

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

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FACULTY OF ARCHITECTURE AND BUILDING TECHNOLOGY

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ADHERENCE TO WORKS CONTRACT PROCEDURES UNDER

THE PUBLIC PROCUREMENT ACT, 2003 (ACT 663)

BY

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Declaration

I hereby declare that this submission is my own work towards the Master of Science (MSc.) 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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Dedication

Thank be to God, the Almighty for His promotions, Provisions and Protections. This project is dedicated to my lovely wife Eyram Miriam Parkoo (Mrs. Awagah) and my cherished Daughters, Klenam Natasha Awagah and Deladem Nicole Awagah for their love, support and encouragement.

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Municipal Finance Officer, KeMA ○ Mr. Peter K. Akogo-

Schedule Officer, KeMA



Abstract

The Public Procurement Act, 2003 (Act 663) is to streamline the various identified challenges and anomalies and its main objective is to promote fairness, transparency for public procurement to be non-discriminatory. The Act is to ensure judicious, economic and efficient use of public funds to achieve value for money. Its implementation has been reported to be quite problematic characterized by irregularities. The study is to identify these challenges and their effect on adherence to post contract procedure for works at the Assembly level. There were face-to-face interviews with staffs responsible for procurement management for the Entity on identified thematic areas with personal observations and documentary proofs. Analysis of data was done in the various thematic areas using descriptive and qualitative data analysis. The study confirmed existence of some of the challenges and in spite; Assemblies have demonstrated appreciable level of adherence in order to meet the requirement of Ministry of Local Government and Rural Development's Annual Assessment. Assemblies' efforts are largely affected by the lack of the review of the Act; delay in release of funds which affects project implementations and there was no penalty for delay in contract executions as clients default on their responsibility in honouring payments certificates. It is recommended that; Assemblies are encouraged to improve their Internally Generated Funds (IGF) to supplement the statutory funding sources. Regular communication between PPA and Entities should be encouraged. Local Government Service should collaborate with PPA for training of staffs. PPA must review thresholds to eliminate the bureaucracy at the Assembly and to improve management's compliance, enhance performance and to introduce sanctions.

Keywords: *Procurement, Public Procurement, Procurement Management, Metropolitan / Municipal / District Assembly, Post-contract stage, Contract management, Value for Money.*

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CHAPTER ONE

INTRODUCTION

1.1 Background to the study

The Public Procurement Act 2003, Act 663 aimed at ensuring sanity in Procurement and Supply Management and the promotion of efficiency and economy in the use of public procurement procedures and ensuring that the processes are fair, transparent and nondiscriminatory, thereby contributing to a sound business climate in Ghana. The Act 663 further provided a framework for developing and strengthening procurement institutions and streamlining their operational processes. The aim of the act was to ensure judicious, economic and efficient use of public funds.

The Act 663, by the Public Procurement Authority (PPA) is used in procuring works in public offices to achieve value for money from the government outfits and must be followed religiously to achieve value for money.

The Procurement applies to the procurement of goods, works and services, financed in whole or in part from public funds except where the Minister responsible for Finance decides that it is in the national interest to use a different procedure. (PPA Act, Section 14).

To achieve these at the local levels, that is the District / Municipal / Metropolitan Assemblies,(MMDAs) the Government of Ghana through the Ministry of Local Government and Rural Development (MLGRD) and Local Government Service (LGS) as part of its efforts to improve the performance of the Assemblies in terms of efficiency, accountability and delivery of basic social amenities has introduced a performance base grant system. Under the system, the District Assemblies are assessed on agreed indicators on a yearly basis using the Functional Organisational Assessment Tool (FOAT).

Assemblies that perform well in the FOAT assessment are rewarded with financial resources from Ministry of Local Government and Rural Development's (MLGRD) performance based grant system, which consist of: The District Development Facility (DDF) which is available for all Metropolitan, Municipal and District Assemblies (MMDAs), and the Urban Development Grant (UDG) which is currently available only to the 46 Metropolitan and Municipal Assemblies (MMAs) as at 2012.

The objectives of the FOAT are to:

- Provide incentive for performance in complying with the legal and regulatory framework
- Identify performance capacity gaps of the MMDAs
- Establish a link between performance assessments and capacity building support.

The Procurement Management is one of the major important Thematic Areas for the Minimum Condition (MC) and any disregard and attempt in ignoring this thematic area means a particular Assembly may not meet the minimum condition and therefore may not qualify for the Functional & Organisational Assessment Tool (FOAT) and may not have any fund allocation and hence may deny the various communities and people of that specific geographical area (Municipal / District Assembly) access to funds to sponsor Infrastructural Developmental Projects.

In view of that, it is vital that PPA Act 663 is seen as a robust and enforceable Act, and the procurement profession is seen as ethical, efficient and effective in its work. Breaches of the Act must be properly and promptly investigated, and penalties enforced and publicised. Those involved in this process therefore play a key role and need to have a clear understanding of the Act and its wider context, as well as the roles and responsibilities of the people involved at various stages of the procurement process.

Monitoring of procurement compliance and performance is important not only for Ghana but also in an international context. In the private sector procurement performance is directly

linked to the bottom line (profitability) but in the public sector the benefits of monitoring procurement are often over looked. Wider awareness of the roles of various stakeholders in this process will be important if PPA's objectives are to be achieved.

However, in the meantime, adopting a proactive approach to procurement monitoring, identifying areas of excellence as well as weakness, will deliver tangible benefits (e.g. improved public service delivery.) a procurement officer may look at compliance with procedures, time lapse between contract award and completion etc.

According to the PPA, the PPA's aspirations are for procurement to be a commercial and strategic function of Government and for procurement to be professionalized and how procurement is perceived will play a key role in this process. Improvements in procedures, systems, capacity and skills will help to achieve this objective and procurement monitoring will play a key role in this process. (Final Training Materials, 13 October, 2006).

However, the Annual assessment reports by PPA to date revealed that assemblies are also confronted with procurement issues such as professionalism, limited career development opportunities for procurement staff in the public service in general, and weak contract and procurement management. This shows that the Act 663 is currently faced with numerous implementation challenges threatening its adherence.

Besides, the crucial role of adherence to post contract procurement during the project implementation cycle cannot be over emphasized and it is very important for a study of this sort to be undertaken to ascertain the level of adherence to PPA Act 2003 and its effects on the Assemblies, Act 663 as a strategy on the assemblies to achieve value for money and to eliminate poverty by providing functional facilities to the citizenry.

1.2 Problem statement

Strict observation of contract procedure during the post contract award implementation stage of the procurement process at the Metropolitan/Municipal/District Assembly level has

been quite problematic characterized by irregularities in the post procurement management processes.

World Bank report, (World Bank, 2003a), (World Bank, 2004b) indicated that, lack of adherence to post contract procurement procedures in the Act 663 which mainly result from frequent interferences from public officials, and political interference, favouritism, poor valuation i.e under or over valuation, hasty process to pay contractors without due regards to the procurement procedures in the Act, violation of the threshold in the Act and refusal to close out contracts properly among others.

In addition, Forgor, (2007) suggested that the most disturbing issue is the fact that most personnel at the Assembly level in charge of procurement seems to lack the requisite knowledge, capacity in procurement management resulting in the haphazard handling of the procurement processes with less adherence to the provisions in the Act 663 and lack of proper appropriate training for the managers of the procurement process.

Annual reports of the Public Procurement Authority (PPA), since its establishment, also indeed have always cited inadequate funding as the leading barrier to smooth operations of the Authority. Azeem, (2007) cited delays in payment of contractors and suppliers are also cited as some of the crucial factors that challenge procurement reforms implementation. PPA Annual Report, 2007 & 2008 also mentioned specifically lack of adequate office accommodation as one of the challenges.

Osei-Tutu, Badu & Owusu-Manu (2009) added that, corruption occurs throughout the procurement process and project cycle, through the actions and inactions of political officers, public servants, clients, consultants, contractors and suppliers.

Again the World Bank Report (2003) says that the lack of career development path and low salaries of procurement personnel also militate against procurement reforms implementation as well as poor record keeping (World Bank, 2003b).

These challenges result in conflicts and disputes and subsequent abandoning of some projects and in some instances resulting in payment of huge judgment debts and invariably the entity does not get value for money.

It is in light of the above irregularities and poor adherence to the procurement processes that the researcher intends to identify the various implementation challenges that inhibits strict adherence to post contract procurement procedures under the Public Procurement Act, 2003 (Act, 663) and its effect on the Metropolitan/Municipal/District Assemblies.

1.3 Aim

The aim of this study is to identify means to enable the Assemblies improve their performance through strict adherence to works contract procedures under the Public Procurement Act in order to achieve value for money. It is also to assist the Assemblies in an attempt to strategize to improve the overall adherence level to the public procurement law.

1.4 Objective

To identify the various implementation challenges to the Public Procurement Act, 2003 (Act 663) at the Assemblies and its effects on adherence to post – contract procurement procedure for works contracts executed during the years 2010 to 2012.

1.5 Justification of objectives

According to the World Bank Country Procurement Assessment Report (CPAR).CPAR 2003, Public procurement accounts for 50-70% of the national budget (after personal emoluments) and 14% of GDP, 24% of total imports. Public procurement therefore has both economic and social impacts.

Most personnel at the Assembly level seems to lack the requisite knowledge and capacity in procurement resulting in haphazard handling of the procurement processes with little

regards to the adherence to stipulated provisions in the Act 663. Series of workshop were organized for the decentralized staffs on several but divergent topics regarding procurement practices had been ad hoc and mainly by short-term donor requirements. Absence or ineffective monitoring and assessment by the Public Procurement Authority and other state Auditing Agencies regarding the adherence to the stipulated provisions and procedures, coupled with wrongful timing of monitoring and assessment by the Public Procurement Authority and the Government Auditing Agencies, and the doubtful competence of the Assessment Teams to the MMDAs.

Besides, the crucial role of adherence to post contract procurement during the project implementation cycle cannot be over emphasized and it is very important for a study of this sort to be undertaken to assess the level of adherence to PPA Act 2003, Act 663 as a strategy on the assemblies to achieve value for money and to eliminate poverty by providing functional facilities to the citizenry.

1.6 Contribution to the body of knowledge of procurement

- To establish a link between effective application of practical knowledge of post contract procurement procedures and what the Act 663 says.
- To acquire a working knowledge of how the various assemblies do manage their post contract procurement and its associated challenges.

1.7 Significance of the study

Effective and prudent public procurement systems are generally seen as very important to accelerated national development. Thus procurement at the grass root should strongly be regulated and implemented to achieve value for money through transparency, fairness, cost-effectiveness, by putting in place efficient procurement management processes. This study will provide empirical facts regarding the level of adherence to post contract procurement procedures in the Act 663 in the face of some challenges, and its applicability and its effects

at the local assembly level and to help the researcher acquire a working knowledge of the implementation challenges and ways the various assemblies do manage the effects on post contract procurement processes.

This study, though a case study of Keta Municipal Assembly, it is believed that the result may be useful in the studying of the challenges associated with the implementation of the Act 663, 2003 at the local assemblies in Ghana generally since all Assemblies (DAs) have similar structures and compositions, and environment (Ogoe 1993, unpublished dissertation).

It will give us an in-depth insight into reason and importance of adherence to procurement procedures and associated challenges. It will also serve as reference and a great knowledge contribution to the existing and growing amount of researches on the Public Procurement especially in Ghana.

In summary, the study is to identify and come out with step-by-step post contract procurement procedures as exists at the Assemblies and as per the PPA Act, 2003, Act 663 to enhance the knowledge level of the Technical Staff of the Procurement Management Unit responsible for procurement management at the Assemblies.

1.8 Scope of study

The study is limited to the Keta Municipal Assembly which is one out of the Five (5) Municipal Assemblies of the Twenty-Five (25) Municipal/District Assemblies in the Volta Region. The Keta Municipal Assembly is viewed as the outstanding Assembly by popular proclamation in 2008 and 2009 for supervision of works / projects under Local Service and Governance Development Programme (LSDGP), in the Volta Region coupled with the researchers' affiliation with the Assembly, hence its selection.

