

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND
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COLLEGE OF ARCHITECTURE AND PLANNING

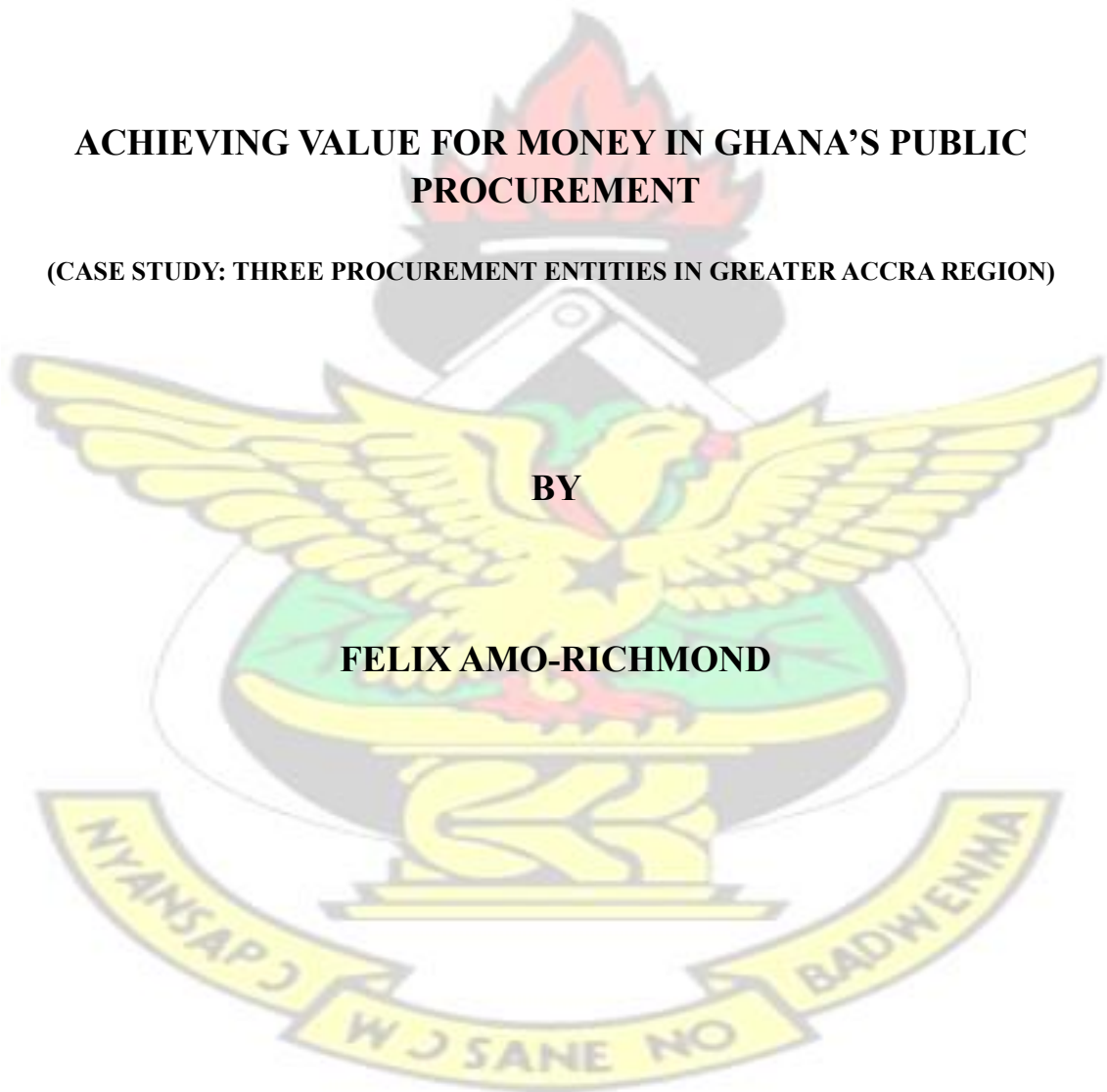
DEPARTMENT OF BUILDING TECHNOLOGY

**ACHIEVING VALUE FOR MONEY IN GHANA'S PUBLIC
PROCUREMENT**

(CASE STUDY: THREE PROCUREMENT ENTITIES IN GREATER ACCRA REGION)

BY

FELIX AMO-RICHMOND



JUNE, 2014

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**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE AWARD OF MASTER OF SCIENCE IN PROCUREMENT MANAGEMENT**

JUNE, 2014

DECLARATION

I hereby declare that this research work is my independent work towards the Msc. Procurement Management and that, to the best of my knowledge, it contains no material beforehand 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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Date

ABSTRACT

Public Procurement is the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of Government, corporations, or individuals, generally via a contract. Value for money is derived from the optimal balance of benefits and costs on the basis of total cost of ownership. The nature of public procurement is such that it involves discretionary decision-taking on behalf of government at all levels. Malpractices occur throughout the procurement process and project cycle, through the actions and inactions of political officers, public servants, clients, consultants, contractors and suppliers which avert achieving Value for Money in Public procurement, and impede the development of the Country at large. Government do not have adequate resources to address all the needs of its people, however some of very few projects that state resources are committed to, do not give us Value for Money.

