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TECHNOLOGY, KUMASI

APPRAISAL OF THE PROCUREMENT FRAMEWORK AGREEMENT
USED

BY THE SENIOR HIGH SCHOOLS IN GHANA. A CASE STUDY OF THE
OFFINSO, KWABRE AND AFIGYA CLUSTER OF SENIOR HIGH
SCHOOLS

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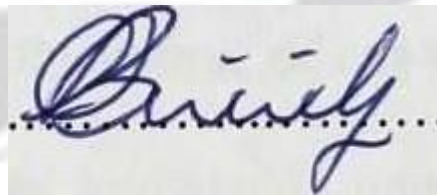
October, 2013

DECLARATION

I hereby declare that this submission is my own work towards the MSc. 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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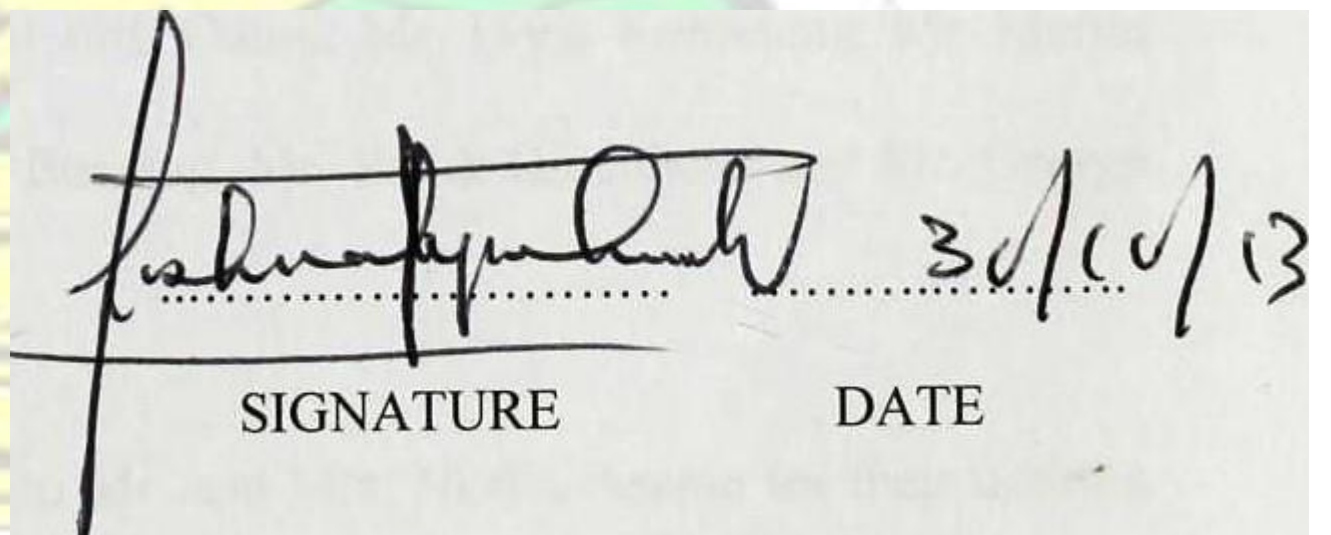
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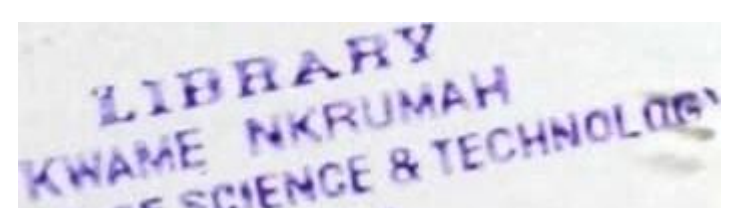
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ABSTRACT

A number of public entities procure same items in small uneconomic quantities from diverse sources resulting in unacceptable price disparities and high transaction costs. As a result, the Public Procurement Authority even though the Public Procurement



Act 2003, Act 663 is silent on framework agreements (FWA), has introduced Guidelines for Framework Agreements to be used by public institutions that repeatedly procure same items. It is on this basis that the study seeks to appraise the framework agreement used by the Offinso, Kwabre and Afigya cluster of Senior High Schools. A non-probability sampling technique was relied upon to select 52 respondents from the cluster, and structured questionnaires were used to obtain data for this study. The objectives of the study was to identify the supportive conditions for the use of FWA, the challenges faced by the Senior High Schools in the usage of PPA 2003, Act 663 provisions, the procurement structures used by the schools and the benefits that accrue from the usage of the FWA. The study therefore revealed that most of the schools do not have Tender Committees and that the Lead Entity predominantly administers the FWA on behalf of the schools. The agreement under the FWA is established through normal tendering process per Act 663. Most of the schools have participated in procurement training by PPA. The schools often compare quality and prices of goods before purchases. Persons responsible for the comparison are mostly the Heads and the Accountants. The challenges associated with the procurement of goods under the traditional procurement process included preparation of tender documents, comparative prices of goods procured under Act 663, cost of storage and delays in contract signing. Request for quotation and minor procurement were mostly the methods used for procuring frequently used goods like stationery and food stuffs before the introduction of the FWA. These goods were often procured quarterly. The schools were often compelled by cost, quality and proximity to purchase from same suppliers. The study revealed that FWA offers an easy means of procurement as prices of goods over the span of the agreement were fixed, tender advertisement cost was minimised, economies of scale obtained from bulk purchases and faster processing time, and all these came without much of the cumbersome paperwork. Based on these, recommendations such as engagement of procurement professionals, capacity development of procurement stakeholders, establishment of procurement structures and many others have been made to enrich procurement in public Senior High Schools.

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LIST OF ABBREVIATIONS

Abbreviations	Meaning
	Architecture
	Before Christ
BPA	Blanket Purchase Agreement
CHRAJ	Commission of Human Right and Administrative Justice

DAC	Development Assistance Committee Entity Tender Committee
FAOT	Functional Organizational Assessment Tool
FAR	Federal Acquisition Regulation
FWA	Framework Agreement
GDP	Gross Domestic Product
GES	Ghana Education Service
GNPA	Ghana National Procurement Agency
GPAP	Ghana Procurement Assessment Report
ICT	International Competitive Tendering
IDIQ	Indefinite Delivery/Indefinite Quantities
LPG	Liquefied Petroleum Gas
MDAs	Municipal and District Assemblies
MMDAs	Metropolitan, Municipal and District Assemblies
MoE	Ministry of Education
MoH	Ministry of Health
NCB	National Competitive Bidding
NCT	National Competitive Tendering
NPA	National Procurement Agency
OECD	Organization for Economic Cooperation and Development
PALT	Procurement Administrative Lead Time
PPA	Public Procurement Authority
PPB	Public Procurement Board
PUFMARP	Public Financial Management Reforms Programme
SFO	Serious Fraud Office
SPSS	Statistical Software For Social Sciences Standard Tender Documents
TRBs	Tender Review Boards
US	United States
VFM	Value For Money
AESL	Architecture, Engineering and Construction Service Limited

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Governments all over the world spend a great deal of money on goods, services and works needed to deliver public services geared towards national development. To achieve fairness, transparency, accountability and value for money for the taxpayer, governments adopt well-tailored procurement laws, policies and practices to ensure efficient and judicious use of public funds.

Effective and efficient procurement by governments is fundamental for rendering good public services and good governance. For instance, the public sector in the United Kingdom of Great Britain spends well over £150 billion a year on the procurement of goods and services vital for the delivery of public services (European Commission, 2007).

According to Lyson, (1996) organizational procurement may be defined as that function responsible for obtaining by purchase, lease or other legal means, equipments, materials, supplies and services required by an undertaking for use in satisfying wants. Procurement can also be defined as the acquisition of goods, buying or purchase of works, hiring contractors and consultants services (The World Bank, 2004)

Public Procurement, according to the Public Procurement Act, 2003 (Act 663), is 'the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, and in the right place

for the direct benefit or use of governments, corporations, or individuals, generally via a contract' (PPA Module, 2007). Public procurement can be laconically explained as all the processes engaged in the acquisition of goods, services and works by government organizations from suppliers, consultants and, or contractors.

The World Bank (2003) estimated the annual value of public procurement for goods, works, and consultancy services at 600 million US dollars representing about 10% of the country's GDP. Therefore, public procurement is an integral function of governments in both developed and developing countries as the gargantuan financial outflows has a great impact on the economies of countries and as such needs prudent management (Thai, 2001).

At the 2011 Annual Public Forum organized by the Public Procurement Authority at the College of Physicians, Hon. Dr. Kwabena Duffour, the then Minister of Finance and Economic Planning, asserted that, the public procurement in Ghana utilizes about 80% of national tax revenue; represents about 24% of total imports; represents between 50-70% of the national non-personnel budget; and accounts for about 17% of the country's gross domestic product. (PPA E-Procurement Bulletin, 2011).

With reference to huge financial commitment that is in most cases involved in the procurement process, the impact of public procurement on the Ghanaian Government cannot-be—öýëfèhåphasized. Over the past decades, public procurement has gained much attention amongst developing countries. Procurement budgets in third world

countries account for about 20 per cent of government expenditure globally (Mlinga, 2009), and as a result, many of such governments (third world countries) including Ghana, have embarked on massive and comprehensive reforms in their procurement systems to streamline and harmonize legal and institutional framework.

The Public Procurement Act (Act 663) passed by Ghana in December 2003, has the objective of streamlining public sector procurement to ensure judicious, efficient and economic use of national resources in an environment of fairness, transparency and accountability. The Act therefore enjoins all Government organizations (public entities) to set up Procurement units to handle their own procurement needs.

The purchase of similar items in uneconomic quantities from diverse sources and the tendency of entities procuring large quantities of items that have no immediate use could result in high transaction cost and, also increased price distortions and locking up working capital, obsolescence and, deterioration among others. The aforementioned concerns coupled with the temptation of bulk breaking create deficiencies in the procurement system thereby defeating the objectives of the Public Procurement Act 2003, (Guidelines on Framework Contracting for Schools and Colleges, 2011).

Even though the Public Procurement Act 2003 (Act 663) is silent on framework agreements, to address the foregoing concerns, the Public Procurement Authority has introduced Framework Contracting guidelines to enable entities source their requirements with flexibility and convenience without contravening the requirements of the Public Procurement Act 2003 (Act 663). This involves the

consolidation of the procurement of similar items of common use referred to as 'common user' items by a cluster of entities in order to obtain the benefits of Economies of Scale, low transaction cost and uniform prices.

Framework contracting involves the establishment of a Framework Agreement (after the normal tendering process) as the first stage and subsequently establishing 'call off contracts on the basis of the terms and conditions in the Framework Agreement as the second stage. By this policy, the supplier acts like a stockiest/stockholder over the period of the agreement and the buyer has the flexibility of calling off the quantities required to meet its immediate requirements thereby saving it from holding unwanted stock and also freeing up a significant amount of resources for other purposes. The Public Procurement Authority therefore issued guidelines in tune with the existing procurement structures to enable all Government entities apply the Procurement Framework Agreement policy to procure their common user items without difficulty.

1.2 Problem Statement

Financial Management consists of all the activities concerned with obtaining money and using it effectively. Effective financial management involves careful planning and efficient use of resources. Proper financial management can ensure that financial priorities are established in line with organizational goals and objectives; spending is planned and controlled in accordance with established priorities and sufficient financing is available if needed both now and the future (Pride et al., 2002). The Public Procurement Authority recommends that the Framework Agreement for

procurement is used for a cluster of Government Entities under the same Ministry or

Sector who repeatedly procure the same goods, services and works. The procurement

Framework Agreement administration demands that, the cluster shall on consensus nominate a member institution with the requisite capacity as the Lead Entity to administer the Framework Agreement on behalf of the cluster.

Regrettably, capacity at the Senior High School (SHS) level with reference to a functioning procurement unit, qualified/trained procurement staff, good procurement performance and adequate communication facilities is very poor. The above issues, coupled with the difficulty associated with the selection of the Lead Entity further weakens the foundations of the procurement structures thereby bringing the administration of the Framework Agreement at the Senior High Schools into disrepute. The focus of this study is therefore to appraise the Framework Agreement in the Offinso, Kwabre and Afigya cluster of Senior High Schools.

1.3 Research Questions

The study sought to find answers to the following questions:

1. Are the proper procurement structures for procurement Framework Agreement in position at the senior high school level?
2. In what ways are the procurement structures in the Senior High Schools functioning in compliance with the Public Procurement Act 2003 (Act 663)?
3. What are the unique advantages of the procurement Framework Agreement used by the Senior High Schools?
4. What factors necessitated the procurement Framework Agreement in the Senior

High Schools?

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1.4 Aim of the Study

The research aimed to identify and document the challenges facing the Offinso, Kwabre and Afigya cluster of Senior High Schools in the use of the Procurement Framework Agreement.

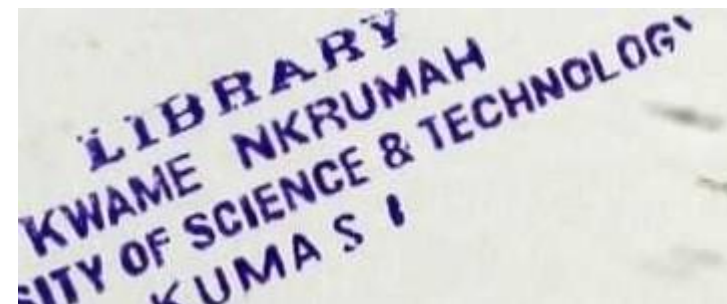
1.5 Objectives of the Study

The study specifically sought:

1. To identify the conditions that supports the use of the Procurement Framework Agreement by the Senior High Shools.
2. To identify the problems that were faced by the Offinso, Kwabre and Afigya cluster of Senior High Schools in the use of the provisions of the Public Procurement Act, 2003 (Act 663).
3. To identify the procurement structures used to administer the procurement Framework Agreement by the Offinso, Kwabre and Afigya cluster of Senior High Schools.
4. To identify the advantages of the procurement Framework Agreement over the traditional/normal procurement of goods to the Offinso, Kwabre and Afigya cluster of Senior High Schools.
5. To document any challenges ofthe Offinso, Kwabre and Afigya cluster of Senior High Schools in the use of the Procurement Framework Agreement.