The study is a follow up on an earlier research by the author on adherence to contract procedures under the Act 663 at the pre-contract procurement stages for works from 2004 to 2009 at the same Assembly.

Contextually, ascertainment will cover works projects awarded and executed from 2010 to 2012, about ten years after the enactment of the Public Procurement Act, Act 663.

The study will also look at the post-contract procurement stages of the project implementation cycle at the assembly.

1.9 Limitation

Like any other research, the study is not without constraints and these are:

- i) The research covers the Keta Municipal Assembly in the Local Government System.

However, the analysis and findings relates to the various Assemblies. Selecting an entity in the Volta Region may not be a fair reflection or representation of District / Municipal Assemblies across Ghana.

- ii) Adherence assessment tools were adopted from Functional Organizational Assessment Tool (FOAT) under the District Development Facility (DDF), Public Procurement Authority and therefore any limitations that are inherent in them will equally affect this study.

- iii) The study mainly used an open interview in some identified thematic areas with the examination of contract files for data collection and this may have a weakness of limiting the amount of data to be collected. There is a likelihood that relevant data may probably not be captured.

1.10 The research process

The following, as illustrated in the table 1 gives the basic research process.

Table 1: Processes of the research work.

Item	Process	Activity
1	General Observation	General areas of research interest identified
2	Preliminary Survey	Literature Survey and conducting of interview
3	Problem Definitions	Identify aim, objectives and scope of study
4	Theoretical Framework	Study of related previous studies
5	Research Design	Shows how the research is structured
6	Data collection, analysis and Interpretation	Data collected is analysed and interpreted to provide information needed
7	Inference (Deduction)	Observation and inferences from the research
8	Recommendation	Proposals for overcoming the challenges of adherence to post contract procurement procedure for works; adherence to PPA Act, Act 663
9	Conclusion	Recommendations for future related study
10	Appendices	References, location Maps, interview Questions, Data Analysis. etc.

1.10.1 Research Design

The Public Procurement Act, 2003 (Act 663) is the main reference point coupled with other Public Procurement Authority Regulations, Manual and Documents; Financial Memoranda, circular, Annual Public Procurement Performance Assessment Report for 2010 to 2012, Ministry of Local Government and Rural Development (MLGRD) Operational Manual for District Development Fund (DDF) June, 2009, Functional & Organisational Assessment Tool (FOAT) Operational Manual August, 2012 and Local Government Legislative Instruments.

Primary information on procurement from available literature on procurement at the postcontract award stage was the basis for the research. Procurement management processes adopted for all projects awarded from 2010 to 2012 were identified and analysed. A well-structured interview/survey questions were developed and asked which followed logical

thematic areas of post-contract procurement procedures for works contract and some hypothetically identified challenges identified from the literatures.

The questions covered the post contract procurement procedures, and were administered to the procurement team members of the Municipal Assembly on face - to- face with the interviewer in order for respondent to fully appreciate the technical meaning of the questions and to assist in bringing out some of the probable hidden implementation challenges and their effect. The data were generated through in-depth interviews coupled with observations (i.e., examination of contract files and textual field notes) and thematically analyzing these data. This will help staff to enumerate some of the identified implementation challenges that Municipal / District Assemblies are currently facing, which they think threatens adherence to post –contract procurement procedure for works contracts executed during the years: 2010 to 2012.

This method will allow a general discussion and additional comments to be noted to augment in contextual sense; evidences from the officers of the Municipal Planning Coordinating Units (MPCU), the Technical, Planning and Development wing of the Municipal Assembly gave.

The MPCU comprises of The Municipal Planning Officer (MPO), The Municipal Budget Analyst (MBA), The Municipal Engineer (ME), the Municipal Finance Officer MFO) and The Municipal Co-ordinating Director (MCD).

1.10.2 The research Outline

This research is divided into five (5) sections

Chapter 1 Introduction

Chapter 2 Literature Review: Post-contract procurement procedures for works,
Overview of Assembly Concept.

Chapter 3 Methodologies: Collection and Presentation of Data

Chapter 4 Analysis of Data

Chapter 5 Conclusion and Recommendations

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CHAPTER TWO

LITERATURE REVIEW

2.1 POST-CONTRACT PROCUREMENT FOR WORKS AT THE ASSEMBLY

2.1.1 Definition of Procurement

The *Procurement and Contract management training guidelines for Area Councils of the District Assemblies page 11*, defined procurement as the acquisition of works, goods and services through consultants, contractors and Suppliers (i.e. the process of getting or obtaining works, goods and service). Encyclopedia, (2010) defines Procurement to be the acquisition of goods and/or services at the best possible total cost of ownership, in the right quality and quantity, at the right time, in the right place and from the right source for the direct benefit or use of corporations, individuals, or even governments, generally via a contract. Procurement can refer to buying, outsourcing, etc. of any resources.

In short procurement is stated to be the processes required to acquire works, goods and services from outside the performing organization.

Procurement as stated in *Physical works and professional services procurement procedures- Consultation document April 2007 page 18*, Procurement process is critical to Project Implementation and perception of fairness. The same document acknowledged that, best procurement practice does not contribute independently to delivering value for money – they are an integral part of the value chain.

Hibberd *et al.*, (1991) defined Procurement as the act of obtaining by care or effort, acquiring or bringing out in building and civil engineering works, it is basically understood to involve all the processes of acquiring, from the design through the construction, financing and sometimes operation until the client acquires what is required (Hibberd *et al.*, 1991).

James, (1990) defines procurement as the amalgam of activities undertaken by the client to obtain a building, (James, 1990).

Again, the Manual of Public Procurement Act, 2003 (Act 663) defines Procurement as the acquisition of goods, services and works of the right quality, at the right price, at the right time and at the right place through an open competitive tendering process.

2.1.2 Definition of works

The Manual for Public Procurement Act, 2003 (Act 663) defines Works to mean work associated with the construction, reconstruction, demolition, repair or renovation of a building or structure or surface and includes site preparation, excavation, erection, assembly, installation of plant, fixing of equipment and laying out of materials, decoration and finishing, and any incidental activity under a procurement contract. [Manuals - Public Procurement Act, 2003 (Act 663)]

2.1.3 Procurement System

The procurement system aims at procuring goods, services and works of the right quality, at the right price, at the right time and at the right place through an open competitive tendering process. [Manuals - Public Procurement Act, 2003 (Act 663)]

2.1.3.1 Objectives of Procurement System

- Acquire needed supplies as inexpensively as possible
- Obtain high quality supplies
- Assure prompt & dependable delivery
- Distribute the procurement workload to avoid period of idleness & overwork
- Optimize inventory management through scientific procurement procedures.

2.1.4 Role of the Procurement Officer

- Plan and develop the Procurement role and infrastructure / policy

- Plan and co-ordinate purchasing efforts to ensure that value for money through appropriate aggregation and rationalisation
- Provide standardised forms, guidance and models to assist departments with sourcing and procurement management activities
- Benchmark or make available prices, contracts, systems and purchasing costs in order to improve standards
- Managing multi-department contracts
- Appraise existing and potential suppliers
- Ensuring compliance with National and Organisational Procurement Directives, including placing of notices in the official media and compilation and submission of statutory reports.

2.2 BACKGROUND TO GHANA PUBLIC PROCUREMENT ACT 663

2.2.1 Role of procurement and legal framework

2.2.2 What is Public Procurement

Public Procurement is the process by which organizations acquire goods, works and services using public funds. It includes planning, inviting offers, awarding contracts and managing contracts.

2.2.3 Importance of Public Procurement

Public procurement has a direct impact on the following:

- The successful delivery of government projects and public services
- Sound public financial management by achieving value for money in government expenditure



Reducing corruption

- Encouraging private sector growth and investment

2.2.3.1 Statistics on public procurement

Procurement has a direct impact on the successful delivery of projects and services, sound financial management by achieving value for money in government, corporate and personal expenditure, reducing corruption, encouraging private sector growth and investment.

According to the World Bank report 2003, Public procurement accounts for 50-70% of the national budget (after personal emoluments) and 14% of GDP, 24% of total imports.

Public procurement therefore has both economic and social impact.

2.2.4 Procurement Reform in Ghana

The Government of Ghana launched the Public Financial Management Reform Programme (PUFMARP) in 1996. The aim was to improve overall public financial management in Ghana.

PUFMARP identified the under-mentioned weaknesses in the procurement system:

- No comprehensive public procurement policy
- There was no central body with technical expertise to oversee / regulate sound procurement practices
- Absence of clearly defined roles, responsibilities and authority for procurement entities.
- There was no comprehensive legal regime to safeguard public procurement.
- No rules and regulations to guide, direct, train and monitor public procurement. No independent appeals process to address complaints from tenderers.

□

- No authority to dispose of public assets.
- No independent procurement auditing function

In 1999, the Government of Ghana established the Public Procurement Oversight Group to steer the development of a comprehensive public procurement reform programme.

The Public Procurement Bill was drafted in 2002 and this was passed into law on 31 December 2003 as the Public Procurement Act of 2003, Act 663.

2.2.5 Objectives of PPA ACT 2003, Act 663.

The main objectives of Act 663 are given in Section 2 and are to:

- Harmonize public procurement processes in the public service
- Secure judicious, economic and efficient use of state resources
- Ensure public procurement is fair, transparent and non-discriminatory.

2.2.6 Scope of Act 663

Act 663 applies to the following:

- Procurement financed from public funds – wholly or partly
- Procurement of goods, works, services and contract administration
- Disposal of public stores and equipment
- Procurement financed by funds or loans taken by the government of Ghana, including foreign aid funds.

The exceptions are:

□

- Where the Minister decides that alternative procedures are in the national interest,
Where a loan or funding agreement specifies alternative procedures e.g. some aid agreements,
- The Act does not apply to stores management or distribution.

2.2.7 Who does the Act 663 apply to

The following institutions come under the ambit of Act 663:

- Central Management Agencies,
- Ministries, Departments and Agencies (MDAs)
- Sub vented Agencies
- Governance Institutions
- State-owned enterprises (when using public funds)
- Public universities, schools, colleges and hospitals
- The Bank of Ghana and financial institutions owned or majority-owned by Government
- Institutions established by Government for the general welfare of the public.

2.2.8 Functions of Act 663

The Public Procurement Act has the following functions:

- Establishes the Public Procurement Board, Entity Tender Committees and Tender Review Boards,
- Specifies outline rules for procurement methods, procedures, appeals, by tenderers and disposal of stores

□

- Defines offences and applicable penalties
Specifies thresholds in Schedules to the Act
- Authorises the issues of Regulations, which are enforceable under the Act

2.2.9 The legal Framework

The Legal Frameworks covering public procurement are:

- Public Procurement Act 663 of 2003
- Public Procurement Regulations
- Public Procurement Manual
- Standard Tender Documents
- Guidelines



Public Procurement Act, 2003 (Act 663)	<p><u>Passed</u> by Parliament.</p> <p><u>Establishes</u> the Public Procurement Board (PPB), as a regulatory body and specifies functions of Tender Committees and Tender Review Boards in procurement entities.</p> <p><u>Specifies</u> outline rules for procurement methods, procedures, appeals by tenderers and disposal of stores.</p> <p><u>Defines</u> offences under the Act and applicable penalties.</p> <p><u>Specifies</u> thresholds, which require regular updating, in Schedules to the Act.</p> <p><u>Authorises</u> the issue of Regulations, which are enforceable in the same way as the Act.</p>
Public Procurement Regulations	<p><u>Issued</u> by the Minister for Finance in consultation with PPB.</p> <p><u>Contains</u> detailed rules and procedures for all aspects of the procurement system, including the operations of PPB and procurement entities and the conduct of procurement activities.</p>
Guidelines	<p><u>Issued</u> by the Public Procurement Board under the Act.</p> <p><u>Provide</u> supplementary guidance on specific topics e.g. disposal, single source procurement or margins of preference.</p>
Standard Tender Documents	<p><u>Issued</u> by the Public Procurement Board in accordance with a Schedule to the Act.</p> <p><u>Contains</u> standard invitation and contract documents for procurement of all values from tender documents to Requests for Quotations.</p> <p><u>Includes</u> separate documents for goods, works and services.</p>
Public	<p><u>Issued</u> by the Public Procurement Board.</p>

Procurement Manual	<p><u>Provides</u> practical guidance and step-by-step procedures to assist procurement entities to undertake procurement in accordance with the Act.</p> <p><u>Contains</u> standard forms to assist with procurement record keeping.</p>
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Source: PPA Procurement Training Module 1, Updated: 13th. October, 2006.