The aim of the study was to establish how value for money is understood by officials involved in public procurement, to identify guiding principles that promote achieving value for money and to formulate recommendations on how Value for Money could be achieved in public sector procurement in Ghana. A questionnaire survey was carried out on a sampled Consultants, Contractors and Public Officials involved in Public Procurement in three departments, namely Ghana Highway Authority, National Health Insurance Authority and the Funds and Procurement Management Unit of Ministry of Education in the Greater Accra Region to understand how Value for Money was perceived and to assess the importance of the principles of Value for Money in public procurement in Ghana

The survey revealed that —Value for Money| concept seems abstract and subjective, and not every Contractor, Consultant or Public Procurement Official can be presumed to be implementing it given that there was a lack of understanding of what it meant. A clearer definition of Value for Money is therefore required in order to facilitate its effective implementation in Public procurement. Systems and processes that consciously facilitate the achievement of Value for money were also not in place Public procurement Entities. Procurement Entities and State departments are recommended to adopt and implement these proposed guiding principles that promote achieving Value for Money in their procurement activities. This would help make judicious and productive use of the Tax Payers money to ensure that Government delivered on its mandate which is to meet the needs of citizens.

Keywords: Public Procurement, Value for Money



DEDICATION

This work is dedicated to my loving wife Mary Lois Amo-Richmond and my children Oforiwaa and Papa Yaw Amo-Richmond, and the rest of the family. I know this dedication can in no way make up for the time and other resources missed out during the period of this study. However it is to say that I really appreciate your love and your support.



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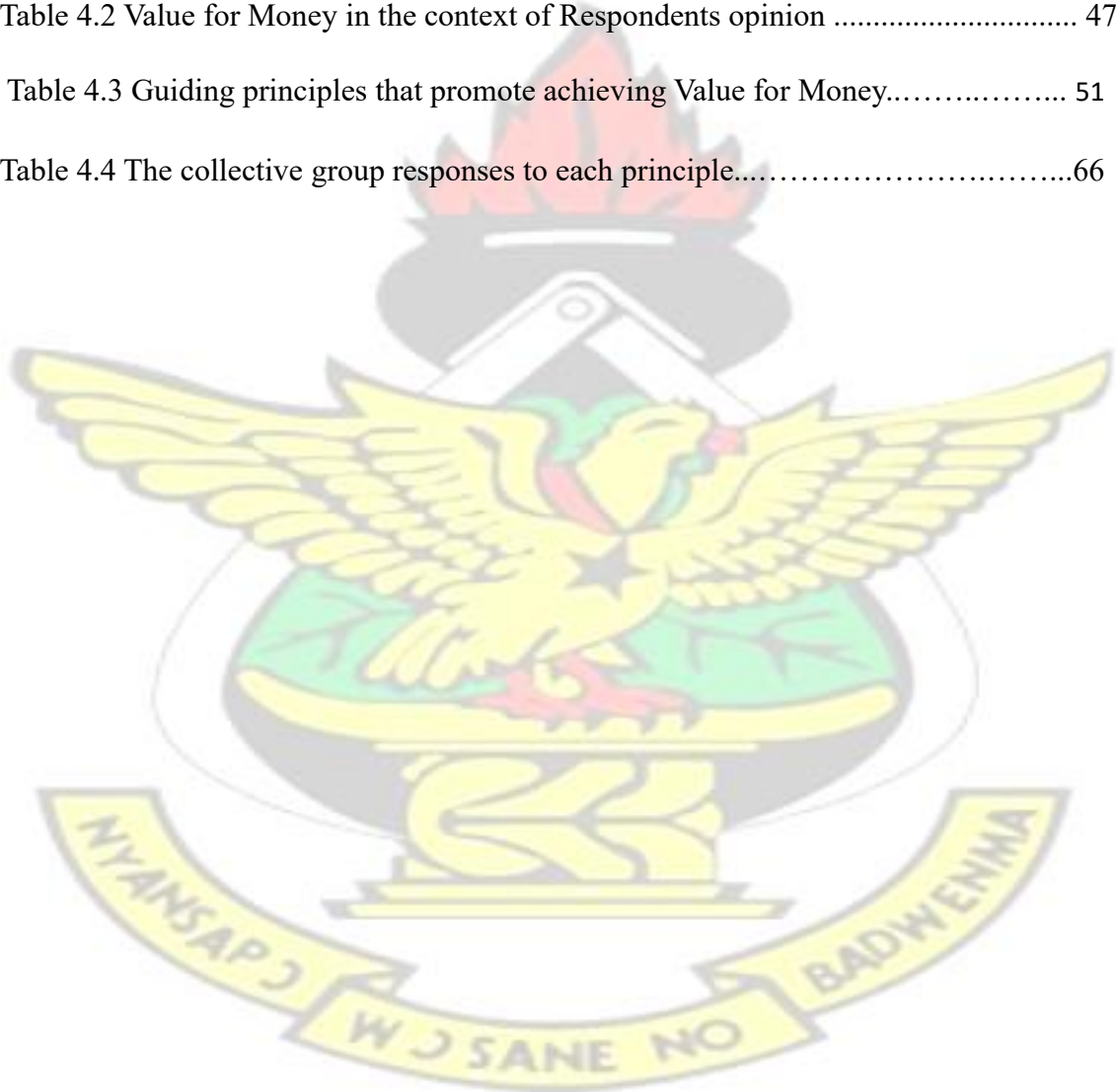
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CHAPTER ONE INTRODUCTION

