them to contract awarding authorities. By 1996, GSC was overwhelmed by the demands from clients, inefficiency

was rampant and there were numerous complaints on contract prices, delayed delivery and at times delivery of wrong items. Works procurement procedures, though not comprehensive are described under the Central, Regional and District Tender Board procedures. There were still no guidelines for procurements of services. AESC and GSC were transformed into limited companies in 1996 and 1999 respectively. This rendered them no longer able to provide services to public institutions on a mandatory basis. As a result of inadequacy of public procurement procedures, procurement procedures under World Bank Financed Projects signed from 2000 are defined in a 'Procurement Procedures Manual', specifically prepared for the project. These manuals were based on World Bank guidelines and the Bank's standard bidding documents.

2.9 Procurement Reform Proposals

The inadequacy of or deficits in the existing national procurement system at the time on the one hand, and the significant role public procurement plays in socio economic development of the country on the other sparked off the public procurement reform programme in 1996.

The objectives of the procurement reform proposals (MOF, 2001) are to: promote national development, enhance harmony with other local and international laws, foster competition, efficiency, transparency and accountability, facilitate ease of procurement administration, and ensure value for money. Annual savings of about US\$ 150 Million was envisaged through better management of government financed procurement alone (World Bank, 2003). Thus, the recommendations of an oversight group which conducted an in-depth study into the public procurement system in Ghana became a draft Public

Procurement Bill which eventually led to the enactment of the Public Procurement Act, 2003 (Act 663).

2.10 The Procurement Law of Ghana

In a public memorandum prior to the enactment of the law, the then Minister of Finance, Hon. Yaw Osafo-Marfo indicated that the government embarked upon an exercise to reform the Public Procurement System in 1996 as an integral part of a wider Public Financial Management Reform Programme [PUFMARP]. The exercise was to improve the overall public financial management in the country.

The reform exercise identified shortcomings and organizational weaknesses inherent in the country's procurement system. These included the absence of a comprehensive public procurement policy and the lack of a comprehensive legal regime to safeguard the integrity of the public procurement system. Others were the absence of a central body with the requisite capability, technical expertise and competence to develop a coherent public procurement policy.

The absence of authority to dispose of public assets and the fact that there was no procurement auditing function by independent government officials or their appointed agents to ensure efficient accountability was also an omission in the prevailing set up.

In order to eliminate the various shortcomings and organizational weaknesses in the public procurement process, it was considered desirable to enact a comprehensive procurement law. This was to be supported with standard tender documents. Appropriate administrative and institutional arrangements were to be made with an oversight body to superintend the public procurement system.

The new structure will promote the use of public procurement as a tool for national development. It will harmonise the application of procurement related rules with international conventions and treaties. It is expected to foster competition, efficiency, transparency and accountability in the public procurement process. There will be equal access for any citizen to participate in the public procurement process.

This bill provides for a comprehensive public procurement system and establishes the Public Procurement Board. The Bill takes into account the country's decentralization policy and local industry development and is divided into nine parts.

Part I of the Bill establishes the Public Procurement body. The body is the central authority for policy formulation on procurement with oversight responsibility for the process. The composition of the Authority is comprised of eleven persons [clause 4] with a Chairperson nominated by the President. The private sector is represented on the Authority by four persons, including a woman, who should have experience in procurement. The Vice Chairperson is elected from among these four persons. Included in the functions of the Authority [clause 3] is the publication of a monthly Procurement Bulletin. Training is an important function of the Authority. The Authority also has investigative powers among others. A Chief Executive heads the Secretariat [clause 9].

Part II of the Bill is on procurement structures and provides for the administrative and institutional arrangements for procurement. The Bill applies to the procurement of goods, works and services financed in whole or in part from public funds unless Cabinet decides otherwise [clause 14]. The responsibilities of a procurement entity are stated in clause 15. Each entity is to have a tender committee [clause 17] to ensure compliance with the Act. Tender Review Boards have been established in clause 19 to provide

concurrent approvals for recommendations for contract awards made by tender committees.

Part III deals with procurement rules. The qualifications of tenderers have been spelt out in detail in clause 21. The pre qualification proceedings are stated in clause 22. Other matters relating to participation by suppliers, contractors and consultants and the record of procurement proceedings are stated in clauses 24 and 27. A procurement entity may reject a tender, proposal or quotation at any time prior to acceptance on economic grounds [clause 28].

Part IV of the Bill is on methods of procurement. This may be by competitive tendering [clause 34], two stage tendering, restrictive tendering or single source tendering [clauses 35- 40], procedures for each type are stipulated. A procurement entity may also request for quotations [clause 41].

Part V is on tendering procedures. It is divided into three sub-parts on the invitation of tenders and applications to pre-qualify, the submission of tenders and the evaluation and comparison of tenders. Provision is made for national competitive tendering and international competitive tendering [clauses 43 and 44]. A procurement entity may grant a margin of preference in clause 59.

In addition to the above, the government employs direct measures which include the issuance and monitoring of expenditure ceilings for each MDA and MMDA consistent with the annual budget and updated cash flows forecast; and implementing new anti - corruption strategies including codes of conducts for state officials. All procuring entities must seek clearance from the Ministry of Finance (MOF), through certification as a proof to the availability and adequacy of funding, before any works contract is awarded.

Part VI deals with the methods and procedures to procure consultants. A notice of invitation of interest is to be prepared and candidates short listed. Direct invitation for economic and efficiency reasons is permitted in certain circumstances with the approval of the Authority [clause 65]. The criteria for the evaluation of proposals are spelt in clause 68. The evaluation of proposals is to be carried in two stages; first the quality and then the cost [clauses 73]. Selection procedure depends on whether price is or is not a factor [clauses 74 and 75]. Under clause 76, confidentiality is to be respected.

Part VII is on review. Clause 77 establishes the right to review any complaints which any supplier, contractor, or consultant has. There is however, some exclusion to the rights. In the first instance complaints are to be submitted to the head of the procurement entity [clause 78]. Administration review by the Authority follows in certain circumstances [clause 79].

Part VIII is on disposal of stores and equipment. A board of survey is to be convened by the head of an entity in clause 82. This board of survey will make recommendations about the best method of disposing of obsolete or surplus stores, plants and equipment. The disposal may be by transfer, sale by public tender, and sale by public auction or destruction.

The miscellaneous part IX contains provisions on code of conduct, investigation by the Authority, statutory audits, offences and the review of threshold levels among others. Finally, the bill revokes the district tender board regulations, 1995 (LI 1606) and repeals the Ghana National Procurement Agency Decree, 1976 (SMCD 55) and the Ghana Supply Commission Law, 1990, (PNDCL 245), both of which are now spent. (Yaw Osafo-Marfo, 2003).

2.11 Challenges of Public Procurement Act

The PPA establishes the five pillars of public procurement (World Bank, 2003):

Comprehensive, transparent, legal and institutional frame work.

Clear and standardized procurement procedures and standard tender documents.

(a) Independent control system.

(b) Proficient procurement staff.

(c) Anti- corruption measures.

The reforms taking place in the public sector have placed procurement responsibility on many public entities, many of which were not prepared for the role. As happens in any change in management initiative, the implementation of Act 663 and the execution of the mandate have faced a number of challenges most of which can be termed as teething or difficult. The following are some of the major challenges of the public procurement law and its implementation.

2.11.1 Lack of Requisite Expertise

The majority of practitioners involved in public procurement lack requisite professional expertise and knowledge of the law governing the practice. This, therefore, places them at a disadvantage in ensuring that the right practices prescribed by the law are adhered to. Procurement is a profession and task specific. One particular task that can be very complex is the writing to submit tenders or proposals for the provision of goods or services to the government and/or its agencies and must be very clearly written to avoid confusion on the part of the prospective tenderers (Asiedu-Kotwi, 2007). For big projects they must also be very detailed and often include diagrams, maps or other

supporting materials. More complex contracts might also include holding tenderers conferences and doing site visits to ensure a complete understanding of the requirement as well as the adequacy and security of the suppliers' facilities. It is in this vein that the government is determining to address the challenges arising from inadequate technical skills (Baah-Wiredu, 2007).

The law is also silent on the recruitment of personnel. It is not clear whether or not the public procurement authority, like other agencies will have to recruit or post staff to the procurement units of the entities or the entities should take full responsibilities to resource themselves.

2.11.2 Lack of career path progression to attract qualified/ competent staff

One of the principles or factors that affect the achievement of good procurement is professionalism. Professionalism is the discipline whereby educated, experienced and responsible procurement officers make decisions regarding purchase operations. The role of procurement professionals is critical to Ghana's economic development. It is in recognition of this fact that the procurement authority's objectives include: "the professional development, promotion and support for individuals engaged in public procurement and ensure adherence by the trained persons to ethical standards (Adjei, 2006). The salary structure of procurement staff in the civil/public service is poor as compared with the salaries in the private sector and this is a disincentive to attract qualified and competent staff. As a result of unclear career and progression of procurement officials in the public sector, a proposal by the public procurement authority on career and progression of procurement officials in the public sector has been accepted and approved by the head of the civil service (Amoah, 2007).

2.11.3 Cost Overruns

Some of the qualifications a contractor or a tenderer must possess include being financially stable and having a good track record, capacity to handle the project which should not be too small or too large, a reputation for good quality workshop, adequate resources like plant and equipment and experienced key personnel, and a good track record of industrial relationships (Asafo, 2006). This is also characterized by expensive cost and time overruns and poor quality as outlined in a study by Anvuur and Kumaraswamy, (2006) (cited by Crown Agents, 1998; Westring, 1997).

Anvuur and Kumaraswamy in an article (Westring, 1997), stated the causes of delays in contract execution. They are extensive post-award negotiations, delay in the preparation of technical specifications and drawings, delays in evaluation, an extensive system of control, review and approvals and consultants (World Bank, 1996). The accumulated interest on late payments and frequent price changes due to extensive renegotiations, further worsen the funding problem (World Bank, 2003).

The difference between the final price and the price announced when the project is initially awarded, are the result of renegotiation. The cost of advertising for National Competitive Tendering (NCT) is expensive since there are several procurements that have to go to NCT as well as queue for the placements of advertisements for NCT, which cause delays. Furthermore, procedures are too bureaucratic. For example, preparation of tender documents is time consuming and not affordable (Public Agenda, 2008).

2.12 Corruption

Corruption makes transactions costly due to payments of facilitation fees and rents. The contract may not be completed on time, within cost and in accordance with specifications and terms of the contract. This is as a result of a combination of factors. These include contracts awarded to unqualified contractors, suppliers or consultants due to use of non transparent procurement methods, inadequate bidder qualification process and political interference. Although a procurement entity is required to procure goods, services or works by competitive tendering; there are exemptions, which leave much discretion in the hands of the procurement entity - an opening for corruption (Hawley, 1994).

Besides, there is unfair award of contracts, shoddy work and inflated sums as well as payment for uncompleted projects. Also there are instances where contracts have been reviewed upward, projects overpaid and goods that were never supplied paid for without any justification.

Stores/procurement irregularities and contract irregularities amounted to GH¢ 6,129, 211 in 2006 and 2007 (Auditor General's Report to Parliament - MDA's 2006; 7 -9, 2007; 4 -5). The nature of irregularities included outstanding refund of mobilization amounts, non-tendering contracts, items paid for but not supplied, unexecuted projects as well as failure to award contracts to competent contractors.

Consultants and contractors encounter difficulties in processing claims (World Bank, 1996; 2003) and for fear of being blacklisted succumb to it.

Also, many private sector entities delivering works and services to government establishments, try to limit their losses by cutting corners or abandoning the work altogether (Westring, 1997).

Most definitions describe corrupt behaviour as any behaviour by a person appointed or authorized to discharge any duty relating to an assigned matter who acts dishonestly. The definition does not only apply to public officials but also those who use their economic or political status to influence matters, not forgetting those who administer public finance or assets for their private gain.

The Draft International Anti Corruption Convention of the United Nations (UN) defines corruption as “A corrupt behaviour is characterized by any offer, promise or giving of any advantage to another person’s duty, or the soliciting or accepting of any advantage as undue consideration for performing or refraining from the performance of one’s duty”.

Corruption was defined at the 9th UN Congress held in Cairo in 1995 as bribery or any act aimed at influencing the performance of official duties by persons vested with responsibility, with the aim of obtaining improper advantage for themselves or others. Corruption is much broader than bribery, in that the former includes misuse of power and position, embezzlement of funds, cronyism and nepotism. Corruption brings sharp divisions in society as people become bootlickers in order to obtain favours. In the workplace “square pegs are put in round holes”, thus stifling administrative procedures and competence. This flouts the moral values of patient work, thrift, honesty and dignity. Development of free enterprise and political culture, public morals, culture and traditions, which are fundamental societal values, are therefore eroded, thus reversing the clock of development.

The “get rich quick” attitude and the desire to live above one’s means make some people go any length to get wealth through foul means; because they have dead consciences.

Ethical approaches must be adopted to fight corruption in order to bring back moral principles and values that govern our beliefs, actions and decisions. Perceived corruption or suspicion of corruption brings the credibility of the government into question, as the citizenry cannot trust people in authority and therefore engendering dissatisfaction among them. Political decision making is viewed with suspicion.

The capacity of a country to resist and fight corruption will translate into political economic and social development of that country. Any public office holder must be legally responsible, answerable to his or her own conscience and uphold ethical principles in performance of public duties.