Figure 2.2: Legal and Regulatory Framework for Public Procurement in Ghana.

2.2.10 Regulations

Regulations are issued by the Minister for Finance in consultation with PPA, under section 97 of the Act. They contain detailed rules and procedures for all aspects of the procurement system, the operations of PPA and procurement entities and the conduct of procurement activities.

2.2.11 Guidelines

The guidelines are issued by the Public Procurement Authority (PPA) under the Act and provide supplementary guidance on specific topics, for example:

- Disposal
- Single source procurement
- Margins of preference

Further guidelines are issued as required by the PPA.

2.2.12 Standard Tender Documents

These are issued by the PPA and listed in Schedule 4 of the Act.

They comprise standard invitation and contract documents for procurement of all values.

There are separate standard tender documents for goods, works and services.

2.2.13 Public Procurement Manual

This is issued by the Public Procurement Authority. It provides practical guidance and step-by-step procedures for undertaking procurement in accordance with the Act. It contains standard forms to assist with procurement record keeping.

According to World Bank (2003) before the introduction of the Public Procurement Act, Act 663, there were some substantial inefficiencies and that value for money was not being achieved in both government- and donor-financed procurement. Act 663 was enacted in 2003 to address these weaknesses in public procurement. The aim of the act was to ensure judicious, economic and efficient use of public funds [World Bank 2003]. The Public Procurement Act 2003, Act 663, by the Public Procurement Authority (PPA) is used in procuring works in public offices to achieve value for money from the government outfits: Metropolitan/Municipal/District (MMDAs) comply and adhere to post-contract procedures / provisions in the Public Procurement Act, 2003, Act 663.

2.2.14 Pillars of public procurement act (act 663)

World Bank Report (2003) indicated that the PPA establishes the five basic pillars of public procurement [World Bank 2003]:

(1) comprehensive, transparent legal and institutional framework; (2) clear and standardized procurement procedures and standard tender documents; (3) independent control system; (4) proficient procurement staff; and (5) anti-corruption measures. Some notable provisions in this Act are highlighted below.

2.2.15 Tenets of the Public Procurement Law

The tenets of the public procurement law according to World Bank report 2003 are:

- Transparency
- Economy and efficiency

- Equal opportunity to all tenderers in terms:
 - Same time for bid submission
 - Firm conditions of contract
 - Broad specifications
- Fairness to all parties
- Use for intended purpose

2.2.16 What the Act exists for and recommends:

Transparency, Accountability, and Ethics

In the Public Procurement Act, 2003: Act 663, the procurement system must ensure value for money in the procurement of goods, services and works. The procurement system aims at procuring goods, services and works of the right quality, at the right price, at the right time and at the right place through an open competitive tendering process.

The Manual of the Public Procurement Act, 2003: Act 663, reiterated that, the Government is entrusted with public funds to provide services to the public. The use of public money must be conducted in a transparent and open manner, allowing stakeholders and the general public access to information on procurement actions by the Government as well as a means to control and audit all procurement cases. Furthermore, the rules governing public procurement must be readily available to all interested parties. The Government requires that:

- all public officials and practitioners of procurement shall be held accountable and responsible for their inactions; all suppliers, contractors and consultants will be treated fairly and given equal opportunity to obtain contracts with the Government;
- procurement shall be done in the most efficient manner, upholding the principles of value for money, transparency and fairness funds will be used solely for the purposes for which they have been entrusted.

2.2.17 Implementation challenges of the Act 663 at the Assembly level

Ameyaw, C., Mensah, S. and Osei-Tutu, E. (2012) observed and indicated it in the International Journal Of Construction Supply Chain Management (2012) Vol. 2, No. 2 (pp. 55-65), that Public procurement is faced with the challenges imposed by a variety of environmental factors both external factors such as market, legal environment, political environment, organizational and socio-economic environmental factors. It is indicated that regardless of the effort by the central government and its related agencies and the acknowledgement that the procurement department is capable of adding value to the organization, still a large number of the internal customers act on their own and more frequently bypass the procuring department (Schiele & McCue, 2006). The challenge according to Azeem 2003, include poor dissemination of the procurement law (Azeem, 2003), and again, Forgor, (2007) found that the lack of proper training for the managers of the procurement process also contributes negatively (Forgor, 2007).

The Country Procurement Assessment Report of Ghana in 2003 revealed that most Ministries, Departments and Agencies (MDAs) and Metropolitan/Municipal/District (MMDAs), staffs responsible for procurement were not procurement-proficient, even though they have been trained. The report contended that, application of the PPA and the Standard Tender and Contract Documents will not be successful without broad training and refresher training programs and as a reminder and encouragement of officials in charge of procurement in the various Entities. In view of this, the PPA initiated a training programme in 2007 throughout the country with the aim to build the capacity of personnel responsible for the management of procurement in various institutions, unfortunately, this excises could not be sustained due to financial difficulties thereby leaving most Procurement Managers completely ignorant in the application of the Procurement law and its regulation.

Building the capacity of service providers has been identified as one of the success factors of public procurement reforms. Many tenderers are limited in various capacity issues including: lack of basic knowledge in the law, inadequate capacity to appreciate the standard tender documents, poor access to tender information and insufficient technical and managerial skills to be competitive in the tendering process (ODPP, 2007).

As per World Bank report (2004), political interference with the procurement process is also a big challenge to the implementation process and public procurement reforms. A good number of politicians think that they have the right to intervene in the procurement procedures thereby leading to some capricious procurement decisions (World Bank, 2004b). The lack of career development path and low salaries of procurement personnel and Poor records keeping were also cited as to militates against procurement reforms implementation (World Bank, 2003a), (ODPP, 2007) and Azeem, (2007) again pointed it out that, delays in payment of contractors and suppliers have also been cited as some of the crucial factors that challenges the procurement reforms implementation.

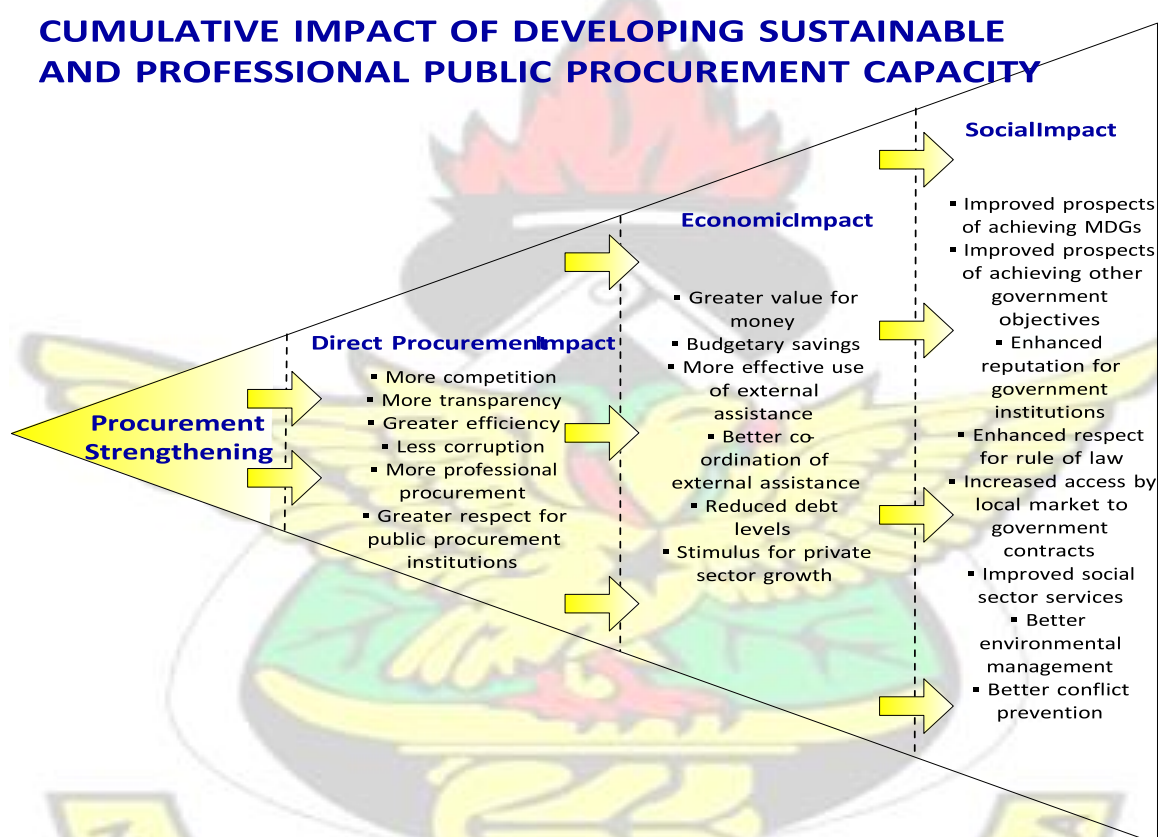
2.2.18 Impact of procurement

The Procurement applies to the procurement of goods, works and services, financed in whole or in part from public funds except where the Minister responsible for Finance decides that it is in the national interest to use a different procedure. (Section 14).

To achieve these at the local levels i.e the Metropolitan/Municipal/District Assemblies, the Government of Ghana as part of its efforts to improve the performance of the Assemblies in terms of efficiency, accountability and delivery of basic community services social amenities has introduced a performance base grant system. Under the system, the Assemblies are assessed on agreed indicators on a yearly basis using the Functional Organisational Assessment Tool (FOAT).

Procurement has a direct impact on the successful delivery of projects and services, sound financial management by achieving value for money in government, corporate and personal expenditure, reducing corruption, encouraging private sector growth and investment.

According to the World Bank Country Procurement Assessment Report (CPAR).CPAR 2003, Public procurement accounts for 50-70% of the national budget (after personal emoluments) and 14% of GDP, 24% of total imports. Public procurement therefore has both economic and social impact.



Source: PPA Procurement Training Module 1, Updated: 13th. October, 2006.

Figure 2.1: Cumulative impacts of Public Procurement and Structure

2.3 OVERVIEW OF MUNICIPAL / DISTRICT ASSEMBLIES CONCEPT

2.3.1 Background of District Assemblies-Historical

The local government structures have been in existence as far back as 1859 with the establishment of Municipal Ordinance to cover Cape Coast and its environs. The Ordinance remained in force until 1943, when a new Ordinance was enacted. President Kwame Nkrumah's Republican Administration introduced Local Government Act of 1961, Act 54. This has undergone fundamental changes until the present Local Government Act 462 which was passed in 1993.

The Act was basically established to put light on the articles in the 1992 Fourth Republican Constitution of Ghana. The Decentralisation was the fundamental aim for establishing the District and Municipal Assemblies to focus on:

- Development planning and budgeting
- Plan implementation
- Policy formulations
- Legal recognition
- Administration
- Local political activities

In 1988, PNDC Law 207 established the District Assemblies (DA's), which marked the practical implementation of the decentralization process. Local Government Instrument (LI 1373) therefore empowered the DA's with both political, administrative, fiscal and decentralisation planning authority to evolve, implement, and manage the economic, educational, cultural, spatial and recreational development activities required to meet the needs of the areas within their jurisdiction.