1.1 Background

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

Public procurement refers to the Government activity of purchasing goods, works and services needed to carry out its operation. Public procurement is the phrase commonly used in English language for this activity, In Ghana the terminology is the same. However, the World Trade and Organisation and the USA system refer to ‘Public procurement’ as Government contracts or Public contracts (Arrowsmith et al 2011)

Public Procurement, according to the Public Procurement Act, 2003 (Act 663), is ‘the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract’ (PPA Module, 2007)

Value for money is derived from the optimal balance of benefits and costs on the basis of total cost of ownership. As such, value for money does not necessarily mean that a tender must be awarded to the lowest tenderer. (Civil Service College, 2010). ‘Value for money’ is a term generally used to describe an explicit commitment to ensuring the best results possible are obtained from the money spent. In the UK Government, use of this term reflects a concern for more transparency and accountability in spending public funds, and

for obtaining the maximum benefit from the resources available (Barnett et al 2010). Value for money in public procurement is achieved through pursuing the lowest —whole of life cost, clearly defining relevant benefits and delivering on time. Preventing waste and fostering competition, transparency and accountability during the tendering process are key conditions to achieving value for money.

1.2 Problem statement

The nature of procurement is that it involves discretionary decision-taking on behalf of Government at all levels. The objective of the Public Procurement Act, 2003 (Act 663) was to harmonize the processes of procurement in the public entities to secure a judicious, economic and efficient use of state resources and ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner while promoting a competitive local industry.

Adjei(2006) have shown that public procurement represents about 24% of total imports of this country and apart from personnel emoluments, it represents between 50-70% of the national budget and thereby contributing about 14% to Ghana's Gross Domestic Product (GDP)

However, numerous allegations relating to the award of contract on the basis of corrupt consideration such as bribery, to firms that one has personal interest in, to political supporters, to one's friends, family and so on(Uncitral, 2011). Corruption occurs throughout the procurement process and project cycle, through the actions and inactions

of Political officers, Public Servants, Clients, Consultants, Contractors and Suppliers (Osei-Tutu et al. 2009).

Crown Agents(1998) observed many instances of a single contractor buying and pricing all the bidding documents. And also award of a number of contracts (or lots) to the same contractor, under different contracting names.

Furthermore, a number of Public Entities (PE) do not plan comprehensively to cover all that is required to enable them take advantage of economies of scale in purchasing.

Some Public Officials in collusion with some Sellers make favorable tender to win the contract in accordance with the rules of the competition, and allow these Sellers to undermine the terms of the contract, which leads to substandard work done (Uncitral, 2011). These acts avert achieving Value for Money in Public procurement, and impede the development of the Country at large.

The Minister of Finance in an interview on Joy FM Super Morning Show on 6th August, 2013 revealed that Government do have adequate resources to address all the immediate needs of its people simultaneously, however some of the very few projects that state resources are committed to, do not give Value for Money.

1.3 Aims and objectives

The broad aim of the study is to establish how value for money is understood by officials involved in public procurement, and the principles that promote achieving value for money.

The study is guided by these specific objectives.

1. To document the level of understanding of Value for Money in public sector.
2. To identify guiding principles that promote the achievement of Value for Money.
3. To document the perception of procurement officials regarding the extent to which they agree with the guiding principles of Value for Money
4. To identify the systems and processes used in practice in Ghana to introduce Value for Money into procurement processes.

1.4 Research Question

1. How can value for money in Public Sector procurement be defined?
2. What are the guiding principles for achieving value for money in public sector procurement?
3. What should be done to promote the achievement of value for money in public sector procurement in Ghana?