Political, religious and traditional leaders and the society at large must demonstrate their commitment and determination to fight corruption. This will and determination must be detached from party affiliation and narrow political interests in the best interest of national development.

A responsible government must fight corruption and make that a priority. The three arms of government, namely the executive, the judiciary and the legislature must never cease acting and talking about the canker until it is reduced to the barest minimum. To many people, government is the exercise of political powers by those in authority whose political parties are in power. The most vulnerable government activity prone to corruption is public procurement. This provides multiple opportunities for both public and private actors to divert public funds for private gain. The 2005 executive opinion survey of the world economic forum (Cooper, 2007) revealed that bribery by international firms in the Organization for Economic Cooperation and Development (OECD) countries is more pronounced in public procurement than in utilities, taxation, judiciary and state.

2.12.1 Problem Assessment of Corruption in Ghana

The former president, Mr. John Agyekum Kufour when he assumed power in 2001, in his state of the nation address emphasized the government's policy envisaged the government's fight against corruption, particularly reduction in procurement related corruption and embezzlement of public funds. This would enhance the efficiency and fiduciary management of the public sector as recommended in the Corporate Governance Assessment (ROSC), Country Financial Accountability Assessment (CFAA) and Country Procurement Assessment Review (CPAR), Report of the World Bank for 2003 and 2007. Research has revealed that there is a strong correlation between corruption and poverty.

The Ghana Poverty Reduction Strategy (GPRS), cites corruption as being endemic and having a negative effect, and recommends urgent action. The attainment of the GPRS II with regard to procurement of roads, water and energy is emphasized in section 2.2 of the 2008 budget statement that will focus on growth and poverty reduction. A projected amount of GH¢199,200,000 was allocated for that purpose to enable 166 districts to construct and tar major roads in their areas of jurisdiction.

There is a general perception that endemic corruption mars the relationship between the government and civil society. Corruption is difficult to detect, even harder to prove. Although the giver of a bribe and the taker are all guilty, unless it was demanded or given under duress the giver would not report. However, there is no motivation to report when it took place under mutual agreement or where there was consideration. It would be wrong to base one's assessment of the magnitude of corruption on statistics alone

because the number of reported cases and those prosecuted is negligible. Different levels of corruption in Ghana have been given through relevant international surveys.

According to the Transparency International, Corruption Perception Index (CPI) published in September 2008, out of 180 countries surveyed, Ghana ranks number 67 with a CPI of 3.9. In September 2007, Ghana ranked 69 with a CPI of 3.7 out of 180 countries surveyed which is much better than many developing countries. The Index defines corruption as the abuse of public office for private gain and measures the degree to which corruption is perceived to exist among a country's public officials and politicians (Transparency International, 2008). Available from: <http://www.infoplease.com/ipa|0781359.html>. (Assessed 27th September, 2008). A score of 5.0 is the number Transparency International (TI) considers the borderline figure distinguishing countries that do not have a serious corruption problem. Campaigners argue that the fight against corruption can only succeed if it goes after the 'untouchables', and public office holders who have broad constitutional immunity from prosecution.

Public opinion surveys conducted by domestic and international pollsters show that citizens believe that corruption exists, it is widespread, they condemn it and that decisive measures are needed to curb it. Ghana's economic development and continued democratization faces a serious threat from corruption when economic risk assessment is conducted and compared internationally. The widespread nature of corruption affects different facets of social life and cuts across all strata making it systemic.

2.12.2 Corruption in Ghana.

There is great inequality in distribution of wealth. Political office is the primary means of gaining access to wealth: Conflicts between changing moral codes, weakness of social and government enforcement mechanisms, and absence of a strong sense of national community. Also, obsessions with materialism, compulsion for a shortcut to affluence, and of ill-gotten wealth by the general public, are among the reasons for the persistence of corruption in Ghana. Through corrupt means many political office holders acquire wealth and property and display them but the society does not blink.

Anything spent to secure a political office is regarded as an investment, which matures immediately one gets into office. Corruption wastes skills as precious time is often wasted to set up unending communities to fight corruption and to monitor public projects. It also leads to aid forgone because some foreign donors do not give aid to corrupt nations. Corruption causes a reduction in quality of goods and services available to the public as some companies could cut corners to increase profit margins. Corruption affects investment, economic growth and government expenditure choices; it also reduces private investment.

2.12.3 Critical issues on public procurement corruption in Ghana.

Since procurement is the means by which resources are spent, improvements to the procurement system will have a development impact from many perspectives. Many countries are in the process of improving their systems of governance (of which management of public resources is a key aspect) in implementing anti corruption measures. Procurement reform fits well into any such programmes and is bound to attract less direct opposition that will rarely be public or overt. It is also evident that it is

much more difficult to achieve significant changes where the system has been identified as serious flawed. Despite many attempts at implementing change and the use of significant resources to bring about reforms, in many cases achievements are limited. Funds may be used in preparation of reports, recommendation and position papers. Draft laws and other instruments may be discussed but no action taken to implement the proposed changes.

Public entities will go to lengths to create a semblance of formal compliance with procedural and other requirements while seriously compromising the interest and spirit of such rules. In severely compromised systems, formal compliance is not observed mainly because public officials and their private sector accomplices have no fear of retribution. Ambiguities and gaps in the rules also lead to different interpretations and practices that are mainstreamed. When the problem is framed as one of lack of enforcement, doubt is often expressed as to whether replacing existing rules with a new legal framework will in any way bring about radical improvements.

2.12.4 Prevention.

The perception that there is widespread corruption in the political system as well as society brings into question the three constitutional powers and the local authorities.

Transparency in public procurement can mitigate corruption and thereby increase competitor's efficiency. According to Right and Voice Initiative (RAVI) and Public Agenda, some assembly members of the Ga East District lamented that they are told about contracts, which have taken, or are taking place and therefore are compelled to agree or endorse these projects (Decentralisation Agenda, 2006, p.5) it was further

revealed that sometimes projects are commenced in their electoral areas without their knowledge, all because the processes of awarding contracts are too cumbersome therefore they often forget they have even requested certain projects to be carried out in their areas. Electoral apathy and the poor participation in the Metropolitan, Municipal and District and Assemblies (MMDA's) of late are clear manifestations of the citizens' lack of interest in the decentralization programme.

Oversight institutions such as the Ghana Audit Service (GAS), Commission for Human Rights and Administrative Justice (CHRAJ), Serious Fraud Office (SFO), Members of Parliament (MPs) and the Media must be adequately resourced to prevent and fight corruption. Rigorous enforcement of the Financial Administration Act (FAA), 2003 (Act 654), the Internal Audit Agency Act (IAA), 2003 (Act 658); the Public Procurement Act (PPA), 2003 (Act 663), the Whistleblowers Act, 2006 (Act 720) and many other laws will help prevent and control corruption in public procurement.

2.12.5 Corruption Control Measures

The NPP Government's Commitment to Zero Tolerance for corruption manifested the promulgation of PAA, IAA, FAA and the Whistleblowers Act. The Acts by themselves cannot fight corruption. It would take political will, enforcement of the laws by the implementers and bodies in charge of prevention, detection, prosecution and sanction as well as civil society to fight and control corruption. Some of the possible control measures are outlined below:

The President of the land must have direct; forceful support to fight corruption. Transparency and accountability by government functionaries, particularly in the financial transactions must be introduced, while a free press and electronic media must be encouraged to forcefully report to the public on corrupt practices in the society.

Government regulations, particularly those involving issuance of licenses and permits should be minimized and simplified in order to restrict opportunity for rent seeking by corrupt means. Anti bribery clauses should be inserted into all major procurement contracts relating to privatization of government enterprises and development of natural resources. The government and civil society groups must ensure that enforcement is predictable and forceful. All high government officials (President, Ministers, Members of the Judiciary, Members of Parliament, Central Bank Governor, Police and Customs Officials, Military) and others should openly disclose any personal assets before, during and after their tenure in office. Public Executives' Performance Agreements should include procurement and contract management to make them more accountable for their actions (Asiedu-Kotwi, 2007). Above all, good governance, transparency, accountability and the rule of law are the keys to tackling corruption.

2.13 Pilot Self-Assessment of the Procurement System-

Public Procurement Model of Excellence (PPME) Tool

The Authority formally launched the PPME tool in May, 2006. The models allow for both qualitative and quantitative measurement of procurement in SOE's, MDA's, and MMDA's. a pilot assessment of 100 entities was carried out in October, 2005. The objective of the PPME Tool is to accomplish the following:

- 1 Monitor Compliance of the PPA, 2003 (Act 663).
- 2 Provide results on the level of performance of procurement entities
- 3 Institution the Assessment Process in Public Procurement.

The key features of the tool are:

- 1 It comprehensively assesses procurement performance of the entities, qualitatively and quantitatively in accordance with best practices agreed at the Paris Declaration
- 2 It enables comparison to be made among sectors and procurement entities with regard to levels of performance
- 3 It highlights risks and weaknesses for strategic decision-making and capacity development, and helps to identify areas of improvement.

The Performance Assessment System (PAS) is a component of the tool and provides detailed assessment in 4 areas namely; Management Systems, Programme Design, Procurement Process and Procurement Management.

Total of 213 entities have been assessed as at 2006 and the overall performance is showing significant progress in public procurement management. In early November 2007, the Commonwealth Secretariat through its governance and Institutional Development Division sponsored procurement personnel from Commonwealth African countries to embark on a study tour of Ghana to study the Benchmarking, Monitoring and Evaluation tool as well as offer Ghana the unique opportunity to learn from sister African countries in the spirit of net working.

2.14 Ethical Issues in Procurement

Ethics is concerned with moral principles and values which govern our beliefs, actions and decisions. This implies exemplary approach to all procurement processes that cannot be questioned or criticized [PPA Procurement Training Module 3 (1.2.8) September 2007 p.8]. This is helpful to ensure that the researcher does not contravene behavioural norms established by the organization (Saunders et al, 2007).

The importance of ethics in procurement cannot be over emphasized for the following reasons:

- 1 Procurement staff represents their organizations and must employ sound ethical principles in dealing with suppliers by creating good relationships and establishment of supplier goodwill.
- 2 Procurement staff must act professionally in consideration of ethical standards.

In pursuance of the above, section 86 of the PPA, 2003 (Act 663) mandates the Public Procurement Authority (PPA) to compile and publish a code of conduct or ethics for public officials. This should generally inspire ethical standards

2.14.1 Examples of Unethical Conduct in procurement

- 1 Discussing a procurement with any tendency or prospective tenderer outside the official rules and procedures for conducting procurement.
- 2 No tenderer or prospective tenderer should be favored or discriminated against in the drafting of technical specifications or standards or the evaluation of tenders.

3 No official procurement document should be destroyed, damaged, hidden, removed or improperly changed to favour any bidder or tenders.

4 Money, travel, meals, entertainment, gifts, favours, discounts or anything of material make should not be accepted or requested from tenderers or prospective tenderers.

2.14.2 Responsibility of Officers

Senior Officers in a Procurement Entity have a responsibility to provide instructions and guidance to staff, encourage them to follow ethical principles and practices in a transparent and open manner, ensure compliance with instructions and guidelines, including the maintenance of documented records and above all set appropriate levels of financial delegation and ensure a proper separation and rotation of duties.

Junior Officers in a Procurement Entity have a responsibility to:

Follow management instructions and procedural guidelines

Be alert to and report any indications of unethical behavior

Seek guidance from a manager or auditor on any concerns that may arise.

2.14.3 Sanctions for Non-Compliance with Ethical Standards

Any official suspected of non-adherence to the rules and regulations will be suspended and his or her benefits including salary withheld pending investigation. Officials found misappropriating involving non-adherence to the rules and regulations, including negligence and irresponsibility will result in sanctions as specified in the act.

Any tenderer, supplier, contractor or consultant who attempts to influence a procurement process, or the administration of a contract by any unfair method, will be subjected to sanctions. This may include debarment of the company from Government contracts for a period of five years, in addition to any remedies that may be sought in a court of law.

2.15 Electronic (E) Procurement

Electronic (e-) procurement is the use of the internet to locate the most low cost suppliers, search online catalogues of suppliers' products, negotiate with suppliers, place orders, make payment and arrange transportation. E-procurement over the internet provides new opportunities for lowering and improving service because internet technologies enable businesses to cast their net wider (Laudon and Laudon, 2006). The Chartered Institute of purchasing and Supply (CIPS), United Kingdom, defines e-procurement as the use of the internet to operate the transactional aspects of requisition authorizing orders, receiving and payment processes for the required services or product. Procurement uses a tool known as Electronic Data Interchange/Interface (EDI) to function. EDI is a technique base on agreed standards which facilities business transaction in standardized electronic form in an automatic manner directly from a computer application in one organization to an application in another.

E-Procurement is in its infancy across the private sector. There is however a great potential for growth as evidenced by the number of public offices and businesses that use computers and access e-mail. The use of public procurement is constrained by poor infrastructure and access to technology. As at now, it is limitedly used for electronic

requisitioning, online catalogues, online ordering and electronic submission of quotations.

E -public procurement can reduce transaction cost for many suppliers through more effective management by procuring authorities. For example, eliminating or reducing the time and labour involved in the repetitive typing of data, mailing, telephoning, manual filing, photocopying, automated payment procedures, simplified purchasing procedures (request for quotations) and automated correction of procurement data and reporting contribute to cutting costs in the private and public supply chain (Witting, 2008). The Public Procurement Authority is yet to promote and prepare guidelines and legislation that would create the enabling environment for e-procurement.