2.3.2 Municipal / District Assemblies

According to 2012 MLGRD diary, there are ten (10) Regional Co-ordinating Councils, six (6) Metropolitan Assemblies, Fifty-Five (55) Municipal Assemblies and one hundred and Fifty-Five (155) District Assemblies, 29 sub metropolitan councils, 34 urban councils, 250 Town Councils, 109 zonal councils, 826 area councils and 16000 unit committees in Ghana. The figure below shows the Local Government System.

Structure of New Local Government

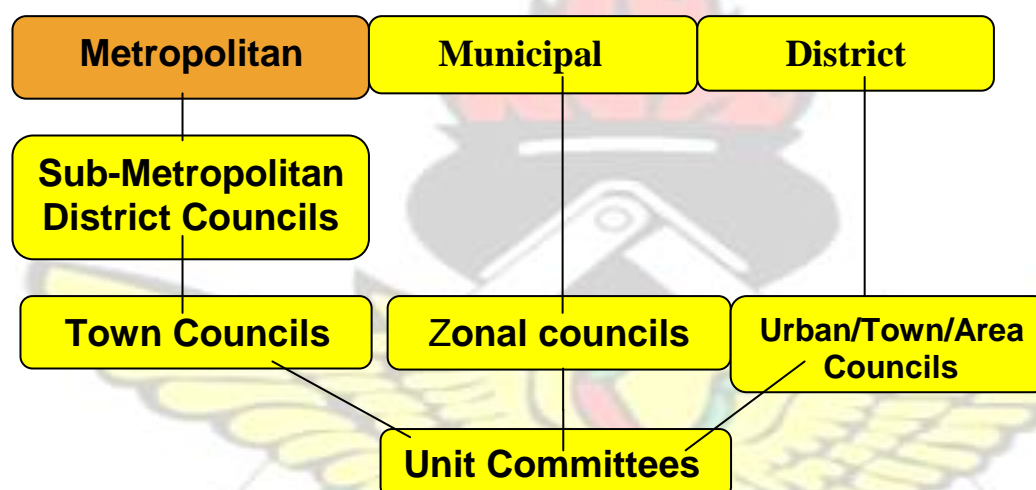


Figure 2.3 Represents the Structure of New Local Government: [2012 MLGRD Diary].

2.3.3 Functions of Municipal / District Assemblies

Section 10 of Act 462 of 1993 spells out the functions of the Assembly as the highest political and administrative body in the Metropolitan, Municipality or the District with deliberative, legislative as well as executive functions. The Assemblies are responsible for the Metropolitan / Municipal / District with respect to providing guidance, giving direction to, and supervising all other administrative authorities in the municipality / district.

The DA is basically responsible for the overall development of the District and is to:

- i. Be responsible for the overall development of the District and shall ensure the preparation and submission to the government for approval of the development plan and

budget for the District; ii. Formulate programmes and strategies for the effective mobilization and utilization of human, physical, financial and other resources in the District; iii. Promote and support productive activity and social development in the District and remove any obstacle to initiative and development;

- iv. Be responsible for the development, improvement and management of human settlements and environment in the District;
- v. In co-operation with the appropriate national and local security agencies , be responsible for maintenance of security and public safety in the district; vi. Ensure ready access to the courts and public tribunals in the district for the promotion of justice; vii. Promote or encourage other persons or bodies to undertake projects under approved development plans; viii. Monitor the execution of projects under approved development plans and assess and evaluate their impact on the people's development in the local, District and national economy.
- ix. Initiate, sponsor or carry out such studies as may be necessary for the discharge of any of the functions conferred by this law or any other enactment; and
- x. Perform such other functions as may be referred to it by the government.
- xi. The District Assembly is however, subject to the Central Government in the discharge of its functions so far as national policy is concerned.

2.3.4 Background of Keta Municipal Assembly

2.3.4.1 Physical Characteristics: Location and size

Keta Municipal Assembly , with Keta as the capital is one of the 25 administrative Assemblies of the Volta Region, It has 14 Urban Town and Area Councils (UTAs) with a population of approximately 133,661 Ghana Population Census Reports, 1970, 1984, 2000, Statistical Services, Accra, with a population projection of about 2.1 growth per annum.

Keta Municipal Assembly was carved out of the former Anlo District, which also comprised Akatsi South and Ketu Districts. Location of Keta District in the National and Regional contexts respectively. The District lies within Longitudes 0.30E and 1.05E and Latitudes 5.45N and 6.005N. It is located east of the Volta estuary, about 160km to the east of Accra, off the Accra-Aflao main road. It shares common borders with Akatsi District to the north, Ketu South and Ketu North District to the east, South Tongu District to the west and the Gulf of Guinea to the south. Out of the total surface area of 1,086km², approximately 362km² (about 30 per cent) is covered by water bodies. The largest of these is Keta Lagoon, which stretches about 12 km at its widest section and 32km long. Hence, the remaining land area is only 724km² a situation which creates severe constraints on access to land for development in the Municipality. However, fishing and water transportation potentials exist. [KeMA Medium Term Development Plan 2006-2009].

2.3.4.2 Institutional Framework of Assemblies

Keta Municipal Assembly is one of the 138 MMDAs in the country. It was established by L.I. 1475 by the PNDC Law 207 in 1989. The Local Government Act of 1993, Act 462, later replaced these laws. It is the highest political, administrative and planning authority in the Municipality. It has 14 Zonal Councils, Town and Area Councils. These councils are supposed to implement the decisions of the Municipal Assembly and see to the day-to-day administration of their Areas of influence. Under the Local Government Law, Act 462 of 1993, twenty-two (22) Central Government Departments are supposed to be decentralized and reorganized into eleven and Municipal Assembly has absorbed some departments into its administration through the provision of office accommodation to some of them and involving others in its day-to-day activities.

2.4 THE POST-CONTRACT PROCUREMENT MANAGEMENT PRACTICES:

Post-Contract Stage of Administration of projects at District Assembly Level

– Contract award stage starts immediately the Entity Tender Committee approves the evaluation report recommending the most competitive tender for the award of the contract, and an acceptance letter is issued to the winning contractor and a letter to the losing tenderers as well, and a Contract documents are prepared and contract agreement signed between the Assembly and the Contractor upon submission of some required relevant documents.

The post-contract stage is when the related activities are geared towards the successful management and administration of awarded projects / contracts with its related and conceptual realisation of detailed designs and specifications at the most cost effective price at an economic time period, [PPA Act 663, 2003 Section 65].

The Local Government Regulations: 1993, L.I 462, and 1995 L.I 1606 are the basic legal document governing the procurement of works, goods and services at the Assembly levels in addition to the Act 663, 2003 and the Financial Memorandum, Banking and Financial Laws of Ghana 1998-2006: Financial Administration Act 2003, Act 654, Internal Audit Agency Act 2003, Act 658, Financial Administration Regulations 2004, L.I. 1802 and other related regulations.

2.4.1 Introduction to Contract Management

The Final Training Materials and the Manuals of the Public Procurement Act, 2003 (Act 663) suggested on the other hand that, effective contract management is vital if the procurement function in Ghana is to be effective and meet wider objectives including the attainment of value for money. It is an area that is often neglected when focus is on tendering and contract award procedures. However, it is a vulnerable area of the procurement cycle where there is a risk of corruption, ineffective management, contract slippage, price escalation and disputes.

In the Manual of the Act 663, Contract management also includes payment, which is another area of risk especially in high value contracts or where payment is not clearly linked to contractual milestones or deliverables. Procurement professionals need to follow the procedures set out in the manual, but also to be aware of areas of risk (including contract variations and amendments) so that problems can be flagged up at the earliest opportunity. In some circumstances the most appropriate line of action may be to cancel or terminate the contract even if it is some way advanced rather than accept endless contract amendments or variations, and the associated time and cost implications.

Checklists can be a useful part of the contract management process and help to ensure that each element of the contract is appropriately managed. Detailed spread sheets to monitor the financial elements of the contract (e.g. payment terms, currencies, exchange rates, advance payments, stage payments, triggers for payment, payment documentation, retentions, bank guarantees etc.) Contract completion and finalisation is another example as unresolved issues at this stage may lead to contractual disputes and customer complaints. (Final Training Materials 13th. October, 2006), (Manuals - Public Procurement Act, 2003 (Act 663)).

Contract Administration concentrates on the relationship between the buyer and the supplier from contract award to contract closeout ensuring the supplier delivers the product and/or service in conformance with the purchase document requirements. The Contract Administrator (CA) must completely understand all aspects of the purchase document. Requires effective management to reduce inefficiencies, opportunity for corrupt activity and assists in proactively avoiding risks.

Post-award Contract Administration is the process of ensuring that each party's performance meets contractual requirements.

2.4.2 Establishing the Fundamentals

The PPA Manual indicated that, once a purchase document has been executed, the contract administration responsibilities should be reviewed with the person assigned to the role. Any additional contract administration activities specific to the transaction should also be reviewed.

2.4.3 Importance of communication

2.4.3.1 Communication is key

A key factor in successful contract administration is communication. It is essential for contract administrators to understand the provisions of the purchase document, have the ability to communicate contract obligations to all parties involved, and maintain control over the contract performance.

Departments are responsible for maintaining records in sufficient detail to allow anyone to review documentation and understand how the procurement was requested, conducted, awarded and administered.

Buyers shall provide contract administrators with the necessary instructions to maintain good record keeping activities and ensure the records are turned over to the procurement office at the completion of the contract term. The records maintained by the contract administrator are incorporated into the procurement file and retained for compliance and/or auditing purposes.

2.4.3.2 Setting up a Contract File

- Contract administration responsibilities may also include establishing the department's procurement file dependent upon the department policies and procedures.

- Consequently, contract administrators should organize documentation according to department procurement processes
- Developing a user-friendly filing system. File by purchase document number or supplier name.
- Establishing a separate hard copy file for each purchase document administered.
- Developing a log sheet for a diary of activities. This may include dates and times of discussion and subject matter discussed.

2.4.4 Managing risk at the post-award events

According to a Guide to the Project Management Body of Knowledge, PMBOK Guide 5th Edition, encouraged that a procurement agency's work should not end with the Contract award. There should be reviews of procurements shortly after conclusion to determine if any issues need addressed, problems that arose or improvements needed. The procurement agency should further follow up on the procurement during and after delivery of the goods and service to ensure that it meets the intended requirements and expectations. Feedback should be sought from counterpart agencies, as well as participants in the procurement process.

A sound knowledge of the procurement regulations and procedures, as well as a wider understanding of the circumstances which may have allowed a particular situation to arise, a key, and often overlooked, activity is to highlight lessons learned (procedural, administrative, managerial and others) so that potential risks associated with procurement and weaknesses can be reduced in future contracts.

2.4.4.1 The involvement of the beneficiary communities during the implementation

The Assembly is of the philosophy that, the involvements of the end users are very important in the sense that beneficiaries, agencies and communities must have an idea of the project as

end users and to contribute when necessary. Land in most cases must be provided by the beneficiaries and with this they fill they contributed in one way or the other and that the project belongs to them and that, the projects must protected, preserved and maintained it as such. This can also be a means of avoiding or mitigating any probable project implementation risk.

2.4.4.2 The consultation with the beneficiary communities-Public forum

There is a need to do public forum with the beneficiary communities, the reason being that it is very mandatory for almost all the donor projects at the Municipal Assembly and a complete budget line are created for consultation with the beneficiary for a participatory public forum and this coupled with the fact that the Regional Co-ordinating Council (RCC) insists on a kind of public consultation for smooth implementation of projects.

2.4.5 Procurement Management

2.4.5.1 What is Public Procurement

The process by which the Government, Corporate or private individuals purchases goods, works and services using public, corporate or personal funds. It includes planning, inviting offers, evaluating offers, awarding contracts and managing contracts.

2.4.5.2 Why procurement is important

Procurement has a direct impact on the successful delivery of projects and services, sound financial management by achieving value for money in government, corporate and personal expenditure, reducing corruption, encouraging private sector growth and investment.

According to the World Bank CPAR 2003, Public procurement accounts for 50-70% of the national budget (after personal emoluments) and 14% of GDP, 24% of total imports.