1.6-Limitations of the Study

One of the problems faced during the research was the issue of honesty and truly detailed answers to the questions from the respondents. All of the respondents since they worked in the public sector did not want their identity revealed to the general



public as they thought that the answers they provided might be used against them. The researcher overcame this problem by not requesting for respondents' individual names or trying to know their in-depth personal details. Another problem encountered was the difficulty in gaining access to respondents in their respective schools or offices because most of them would not be at post at the time of the researcher's visit or even when at post most of the respondents would be busy attending to other pertinent issues of theirs. The researcher therefore used an alternative method of administering the questionnaire to the respondents by first calling the respondents on their mobile phones and visited them at their convenience. Time and lack of financial resources were also problems encountered in the research.

1.7 Scope of the Study

Thematically, the field survey was limited to assessment of the lapses in the usage of the procurement framework agreement by SHS. However, geographically, study was limited to the Offinso North, Offinso Municipal, Offinso South, Kwabre East, Mampong and Afigya Kwabre districts (Offinso, Kwabre and Afigya cluster of Senior High Schools), with special reference to the administration of the procurement Framework Agreement.

1.8 Justification of the Study

The outcome of this research would broaden knowledge in the public procurement with-reference to the administration of the procurement Framework Agreement and performance of the procurement structures in the Offinso, Kwabre and Afigya cluster of Senior High Schools in the Ashanti region of the Republic of Ghana. Additionally, it will bring to light the benefits of the procurement Framework

Agreement to the Senior High Schools and the Government. It would also serve as literature for other researchers who would be working on similar projects.

1.9 Organisation of Study

The study was organised into five chapters. Chapter One is the introduction to the work and it stated clearly the research problem, the research questions, research objectives, the limitations and scope, significance of the study and the organization of the study.

Chapter Two reviewed the relevant literature. This section consist of brief history of the Public Procurement Law, concepts of procurement, procurement procedure and methods, reforms in public procurement in Ghana, benefits of public procurement, the legal and regulatory framework of public procurement, and procurement roles and responsibilities.

Chapter Three discussed the methodology used to answer the research objectives. This included method of data collection and analysis. Chapter Four discussed, analysed and critiqued the data found. Chapter Five concluded the study and made recommendations to the Public Procurement Authority.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter focuses on the review of literature on procurement. The areas looked at included: the early history of procurement, the definition of procurement, an overview of the reforms and development of Ghana's procurement Regulation, General Principles of Transparency and Accountability, procurement in perspective.

Additionally, this chapter considers procurement in Ghana in terms of its structures, rules, methods and procedures. Also, the importance of procurement, challenges and consequences of procurement, and the nature of the Framework Agreement/Blanket Purchase Agreement. In this chapter, a number of relevant literatures on the nature of the traditional public procurement and the procurement Framework Agreement in Ghana are presented in order to establish and provide answers to the research question.

2.1.0 Early History of Procurement

Procurement in the public sector has a very long history. According to Thai (2001) an inscription on a red clay tablet, discovered in Syria is the earliest procurement order and it dates between 2400 and 2800 B.C. The order was for fifty (50) jars of fragrant smooth oil which was exchanged for six hundred (600) small weight in grain (Coe, 1989, p. 87). Other evidence of historical procurement includes the development of the silk trade between China and a Greek colony in 800 B.C. Thai (2001).

In the United States, according to Page (1980), government procurement at the municipal level predates that of state and federal governments. In the settlements and colonies, printing was one of the few services contracted out by government. In 1810, Oklahoma was the first state government to create a board to procure centrally for all state departments and agencies (Page, 1980). Many local governments, Thomas (1919) asserts, soon followed Oklahoma's example, for instance:

1. The City of Chicago, Illinois, has had "a degree of central purchasing for all departments since 1898;
2. The City of Philadelphia, Pennsylvania, created a purchasing department in 1903;
3. The City of Minneapolis, Minnesota, created a department of purchasing by a December 22, 1911, ordinance;

4. The City of Cleveland, Ohio, provided for central procurement in its 1913 charter;
5. The City of Los Angeles, California, as authorized in its charter, created a department of supplies in 1916;
6. The City of Baltimore, Maryland, provided, in its charter, for a board of awards as a central purchasing agency; and on January 1, 1916, an assistant was appointed by the board to take over purchasing authority of several departments; and
7. The City of New York centralized its purchasing function in 1917 after two years of successful "cooperative contracting for all departments and offices under the mayor."

2.1.1 Brief History of the Procurement Law in Ghana

Before the Public Financial Management Reform Programme commenced in 1996 in Ghana, procurement was guided by many different rules. Government officials struggled to identify which rules to follow, due to lack of existing policy framework for public procurement, lack of existing institutional arrangement, and the absence of a Central Body for Procurement (Suleiman, 2010). In 1999, the Public Procurement Oversight Group was formed to design and coordinate the reform. This group was also formed to oversee the improvement of the countries public financial health. "While the reform activity was on going, many shortcomings and organisational weaknesses were identified in the country's procurement system (Daily Graphic Monday, May 22, 2006). They include the absence of a comprehensive public procurement policy, and the lack of a comprehensive legal regime to safeguard the integrity of the public procurement system. These were the main problems that government faced while conducting the reform. Others were the absence of a central body with the technological and managerial expertise and competence to develop a coherent public procurement policy.

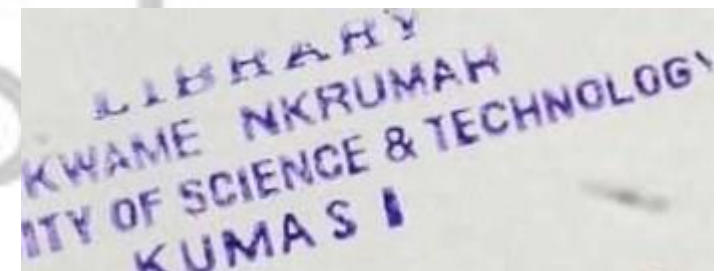
In 2003, the Government of Ghana put together the main public procurement guidelines currently used in Ghana and enacted these guidelines to fight against and overcome the shortcomings. This act was implemented to replace the many different rules that guided procurement activities. The act "provided a comprehensive framework for development and strengthening procurement institutions and operational processes in the context of poverty reduction, private sector development, good governance and anti-corruption" (Ghana Trust Law as cited in Wereko & Cletus Dordunoo, 2010). This act is supported by standard tender documents. The act has also put in place appropriate administrative and institutional arrangements to look over the procurement system. But have these measures worked? Why are there so many problems with the process? The public procurement bill was intended to promote the use of public procurement for the development of the nation, and also synchronise the application of procurement rules with the international rules. The new structure was also intended to foster competition, efficiency, transparency, and accountability in the procurement process of public entities. It is also said that it gave equal access to any citizen to participate. Competition is definitely rising up, but to say that efficiency, transparency and accountability are improving, one would have to take a closer look at each institution. To what extent can we see the effect of the procurement law in this sense? Has it had a positive or negative effect on the nation as a whole?

2.2 Concepts of Procurement

Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties. It involves option appraisal and the critical "make or buy" decision which may result in the provision of goods and services in appropriate circumstances (PPB, 2003). Again, according to Ghana Integrity Initiative (2009), Public Procurement "is the acquisition of goods and services at the best possible

total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract—can be said to be the purchase of goods, services and public works by government and public institutions. It has both an important effect on the economy and a direct impact on the daily lives of people as it is a way in which public policies are implemented (Ghana Integrity Initiative, 2009). This

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definition is not far from that carried by Lyson. According to Lyson, (1996) organizational procurement may be defined as that function responsible for obtaining by purchase, lease or other legal means, equipments, materials, supplies and services required by an undertaking for use in satisfying wants. The definition of the overall purchasing task is "to obtain materials, goods and services at the right quality, in the right quantity from the right source delivered to the right place at the right time at the right price, to achieve an organizational objective.

Also, Public Procurement, according to the Public Procurement Act, 2003 (Act 663), is 'the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract' (PPA Module, 2007). In other words, Public Procurement is the process by which organizations acquire goods, works and services using public funds. It is a comprehensive process that runs from proper procurement planning, budget allocation, bids invitation, bids evaluation, award of contract, contract management, performance measurement, monitoring, auditing and reporting.

Procurement is to purchase the right quality of material at the right time, in the right quantity, from the right source, at the right price. The main objectives of

procurement include: supplying the organization with a steady flow of materials and services to meet ~~ts needs, to buy~~ efficiently and wisely, obtaining by ethical means the best value for every money spent, to manage inventory so as to give the best possible service to users at the lowest cost and protect the government's cost structure (Baily et al., 1994).

Public procurement can be described as centrally negotiated legal processes which are guided by political decisions and practically implemented by various local purchasers. It should be acknowledged that public procurement has both economic and social benefits, but the social benefits of public procurement are primarily seen as indirect positive effects from economic savings and environmental improvements (Björn Wickenberg 2004). Procurement is a potential instrument of integrating socially and economically sustainable benefits to stimulate employment programmes.

According to Waara (2007), Public Procurement is any purchasing performed by any public authority within the classical sector or within the utilities sector. The public procurement rules applicable to purchasing entities also depend on whether the total purchase value is over or below certain so-called "threshold values", which differ as regards goods, services and construction works. All procurements above the threshold values apply procurement directives and must be advertised in the Supplement to the Official Journal for public tenders. There are a number of different procurement procedures to choose from, depending on whether it is a purchase above or below the threshold values. Many minor purchases are subject to so-called "direct procurement", which do not have to be publicly advertised. However, due to principles of market competition, direct procurement should not take place repeatedly, and purchases should not be divided into smaller units in order to avoid exceeding threshold values.

2.3 Nature of Public Procurement Systems before the Reforms

Prior to the enactment of the Public Procurement Act, 2003 (Act 663), 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 and Anvuur and Kumaraswamy, 2006). These bodies do not regulate procurement but purchase goods and services on behalf of public entities.

According to PUFMARP, (1996) procurement system in Ghana has: (1) No comprehensive public procurement policy; (2) There was no central body with technical expertise to oversee/regulate sound procurement practice; (3) There was no comprehensive legal regime to safeguard public procurement ; (4) Absence of clearly defined roles, responsibilities and authority for procurement entities; (5) No rules and regulations to guide, direct, train and monitor public procurement ; (6) National Procurement Agency (NPA) and Supply Company Ltd procure on behalf of government for PEs; (7) No independent appeals process to address complaints from aggrieved tenderers; (8) No authority to dispose of public assets; and (9) No independent procurement auditing and monitoring function.

As there was no comprehensive legal regime and a central body with the responsibility to harmonize procurement process in the country, more and more sector ministries such as the Ministry of Health (MOH) have decided to implement their own procurement system. World Bank Procurement Guidelines were also used for World Bank projects (World Bank, 1995/1997). Traditional procurement methods were 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. Contractors classified by the Ministry of Water Resources, Works and Housing were too general and outdated and their registration criterion - contractors lists and monetary thresholds - were not regularly rationalized as indicated by the World Bank (1996) and Eyiah and Cook, (2003). Since 1999, the

Ministry of Finance has been working on the development of a national Procurement Code using the achievements in procurement at the Ministry of Health as an example to largely regulate procurement through the issuance of circulars. This complements a set of procedures that evolves from conventions that are connected with procurement control by the Ministry.

Major or complex contracts that were financed by the government through architectural consultancy services and project supervision were assigned to the Architectural and Engineering Services Limited (AESL) on single basis without recourse to fair competition (World Bank 1996). These uncoordinated and unregulated systems of procurement were the consequences of poor procurement situation leading to the much acclaimed reform of public procurement practices to instill trust and confidence in the public and the donor community.

2.4.0 The Public Procurement Reforms in Ghana

The Public Financial Management Reform Program (PUFMARP) was launched in 1996 by the Government of Ghana with the aim of improving the overall public financial management in Ghana. In 1999, the Government of Ghana established the Public Procurement Oversight Group to manage the development of a comprehensive public procurement reform program. 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 object for PPA is to secure a judicious, economic, and efficient use of public funds in a fair, transparent and non-discriminatory manner while promoting a competitive Local industry.

2.4.1 The Legal and Regulatory Framework of Public Procurement

This section of the study encompasses the Public Procurement Act, 2003 of Ghana which is explained in section 2.4.1.1.

2.4.1.1 The Public Procurement Act, 2003 (Act 663)

The Public Procurement Act, 2003 (Act 663) set out the legal, institutional and regulatory framework to secure fiscal transparent and public accountability in Ghana's procurement system. The Act establishes five basic principles upon which the public procurement is based (World Bank, 2003). These pillars are: the legal and institutional framework; standardized procurement procedures and tender documents; independent control system; proficient procurement staff; and anticorruption measures.

The objectives of Act 663 are to harmonize public procurement processes in the public sector to ensure judicious, economic and efficient use of public resources and to ensure that public procurement functions undertaken within the public sector are fair, transparent and non-discriminatory.

The Act applies to procurement financed wholly or partly from public funds for the procurement of goods, works, services and procurement financed by loans contracted by the government of Ghana, including foreign aid and donor funds.

The Public Procurement Act 663 establishes the Public Procurement Board (PPB) now PPA, Entity Tender Committees (ETCs) and Tender Review Boards (TRBs). It specifies in clear terms the laws for procurement methods and thresholds,

procedures, appeals and complaints resolution procedures and disposal of stores. It authorizes the issuance of enforceable regulations, Guidelines, Standard Tender Documents (STDs) and Manual under the Act.

2.5.0 Procurement Principles Affecting Compliance

The Public Procurement Act, 2003 identifies the following principles affecting the achievement of good procurement objectives. It is the researcher's view that complying with these principles will result in attaining compliance with the Public Procurement reform.

2.5.1 Professionalism

Professionalism is the discipline whereby educated, experienced and responsible procurement officers make informed decisions regarding procurement operations. It is in the recognition of this fact that the Public Procurement Authority focuses its resources on the training, professional development, promotion and support for individuals that are engaged in public procurement to ensure adherence to professional and ethical standards (Adjei, 2006). To achieve this, the Authority developed a Capacity Development Policy Paper which aimed at ensuring that (1) Each Procurement Entity has a functional Procurement Unit that is managed by personnel who have the requisite procurement training, competencies, and adhere to agreed code of ethics.

(2) personnel in the Procurement Units in the public service will have career paths in procurement and given opportunities to gain professional procurement qualifications and,

(3) establishment of a Procurement Professionals Association

Over 1,289 stakeholders (from MDAs and MMDAs) were trained. Training of Practitioners, Service Providers, Media, Civil Society groups and the Oversight

Groups (Parliament, Police, Judicial Service, Attorney General's Office, SFO, CHRAJ, Ghana Audit Service, and Internal Auditors) have not been left out (PPA Annual Report, 2008).