2.16 Review of Procurement Operations of UEW before Enactment of the PPA 663.

Prior to the enactment of the public procurement ACT 2003 (ACT 663), the University of Education, Winneba, performed their procurement activities by using the university regulation book entitled “Financial and Stores Regulations” which was published in 1994.

This manual contained the regulations guiding the university’s finances and stores and this controls the disposition and acquisition of the university’s properties (by then it was called the University College of Education, Winneba). It was based on the PNDC law 322 of 30th September 1992 which stated the means by which the university’s finances would be controlled by the administration.

2.16 .1 Procedure for Local Purchasing

According to the Financial and Stores Regulations 108.1-9, "Purchases under this part shall be of two kinds namely:

1. Purchases where the value is GH¢ 2,000 or above or for overseas purchases the equivalent of Three Hundred Pounds or above.
 2. Purchases where the value is less than Two Hundred Thousand or Three Hundred Pounds.
1. There shall be a Procurement Advisory Committee to consider all purchases the value of which is GH¢ 2000 or Three Hundred Pounds and above or as determined from time to time by the Finance Committee.
 2. Every department/ section shall keep purchase request forms for request for all purchases.
 3. After writing the purchase request form, indicating the full description and specification of the items and the estimated cost, the head of department, section shall sign the appropriate space provided and send the request to the purchasing unit, which shall undertake a market survey to collect and collate suppliers prices for the concentration of the requisitioning body for all purchases below Two Hundred Million or Three Hundred Pounds or as determine from time to time by the Finance Committee the following procedure shall apply,
 - i) The completed purchase request form shall then be forwarded to the Finance office for approval.
 - ii) The purchasing unit shall then translate the approval source of supply into the order request and submit the orderly request

together with the purchase request form, the quotation forms and attachment to the

- a) Internal Audit for per-auditing
- b) Finance office for authorization
- c) Principal for approval when the amount involve exceeds Hundred Million or a sum of determined from time to time by the university college council

The Finance Office shall on receipts of the order request as certain whether funds are available or not to meet the required items.

When funds are available the order request shall be endorsed “funds are available” and a local purchase order prepared

When funds are not available the order request shall be endorsed “funds are not available and return to the originating department with an indication as to when the order may be re-submitted or alternating the finance office may indicate the mode of payment.

When the goods have been collected from the supplier and inspected by the internal audit section the invoice shall be indorsed o show that the goods have been received and signed by the stores superintendent. The invoice shall be forwarded to the Finance office together with the original copies of the request and local purchase order.

The stores superintendent, shall on receipts of the goods inform the originating the department accordingly.

2.16. 2 Purchase Requisition

Purchase requisition refers to request for an item(s) to be bought for a department/section/limit. The Financial and stores regulation vest the purchasing function in the finance office specifically the purchasing unit. Request for the purchase is made with the use of the pre-printed form bound into a booklet called The Purchase Requisition Book (PRB) which is mandatory for every department/section/unit to have it.



CHAPTER THREE

3.0 METHODOLOGY AND ORGANIZATIONAL PROFILE

3.1. Introduction

This chapter will begin with a description of what research methodology is about and analyze what other writers have said about it. There will be a research working definitions. The concepts relevant to the study would be defined. This would be followed by discussions on the research design to be used. There would be a discussion on sample size and sampling techniques. The procedures adopted and the data collection techniques used would be duly discussed. The method of data analysis or statistical procedure used would be explained. The chapter will finally end with the organizational profile of the University of Education, Winneba.

3.2 Description of Research Methodology

According to Saunders et al, 2002 research methodology refers to the theory of how the research should be undertaken. This includes the theoretical and the philosophical assumptions upon which the research is based and the implications of these for the method adopted.

Research methodology may take many forms including mono- method which is the use of single data collection technique and corresponding analytical procedures.

3.3 Research Design

Cooper and Schindler, 2000 define a research design as a plan, structure and strategy of investigation intended to obtain answers to one or more questions. According to them the research design includes everything the researcher will do during the project from data collection through data analysis to report writing and report preparation and submission.

Agyedu et al, 2007 indicates that research design allows the researcher to meet the purpose of the research. Research design therefore refers to the overall plan employed to obtain answers to the research questions and for testing the hypothesis formulated. They identified four main types of research designs. These are an assessment, evaluation, descriptive study and experimental study.

3.4 An Assessment Design

For the purpose of this study, the assessment design will be adopted since the study is a fact finding and describes the condition that exists at a particular point in time. This in relation to the research topic, attempts to look at how public procurement as conducted prior to the enactment of public procurement law and how it is being conducted after and assess whether if most of the bottlenecks identified in the literature review have been surmounted. To assess whether the enactment of the law is providing value for public funds, national interest being safeguarded adherence to Least Cost Selection and Quality Cost Based Selection.

3.5 A Case Study Design

Again, a case study design will also be adopted since it involves an investigation of a situation and the behaviours of the people involved in. The case study design has three main distinctive features.

These are;

- 1 The researcher can let the factors being studied guide the research as it progresses and not be limited to testing pre – formulated hypotheses.
- 2 It is intense because the researcher attempts to obtain sufficient information to characterize and explain the unique aspects of the situation.
- 3 It tests the researcher's ability to assemble many diverse bits of information and base a unified interpretation on them.

3.6. Justification for Case Study Design

The above design is being used because it is highly adaptable to match organizational behaviour. That is to say how the University of Education, Winneba is adjusting and adapting to the law in view of the complexities in procurement that take place in the sector. Especially, looking at the volumes and diverse nature of items procured at any point in time. Also with the case study we can gain access to organizational records, conduct interviews, distribute questionnaires and make personal observation of the level of adherence to the law. The case will also provide many clues and insights for further investigations. For example after the study, conclusions will be drawn as to the extent to which the law has reduced corruption in procurement can be assessed and if it has not been successful, further studies can go into assessing why.

The main short coming of the case study approach lies in its limitations in generalizing the results of one case study to the other. That is, rarely can two cases be compared directly in terms of their characteristics.

Therefore, the results of a case cannot be applied specifically to other settings. Again, a case study does not lend itself to a systematic cause and effect relationships.

3.7 Ethics in Business Research

The researcher protects respondent's confidentiality in several ways:

- 1 Obtaining signed, nondisclosure documents
- 2 Restricting access to respondent identification
- 3 Revealing respondent information only with written consent
- 4 Restricting access to data instruments where the respondent is identified
- 5 Non – disclosure of data subsets (Collin, 2007).

3.8 Population

The term population refers to the complete set of individuals (subjects), objects or events having common observable characteristics in which the researcher is interested in studying. For this study the population was all the workers in the university whose activities affect procurement operations directly or indirectly. This was essential because of resource limitations with respect to time and money.

3.9. Sampling and Sampling Techniques

As it has been already indicated above, due to constraints with respect to time, money and other resources, it becomes absolutely impossible to study the whole population. It is therefore essential that a representative portion of the population (sample) is selected for the study. The sample selected should have most if not all the characteristics of the population for it to effectively represent the population. In sampling, various methods and techniques are used. The most prominent ones are being the probability sampling and the non – probability sampling techniques. In the probability sampling almost all members of the population have equal chances of being selected. In the non – probability sampling, however, certain criterion devoid of randomness is established for selecting members of the sample.

For this study, the non-probability sampling technique will be used and more specifically the purposive sampling technique will be adopted. This is because UEW by its size and resources base makes for a more convenient choice for the study. The volume of procurement expenditure annually is quite enormous and also it is a well structured institution with most requisite personnel in charge of procurement activities. In all, 50 respondents were selected from UEW for the study. These include members of the tender committee, the Procurement Department, the finance department, audit unit and stores department.

3.10 Variables

Variables as defined by J.R. Fraenkel and N.E. Wallen (2000:56) is a concept, a noun that stands for variation within a class of objects such as chair, gender, eye, colour, achievement, motivation or running speed. The variables on which the research focused

with respect to the data collected on the procurement operations from 2003 – 2009 were time and cost. The sample space was categorized into procurement awarded through open tendering, selective tendering, and shopping and nominated tendering.

The variations in time taken and cost for the various procurement methods were noted. These variables were all qualitative.

For the questionnaires, the variables were mostly qualitative and very subjective to the individuals answering the question (Cooper and Schindler, 2007).

3.11 Data Collection Methods

In research, various instruments may be used to gather primary and secondary data depending on the nature of the research being undertaken, the characteristics of the sample to be used as well as the type of research design being adopted. For example, where the population is largely illiterates it may be easier to have interviews guide or schedule in a survey research, observational methods may be appropriate.

The three most commonly used data collection techniques in social research are observation, asking questions through questionnaires and interviews. It may be possible for the researcher to use one technique or combination of them if the designs allow so (Asiedu et al., 2007).

3.11.1 Questionnaire

Self – administered questionnaires were used in collecting data from respondents although existing literature provided us with additional information. The questionnaires were printed in English with neatly printed lines for respondents to provide their

responses. It was numerically stated to differentiate one question from the other. Boxes were provided for respondents to tick where necessary.

Questionnaires were used in cases where personal interview was impossible to carry out. For instance, officials involved in the various tendering processes at the University of Education, Winneba were given questionnaires to answer which were collected at a later date. This reduced inconveniences caused by unfavorable interview times and busy schedules. Before questionnaires were administered they were subjected to thorough testing and amendments before they were dispatched to respondents. On the other hand, the pre – coded questions were given to respondents to answer. With these questions, answers were provided for respondents to select their views. Some of the questions were multiple choices whereas others were asking respondents to write down their views. The length of the questionnaires was influenced primarily by the scope of the study and the depth of information desired.

3.11.2 Interview

Various categories of stakeholders such as members of the various tender committees and review boards of the university were strategically selected and interviewed as part of the data gathering process. With the interviews the focus was on the senior members of each selected group. Also, Senior Officers who work with the university were interviewed. Information from these categories of people would shed light on how policies were formulated and managed in relation to the procurement act.

The use of interview in this study is deemed appropriate in order to get as close as possible to interviewees and to be able to solicit information which might not be divulged on the questionnaire. This was intended to afford interviewees the opportunity

to express themselves and to afford interviewers the chance to ask other relevant questions that might come to mind during the interview process.

Structured and semi – structured questions were used in this data collection exercise. It must be stated here that, the collection of information through this purpose was not meant for analysis, but rather to serve as an informational background for the other instruments used. The structured questions were used to solicit information from members who have no formal training in procurement. The semi – structured questions were used for further clarification from respondents on responses that were not clear. These questions were formed during the process of the interview.

Most of the questions involving government policies and laws on the implementation of the procurement law at the university were asked using interviews. This was done in order to help the researcher solicit literature to justify the various assertions made.

3.11.3 Observation

Situational observation was used as another tool in the data gathering process. In this regard, the day – to – day operations of the UEW were observed. The researcher spent time in one of their tendering to observe proceedings and later the evaluation panel had some short interactions with the researcher on the various outcomes. According to Mikkelsen (2005), “Observation of physical structures, social differences, behaviour action and symbols provides important information for posing central questions.”

This tool was used to collect qualitative data concerning the topic in question and suggest ways by which they can be intervened. This was achieved when cases were observed for first hand information before they were substantiated. On any visit to areas of data collection, issues concerning the subject were looked at with keen interest. Notes

about the things observed were taken immediately. This was done because the researcher wanted to avoid forgetting any vital information about the message.

3.11.4 Secondary Data

Secondary data in the form of articles, journals, research works, gazette and other written sources and so on were also collected and studied. Other sources of secondary data include press releases, the internet as well as literature on existing research on this area of study.

An interview guide was prepared as a tool to collect data from the selected sample of respondents in places where the questionnaire proved inadequate and would not produce the relevant information.

3.12 Data Analysis

Quantitative and qualitative methods of analyzing statistical data were employed in the analysis of the data. The results were subsequently computed into percentages. Some Percentage values were approximated to the nearest whole numbers. Diagrammatic representations of the statistical summaries of the result were presented in the form of bar charts and tables.

Computer data analysis software such as SPSS and other relevant software, such as Microsoft Excel were the main tools employed to analyze the data in order to help interpret results.

The other questions that were open-ended were analyzed by listing all the vital responses given by the respondents.

3.13 Constraints/ Problems

- 1 Time was limited
- 2 Reducing it to only one government institution of higher studies
- 3 Commuting from Kumasi to Mampong and Winneba

Stakeholders who are middle and upper class executives are equally constrained by time and therefore delayed in answering questionnaires.

3.14 Profile of University of Education, Winneba

The University of Education, Winneba was established in September, 1992 as a University College under PNDC Law 322 but the first batch of 481 students was enrolled in November 1992. UEW brought together seven diploma awarding colleges located in different towns under one umbrella institution viz the Advanced Teacher Training College, the Specialist Training College and the National Academy of Music, all at Winneba; the School of Ghana Languages, Ajumako; College of Special Education, Akwapim-Mampong; the Advanced Technical Training College, Kumasi; and the St. Andrews Agricultural Training College, Mampong-Ashanti. The Winneba campus is the seat of the Vice-Chancellor and an administrative head office. This is where most of the procurement operations are managed. It has satellite campuses at Kumasi and Mampong. The total staffing position is 1464 while the student population is 24,982.

On 14th May, 2004 the University of Education Act, Act 2004 was enacted to upgrade the status of the University College of Education of Winneba to the status of a full University and to provide for related matters.