Public procurement therefore has both economic and social impact.

2.4.5.3 Procurement Planning

A procurement plan is an integral part of the procurement process. It is one of the essential tools in achieving the ultimate objectives of Public Procurement.

To achieve fiscal discipline, the preparation of the procurement plan must be linked with the entity's budget with the requirements of capital and recurrent inputs - goods, works and services listed and quantified in monetary terms during a particular year (financial year). The procurement plan serves as a check (control) on frivolous and unplanned procurement activities.

This explains why the Public Procurement Planning Template as derived from Act 663 and best practice, requires that Entities' Procurement Plans include the contract management activities. It is anticipated that public procurements will be better delivered if only managers of contracts will ensure that every detail of the agreement is executed and this was stressed in the Public Procurement Authority: Electronic Bulletin Sep-Oct 2013 Volume 4, Issue 5.

The Section 21 of Act 663 requires that procurement entities prepare a plan for their annual procurement. A Procurement plan is essentially a time-bound activity, also serves as means of measuring performance against pre-planned activities vis-à-vis the set goals. Section 21 (5) states that "An entity shall not divide a procurement order into parts or lower the value of a procurement order to avoid the application of the right procedures"

2.4.5.4 Meetings of Procurement Entities

The Tender Committee are supposed to meet as required by the law at least once in every quarter and have duly recorded and signed minutes, Tender Committees shall meet at least once every quarter and notice of the meetings shall be given at least two weeks prior to the scheduled date of the meeting (Section 17-20 of Public Procurement Act, Act 663).

2.4.5.5 Record on procurement proceedings

The Tender Committees are supposed to meet as required by the law to keep record of procurement proceedings. (Section 28 of Public Procurement Act, Act 663).

2.4.5.6 Setting up a Contract File

Contract administration responsibilities may also include establishing the department's procurement file dependent upon the department policies and procedures. Consequently, contract administrators should organize documentation according to department procurement processes and developing a user-friendly filing system. File by purchase document number or supplier name.

Establishing a separate hard copy file for each purchase document administered as well as developing a log sheet for a diary of activities. This may include dates and times of discussion and subject matters discussed. Contract Files are and should serve as Archive for project documents.

2.4.6 Payments

Payment for Works

For Payment Certificates raised by the Project Manager, the Procurement Entity will:

- Complete a Payment Certificate ensuring the deduction of any advance payments already made, retention percentages, and any contractual penalties incurred by the Contractor.
- Attach the:
 - original valuation from the Contractor and the Payment Certificate issued by the Project Manager;
 - original of any Interim or Final Inspection Report;
 - results of any analytical surveys;
 - calculation of any penalties liquidated damages if allowable under the contract;

- copies of relevant information from the contract document, records of approval and financial authorisations.
- Record the payment in the Contract Register.
- Forward the Payment Voucher to the Accounts Department for processing.

2.4.6.1 Contract Mobilisation Payment

According to the Financial Administration Act 2003, Act 654, Internal Audit Agency Act 2003, Act 658, Financial Administration Regulations 2004, L.I. 1802 and other related regulations, Contract Advance mobilisation payments are to be 15% of the contract sum and upon the provision of the appropriate and redeemable bonds from acceptable Financial Institution: Bank or Insurance firms. (Part IX Section 69 and 70 of the Financial Memoranda).i.e. according to FIDC conditions of contract Clause, and PPA conditions of contract Clause 51 (1-3).

2.4.6.2 Payment Certificates

The Manuals - Public Procurement Act, 2003 (Act 663) says for Payment Certificates raised by the Project Manager, the Procurement Entity will: Complete a Payment Certificate ensuring the deduction of any advance payments already made, retention percentages, and any contractual penalties incurred by the Contractor.

2.4.6.3 Interim Certificates

When the Quantity Surveyor / Engineer has measured and valued the works, an interim certificate can then be issued (by whoever is responsible). The gross valuation is to include amounts up to and including a date not more than seven days before the date of issue of the certificate. A period of seven days is allowed between the date of the valuation and the date of the issue of the certificate. This period is necessary for the computation and documentation needed for the certificate. (PPA conditions of contract Clause 42 (1-6) and 43 (1- 4).

An interim certificate establishes nothing except the sum to be paid. It does not establish the adequacy of the work performed or that it is satisfactory. When an interim certificate is issued it does, however, establish a debt due and the contractor is entitled to payment in accordance with the terms of the contract. This is subject to the right of the employer to a set off or a counter claim for liquidated damages. In issuing an interim certificate the consultant does not certify as arbitrator but as an agent of the employer. Interim certificates differ from final accounts which are intended to be final and binding.

In recommending the interim certificate payment, the Quantity Surveyor / Engineer has an over-riding duty to protect the interests of both the contractor and the employer by ensuring that his recommendations are for the total sum due in accordance with the provisions of the contract; but not for more or less than that sum. It has been suggested that the Architect has no real discretion as to the amount of the certificate once the Quantity Surveyor / Engineer has determined the value unless he decides that some part of the value of the work should be omitted by virtue of it not being properly completed; or that certain materials have been brought on site prematurely. It is not for the Quantity

Surveyor / Engineer to decide whether or not work is unsatisfactory.

The employer has the right before making payments to the contractor to make the following deductions according to the Articles of Agreement and Conditions of Contract for Building Works 5th Edition, 1988;

1. Liquidated and ascertained damages as indicated in Clause 18.
2. Amount owed by the contractor to his employees on site which was paid directly by the employer as per Clause 14(3).
3. Amount owed by the contractor to subcontractors which was paid directly by the employer, Clause 22(c).

2.4.6.4 Contract Retention

Upon completion of projects, a minimum of 10% retention is supposed to be withheld on each project and fully released after the defect liability period (normally not less than six months) on all contracts as per Part IX Section 72 of the Financial Memoranda and Functional & Organisational Assessment Tool (FOAT) Operational Manual August, 2012. The Articles Of Agreement of contract provides for the retention by the employer a percentage of the gross value of the work included in the interim certificates according to Clauses 25(3); 25(4).

Unless otherwise agreed and stated in the appendix to the conditions of contract, the amount usually retained is 10%. The aim is to provide a safeguard for the employer against default by the contractor. It also encourages the contractor to work promptly and satisfactorily.

Legally, retention funds held by the employer form a trust fund for the benefit of the contractor or nominated subcontractor. The employer is therefore a trustee with all the legal duties and responsibilities attached to that office.

On practical completion of the contract, one half (one moiety) of the retention is released. The other half is also released when defects have been made good or after the defects liability period, whichever is later.

However, according to the PPA conditions of contract Clause 48.3 and Clause 26(e) of Articles of Agreement and Conditions of Contract for Building Works, there could be an early release of retention if sectional completion applies or the contractor provides a retention guarantee from a bank or an insurance company. On completion of the whole Works, the Contractor may substitute retention money with an “on demand” Bank guarantee.

2.4.6.5 Items subject to Retention

According to the following sections of the Articles of Agreement And Conditions Of Contract For Building Works:

- a) The total value of work properly executed by the contractor Clause 25(2) including a proportion of preliminaries, any variation and adjustment in fluctuations where the price adjustment formula is used. The total value of materials and goods delivered to site for use in the works.

The total value of materials and goods off site where authorized by the consultant.

- b) The total value of work properly executed by nominated sub-contractors, including materials and goods Clause 22(a) (vii), (viii).
- c) The contractor's profit and attendance on nominated sub-contractor's work.

Items not subject to Retention

- d) Amounts due contractor under the terms of the contract in respect to statutory fees, charges, rates or taxes as per Clause 4(1); opening up for inspection and testing and making good provided the inspection and test show no faulty workmanship as indicated in Clause 6(3).
- e) Amount due the contractor by way of reimbursement for loss and expense caused by disturbance of regular progress of works - Clause 27(1) and for disposal of antiquities from site on compliance with consultant's instructions Clause 31.
- f) Final payments to nominated sub-contractors
- g) Fluctuations recovered using the traditional method in Clause 28
- i) Amount properly payable to a nominated subcontractor relating to statutory fees and charges, making good defects, where the consultant authorises payment and fluctuations calculated under the traditional method.

2.5 Finishing the Contract: Contract closure activities

2.5.1 Initial and final Take-over of Works

Initial and final takeover of works shall be certified by an Inspection and Acceptance team comprised of the Project Manager, and a representative from each of the Procurement Unit and the Technical Department.

On issue of an initial takeover certificate by the Inspection and Acceptance Committee, part of any retention monies held may be paid to the contractor if specified in the contract. Following the end of the defects liability period and subject to all defects being rectified, the Inspection and Acceptance team for will certify the final takeover of the Works and sign the Certificate of Completion.

On issue of the final takeover certificate by the Inspection and Acceptance team, a Final Certificate shall be raised to authorise payment of the balance of any retention monies due to the contractor.

2.5.2 Demobilization

The contractor is supposed to remove his equipment, tools and materials from the site and tidy-up the site and hand over to the client after joint inspection and during that Product Verification is done to see whether: All work is completed and correctly, Product same as requested, Product meets the needs of customer etc.

2.5.3 Financial Closure

Once the entire physical project has been inspected and handed over the fulfilling the financial commitments of the project is next and as part of the contract closure, all payments should be made including final payments.

2.5.4 Final Account

The final account is a detailed document consisting of several sections each dealing with the different adjustments that need to be made to the contract sum.

The document shows or must show very clearly how the final cost of the project has been arrived at. The different sections of the document include the following:

The summary of the final account, Variation accounts

- i. Adjustment of Prime Cost Sums and Provisional Sums
- ii. Adjustment of provisional or approximate items
- iii. Claims
- iv. Statutory contributions, levies
- v. Fluctuations in labour and materials

The summary section of the document shows at a glance the final cost of the project and the outstanding payments to be made.

2.5.5 Final Certificate

The final certificate must be issued within three (3) months of the last of the following events:

- i) The end of the defects liability period
- ii) The date of issue of certificate of making good defects

- iii) The receipt by the consultant from the contractor of documents required for the final account.

The final certificate states the total final cost of the works and the amount already paid to the contractor. The difference between the two figures is a debt either to the employer or the contractor.

The final certificate is conclusive evidence that the standard of workmanship and the quality of materials are acceptable to the architect/consultant except in the following situations:

- i. Where there is fraud, dishonesty or concealment relating to the works or materials.
- ii. Where there are latent defects
- iii. Where there is an accidental inclusion or exclusion of work or arithmetical errors in computation.

2.6 Records and Procurement Audit

Procurement Record includes all documents relevant to the pre-tendering and postcontract stages (contract administration phases). These records should be able to tell the story of the entire procurement process. Section 28(i) of the Public Procurement Act (Act 663), states “A procurement entity shall maintain a record of the procurement proceedings containing the following information.”

The Public Procurement Authority in helping entities to achieve the above has developed, a Records Keeping Manual for all Entities. This Manual is to give practical understanding to the above Section 28 (i).

Departments are reminded of the examination and audit requiring transaction documentation to be retained for some period of time preferably in my opinion three (3) to (5) Five years after payment of the last invoice unless a longer period is required in the contract.

The length of time Procurement records are kept in active files, and the internal and external audit and use of these records, is determined by the Procurement Legal and Regulatory framework.

2.7 Cost Forecast/Financial Report

Throughout the construction stage the client will need to be advised on any changes to the probable final cost of the project. This is normally done through a financial statement at regular times throughout the contract period.

The report is in two parts: the first considers the current position and the second the likely final cost of the project.

2.8 Defects liability period

During the defect liability period, usually six months, the Contractor is obliged to repair/replace any defects at his/her own cost. However, if the defect is proven to be as a result of a design problem, whereby the Contractor was not involved in the design, then the Procurement Entity will bear the costs of rectification.