1.5 Justification/Relevance of the study

Despite the high level of activity and the large sums of money being spent in Public Sector procurement various Audit reports obtaining Value for Money in Public Procurement. For instance Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA) report, 2013 indicates that the actions and inactions of officials

involved in Public procurement can avert achieving Value for Money and hold back the development of the Country at large.

It is imperative for a study of this kind to be undertaken to provide clarity to officials involved in procurement and make available set of guiding principles that encourage achievement of Value for Money in public sector procurement in Ghana.

1.6 Scope of Study

The primary focus of the study was Consultants, Contractors and Public Officials involved in Public Procurement in three departments, namely Ghana Highway Authority, National Health Insurance Authority and the Funds and Procurement Management Unit of Ministry of Education in the Greater Accra Region.

1.7 Structure of the study

This study is organized into five chapters. Chapter one of the thesis discusses the overview of the study, problem definition, research question, research objectives and significance of the study.

Chapter two presents the relevant literature review on public procurement reforms and theories, Value for Money and best practice for achieving Value for Money.

Chapter three addresses the identification of the most suitable research methodology for this research. Chapter four presents data analysis, findings and discussions.

Finally, chapter five presents a summary of findings, conclusion, and recommendations

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The core principle underpinning procurement all over the world is value for money. One of the most important aspects of public procurement is achieving value for money in the use of the Tax Payer's money. It is therefore essential to define the variables that enhance achieving Value for Money in Public procurement

This chapter reviews literature concerning public procurement and value for money in order to establish and provide answers to the research questions.

2.2 Definition of Public procurement and value for money

2.2.1 Public procurement

Public procurement has to do with how Tax Payers money is spent by Public Entities to procure works, goods and services (Walker & Brammer, 2009). According to the Ghana Public Procurement Act, 2003 (Act 663), Public procurement is 'the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract' (PPA Module, 2007).

Procurement in government is a process seeking to obtain services, goods and works in conformity with applicable laws and regulations. It is the process by which Government and public sector institutions buy inputs for vital public sector investments in physical infrastructure and for strengthening institutional human capacities which lay the

foundation for national development. Procurement takes many forms. It encompasses the acquisition of goods, real property, capital equipment, built assets and services. Procurement costs in many Ministries and Departments are substantial, consuming scarce resources of tightly constrained Government budgets. Quality, timeliness, and appropriateness of the procured inputs largely determine whether the public investment will succeed. Efficient public procurement system is therefore vital for achieving Value for Money and hence accelerated growth and development of the country.

2.2.2 Value for Money in Public procurement

Value for Money in the public sector involves consideration of the contribution to be made to advancing government policies and priorities while achieving the best return and performance for the money being spent (Bauld & McGuinness, 2006, p. 20). This means that public procurement entities can choose to award a contract based on other criteria other than the lowest price. One of the factors considered is the whole life cycle cost (Raymond, 2008).

All public procurement of goods, works and services, must be based on Value for Money assessment, having due regard to propriety and regularity. Value for Money is not about achieving the lowest initial price, but the optimum combination of whole life costs and quality (World Bank, 2003).

Behan (1994) points out the real Value for Money is how much the goods or service purchased cost to own and use. Barnett et al, (2010) indicate that Value for Money reflects

a concern for more transparency and accountability in spending Public Funds, and for obtaining the maximum benefit from the resources available.

Batho Pele Handbook (2007) suggests that Value for Money is achieved when public procurements are executed economically and efficiently. For this to happen government departments are required to adapt to creative ways to simplify procedures and eliminate wasteful expenditure and inefficiency to promote productive use of resources in public procurement. At the heart of the concept of Value for Money, are three critical elements namely economy, efficiency and effectiveness. This is known as the 3 E's. (Batho Pele Handbook, 2007)

Economy: Explores whether specific inputs are acquired at the lowest cost and at the right time.

Efficiency: This refers to how productively inputs are translated into outputs. It further means that there should be maximum output with little cost.

Effectiveness: The extent to which outputs achieve the desired outcomes (Batho Pele Handbook, 2007)

The Researcher defined Value for money in public procurement as the achievement of the lowest —whole of life cost and clearly defined benefits, purpose of goods, works and services procured at the right time, within budget and scope, and of the required quality. However, supporting value for money requires attention throughout the entire procurement cycle as shown in Figure 2.1

2.3 Procurement cycle

The procurement cycle is a road map of the activities within a procurement function. It establishes key activities required at every stage of the procurement process and also provides a benchmark for the monitoring and evaluation of the process by procurement monitors and evaluators.

