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**FACTORS INFLUENCING THE USE OF NATIONAL COMPETITIVE  
TENDERING METHOD FOR PROCUREMENT OF WORKS: THE CASE OF  
SEKYERE SOUTH DISTRICT ASSEMBLY**

**BY**

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THE AWARD OF A DEGREE OF MASTER OF SCIENCE PROCUREMENT  
MANAGEMENT**

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**DECLARATION**

I hereby declare that this submission is my own work towards the award of master of science in procurement management and that, to the best of my knowledge, it contains no material previously published by another person, nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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## **ABSTRACT**

The Central Government in its quest to mitigate infrastructure development deficits in the country has mandated District Assemblies to carry out construction works. The Public Procurement Act, 2003 ( Act 663), was therefore passed to harmonise public procurement processes in the public service, secure judicious, economic and efficient use of state resources, and furthermore, ensure that public procurement is fair, transparent and non-discriminatory manner while promoting a competitive Local

industry. However in reality this rarely occurs for various reasons. Hence, the study was to examine factors that influence the use of national competitive tendering method for procurement of works focusing on the case of Sekyere South District Assembly with the view to identify strategies to improve upon it. Descriptive research design was employed. While quantitative approach was adopted. Purposive sampling technique was used with a sample size of 20. The questionnaire technique was employed as the research instrument for the study. Among the findings, the researcher identified controls of competition, non compliance with provisions of the law, payment difficulties and delays, political influences and interference with duties of procurement officials. The study recommends among others, an independent Procurement Unit, procurement decision-making by trained professionals, sensitization and training stakeholders, reliable and adequate funding for projects, routine checks on procurement process, decentralize PPA and minimize political influence.

Keywords: infrastructure development, construction works, public procurement processes, national competitive tendering

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## LIST OF ABBREVIATIONS

(ACP)	Africa, Caribbean and Pacific
(ADB)	Africa Development Bank
(AESL)	Architectural Engineering Service Limited
(CHRAJ)	Commission for Human Right and Administrative Justice
(DCE)	District Chief Executive
(DPCU)	District Planning Co-ordinating Unit
(e-GP)	e-Ghana Procurement
(GDP)	Gross Domestic Product
(GNPA)	Ghana National Procurement Agency
(GSCL)	Ghana Supply Company Limited

(GSS)	Ghana Statistical Service
(ICT)	International Competitive Tendering
(MDAs)	Ministries, Departments and Agencies
(MEAT)	Most Economically Advantageous Tender
(MMDAs)	Metropolitan, Municipal and District Assemblies
(NCT)	National Competitive Tendering
(NPA)	National Procurement Agency
(OECD)	Organisation for Economic Co-operation and Development
(PPA)	Public Procurement Authority
(PUMARP)	Public Financial Management Reform Programme
(RCC)	Regional Coordinating Council
(RFQ)	Request for Quotation
(SFO)	Serious Fraud Office
(SPSS)	Statistical Package for Social Science
(STDs)	Standard Tender Documents
(TOR)	Terms of Reference
(UNCITRAL)	United Nations on International Trade Law
(USAID)	United State Agency for International Development
(VFM)	Value for Money

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# **CHAPTER ONE**

## **GENERAL INTRODUCTION**

### **1.1 Overview**

This first chapter contains the introductory aspect that provides an overview of the whole research work. Thus, it begins with the background leading to the study, problem of statement, and comes out with main aim and specific objectives. It then delves into the research questions, significance of the study and narrow down to the scope of the study, the research methodology and stops at Organization of the Study.

### **1.2 Background**

Of late, several multinational business organizations especially, construction firms are relocating to the less developed world where there are a lot of markets opportunities for the construction industry (Wooldridge, 2010). This is because such economies are mainly developing and lack major infrastructure development. There is therefore a lot of demand for all types of construction work (Jaselskis and Talukhaba, 1998). Invariably, many of these developing economies have incentive packages that are intended to attract direct foreign investment into their respective countries by giving foreign firms tax reliefs. In Ghana for instance, the Free Zones Act, 1995 was enacted purposely to provide incentives such as tax concessions to businesses granted licences under the Act.

In developing countries, corruption has often been viewed as a major problem (Olken, 2009; Olken 2007). That notwithstanding, corruption may also be seen as an opportunity for those companies/businesses who have what it takes to bribe government officials in order to win projects. In 2000, for instance the company now known as Aon



Ltd. was censured and fined £300,000 (US \$435,000) by Lloyd's Disciplinary Board in relation to payments, including to government officials, in

Ghana, Nigeria and the Philippines in the 1990's (Transparency International 2009 report p.71). The UK Serious Fraud Office in 2009 exposed Mabey and Johnson Ltd, a British construction firm, for overseas corruption practices in Ghana, Jamaica, Bangladesh, Mozambique, Angola and Madagascar.

The firm was fined £6.6 million by the Crown Court judge Lord Rivlin. Reparations are also to be paid by the company to the governments of Jamaica and Ghana (<http://www.sfo.gov.uk/>). In Ghana, a contractor, supplier or consultant may win a contract to provide work, goods or services in a new project in one of two ways: by direct negotiation with a client or his representatives, or by competitive bidding/tendering. This study is concerned with the competitive bidding as a method of procurement in the district Assemblies of Ghana. Since there are so many small and medium local contractors to compete with in the market, the environment has become very difficult to secure potentially-lucrative contracts in Ghana.

Competitive Tendering is an effective contracting method to achieve favorable outcomes for both public and private entities (Smita *et al.*, 2012). A transparent and competitive procurement system in the public sector is therefore a key feature to achieving sustainable economic development and more prosperous societies in Africa (World Bank, 2013).

Ghana in particular, public procurement remains as a big part of the national economy, accounting for an estimated twenty-four percent (24%) of national domestic imports, absorbs between fifty percent (50%) and seventy percent (70%) of the national budget and about fourteen percent (14%) of Gross Domestic Product (World Bank, 2003)



whereas the case of most developed countries, procurement accounts for approximately 9-13% of their GDP (WTO, 2001; Trionfetti, 2003).

In view of this, public procurement by competitive tendering method is an important part of the Government of Ghana policies to encourage competition in local construction industries previously dominated by foreign companies. Thus, the promulgation of the Public Procurement Act, 2003 (Act 663), was designed primarily to serve as a comprehensive legislation intended to eliminate the bottlenecks and other organizational weaknesses which were part and parcel of public procurement in Ghana. The main purpose of Act 663 was to bring about increased competition among several potential bidders in order to reduce public expenditure, thereby preventing monopolistic tendencies within the public service (Public Act, 2003 Act 663).

However in recent years, the appearance of very low bids has become an issue in several MMDAs in Ghana. For instance, at the District Tender Review Board meeting held in 2014 at the conference hall of the Bosomtwe District Assembly, Kuntanase in Ashanti Region, the Chairman questioned why an average of three (3) to four (4) bidders tendered for projects to be approved for award of contracts through National Competitive Tender. Again, a procurement audit carried out in the Sekyere South District Assembly in the Ashanti by the USAID office in Ghana, May 2015 indicated that an average of three (3) tenders were received for evaluation purposes for projects awarded on contract from 2011 to 2014 (exit conference 2015).

One is quick to draw conclusion that there is scope for reform in the national competitive tendering policies in the MMDAs in Ghana concerning small and medium local contractors participating in local tenders. It was against this background that the researcher sought to identify factors militating against the choice of national

competitive tendering method that often occur in procurement of works contracts in Ghana with the view to suggesting ways to improve the competitiveness of the procurement process.

### **1.3 Problem Statement**

The type of procurement method explored plays an important role for the MMDAs in selecting competent contractors to achieve their mandate. Ajayi (2010) stated that, contractor's selection is crucial decision that needs to be thoughtfully taken by a client and his representative, so as to ensure that projects are carried out within cost, expected time period and the required quality standard. The essence of public procurement is to ensure fair competition, transparent and equal treatment to all bidders as well as judicious use of state resources (Public Procurement Act, 2003 Act 663).

Many studies conducted in the past point to competition as a single factor more crucial than any other for the achievement of best value for money in public procurement.

Despite the use of National Competitive Tendering Method for procurement of works by the District Assemblies in order to ensure, especially local contractor participation in procurement proceedings, only a few contractors submit tenders to be evaluated for award of contracts. This unfortunate situation might have been brought about by inappropriate use of the method that lead to no competition thereby depriving beneficial of (value for money) which is not being achieved in both government and donor financed procurement. This study therefore, seeks to identify factors that militate against the effective and efficient implementation of the national competitive tendering method for work by the MMDAs in Ghana by reviewing the entire process in the Ghanaian context.

## **1.4 Research Questions**

To guide the study to achieve the set objectives, the following research questions were formulated.

1. What are the factors that affect the use of national competitive tendering method in procuring works at Sekyere South District Assembly?
2. What effects do ineffective use of national competitive tendering method for works have on the scarce resources of the district and the nation as a whole?

## **1.5 Aim and objectives**

### **1.5.1 Aim**

The main aim of the study was to examine factors influencing the use of national competitive tendering method for procurement of works focusing on the case of Sekyere South District Assembly.

### **1.5.2 Objectives**

To aid the achievement of the aim, the following specific objectives were propounded:

1. To identify factors influencing the use of national competitive tendering method for procurement of works by Sekyere South District Assembly
2. To identify strategies to improve the use of the national competitive tendering method for procuring works at the Assembly

## **1.6 Significance of the Study**

The findings of this research work is intended to provide a case study and make generalization for other District Assemblies in Ghana which have similar difficulties in attracting the expected maximum competition among contractors through the national

competitive tendering method. The study would reveal the inefficiencies in the use of national competitive tendering method for the procurement of works among MMDAs and suggest ways of minimizing them. This will encourage many small and medium contractors to actively participate in tendering processes for works in their own communities, culminating in the achievement of value for money.

Furthermore, it will be used to serve for academic purposes such that students can conduct further research on related topic. Finally, the study will provide an in-depth knowledge in the application of national competitive tendering method that will promote competition and achieve the principle of value for money in procurement. It will ensure a total development in all part of the country if the findings and recommendations are applied by all District Assemblies.

### **1.7 Research Methodology**

The study shall be carried out by an initial review of related literatures in order to develop an in-depth understanding of competitive method of tendering for procurement.

Information for the research work will be obtained from both primary and secondary sources. As Saunders et al (2007) explained that primary data is collected when a particular purpose arises while secondary data are already collected data which has been published and for which new researchers can rely on as a source of information. However, the researcher decides to use both primary and secondary data for the study, being a single case study that needs valid resources in order to produce a trustworthy research.

Hagget (1977) stated that a case study is an empirical enquiry that allows for an investigation of dynamics of a particular system. Thus, a case study approach will be



employed to investigate the performance of Sekyere South District Assembly on the Competitive method of tendering. The primary data will be obtained from interviews to be conducted in Sekyere South District Assembly. While the secondary data will be obtained from the Assembler's archrivals and literature search mostly on the internet. Detailed methodology to be adopted for the work will be described in chapter 3.