2.5.2 Transparency, Competitiveness and Fairness

Transparency means that the same rules apply to all suppliers of goods, works and services and that these rules are publicized as the basis of procurement decisions prior to their use. Transparent procurement procedures can contribute to a more efficient allocation of resources through increased competition, higher quality procurement and budgetary savings for governments and thus for taxpayers (PPB Training Module 3, 2007).

To avoid corruption in the public procurement systems there is the need to publish calls for tenders, notifying contract awards in the media, including the successful bidder's name and final price, and making award criteria more transparent and accountable. These are some of the basic principles of transparency in government procurement which directly affect corrupt practices (Evenett et al., 2005).

In this regard, the Act 663 and Regulations endorse the use of competitive tendering which encourages maximum competition in the procurement system. It involves the use of STDs, advertising procurement opportunities, public opening, publication of contract awards, creating windows of addressing appeal and complains, etc. Public Procurements using other uncompetitive methods are vigorously monitored and evaluated by PPA and Audit Agency to ensure transparency, fairness, and value for money (Act 663, 2003).

This position has been collaborated by Botes et al. (1992) when he opined that, government agencies can achieve transparency by strategizing through effective and

efficient advertising; publicly opening bid documents; effective evaluation of bid documents; the publication of award results; fair and speedy protest and dispute resolution handling processes and the disclosure of signed contracts; and the use of independent evaluation methods, that are consistent with the terms of bid documents.

2.5.3 Value for Money in the Procurement Process

This is the optimum combination of whole cost and quality of a product to meet the customer's requirements. It is reflected in the price of the item or service procured. It

has to—be noted ~~that~~ Value for Money (VFM) is a critical measure of the effectiveness of the procurement process, its outputs and outcomes. Achieving VFM requires a strategic and integrated approach to procurement (PPA Manual, 2006).

This, of course, has significant organizational and institutional implications. VFM may be compromised if the Public Procurement Act and Regulations are not followed. This in procurement function is an important test against which well functioned procurement management must be addressed to justify a procurement outcome as necessary conditions for best value, transparency and accountability in public procurement (World Bank, 2003). It is associated with deployment of resources for realization of some expected value in an economic, in efficient and effective manner.

The concept of value for money concerns not only the acquisition price/cost but also takes into consideration efficiency and effectiveness of a procurement process. The procurement professionals need to continuously improve upon their performance and innovations necessary to deliver greater value to the procuring entity. Therefore, public procurement professionals need a defined skills and knowledge to efficiently and effectively run the procurement process while public entities strive to motivate procurement staff in terms of remuneration and better conditions of service.

However, studies (EOCD/DAC, 2007) indicate that some procurement officials lack some level of skills and knowledge to manage the procurement cycle. Thus simple issue like bid evaluation and selection were only based on lowest price and not the lowest evaluated price. Project time, cost, and communication are poorly handle in Ghana thereby rendering Value for Money concept ineffective.

2.5.4 Efficiency

Efficient public procurement system is the one which operates in a timely manner, with a minimum bureaucracy, while being responsive to the needs of the ultimate

users of the goods or facilities procured. Efficiency is defined narrowly in terms of value for money — the best quality at the lowest cost. In this view, efficiency is best secured through open competition, so procurement reform is seen as encouraging a more liberalized system. A broader definition of efficiency that considers development gains alongside cost and quality would ensure that procurement plays more of a role for poverty reduction (McDonald, 2008). In Ghana to be efficient and effective in Public Procurement is to carry out procurement activities in a professional and transparent environment with a clear set of predefined rules to foster enhanced competition thus stimulating efficiency and innovation amongst bidders. There is a better utilisation of funding, increased attractiveness to private sector and improved customer satisfaction (PPA, 2008).

According to Cloete (1998), efficiency in the public sector means satisfying the most essential needs of the community to the greatest possible extent using the limited resources that are available for this purpose. Thus, public entities should be represented by competent personnel capable of putting the Public Procurement Act (Act 663) into practice to attain efficiency and value for money.

2.5.5 Accountability

Accountability can be explained as the process of holding an individual or an organization fully responsible for all aspects of the procurement process over which they exert authority.—The essence of accountability is to strengthen the perception of transparency and fairness. It reduces the incidence of corruption and enforces the Act 663 and regulatory framework which clearly defined responsibilities (PPB Training

Module 3, 2007).

2.5.6 Ethical Approach

Ethics is concerned with moral principles and values which govern our beliefs, actions and decisions. Ethical approach implies exemplary approach to all procurement processes that cannot be questioned or criticized. examples of conducts prohibited by Ghana's Public Procurement Code of Ethics include: (1) Revealing confidential or "inside information" either directly or indirectly to any tenderer or prospective tenderer or discussing procurement with any tenderer or prospective tenderer outside the official rules and procedures for conducting procurements; (2) Favours or discriminating against any tenderer or prospective tenderer in the drafting of technical specifications or standards or the evaluation of tenders or destroying, damaging, hiding, removing, or improperly changing any official procurement document; (3) Accepting or requesting money, travel, meals, entertainment, gifts, favours, discounts or anything of material value from tenderers or prospective tenderers or discussing or accepting future employment with a tenderer or prospective tenderer; and (4) Requesting any other Public Servant or Government official representing the Procurement Entity in a procurement to violate the public procurement rules or procedures.

2.6 Benefits of Public Procurement Practices

From development point of view, public procurement policies are significant. Reducing poverty and attaining health, education, and other objectives among the citizenry requires that—the limited public funds available for public procurement of goods, services, and works are properly managed. Generally, the efficient, effective and professional application of public procurement laws can contribute towards sound management of public expenditures (Hunja, 2003).

Efficient public procurement planning leads to the identification of major investment expenditures, that in turn facilitates budgetary and allocation decision-making of procurement practitioners. It is difficult however, to envision how public can deliver significant improvements in the welfare of its citizens without prudent management of public expenditure that emphasis on effective and efficient procurement policies. This recognition therefore accounts partly for the increasing concentration on public procurement laws and practices and the likely consequences of their reforms.

Furthermore, there is a growing appreciation of the linkages between specific public sector objectives and public procurement practices. For instance, public procurement issues are often a central focus of programmes to deal with corruption and to ensure that appropriate entrusted power for private gain by public officials are curbed (Evenett et al., 2005).

In addition, public procurement activities are assuming growing access to international markets. International trade negotiations, whether bilateral, regional, or multilateral— are an instrument through which governments in developed and developing countries address the terms upon which international companies can compete in domestic public procurement markets. Public procurement has increased donor trust in public systems and has helped improve in donor funding, grants and loans, and foreign direct investment in Ghana.



2.7 Assessments of the Public Procurement Reforms in Ghana

Much tends to be claimed for the benefits of procurement reforms. However, there is little analysis whether these benefits were realized after reform initiatives occurred.

The public procurement reform programme in Ghana is a wider reform agenda aimed at improving public financial management. According to the Ministry of Finance (2001), the purpose of the public procurement reform is to promote national development through enhancement of harmonious relationship with other local and international laws and regulations. It is also to foster competition in public procurement processes; transparency and accountability in procurement functions; facilitating the ease of procurement administration; and ensuring that value for money is achieved (Anvuur et al., 2006).

There are improvements in transparency in the public procurement system in Ghana which contributes to a more efficient allocation of resources through increased competition, higher quality procurement. Transparency in the public procurement systems in Ghana also help in attracting more investment. Additionally, objective and transparent procedures in the public procurement systems enhanced the efficiency of local suppliers and contractors as they compete for public contracts. There is an improvement in tax payments, expanded private sector, with some foreign companies going into joint venture with Ghanaian businesses, generating employment and prospects for the economy. Finally, transparent procurement procedures helped limit bribery and corruption, which are particularly rampant in the procurement field in both developed and developing countries (OECD 2003).

The Public Procurement Act (Act 663) tends to expand reforms covering procurement and project delivery strategies and methods with a focus on best value intended to maximize the potential and likelihood of achieving value for money in public procurement in Ghana. With improved public financial management due to transparency and accountability in the public procurement as a result of procurement

reforms, it is envisaged that there will be an annual savings of about US\$150 million in government-financed procurement alone in Ghana (World Bank, 2003; Anvuur et al., 2006).

The introductions of technological developments into the public procurement systems in Ghana have added a new dimension to its procurement reforms. The combination of greater computing power and internet-based communication has given rise to the e-procurement or electronic procurement regimes. However, it is an overt question how, and to what extent, public procuring entities in Ghana can take advantage of the technological developments and reap the benefits from recent innovations (Segal and Taylor 2001).

2.8 Procurement Structures, Roles and Responsibilities

The Act and Regulations define the institutional framework for public procurement in Ghana — the roles and responsibilities of each stakeholder (The PPA, Procurement entities, The Private Sector, And Oversight Bodies) The diagram below summarizes the roles and responsibilities of the various stakeholders.

2.9 Procurement Procedures, Methods and Thresholds

There are various methods of procurement provided under the law for use by public procurement entities. The choice of particular method is based on the amount involved(thresholdbnd-theæircúinstances surrounding the procurement.

2.9.1 Procurement Methods and thresholds

There are numerous procurement methods used in several public entities in Ghana. These methods include competitive tendering, single source procurement, international competitive tendering, request for quotation, two-stage tendering, and restricted tendering. These methods are discussed below. The thresholds of the various illustrated methods have been shown in Table 2.1 in Appendix B.

2.9.1.1 Competitive Tendering (Section 35 & Part V of Act 663).

The Act and Regulations endorse the use of competitive tendering method for standard high value procurement for goods, works and consultancy services. The two types of competitive tendering methods include (1) International Competitive Tendering (ICT) which is used when effective competition cannot be achieved without the inclusion of foreign firms (s.45). (2) National Competitive Tendering (NCT) is used when the procurement entity so decides (s.44) and subject to contract value thresholds specified in Schedule 3. It is the most preferable methods under the law, as it encourages maximum competition in the procurement system. The invitation to tender is always advertised and opened publicly.

2.9.1.2 Request for quotations (Sections 42-43 of Act 663)

The process of organizing a fully-fledged tendering or other competitive tendering procedure is normally a time consuming and costly exercise which can be dispensed with when the contracts are small. The main idea is to allow procuring entities to use a simplified procedure in those instances where the contract value is so small that the administrative effort related to a full-fledged tendering procedure appears out of proportion (Acts 663, 2003). The method is based on comparing price quotations obtained from at least three foreign or local suppliers for goods/works that are small in value.

2.9.1.3 Two-Stage Tendering (Sections 36-37 of Act 663)

Two-stage tendering is only allowed where detailed specifications cannot be made available before going to tender (s.36) or the optimal solution is unknown. In the case of services, it is used to obtain proposal or offers on various means to meet its procurement requirements.

2.9.1.4 Restricted Tendering (Sections 38-39 of Act 663)

This is a procurement method with limited competition. A maximum of six and a minimum of three short-listed suppliers are invited to tender. To apply this method, a procurement entity requires specific approval from the Public Procurement Authority (PPA). The Restricted Tendering method is applied mainly where procurement requirement is of specialised nature and there is enough evidence to show that there is limited number of potential suppliers. In 2009 a total of 167 out of 179 entities received approval to use this method of procurement as compared to 2008 approval of 166 out of 173 applications received (PPA Annual report, 2009).

2.9.1.5 Single Source Procurement (Sections 40-41 of Act 663)

This system involves procurement from a supplier without any competition. It is normally—used for procurement of sole or single sourced requirements. The law allows this method where: procurement is for justifiably urgent items, requirements can only be supplied by one source, additional requirements for purposes of standardisation, purposes for research, experiment, study or development, procurement that concerns national security. In 2009, 323 out of 360 single source applications received were either approved or conditionally approved as against 318 out of 342 in 2008 by PPA (PPA Annual report, 2008/2009). This method has often been abused by entities and political leaders over the years. According to the Finance Minister, public procurement appears to be one of government's activities most vulnerable to waste, fraud and corruption due to its complexity, the size of the financial flows it generates and the close interaction it brings between the public and private sectors. On that note, the PPA Board was urged to examine very carefully the conditions for approving sole-source procurement applications with the view of making it more of an exception rather than the norm.

All contracts must be tendered on an open competitive basis, except otherwise provided for in the Act (s.35). All procurement must use the appropriate standard tender documents provided in Schedule 4 and modifications can only be introduced through contract data sheets or special conditions of contract (s.50). The successful tender for works contracts shall be the lowest evaluated tender price ascertained on the basis of criteria specified in the invitation documents, which shall include (s.59): (1) the tender price subject to any margin of preference for domestic contractors (s.60); (2) the potential for economic development, local involvement or technology transfer; and (3) national security considerations. The selection of consultants shall be on quality and cost-based criteria (s.75) with the price component assessed in a similar-manner as for works (s.69). Quality-based selection is allowed for complex or highly specialized assignments (s.72), and least-cost selection is reserved for small value assignments.

2.9.1.6 International Competitive Tendering (ICT)

International competitive tendering is used and effective competition cannot be obtained unless foreign firms by nature or by value of contract are invited. ICT procedures are also used for goods and works contract exceeding the threshold of fifteen billion cedis and twenty billion cedis respectively. ICT tenders shall be openly advertised and eligible bidders shall be allowed to submit bids. The tender document shall be in English and expressed freely in convertible currency.

The bidding period shall not be less than six weeks from the first date of advertisement or the date of availability of the tender document whichever one comes later. The advertisement shall be made in a national newspaper of wide circulations.

Additionally, the advertisements shall be placed in the international press at least six weeks prior to the deadline of submission of bids (Public Procurement Act, 2003)

(Act 663), Section 45).

2.9.1.7 National Competitive Tendering (NCT)

National competitive Bidding procedure shall be where the entity decides that only domestic suppliers or contractors may submit tenders either by nature or by value of contract. The local currency (cedi) shall generally be used for the purposes of bidding and payment unless specified otherwise in the bidding documents.

Invitations to bid shall be advertised in at least one widely circulated national daily newspaper and the Public Procurement Bulletin.

The time allowed for bidding this and deadline for submission of bids shall be at least thirty (30) days from the date of publication or the date of availability of the tender documents. The value of threshold for goods is between two hundred million and two billion cedis, whilst works goes for between five hundred million cedis and fifteen billion cedis and technical service is between two hundred million cedis and two billion cedis (Public Procurement Act, 2003 (Act 663), Section 44).

2.9.3 Procurement Procedures

Procurement under the Act, 663 follows several procedures. These procedures include planning of procurement, tendering process, contract management, monitoring and evaluation, and appeals and complains. These procedures are discussed below:

2.9.3.1 Planning Procurement

Generally, planning enables organizations to, among other things, determine performance standards, establish overall direction, anticipate and avoid future problems and reduce the risks of uncertainty, identify and commit resources towards the achievement of goals, determine and develop performance standards, and effectively coordinate various activities in the organization (PPB Manual, 2005).