The procurement cycle model emphasizes activities occurring within the entire supply chain and not just procurement as shown in Figure 2.1; though the Public Procurement Act 663 did not stress on the storage and distribution functions of the supply chain, the law's emphasis on the disposal of stores, plant and equipment makes it imperative to include all activities of the supply chain. These activities consist of the following: Planning; Sourcing; Contracting; Contract management; Storing; Distribution; Disposal and Evaluation.

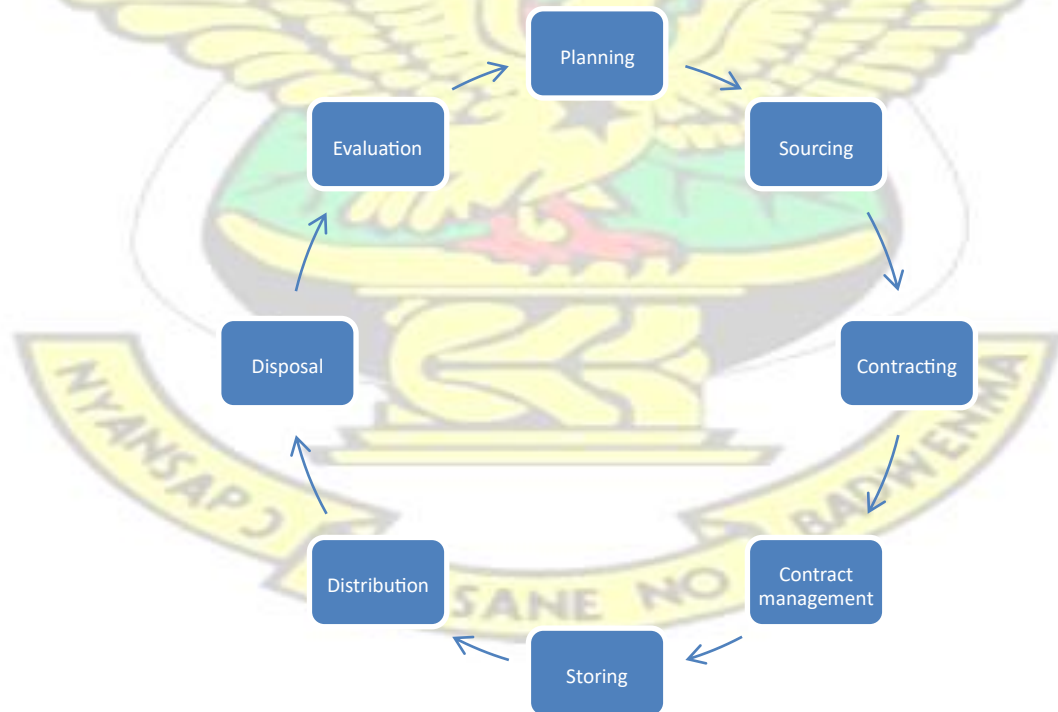


Figure 2.1: Procurement cycle for goods (Public Procurement Board, 2007)

2.3.1 Procurement planning

The Public Procurement Act 663 of 2003 provides for the activity of planning under Part 3 section 21 which stipulates as follows:

“(1) A procurement entity shall prepare a procurement plan to support its approved program and the plan shall indicate:

- (a) Contract packages,
- (b) Estimated cost of each package,
- (c) The procurement method
- (d) Processing steps and time

(2) A procurement entity shall submit to its tender committee not later than one month to the end of the financial year the procurement plan for the following year for approval. (3) After budget approval and at quarterly intervals after that, each procurement entity shall submit an update of the procurement plan to the tender committee.

(4) The procurement entity shall send to the Tender Review Board, procurement notices for contracts and procurement plans above the threshold stipulated in Schedule 3 for publication in the Public Procurement Bulletin.

(5) A procurement entity shall not divide a procurement order into parts or lower the value of a procurement order to avoid the application of the procedures for public procurement in this Act.

It's therefore very important to note that procurement entities need to plan their procurement for the coming year by 30th of November of the preceding year, reviewed and approved by their Entity Tender Committees and updated every quarter (Public

Procurement Board, 2007). It is equally important to note that the procurement opportunities are to be published in the Public Procurement Bulletin and there should be no room for splitting of contracts in order to avoid the application of the procedures stipulated in the Act (Public Procurement Act, 663). Hence, during the first phase of the procurement cycle, procurement requirements are specified by the user; the strategy to be used is decided including ‘make or buy’ decisions; funding decisions are taken; the applicable rules and methods to use are considered and then a time table for procurement process prepared.

2.3.2 Sourcing, contracting and contract management

The sourcing phase in the procurement cycle follows from the selected method of procurement. Activities within this phase include pre-qualification of potential suppliers; preparation and issue of tender documents; requests for quotations or requests for proposals; evaluation of responses and the selection of the successful tenderer. Negotiations may be required at this stage. A contract then follows where a formal contract document is drawn up using the agreed terms and conditions and signed by both parties. Simpler requirements may use a purchase order or where framework contracts exist, contracting may consist of a call-off contract under there is a commitment to purchase an agreed quantity which will be —called off during the contract’s lifetime (e.g. cleaning materials, food for hospitals, etc).