Mission

The University shall serve as a centre of excellence which will inculcate in its products the requisite academic ability and professional competencies, and imbue them with humanistic values for teaching at the pre-tertiary level. Conduct research, disseminate relevant knowledge and skills, and influence educational policy.

Vision

The University shall become a pre-eminent teacher education university in Ghana, one of the best in Africa, and a higher institution of learning, recognized world-wide.

Programmes

The University offers both undergraduate and postgraduate programmes under 8 Faculties and 30 Departments.

Some undergraduate programmes include: B.Ed. programmes are offered in the following fields; Accounting Studies, Agriculture, Art, Basic Education, Dagbani, English, Ewe, Twi, Fante, French, Ga-dangme, Gonja, Guidance and Counselling, Early Childhood Development, Gurene, Home Economics, HPERS, Information Technology, Kasem, Mathematics, Music, Secretarial and Management Studies, Science, Special Education and Technology

Some postgraduate programmes include; MA (English), MA (Human Rights Education), M. Ed (Teaching of English as a second language) (TESOL), M.Ed. (Special Education), M.Ed. (Educational Administration and Management), M.Ed. (Science), M.Ed. (Home Economics), MSc. (Marketing and E-Commerce), and Postgraduate Diploma in Education. Others include M. Phil. Programmes in French Education,

English Education, Applied Linguistics, Social Studies Education, Music Education, Human Rights Education, Guidance and Counseling and Special Education. The MA programmes are offered on Sandwich basis. There are also PhD programmes in Science Education, Special Education and Applied Linguistics on full time basis.



CHAPTER FOUR

4.0 DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter would look at the background analysis of the data and then present the results of the study based on the research questions and objectives as stated in chapter one. Then relate the research findings to existing literature and provide plausible explanation for the inconsistencies.

4.2 Background Analysis of Data

In all fifty (50) questionnaires were administered to UEW of which forty (40) responses were received representing 80% response rate. The questionnaires were administered to management and staff of UEW whose activities are directly related to the procurement operations of the university.

4.3 Data Analysis

The questionnaires were structured such that the questions were categorized into four main thematic headings namely; Background of Respondents, Level of Adherence to the Procurement Law, Problems and Challenges in the application of the Public Procurement Processes as well as the Impact of the Law on the Procurement Operations. These are duly analyzed below.

4.3.1 Background of Respondents

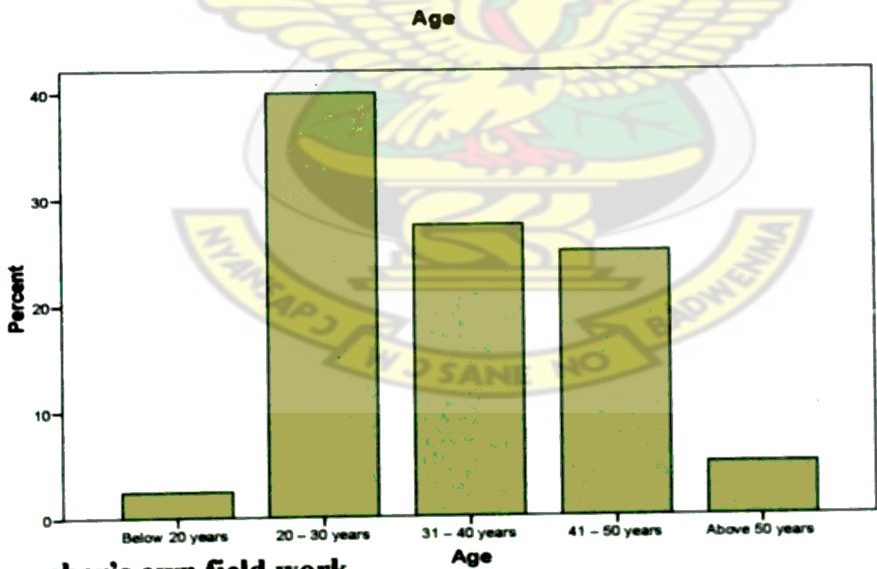
Table 1: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	27	67.5	69.2	69.2
	Female	12	30.0	30.8	100.0
	Total	39	97.5	100.0	
Missing	System	1	2.5		
Total		40	100.0		

Source: Researcher’s own field work.

The respondents were firstly asked to state their sex and the intention was to know the gender balance of staff of UEW involved in procurement operations. In all 69% were found to be males and 31% females. As shown in the table above.

Fig. 1



Source: Researcher’s own field work.

The respondents were also asked to state their age and the intention was to find out the age groups that are mostly involved in procurement. It was found out, (fig.1) that majority (40%) were between (20 – 30) years, followed by (31 – 40) years group (28%) and 25% were (41 – 50) years, few were below 20years (3%) and above 50years (5%)

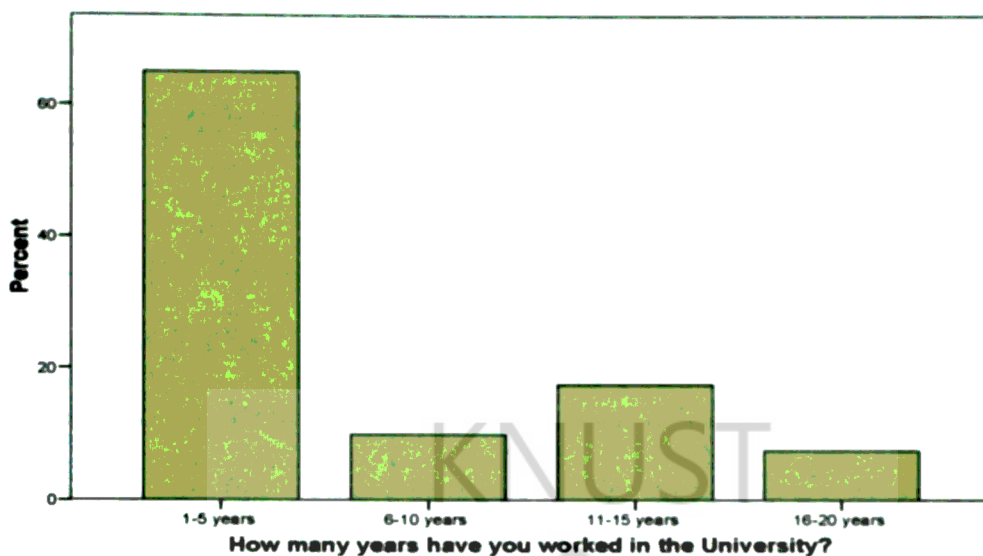


Fig.2 Source: Researcher's own field work.

Again, to find their positions, was aimed to find out which categories of staff were involved in procurement. It was discovered that majority (73%) were Senior Staff, 10% were Senior Member Administration and 10% were Junior Staff as shown below.

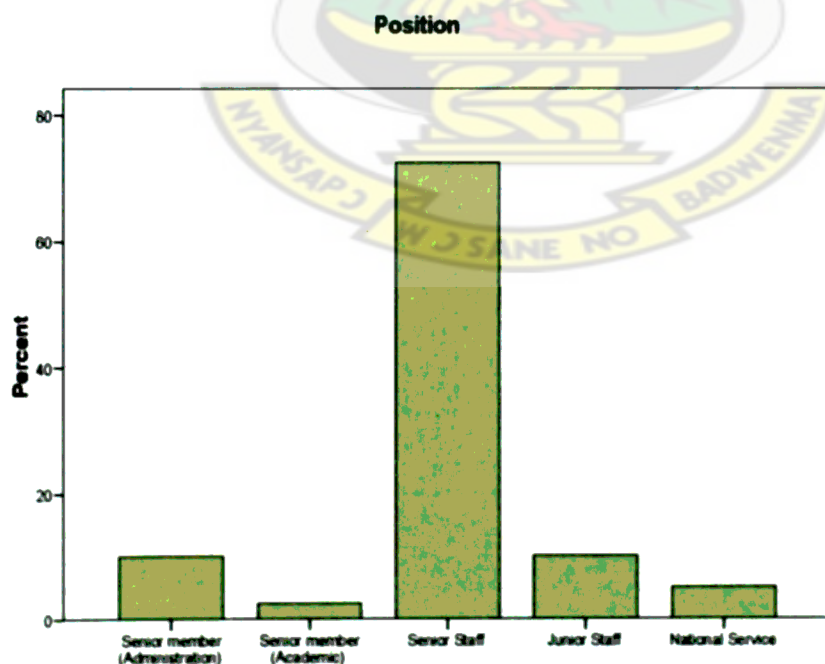


Fig. 3

Source: Researcher's own field work.

The question was asked for respondents to state the number of years they have worked in the organization. The intention was to know respondents' years of experience in procurement in the organization and whether the introduction of the act had had an impact here.

It became evident that majority (65%) were employed (1 - 5) years after the law was passed, 18% had worked for (11 – 15) years, 10% (6 - 10) years and 3% had worked for (16 - 20) years but no one had worked above 20 years. This clearly indicates that the enactment of the law has influenced organizations to be more concerned about procurement operations and had engaged enough personnel to work in them than when the law was not passed as shown in the figure above.

The fifth question inquired about the educational background of respondents involved in procurement. The aim was to investigate whether more qualified personnel are involved in procurement operations as sensitive as it deserves. It was evident that 33% were diploma, 33% degree holders, 23% were postgraduate, 5% were A' level/SSSCE/O' level certificates holders and 3% MSLC.(As shown in Appendix B).

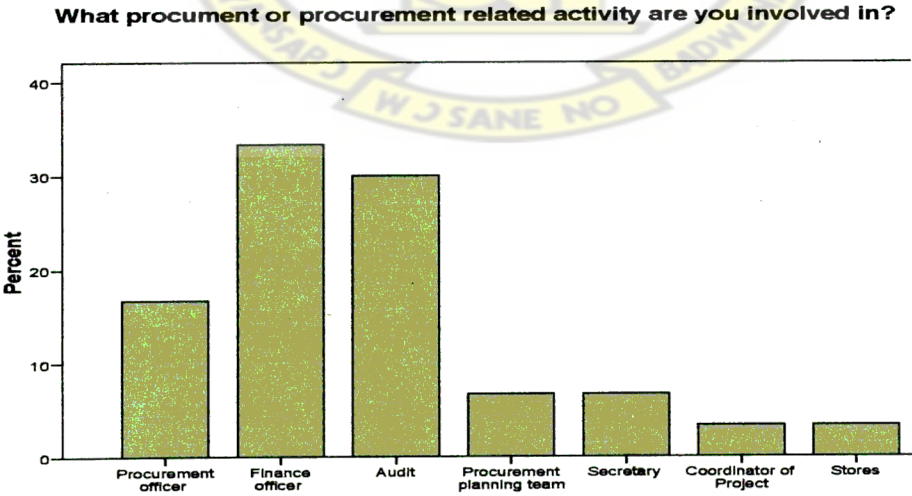


Fig.4

Source: **Researcher's own field work.**

Question 6 inquired how the procurement or its related activity respondents were engaged in the organization. The intention was to identify various departments of the organization that deal with procurement matters. It was found out that 17% were procurement officers, 33% were finance officers, 30% were auditors, 7% were in the procurement planning team, 7% were secretaries, 3% coordinator of project and 3% work at the stores as depicted in fig.4.

The final question that was asked to find out the background of respondents was the professional certification that the workers hold in their respective areas of operations.

The intention was to envisage whether the staff have professionally qualified certification to handle the procurement management system which is a very crucial and sensitive unit in the tertiary institution.

It was amazingly discovered that greater numbers of workers (77%) have no professional certificates and only one (1) worker representing (3%) has CILT. Few others have ACCA, ICA, GHIE and CIOB which are though professional certificates are indirectly for procurement purposes.(As found in Appendix B).

4.3.2 Level of Adherence to the Public Procurement Law

The following set of questions bothered on the level of adherence to the PPA.

The question was asked for respondents to state their opinion to the high level of adherence to the public procurement law in the activity of UEW. The intention was to find out whether UEW apply the law in its operations. It become clear that the university strictly adhere to the act as 50% strongly agreed, 45% also agreed to the statement except only 3% who were not decided and 3% was in strong disagreement. As shown in the Bar Chart below.

UEW has a high level of adherence to the public procurement law in its activity.

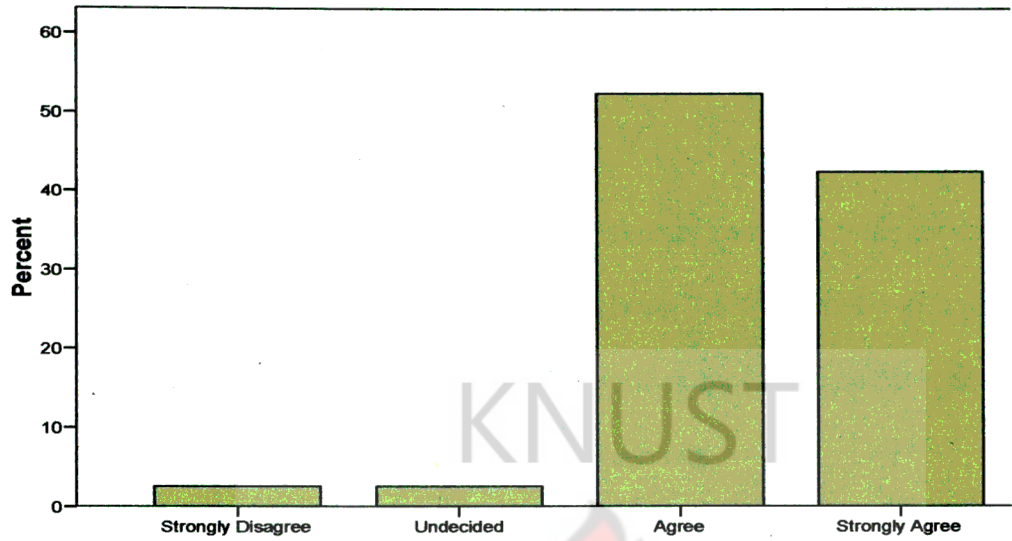


Fig.5

Source: Researcher’s own field work.