The Public Procurement Act 663 provides for the activity of planning under Part 3 section 21.

What the foregoing means is that it is imperative that procurement entities would need to plan their procurement for the coming year by the 30th of November of the preceding year. The plan would be reviewed and approved by their Entity Tender

Committees (ETCs), after which the plans are updated every quarter. The list of entities who submitted their procurement plans are published in the Public

Procurement Bulletin. In 2010, only 164 entities out of over 1000 entities across the country submitted their annual procurement plan. As at October, 2011 only 199 entities submitted their plan to Public Procurement Authority (PPA Procurement Bulletin 2010/2011).

2.9.3.2 Tendering Process

The requirement to advertise the intention to buy goods and works is spelt out by Section 47 of Act 663 for procurement using International and National Competitive Tendering. Advertising is required for invitations to tender if there is no prequalification. The object of advertising is to provide wide and timely notification of tendering opportunities so as to obtain maximum competition by informing all potential tenderers and to afford equal opportunities to all qualified and eligible tenderers without discrimination. For reasons of transparency, fairness and impartiality, tender documents should be provided for all eligible tenderers by the procuring entity. Procurement entities are to provide tender documents to suppliers and contractors in accordance with procedures and requirements that were stated in the advertisement. The price at which the tender document is sold should be enough to recover the cost of printing and the document being made available to suppliers and contractors. Sufficient quantities of tender documents should be made available as many-as there are tgndeçers-âtis an

offence to deny any supplier or contractor the opportunity to participate in any tender simply because stocks of documents are exhausted.

Tenders should be opened immediately after the close of tenders. The Procurement Unit will need to ensure smooth operation of the proceedings, prepare minutes of the opening and advise the chairman of the opening session on procedural issues if requested.

A Tender Committee is usually constituted and is made up of at least three persons including the Chairperson. The Chairman of the Tender Committee controls and directs the tender opening activities and does not allow tenderers or their representatives to interfere with the work of the Committee. Any objections by a Tenderer to the procedures or decisions of the tender opening should be made in writing to the Head of the Procurement Entity.

Section 55 of the Act states that the provision of tender security is required for all International and National competitive tenders for procurement of goods, and works. In the case of Procurement of consultants services tender security is not required. The use of security is important, in particular, in international trade where the Purchaser may not know the Tenderer or Supplier's professional ability, financial position and credibility. Therefore it is normal for the Purchaser to demand that the Tenderer's or Supplier's ability to perform in accordance with the instructions or contractual obligations be secured with a financial guarantee.

2.9.3.3 Contracts Management—

A formal contract document will be drawn up, using the agreed terms and conditions, and signed by both parties. Simpler requirements may use a purchase order or where existing framework contracts exist, contracting may consist of placing a call-off order under the existing contract.

The awarded contract must then be managed, to ensure that both the buyer and supplier perform their contractual obligations. Activities may include expediting delivery, arranging inspection or freight forwarding, checking bank guarantees, establishing letters of credit, making arrangements for receipt and installation of goods, verifying documentation and making payments. Works contracts will often require technical supervision by an engineer/project management team to ensure quality, time schedule and cost. Contracts for consultancy services often require the direct participation of the buyer or client organisation, as the recipient of training or technical advice or in responding to studies or reports. According to PPA Annual report (2009) Contract completion rate for the year is about 68%. This signified that contract management is a major challenge for most entities.

2.9.3.4 Monitoring and Evaluation

Controlling the performance of the procurement function and ensuring its efficiency and effectiveness is essential to the management of the procurement process. It is vital to evaluate how well the procurement process has gone, identify any weaknesses or problems and agree actions to prevent similar problems in the future. Evaluation may include a formal procurement audit. Procurement monitoring is an

essential-part of procurement management and control linked to compliance with Act 663 and performance outcomes such as value for money, professionalism and code of conduct in procurement. This will involve the management of entity, staff of PPA, private sector, oversight bodies (internal and external audit), civil society (including NGOs), project beneficiaries, and media (PPA Annual Report, 2008).

2.9.3.5 Appeals and Complaints

Part VII — Review -Section 78 of Act 663 deals with the procedures to be used in handling complaints received from aggrieved parties involved in the procurement process. Any supplier, contractor or consultant that claims to have suffered, or that may suffer loss or injury due to a breach of a duty imposed on the procurement entity, may seek review in accordance with this Part. Procurement decision-making process needs to be properly followed and documented so that complaints can be investigated within the strict time frame. Those involved in audit and in the prosecution of procurement related offences may be able to provide examples of where sanctions could not be applied as a result of poor or inadequate procurement records.

In Ghana, the Authority established seven (7) member Appeals and Complaints Panel comprising legal procurement experts, and representatives from the private and public sectors which was inaugurated in 2007. In the same year the Panel successfully concluded fourteen (14) cases out of twenty (20) cases received (PPA Annual report, 2007). The appeal and complains procedures allowed bidding firms with the chance to show their disapproval before the procurement process is completed, as -well as tpgreafter-(Azeem, 2007).

2.10 Ghana Procurement Assessment Report (GPAR)

The World Bank in its 2003 GPAR made specific recommendation to the Government of Ghana, among other things, establishment of procurement units by procurement entities, improving on stores management, reducing the bureaucracy involve in the processing of payment certificates for contractors and suppliers and ensuring that value for money is achieved in sole source contracts (GPAR, 2003). Subsequently, the Public Authority has been conducting annual procurement assessment via its Benchmarking, Monitoring and Evaluation Directorate. The main objective of the assessment is to find out how the procurement 'good practices' enshrined in the Act 663 and its accompanying documents are being employed in the public entities and to inculcate into the public sector Entities the need to monitor and evaluate procurement performance. It is therefore hoped that ultimately, public

entities will adopt this assessment approach and use it on their own for procurement assessment.

2.10.1 Compliance with Procurement Procedures

The regular and continuous assessment of procurement entities in countries of their national procurement systems with regard to their compliance with the procedures, rules and regulations setup and the public Procurement Laws has been embraced worldwide. In view of this, the World Bank, Organization for Economic Cooperation and Development (OECD), a methodology for assessment of procurement systems to

their compliance ~~with the various procurement~~ rules were also developed, namely baseline indicators, performance indicators and performance assessment system (OECD-DAC/World Bank, 2004).

The Public Procurement Authority (PPA) is mandated by Sections 3(d), 3(e) and 3(h) of the Public Procurement Act, 2003 (ACT 663) to assess the performance of each entity to ensure compliance with the provisions of Act 663. Subsequently, the Public Authority has been conducting annual procurement assessment through its Benchmarking, Monitoring and Evaluation Directorate. The main objective of the assessment is to find out how the procurement 'good practices' enshrined in the Act 663 and its accompanying documents are being employed in the public entities and to inculcate into the public sector entities the need to monitor and evaluate procurement performance. It is expected that public entities will adopt this assessment approach and use it on their own for procurement assessment.

A former Minister of Finance and Economic Planning, Mr. Kwadwo Baah-Wiredu, had said that the government was committed at the highest level to ensuring compliance with procurement procedures. He further explained that the government wishes to ensure value for money thus acts as a disincentive to corruption (Daily

Graphic, Monday, May 22, 2006, pp.41). The minister said compliance with transparent procurement practices would enable the government to put into practice its concept of good governance and "zero tolerance" for corrupt behaviour. He said the government therefore, attached great importance to the implementation of the Public Procurement Act, (Act 663) to ensure that the nation's scarce resources were efficiently utilized (Daily Graphic Monday, May 22, 2006 pp 41).

The Chief Executive of the Public Procurement Board (PPB), Mr. Agyenim Boateng Adjei assured the public that the board would supervise, monitor and evaluate procurements by public institutions to ensure compliance with the requirements of the Public Procurement Act 2003, (Act 663). He stated that "in spite of all difficulties, the board would press on to entrench the use of fair and transparent methods in the acquisition of goods, works and services with regard to the of public funds" (Daily Graphic, Saturday, August 26, 2006 pp. 16).

The chairman of the Public Procurement Board, Mr. Kwasi Abbey Sam. also said that since the inauguration of the board in August 2004, it had worked assiduously to fulfil its objectives to "ensure that the acquisition of rights, works or services by the public sector were done at the best possible total cost in an open and sincere manner". He explained that the board did not do procurement to clear the erroneous impression, adding that its role was to steer procurement activities in the public sector in the right direction (Daily Graphic Saturday August 26, 2006, pp 16).

2.11 The Framework Agreement (or Blanket Purchase Agreement)

According to Atafori (2012), the Framework Agreement (herein referred to as FWA) also known as "blanket purchase agreement", establishes the general terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. The six-month pilot of the

FWA has now commenced in the Central, Eastern, Western, Greater Accra and Volta regions of Ghana. The system is expected to help reduce corruption (by increasing transparency of tendering processes), improve coordination between government ministries-and—agencies to develop uniform standards, and increase competition between private sector firms for public sector contracts. The Chief Executive Officer of the PPA, Mr. Samuel Sallas-Mensah, announced this at the 5th PPA Public forum in the Ashanti Region on the theme "Consolidating the gains of Ghana's Public Procurement reforms through innovative approaches" (Daily graphic, August 2012).

The United Kingdom and other advanced countries are currently applying the FWA system in their public procurement. In Africa, Uganda has recently started employing the FWA and it is paying off well for the East African country's public purse (Daily graphic, August 2012).

With the FWA, no contract exists until the schools and colleges issue an order or call-off against the FWA (Adjei, 2008). Due to the numerous benefits associated with the FWA, it is preferred that government entities under the same Ministry or sector which repeatedly order the same goods and services will constitute themselves into clusters to procure their common goods and services jointly.

Many suppliers and contractors have been introduced to the operations of the FWA by the Public Procurement Authority (PPA) at a workshop in Koforidua in the Eastern Region. Explaining the details of the FWA to the participants, the director in charge of Policy and strategy at the PPA, Mr. Sebastian Jerry Ackotia, said when the schools and other entities apply the FWA, they would save money and get greater quantities of goods (Atafori, 2012).

Similar sensitisation workshops have also been held in Accra, Cape Coast, Kumasi and Takoradi to educate suppliers of items such as rice, sugar, milk, beans, gari, flour, groundnuts, cooking oil and A4 paper about how the FWA would be implemented, its benefits and the general rules of application.

According to the article by Atafori (2012), Mr. Ackotia said the FWA requires a potential supplier to provide goods and services at pre-arranged prices under set terms and conditions, when and if required, as it is not a contract but an instrument of understanding that contains clauses applicable to purchase orders (contracts) to be issued under the FWA.

According to Adjei (2008), the FWA process is in two stages. Stage one involves establishment of the Agreement through the normal tendering process while Stage two involves the call-offs. It should be noted that the call-offs are made against the Agreement in the stage one process. Some Framework Agreements contain minimum and maximum quantities/values, and the entity's obligation covers only the minimum. Thus by introducing a clause on minimum requirement, the FWA becomes binding on the Entity insofar as the minimum is concerned, whereas the supplier is obligated to supply up to the maximum if there are call-offs. This would enable providers have confidence in the FWA process. This type of FWA was introduced by the PPA. The implementation of the FWA was in two phases. Phase one involved appointment of Lead Entities to administer the FWA on behalf of other entities; and Phase two also involved the establishment of an Inter-Ministerial Committee to administer the FWA across entities. According to Adjei (2008) FWAs are used when one or more entities repeatedly order the same goods or services; the actual demand (quantity) may not be known in advance. He further explained that it is also used when an entity participated for a range of goods or services for a specific purpose, but the actual demand is not known at the outset and delivery is to be made when a requirement arises.

The FWA is used because it is a convenient method of supply that saves time and money. Once an FWA is in place, the entity that needs the goods or services deals with the supplier directly, and not with the FWA administrator. Call-offs against an FWA have a faster processing time and reduced paper work because prices and terms have been settled in advance and there is no need for further negotiation.

From the taxpayers' point of view, the advantages are lower in terms of administrative costs and less need for entities to carry inventory. Spare parts for routine equipment maintenance, office supplies such as stationery and pens, and medical supplies such as bandages are common examples of the types of goods that might be purchased under a framework transaction. Routine maintenance services, like plumbing and electrical repairs, are some of the types of service needs that may be procured efficiently under framework transactions. Generally, across entities, common-use items should come under FWAs.

The general rules of application of FWAs according to Adjei (2008) include the usage of the framework agreement in such way that: (1) maximizes value for money outcomes for government (2) there is transparency and fairness; (3) will not prevent, restrict or distort competition; (4) there is accountability; (5) provides a degree of certainty for the suppliers without diminishing competition; and (6) Contract set-up and other costs are minimized through a standard common contract arrangement.

2.11 Blanket Purchase Agreement (BPA) vs. Procurement Framework Agreement (FWA)

The Directives 2004/18/EC ("the Public Sector Directive") defines a framework agreement as "an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged" (Public Procurement Policy, 2005). This

definition is substantially the same as that in Directive 2004/17/CE (the new "Utilities Directive"), which defines a framework agreement as "an agreement between one or more contracting entities or between one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantities envisaged." This definition is very much similar to the Procurement Lawyers' Association (2012) definition of procurement framework. The Association explains that the concept of a framework agreement is essentially, an arrangement which establishes the contractual terms which will apply to subsequent orders made for the goods, services or works covered by the framework over the period of time during which the framework is in force. The Association further explains that establishing a framework involves an initial call for tenders against set terms and conditions, the appointment of one or more suppliers on the basis of those tenders, and then the placing of periodic orders (commonly referred to as "calling

off') for a specific period of time. In other words, the concept of framework agreement is basically an arrangement which seeks to establish the contractual terms which will apply should the parties conclude a contract but does not in itself constitute a contract. The mechanism is by no means unique to the European Union: similar agreements or arrangements include "indefinite delivery/indefinite quantity" (IDIQ) in the United States, "supply arrangements" in Canada, "panel arrangements" in Australia and, more generally, "umbrella contracts". Similar arrangements exist elsewhere. In Ghana it is called FWA or BPA, and also includes a minimum quantities clause. Though many literatures differentiate between Blanket Purchase Agreement and Procurement Framework Agreement, a forum in Accra (2012) on Framework Agreements into Ghana's Public Procurement System, however, synonymously referred to the Procurement Framework Agreement as Blanket Purchase Agreement. Contrary, William (1990) distinguishes BPAs from

FWAs by indicating that the BPAs are meant for small purchases. For instance, in the military operation, small but highly important details are often the ones which decide whether the operation will be a success or a failure. The word 'small' should therefore not be mistaken for unimportant. Part 13 of the Federal Acquisition Regulation states that

'small purchase means an acquisition of supplies, non-personal services, and construction in the amount of 25,000 or less (FAR, 1984). In government purchasing, the word 'small' refers to the relative dollar size of the purchase (William, 1990). When compared to the multi-million and billion dollar contract for major weapon systems the \$25,000 limitation may give some people the impression that small purchases are indeed unimportant (ibid).