### **1.8 Scope of the Study**

The study ought to be conducted at all Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana; however, due to time constrained the researcher focused on Sekyere South District Assembly in the Ashanti Region. The Sekyere South District Assembly was selected mainly because an audit exercise conducted in May, 2015 indicated that an average of three (3) tenders were received for each project procured through national competitive tendering method between 2011 and 2014. More so is the fact that as a staff of the Assembly proximity for easy accessibility of data to the study would be an added advantage. It was therefore appropriate to conduct this research into the recommended procurement method by the Public Procurement Act 2003, (Act 663) of the Republic of Ghana, which is undertaken by the assembly to establish if it conforms to the law and best practices.

### **1.9 Thesis Organization**

This section of the introduction tried to put together the various major components of the thesis. . The first chapter contained the preview of the research work. It began with occurrences that led to the study, problem of statement, and research objectives. It then delved into the research questions, significance of the study and narrowed down to the scope of the study, the research methodology and stopped at the references.



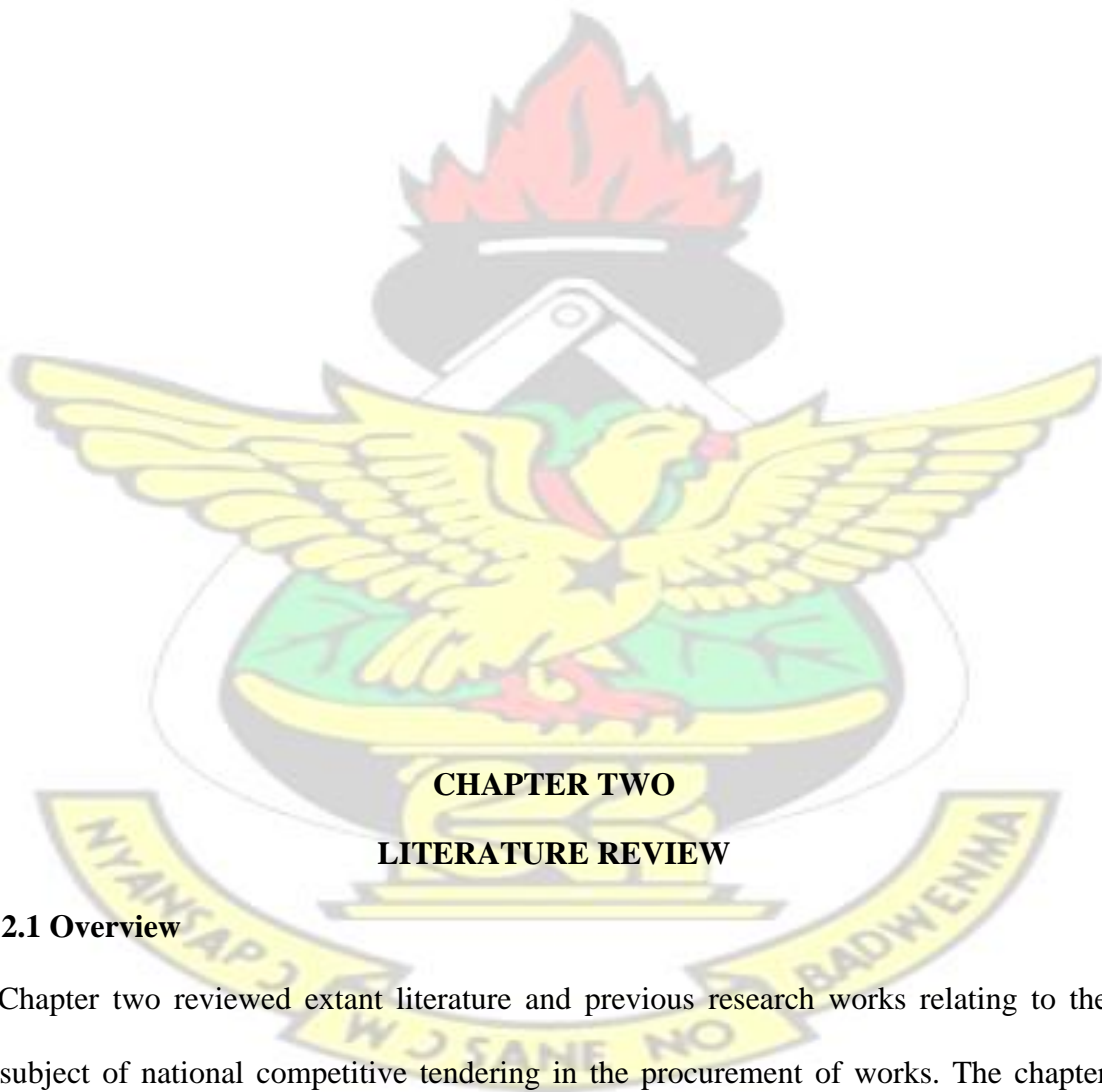
Chapter two reviewed extant literature and previous research works relating to the subject of national competitive tendering in the procurement of works. The chapter presented an overview of procurement pertaining to in the public sector and correlated it to procurement practices in other countries and narrowed down to procurement in Ghana. The study reviewed procurement methods and practices, national competitive tendering methods, factors influencing the use of national competitive tendering methods and strategies to improve on the use of national competitive tendering methods.

Chapter Three reviewed the methods used in collecting, analyzing and presenting data. The study reviewed such sections as study area, research design, sources of data collection, research population and sample, sampling techniques, data collection instrumentation, pilot testing of collection instrument, ethical considerations and data analysis techniques employed in the study.

Chapter Four analyzed the data collected and discussions of the study. The chapter gave a detailed presentation of the collated data, analysis of the data and a discussion of the findings. The presentation of data is divided into two sections, the demographic characteristics of respondents and the presentation of the main findings. Factor analysis, correlation and regression analysis were employed to analyze data.

Chapter Five presented a summary of the research findings, itemizing all the findings made under the various research objectives and making recommendation based on the findings obtained. The conclusion assessed how the study related to extant literature and previous studies and how the findings would benefit stakeholders.

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## **CHAPTER TWO** **LITERATURE REVIEW**

### **2.1 Overview**

Chapter two reviewed extant literature and previous research works relating to the subject of national competitive tendering in the procurement of works. The chapter presented an overview of Public Procurement and correlated it to procurement practices in other countries and narrowed down to Procurement in Ghana. The study reviewed Methods used in Procurement; National Competitive Tendering Method of

procurement; Factors influencing the use of National Competitive Tendering method and strategies to improve on the use of National Competitive Tendering Methods.

## **2.2 Overview of Public Procurement**

The obligation under which government administrations delivers goods and infrastructure to its people gave birth to Public procurement, for example roads and harbours and services, health care and education to the population of a country or a specific geographic region, city or town (Odhiamb and Kamau, 2003). Public procurement involves the aspect of government activity that sees to the purchasing of goods and services as part of performing its functions (Arrowsmith, 2010). Odhiambo and Kamau (2003) broadly defined public procurement as the purchasing, hiring or obtaining by any contractual means, goods, construction works and services by the public sector. It includes the use of resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid and revenue received from the economic activity of state to purchases commodities and contracting of construction works and services.

According to Hommen and Rolfstam (2009), public procurement is „the acquisition either by buying or purchasing of goods and services by government or public organizations“. Arrowsmith (2010) contends that the concept of public procurement can be referred to as procurement planning, contract placement and contract administration.

From the above assertions, public procurement can be defined as the function whereby public sector organizations, by this study District Assemblies in Ghana, acquire goods, services, development and construction of projects from suppliers in the local and international market, subject to the general principles of fairness, equitability, transparency, competitiveness and cost-effectiveness as prescribed by a procurement law. It includes many activities that support the service delivery of government entities,

ranging from routine items to complex development and construction of projects. It also directly or indirectly supports government's social and political aims.

Besides the fiduciary obligation to deliver goods and services to the constituents of the particular government administration, public procurement addresses a wide range of objectives (Uyarra and Flanagan, 2009). It has been used by governments to achieve socio-economic objectives such as stimulating economic activity; protecting national industries from foreign competition; improving the competitiveness of certain industrial sectors; and remedying national disparities (Shaw, 2010). The objectives of public procurement are achieved through various means, and legal and regulatory rules on conducting public procurement (Arrowsmith, 2010).

Public procurement is the sheer volume of funds channeled through government procurement and is the largest single buyer in most countries (De Lange, 2011). The size of public procurement varies between 5% and 8% of the gross domestic product (GDP) in most industrialized countries (Falvey, 2012).

In the Middle East and Africa, central government purchases range from 9% to 13% (Gul, 2010). This indicates that public procurement plays a vital role in a country (Odhiambo and Kamau, 2003). Public procurement has important economic and political implications, and ensuring that the process is economical and efficient and crucial. This requires that the whole procurement process should be well understood by the actors: government, the procuring entities and the business community/suppliers and other stakeholders, including professional associations, academic entities and the general public (Odhiambo and Kamau, 2003).

Public procurement is increasingly recognized as a profession that plays a key role in the successful management of public resources, and a number of countries have become increasingly aware of the significance of procurement as an area vulnerable to



mismanagement and corruption and have thus made an effort to integrate procurement into a more strategic view of government efforts. As part of the efforts to adopt a long term and strategic view of their procurement needs and management, most countries have resorted to using their annual procurement plans as a possible problem solver (Mahmood, 2010)

### **2.2.1 Public Procurement in Other Countries**

Hanja (2003) maintains that in many developing countries, public procurement is considered not have had strategic impact in the management of public resources. It was presumed to be a process-oriented, function often implemented by non-professional staff of the buying agencies. As a result, little effort was made to ensure that the policies and rules and the institutional framework governing the procurement system were maintained in a manner that ensured public funds were used in the most efficient and economical way to deliver the best value for money.

Hunja (2003) however, indicated that this has been changing and it is due to reasons such as shrinking budgets, the need to fight corruption, and need to achieve good governance by increasing confidence in citizens that public funds are well spent.

McDonald (2008) indicated that, the rules guiding government purchasing and contracting need to be accountable and transparent. This does not only limit corruption but contributes to a more accountable relationship between government and citizens. It is also important because of the huge sums involved. Furthermore, government procurement accounts for approximately 4.5% of developing countries' gross domestic product (GDP) and governments tend to be the largest single consumers of goods and services in most countries. A government use of purchasing can thus be a very significant tool to achieve socio-economic objectives. If procurement reform is done



accountably, with a view to achieving both cost effectiveness and broader development goals, it can play a powerful role in poverty reduction (McDonald, 2008).

Public procurement has been identified as the government activity most vulnerable to corruption. As a major interface between the public and the private sectors, public procurement provides multiple opportunities for both public and private actors to divert public funds for private gain. For example, according to the 2005 Executive Opinion Survey of the World Economic Forum, bribery by international firms in Organization for Economic and Development (OECD) countries is more pervasive in public procurement than in utilities, taxation and judiciary (OECD, 2007). Furthermore, Falvey et al. (2007) stipulated that developing countries are characterized by relatively low levels of competition and have limited or no formal competition policy.