The awarded contract must be managed to ensure that both the Buyer and the Seller perform their contractual obligations. Activities here may include expediting delivery;

establishing letters of credit; making arrangements for receipt and installation of goods; verifying documentation and making payments. Works contracts on the other hand may require technical supervision by an Engineer while contracts for consultancy services often require the direct participation of the Buyer as is in the case of training, technical advice or feasibility studies (Public Procurement Board, 2007)

2.3.3 Storage, distribution and disposal

Storage comes in when goods procured are not being used immediately and therefore need to be stored to ensure that no damage or loss occurs. The timely availability of goods can be very crucial to an organization's operations. Goods may require specialized storage facilities or may have very limited shelf life so the effective storage, handling and management of stock levels is important. Goods in storage need to be delivered to their final destination for usage according the requirements of the customer or end-user. Distribution may involve complex in-country supply chains with delivery to multiple regional stores facilities or end-user sites. There may also be the need to respond to varying user demands and to transport goods through difficult environments and terrain with very poor infrastructure (Public Procurement Board, 2007). With respect to disposal, unserviceable, obsolete or surplus stocks may have to be disposed of and depending on the nature of the goods and their condition may be sold by public tender or auction, transferred to another public organization or destroyed. It is important to make appropriate adjustments to accounts to reflect the value of the goods disposed off and any income that may have been generated during the disposal.

2.3.4 Evaluation of the procurement function and auditing

It is important for procurement practitioners to evaluate the procurement process to see how efficiently and effectively the procurement processes have been implemented. There is the need to identify weaknesses and problems for corrective measures and evaluation this may involve carrying out a formal procurement audit to give assurance to management; to see if objectives are being achieved. It highlights deficiencies; ensures compliance with the Public Procurement Act 663; and ensures if the regulations are being followed to the letter and helps in the discovery of irregularities, fraud, and corruption. A formal audit also helps in performance monitoring and improvement and in the enforcement of the rules and regulations and subsequent prosecution of those who are found culpable of non-compliance with the Act. A formal auditing of a procurement process has the following Actors: Auditors; the Public Procurement Board; Ministry of Finance; Stores Personnel or Donor Staff or Consultants where Donor financing is involved

(Public Procurement Board, 2007). Clause 91 of the Public Procurement Act 663 states as follows:

“(1) The Auditor-General shall conduct annual audits of the procurement activities of entities and shall furnish copies of reports on the audits to the Board upon request from the board.

“(2) The Auditor-General shall also carry out specific audits of the procurement activities of Entities and ensure compliance by contractors, suppliers and consultants with the procurement requirements in the Act and regulations made under the Act at the request of the Board.

2.4 The Ten principles of value for money in public sector procurement.

Procurement processes within contracting authorities can result in best value for money when the ten guiding principles governing the administration of procurement have been satisfied to an acceptable extent (Cyprus procurement directorate, 2008).

The ten principles in Table 2.1 will be used as a starting point and build on to discuss what ought to be done by players involved in public procurement.

Table 2.1: The Ten Guiding principles for Value for Money

Item	Guiding principles
1	Competition
2	Efficiency and Effectiveness
3	Fairness and Non Discrimination
4	Objectivity/Integrity/ Honesty
5	Transparency
6	Accountability
7	Confidentiality/ Accuracy of Information/ Protection of Intellectual Property
8	Conformity to the Laws
9	Professionalism
10	Green purchasing

(Cyprus procurement directorate, 2008)

2.4.1 Competition

Competitiveness refers to the active participation of the private sector and or Sellers in the procurement process through the making of procurement information accessible to all through advertising of tenders; sourcing reviews; prequalification and the adoption of transparent procedures in the procurement systems. The benefits of competitiveness cannot be over emphasized and includes potential savings for the economy; increases in the Seller base; and the development of the local industries within the economy and thereby leading to economic development and poverty reduction (Glavee-Geo, 2008).

Competition among suppliers brings out the best offer that gives Value for Money.

2.4.2 Efficiency and Effectiveness

Public procurers focus on the amount of money that is spent for getting the needed goods and services (Gershon, 2004; Harland, Knight, et al., 2012). Public Procurement Entities spend money that is provided by the General Public and at this stage it tries to use its resources as well as possible to obtain maximum benefit. Public Procurers use public funds efficiently if the input is reduced and / or the output is increased. The input can be decreased when less work hours or money is spent while maintaining the same amount and level of goods and services. The output can be increased when public procurers get more results while using the same amount of resources or when the quality of a work, product or service improves (Gershon, 2004). To increase the efficiency of public administration public procurement should expand the number, variety and accessibility of their services and goods (Carayannis & Popescu, 2005).