The Federal Acquisition Regulation (1984) describes the blanket purchase agreement as a ~~simplified method of filling anticipated~~ repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. The FAR goes on to say that BPA's are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents.

The Federal Acquisition Regulation further indicates that BPA's should be established at the appropriate level responsible for providing supplies for its own operations or for other offices, installations, projects, or functions. Such levels, for example, may be organized supply points, separate independent or detached field parties, or one-person posts or activities. The BPA's establish bi-lateral agreements between the contracting party, activity and local vendors, against which future purchases can be made without the need for a formal and time-consuming purchase order. BPA's, however, are not contracts, and they do not bind the contracting activity or the Government to buy any supplies or services from the vendors. The agreement simply pre-establishes contract terms and describes those products or services for which future purchases can be acquired. When a BPA exists for a needed purchase, authorized (in writing) Government buyers can simply place oral or written

orders against the BPA; thus speeding up the acquisition process and significantly reducing Procurement Administrative Lead Time (PALT). The definition of the Federal Acquisition Regulation is in line with the US Geological survey's definition. The US Geological Survey defines BPA as a method of acquiring a variety of items within a broad category of goods without issuing individual purchase documents or orders (Negri, 2005). The US Geological Survey further explain that a BPA is an agreement between government and a vendor that allows individual to use the BPA to place order by telephone or in person with simplified documentation (Negri, 2005).

BPA according to the US Geological Survey does not obligate government to place orders, nor does it obligate vendors to

accept any orders, a position very inconsistent with FWAs, as under framework agreements the buyer is obliged to procure the minimum quantities stated in the

Agreement (Accra Forum on Framework Contracting, 2012). Once an order against a BPA is given by the government and accepted by vendor an enforceable contract is created.

In conclusion, though there is a thin line between FWAs and BPAs, it is evident from the literature discussed above that the BPA is meant for basically small purchases and does not oblige governments and suppliers or contractors to make orders and accept orders respectively whiles the FWA (especially the Ghanaian example) is for relatively larger purchases and includes a minimum quantity clause.



CHAPTER THREE

METHODOLOGY OF THE STUDY

3.0 Introduction

This section of the study delves deep into the adopted research design, the targeted population and sampling techniques as well as analytical procedures utilised. The chapter further dealt with the presentation of data gathered, instruments for data collection and sources of data, as well the method of data analysis. The study continued with the pretest, ethical issues, and the quality of the research design of the collated data.

3.1 Research Design

A study design, according to Opoku (2000) is a structural perspective that guides a researcher in data collection and analysis. The research design adopted for this study is the descriptive research. This is because this research aims at appraising the procurement framework agreement used by the Senior High Schools in Ghana, with special emphasis on the Offinso, Kwabre and Afigya cluster of Senior High Schools.

Descriptive research does not fit neatly into the definition of either quantitative or qualitative research methodologies, but instead it can utilize elements of both, often within the same study. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Hyde, 2000). It often uses aids such as graphs and charts to aid the reader in understanding the data distribution. Because the human mind cannot extract the full import of a large mass of raw data, descriptive statistics are very important in reducing the data to manageable form (Myers, 2008). When in-depth, narrative descriptions of small numbers of cases are involved, the research uses description

as a tool to organize data into patterns that emerge during analysis. Those patterns aid the mind in comprehending a qualitative study and its implications.

According to Kumar (2008:8), viewing and facing two methodologies as antithetically approaches is a very traditional point of view. This is because deliberately these two methodologies can be combined. "Both are correct, and both are required in research endeavours" (Hyde, 2000: p.84).

Amaratunga et al. (2002) provide in their article that qualitative and quantitative research can be used in combination and this research is called mixed approach. According to Amaratunga et al. (2002), Das (1983) stated that qualitative and quantitative methodologies are not antithetic rather they focus on the different dimensions of the same phenomenon. He continues highlighted that these dimensions may seem to diverge but "the underling unity" may be analysed deeper. In this point the researchers' objectives play an important and determinant role in the design and execution of the study. It is also emphasized that quantitative and qualitative research can be combined in a way that one can cover the weaknesses of the other.

The combination of qualitative and quantitative research is called triangulation. This choice can be justified on Berg's (1989, cited in Amaratunga et al., 2002) argumentation that qualitative research is conducted through "an intense and/or prolonged contact with a field or life situation." Furthermore, as Berg (1989) emphasized in their article, one major feature is that qualitative research focuses on events and setting which can give a view on what 'real life' is like. According to Amaratunga et al (2002), quantitative methods appropriateness in explaining in depth factors such as physiological factors, employees' capability, etc., is more

limited. The case research approach was adopted to appraise the Procurement Framework Agreement of the cluster.

A case study is 'an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident' and it 'relies on multiples sources of evidence' (Yin, 1994, p. 13). Case study research investigates predefined phenomena but does not involve explicit control or manipulation of variables: the focus is on in-depth understanding of a phenomenon and its context (Miles & Huberman, 1994).

Eisenhardt (1989) posit that Case study strategy focuses on understanding the dynamics present within a single settings. The case study is commonly applied in a field-based research to describe and develop knowledge based on data from the real world conditions, aiming to bridge the gap between management theory and practice (Flynn et al., 1990; McCutcheon and Meredith, 1993). Scramm cited in Yin, (1994, p.12) explain that the crux of case study is to illumine a decision or set of conclusions: why they were taken, how they were implemented, and with what result. Principally, case studies are particularly useful for clarifying "how" and "why" questions (Yin, 1994). This characteristic of case studies provides an understanding of the meaning within the framework of assumptions, beliefs, and perspectives specified by the researcher (Meredith, 1998). The case study helps researchers to expose the real problems in the phenomenon being studied. Case studies provide rich empirical descriptions of particular instances of phenomena which are based on a variety of data sources (Yin, 1994). The current study therefore investigates the case of the Procurement Framework Agreement in a cluster of districts (Offinso South, Offinso North, Offinso Municipal, Mampong, Kwabre East and Afigya Kwabre)

3.2 Population of the study

A population is a group of individuals, persons, objects, or items from which samples are taken for measurement (Saunders et al., 2009:101). Target population is the entire group of individuals about whom you want to gather information. To design a useful research project, there is the need to be specific about the size and location of your target population. Based on this, the target population for the study was made up of accountants, headmasters/mistress, matrons and storekeepers of the various Senior High Schools in the Offinso North, Offinso South, Offinso Municipal, Mampong, Kwabre East and Afigya Kwabre cluster of districts. These people have the oversight responsibility of public procurement within the cluster of Senior High Schools. The population covered all the relevant stakeholders in the thirteen

Senior High Schools within the cluster of study.

Table 3.1: Districts and Schools Selected For the Study

Districts	Number	SHS Schools Selected
Offinso Municipal	1	Dwamena Akenten
Offinso North	3	adan, Nkenkaaso and St. Jerome
Offinso South	1	Namon
Mampong	1	SIMMS
Afigya Kwabre	2	Aduman and Osei Tutu II
Kwabre East	5	Kofi Adjei, Gyama Pensan, Ntonso, Adanwomase and Antoa

3.3 Sample and Sampling Technique

Kumar (2008) explains that a sample is a sub-group of the population which is an ideal representative of the entire population. Researchers usually cannot make direct observations of every individual in the population they are studying. Instead, they collect data from a subset of individuals (a sample) and use those observations to make inferences about the entire population (Zickmund 2003:88).

The study began with the selection of the cluster of district (Offinso North, Offinso South, Offinso Municipal, Mampong, Kwabre East and Afigya Kwabre) and SHS Schools shown in Table 3.1. This cluster was selected because of the difficulties confronting the public or government assisted schools in their procurement processes and activities. In furtherance of this, all the government assisted secondary schools in the cluster of district were selected for the study. The study further purposively sampled fifty (52) respondents within the schools including the head masters/mistresses of the schools, accountants, storekeepers and matrons. These specific respondents were selected because of their direct bearing with public procurement. Moreover, the inclusion of head of schools, accountants, storekeepers and matrons on the other hand facilitated the researcher to know the problems they have gone through in the procurement process.

3.4 Sources of Data

The data collection methods-er-techniques formed an important part of this research. According to Patton (2002) using more than one data collection instrument strengthens and gives credibility to the study. The use of more than one data collection instrument portrays a true picture of the case under study. Both primary

and secondary sources of data were obtained for the study. The primary data was obtained directly from respondents through personal administration of structured questionnaires. The primary data provided reliable and accurate first-hand information relevant to this study about the Public Procurement Framework Agreement in relation to its effect on the Ghanaian educational sector, specifically Senior High Schools and other issues necessary for the research. The secondary information was obtained from the library, internet, journal articles, newspapers and research reports. The idea of secondary data was to gather necessary information to guide the conduct of the research project in order to confirm or reject the primary data.

3.5 Data Collection Instruments

There are various methods used for collecting empirical data for case study such as interviews, archives, questionnaires, and observations (Eisenhardt, 1989; Yin, 1994). However, for the current study, data was collected using one data collection instrument, namely, questionnaires. This technique was chosen because it best helped gather relevant data and also has the ability of providing the required data.

3.5.1 Questionnaires

Questionnaires were the main data collection instruments used for the study. They were used to collect data from the head of schools, accountants, storekeepers and

matrons—The questionnaire was appropriate because it was assumed that the headmasters or headmistresses, matrons, storekeepers and accountants were literate and for that matter they could be able to respond to the questions unaided. Questionnaires facilitated the collection of data that ensured the best matching of concepts with reality; it provided the same responses from a given set of respondents and helped reduce inconvenience caused by unfavorable interview times and busy schedules. Regardless of the respondents' literacy levels, the questionnaires were personally administered to avoid misunderstandings and ensured efficiency and effectiveness in the delivery of information.

Questionnaires were used for qualitative research which enabled the study to examine and explain relationships between variables, in particular cause-and-effect relationships. In all, 52 questionnaires were personally administered for this study.

Out of this figure, 13 were given to the heads of the schools, 13 to the accountants, 13 to the storekeepers, and 13 to the matrons. All the questionnaires were retrieved since they were all personally administered in order to enhance clarity. The structured questionnaire was used to guide the researcher in interviewing the respondents. The questionnaire consisted of both open and closed ended questions. The questionnaire was structured in three sections. Section 'A', emphasized on the various socio-demographic factors of the respondents, section 'B', elaborated on the procurement structures and the application of the Procurement Act 663, whereas the last section (section 'C') delved into the Procurement Framework Agreement.

3.6 Pre-Testing of the Instrument

To maximize the reliability and validity of the questionnaire, the researcher conducted an initial survey of fifteen (15) questionnaires at the Senior High Schools within the Offinso, Kwabre and Afigya cluster on July 5, 2012. The participants were asked to fill out the initial surveys based on their perception and knowledge in the area of procurement. The initial survey took about five to ten minutes to complete. The instruction and some questions were not clear. The questionnaire was modified based on the pilot test and the final version of the questionnaire was completed after a review by the researcher.

3.7 Ethical Issues

In any research there is need for the researcher to consider ethical issues paramount so that there is no infringement on respondents' rights and privacy. This research was therefore minded by the fact that in public institutions like the Senior High Schools, there should be confidentiality of information, hence; information that respondents gave in relation to the research were kept confidential.

Meanwhile the consent of respondents to administer questionnaire was sought. This ensured that those respondents were free and willing to respond to questions fairly. Where respondents expressed lack of desire to respond to questionnaire the researcher respected such views.

3.8 Field Work and Challenges

The researcher began the administration of questionnaires by sending a prior notice to the various headmasters/mistresses of the various schools in the chosen cluster of districts on the 1st of August, 2012. In accordance with the responses received between the 5th and 12th of August, 2012, from the heads of the various schools, a period of one month was granted for the administration of the questionnaire to the selected persons. The administration of the questionnaires was not to take more than 25 minutes with a respondent. The questionnaires were administered to the various respondents in a month. Between 20th and 30th of the month of August, 2012; the first batch of the questionnaires were administered to a section of the respondents. In the ensuing days of 1st to 15th of the month of September, the second and last batch of questionnaires was also administered.

The administration of the questionnaires was not without several challenges. To begin with, the researcher was constrained by time. The major problem had to do with convincing the respondents to attend to the questions irrespective of the notification. Some of the respondents were also unwilling to give some details such as age and qualification.

3.9 Method of Data Analysis

Most of the questionnaire items were pre-coded before administration to facilitate easy tabulation and analysis. Open ended questionnaire items were coded after the data collection exercise. Responses were cross-checked on the field as a quality check on the

data. Zikmund (2003: 73) suggests that data processing begins with the editing and coding of the data. Coded data on responses were fed into the computer based programme, Statistical Package for Social Sciences (SPSS), version 17 for display and analysis.

The programme generated figures, frequencies, percentages and tables to show results of the data analysis. Descriptive analysis conducted involved the use of

tabular analysis ~~ysis (percentages and frequencies),~~ mean and standard deviations for

discussing the key variables involved in the study. The techniques used during the data analysis included non-parametric tool like Kendall's rank test, that was utilized to rank some of the considered factors like benefits and challenges of procurement procedures.

3.10 Quality of the Research Design

The quality of the research design that can be checked by considering the validity of the study, reliability of the data and instruments of data collection as well as the generalization ability of the study are described below.

3.10.1 Validity of the Study

Research design is often divided into three broad categories, according to "the amount of control the research maintains over the conduct of the research study". These three broad categories namely: "Experimental, field and observational research. They vary on two important characteristics: Internal and External validity.

The External research concerns the overall validity of the research study (Watt and Van Den Berg, 1995, p.186-194). In an Experimental research, the researcher controls the setting in which the research is been conducted and may influence the variable(s), while observing the changes or no change in the variables. Thus, due to the ability to control and eliminate certain variables and conditions that may have a profound effect on the outcomes of the research, would likely improve the validity of the research.