Even though government procurement accounts for a significant share of public spending, the procedures for awarding and monitoring contracts lack transparency. Therefore measures need to be put in place to promote and/or regulate competition and to make procurement more transparent in order to offer potential benefits in enhancing the competitiveness and efficiency of the business environment. Falvey et al. (2007) have also indicated that the two features that render developing countries prone to anti-competitive business practices is the small or very small number of firms which tends to dominate many sectors because of small markets that can only sustain a few large firms, with relatively weak institutional framework. Singh (2002) also argued that it is important for developing countries to establish formal competition policies, primarily because of structural changes due to privatization and deregulation.

Many developed and developing countries have undertaken reforms of their national procurement systems aimed at ensuring that public funds are used in the most efficient

and economical way and that the system delivers value for money. Increasingly, it is argued that governments recognize the (financial) savings from a better organized and transparent procurement system (Hunja, 2003). The main objectives of the public procurement reforms are value for money, efficiency, transparency, probity and accountability (Arrowsmith, 2005). A related issue is opening up of the procurement market to foreign competition, where agreements have been reached at both the regional and international levels. The rationale behind opening up public procurement is that protectionist measures in public procurement can constitute barriers to trade (and competition) that promote costly inefficiencies (Cecchini 1992). It is therefore important for governments to open up procurement to international competition since competitive procurement practices promote efficiency in public spending and helps public authorities acquire cheaper, better quality goods and services at lower costs (Falvey et al., 2007).

European Commission (2004) suggested that enhanced competition and transparency reduce prices by around 30%. Open, non-discriminatory and transparent procedures can also help boost the competitiveness of firms operating in public procurement markets (The Cecchini Report 1988).

However, when considering the size of contestable procurement in developing countries one has to take into account that a considerable part of procurement in Africa, Caribbean and Pacific (ACP) States which is financed through aid and very often tied to the procurement of goods and services from the donor country that is, irrespective of the Government's own policy, procurement is not open) (Falvey et al. 2007). In developing countries such as Sri Lanka more control of public procurement is placed in the hands of bureaucracy. The Ministries and Government Departments are responsible for meeting the requirement of the government and are given more power to deal with the

finances though they usually remain closely controlled by central audit unit operated by the Ministry of Finance and Auditors (Arrowsmith and Davis, 1998). However, Raymond (2008) indicated that such power or control is often misused by the politicians thereby bringing about disastrous consequences for the country.

### **2.2.2 Public Procurement in Ghana**

Prior to the passage of the Public Procurement Act, 2003 (Act 663), bodies such as Ghana National Procurement Agency (GNPA) and Ghana Supply Company Limited (GSCL) were the main agents that procured all public goods for the government since there was no comprehensive procurement guidance ( Verhage et al., 2002; Anvuur et al., 2006). These bodies did not regulate procurement but purchased goods and services on behalf of public entities.

The following were some of the problems that were identified in the GNPA and GSCL:

1. There was no comprehensive public procurement policy
2. There was no comprehensive legal regime to protect and safeguard public procurement
3. No central body with technical expertise to oversee / regulate sound procurement practice
4. Absence of distinction of roles, responsibility and authority of the procurement entities.
5. There was no independent procurement auditing and monitoring function
6. There was no authority to dispose off public assets
7. Lack independent appeals process to address complaints from aggrieved tenderers

8. Absence of rules and regulations to guide, direct, train and monitor procurement.
9. National Procurement Agency (NPA) and Supply Company Ltd procure on behalf of government for public procurement entities

Based on the problems identified above, some ministries such as the Ministry of Health (MOH) decided to implement their own procurement system. In addition to the GNPA and GSCL, the World Bank Procurement Guidelines were also used for World Bank Projects (World Bank, 1995/1997). Traditional methods of procurement used for public works with provisions for compulsory registration and classification of suppliers and contractors administered by the Ministry of Water Resources, Works and Housing were too general and outdated and their registration criterion.

Contractor's lists and monetary thresholds were not regularly rationalized as indicated by the World Bank (1996) and Eyiah et al. (2003).

Major and or complex contracts that were financed by the government through Architectural Consultancy Service and project supervision were assigned to the Architectural Engineering Service Limited (AESL) on single basis without recourse to fair competition (World Bank, 1996). Therefore the problems of uncoordinated, unregulated systems led to lack of trust and confidence in the public and donor community hence the need for reform of the public procurement processes.

In 1996 the Government of Ghana introduced the Public Financial Management Reform Programme (PUFMARP), with the goal of enhancing public financial management generally in the country. Thus, a Public Procurement Oversight Committee was set up in 1999 to prepare a complete public procurement reform programme. As cited by Adjei



(2006), “The Public Procurement Bill was drafted in 2002 and this was passed into law on 31st December 2003 as the Public Procurement Act 2003, Act 663”. The Act became effective/operational on 27<sup>th</sup> August 2004 and Public Procurement in Ghana therefore is subject to the Act and it’s implementing Regulations and Administrative Instructions. The Act and Regulations provide the general rules governing Public Procurement and the manual provides guidelines and step-by-step procedures to assist Procurement Entities to undertake public procurement in accordance with the Act.

The Public Procurement Act, 2003 ( Act 663), was passed to harmonise public procurement processes in the public service, secure judicious, economic and efficient use of state resources, and furthermore, ensure that public procurement is fair, transparent and non-discriminatory manner while promoting a competitive Local industry (Ministry of Finance, 2001). The enactment of the law in 2003 further ensured that modern trends in procurement was adopted to bring about the much needed sanity to local Procurement system which had been flawed by bad Procurement practices such as corruption and other malfeasances (Osei-Tutu et al., 2010).

The Public Procurement act, 2003, (Act 663) has established Public Procurement Authority (PPA) as a body corporate charged with the oversight responsibility for the effective implementation of the Act.

The Public Procurement Authority (PPA) acts as the statutory advisory and coordinating body on procurement. All Procurement Entities, Tender Committees and Tender Review Boards are required to abide by the technical guidelines and regulatory instructions issued by the PPA. The PPA has responsibility for the overall co-



ordination, direction and development of Government procurement practices and procedures. The PPA is entrusted with 21 functions (Government of Ghana, 2003).

### **2.3 Methods used in Public Procurement**

Lynch (2013) defines Procurement methods as the procedures used by a procuring entity to acquire goods, services and works

Whilst Ghana's public procurement law largely follows the liberal model of the World Bank and the UNCITRAL model law on procurement and generally opens competition to both local and foreign firms (European Networks on Debt and Development, 2010; PPA Annual Report, 2010), it is worthy to note that the Public Procurement Authority's self-assessment annual reports (2006 and 2007) categorises procurement methods into;

1. International Competitive Tendering (ICT)
2. National Competitive Tendering (NCT)
3. Two-Stage Tendering (National or International)
4. Restricted Tendering (National or International)
5. Single Source (Direct Procurement) and
6. Request for Quotations (RFQ).

#### **2.3.1 International Competitive Tendering (ICT)**

International Competitive Tendering is used as a method of procurement in the public sector when an efficient competition cannot be attained without the inclusion of foreign firms (section 45). It is appropriate for high value or complex procurements, or where the works by their nature or scope, are unlikely to attract adequate local competition (PPA Manual, 2007). The Act requires the use of ICT for procurement of work above the threshold stated in Schedule 3.

### **2.3.2 Restricted Tendering**

Restricted Tendering is a method of tendering by direct invitation to a shortlist of preregistered or known contractors, and is subject to a specific approval granted by the Public Procurement Authority: This method of procurement is also called Limited Bidding or Selective Tendering. Lynch (2013) defines restricted tendering as a procurement method that limits the request for tenders to a selected number of suppliers, contractors or service providers. Under this method, a minimum of three and a maximum of six Contractors are invited to tender for work contract. The Lowest Bidder or L1 generally wins the contract (Tendersinfo, 2012).

It is an appropriate method of procurement where:

- i. the requirement is of a specialised nature or has requirements of public safety, or public security which make an open competitive tender inappropriate; ii. due to the urgent nature of the requirement, an open competitive tender is not practical; iii. the number of potential contractors is limited; or iv. an open competitive tender has failed to bring an award of contract. (PPA Manual, 2007).

### **2.3.3 Two-Stage Tendering**

- i. Two-stage Tendering is an infrequently used procurement method, whereby a Procurement Entity invites tenderers in the initial stage to contribute to the detailed specification of the works. After reviews and consultations, new detailed specifications for the works are prepared and a restricted tender issued in the second stage to all participants who were not rejected in the first-stage. It is an appropriate method when it is not feasible for the Procurement Entity to formulate detailed specifications and plans for the

works, to identify their characteristics in a defined manner, or the subject of the works is subject to rapid technological advances. (PPA Manual, 2007).

#### **2.3.4 Single –Source Procurement**

Lynch (2013) defines Single-Source procurement method as a process of acquiring goods, services and construction works from only one source. This is procurement from a supplier/contractor without competition (direct procurement). This method of procurement is subject to a specific approval using the Guidelines issued by PPA.

Single source procurement may be necessary when:

1. the purchase is for urgently needed remedial works, provided this is restricted to the minimum requirement to meet the urgent need until a procurement by other methods can be fulfilled; or
2. the works can only be provided by one source for physical, technical or policy reasons. e.g. requiring the use of proprietary techniques that are obtainable only from one source. (PPA Manual, 2007). Single Tenders are also sent for items of proprietary nature, (Tendersinfo, 2012).

#### **2.3.5 Request for Quotations (RFQ)**

It is also known as “shopping” and is based on comparing price quotations obtained from several suppliers, usually at least three, to ensure competitive prices. (PPA Manual, 2007). RFQ is used when an organization has already decided on a particular type of product or service, and wishes to see competitive pricing from multiple vendors of that service, (Tendersinfo, 2012).

Request for Quotations may be used when:

- i. the estimated value is less than the threshold specified in Schedule 3 of the Act;  
and the requirement is for widely available works activities such as redecoration, repairs, and minor alterations which do not require detailed specification and may be readily estimated by a contractor from a simple site visit (PPA Manual, 2007).

### **2.3.6 National Competitive Tendering Method of Procurement**

Competition is the process where potential contractors / suppliers are invited to make a firm and unequivocal offer of the price and terms which, on acceptance, shall be the basis of the subsequent contract. Whereas the term tender refers to a formal offer to provide services or supply goods for an agreed price.

Competitive tendering is a widely used procurement method within government agencies and private sector organisations. The idea behind competitive tendering is that it forces contractors and suppliers to compete and consequently the client and taxpayer will gain better “value for money. Competitive tendering is often considered to promote competition, provide transparency and give all contractors, suppliers and consultants the opportunity to win contracts. However in reality this rarely occurs for various reasons.

Under this method, prospective contractors and suppliers are invited to compete for a contract advertised in the press or on the internet, the most economically advantageous tender (MEAT) or the lowest evaluated tender generally being accepted, although the advertisers usually state that they are not bound to accept the lowest or any tender.