Efficient public procurement system is the one which operates in a well-timed manner, with a minimum bureaucracy, while being responsive to the needs of the ultimate users of the goods or facilities procured. Efficiency is defined narrowly in terms of value for money – the best quality at the lowest cost. In this view, efficiency is best secured through open competition, so procurement reform is seen as encouraging a more liberalized system. Broader definition of efficiency considers the fact that development gains alongside cost and quality would ensure that procurement plays a greater role in poverty reduction (McDonald, 2008). Public Procurement in Ghana is said to be efficient and effective when it is carried out in a professional and transparent environment with a clear set of predefined rules to promote enhanced competition thus stimulating efficiency and innovation amongst Sellers. There is better utilisation of funding, increased attractiveness to the private sector and improved customer satisfaction (PPA, 2008)

2.4.3 Fairness and Non Discrimination

Public procurement is considered as being fair and non discriminatory when it is unbiased and consistent. The procedures should be clear and everybody should be treated equally, this will lead to more and better offers for Sellers to choose from (The World Bank Group, 2003).

It is also important to act fairly during the whole procurement lifecycle without imposing unnecessary burdens or constraints on Sellers or potential Sellers and avoid any preferential treatment to specific Sellers or potential Sellers (Cyprus procurement directorate, 2008).

2.4.4 Objectivity/Integrity/ Honesty

Public procurement Officials should declare any conflict of interest that affects or appears to affect their judgment. They should reject gifts, hospitality and benefits of any kind from Sellers or potential Sellers, which might be reasonably seen to compromise their objectivity or integrity (Cyprus procurement directorate, 2008).

2.4.5 Transparency

Transparency refers to the availability of information on decisions and performance of public procurement. This information should be available to everybody, reliable and on time (Armstrong, 2005). Public procurement processes can be regarded as transparent when the terms and conditions are clear and available to everybody and when after the decisions are made adherence to the after mentioned terms and conditions can be verified (Evenett & Hoekman, 2003). Making procedures more transparent will not only improve the options for Suppliers to participate in the process but also make prices go down (Evenett & Hoekman, 2005; Ohashi, 2009).

Barden (2006) suggested that transparency can be achieved by Government agencies through the following strategies: use of effective advertising; public tender opening procedures; effective tender evaluation criteria; independent evaluation methods consistent with the stipulations of the tender documents and the awarding of contracts to qualified contractors having submitted the lowest evaluated bid without negotiations. Other strategies include: the publication of award results; fair and speedy protest and dispute resolution handling processes and the disclosure of signed contracts and prices.

2.4.6 Accountability

Accountability refers to the obligation on the part of Public Officials to report on the usage of public resources and answerability for failing to meet stated performance objectives (Armstrong, 2005). When public procurement Officials follow the right procedures and protocols no problems should occur (Matthews, 2005). These procedures and protocols should explain why certain products were bought, how the procurement process went and why there was a decision to go for a certain supplier, and it should be clear that there was no corruption (Harland, Knight, et al., 2012).

Transparency and fairness are important factors that contribute to accountability (Raymond, 2008).

Accountability can also be explained as the process of holding an individual or an organization fully responsible for all aspects of the procurement process over which they exert authority (PPB Training Module 3, 2007). The essence of accountability is to strengthen the perception of transparency and fairness. It reduces the incidence of corruption and enforces Public Procurement Act 663 and regulatory framework which clearly defined responsibilities (PPB Training Module 3, 2007)

2.4.7 Confidentiality/ Accuracy of Information/ Protection of Intellectual Property

Public Procurement Officials should respect the secrecy of information acquired in the course of performing their duties and not disclose any such information without having proper and legitimate authority to do so (Cyprus procurement directorate, 2008).

2.4.8 Conformity to the Laws

Public procurement activities should conform to the law, as well as to other requirements and commitments regarding public procurement. It becomes important to prevent fraud and corruption from a legal perspective. Public procurement in Ghana has to adhere to the Public Procurement law Act 663. Procurement Entities should align procurement activities to conform to rules and regulations stipulated by the Public Procurement law Act 663.

2.4.9 Professionalism

Professionalism is the discipline whereby educated, experienced and responsible procurement officers make informed decisions regarding procurement functions, it can therefore be argued that the role that procurement professionals play in the procurement system of the Ghanaian economy is critical to the economic development of the country (Public Procurement Board, 2007)

2.4.10 Green purchasing

Green procurement is the purchase of environmentally preferable goods, services or works. Integration of environmental consideration in public procurement is an area that has remained largely unfocused in government buying in Ghana, while other countries like US, Korea etc. have made rapid progress by mandating the purchase of energy efficient products in public procurement and installation in government buildings. Government needs to reform the existing procurement policy to promote purchase of energy efficient goods in public procurement. Products that are reusable, more durable

and energy efficient may have higher initial cost, but the cost of these over their useful life may be significantly lower. There are economic benefits in the form of efficiency gains from incorporating whole-life costing into decision making. Any development that is not sustainable will eventually destroy the development itself. Green procurement must become a norm rather than an exception.