2.9 Resolution of contractual disputes

According to the Manual for Public Procurement Act, most minor disputes may be resolved by discussion and agreement between the Project Manager and the Contractor to rectify the cause of complaint. Any formal written complaints received from a Contractor should be fully investigated and referred to the Head of the Procurement Entity to authorize correspondence or formal negotiations with the Contractor. Where an adjudicator is appointed under the contract, such adjudication may result in an unfavourable decision in favour of the Contractor, and should therefore be treated as a last resort once all other possibilities for agreement are exhausted.

2.10 Documentation of Lessons learned in Procurement Process

The documentation of lessons learned could also help in the execution of subsequent procurement activities. The Entity through the procurement officer should analyse and document success and effectiveness of the previous risks and success checked in the final contract performance reporting to management. The process should involve how accurate and well the procurement process was and how the various identified problems and difficulties were mitigated.



CHAPTER THREE

RESEARCH METHODOLOGY AND DATA COLLECTION

3.1 Introduction

Research methodology is the overall approach to the design process from the theoretical underpinnings to the gathering and collection of data and analysis of the data (Collis and Hussey, 2003). Naoum (1998) provides that the result and outcome of any research is directly related to the methodology adopted and consequently the success and validity of the research critically depends on the appropriate selection and implementation of the research methodology.

This chapter on methodology discusses the research design and methodology best suited for this study. The research methodology will basically provide a guide to ascertain the level of adherence to procurement procedures and its effect on the Assemblies under the Public Procurement Act 2003, Act 663 at post-contract stage using Keta Municipal Assembly (KeMA) as a case study.

An in depth and comprehensive search through literature of related documents and text books was conducted in Chapter Two. It discusses among other things the post contract procurement management stages, procedures and processes as used by the Assemblies, post-contract stage as stipulated by procurement guidelines, level of adherence, and what the Public Procurement Act and other Financial Regulations say and some implementation challenges and its effects on the Assemblies.

On the other hand, the general attitudes towards procurement at the Assembly level have been looked at and discussed.

Generally, a multiple research approach which includes the review of pertinent literature, exploratory interviews and analyses of documents (evaluation of reports and contract files) available at the procurement entity studied. The literature review helped to position the study within its theoretical context whilst preliminary exploratory interviews helped to elicit relevant information from the respondents, to compliment the main interview questions. The survey involved data collection through targeted interviews to address ambiguous responses. Data for the study was collected to cover 2010 to 2012.

The research was limited to Keta Municipal Assembly in the Volta Regions of Ghana. All focal persons and staff directly concerned in the procurement management cycle in the study entity were interviewed. The questions were combined with face-to-face interviews questions in some identified thematic areas which helped in putting down augmenting and supporting comments and observations that helped the analysis and the discussion of the

results in this study. This method created an enabling environment that promoted fair and reliability of the data.

3.2 Approach and survey description

This aspect of the research methods addresses data collection techniques, instruments, methods, and procedures. It provides detailed explanations to each of the methods adopted and how it addresses the aims, objectives and research questions. An important issue to consider in this section is the detail about survey instruments, methods and data collection and data management.

The study investigated projects of diverse and varied types, scope and costs. These projects were substantially new constructions, renovation and rehabilitation projects, completion of abandoned projects and completion of phased projects in Keta Municipal

Assembly (KeMA) between the years, 2010 to 2012.

The exploration covered successfully completed works projects done under the District Assembly Common Fund-DACF, Local Government Support And Governance Programme projects- LGSGP (Water and Road Components), District Development Facilities (DDF) projects, MP's Common Fund Projects that went through tender.

3.2.1 Interview Processes

The staff was personally interviewed via face-to-face interactions and the interviews supported with documented proofs from records. This approach was chosen because it was suitable to the exploratory stages of the research and the main advantage of this approach was the fact that the questions can easily be adapted. The main disadvantages of the face-to face administering are inherent in the geographical limitations that may impose on the surveys and the vast resources needed if such surveys are to be carried nationally; making it more expensive and time consuming (Frazer and Lawley, 2000).

3.2.2 Analysis of Result

The inductive analyses primarily have a descriptive and exploratory orientation. The collected data was analysed using qualitative methods. Inferences were therefore drawn based on the answers given in results. Deductions were also based upon evidence gathered from qualitative results and insights gained from discussions with survey participants. This information from the responses to the administered questionnaire, together with interviewees, helped in explaining whether there is total adherence to contract procedure at the post-contract stage of procurement as well as the effect of the implementation challenges.

3.3 DATA PROCESSING, ANALYSIS AND ANALYTICAL TOOLS

3.3.1 Method of data analysis

3.3.1.1 Descriptive statistics-Qualitative and Quantitative Research Strategy Denzin *et al.* (1998) indicated that qualitative research stress and emphasises the process of discovering the way the social meaning of an issue is constructed and emphasises the relationship between the researcher and the topic being studied. Berg (2001) also intimated that qualitative research refers to the meanings, concepts, definitions, characteristics, metaphors, symbols and descriptions of things.

In explaining descriptive survey, Burns *et al.* (2001) also stated that, it is a study that observes and describes the presence, frequency or absence of characteristics of a phenomenon as it naturally occurs, in order to gain and gather additional information. The primary purpose of a descriptive survey research is to describe the situation as its preferences, practices, opinions, concerns or interests of the phenomenon of interests (Polit *et al.*, 2006).

3.3.1.2 Applied Thematic Analysis (ATA)

Applied Thematic Analysis (ATA), briefly put, ATA is a type of inductive analysis of qualitative data that can involve multiple analytic techniques. By this, the data generated through in-depth interviews with field observations (i.e., textual field notes) thematically and analyzed. This was the simplest analysis method employed because it presented a general overview of the results and gave an idea of the meaning of each of the answers given in the results.

Applied Thematic Analysis (ATA) briefly put, ATA is a type of inductive analysis of qualitative data that can involve multiple analytic techniques. In my view, the greatest strength of ATA is in its pragmatic focus on using whatever tools might be appropriate to get the analytic job done in a transparent, efficient, and ethical manner.

CHAPTER FOUR

ANALYSIS OF DATA

4.1 Contract Management Procedures

From the interviews (survey) conducted there were some appreciable positive level of adherence to contract management procedures in the areas of Site Possession- Introduction to site as well as having Site Meetings, Contract Advance Mobilisation Payment Certificates, Contract Retention, Contract Closure & Demobilization, and Liquidated Damages etc.

The Municipal Engineer (s) leads the Contract Management Team (Technical Team) during the entire procurement processes including the regular Monitoring by the Monitoring Team Monthly, and as at when necessary and sometimes on an ad hoc bases which are mainly tied with the request for Payment Certificate.

4.1.1 Communications and Record Keeping

There were documented evidence of clear and enough documentation on all communication between the technical team and the Administration and between the contractors at the various stages of the post-contract services for all the contracts, mainly since management seems to be very concerned with the financial implications of every step taken by the technical team. Files were actually created for all record of the communication both technical and financial since most donors funding sources do auditing regarding this at the end of the project periods. Minutes and other correspondences were taken and record of every meeting kept on file.

4.1.2 Dispute Resolution

In the settlement of disputes, the Assembly mainly makes use of negotiation above other Alternative Dispute Resolutions (ADR) dispute resolution methods. There were some disputes relating to delay payments during the years in reference (2010-2012), but they were all resolved amicably through negotiation.

4.1.3 Education and Training

4.1.3.1 The level of Education of the Procurement Officers

The response on the technical strength of the Assembly shows some appreciable level of educational background. It indicated that most of the Staff like the Municipal Planning Officers is a Professional Development Planner with BSc. Planning with other Postgraduate Qualifications. The Municipal Budget Officer during the period Holds BA (Hon) Administration and currently pursuing his Master's. The Finance Officer Holds a Degree in Commerce and ACCA, UK.

The Municipal Engineer holds CTC II in Building Construction and he is currently pursuing a top-up for BSc. Building Technology. He is the head of Procurement Unit and leads the Contract Management Team (Technical Team) during the entire procurement processes including the regular Monitoring by the Monitoring Team Monthly, and as at

when necessary and sometimes on an ad hoc bases which are mainly tied with the request for Payment Certificate.

4.1.4 Skill Training

Series of workshops were organized for the decentralized staffs on several but divergent topics regularly regarding procurement but most of such workshops had been mainly by short-term donor requirements and supports and one worry expressed by the team interviewed was that, Local Government Service does not easily offer the members of the Technical team the opportunity to have any formal on the job education in procurement to enhance their performance.

4.1.5 Interference

In the area of interference: Political and Public officials, most Political and Public officials are aware of the implications of any violations of provisions of the Act and even if they interfere, they do not do so in violation of the Act. It was quite clear somehow that the respect for any political or public Official is somehow misconstrued to mean as their interference according to the staffs.

4.1.6 Favouritism

Projects are prioritised and executed accordingly and some of the projects may demand more urgency and attention than the others based on the procurement plan schedules and even to meet the donors' requirement. It should not necessarily be seen as a result of or signs of favouritism.

4.1.7 Procurement Assessment

Public Procurement Authority (PPA) do their annual auditing of the Entity for their procurement activities for the previous year. The assessment by the Public Procurement Authority was to date done annually to assess the level of the adherence to the stipulated provisions and procedures in the Act. The assessment done by the Public Procurement

Authority was viewed as a healthy development but the timing was not regular and may not achieve the desired result of checks and balances of procurement activities at the Assemblies in the areas of adherence of provisions of the Act 663.

4.1.8 Identified Implementation Challenges

The crux of the survey was when the interviewers were asked to enumerate some of the implementation challenges that Assemblies are currently facing which directly affects their adherence and performance or which they think threatens their adherence to post – contract procurement procedure for works contracts executed during the years under review. The Assemblies efforts to adhere to the stipulated procurement provisions is in fulfillment of the Ministry of Local Government and Rural Development's annual assessment under Functional Organizational Assessment Tool (FOAT) under the District Development Facility (DDF), however their efforts are thwarted or affected somehow by the following identified procurement implementation Challenges at the Assemblies:

- Lack of review of the threshold in the PPA Act limits and poses unnecessary delays in the procurement cycle since even projects that can be awarded from the Assembly Entity have to be forwarded to the Regional Tender Review Board.
- Delay in releasing funds for development distorts the planned activities and inhibits their adherence efforts. These Delay in honouring payment certificates, subsequently leads to delay in project implementations. This was reported in the Annual reports of the Public Procurement Authority (PPA), since its establishment, have always cited inadequate funding as the leading barrier to smooth operations of the Authority (PPA Annual Report, 2007 & 2008).
- Again, some contractors somehow, though has the required classifications certificates and even do have documented proof or evidence of the various resources on paper, and were successfully awarded the contracts but do not in reality have these required resources so are unable to deliver.

4.2 Summary of observations

Some level of adherence was observed as the Assemblies try to adhere to the stipulated procurement provisions and this is in fulfillment of the Ministry of Local Government and rural Development's annual assessment under Functional Organizational Assessment Tool (FOAT) under the District Development Facility (DDF).

Retrieval of information was quite easy as separate files were created and are kept for most of its procurement transaction with all information on various phases of a transaction filed. The Entity has created and staffed an internal audit unit to promote its transparency in payment processes. It was also observed that the staffs responsible do not regularly update their knowledge in current emerging trends of procurement management. The current threshold of the Act promotes bureaucracy in contract awards and its subsequent management processes at the Assembly.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The research focused on identifying the various implementation challenges to the Public Procurement Act, 2003 (Act 663) and its effects on adherence to post – contract procurement procedure for works contracts executed during the years 2010 to 2012.

The aim is to identify means to enable the Assemblies improve their performance through strict adherence to works contract procedures under the Public Procurement Act to achieve value for money and also to assist the Assembly in an attempt to strategize to improve the overall adherence level to the public procurement law.

5.2 Summary of findings

The study revealed that some level of compliance was observed as the Assembly demonstrated an appreciable level of compliance to post contract management procedures. Retrieval of information was very easy as separate files are created for most of its procurement transaction with all information on various phases of a transaction filed.

The high level of adherence is a result of the Annual Assessment done by the Ministry of Local Government and Rural Development under the Functional Organizational Assessment Tool (FOAT) under the District Development Facility (DDF). This is considered a healthy development to introduce some sanity into the procurement management processes at the Assemblies to have value for money.