Walters (2007). Indeed, per section 35(1) of the Public Procurement Act, open tendering is the preferred method for Public procurement using either the National Competitive Tendering (NCT) or the International Competitive Tendering (ICT) procedures



depending on the financial threshold and other factors. The use of alternative methods of procurement is strictly limited to the provisions of Part IV of the Act 663. Lynch (2013) argues that using competitive methods of procurement promotes transparency, economy and efficiency, and limit acts of favoritism. Demsetz (1968) also contends that the only way to enhance efficiency is to introduce competition. Osei-Tutu (2013) is again of the view that the competitive tendering is the default method of procurement. Open competition has therefore been noted to be the basis and bedrock for cost efficient public procurement (African Development Bank, 2012a; World Bank, 2011; European Networks on Debt and Development, 2010). As such, increasing competition among contractors will ultimately lead to value for money in the procurement of public works, all things being equal.

Section 44 of the Public Procurement Act 663 serves as the foundation on which all procurements of works contracts are built in Ghana. National Competitive Tendering is described as the practice where only domestic suppliers or contractors are invited to submit their tenders for a particular project. National Competitive Tendering is appropriate for lower value procurements, where the works by their nature or scope are unlikely to attract foreign competition, or where there are justifiable reasons for the Procurement Entity to restrict tendering to domestic contractors (works is being used for the purpose of this study). International Companies are not allowed to participate, (Tendersinfo, 2012). The Act permits the use of NCT for procurement of works valued between the thresholds stated in Schedule 3 (PPA Manual, 2007).

Ghana Procurement System strictly reserves the procurement of works contract by NCT for the sole prerogative and right of domestic firms in Ghana (Act 663, section 44). However, the World Bank and African Development Bank allow foreign firms that wish to compete under country NCT procedures to do so without any restrictions.

## **2.4 Tendering Procedures for Competitive Tendering**

The Public Procurement Act, 2003 (Act 663) prescribes tendering procedures for the various methods of procurement in such a way as to elicit transparency, fairness, competition and value for money. It is a requirement to advertise the intention to buy goods and works as spelt out by Section 47 of Act 663 for procurement using International and National Competitive Tendering.

### **2.4.1 Advertisement**

Advertisement is used to invite eligible tenders. In essence the purpose of advertisement is to disseminate information to the general public for the purpose of transparency and to invite tenders. The Public Procurement Law requires that the Invitation to tender should be published for a minimum of two (2) weeks for National Competitive Tendering and Six (6) weeks for International Competitive Tendering. For National Competitive Tendering, the advertisements are supposed to be published in the Public Procurement Bulletin, the Website of the Public Procurement Authority and in at least two daily newspapers of wide circulation. Advertisement for International Competitive Tendering should take the form of publications in international Newspapers and Journals. The submission of the Invitation documents to the embassies of foreign countries is deemed to have met the requirement.

### **2.4.2 Sale of Tender Document for Competitive Tendering**

The tender documents are supposed to be made available for sale by the Procurement Entity before the publication of the invitation to tender and the price of the tender documents should reflect only the price of the tender document and the cost of making it available to tenderers. When the stock of the tender documents is exhausted, the

Procurement Entity must initiate action to print extra copies to meet the needs of prospective tenderers.

#### **2.4.3 Issuance of Standard Tender Documents**

Public Procurement entities are required by Act 663 to make tender documents available to suppliers and contractors in accordance with procedures and requirements that were stated in the advertisement. A Standard Tender Document is a set of documents issued by the Procurement Entity to prospective tenderers, which defines the works to be executed in terms of technical specifications, plans, drawings, bill of quantities etc., and the procurement procedures to be followed and specifies the proposed Contract Conditions (PPA Manual 2007). These tender documents are supposed to contain enough information to enable tenderer to prepare and submit responsive tender. The price of the tender document should be enough to recover the cost of printing and the document should be made available to all suppliers and contractors who intend to buy one. It is an offence to deny any supplier or contractor the opportunity to participate in any tender simply because the procurement entity's stocks of documents are exhausted. The principal objective of tender documents is to provide a common platform for tenderers to submit their tenders (Dikko, 1999).

#### **2.4.4 Significance of National Competitive Tendering Method**

Earlier study (World Bank, 2003; PPA Annual Report, 2007; PPA Annual Report, 2010; World Bank, 2008; Ameyaw et al, 2012b) points to an increasing trend in the usage of National Competitive Tendering (NCT) in the procurement of works over the years. The works of Ameyaw et al (2012b) indicates that out of 179 works contracts that were surveyed, 62% of them were procured using NCT whilst 4% of 205 goods

contract studied were procured through NCT. Comparatively, works procurement contracts has witnessed a significant increase in competition than that of goods.

The usage of NCT as a default method for works procurement is noted to have an impact in the development of local industry. Domestic contractors are offered the opportunity to compete favourably among themselves in the provision of works in Ghana. Transparency, fairness and development of domestic industry underpin the rules, procedures and regulations governing the conduct of NCT as stipulated in the Public Procurement Act 2003 (Act 663).

## **2.5 Factors influencing the use of National Competitive Tendering Methods**

As noted by Ameyaw et al (2012b), most contracts which could have been aggregated to attract competition have been deliberately split into smaller lots (suitable for Request for Quotations) in direct contravention of section 21(5) of Act 663.

A recent study conducted on factors influencing the Implementation of Competitive Tendering in the Public Procurement of Works in Chad by Douh et al (2013), revealed that since the reforms in 2003, Competitive Tendering has been characterised by low rate of Project Execution, that is twenty-five percent (25%) due to excessive delays in the treatment of Projects, abusive use of derogations in the award of Contracts; which is sixty percent (60%), concentration of many contracts (28%) to few Contractors and Project. Overprices, 40%. Further investigations attributed these challenges to delays, ignorance and complexity of the procedures, rigidity and incompleteness of regulations, inadequate qualified personnel, lack of adequate equipment, unreliable sources of funding activities and entities, institutional weaknesses, corruption and political interferences.



The Public Procurement Act, 2003 Act (663) Training Manual also identified the following principles affecting the achievement of good procurement objectives. The study believes these principles represent the necessary factors that influence the use of national competitive tendering methods in the Ghanaian Public sector.

### **2.5.1 Professionalism**

As per the Public Procurement Training Manual, Professionalism is the order whereby taught, experienced and dependable obtainment officers settle on educated choices with respect to acquirement operations. It is in the acknowledgment of this that the Public Procurement Authority centers its assets on the preparation, proficient advancement, advancement and backing for people that are occupied with open obtainment to guarantee adherence to proficient and moral measures (Adjei, 2006).

To accomplish this, the Public Procurement Authority has added to a Capacity Development Policy Paper which went for guaranteeing that every Procurement Entity has an utilitarian Procurement Unit that is overseen by faculty who have the essential obtainment preparing, abilities, and stick to concurred code of morals. Work force in the Procurement Units in the general population administration will have vocation ways in obtainment and offered chances to increase proficient acquirement capabilities.

#### **Foundation of a Procurement Professionals Association**

More than 1,289 partners (from MDAs and MMDAs) were prepared. Preparing of Practitioners, Service Providers, Media, Civil Society bunches and the Oversight Groups (Parliament, Police, Judicial Service, Attorney General's Office, SFO, CHRAJ, Ghana Audit Service, and Internal Auditors) have not been forgotten (PPA Annual Report, 2007).

### **2.5.2 Transparency, Competitiveness and Fairness**

Straightforwardness as indicated by the Public Training Manual, implies that the same standards apply to all suppliers of products, works and administrations and that these tenets are announced as the premise of obtainment choices preceding their utilization. Straightforward acquisition systems can add to a more productive portion of assets through expanded rivalry, higher quality obtainment and budgetary funds for governments and in this way for citizens (PPA Training Module 3, 2007).

To maintain a strategic distance from debasement in people in general obtainment frameworks there is the need to distribute requires tenders, informing contract honors in the media, including the fruitful bidder's name and last value, and making recompense criteria more straightforward and responsible. These are an essential's percentage standards of straightforwardness in government acquirement which specifically influence degenerate practices (Evenett & Hoekman, 2005).

In such manner, the Act 663 and Regulations underwrite the utilization of focused tendering which supports greatest rivalry in the obtainment framework. It includes the utilization of STDs, promoting acquirement opportunities, open opening, production of agreement recompenses, making windows of tending to advance and gripes, and so on. Open Procurements utilizing other uncompetitive systems are overwhelmingly checked and assessed by PPA and Audit Agency to guarantee straightforwardness, decency, and quality for cash (Act 663, 2003).

This position has been worked together by Ahmed and Mahmood (2010) when he opined that, administration offices can accomplish straightforwardness by strategizing through viable and proficient publicizing; freely opening offer records; viable assessment of offer archives; the distribution of recompense results; reasonable and

rapid challenge and debate determination taking care of procedures and the divulgence of marked contracts; and the utilization of autonomous assessment techniques, that are reliable with the terms of offer reports.

### **2.5.3 Value for Money in the Procurement Process**

This is the ideal mix of entire expense and nature of an item to meet the client's prerequisites. It is reflected in the thing's cost or administration obtained. It must be noticed that Value for Money (VFM) is a discriminating measure of the acquirement's adequacy handle, its yields and results. Accomplishing VFM obliges a vital and incorporated way to deal with acquirement (PPA Manual, 2009). This, obviously, has huge hierarchical and institutional ramifications. VFM may be traded off if the Public Procurement Act and Regulations are not took after. This in acquirement capacity is a critical test against which very much worked obtainment administration must be tended to legitimize an acquisition result as fundamental conditions for best esteem, straightforwardness and responsibility in broad daylight acquisition (World Bank, 2003). It is connected with sending of assets for acknowledgment of some normal quality in a monetary, in proficient and successful way.

The idea of quality for cash concerns the securing value/cost as well as looks into proficiency and viability of an obtainment process. The acquirement experts need to consistently enhance their execution and developments important to convey more prominent worth to the securing substance.

Along these lines, open obtainment experts require a characterized abilities and learning to proficiently and successfully run the acquirement procedure whiles open substances endeavor to inspire acquisition staff as far as compensation and better states of administration.

Then again, mulls over (OECD/DAC, 2007) demonstrate that some acquirement authorities do not have some level of aptitudes and information to deal with the acquisition cycle. Along these lines straightforward issues like offer assessment and determination were just in light of most reduced cost and not the least assessed cost. Undertaking time, expense, and correspondence are inadequately handle in Ghana subsequently rendering Value for Money idea incapable.

#### **2.5.4 Efficiency**

Productive open acquirement framework is the particular case that works in an auspicious way, with a base organization, while being receptive to a definitive's needs clients of the merchandise or offices obtained. Productivity is characterized barely regarding worth for cash – the best quality at the most reduced expense. In this perspective, productivity is best secured through open rivalry, so acquirement change is seen as empowering a more changed framework. A more extensive meaning of proficiency that considers advancement picks up nearby cost and quality would guarantee that obtainment assumes to a greater degree a part for destitution diminishment (Mlinga, 2009). In Ghana to be productive and viable in Public Procurement is to do obtainment exercises in an expert and straightforward environment with a reasonable arrangement of predefined principles to encourage improved rivalry therefore animating proficiency and development amongst bidders. There is a superior usage of financing, expanded appeal to private segment and enhanced consumer loyalty (PPA, 2008).