In a field_research, the rsgarchee-çetains control over the independent variable(s), but conducts the research in a natural setting without any control over environmental influences. On the other hand, in an observational research, the researcher can neither control the variable(s), or the research setting. This kind of research usually takes place sometime after the actual process being researched (Watt and Van Den Berg, 1995, p. 193-195) Internal Validity describes or accounts for all factors, including those, which are not directly specified in the theory being tested, but might affect the outcome of the study. In other words, it usually concerns the soundness of the research being carried out. External validity conclusions cover the specific environment in which the research study is conducted to similar real world situations (Watt and Van Den Berg. 1995, p.198-1999). In this case a research which has a generalised conclusion, could be more valuable than one whose conclusions cannot be applied outside the research environment.

The research for this thesis could be considered as a field research as it is carried out among people who happen to constitute a work force in the Ghanaian public sector and whose responses the researcher cannot influence in any significant manner. Furthermore, to ensure both internal and external validity, the researcher believes to have used the most accurate and up-to-date literature. The right and relevant questions asked in the survey, the most feasible data collection method used, and the tools used to analyse the data are also considered to be accurate and produced valid results; the overall validity of this thesis is considered to be high. However, the researcher would argue that the internal validity of this thesis is relatively high, but the same cannot be said for its external validity. The reason for this position is therefore discussed under the reliable headings.

3.10.2 Reliability of the Study

The aim of any research is to use a given procedure and reach a conclusion that will be applicable in any given environment (Lehmann, 2009: 8). The primary objective should be that if a later investigation followed exactly the same procedures as described by an earlier investigator and conducted the same study all over again; this later investigator should be able to arrive at the same results and conclusions.

Thus the study is considered to be highly reliable. However, due to the very nature of human beings 100% reliability cannot be considered for this study, as individual perceptions are central in this study. In other words because we are different as individuals and that our individual wants and preferences are different, future investigations may not produce exactly the same results as reported in this thesis. Nonetheless, the researcher believes that the results of this study could be regarded as highly reliable.

3.10.3 Degree of Generalisation

For a research to be able to generalised the results obtained from the sample surveyed to the total population depends on how well the sample represents the total population and how accurately data was collected and analysed. This generalized conclusion would possibly make the research work more valuable and appreciated.

Furthermore, the larger the number of observations, the more trustworthy the generalised the conclusion might be. The current study utilized thirteen public Senior High Schools in the cluster. All the persons with oversight responsibilities in procurement in these schools were utilized and hence enhanced the generality of the study. However, this is jy\$LAuster-within numerous clusters in Ghana since there is stern difficulty to do a nationwide generalisation.

CHAPTER FOUR

DISCUSSION AND ANALYSIS

This section of the study discusses and analyses the socio-demographic factors of the respondents, the procurement structures and the application of the Act 663, difficulties in the activities related to procurement of goods, the procurement framework agreement

and the benefits of FWA over the normal procurement method. This discussion and analysis is an attempt to answer the various research questions of the study.

4.1 Socio-Demographic Factors

This section of the study discusses the socio-demographic factors of the interviewed respondents. The major socio-demographic characteristics discussed include gender, age, district of respondent, experience with current school, position in the school, and the respondents highest level of education. The socio-demographic result of the study is presented in Table 4.0.

Table 4.1: Socio-Demo a hic Information

Socio-Demographic Variables	Frequency (n=52)	Percent (%)
Gender		
Male	27	51.9
Female	25	48.1
Age Group		
24-33yrs	20	38.5
34-43yrs	17	32.7
44-53yrs	9	17.3
54-60yrs	6	11.5
6 lyrs and above		
District		
Offinso-South	4	7.7
Offinso North	12	23.1
Offinso Municipal	4	7.7
Kwabre East	20	38.4
Afigya Kwabre	8	15.4
Mampong	4	7.7

Experience with current school

I -3yrs	28	53.8
4-6yrs	13	25.0
7-9yrs	6	11.5
10yrs and above	5	9.6

Position in school

Headmaster/mistress	13	25.0
Accountant	13	25.0
Matron	13	25.0
Storekeeper	13	25.0

Highest level of education

Certificate	19	36.5
Diploma (HND)	17	32.7
Degree	11	21.29.6

5

Post-Degree

Source: Field survey, 2013

From Table 4.1, out of the total respondents (n=52), the majority (51.9%) are males whereas the minority (48.1%) are females. The majority (38.5%) of the interviewed ~~ents are~~predomBntly—within the age category of 24-33 years whereas

32.7% are also within the age category of 34-43 years. However, 17.3% and 11.5% of the respondents are within the age category of 44-53 years and 54-60 years respectively.

It is therefore evident that the majority ofthe respondents are within the youth category and therefore consistent with the structure of the general Ghanaian population. The interviewed respondents from the Offinso-South district were 7.7%, those from the Offinso North district were also 23.1% and those from the Offinso

Municipal and the Mampondeng district were 7.7% each. However, 38.4% and

15.4% of the respondents were also from the Kwabre East and Afigya Kwabre districts respectively. Considering the working experience of the respondents within the current school, the majority of 53.8% have been in their current school for 1-3 years whereas 25.0% have also been in their current schools for 4-6 years. However, 11.5% and 9.6% of the respondents also have working experience of 7-9 years and 10 years and above with their current schools respectively. The interviewed respondents were equally distributed. They were Heads (25.0%), Accountants (25.0%), Matrons (25.0%) and Storekeepers (25.0%). The interviewed respondents with certificate were 36.5% whereas those with diploma (HND) were 32.7%. However, 21.2% and 9.6% also have degrees and post-degrees in different areas of academic study.

4.2 Procurement Structure and the Application of the Act, 663

This section of the chapter discusses the procurement structure and the application of the Act, 663 in the cluster of the Senior High Schools chosen in an attempt to answer the objective (3) in chapter one. The results of the section are presented in Table 4.2.

Table 4.2: Procurement Structure and the Application of the Act 663

Variab	F uen	Percent %
Ever had training on public the procurement Act 663		
	39	75.0
No	13	25.0
Organisers of the training		
G.E.S	6	11.5
Public Procurement Authority	46	88.5
Presence of Tender Committee in school		
Yes	4	7.7
No	48	92.3
Ever participated in any tendering process		

Yes	43	82.7	Yes
No	9	17.3	
If yes, capacity			
Chairman	1	3.0	
Secretary		3.0	
Member	31	93.9	
Presence of tender evaluation panel in school			
Yes	4	7.7	
No	48	92.3	
Ever participated in any tender evaluation process			
Yes	29	70.7	
No if yes, capacity	12	29.3	
Chairman	1	3.4	
Secretary	1	3.4	
Member	27	93.1	
Comparison of quality and prices of goods before purchase			
Yes	52	100.0	
No		0.0	
Persons responsible for the comparison			
Head	29	55.8	
Accountant		21.2	
Storekeeper	7	13.5	
Tender Evaluation Panel	3	5.8	
	2	3.8	

Matron

Source: Field survey, 2013

Out of the total respondents (n=52), the majority (75.0%) have had training on public procurement Act 663 whereas the minority of 25.0% have not. The organisers of the training were the Public Procurement Authority (88.5%) and G.E.S (11.5%) as indicated by the respondents. The majority (92.3%) of the respondents interviewed believe they have no tender committee in their schools whereas the minority of 7.7% also believes otherwise. Out of the respondents who do not believe in the presence of

tender committee in their schools, the majority (82.7%) have participated in any of the tendering processes whereas 17.3% have not. Out of the respondents that ever participated in the tendering processes, the majority (93.9%) were just members of the committee whereas a minority of 3.0% however were in the capacity of chairmanship. Three percent of the respondents were also on the committee in the secretarial capacity. The majority (92.3%) of the respondents interviewed also believe they have no tender evaluation panels in their schools. Additional information gathered during the study revealed that though the schools do have a lead entity, it is ill equipped with untrained procurement personnel. It is further recommended that lead entities should be managed by quality personnel who have the requisite knowledge, training and competence in procurement. This can be done, by providing either the heads accountants/bursars or storekeepers in charge of procurement, training and opportunities to gain professional procurement qualifications. This would help achieve more value for money, fairness and transparency. Contrary, the majority (70.7%) have participated in tender evaluation panel whereas the minority of 29.3% have never. Out of the participants of the tendering evaluation panel, the majority (93.1%) served under the capacity of just membership whereas 3.4% also served under the capacity of chairmanship. However, the remaining of 3.4% served under the secretarial capacity. All the respondents interviewed believe their schools compare the quality and prices of suppliers of goods before all purchases. The comparison is predominantly believed to be done by the headmasters (55.8%). However, 21.2% and 13.5% of the respondents also believe the persons responsible for the comparison are Accountants and the storekeepers respectively. Others who also constitute 5.8% and 3.8% believe the comparison is done by Tender Evaluation Panel and Matrons respectively. This finding is indicative of the fact that the Tender Evaluation Panel in the cluster is not that visible and therefore not functioning as it should.

4.3 Difficulties in the Activities Related To Procurement of Goods

The various difficulties associated with procurement of goods in the selected Senior High Schools have been presented in both Table 4.3 and 4.3. This section of the chapter seeks to answer objective (1) of the study in chapter one.

Table 4.3: Difficulty in the Activities Related To Procurement of Goods

Variables	Frequency (n=52)	Percent
Encountered difficulties in activities related to procurement of goods Yes	43	82.7
No	9	17.3
Total	52	100.0

Source: Field survey, 2013

From Table 4.3, out of the total respondents (n=52), the majority (82.7%) believe their respective schools encounter difficulties in activities related to procurement of goods whereas the minority of 17.3% also believe otherwise.

4.3.1 Difficulties of Procurement of Goods

RespondentsWere presented with a list of six (6) challenges of procurement of goods from suppliers. The task ofeach respondent was to rank the problems from very high to very low considered as a constraint to the various schools ability to procure goods from suppliers. The Table 4.4 displays the mean ranks and by extension, the ranks of the problems as adjudged by the 52 respondents in the cluster of districts.

	Mean	Rank
	Rank	
Difficulty in preparing tender documents	4.34	
Comparative price of goods procured under Act 663		1
	4.14	2
Storage	4.11	3

Delay in contract signing	2.97	4	_____
Late delivery of goods by suppliers	2.74	5	
Payment of tender advertisement cost	2.70	6	

Table 4.4:

Rankings of the Various Difficulties of Procurement of Goods Difficulty

N	52
Kendall Rank Test statistics ^a	52
Kendall W	0.194
Chi-Square	50.474
	5
Assymp. Sig.	0.000

Source: Field survey, 2013

The non-parametric test conducted gave mean rank estimates that ranked the difficulty in preparing tender documents (4.34) as the most pressing issue. This is followed by comparison of price of goods procured under Act 663 (4.14), cost of storage (4.11), delay in contract signing (2.97), late delivery of goods by suppliers (2.74) and cost of tender advertisement (2.70). The fourth ranked challenge of late delivery of goods confirms existing literature that the Procurement Act delays the procurement process (Nketia-Asante, 2009 cited in Adu-Sarfo, 2011). The challenge of delay in contract signing is also consistent with a World Bank (2000) study that indicates that one of the effects of bureaucracy in procurement is the delay of project implementation. T hese delays do not only cause inefficiency in the running of schools, but also deters businesses in the private sector in the provision of services to the public schools. This in turn would raise suspicion and questions about the ty of the procureme*activities in the country. Weele (2000) confirmed that

"procurement procedures were embedded in a lot of bureaucracy and this delays the procurement process".

Kendall's coefficient of concordance (W), testing the null hypothesis that there is no agreement (independence) among the respondents with respect to how constraining the inventory of problems affect was rejected at a 1% significance level. The degree of unanimity as measured by the W-statistics is about 19% since the score is zero for random ranking and 1 for perfectly unanimous ranking. The respondents of the study can therefore, be said to unanimously agree that the most constraining factors to the procurement of goods are more related first to difficulty in preparing tender documents and then comparison of prices of goods procured under Act 663 as against prices in the local markets.

4.4 The Procurement Activities before FWA

The activities of procurement of goods by the Senior High Schools in the cluster of districts chosen before the procurement framework agreement have been discussed and analysed in the section of the chapter. The results are presented in Table 4.5.

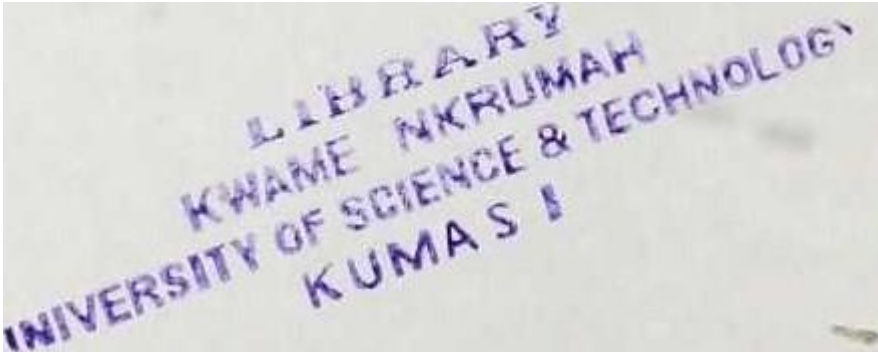
Table

Variables	Frequency(n=52)	Percent (%)
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4.5: The Procurement Activities before FWA

Procurement method used for the procurement of goods

National competitive tendering	7	13.5
Minor procurement	12	23.1



Low value procurement	9	17.3
Single source	3	5.7
Request for quotation was this selected answer	21	40.4
the method for procuring frequently used goods		
Yes	30	57.7
No the rate of frequency of the procured goods	22	42.3
Weekly	8	15.4
Monthly	21	40.4
Quarterly	23	44.2
If the means was not for procuring frequently used goods, then the basis for selecting suppliers is		10.9
Based on recommendation by other schools	5	56.5
Based on favourable prices of goods	26	32.6
Based on loyalty and good relations with suppliers other schools procure the frequently	15	
procured goods	45	86.5
Yes No if yes, were the goods procured at the same	7	13.5
price	4	7.7
Yes	48	92.3
No		
Instances school was compelled to purchase from same supplier	47	90.4
Yes	5	9.6
No		
The compelling instances include	26	50.0
Cost	21	40.4
Quality	5	9.6
Proximity		

Source: Fieldsurvey, 2013

The majority (40.4%) of the interviewed respondents believe goods were procured before FWA through request for quotation whereas the minority (5.6%) also believes it was through single source. However, 23.1% and 17.3% also believe goods were

procured before FWA through minor procurement and low value procurement methods respectively. Others (13.5%) also believe goods were procured before the FWA through national competitive tendering. On the question of whether the method for procuring goods before FWA was for frequently used goods, the majority of 57.7% answered 'Yes' whereas the minority of 42.3% answered otherwise. The rate of the frequency of the procurement of goods before FWA is believed to be quarterly by the majority (44.2%) of the respondents. However, 15.4% and 40.4% also believed the rate of the frequency of the procured goods before FWA is weekly and monthly respectively. The majority (56.5%) of the respondents who answered 'no' to the question of whether the means for procuring goods before FWA was for frequently used goods indicated that the basis for selecting suppliers was on favourable prices of goods. However, 10.9% and 32.6% also believed it was on the basis of recommendation of other schools, and on loyalty and good relations with suppliers respectively. The frequently procured goods by the various Senior High Schools in the cluster of districts chosen are stationery, cereals, gari, vegetables, cooking oils, meat and fish, milk, firewood and sugar. It can therefore be said that the items purchased by the Senior High Schools regularly are food items, fuel (firewood) and stationery. Out of these goods, those procure through the tendering per Act 663 include cereals, cooking oils, and sugar. Other schools also frequently procure the frequently procured goods as indicated by 86.9% of the respondents. However, the minority (13.5%) of the respondents indicated otherwise. The goods however are ~~are not procured at the same~~ not prices as indicated by the majority (92.3) of the respondents. Furthermore, the majority (90.4%) of the respondents believe there have been instances their respective schools were compelled to purchase from same supplier whereas the minority of 9.6% believe otherwise. The compelling instances include cost (50.0%), quality (40.4%) and proximity (9.6%). This is an evidence of the absence of influence of external bodies in

the procurement decisions of the schools in the study area. This finding is consistent with a study by Knudsen, (1999) that indicates that procurement regulatory framework must specify purchasing efficiency and effectiveness in order to change from being reactive to being proactive to attain set performance levels in an entity's, compliance level shows that entities are reactive rather than being proactive in meeting their procurement needs.