Again, respondents were to give their views concerning the university having a structured procurement department and the response was the same affirmative as the immediate one above. The aim was to find out if procurement is treated as a strategic management or an appendage of other department or back office as the literature put it.

Table 2: What types of contracts are mostly awarded by the UEW?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Goods	1	2.5	2.5	2.5
	Goods and Works	3	7.5	7.5	10.0
	Goods and services	1	2.5	2.5	12.5
	All of the above	35	87.5	87.5	100.0
	Total	40	100.0	100.0	

Source: Researcher’s own field work.

The question was asked to investigate the types of contract mostly awarded by the UEW. The intention was to affirm whether staffs are aware of areas which the university operates in procurement, as was indicated to the researcher through the interview with the procurement officer.

The outcome affirmed (Table2) that the university awards contracts with goods, works or services/ consultancies as 87.5% selected all the above, 7.5% selected goods & works, 3% selected goods & services and 3% selected goods only. Hence some staff are not aware of the other forms of contracts the university operates.

Which type(s) of procurement method(s) is/are mostly used by the university?

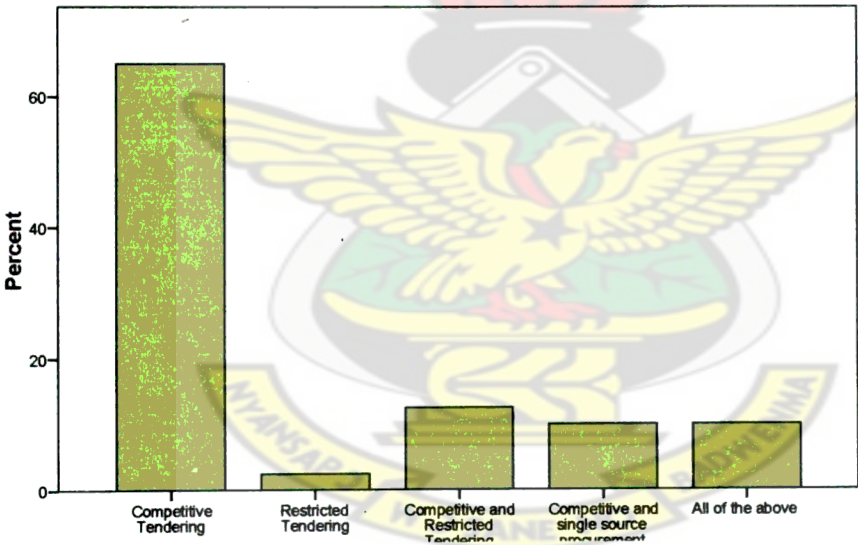


Fig. 6

Source: Researcher’s own field work.

With regards to the types of procurement methods mostly used by the university 65% selected competitive tendering, 13% competitive & restricted tendering, 10% competitive & single source procurement, 10% selected all the above (indicating competitive, restricted tendering and single source procurement) and 3% selected only restricted tendering. Hence, the university mostly uses competitive tendering process in its procurement operations as shown in fig.6 above.

Concerning the type of procurement methods that mostly benefits UEW/ clients/ government, 80% selected competitive tendering, 12.5% selected restricted tendering and 7.5% selected all the above. Hence, the staff generally stated that UEW benefits mostly from competitive tendering process shown in Table3 below. However, restricted & single source procurement is used when items are of very technical nature thereby relying on one supplier with experience and reputation.

Table 3: Which of these mostly benefits the UEW/ Clients/ Government?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Competitive Tendering	32	80.0	80.0	80.0
	Competitive and Restricted Tendering	5	12.5	12.5	92.5
	All of the above	3	7.5	7.5	100.0
	Total	40	100.0	100.0	

Source: Researcher’s own field work.

The follow up question was the method that benefits contractors/ suppliers and the response is as shown in the Bar Chart below.

77.5% selected competitive tendering, 10% selected competitive & restricted tendering, 7.5% selected competitive & single source procurement, 2.5% selected restricted tendering and 2.5% selected all the above methods. Hence, the staffs mostly agree that competitive tendering method mostly benefits suppliers or contractors.

Which of the methods mostly benefits suppliers/contractors?

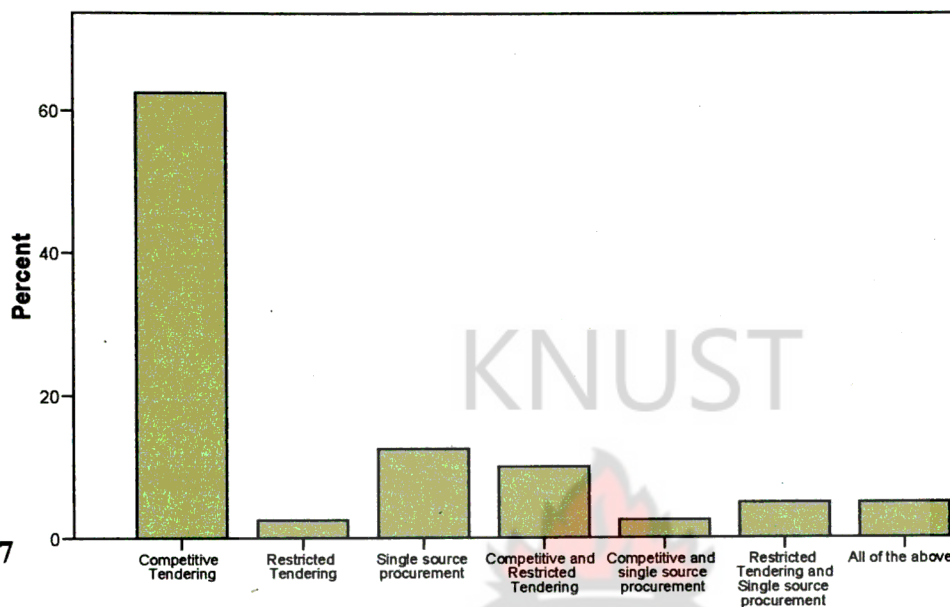


Fig. 7

Source: Researcher's own field work.

In responding to the type of tendering methods that assures the entity of quality, time and cost, 77.5% indicated competitive tender as against, competitive and restricted and all the above methods which had 10%, 7.5%, 2.5% and 2.5% respectively. The intention was to investigate which method is best for creating value for money. This is in consonance with the available literature as well as the provisions of the law which encourages competitive tendering which allow for greater level in transparency, competition and cost saving as illustrated in Fig.8 below.

Which of these in your opinion mostly assures the entity of quality, time and cost?

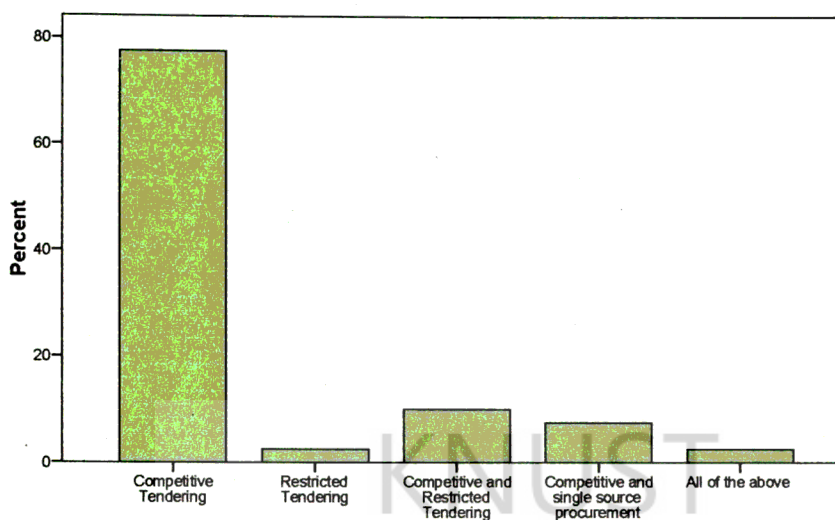


Fig. 8

Source: Researcher's own field work.

In an attempt to investigate how UEW make procurement opportunity known to the public and the medium mostly used in advertisement for Invitation to Tender (ITT), the following results were found. Majority (80%) indicated that the Dailies (News papers) are the mostly used as against the others as shown in Appendix B.

In responding to the question relating to the level of private sector participation in procurement, respondents indicated 27.5% very good, 30% high, and 35% satisfactory, 5% poor and 2.5% no participation. This is in an agreement with the contents of the National Procurement Assessment Report (2003) that "Ghana has a relatively large private sector (local and foreign) that it is responding adequately to public procurement business. This is estimated to be in a range of an average 640 million dollars per annum." The 2003 report goes further to indicate that the private sector takes fair share of the procurement business as shown in fig.9.

What is the level of private sector participation in procurement activity?

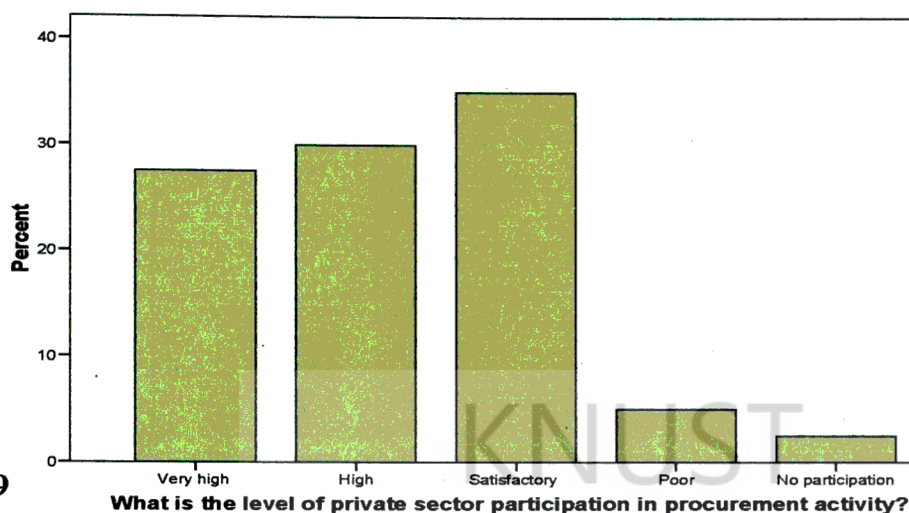


Fig. 9

Source: Researcher's own field work.

4.3.3 Problems and Challenges in the Application of the Public Procurement Act.

The next set of questions bothered on the problems and challenges in the application of the PPA. Respondents were asked to give their views to whether or not the implementation of the Act 2003, Act 663 has not been smooth in UEW. Majority (53%) disagreed, 17.5% strongly disagreed, 10% were not decided but only 15% agreed and 5% strongly agreed. Therefore the general impression of staff is that the implementation of the act has been smooth in UEW.

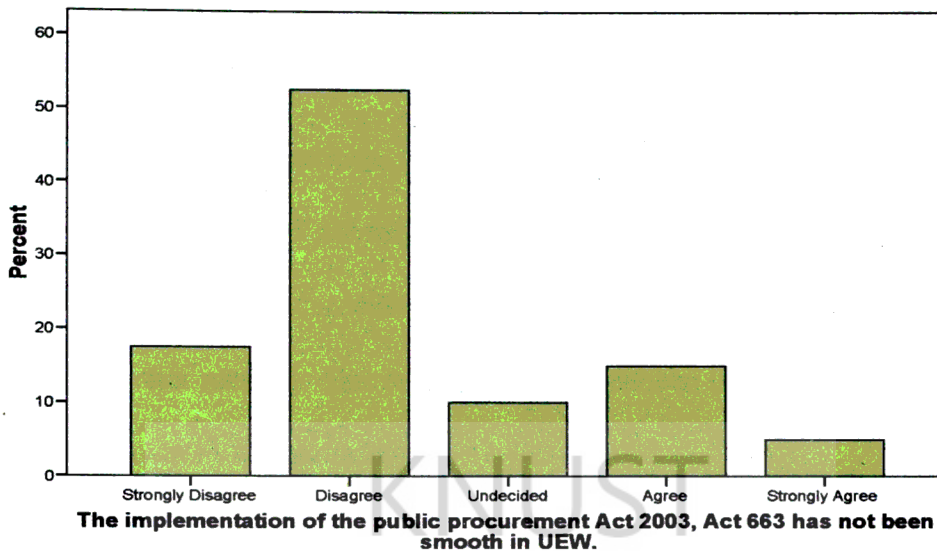


Fig. 10

Source: Researcher’s own field work.

With regards to the question on most expensive procurement methods, majority (72.5%) chose competitive tendering, 5% restricted tendering, 5% single source procurement and 7.5% a combination of competitive & restricted tendering, 2.5% competitive & single source procurement and 17.5% restricted & single source procurement. This is because competitive tendering involves a large number of potential suppliers and long review processes than the others with limited supplier.