As indicated by Schapper et al., (2006), productivity in the general population segment means fulfilling the most crucial needs of the group to the best conceivable degree utilizing the restricted assets that are accessible for this reason. Along these lines, open



elements ought to be spoken to by equipped faculty fit for putting the Public Procurement (Act 663) into practice to achieve effectiveness and quality for cash.

#### **2.5.5 Accountability**

Responsibility can be clarified as the procedure of holding an individual or an association completely in charge of all parts of the acquisition process over which they apply power. The quintessence of responsibility is to fortify the view of straightforwardness and decency. It decreases the occurrence of defilement and authorizes the Act 663 and administrative system which plainly characterized obligations (PPA Training Module 3, 2007)

#### **2.5.6 Ethical Approach**

Morals are worried with good standards and qualities which represent our convictions, activities and choices. Moral methodology suggests excellent way to deal with all obtainment forms that can't be addressed or censured. The accompanying are illustrations of behaviors restricted by Ghana's Public Procurement Code of Ethics:

Revealing private or "inside data" either specifically or in a roundabout way to any tenderer or imminent tenderer or talking about acquisition with any tenderer or forthcoming tenderer outside the official tenets and methods for directing acquirements;

Favoring or victimizing any tenderer or planned tenderer in the drafting of specialized determinations or measures or the assessment of tenders or decimating, harming, concealing, uprooting, or disgracefully changing any official obtainment report;

Tolerating or asking for cash, travel, suppers, excitement, blessings, supports, rebates or anything of material quality from tenderers or planned tenderers or talking about or tolerating future livelihood with a tenderer or forthcoming tenderer; Requesting

whatever other Public Servant or Government authority speaking to the Procurement Entity in an acquisition to abuse general society acquirement tenets or strategies.

### **2.5.7 Technology**

E-acquirement can expand straightforwardness and procedural productivity without preference to rivalry (Mlinga, 2009). Falvey (2012) contends for this as a result of its straightforwardness, as well as to enhance productivity. The advantages of eacquirement include: an increment in contract consistence, utilizing the obtainment spend, expanded association of staff, and lower preparing expenses. The absence of a corporate e-acquirement framework out in the open area elements implies they will think that its hard to break down their use on a full scale financial level (Msita, 2009). Innovative advancements have added another measurement to potential acquirement changes in both creating and modern economies. E-acquirement offers the guarantee of cutting expenses and streamlining regulatory systems. Promising inventive components that spin around e-acquisition have been actualized in nations, for example, Brazil (Azeem, 2007)). In this Brazilian case it has supposedly prompted huge expense reserve funds and an increment in the straightforwardness and responsibility of government bodies. Besides, E-acquisition can bolster better measurable reporting, improved straightforwardness (Wisner et al., 2006). Notwithstanding, actualizing these advancements in Ghana involves expenses of base improvement, and preparing work force in the general population elements, and so forth.).

With the developing utilization of PCs in acquisition frameworks, Ghana has the capacity ass

## **2.6 Strategies to Improve on the use of National Competitive Tendering Methods**

As a recommendation, Douh et al (2013) recommended that the challenges must be addressed through the development of well-articulated long-term strategies among which a thorough review of the processes and procedures to mitigate delays and corruption should be undertaken.

Miller et al (2009), in a research to provide focus on Australian Infrastructure, revealed that Competitive Tendering was an ideal method of procurement for “simple” buildings where there is little or no opportunity for design innovation, as the likely cost is known in advance.

He however indicated that some circumstances would require alternative procurement methods to competitive Tendering as the latter can waste a considerable amount of time and resources in certain circumstances. It follows therefore that the ability to determine which procurement method to use for which project under which circumstance was equally key to avoiding delays, lessening cost and achieving value for money.

Miller et al further suggested that Innovative Procurement was essential in providing value for money. They also suggested that while government regulation could inhibit innovation, it could also provide an incentive to innovate since it was largely about how the regulation is implemented or possibly interpreted. Further they suggested that moving from Prescriptive to Performance based regulation can improve the relationship between innovation and regulation.

The procurement reforms in Chad since 2003 are not different from that of Ghana. The common denominator is that the objectives of ensuring competition, promote fairness, efficiency, economy and value for money have not been achieved due to various acts of corruption and fraudulent acts, among others.

Research undertaken by the Australian Bureau of statistics and the survey of Miller et al (2009) confirms the fact that Nations outside Africa and the world at large are recommending more innovative methods and procedures in Public works procurement. Equally commonplace is the fact that the influence of Government or political influence could be an inimical factor.

For an African country like Ghana whose bulk of national expenditure is spent on public procurement, the achievement of value for money should be a priority.

## **2.7 Summary of Literature Review**

From the reviewed of other people's work that related to the topic, aim and objectives of the study, the Literature Review is summarized below:

That public procurement is the purchasing, hiring or obtaining by any contractual means, goods, works and services by the public sector. It involves the use of state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid and revenue received from the economic activity of state to procure goods, works and services.

Both developed and developing economies have undertaken reforms of their national procurement systems aimed at ensuring that public funds are used in the most efficient and economical way and that the system delivers value for money.

Before the Public Procurement Act, 2003 (Act 663) was passed, bodies such as Ghana National Procurement Agency (GNPA) and Ghana Supply Company Limited (GSCL) were the main agents that procured all public goods for the government. But major and or complex contracts that were financed by the government through Architectural Consultancy Service and project supervision were assigned to the Architectural Engineering Service Limited (AESL) on single basis without recourses to fair



competition. The Public Procurement Bill was drafted in 2002 and this was passed into law on 31st December 2003 as the Public Procurement Act 2003, Act 663". The Act became effective/operational on 27<sup>th</sup> August 2004 and Public Procurement in Ghana therefore is subject to the Act and it's implementing Regulations and Administrative Instructions.

National Competitive tendering is a widely used procurement method within MMDAs in Ghana. The use of NCT as a default method for works procurement is noted to have an impact in the development of local industry.

Factors influencing/affecting the use of NCT, includes delays, ignorance and complexity of the procedures, rigidity and incompleteness of regulations, inadequate qualified personnel, lack of adequate equipment, unreliable sources of funding activities and entities, institutional weaknesses, corruption and political interferences.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Overview**

This chapter dealt with the methodology adopted to execute the study. The chapter discussed the profile of the case study institution: the Sekyere South District Assembly, the research design, the sources from which data was collected for the study, the instruments used in gathering data, the population, sample and sampling techniques used and data analysis techniques.

#### **3.2 The Study Area**

The study was undertaken in Sekyere South District Assembly in the Ashanti Region of Ghana. The Sekyere South District established in 2008 by Legislative Instrument 1898, is one of the thirty (30) Metropolitan/Municipal/ Districts Assemblies in the Ashanti Region of Ghana; with a total land area of 584 square kilometers. This represents about 2.4 % of the total landmass of Ashanti Region; with a population of about 94,009 according to the 2010 census report released by the GSS. The District lies between latitude 6° 50'N and 7° 10'N and Longitude 10 40'W and 10 25' W. The district was known as Afigya Sekyere District Assembly until 2008, as a result of redemarcation of districts however, Afigya Kwabre was carved out and the district boundary redefined and named Sekyere South District Assembly under a Legislative Instrument 1898.

The Assembly shares boundaries with five (5) districts, namely, Ejura-Sekyeredumase to the north, Sekyere East and Kwabre East to the south, Mampong Municipal to the East and Afigya Kwabre to the West. (DPCU) Annual Progress Report, 2012 and Composite Budget 2013).

The district is blessed with large tracts of fertile agricultural land and vast forest reserves. Various cash and food crops such as cocoa, kola nut, oil palm, cassava, maize, plantain, etc are largely cultivated. The Assembly has a total of fifty (50) Assembly Members made up of thirty-four (34) Elected and sixteen (16) appointed members, the District Chief Executive and the Member of Parliament. Out of the fifty (50) members, forty-four (44) are males while six (6) are females.

In all, the District has nine (9) councils with three (3) being Town Councils and the remaining six (6) are Area Councils. Under the councils, there are a total of thirty-four (34) Unit Committees.

The economy of the District is dominated by the agricultural sector which employs the highest proportion of the total workforce of the local economy. The agricultural sector alone employs about 63.2% of the total workforce of the district. While the industrial and service sectors employ about 14.4% and 22.4% respectively.

(Composite Budget 2013)

### **3.3 Research Design**

The study is a descriptive survey. A descriptive survey is designed to seek out answers to research questions through the collection and analysis of opinions and facts (Fraenkel and Wallen, 2003). The study found descriptive research design appropriate to examine factors influencing the use of national competitive tendering method for procurement of works.

To complement the descriptive research design, a quantitative survey approach was adopted by the study. Quantitative survey approach allowed the study to quantify and measure responses and also statistically analyze them. The study combined the two approaches to execute the objectives of the study.

### **3.4 Sources of Data Collection**

The study made use of both primary and secondary data.

#### **3.4.1 Primary Data**

Primary data are important sources of data that come in the forms of questionnaire responses, interview responses, observations, group discussions and many more. An assertion made by Yin (2005) suggests that, primary data enable first-hand assessment of situations and phenomena. The study utilized primary data collected from sampled respondents.

#### **3.4.2 Secondary Data**

The study utilized secondary data. Britton and Garmo (2002) posit that secondary data comprise of documentary data obtained from unoriginal sources. Secondary data allowed the study to validate primary data provided by respondents. Secondary data for the study came from Assembler's archrivals (Tender evaluation reports for works) and internet sources.

### **3.5 Population and sample**

A study population comprises all individuals and entities existing in a setting with similar characteristics (Yin, 2005). The targeted population consisted of persons who are directly related to public procurement activities in the Sekyere South District Assembly. A research population according to Polit et al. (1993) is defined as "the totality of a well-defined collection of individuals or objects that have a common, binding characteristics or traits".

#### **3.5 Sampling Techniques**

According to Amin (2005), a study sample comprises a selected portion of a larger population considered qualified to provide opinions and facts on a subject of study



whilst sampling technique refers to the methods used to select a study sample. The study used Purposive Sampling Technique for data collection. This was because the study intended to elicit views of persons who were involved in procurement process at the Sekyere South District Assembly. The target population was Assembly staff:

District Co-ordinating Director, procurement Officers, Finance officers, Planning Officers, Engineers and Budget Analysis and contractors working in the District Assembly.

### **3.5.1 Determination of Sample Size**

Sample size is the number of actual respondents who were under investigation. The Sample size was twenty (20), comprising fifteen (15) officers who are involved in procurement processes and, five (5) contractors working in the Sekyere South District Assembly which was used as the case study. The selection of respondents was based on purposive sampling. To ensure purposive sampling, the study based sampling on a strict selection process where employees perceived to have knowledge and experience in the subject matter. Purposive sampling was also used to enable targeting of all categories of employees at the assembly whose jobs are related to procurement. The sample size of 20 was considered adequate by the study because it was in line with the assertion of Britton and Garmo (2002) who state that a sample size, when purposively selected to be representative of the study population, can be effectively generalized.