4.5 The Procurement Framework Agreement

Considering the challenges encountered by the Senior High Schools with the normal procurement practices, the Public Procurement Authority has introduced the procurement framework agreement. The framework agreement is geared towards bringing together in cluster public institutions that over a long period of time repeatedly procure common use items. The framework agreement is being worked on to address the procurement needs of public institutions that procure same items especially Senior High Schools. The framework is said to save time in procurement activities, increase value for money, minimise acquisition and storage cost. It is on this basis that section of the study assesses the FWA in the selected secondary schools.

Table 4.6: The Procurement Framework Agreement WA

Variables	Frequency	Percent
Agreement under FWA is established through		
Normal tendering process (Per Act 663)	41	78.8
G.E.S Policy	11	21.2
General consensus		
Presence of body that administers FWA on		
behalf of school		
Yes	47	90.4

No	5	9.6
Bodies that administer the FWA		
Auditors		
Lead Entity	47	90.4
District tender review board	5	9.6
Rating of prices under FWA		
very High	27	51.9
High	20	38.5
Low	5	9.6
Very Low		
Tendering advertisement is paid by		
P.P.A	5	9.6
G.E.S		
Lead Entity	6	11.5
The schools in the cluster	41	78.8
Adherence to the rules and regulations, and promote competition under FWA in times of emergency		
Yes	43	82.7
No	9	17.3
Rate of the adherence		
All the time	5	11.6
Almost all of the time	11	25.6
Some of the time	27	62.8

Source: Field survey, 2013

The agreement under FWA is predominantly established through normal tendering process (Per Act, 633) as indicated by 78.8% of the respondents ofthe study.

However, 21-20/0 of the respondents also believe agreement under FWA is

established through G.E.S policies. The majority of the secondary schools in the

——study have bodies responsible for the administration of FWA as indicated by 90.4%

of the respondents. The body that administers the FWA is basically the lead entity

(90.4%) and district tender review board (9.6%). The employment of the services of

the district tender review board is contrary to a study by Adjei (2008) that indicates selection of the Lead Entity to administer the FWA in the second stage of FWA process. It could be inferred that the district tender review board is often utilized when the schools are procuring outside the FWA when the threshold is above the head of entity. The prices of good procured under the FWA are rated as very high by 51.9% of the respondents. However, 38.5% and 9.6% of the respondents rate the prices of goods procured under the FWA as high and low respectively. Tendering advertisement is predominantly paid through the schools in the cluster (78.8%). However, 9.6% and 11.5% also believe the tendering advertisement is paid through P.P.A and lead entity respectively. To promote the phenomenon of transparency and fairness, the Public Procurement Act (Act 663, 2003) ensures that goods and services procured using other uncompetitive methods (Price Quotation, Sole source etc) are vigorously monitored and evaluated by Public Procurement Authority (PPA). A position further supported by Schapper et al. (2006) when they agreed with Shadrach and Ekeanyanwu (2003) that e-commerce can be used to enhance transparency through effective audit and monitoring of low value transactions.

Furthermore, the majority of the interviewed respondents (82.7%) believe their respective schools adhere to the rules and regulations, and promote competition under FWA even in times of emergency whereas 17.3% also believe otherwise. The adherence is not often since a significant percentage (62.8%) of the interviewed respondents indicated it is done som times. This finding is also in agreement with the Auditor General's report on the public accounts of Ghana, Pre-University Educational institutions (2010), that suggest some irregularities, lapses and losses (amounting to a total of GH¢ 6,699,793.32) which were the result of non-adherence to internal controls and financial administration regulations. The report further clarifies that, preceded by cash irregularities (45.5%), procurement irregularities account for an astronomical 45.4% out of the five irregularities identified, i.e. stores irregularities (1.1%), payroll irregularities (5.1%) and tax irregularities (2.9%). However, 11.6% and

25.6% of the respondents also indicated that their respective schools adhere to the rules and regulations and promote competition under FWA in times of emergency is done 'all the times' and 'almost all the times' respectively. This finding is inconsistent with a study by Amaratunga and Baldry (2002) that suggest that for any organization to become more competitive, absolute performance is a key driver to improving quality of services while its absence or use of inappropriate procedures can lead to non-compliance with purchasing function.

4.6 Benefits of FWA over the Normal Procurement Method

The various respondents chosen from the Senior High Schools in the cluster of districts were asked to rank the various benefits of procuring goods from suppliers from very high to very low.

The result of the rank test is given below in Table 4.7.

Table 4.7: Benefits of FWA over the Normal Procurement Method

Benefits	Mean Rank Rank	
Price of goods over the span of the agreement	4.04	1
Reduction in tender advertisement cost	3.68	2
Reduction in Storage cost	2.60	3
Economies of scale obtained from bulk purchases	2.48	4
Faster processing time and reduced paper work	2.20	5
Kendall's Rank Test Statistics		
N		52
Kendall W ^a		0.287
		0.287
Chi-Square		59.713
		4
Assymp. Sig.		0.000

Source: Field survey, 2013—

The non-parametric test conducted gave mean rank estimates that ranked the price of goods over the span of the agreement (4.04) as the most beneficial factor. This is followed by tender advertisement (3.68), storage (2.60), economies of scale obtained from bulk purchases (2.48), and faster processing time and reduced paper work (2.20) in that order. In the nutshell it can be concluded that the framework is said to save time

in procurement activities, increase value for money, minimise acquisition and storage cost.

Kendall's coefficient of concordance (W), testing the null hypothesis that there is no agreement (independence) among the respondents with respect to how beneficial the inventory of benefits was rejected at a 1% significance level. The degree of unanimity as measured by the W-statistics is about 29% since the score is zero for random ranking and 1 for perfectly unanimous ranking. The respondents of the study can therefore, be said to unanimously agree that the most beneficial factor to the procurement of goods are more related first to price of goods over the span of the agreement and then tender advertisement.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS This chapter highlights the major findings of the study. The findings are outlined in direct response to the specific objectives. Recommendations have been provided to improve the administrative structures, procedures, performance and policies of Public

Procurement Authority with the overall aim of improving on the level of performance of entities in the chosen cluster of districts.

5.1 Summary of Findings

This study was set out to appraise the procurement framework agreement used by the Senior High Schools in Ghana for the procurement of goods. The research work was undertaken not only to fulfill academic pursuit but also out of interest of how procurement and the education sector walk hand in hand. The study revealed the following:

5.1.1 Conditions that Support the use of FWA

The study revealed that there is significant number of personnel in the various Senior High Schools in the cluster of chosen districts that have ever had training on Public Procurement Act 2003, Act 633. The organiser of the training was predominantly the Public Procurement Authority. The majority of the interviewed respondents however believe there were no tender committees in their respective schools but majority had ever participated in a tender process. This participation could be outside their schools or even in different sectors of the Ghanaian economy. Most of these participations were in the capacity of membership. Majority of the schools in the cluster of the chosen districts do not have tender evaluation panels. However, the majority have ever participated in a tender evaluation process in the capacity of mostly membership. The schools often ensured comparison of quality and prices of goods among suppliers before purchase. This phenomenon therefore ensured transparency, efficiency and effectiveness in the procurement procedures. The persons responsible for the comparison are predominantly the headmasters and the accountants. However, persons in the positions of storekeepers and the matrons also took part of the comparison in few of the Senior High Schools.

5.1.2 Problems of the Cluster of SHS in the Use of FWA

Most of the Senior High Schools in the cluster of districts studied have difficulties in activities related to procurement of goods. The most pressing difficulties encountered in the activities related to procurement of goods are preparation of tender documents, comparison of the relative prices of goods procured under Act 633, cost of storage, delay in contract signing, late delivery of goods by suppliers and cost of tender advertisement in that order of their rate of difficulty.

5.1.3 Procurement Structure Lapses in the use of FWA

Goods were predominantly procured under request for quotation and minor procurement before the Procurement Framework Agreement (FWA). These procurement methods are predominantly uncompetitive. These methods were for procuring frequently used goods in the Senior High Schools such as stationery, firewood and food items. The frequently procured goods by the various Senior High Schools in the cluster of districts chosen are stationery, cereals, gari, vegetables, cooking oils, meat and fish, milk, sugar and firewood. Out of these goods, those procured through tendering per Act 663 include cereals, cooking oils, and sugar.

Other schools also procure these frequently procured goods. These goods are frequently procured quarterly by the majority though other schools also procured goods monthly. Schools in the cluster frequently procure almost same goods. However, the goods were not procured at the same price. For the schools that do not procure goods frequently using the methods mentioned, the basis of selecting suppliers is predominantly favourability of prices of goods, loyalty and good relations with suppliers. These schools in the cluster of districts are often compelled to purchase from same suppliers. The compelling factors included cost, quality and proximity.

5.1.4 The Procurement Framework Agreement

Procurement under the FWA is established through normal tendering process (per Act 663) and also through the P.P.A. policies and guidelines. The Senior High Schools in the districts have established a body that administers the FWA on their behalf. The

most often utilized body is the Lead Entity, though, the district tender review board is also utilized. Prices under the FWA are rated as very high. The tendering advertisement is paid by the Senior High Schools in the cluster. The Senior High Schools in the cluster adhere to the rules and regulations, and promote competition under the FWA even in times of emergency. The adherence to the rules and regulations are 'some of the times' and not very often.

5.1.5 Benefits of FWA o.gJLœNormal Procurement Method

The benefits of the FWA over the normal procurement method are the stable prices of goods over the span of the agreement, low tender advertisement cost, low cost of storage, economies of scale obtained from bulk purchases, and faster processing time and reduced paper work in that order of magnitude.

5.2 Conclusions

The Public Procurement Act, 2003 was put in place to bring about fairness, efficiency, effectiveness and accountability in procurement processes for government entities including Senior High Schools in Ghana. There is still a gap in the training of procurement personnel in the lead entity and the Senior High Schools in the cluster chosen on the Public Procurement Act, 2003 (Act 663). There is presence of lead entity and tender committee for the Senior High Schools in the cluster and most of the respondents have participated in tendering processes. However, those who participated were in the capacity of chairman, secretary and just membership. The individual schools predominantly have no Tender Evaluation Panels. However, it is evident that the personnel in the schools in charge of procurement have participated in Tender Evaluation Panel activities on behalf of their school at different levels. The schools often compare quality and prices of goods before purchases. Persons mostly responsible for the comparison are the heads and the accountants. There are difficulties associated with the procurement of goods under the normal/traditional procurement of goods processes and procedures. The challenges include preparation of tender documents, comparative

prices of goods procured under Act 663 as against the local market prices of same goods, cost of storage and delays in coggg_ygmng. The procurement framework agreement was therefore introduced as a remedy to these challenges. The methods like minor procurement and request for quotation through which goods were procured before FWA were for procuring frequently used goods like stationery and food items. These goods were often procured quarterly. The schools are often compelled by cost, quality and proximity to purchase from the same suppliers.

The agreement under the Procurement Framework Agreement is established through normal tendering process (Per Act 663). The Lead Entity predominantly administers the FWA on behalf of the schools. However, the schools believe the prices of goods under the FWA are very high. The tendering advertisement under the FWA is paid through sharing among the schools in the cluster. Irrespective of the high prices under the FWA, the schools adhere to the rules and regulation and promote competition under the system in times of emergency some of the times. The schools are believed to chalk several benefits under the FWA including the stable prices of goods over the span of the agreement, low tender advertisement cost, low cost of storage, economies of scale obtained from bulk purchases and faster processing time and reduced paper work.

5.3 Recommendations

In the light of the discussions, findings and the conclusions, the following recommendations are hereby made;

5.3.1 Establishment of Procurement Structures

The Public Procurement Act makes provision for the establishment of structures such as _procurement enti ten r committee, quarterly meeting of tender committees, and tender evaluation panel to manage procurement activities in all entities and to engage persons proficient in procurement. Out of the thirteen (13) entities spread across the

cluster only one (Lead Entity) has procurement department which is a legally constituted Entity Tender Committee.

The study, therefore, recommends the establishment of permanent procurement units within the individual Senior High Schools to be managed by qualified procurement experts in the schools to ensure an improved overall procurement performance and compliance with the Public Procurement Act, 2003.

5.3.2 Engagement of Procurement Professionals

Public entities must ensure that suitable candidates are employed on the basis of merit and placed in their relevant qualifications, skills, and experience with their roles and responsibilities clearly defined to avoid role conflicts with other professions and departments. Strategies must also be put in place to retain them. Public procurement cannot be perceived as a mere 'clerical routine,' activity. For an entity to derive the full benefit of the procurement reform, procurement function must be placed in strategic management level.