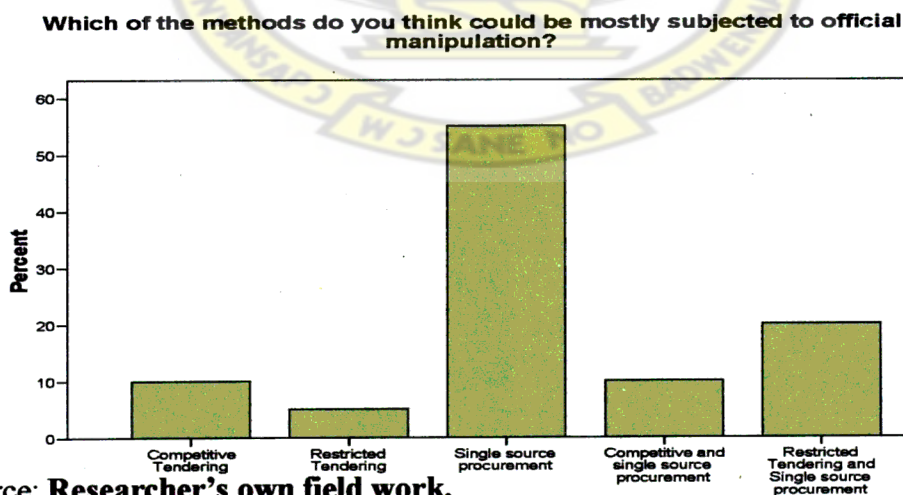


Fig.11 Source: Researcher’s own field work.

Again, respondents were asked to give their impression about the tendering methods that are mostly subjected to official manipulation and majority (55%) selected single source procurement, 10% selected competitive, 5% restricted tendering, 10% competitive & single source and 20% restricted tendering and single source procurement. This is because officers in charge of procurement have the mandate to select from their own single source unlike other methods that require advertisement to the world at large and public scrutiny. As shown in Appendix B.

With regards to the main cause of delays in procurement operations, majority 50% cited long tendering process, followed by lack of funds (20%), 5% stated absence of evaluation panel, 5% selected all the above factors and 5% chose lack of funds and tendering processes. Other factors were also found during the interview to be late inputs of requests, irregular meeting of procurement entity boards, and lack of education or little knowledge of the condition of the current procurement act 2003 for some departmental staff of the university. Shown in Appendix B.

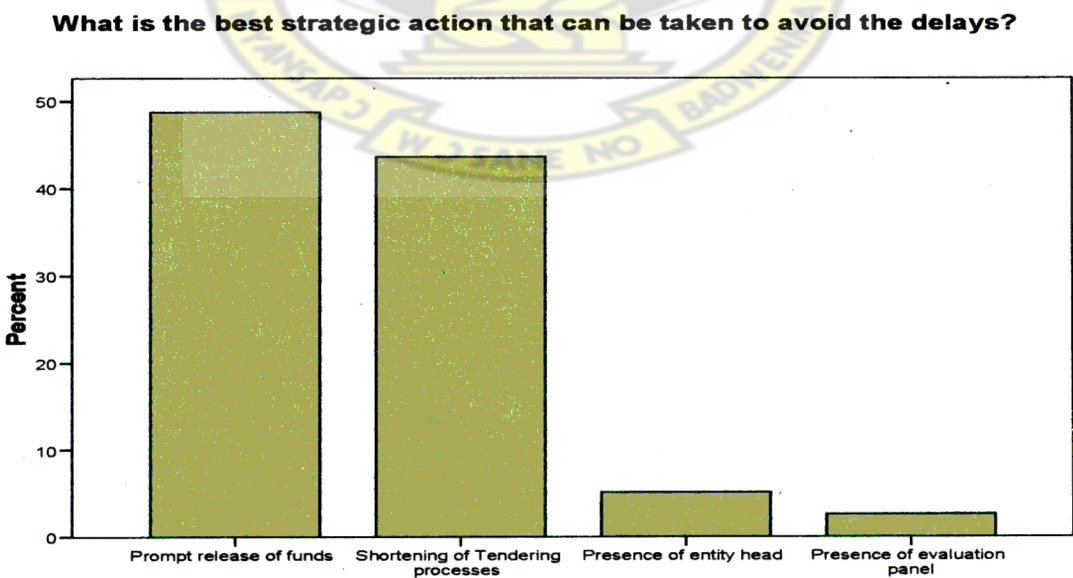


Fig.12

Source: Researcher’s own field work.

About the strategic action to combat the delays majority (48.7%) suggested prompt release of funds, 43.6% suggested the shortening of the tendering processes, 5.1% and 2.6% suggested the presence of the entity head and the evaluation panel respectively as shown in the Bar chart in Fig.12.

Table 4: What was the frequency of disputes that occurred last year, 2008?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Monthly	3	7.5	9.1	9.1
	Quarterly	4	10.0	12.1	21.2
	twice a year	5	12.5	15.2	36.4
	once a year	21	52.5	63.6	100.0
	Total	33	82.5	100.0	
Missing	System	7	17.5		
Total		40	100.0		

Source: Researcher’s own field work.

The responses to investigate the frequency of disputes for procurement processes in the UEW using the act suggested that disputes were not regular. It shows 9.1%, 12.1%, 15.2% and 63.6% respectively for monthly, quarterly, twice a year and once a yea as shown in the Table 4 above.

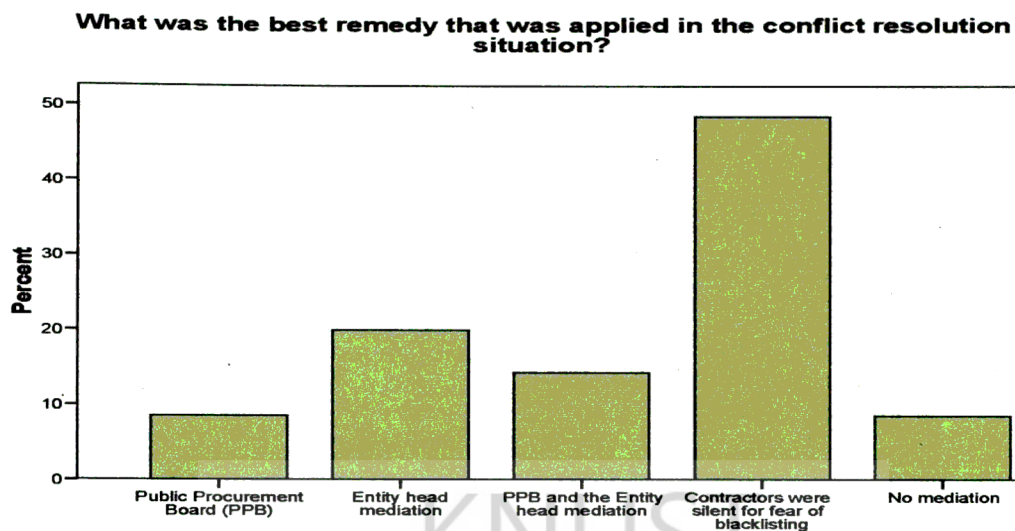


Fig.13

Source: Researcher's own field work.

Concerning the best remedy that was applied in the conflict resolution situation in the organization it was established with 48.6% that contractors were silent for fear of black listing, 20% opted for entity head mediation, 14.3% suggested PPB and entity head mediation, 8.6% suggested public procurement Board (PPB) and 8.6% opted for no mediation as shown above.

It was found out(fig.13) that suppliers usually adhere to contractual commencement and completion schedules with 57.5% in agreement and 12.5% in strong agreement. However, 10% were not decided, 17.5% were in disagreement and 2.5% were in strong disagreement.

With regards to the main source of funding for procurement operations in the university, 18% suggested GET fund, 3% suggested Donor funds 21% opted for internally generated fund and 15% combined GET fund and internally generated fund and 43.6% opted for all the above sources of funds as clearly shown below in Fig.14.

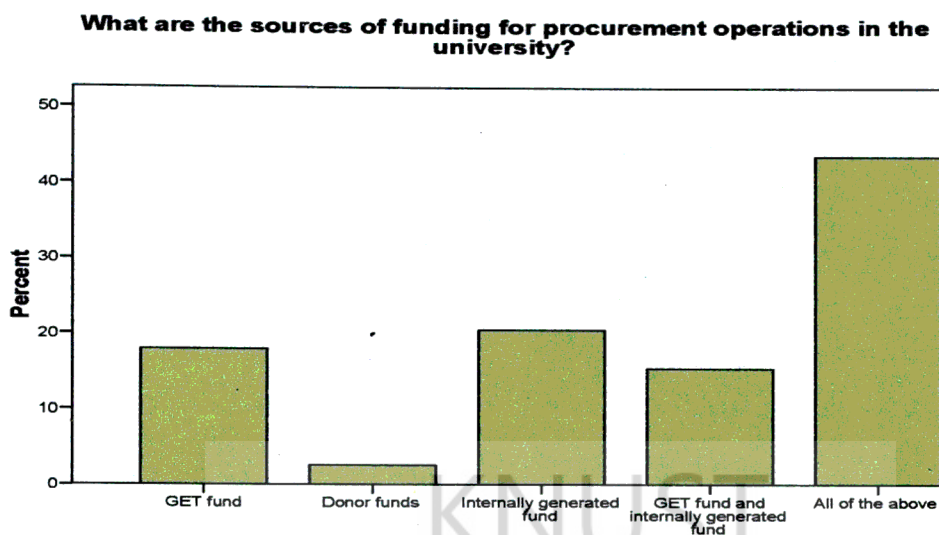


Fig.14

Source: Researcher’s own field work.

4.3.4 The Impact of the Public Procurement Act on the Management of Procurement Operations of UEW.

The subsequent responses are the impact of the implementation of the Act 663 on procurement operations. It was discovered that the implementation of the Act 2003, (Act 663) has enhanced procurement operations and brought about good value for money in UEW. 40% were in agreement to this assertion, 20% were in strong agreement and 22.5 % were undecided. However, 10% were in disagreement and 7.5% strongly disagreed as shown below. This is in alignment with the literature review.

The implementation of the public procurement Act 2003, (Act 663) has enhanced procurement operations and brought about good value for money in UEW.

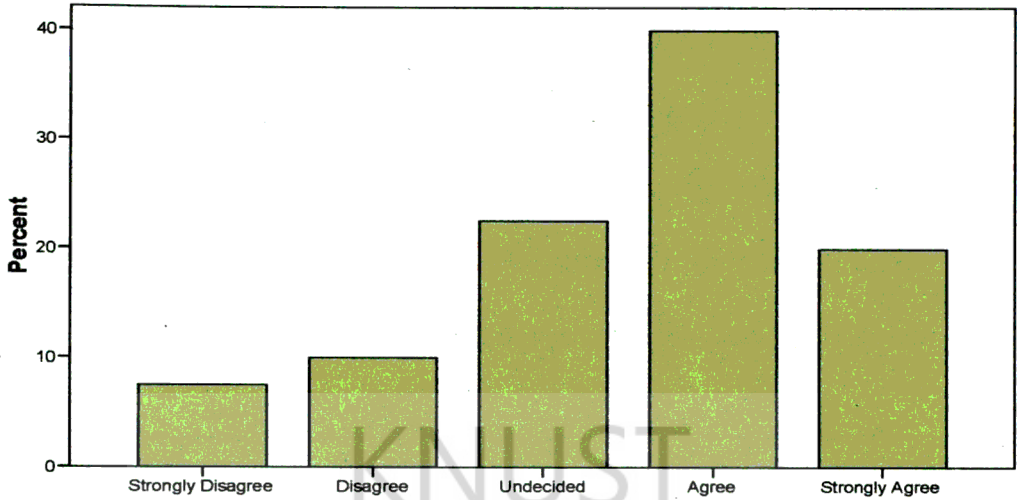


Fig.15

Source: Researcher’s own field work.

Again respondents were asked to rate the achievement of the implementation of the PPA in the management of the procurement operation of their organization and the results was as shown in the chart below. 60% rated it high, 17.5% rated it very high and 22.5% rated it medium. Hence, the implementation of the act has helped to manage procurement operations better than before, shown in Fig.16.

How do you rate the achievement of the implementation of the PPA in the management of the procurement operations of your organization?

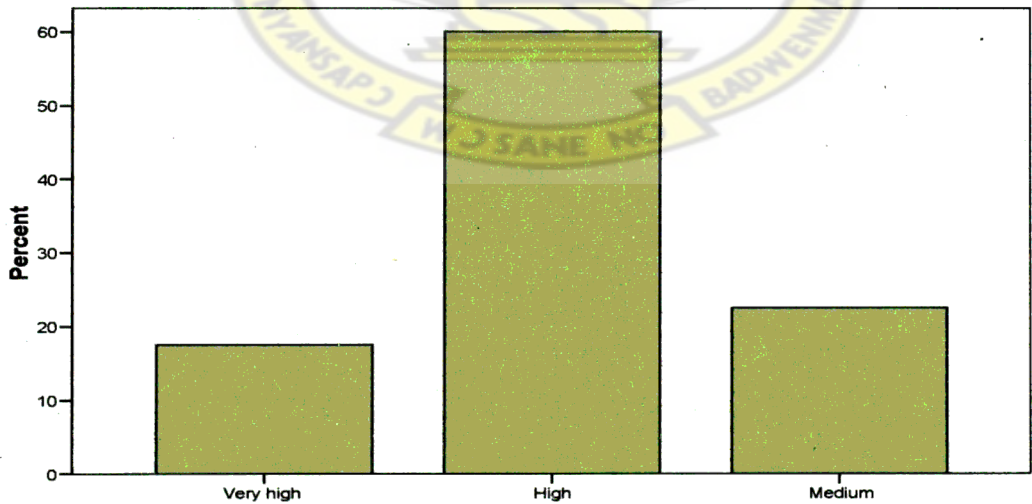


Fig.16 Source: Researcher’s own field work.