The following respondents and sample frames were drawn from the population. The sample frame obtained is detailed in Table 3.1 below.

**Table 3.1 shows sample frame**

<b>POSITION</b>	<b>RESPONDENTS</b>
District Co-ordinating Director	2
District Procurement Officer	1
District Finance Officer	1
District Planning Officers	2
District Budget Analyst	1
District Engineers	2
Tender Committee members	2
District Tender Review Board	2
Internal Audit	2
Contractors	5
<b>Total</b>	<b>20</b>

### **3.6 Data Collection Instruments**

Having determined the sources of data collection, the study used two data collection instruments: questionnaires and interviews. The use of two or more data collection instrument strengthens and gives credibility to the study Patton (2002).

#### **3.6.1 Questionnaire**

Questionnaires formed part of the data collection instrument used for the study. It was used to collect data from fifteen (15) members of staff at the District Assembly office and five (5) contractors who have ever taken part in National Competitive Tendering for works at the Assembly. The questionnaire was designed to be concise and closeended, to allow for quick guided responses so as to enable categorization of

response groups. The questionnaire included two (2) sections. Section A solicited demographic data and section B sought responses on the research objectives. The researcher, with the permission of the DCE personally distributed the questionnaires to the respondents. A total of 20 questionnaires were administered to officers and contractors working in Sekyere South District Assembly.

### **3.6.2 Interview guide**

The study also utilized an interview guide to collect primary data. An interview, according to Yin (2005) is a conversation between two persons, the interviewer and the interviewee, for the sake of collecting the opinion and experiences of the interviewee. The interviewer may decide to put down the questionnaire due to be asked on a piece of paper to serve as a guide. Interview guides used in the conduct of the interviews were adapted from the study questionnaire. Here, the researcher asked the question (at the offices of the sampled respondents) as it appeared on the questionnaire and manually recorded the audio responses of the interviewees on paper.

### **3.7 Pilot Testing of Data Collection Instrument**

The assertion is made by Yin (2005) that pilot testing allows for early detection of weaknesses in the composition and wording of research questionnaires. In agreement, Britton and Garmo (2002) posit that pilot testing allows the researcher to test the data collection instruments on a section of the targeted population in order to effect necessary corrections and alterations to ensure clarity. The study tested the questionnaire on a selected sample of employees of the Sekyere South District Assembly. Cooper and Schindler (2003) posit that the significance of sampling techniques are reduced in a pilot test since the objective is not to achieve equitable representation or generalization but to enable the correction of question items in

questionnaires and interview guides. Through pilot testing, the researcher was able to correct certain challenges relating to respondents' understanding of the question items. Also, questions items were formatted to make it more succinct and clear to allow for easy understanding by all categories and demographics of respondents.

### **3.8 Ethical Considerations**

In conducting the study, the study sought to consider ethical situations that might make a respondent eligible to provide primary data or a data set ineligible to be included in the overall data set for analysis. the sector also sought to enable respondents the chance to refrain from giving sensitive data out so respondents were given the option to opt out if participation would occasion any ethical or legal concerns. To allay fears, the study comprehensively explained the research objectives and the purpose of the study as well as the statement of the problem to all the participating respondents. The study also afforded respondents the chance not to include their names or any identification symbols on the questionnaire to enable respondents remain anonymous.

### **3.9 Data Analysis Techniques**

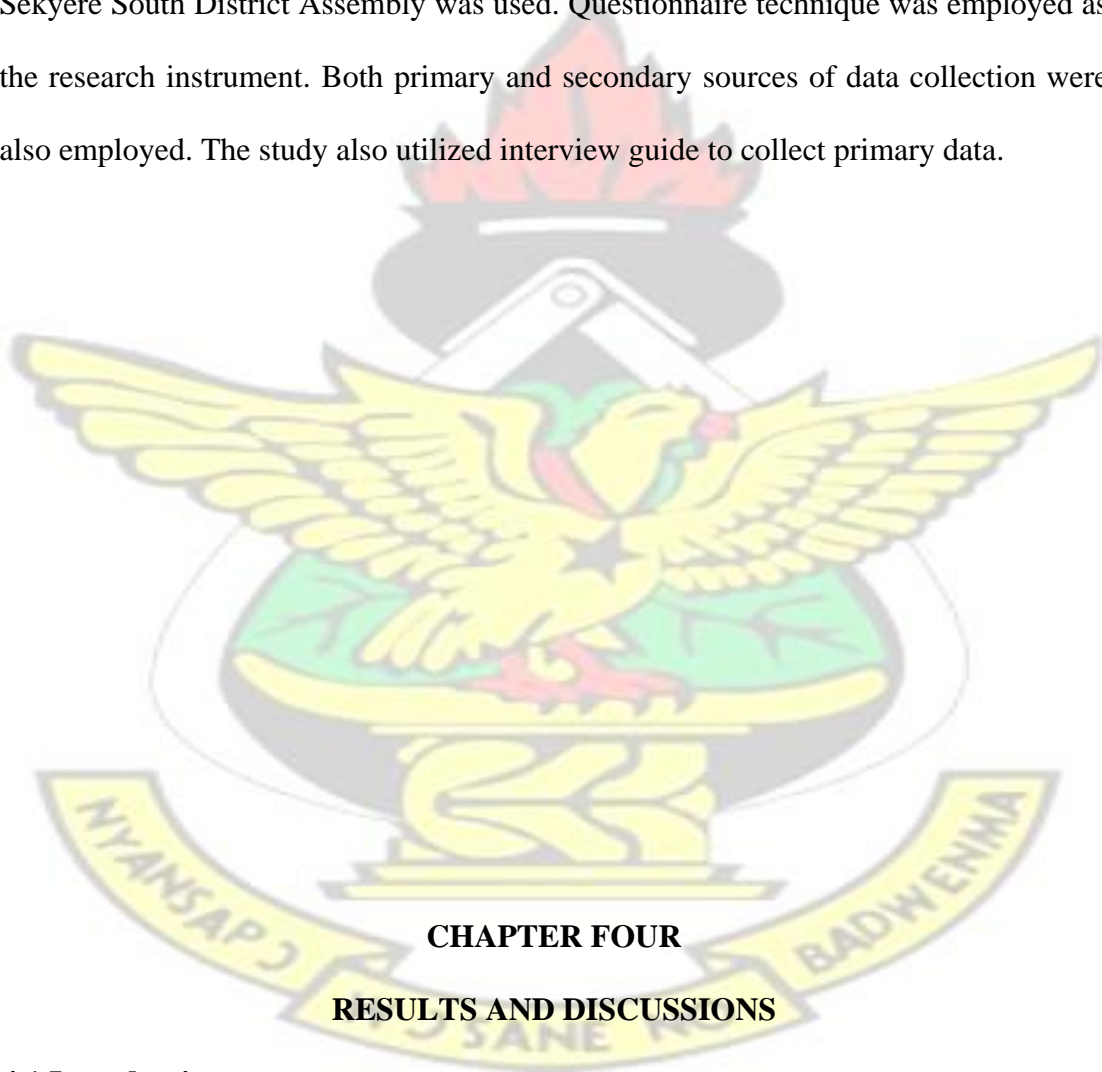
The researcher manually coded the collected data in the Statistical Package for Social Sciences (SPSS) computer software and run the needed analysis from the software. Statistical analysis such as factor analysis and inferential analysis (correlation and regression) were used to analyze data. Tables, pie charts and columns were used to present the information after the analysis.



## **Summary of Research Methodology**

The object of the methodology was to outline specific methods used to achieve the objectives set for the study. The methods/techniques applied are summarized below:

Descriptive research design was employed. While Quantitative survey approach was adopted and Purposive Sampling Technique was used for data collection. Sample size of twenty (20), comprising fifteen (15) officers and five (5) contractors working in the Sekyere South District Assembly was used. Questionnaire technique was employed as the research instrument. Both primary and secondary sources of data collection were also employed. The study also utilized interview guide to collect primary data.



## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

#### **4.1 Introduction**

The fourth part of the thesis discusses the outcome from various sections relating to the questionnaires answered by the respondents, made up of selected Assembly staff and contractors working in the Sekyere South District Assembly where this research was

carried out. The analysis was carried out, taking into consideration the objectives for which this study was undertaken.

In all nineteen (19) questionnaires representing 95% of the total questionnaires administered were retrieved. Table 4.1 shows details of the questionnaires administered and the return rate.

**Table 4.1 shows details of questionnaires administered and returned**

Respondents	No. of Questionnaires Distributed	No. of Questionnaires Returned	Percentage Returned
<b>Total</b>	<b>20</b>	<b>19</b>	<b>95</b>

The analysis of this section therefore, would be based on the following key areas:

1. The demographic data of the respondents
2. Methods and Procedures used in procurement of work contracts at the Assembly.
3. Factors Influencing/affecting National Competitive Tendering for Works at the Sekyere South District Assembly

The section therefore deals with the Response Rate, the length of time of service in the Assembly, academic qualification, Legal Frame Work of Public Procurement, Procurement Planning, Procurement Methods and Procedures, Period for tender process, advertisement, Number of bids sold per lot, Type of Media used, Advertisement of tender, Political influence, Limit of Competition, Long cumbersome procedures, Payment difficulties and delays, Poor coordination and communication

structures lack of knowledge of both NCT and procurement processes by some contractors and Notification to Unsuccessful Tenderers.

## 4.2 Response Rate

Out of twenty (20) questionnaires (i.e. 15 assembly staff and 5 contractors in the district) distributed, 19 were retrieved. All the fifteen (15) Staff involved in procurement process in the District Assembly who were issued with questionnaires answered and returned them. The five (5) contractors who were issued with the questionnaires answered and returned four (4). Only one could not be traced. This gives a response rate of 95%. Table 4.2 illustrates it.

**Table 4.2: Tabulation of Questionnaires response rate**

<b>RESPONDENTS CATEGORY</b>	<b>TARGETED NUMBER OF STAFF</b>	<b>QUESTIONNAIRES ANSWERED AND RETURNED</b>	<b>RESPONSE RATE %</b>
District Assembly Staff	15	15	100%
Contractors	5	4	80%
<b>TOTAL</b>	<b>20</b>	<b>19</b>	<b>95%</b>

The above table established a response rate of 95%, which is substantially high enough for conclusions to be generally drawn for the entire population.

## 4.3 Service Duration of Respondents

Fifty-three percent (53%) of the respondents have between 0 - 5 years of experience in the said Assembly. Whiles thirty-one percent (31%) of the respondent have between 6-10 years of experience and sixteen percent (16%) have above ten years experience at the Assembly. This was because of transfers to and from other District Assemblies in Ghana. So only few officers had served for more than ten years in the

Assembly. The results are displayed in Table 4.3 below.

**Table 4.3 Respondent's Service Duration with the Assembly**

<b>Service duration</b>	0 – 5 years	6 – 10 years	Above 10 years
<b>Frequency</b>	10	6	3
<b>Percentage (%)</b>	53	31	16

#### **4.4 Age of Respondents**

From the Table 4.4 below, the highest age group fell between the ranges of 30 -39 and 40 - 49 years which indicates 42and 32 percent of the respondent respectively. The least of the range: 20-29 years has 5 percent of the respondent. These depict the level of maturity of the respondent.