However the following were also observed;

- Lack of funds and delay in releasing funds for developmental activities thwart and inhibits the Assemblies' efforts of adherence.
- Incapability and non-cooperation of Contractors contributes negatively to adherence.
- There were also almost no penalty for delay in contract executions especially because clients also tend to default on their responsibility of non-payment.
- The Assemblies have other statutes, Legislative Instruments (L.I) and regulations that assist in effective post - contract management and administration in addition to the PPA Act 663 regulations for works at the assemblies.
- Choosing to speed up a Procurement process might condense its transparency, making it very efficient but more prone to corruption.
- Apart from the annual assessment, there is very low interaction between procurement entities and the PPA.

- The procurement officers do not update their knowledge in procurement on regular bases on their own except for those organised by donors or central government resulting in low capacity of procurement professionals.
- The various Decentralized Procuring Entity thresholds promote bureaucracy in contract award at the Municipal Assembly.

5.3 Conclusion

The study confirms the existence of some of the implementation challenges as indicated in earlier reports and publications by the World Bank and the Public Procurement Authority. However, in spite of the challenges at the Assembly level, the Local Government through the assemblies has demonstrated a higher level of adherence to the Public Procurement Act 663.

The Ministry of Local Government and Rural Development's Annual Assessment, through Functional Organizational Assessment Tool (FOAT) under the District Development Facility (DDF), the Assembly in meeting the Minimum Conditions under procurement management, adhere to the stipulated procurement provisions.

It was established that, adherence to post-contract procurement management has some dire and direct consequences on the performance of the Assemblies during the FOAT/DDF

Assessment so the assemblies make the effort to adhere in other to qualify for the Assessment.

However, the efforts and scores of the Assemblies are affected somehow by the Lack of review of the threshold in the PPA Act and delay in releasing funds for development projects distorts the planned activities and inhibits their adherence efforts. These Delay in payment (honouring payment certificates), subsequently leads to delay in project implementations.

In conclusion, the introduction of specific rules and regulations definitely contributed to greater integrity for public and government officials in handling procurement at the assembly level, who know their compliance will be scrutinized at the end of the day.

5.4 Recommendations

It is recommended for the management of the Assembly to do the following;

- There should be a regular communication between the PPA and the Assembly Entity.
- PPA should enhance its training content to reflect some of the current challenges and Local Government Service should offer more Engineers and the Procurement officers the opportunity for further academic qualifications.
- Public entities have to recruit procurement personnel and organize intensive and regular and progressive procurement training for the personnel handling public procurement especially in the area of procurement processes.

- PPA must advocate for the review of the various Decentralized Procuring Entity thresholds, since awarding contracts above the thresholds for Assemblies delay as a result of bureaucracy the Assembly faces.
- PPA to improve the content of its annual assessment to cover every year in accordance to section 91 of the Act 663 to improve management's compliance and enhance performance and also to introduce sanctions.
- PPA needs to document the impact of these policy interventions in order to appreciate their impact on the entire public procurement management framework in Ghana.
- Assemblies are encouraged to devise and improve their Internally Generated Funds (IGF) to supplement the central government's statutory funding sources.

Thus, according to the PPA (Electronic Bulletin ,Vol. 4, Issue 5), until such a time when the PPA monitoring systems would be perfected, the PPA can hold on to one assurance that, although we may not have attained our ultimate objectives, public procurement in Ghana is certainly not where it used to be in the past and that is Progress!.

5.5 Further study area

It is recommended that in the near future a research should be conducted into the effects of the challenges of Public Procurement funding and funding sources on Assemblies.

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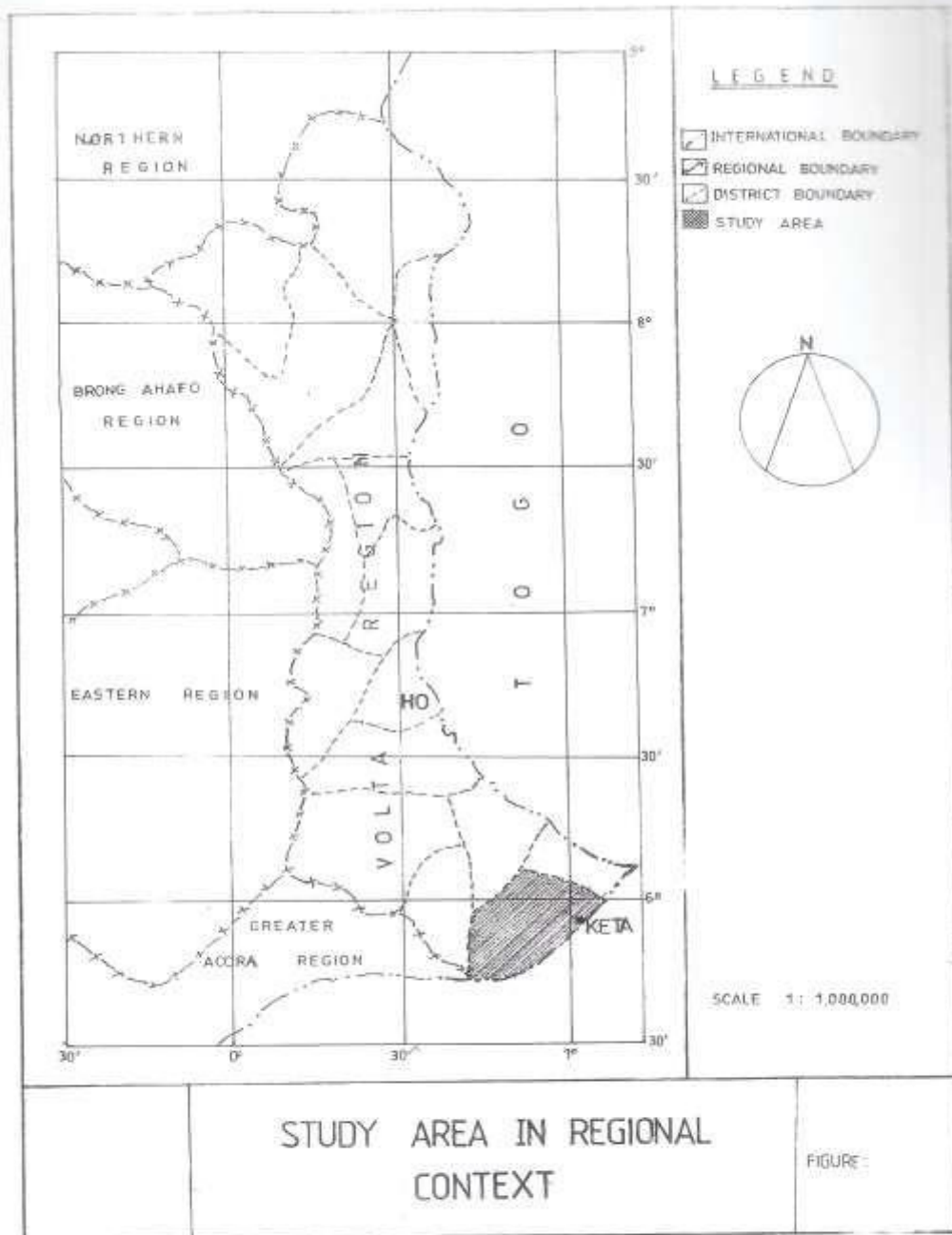
APPENDICES

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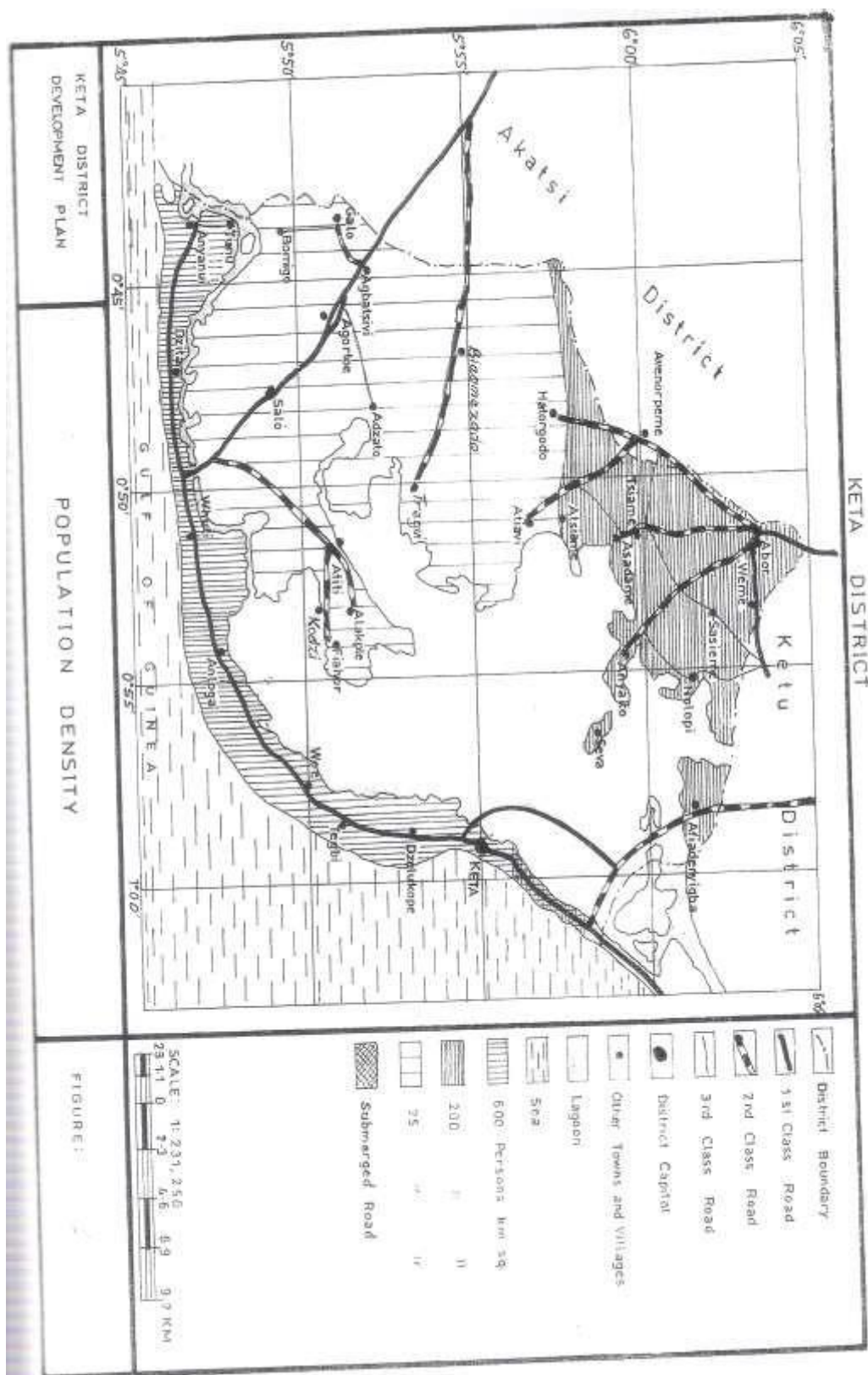


APPENDIX 1

(Study Area in National, Regional and the Municipal Context)