Furthermore, the level of efficiency in the application of the public procurement law in UEW was found to be good by 70% respondents, 10% stated it as excellent and 17.5% said it is reasonable. However, 2.5% said it is low as clearly shown in Appendix B.

More importantly, implementation of the act has helped to reduce corruption in the procurement activities based on the result that 60% agree, 17.5% strongly agree, 10% were undecided, 2.5% disagree and 10% strongly disagree as depicted Fig.17 below.

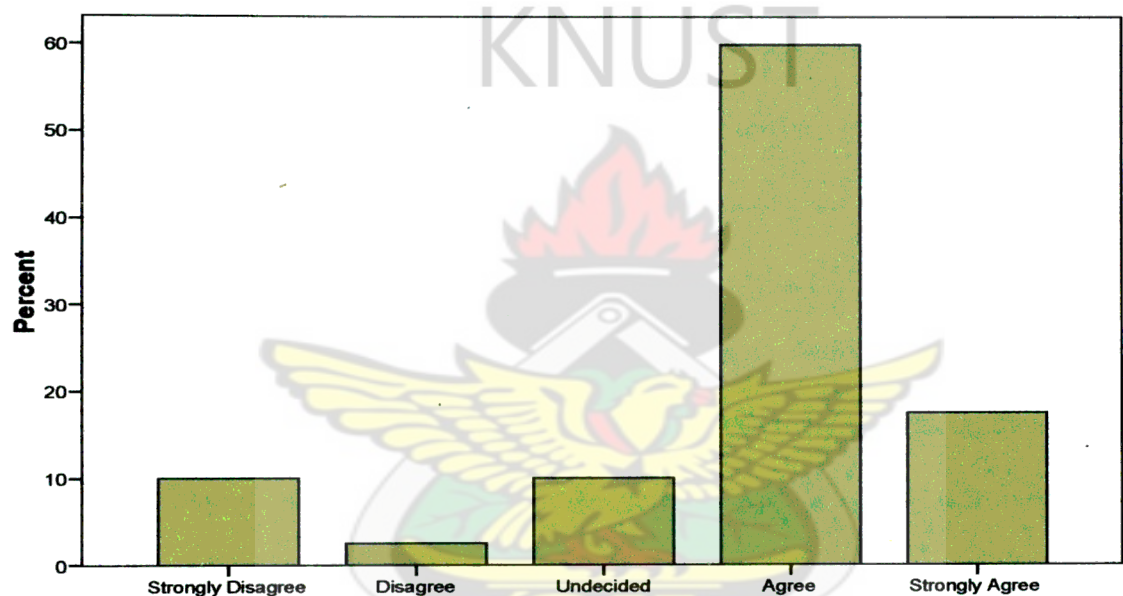


Fig.17 The implementation of the Act has helped to reduce corruption in UEW Procurement Operations

Source: Source: Researcher’s own field work.

CHAPTER 5

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction:

This is the final section of the study. First there would be summary of findings based on research questions and objectives. This would be followed by the conclusions and then recommendations.

The reason for the selection for this research topic is not only the public demand for transparency and efficiency in procurement system of our tertiary institution but also the various complaints about the current public procurement act by the concerned practicing contractors and administrators.

Again the choice of UEW for the study was not only based on the fact that it was the alma mater of the researcher for easy access to data collection but also its uniqueness of having five different campuses located in the country with a central administration controlling the procurement activities of each campus.

5.2 Summary of Findings

To investigate the background of the respondents, it was established that more males are into procurement operations than females and they need to be encouraged. The youth within 21-30 years are more into procurement activities and this is a good signal for the future growth of this discipline. Majority of staff in procurement operations are also in the senior staff management position and this indicates that procurement has a strategic importance in the management of the organization.

Again the enactment of the PPA has influenced most organizations to employ more personnel into procurement system than before, as they have become more concerned about procurement operations.

However, the organization lack enough qualified personnel and professionals to handle procurement operations as limited numbers hold postgraduate and professional certifications. It was also found out that most personnel in the procurement activities are the finance officers and auditors rather than strong procurement unit since the organization lack the requisite human resources which support the literature and the findings that most organizations have few professionally qualified staff for procurement. In an attempt to assess the level of adherence to the public procurement law, the response was affirmative and that the university has a structured procurement system guided by the act.

Again, UEW, like other tertiary institutions mostly awards contracts for goods, works or services/consultancies mostly through competitive tendering process. It was also established that this method mostly benefits UEW /clients / government as it save cost and prevent corruption. Also, contractors or suppliers benefit from the competitive tender; International Competitive Tender (ICT) or National Competitive Tender (NCT) as they are given fairly equal chance to compete.

However, Restricted Tendering and Single Source Procurement are used when items are of very technical nature and therefore rely on one supplier with experience and reputation.

It was again discovered that, this same method assures the entity of quality, time and cost and this creates value for money which supports the literature that it has a high level of transparency, competition and cost saving.

The institution mostly uses the Dailies (News paper) in the advertisement to make procurement opportunities known to the public through Invitation To Tender (ITT).

The studies also supported the National procurement Assessment report (2003) that “Ghana has a relatively large private sector (local and foreign) that it is responding adequately to public procurement business” and that it takes a fair share of the procurement business.

The investigation into the problems and challenges in the application of the PPA, the general impression of staff was that the implementation of the act has been smooth in UEW. However, the method applied which is competitive tendering process is mostly expensive and time consuming. This is because it involves a large number of potential suppliers and long bidding processes. Also, single source procurement and restricted tendering which is used for technical items or contracts are often subjected to official manipulation and lack fairness.

More so, it was confirmed that the key factors for the delays in procurement operations are long tendering process, lack of funds and the absence of evaluation panels. The interview also revealed that user departments do not start requisition process early. Irregular meeting of procurement entity boards and little education on the conditions of the current procurement Act 663 for staff are also major contributors.

Delays in getting approval for the contracts from Ministerial Tender Review Board (MTRB) and Committee Tender Review Board (CTRB) are also major causes.

The Assistant Registrar who is also in charge of the Division of operations in UEW when interviewed stated that as at August 5, 2009 no meeting has been held for ministerial approvals. It was agreed upon that when the above problems are addressed the delays would be curtailed.

The research revealed that disputes, though occur, are not frequent. The remedy to disputes is by the entity head mediation. However, mostly contractors are silent for fear of black listing.

Most contractors or suppliers usually adhere to contractual commencement and completion schedules. The others who do not comply attribute the cause to late release of funds and the factors enumerated above.

The main sources of funding for procurement operations are GET fund, Donor Funds, and Internally Generated Funds.

To investigate the impact of PPA on the management of procurement operations of UEW, it was established that the act has enhanced procurement operations and brought about good value for money. The achievement of implementation of the PPA was rated high by the staff. The efficiency level was also found to be good. Finally, the study revealed that the implementation of the act has help to reduce corruption in the procurement system.

5.3 Conclusion

Based on the research findings, the following conclusions can be drawn:

The introduction of the PPA has influenced organizations to be more sensitive and employed more personnel to manage procurement matters.

Ghana, like other developing countries, is now treating procurement as having a strategic importance. For instance, most of the procurement staff in UEW are Senior Officers. Hence, the treatment of procurement as a back office as the literature put it, is gradually changing due to the reforms taking place in developing countries.

Again, the law has helped procurement to be more transparent, efficient, cost saving and create higher value for money.

The implementation of the law has impacted positively as it has brought sanity into the procurement profession and reduces fraud, corruption, embezzlement of public funds and assured the entity of quality service.

The practitioners and stakeholders have become more aware of the merits and demerits of the methods of tendering. Competitive Tendering (NCT) or (ICT) is mostly used. This guarantees transparency, efficiency and cost saving. However, it is very expensive, time consuming and encourages bidders to falsify quotations by lowering prices in order to win contracts which finally lead to incompleteness of projects. Single Source Procurement and Selective Tendering are often used for technical items and emergency purposes even though these can be manipulated as they lack competition and fairness.

Currently practitioners of procurement in UEW have no professional and postgraduate certifications. However, procurement managers are now challenged to take courses to be more proficient and efficient. Hence the future of procurement looks brighter.

Finally, private sector participation in public procurement is found to be high and this has a turning effect on the growth of the sector, bring employment, increase government revenue as they pay tax and better the economy in general.

5.4 Recommendations

The main objective of the research work is to bring to the lamplight of stakeholders and policy makers, the need to effectively manage; plan, organize, execute and monitor procurement operations and correctly apply the PPA in their activities to ensure efficiency, transparency, accountability of public funds, minimize corruption and create value for money in the management of the limited public resources.

The following recommendations would be very useful in the management of tertiary institutions so far as procurement is concerned.

Firstly, the rules and regulations of the PPA should be strictly adhered to in the discharge of procurement duties by practitioners.

Secondly, competitive tendering should be mostly used to eliminate tenders or suppliers who lack the capacity to deliver quality products/ service on schedule.

Thirdly, contractors who have shown good records of performance should be given incentives for motivation in the form of negotiated jobs or periodically publicizing their names in electronic and print media. On the other hand, offending bidders should be black listed and sanction them not to participate in public procurement for a period of six (6) years.

Fourthly, the Public Procurement Authority should ensure that entities are catching up with their policies and Code of Ethics. Again, some components of the PPA 2003, (Act 663) should be reviewed. The threshold for contracts should be increased from GH¢5,000 to GH¢10,000 for goods and services and GH¢10,000 to GH¢100,000 for works by entity heads.

Furthermore, the composition of the tender boards should be revised. There should be regular meeting at MTRB and CTRB levels for at least once in two months to approve of requisitions for user departments.

Also, the procurement process should be automated by the use of ICT; (E- procurement). To fast track the entire process to be more transparent, efficient, time saving and eliminate human error and manipulations. Other clauses like the Lowest Evaluated Bidder to be awarded the contract should also be revised.

The implementation of the code of Ethics for procurement officials and contractors should be intensified to attract long term sentences to deter corrupt managers.

The right professionally certificated personnel should be employed and the procedure should be stated in the new act to be reformed. This would ensure the most qualified persons to take over the mantle of procurement management positions in institutions.

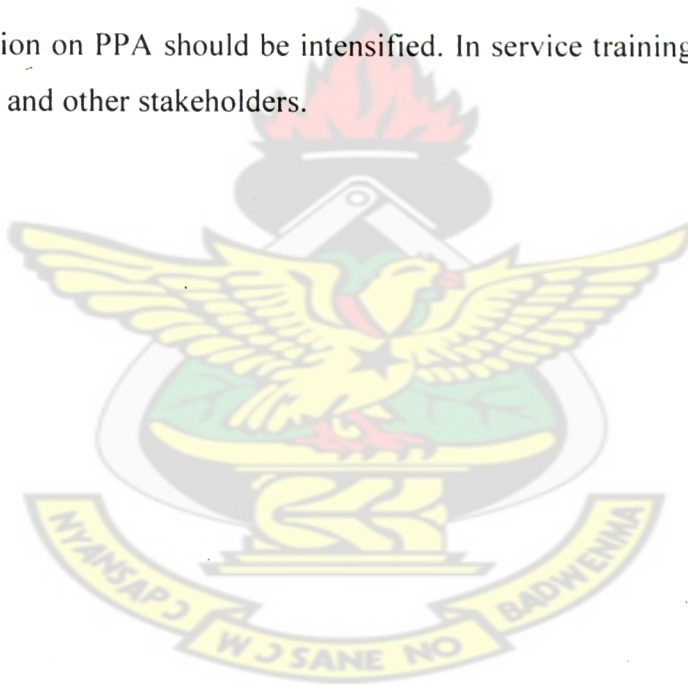
More so, user departments and faculties should put in their requisition process early to avoid the delay setbacks.

There should be Decentralization of the organizational procurement process on to faculty and college bases to make room for emergencies.

In the process of tendering the quality should not be compromised with cost. Specifications of items should include the brand names of the products.

Moreover, in the National Competitive Tendering (NCT), items should be categorized so that local contractors and suppliers would win some bids. The tendering process should be categorized for local suppliers to obtain jobs.

Finally, the education on PPA should be intensified. In service training should be given to the practitioners and other stakeholders.