5.3.3 Emulate the Experiences of the Developed World

Elsewhere, especially in the developed economies, framework agreements have been formed and used for procurement purposes and mistakes have been made, great lessons have however been learnt. On this basis, advantage should be taken by Ghana to tap wisely the experiences the developed world in order to perfect the use of the framework agreement, and therefore ensure maximum benefits. This is imperative because it is more convenient and cost effective to learn from the mistakes of others than from your own.

5.3.4 Adoption of Environmentally Friendly Methods of Cooking

The thirteen schools in the cluster procure firewood as fuel for their cooking activities and so contribute immensely to atmospheric pollution. To avoid further contribution of the schools to the problem of environmental degradation, it is imperative to adopt

alternative fueling methods of cooking such as the use of Liquefied Petroleum Gas (LPG). The Senior High Schools should therefore include the procurement of Liquefied Petroleum Gas in their framework agreements.

5.3.5 Capacity Development of Procurement Stakeholders

5.3.5.1 Short Term Training

Building the capacity of service providers has been identified as one of the success factors of public procurement reforms. It is important that PPA organizes training sections for contractors, consultants and suppliers in the private and public sectors on procurement activities, and the Appeals, Complaints and Dispute Mechanism. Audit Service, the Judiciary, and other oversight bodies should be trained on the procurement processes and audit to appreciate the public procurement issues to enforce accountability to improve compliance.

Since competence is based on training, procurement practitioners must be given continuous practical training, especially, in procurement planning, posting of procurement documents on PPA website, contract management, framework agreements, appeals and complaints process, procurement methods and procedures and tender evaluation procedures.

5.3.5.2 Medium and Long Term Training Programme

Practicing procurement officers, without procurement qualifications, can be encouraged or sponsored to pursue medium/long term professional courses in procurement in a formal educational system to develop a career and enhance their expertise.

PPA must develop and sponsor publications which communicate research results and technical information to public procurement and public administration profession and develop progressive systems for delivering training programmes for the public procurement practitioners to include a variety of approaches for distance learning

which align with the curriculum and embrace academic standards leading to academic degrees and credentials.

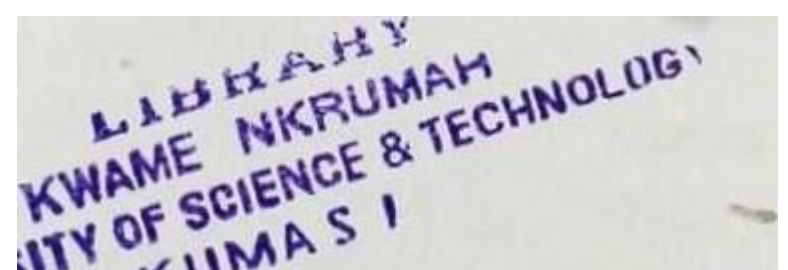
Tertiary Institutions must develop a curriculum in public procurement and introduce general basic procurement principles in other programmes to ensure that their graduates have a basic knowledge in procurement principles. Thus, in the next ten (10) years people occupying middle level and top level management positions would have an appreciable knowledge in the law of public procurement in Ghana, its policies and practices.

5.3.6 Sustainability of Public Procurement Assessment

The regular and continuous monitoring and assessment of procurement systems in public entities with regard to their compliance with the procedures, rules and regulations setup in the Public Procurement Act 2003, must be strictly enforced. For such performance/compliance assessment to be taken seriously it must be tied to some reward package and non-performance to some penalty. The case of Functional Organizational Assessment Tool (FOAT) tied down to the District Development Fund (DDF) is a typical example. As a matter of policy the public procurement assessment can be made as part of the FOAT to qualify an entity for a DDF.

5.3.7 Development of E-Procurement to enhance and Reduce Cost of Procurement

Though PPA has established a website and encourages public entities to create some websites to enable public entities to assess tender adverts and tender documents as well as post contract awards, Public entities have not done enough to reform the Information and Communication Technology in their entities to support procurement reform



activities in the region. Most entities do not have internet facilities or create a website address to upload tender information.

PPA must be resourced to update its website and also encourage public entities and selected service providers to create their own websites to enable them to assess tender adverts and tender documents as well as post contract awards notices as a measure to reduce cost of procurement. Government must also reform the Information and Communication Technology in the country to support the procurement reform activities.

5.3.8 Provision of procurement units

Additional information gathered during the study revealed that the schools do not have procurement units. It is forth recommended that the schools be provided with procurement units that are managed by quality procurement personnel who have the requisite knowledge, training and competence in procurement. This can be done, by providing the heads, accountants/bursars, store-keepers or teachers in charge of procurement, training and opportunities to gain professional procurement qualifications. This would help achieve more value for money, and transparency. This however, will not be complete without adequately resourcing the units.

5.3.9 Limitation and Areas for further Research

The current study was limited to only a cluster that constitutes six districts (Offinso Municipal, Offinso North, Offinso South, Kwabre East, Afigya Kwabre and Mampong) with thirteen (13) public Senior High Schools. It also utilized a limited number of schools within the cluster from which 52 samples were taken. It requested that a future study increases the number of clusters, the number of schools within the cluster and also the possible sample size to enhance generalisation of findings.

The areas where further research could be conducted include assessment of the impact of skilled personnel on procurement practices in the Ghanaian educational sector, and Public procurement and bureaucracy and its influence on performance.

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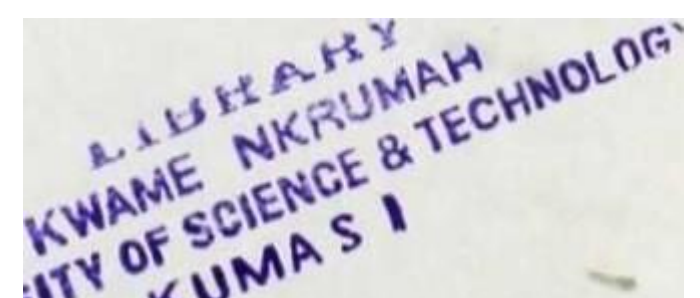
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APPENDIX A

RESEARCH QUESTIONNAIRE

This questionnaire is being administered to collect data for a Masters Dissertation on the appraisal of the procurement framework agreement used by the Senior High Schools in Ghana for the procurement of goods in the Offinso, Kwabre and Afigya cluster of schools in the Ashanti Region of the Republic of Ghana. I will be grateful if you could answer the following questions and please be assured that your identity will not be revealed. The questionnaire is in three parts: personal data, procurement structures and the application of the Public Procurement Act 2003, Act 663 and the procurement Framework Agreement (FWA).

Please tick the appropriate option and kindly supply your own answer where necessary.

Section A: Personal Data

1. Gender: Male () Female ()
2. Age Group: 24-33yrs (), 34-43yrs (), 44-53yrs (), 54-60yrs (), 61 yrs and above ()
3. Name of school
4. Name of District.....
5. For how long have you been working in the school? 1-3yrs (), 4-6yrs (), 7-9yrs (), 10yrs and above ()
6. Position in the school—Headmaster/Headmistress (), Assistant Head (), _____ Accountant (), Matron (), Stores Keeper (), Other (specify).....
7. Highest level of education: Certificate (), Diploma (), Degree (), Post-degree () Others (specify).....

Section B: Procurement structures and the application of the Act 663

8. Have you had any training on the Public Procurement Act, 2003, Act 663?

9. Who organized the training? G.E.S. Public Procurement Authority ☒ MoE ☐

10. Does your school have a Tender Committee? Yes ☒ No ☐

11. Have you participated in any tendering process? Yes ☐ No ☐

12. If yes, in what capacity? i. Chairman ☐ ii. Secretary ☐ iii. Member ☐ iv. Other (specify).....

13. Does your school have a Tender Evaluation Panel? Yes ☐ NO ☐

14. Have you participated in any tender evaluation process? Yes ☐ No ☒

15. If yes, in what capacity? i. Chairman ☐ ii. Secretary ☐ iii. Member ☐ iv. Other (specify).....

16. Are prices and the quality (specification) of goods to be procured compared among suppliers before procuring goods? Yes ☒ No ☐

17. If yes, by who? i. The ☐ ii. Storekeeper ☐ iii. Tender Evaluation Panel ☒ iv. ☐

Matron ☐ Accountant ☒

Other (specify).....

i. Stationery ☒ 18. Which of these goods are frequently procured by your school?

ii. Cereal ☐ iii. Gari ☐ iv. Vegetable ☐ v. Cooking oils ☐ vi. Meat and Fish ☐ v. Milk ☐ vi. Furniture ☒ vii. Sugar ☐

viii. Computers ☒ Other (specify).....

19. These frequently procured goods, do other schools also procure them?

20. If yes to question 19, were the goods procured at the same price? Yes ☒ No ☐

21. Which of these goods are procured through tendering (Per Act 663) by your school?

i. Cereals

ii. Gari

iii. Vegetables

iv. Cooking oils

v. Meat and Fish

vii. Furniture

viii. Sugar

ix. Computers

x. Stationery

22. Have you encountered difficulty in activities related to the procurement of the frequently procured goods? Yes ☐ No ☐

23. If yes, to item 22, please indicate by ranking each option from 5 — Very high, 4 High, 3- Averagely high, 2 - Low, 1 — Very low.

No.	DIFFICULTY LEVEL	1	2	3	4	5
1	Late delivery of goods by suppliers					
	Delays in contract signing					
lii	Cost of tender advertisement					
Iv	Cost of storage					
	Difficulty in preparing tender documents					
	Comparative price of goods procured under the Act 663 (as against prices in the local markets)					

24. What procurement method is used for the procurement of goods in your school?

National competitive tendering ☐ Minor Procurement ☐ Low value ☐

Single source Request for Quotation ☐ Other(s) (please specify).

Section C: The procurement Framework Agreement (FWA)

25. Before the advent of the FWA, how were goods procured in your school?

i International Competitive Tendering

ii Single source

iii. Two-stage tendering

iv. Request for quotation

v. National Competitive Tendering

26. Was the selected answer for question 25 used in the procurement of frequently used goods?

27. How frequent are the frequently used goods procured in your school? (i) Daily: 2

- (ii) Weekly (iii) Monthly (iv) Quarterly (every term)

28. If no to item number 26, on what basis were suppliers selected in your school?

- (i) Based on recommendation by other schools
- (ii) Based on favourable prices of goods
- (iii) Based on loyalty and good relations with supplier
- (iv) Timely delivery of goods

29. Were there instances where schools were compelled to source goods from same supplier(s) Yeso

30. If yes, did the compelling instance include any of these?

- (i) cost C (ii) Quality C
- (iii) Timely delivery
- (iv) Proximity
- (v) G.E.S. policy (vi) Other(s) specify.....

31. How are agreements under the FWA established in your school?

- (i) through the normal tendering process (Per Act 663)
- (ii) on the basis of G.E.S. policy (iii) on the orders on the Board of Governors
- (iv) based on general consensus

32. Is there a body that administers the FWA on behalf of your school?

33. If yes, which of these bodies administers the FWA?

- (i) Auditors C (ii) Lead Entity c (iii) District Tender Review Board
- (iv) Accountants [2 Other(s) specify....

34. What do you consider to be the main benefits of the FWA over the normal procurement methods to your school?

Please indicate by ranking each option from 5 — Very high, 4 - High, 3- Averagely high, 2 - Low, 1 — Very low

No.	Benefit Level	1	2	3	4	5
	Uniform and consistent price over the span of the a reement					
ii	Cost of tender advertisement					
iii	Cost of storage					
	Faster processing time and reduced paper work					
	Economies of scale obtained from bulk purchases					

35. How would you rate the prices of goods under the FWA as compared to the general prices of goods in the local markets? (i) Very highC] (ii) HighCZ] (iii) LOWC] (iv) Very low

36. Do you adhere to rules and regulations, and still promote competition (among suppliers) under the FWA when goods are needed on emergency situation?

Yes No

37.If yes, how often? (i) all the time a (ii) almost all of the timeC2 (iii)some ofthe time C] (iv) not at all

Table 2.1: Thresholds for Procurement Methods	
Procurement Method/Advertisement	Contract Value Threshold
(1) Pre-qualification	
(a) Goods	Above GHC 35 billion
(b) Works	Above GHC 70billion
(c) Technical Services	(not more than 10% of cost of works)
(2) International Competitive Tender	
(a) Goods	Above GHC 15.0 billion
(b) Works	Above GHC 20. 0 billion
(c) Technical Services	Above GHC 2.0 billion
(3) National Competitive Tender	
(a) Goods	More than GHC 200 million up to GHC 2.0 billion
(b) Works	More than GHC 500 million up to GHC 15 billion
(c) Technical Services	More than GHC 200 million up to GHC 2.0 billion
(4) Restricted Tendering	Subject to Approval by PB
(5) Price Quotation	
(a) Goods	Up to GHC 200million
(b) Works	Up to GHC 500million
(c) Technical Services	Up to GHC 200million
(6) Single Source Procurement and Selection	Subject to Approval by PB
(7) Advertisements for Expressions of Interest for Consulting Services	Above GHC 700million
(8) Least-Cost Selection	Up to GHC 700million
(9) Selection based on Consultant's Qualifications	Up to GHC 350m
(10) Single Source-Selection	Subject to Approval by PB

Source: Public Procurement Act. 2003.

Table 2.2: Decentralized Procuring Entities - Thresholds for Review/Approval
Authori (Amounts in GH<)

Authori	Goods	Works	Services	Services
(1) Head of Entity	Up to 50m	Up to 100m	Up to 50m	Up to GHC50m
(2) Entity Tender Committee	>50m-250m	>100m-500m	>50m- 250m	>50m-100m
(3) District Tender Review Board	>250m- 1.Ob	>500m-2.Ob	>250m- 1.0b	>100m-500m
(4) Ministerial and Regional Tender Review Board	>1.Ob-8.Ob	>2.Ob-15.Ob	>1.Ob-8.Ob	>500m-3.5b
(5) Central Tender Review Board	Above 8.0b	Above 15.0b	Above 8.0b	Above 3.5b

Source: Public Procurement Act, 2003.

Table 2.3: Other Procuring Entities - Thresholds for Review/Approval Authority
(Amounts in GHé)

Authority	Goods	Works	Services	Services
(1) Head of Enti	Up to 50m	Up to 100m	Up to 50m	U to 50m
(2) Entity Tender Committee	> 50m- 1.0b	> 100m- 2.0b	>50m-1.0b	>50m500m

(3) Ministerial and Regional Tender Review Board	>1.0b-8.0b	>2.0b-15.0b	> I.0b-8.0b	>500m-3.5b
(4) Central Tender Review Board	Above 8.0b	Above 15.0b	Above 8.0b	Above 3.5b

Source: Public Procurement Act, 2003.