**Table 4.4 Ages of Respondents**

<b>Age Group</b>	<b>Frequency</b>	<b>Percentage</b>
20 – 29	1	5%
30 – 39	8	42%
40 – 49	6	32%
50 – 59	4	21%
<b>TOTAL</b>	<b>19</b>	<b>100</b>



#### 4.5 Members on Procurement Structures

The objective was to identify the section of the respondents who serve on the various procurement committees of the Assembly. From table 4.5 below, 33% of the respondents indicated they were members of Entity Tender Committee, while 27% maintained they served on District Tender Review Board, and 40% confirmed ever to have served on Evaluation panel. None of the respondents served on both tender approval committee and evaluation panel which constitutes a breach of the Procurement Act.

**Table 4.5 Members on procurement structures**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage %</b>
Entity Tender Committee	5	33
District Review Board	4	27
Evaluation Panel	6	40
<b>TOTAL</b>	<b>15</b>	<b>100</b>

#### 4.6 Highest Level of Education of Respondent

From Table, 4.6 below, it could be observed that 37% of the respondents had Master's degree, 47% were holders of a Bachelor's degree, 11% of the respondents possessed HND while 5% had diploma. This shows that the respondents had good academic knowledge.

**Table 4.6 Level of Education**

<b>Types of qualification</b>	<b>Frequency</b>	<b>Percentage</b>
MSc/MPhil	7	37
BSc/B.Eng/B.Tech	9	47

HND	2	11
Diploma	1	5
<b>TOTAL</b>	<b>19</b>	<b>100</b>

#### 4.7 Knowledge in Procurement Management

All the respondents indicated they had had some knowledge in procurement management.

Indeed, 14% of the respondents said they had professional training in procurement management, 22% said their knowledge in procurement management was by academic training, while 43% indicated they had benefitted from workshops and seminars on procurements. Moreover 21% maintained they have professional and academic training.

Fig. 4.7 below gives details illustrations. It could be seen that the respondents generally had a fair knowledge in procurement management.

**Table 4.7 Respondents' knowledge in procurement management**

<b>Knowledge in Procurement Management</b>	<b>Frequency</b>	<b>Percentage</b>
PPA/Workshop Training	11	58
Academic Training	5	26
PPA/Workshop and Academic Training	4	21
<b>TOTAL</b>	<b>19</b>	<b>100</b>

#### 4.8 Preparation of Procurement Plan

The intention was to find out if the Assembly Prepare Annual Procurement Plan as prescribed by the Public Procurement Act.663, 2003. Thirteen (13) respondents

representing 87% answered that the Assembly prepares procurement plan *every year* while two (2) representing 13% answered *not every year*. This confirmed that the Assembly prepares annual procurement plan.

#### **4.9. How often the Assembly followed its procurement plan**

This section was to find out how often the Assembly followed its procurement plan. This was to establish if there was distortions in the plan and if any, what were the causes. It was realized from Table 4.8 below, that 27% of respondents saying all the time and 73% saying sometimes. This indeed tells that there was distortion or challenges, to be identified and addressed.

**Table 4.8 How often Assembly followed procurement plan**

<b>Rating</b>	<b>Frequency</b>	<b>Percentage (%)</b>
All the time	4	27
Sometimes	11	73
<b>TOTAL</b>	<b>15</b>	<b>100</b>

#### **4.10 Procurement Notices/Advertisement**

The essence here was to establish as to whether the Assembly does cause an invitation to tender as required in section 47 (1) of Act 663 of the Republic of Ghana passed in 2003 as the public procurement Act.

Sixty percent (60%) respondents intimated they advertised all the time, whiles twentyseven percent (27 %) said sometimes and thirteen percent (13%) said not at all.

This indicates that not all procurement contracts were advertised. This practice is contrary to section 47 of the Public Procurement Act which enjoins procurement entities to cause an invitation to tender by publishing in at least two news papers of wide national circulation and also to be published in the Procurement Bulletin. Table 4.9 below gives details of the above statistics;

**Table 4.9 How often Assembly Advertised procurement contract**

Rating	Frequency	Percentage (%)
All the time	9	60
Sometimes	4	27
Not at all	2	13
<b>TOTAL</b>	<b>15</b>	<b>100</b>

#### **4.11 Procurement Methods for Works Contract**

This section sought to identify which procurement method is often used for works contracts.

The National Competitive Tendering was rated as the most often used with 67% followed by Request for Quotation with 20% and 13% of the respondents maintained that the Restricted Tendering is often not used as shown on Table 4.10 below

**Table 4.10 Respondents ratings on procurement methods for works contracts**

Procurement methods	Highest Rating	Frequency	Percent (%)
National competitive tendering	Very Often	10	67
Restricted Tendering	Not Often	2	13



Request for quotation	Not Often	3	20
<b>TOTAL</b>		<b>15</b>	<b>100</b>

#### 4.12 Provision of tender documents

Out of the 15 respondents, 14 of them representing 93% did indicate that 1- 5 bidders per a lot while only 7% had between 6-10 bidders per lot. This result shows a low demand for tender documents to compete in procurement activities by contractors in the district as shown in Table 4.11 below. This confirmed the case of Ameyaw et al (2012), out of the three hundred and eighty-four (384) contracts awarded they reviewed, there were a total number of one thousand and five (1005) tenderers, twenty-three percent (23%) of those contracts had only one tenderer for a contract package, sixty-five percent (65%) had tendered for two (2) to three (3) bidders per package, and only ten percent (10%) had four (4) or more tenderers per an item. They therefore concluded that there was low turnout of contractor's competition in tendering for contracts.

**Table 4.11: Number of bidders received per lot**

Number of Bids sold	Frequency	Percentage (%)
1 – 5	14	93
6 – 10	1	7
<b>TOTAL</b>	<b>15</b>	<b>100</b>

#### 4.13 Notifying unsuccessful tenderers.

According to Section 65 (9) in the procurement Act, public procurement entities are mandated to write to unsuccessful bidders about the results of a tender process. The study results shown on Table 4.12 revealed that this aspect of the law is breached.

26.3% of the respondents answered not at all, while 47.4% said sometimes and 26.3% indicated all the time. The findings by Ameyaw et al (2012) is thus, confirmed by the study where in their case, as high as 87% of procurement cases were found to have erred in communicating results to unsuccessful tenders.

The credibility of the procurement process is therefore doubtful and undermines the objective of the Act in ensuring transparency, fairness and accountability.

**Table 4.12: Communication of the results of tender to bidders**

Rating	Frequency	Percentage (%)
All the time	5	26.3
Sometimes	9	47.4
Not at all	5	26.3
<b>TOTAL</b>	<b>19</b>	<b>100</b>

#### **4.14 Media often used to advertise procurement contracts**

This section of the analysis features the extent to which the district assembly use some selected media to advertise procurement contracts in the district. The rate at which the district assembly uses these selected media in advertising contracts in the district was

obtained with the help of a five point Likert rating scale. However a one-sample t-test was used for the determination of these selected media the district uses significantly.

The results from the table below therefore shows that, six variables were used as media in advertising procurement contracts of which all had a mean within the acceptable range (less the 1.5) (see table below). The one sample t-test from table below additionally revealed that among the six very variables used media only two (2) variables which include radio stations and Newspapers with nationwide coverage proofed to be significantly used as media in advertising procurement contracts in the district.

This as a result gives indication that, in order to enhance good advertisement of procurement contracts in the district, the most appropriate and significant media to use are the radio stations and Newspapers with nationwide coverage.

**Table 4.13: Media often used by District Assembly in Advertising Procurement Contracts**

Media	<i>Test Value = 1.5</i>			
	Mean	<i>t</i>	<i>Sig.</i> (2tailed)	<i>Mean Difference</i>
Newspaper with Nationwide coverage	1.16	-1.850	0.004	-0.340
District website/notice board	1.04	-2.992	0.070	-0.460
Radio Station	1.40	-0.575	0.001	-0.100
Local newspapers/local radio station	0.96	-3.709	0.568	-0.540
Public procurement website	1.32	-1.249	0.218	-0.180
International media	1.26	-1.466	0.149	-0.240

#### 4.15 Factors influencing national competitive tendering in the District Assembly

Respondents on the other hand in this section were asked to indicate the extent to which they agree to some statements or variables as factors assumed to be influencing national competitive tendering in the district. A one sample t-test was therefore performed to determine which of these variable or statements or factors really influence national competitive tendering in the district base on significant values. The results from the one sample t-test revealed that, seven (7) variables were used as factors assumed to be influencing national competitive tendering in the district, of which none of them a mean above the hypothesized mean (1.5). The one sample t-test value for the seven (7) variables used in the analysis were all negative indicating all the variables had a mean below the hypothesized mean. The analysis additionally reveals that, out of the seven (7) variables or factors assumed to be influencing national competitive tendering in the district, only four variable or factors including; payment difficulties and delays, politicians manipulating the procurement system to the advantage of party faithful, deliberate controlling of competition and lack of knowledge of both NCT and procurement processes by some contractor were statistically significant since they were the only variables or factors with p-value or sig-value less than the level of significance 0.05.

The analysis or the test as a result points out that, national competitive tendering in the district can only be influenced significantly if there is difficulties and delays in payment, when politicians manipulate procurement system to the advantage of party faithful, if there exist deliberate controlling of competition in the district and also when some contractors lack knowledge on both NCT and procurement processes.

**Table 4.14: Factors influencing National Competitive Tendering in the District**

Sources of revenue	Test Value = 1.5
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	Mean	<i>t</i>	Sig. (2tailed)	Mean Difference
Politicians manipulating the procurement system to the advantage of party faithful	1.30	-1.132	0.001	-0.200
Politicians and other superior officers often interfere with duties of the procurement officials	1.76	-1.334	0.188	0.260
Deliberate controlling of competition	0.96	-3.512	0.000	-0.540
The long cumbersome procedures required in the choice of national competitive tendering	1.44	-0.365	0.717	-0.060
Payment difficulties and delays	0.38	-16.152	0.000	-1.120
Poor coordinating and communication structures	1.32	-4.291	0.263	1.220
Lack of knowledge of both NCT and procurement processes by some contractors	1.36	-0.724	0.024	-0.140

#### **4.16 Some unethical practices that influence the effectiveness in tendering process**

The intention here was to find out if in respondents' opinion there are still some unethical practices that negatively affect the use of national competitive tendering for work but were not addressed in the questionnaires. About eighty 80% of the respondents provided the same answers while twenty percent 20% gave answers that were not consistent.