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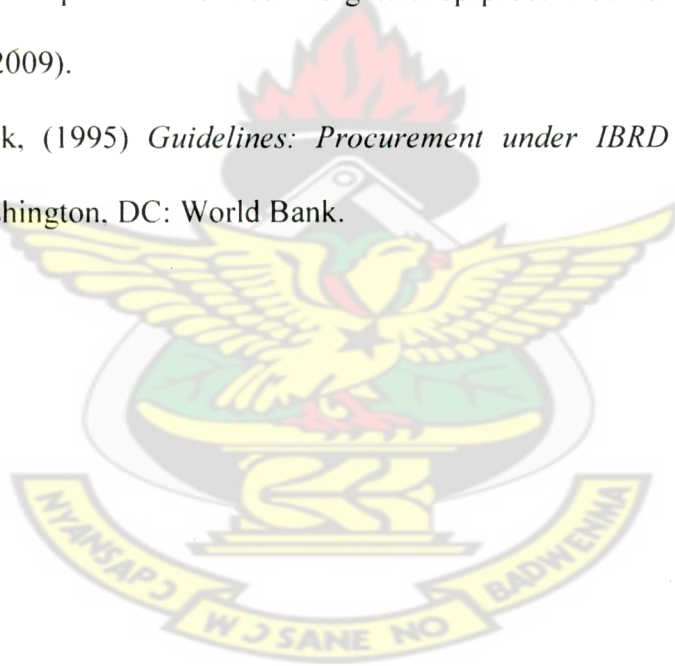
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APPENDIX A

QUESTIONNAIRE

This questionnaire is meant for a research work for the award of Masters of Business Administration (MBA) degree in Kwame Nkrumah University of Science and Technology (KNUST). You were selected from a sample to constitute respondents for the project intended to improve upon public procurement in higher educational institution (UEW) in Ghana. The exercise is for academic purpose only. You are assured of a high level of confidentiality for your responses, suggestions and contributions. Please tick the ☒ appropriate box only once per question to make this research a success.

TITLE: ASSESSING THE EFFECTIVENESS OF THE PUBLIC PROCUREMENT ACT ON THE MANAGEMENT OF PROCUREMENT OPERATIONS OF UNIVERSITY OF EDUCATION, WINNEBA (UEW)

A: BACKGROUND OF RESPONDENTS

Name (optional): Date:

Occupation: Organization:

1. Sex: Male ☐ Female ☐
2. Age: Below 20years ☐ 20 – 30 ☐ 31 – 40 ☐
41 – 50 ☐ above 50years ☐
3. Position: Senior member (Administration) ☐ Senior member (Academic) ☐
Senior Staff ☐ Junior Staff ☐ Others [specify].....
4. How many years have you worked in the university?
1-5 ☐ 6-10 ☐ 11-15 ☐ 16- ☐ Above 20 ☐
5. What is your educational background?
Postgraduate ☐ Degree ☐ Diploma ☐ A' level/SSSCE/O'Level ☐
others [specify].....

6. What procurement or procurement related activity are you involved in?
- Procurement officer ☐ Finance officer ☐ Audit ☐
 Procurement planning team ☐ Others [specify].....
7. What professional certification do you hold in your respective area in UEW?
- CIPS ☐ CILT ☐ Quantity Surveyor ☐ None of the above ☐
 others[specify].....

B: LEVEL OF ADHERENCE TO THE PUBLIC PROCUREMENT LAW

8. UEW has a high level of adherence to the public procurement law in its activity.
- Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐
 Strongly Agree ☐
9. UEW has a structured procurement department.
- Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐
 Strongly Agree ☐
10. What types of contracts are mostly awarded by the UEW?
- Goods ☐ Works ☐ Services ☐ Goods & Works ☐
 Goods & services ☐ Works & services ☐ All of the above ☐
 None of the above ☐ others [specify]
11. Which of the following procurement method(s) is/are you very familiar with?
- Competitive Tendering ☐ Restricted Tendering ☐
 Single source procurement ☐
 Competitive and Restricted Tendering ☐
 Competitive and single source procurement ☐
 Restricted Tendering and Single source procurement ☐

All of the above ☐ None of the above ☐

12. Which type(s) of procurement method(s) is/are mostly used by the university?

Competitive Tendering ☐ Restricted Tendering ☐

Single source procurement

Competitive and Restricted Tendering ☐

Competitive and single source procurement ☐

Restricted Tendering and Single source procurement ☐

All of the above ☐ None of the above ☐

13. Which of them mostly benefits the UEW/ Clients/ Government?

Competitive Tendering ☐ Restricted Tendering ☐

Single source procurement ☐

Competitive and Restricted Tendering ☐

Competitive and single source procurement ☐

Restricted Tendering and Single source procurement ☐

All of the above ☐ None of the above ☐

14. Which of the methods mostly benefits suppliers/contractors?

Competitive Tendering ☐ Restricted Tendering ☐

Single source procurement ☐

Competitive and Restricted Tendering ☐

Competitive and single source procurement ☐

Restricted Tendering and Single source procurement ☐

All of the above ☐ None of the above ☐

15. Which of these in your opinion mostly assures the entity of quality, time and cost?

Competitive Tendering ☐ Restricted Tendering ☐

Single source procurement ☐

Competitive and Restricted Tendering ☐

Competitive and single source procurement ☐

Restricted Tendering and Single source procurement ☐

All of the above ☐ None of the above ☐

16. How does the public get to know procurement opportunity in the university?

Advertisement ☐ Insiders ☐ Friends ☐ others ☐

17. UEW advertises Invitation to Tenders (ITT).

Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐

Strongly Agree ☐

18. What is/are the medium(s) most used in the (ITT)?

Television (TV) ☐ Radio ☐ Dailies ☐ TV & Radio ☐

TV & Dailies ☐ Radio & Dailies ☐ Insiders ☐ Friends ☐

19. What is the level of private sector participation in procurement activity?

Very high ☐ High ☐ Satisfactory ☐ Poor ☐ No participation ☐

20. How good is the record keeping of procurement activities in UEW?

Excellent ☐ Good ☐ Satisfactory ☐ Poor ☐

C. PROBLEMS AND CHALLENGES IN THE APPLICATION OF THE PUBLIC PROCUREMENT ACT.

21. The implementation of the public procurement Act 2003, Act 663 has not been smooth in UEW.

Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐

Strongly Agree ☐

22. Which of the following procurement methods in your opinion is most expensive?

- Competitive Tendering ☐ Restricted Tendering ☐
 Single source procurement ☐
 Competitive and Restricted Tendering ☐
 Competitive and single source procurement ☐
 Restricted Tendering and Single source procurement ☐

23. Which of the methods do you think could be mostly subjected to official manipulation?

- Competitive Tendering ☐ Restricted Tendering ☐
 Single source procurement ☐
 Competitive and Restricted Tendering ☐
 Competitive Tendering and Single Source Procurement ☐
 Restricted Tendering and Single source procurement ☐

24. What is the main cause of delays in procurement operations?

- Lack of funds ☐ long tendering processes ☐
 Absence of entity head ☐ Absence of evaluation panel ☐
 All of the above ☐ None of the above ☐

25. What is the best strategic action that can be taken to avoid the delays?

- Prompt release of funds ☐ Shortening of Tendering processes ☐
 Presence of entity head ☐ Presence of evaluation panel ☐
 Others [specify].....

26. What was the frequency of disputes that occurred last year, 2008?

- Weekly ☐ Monthly ☐ Quarterly ☐ twice a year ☐ once a year ☐

27. What was the best remedy that was applied in the conflict resolution situation?

- Public Procurement Board (PPB) ☐ Entity head mediation ☐

PPB & the Entity head mediation ☐

Contractors were silent for fear of blacklisting ☐

No mediation ☐ others specify

28. UEW suppliers usually adhere to contractual commencement schedules?

Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐

Strongly Agree ☐

29. UEW suppliers usually adhere to contractual completion schedules?

Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐

Strongly Agree ☐

30. What types of contracts are usually entered into by the university?

Goods ☐ Works ☐ Services ☐ Goods & Works ☐

Goods & services ☐ Works & services ☐ others [specify]

31. Who certifies the contracts for goods, works or services?

The Entity head ☐ The Procurement officer ☐ The Finance officer ☐

Works engineer ☐ The Coordinating director ☐ others [specify].....

32. What are the sources of funding for procurement operations in the university?

GET fund ☐ Donor funds ☐ internally generated fund ☐

Others [specify]

33. The final payment for suppliers of goods, works or services are usually not made promptly but delays.

Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐ Strongly ☐

Agree ☐

34. In your opinion what do you consider to be the main challenges facing the implementation of the public procurement Act?

**D: THE IMPACT OF THE PUBLIC PROCUREMENT ACT ON
THE MANAGEMENT OF THE PROCUREMENT OPERATIONS**

35. The implementation of the public procurement Act 2003, (Act 663) has enhanced procurement operations and brought about good value for money in UEW.

Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐
Strongly Agree ☐

36. How do you rate the achievement of the implementation of the PPA in the management of the procurement operations of your organization?

Very high ☐ High ☐ Medium ☐ Low ☐ Negligible ☐

37. What is the level of efficiency in the application of Public Procurement Law in UEW?

Excellent ☐ Good ☐ Reasonable ☐ Low ☐ Awful ☐

38. The implementation of the Act has helped to reduce corruption in UEW Procurement activities.

Strongly Disagree ☐ Disagree ☐ Undecided ☐ Agree ☐ Strongly Agree ☐

39. In your opinion what are some of the main achievement(s) of the implementation of the PPA?

.....
.....

40. Any other suggestion(s) to improve upon the application of procurement operations in your organization?

.....
.....

APPENDIX B

What is your educational background?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Postgraduate Degree	9	22.5	23.1	23.1
		13	32.5	33.3	56.4
	Diploma A' level/SSSCE/O'Level	13	32.5	33.3	89.7
	MSLC	2	5.0	5.1	94.9
	ICA Part 2	1	2.5	2.6	97.4
	Total	39	97.5	100.0	100.0
Missing	System	1	2.5		
Total		40	100.0		

Table1 educational background of respondents

Source: Researcher's Field Work

Table 2

What professional certification do you hold in your respective area in UEW?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	CIPS	1	2.5	2.9	2.9
	CILT	1	2.5	2.9	5.7
	None of the above	27	67.5	77.1	82.9
	GhIE and CIOB	1	2.5	2.9	85.7
	HRD	2	5.0	5.7	91.4
	ICA GH Part 2	1	2.5	2.9	94.3
	ACCA	2	5.0	5.7	100.0
	Total	35	87.5	100.0	
Missing	System	5	12.5		
Total		40	100.0		

professional certification of respondents

Source: Researcher's Field Work

Table 3

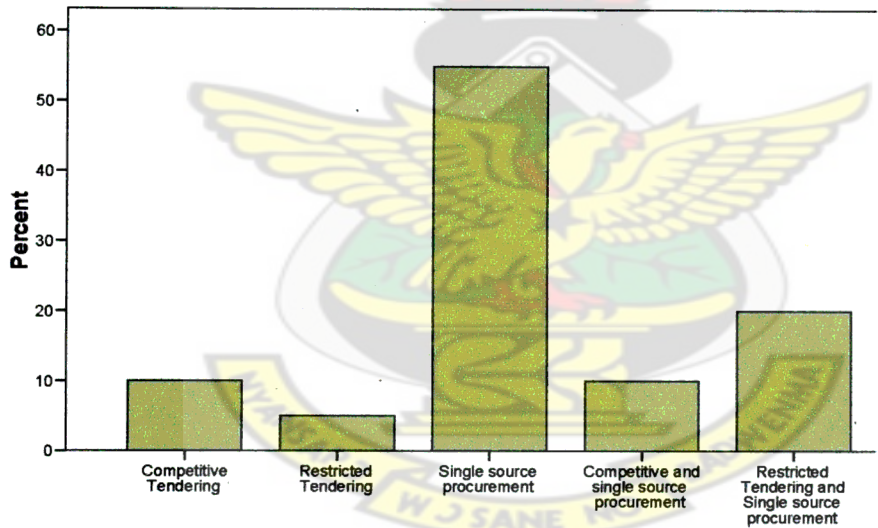
What is/are the medium(s) most used in the (ITT).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Radio	2	5.0	5.0	5.0
	Dailies	32	80.0	80.0	85.0
	TV and Radio	2	5.0	5.0	90.0
	TV and Dailies	2	5.0	5.0	95.0
	Radio and Dailies	2	5.0	5.0	100.0
	Total	40	100.0	100.0	

Modes of advertisement

Source: Researcher’s Field Work

Which of the methods do you think could be mostly subjected to official manipulation?



Feg.1 Procurement methods mostly subjected to official manipulation

Source: Researcher’s Field Work

What is the level of efficiency in the application of public procurement?

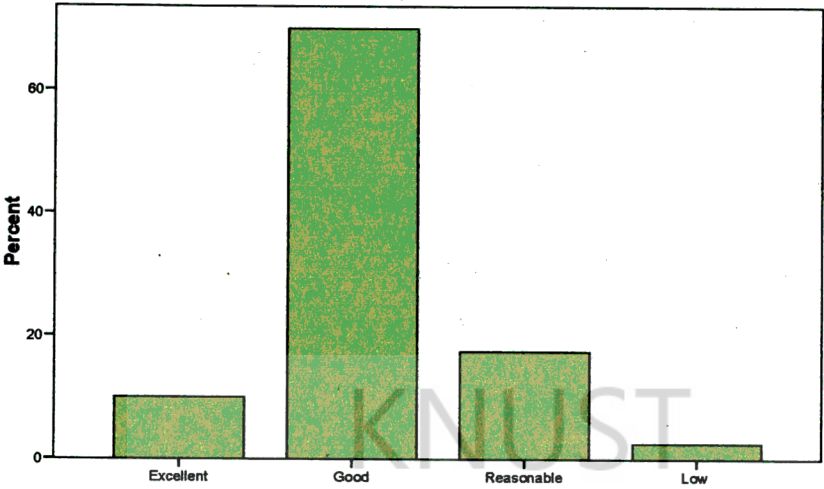


Fig.2 Level of efficiency in the application of public procurement law in UEW

Source: Researcher’s Field Work