KETA MUN. ASSEMBLY



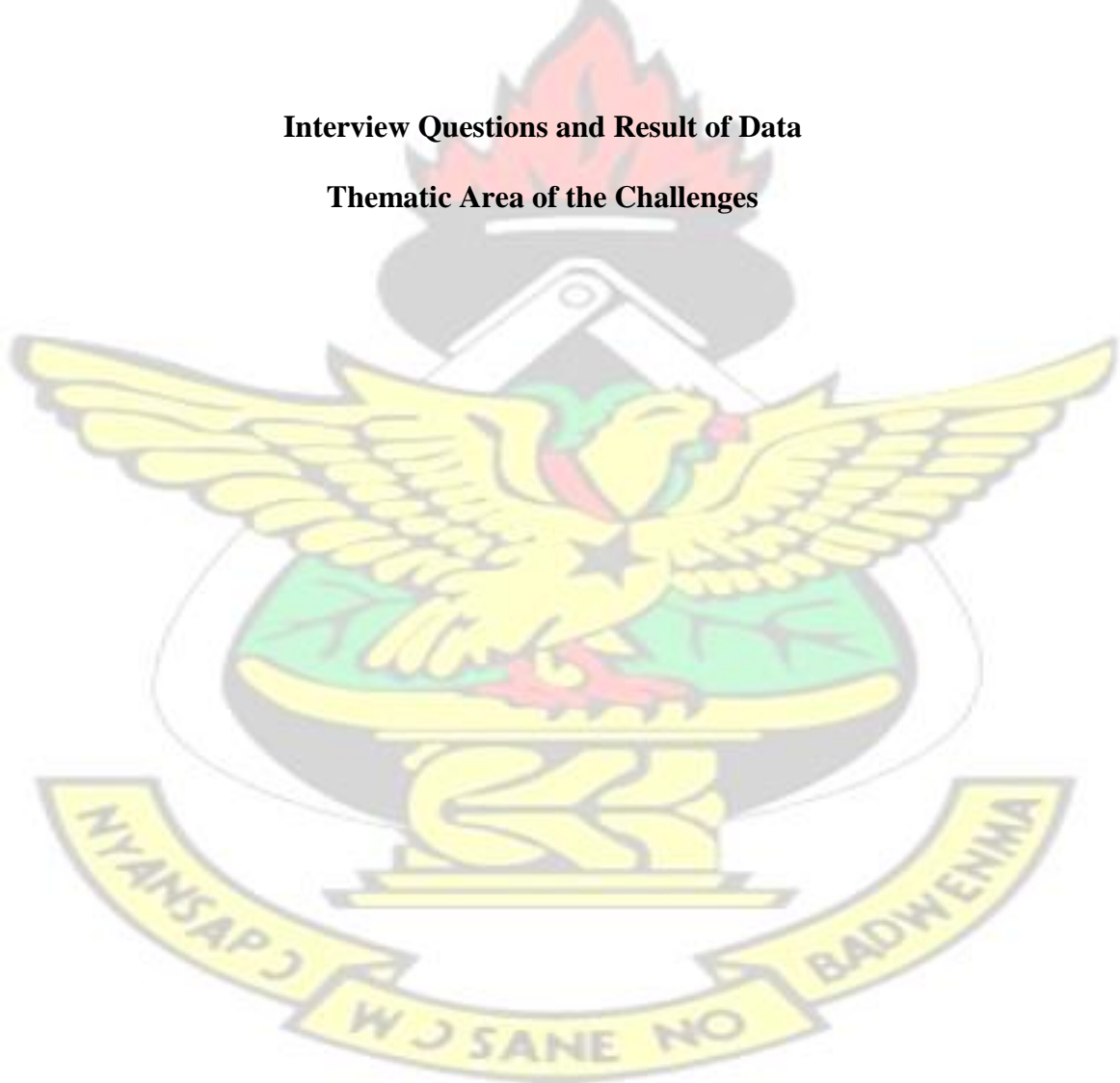
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APPENDIX II

Interview Questions and Result of Data

Thematic Area of the Challenges



Thematic Area Of The Challenges

Thematic Areas for the interview

Post-Contract management

Communications and Record Keeping

Poor valuation (under or over valuation)

Inadequate funding and Delay in releasing funds

Hasty process: Undue regards to the procurement procedures in the Act.

Violation of the threshold in the Act

Improper closure of contract

Dispute Resolution

Professionalism: and Training

The level of Education of the Officers in charge of **Education**
Procurement

Skill Training

Lack of adequate office accommodation

Interferences;

Political and Public officials,

Favouritism

Actions and inactions of political officers, public servants, clients, consultants, contractors and suppliers

Procurement Assessment

Assessment By Public Procurement Authority

Assessment By Functional Organizational
Assessment Tool (FOAT) / District Development
Facility (DDF),

Challenges of adherence to the Act The general effect of the challenges on the
663 Assembly



RESPONSE TO THE INTERVIEW

The interview method allowed a general discussion and additional comments were noted to augment in contextual sense, evidences the officers of the Municipal Planning Coordinating Units (MPCU), the Technical Planning and Development wing of the Municipal Assembly gave.

[The MPCU comprises of The Municipal Planning Officer (MPO), The Municipal Budget Analyst (MBA), The Municipal Engineer (ME), the Municipal Finance Officer MFO) and The Municipal Co-ordinating Director (MCD).]

	RESPONDENTS					
	MUNICIPAL CO-ORDINATING DIRECTOR (MCD).	MUNICIPAL ENGINEER (ME)	MUNICIPAL PLANNING OFFICER (MPO)	MUNICIPAL FINANCE OFFICER (MFO)	MUNICIPAL BUDGET ANALYST (MBA)	REMARK
Thematic Area Of The Challenges	Post-Contract management					
Communications and Record Keeping	All the projects have a well-kept file/folder in which all the relevant communication on a particular project is kept.	The project contract file is supposed to give a history of the contract and it is even better kept for auditing	Good record are kept because it assists in monitoring and even giving of status reporting to the Regional Co-ordinating Council and the Ministries.	All projects have files both soft copy and hard cover files to assist in reporting financially to the various funding sources.	Records are kept on all projects to assist in comparing actual expenditure with planned.	
Poor valuation (under or over valuation)	Am not aware of any contractor/supplier complaining of that.	Well, it is not impossible but should it even happened, it will definitely be corrected on the final certificates.	It is a human institution, it can happened but if it does, the engineers will get to know and correct it as such	Should it happened the current financial monitoring systems with discover it and correct it accordingly	The current financial monitoring system in place may not allow this since it matches payment with progress of work.	

RESPONDENTS

	MUNICIPAL CO-ORDINATING DIRECTOR (MCD).	MUNICIPAL ENGINEER (ME)	MUNICIPAL PLANNING OFFICER (MPO)	MUNICIPAL FINANCE OFFICER (MFO)	MUNICIPAL BUDGET ANALYST (MBA)	REMARK
Hasty process: Undue regards to the procurement procedures in the Act	This can only happened under emergency situations.	Well, if any at all, it may happened so under emergency since all projects are planned for by the November of the preceding year	It is very possible but it is definitely will be done with due regards to the Act 663.	It may hastily be done but not without due regards to the use of the Act.	There were some few but they were all emergency projects as you can see from the pictures of the records.	
Violation of the threshold in the Act	This is the greatest administrative challenges of the Act. It delays the procurement processes for project above the threshold. The Act has to be reviewed to reflect the current economic inflation rate.	We make sure we stay within the threshold but the Act must be reviewed immediately. The Auditors, FOAT and PPA assessment penalizes for these	We don't violet the threshold but it has to be reviewed to much the current economy.	It is true that the threshold outdated and we adhere to it unwilling.	For the threshold is a problem and it must be reviewed.	

Improper closure of contract	To my best of knowledge my Engineers see to that. Most donor projects like DANIDA insists on that so we do then.	We make sure immediately after the final takeover of the project the most immediate thing we do is to prepare a final Certificate to formally release the contractor.	We properly do to our best of knowledge as you can even see from our files unless there are more to it than that.	Closing of contract is very important and relevant our financial administration and accounting so we do it.	We have always insisted on that since most of the auditing and assessments insist on it being done	
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RESPONDENTS						
	MUNICIPAL CO-ORDINATING DIRECTOR (MCD).	MUNICIPAL ENGINEER (ME)	MUNICIPAL PLANNING OFFICER (MPO)	MUNICIPAL FINANCE OFFICER (MFO)	MUNICIPAL BUDGET ANALYST (MBA)	REMARK
Dispute Resolution	Most disputes have to do with delay payment to contractors as a result of unavailability of funds.	Disputes usually have to do with payment certificates and delay payments due to lack of funds or untimely release of funds. But we results to negotiation with the service providers.	All disputes have to do with payments and we do resolve it by opening up to the Service providers.	Most disputes have to do with finances and delay payment but we always strike a compromise with the contractor	Allocation of funds is the main sources of disputes and we always find a way around to resolve to keep our business relationships.	
Professionalism: Education and Training						

The level of Education of the Officers in charge of Procurement	We currently have Engineers, Technician Engineers and Procurement Officers but it is one thing having the academic qualifications and it is another being professional and proficient.	We have MSc, BSc. HND and even CTC II holders are in the procurement unit	I think currently we have the men with the qualifications in charge of procurement	We have the qualified personnel responsible for procurement	Local Government Service is posting more qualified people to the grass root since the year 2012	
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RESPONDENTS						
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Lack of adequate office accommodation	Office accommodation is quite a general problem but we do our best to make our staff comfortable to deliver	I think it is a challenge since about four on the average staff have to share office.	Office accommodation is always a problem but we have always managed it.	It is making staff uncomfortable but I think management is aware of the shortfall in accommodation but we hope to expand our office to accommodate more.	Inadequate office accommodation has always been a challenge more so when more staff are being posted to the Assembly, but we are doing our best under the circumstance.	

Interferences;						
Political and Public officials,	It is quite natural to respect the presence and involvement of any political or public Officials and that should be separated from interference	Most Political and Public officials are aware of the implications of any violations of the Act and even if they interfere they do not do so in violation of the Act	Well it is quite possible to have Political and Public officials interfering but it does not prohibit adherence to procedures.	Accountability during auditing and assessment may not have room for these so it may not have any great effect on our administration	Financial administration for the whole Assembly and I do not think there is any Political and Public officials' manipulation which the Assembly will allow.	

RESPONDENTS						
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Favouritism						

Actions and inactions of political officers, public servants, clients, consultants, contractors and suppliers	Every contract comes with terms and conditions as well as a reporting schedule and channels so these needs to be observed to the later. Contract management and administration knows and does not entertain favouritisms.	Adherence to Contract management and administration procedures knows no bounds. We all have a roll and responsibility to report to all funding sources for more funds. Nobody can afford to sleep on his job i.e. to be inactive.	Every activity is planned and must be executed as such. We are all up to our task and very active and responsive to duty.	Every party to a contract plays his part. We guide each other to achieve a common aim.	We all do our bit. Politicians make sure their constituencies get the facility if they can provide it and the Assembly plans and programme for the whole Municipality.	
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Procurement Assessment						
Assessment By Public Procurement Authority (PPA)	The PPA do their annual assessment and advises accordingly if the need be.	PPA does their annual assessment and we are always commended for the level of adherence and this can be verified from the records.	We always do well in our assessment as per the reports by PPA but more rooms for improvement	Our assembly is always commended for adherence by PPA.	KeMA is always a pace setter since the inception of the Assessments.	

	RESPONDENTS
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Assessment By FOAT/DDF	This is a mandatory. The assembly supposed to meet the minimum condition in some thematic areas to qualify and it comes with some huge financial rewards to we put in all efforts to qualify	If meeting a some indicated requirement comes with a financial reward, what reasons do we have not to adhere to them? The assessment helps us to enhance our performance.	It is a healthy exercise and since 2009 the assembly has been doing well to qualify.	The FOAT/DDF assessment helps us the regulate our expenditure whilst we open our revenue generations.	I this has redefined the existence of the Assemblies because we all do our bit to qualify.	
The general effect of the challenges on the Assembly	The threshold of the PPA Act limits and poses unnecessary delays in the procurement cycle since even projects that can be awarded from the Assembly Entity have to be forwarded to the Regional Tender Review Board.	Delay in releasing of funds for developmental projects distorts the planned activities and inhibits our strict adherence efforts.	These Delay in payment (honouring payment certificates), subsequently leads to delay in project implementations which affects our performance in the Assessments	Delay in releasing funds and inadequate funding sources greatly affects our ability to score higher marks in the FOAT / DDF assessments.	Some contractors have the classification certificates but do not in reality have these required resources so are unable to deliver.	

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