The 80% of the answers provided by the respondents included:

1. Consideration of contracts on political party affiliations
2. Payment of 10% to finance party organization
3. Leakage of pricing to other competitors
4. Under pricing/invoicing

#### **4.17 How to improve the tendering process**

The aim of this section was to identify, in the respondents' opinion what should be done to improve the situation. Majority of the respondents, about seventy percent 70% suggested that there should be:

- a. Sensitization and training of stakeholders (tender review board, tender committee, procurement officers, contractors/suppliers, etc)
- b. Adequate financing for projects to ensure prompt payment.
- c. Monitoring and supervision from PPA&RCC

### **CHAPTER FIVE**

#### **SUMMARY OF FINDING, CONCLUSIONS AND RECOMMENDATIONS**

##### **Introduction**

Chapter five concludes the entire research work with summary of results in line with the objectives draws appropriate conclusions and suggests useful recommendations.

##### **5.1 Summarized Results**

The main objective of this research was to examine factors influencing the use of national competitive tendering method for procurement of works. From the data analysis obtained from the survey, the findings are summarized below;

##### **5.1.2 Frequency of assembly conformity with procurement plan**

It was found out that though the Assembly prepares its annual procurement plan, the procurement plan was not followed all the time contrary to page 21 (2.4) of the Public

Procurement Manual (2007) which states that, “Procurement Unit should check to ensure it procures only if the proposed procurement put forward by the originating department or unit is within the approved procurement plan and has been budgeted for and that funds are available before the commencement of tendering proceedings”

### **5.1.3 Provision of tender documents**

The study revealed that provision of tender documents to prospective contractors in most cases was in the range of 1 - 5 per lot.

### **5.1.4 Notification to Unsuccessful Tenderers**

It was established that the District Assembly did not notify unsuccessful tenderers on the outcome of procurement process contrary to section 65 (9) of the Republic of Ghana public procurement Act, 2003 (Act 663).

### **5.1.5 Political manipulation of the procurement process**

It came to light that politicians manipulate the procurement system to the advantage of party faithful in contravention to the object for which successive governments had to spend scarce state resources in order to promulgate the Public Procurement law in Ghana. .

### **5.1.6 Interference with duties of Procurement Officials**

The research identified that politicians and other superior officers often interfere with the duties of procurement officials in violation of page 21 (2.4) of the Public Procurement Manual.

#### **5.1.7 Limit of Competition**

It was revealed that the District Assembly deliberately limits competition under a pretext some contractors being willing to finance projects with their own resources and be reimbursed when funds are available.

#### **5.1.8 Payment difficulties and delays**

The study identified payment difficulties and delays payment to contractors by the Assembly.

#### **5.1.9 Inadequate knowledge in procurement processes**

The research also identified lack of knowledge of both NCT and procurement processes by some contractors.

#### **5.1.10 other findings**

The study again made other revelations such as: consideration of contracts on political party affiliations, payment of 10% to finance party organization, leakage of pricing to other competitors and under pricing/invoicing.

#### **5.2 Conclusions**

The study has established from the various components of the research work (especially the analysis and discussions from the questionnaires), that the procurement process have been engulfed with acts of intentional put in mechanism in order regulate competition, disregard for the use of sections of the public procurement law, payment difficulties leading to delays in payment to contractors, political influences and low interaction between the Assembly and the PPA, The study therefore, found out that these factors have greatly influence the implementation of the national competitive tendering method for work at the Sekyere South District Assembly. This has a direct



bearing on the cost of doing business with the Assembly. As a result prospective contractors are unwilling to take part in the tendering process at the Assembly, unless they are assured of winning the contract at all cost. Indeed this has resulted in the low turnout for tender documents, thereby reducing competition as required by public procurement law, especially when competitive tendering method is adopted for the procurement processes.

### **5.3 Recommendations**

From the findings and the conclusions drawn from the study, it would be necessary something specifically is done in way to improve the use of the national competitive tendering method for procuring works at the Assembly:

- a. There is the need for establishment of independent Procurement Units answerable only to the Public Procurement Authority and Ministry of Finance/Funding Agencies and should be staffed with procurement experts who have the requisite qualifications and are prepared execute procurement functions in accordance with the procurement Act without fear or favour.
- b. Procurement entities such as the district assemblies should seek professional and legal advice when making decision to tender. For instance, they can tap from Public Procurement Authority, Procurement practitioners, etc.
- c. There is urgent need to sensitize and train stakeholders (tender review board, tender committee, contractors/suppliers, etc).
- d. There should be a mechanism to ensure that adequate funds are set aside for financing projects in order to ensure prompt payment.
- e. There should be a routine checks on procurement process from Public Procurement Authority, Ministry of Finance/Local Government and Rural

Development, Regional Co-ordinating Council (RCC) and External Auditors.

This can be done by involving them from the start through all the stages to the end of the procurement process. A self-assessment system can be instituted to make ensure that each stage of the procurement process is audited before moving to the next stage.

- f. Seminars, training courses and workshops on competitive tendering for works procurement for both contractors and Assembly staff should be executed. These activities would improve the selection process and encourage contractors' participation in the tendering process.
- g. It is also recommended that stringent measures should be meted out to offenders who try to interfere with tendring process in order to discourage politicians from influencing the procurement process.
- h. The Public Procurement Authority should be decentralized to all the regions for easy accessibility, monitory and supervision of the implementation of its rules.

#### **5.4 Future research recommendations**

The study findings have in fact revealed other related field for further research to be conducted. In the light of this, it is therefore suggested that a studies should be further conducted on the following areas: Reasons why there is low turnout for tender documents at the MMDAs, Evaluation of competitive tender at the MMDAs and Factors to influencing contractor participation in procurement of works

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## APPENDIX

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**COLLEGE OF ARCHITECTURE AND PLANNING**

**DEPARMENT OF BUILDING TECHNOLOGY**

## QUESTIONNAIRES

**RESEARCH TOPIC:** Factors Influencing the use of National Competitive

Tendering Method for Procurement of Works: the case of MMDAs at the Sekyere



South District Assembly

**Introduction:**

My name is David D. Botey, a post-graduate student pursuing MSc Procurement Management at KNUST. This thesis is being conducted in partial fulfillment of the award of the above named degree by the School of Graduate Studies, KNUST, Kumasi-Ghana. Any answers provided in this research will be used only for academic purposes. Thank you very much in advance for taking time to complete this questionnaire

**PART ONE (1):** *(This is to be answered by the District Assemblies staff)*

**Please kindly answer the following questions by ticking/filling the spaces provided.**

**SECTION A**

1. How long have you been with the District Assembly?

(a) 0-5yrs [ ]      (b) 6-10yrs [ ]      (c) Above 10 years [ ]

2. Please indicate your age group:

20 – 29 [ ]      30 – 39 [ ]      40 – 49 [ ]      50 – 59 [ ]

3. Which of the following committees are you a member?

a. Tender Committee [ ]

b. Tender Review Board [ ]

c. Tender Evaluation Panel [ ]

4. What is your highest academic qualification?

- a. MSc/MPhil [ ]
- b. BSc/B.Eng/B.Tech [ ]
- c. HND [ ]
- d. Diploma [ ]
- e. Others [please specify] [ ]

5. Which of the following training facility have you had in procurement management?

- f. a) Professional training [ ]
- g. b) Academic training [ ]
- h. c) PPA/Workshop training [ ]

## **SECTION B**

**This section looks at Methods and Procedures used in procurement of work contracts**

6. How often does the Assembly prepare its annual procurement plan?

- a) Every year [ ]
- b) Not every year [ ]
- c) Not at all [ ]

7. How often does the Assembly stick to the plan for procurement of works?

- d) All the time [ ]
- e) Sometimes [ ]
- f) Not at all [ ]

8. Does the tendering process take long in this Assembly? Yes [ ] or No [ ] 9. How often does the Assembly advertise a procurement contract before award?

a) All the time [ ]

b) Sometimes [ ]

c) Not at all [ ]

10. Which of the following methods is normally used in procuring work?

a. National competitive tendering [ ]

b. Restricted/selective tendering [ ]

c. Single source procurement [ ]

d. Request for quotation [ ]

11. How many bidders per lot are normally received in tendering process?

a. 1 – 5 [ ]

b. 6 – 10 [ ]

c. 11 – 15 [ ]

d. 16 and above [ ]

12. On a five point Likert rating scale of 1-5, rank in your opinion the media which the District Assembly often uses to advertise Procurement contracts.

(Very often = 5, Often = 4, Not Often= 3, Very Rare= 2 and Never= 1)

Media	Rankings				
	1	2	3	4	5
Newspapers with nationwide coverage					
District website/notice board					
Radio Stations					
Local Newspapers/local Radio stations					

Public procurement Website					
International media					

13. How often do you notify unsuccessful tenderers after an award of a works contract?

a) All the time [ ]

b) Sometimes [ ]

c) Not at all [ ]

d) Never [ ]

### SECTION C This section looks at Factors Influencing NCT for Works

14. On a five point Likert rating scale of 1-5, how will you rank these factors that influence national competitive tendering in your District Assembly?

(I Strongly Agree = 5, Agree = 4, Disagree = 3, Strongly Agree = 2 and Uncertain = 1)

	Factors	Rankings				
		1	2	3	4	5
	Politicians manipulating the procurement system to the advantage of party faithful					
	Politicians and other superior officers often interfere with the duties of the procurement officials					
	Deliberate controlling of competition					
	The long cumbersome procedures required in the choice of national competitive tendering					
	Payment difficulties and delays,					



	Poor coordination and communication structures,					
	Lack of knowledge of both NCT and procurement processes by some contractors					

15. In your opinion what are some unethical practices in public procurement that influence the effectiveness in tendering process in the Assembly?

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.....  
.....

16. In your own opinion, what do you think can be done to improve the tendering process in the Assembly?

.....  
.....  
.....

## PART 11

*(This is to be answered by a contractor working in the District Assemblies)* Please respond to the question by ticking in the appropriate column

### General Information

1. Please for how long have been in the construction industry?

- a.) 1-5 years ☐ b.) 10-15 years ☐  
c.) 16 years and above? ☐

2. Could you share with me your position in the firm?

- a) Project Manager ☐ b) Quantity Surveyor ☐  
c) Site Engineer ☐ d) Architect ☐  
e) Others (please state).....

3. On a five point Likert rating scale of 1-5, rank the medium which the company often receive invitation for tendering?

(Very often = 5, Often = 4, Not Often = 3, Very Rare = 2 and Never = 1)

Media	Rankings				
	1	2	3	4	5
Newspapers with nationwide coverage					
District website/notice board					
Radio Stations					
Local Newspapers/local Radio stations					
Public procurement Website					
International media					

4. Does duration taken influence the effectiveness in tendering process in the Assembly? Yes [ ] No [ ]

5. Do you think tendering process wastes time? Yes [ ] or No [ ]

#### ©UNETHICAL PRACTICES

6. Tendering should be free and fair in Public Sectors

(i) Strongly Disagree [ ]

(ii) Disagree [ ]

(iii) Agree [ ]

(iv) Strongly Agree [ ]

7. To what extent does politics affect the tendering process?

(i) Very Profoundly [ ]

(ii) Profoundly [ ]

(iii) Average [ ]

(iv) Below Average [ ]

8. In your opinion what are some of the factors that influence your participation in tendering process at the Sekyere South District Assembly?

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9. In your own opinion, what do you think can be done to improve the tendering process in Assembly?

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