2.5 Whole Life Costing

Flanagan et al(1989) cited in (SCI-Network, 2011) noted, Whole Life Costing (WLC) is an economic evaluation technique that concerns the assessment of the total cost of an asset over its operating life, including initial capital costs, maintenance costs, operating costs and the cost or benefit of the eventual disposal of the asset at the end of its life. It can also be said to be the total cost of owning an asset over its entire life. Whole life cost includes all costs such as design and building costs, operating costs, associated financing costs, depreciation, and disposal costs. Whole-life cost also takes certain costs that are usually overlooked into account, such as environmental impact and social costs.

The Cyprus Procurement Directorate(2008) indicate that whole life costing of an item can be broadly divided into three categories: acquisition, operating and disposal costs.

- Acquisition costs are incurred for item procured.
- Operating costs are incurred as a result of actually using the item or keeping it available (maintenance costs).
- Disposal costs are incurred on disposal or when dealing with site contamination or other harmful effects. There may also be some income that will be realised on disposal if the

assets have a resale or residual value. This and any rental income when assets are not in use can be offset against the costs in determining the whole life cost.

2.6 Efforts made on Value for Money in Ghana's Procurement Regime

The Ghana Value for Money (VFM) Contract Assessment Services Project was implemented under the auspices of the Ministry of Finance (MOF) with Crown Agents (CA) as consultants. The principal objective of the project was to achieve improved efficiency, transparency, accountability and Value for Money in government financial resource utilisation.

Britain's Department for International Development (DFID) funded the Project to the tune of £500,000 for a two-year period commencing January 2000. The DFID-funded phase, subsequently termed the Phase 2, followed a two-year pilot phase (Phase 1), which was initiated and funded by the MOF during which Crown Agents were contracted to review certain high value, single-sourced contracts prior to contract effectiveness to ensure that they would deliver —Value for Money to the Government of Ghana (GOG). As a result of the success of Phase 1, during which contract price savings of 14% were identified together with other non-financial VFM enhancements and contract risk minimisation, the GOG undertook two important activities:

It set out a policy statement requiring all single-sourced, Seller-credit funded contracts to be subject to pre-contract VFM audit; sought and secured Donor funding (DFID) to continue the services for a further two-year period termed the Phase 2 of the project. At the end of Phase 2, DFID again provided funds for a continuation of the project for a

further 1-year period up to the end of March 2003. The MOF has funded the project from April 2003 to date.

2.6.1 Output of Audits

Specific Value for Money (VFM) reports are issued at the end of each audit assignment to the Ministry of Finance to address and recommend improvements on all aspects of the contract where risks exist thereby ensuring equity to both Buyer [in this case, Government of Ghana (GOG)] and Seller. The recommendations are effected through renegotiations involving the parties (MOF/MDA/Contractor or Supplier). Savings realised during negotiations are ploughed back into the contract to achieve increased scope of works/supplies for the Government of Ghana. (Public Procurement Authority: Electronic Bulletin, 2012)

2.6.2 Achievements

Public Procurement Authority: Electronic Bulletin (2012) revealed that through the (pre-contract-effectiveness) VFM audit work, the following were achieved during implementation of various project to date:

- Over 160 pre-contract effectiveness audit assignments were undertaken with aggregate value in excess of US\$2 billion.
- A substantial number of contracts were identified as high risk and stopped, saving the Government the corresponding potential debt.
- Substantial price premium of up to 20% of the value of some individual contracts were identified.

- Recommendations were made to strengthen procuring entities' contractual position, reduce exposure to risk, and improve final procurement outcomes in their favour.
- Learning outcomes, guidelines and best practice recommendations were produced for wider dissemination at VFM workshops organised in 2003 and 2010.

2.6 Variables that avert the achieving of value for money in public sector procurement in Ghana

Public Procurement Authority: Electronic Bulletin (2012) indicate the following findings as variables that avert the achieving of value for money in public sector procurement:

1. Weak contract terms and poor implementation or delivery arrangements that adversely impact on VFM.
2. Poor acceptance/taking-over procedures that adversely impact on VFM.
3. Inadequate warranty provisions or weak arrangements for post-contract maintenance support, etc.
4. Lump-sum price packages that do not lend themselves for easy verification on the reasonableness or otherwise of the offered contract prices.
5. Imprecise definition of scope of supply and/or services leading to lack of clarity in substance of contracts.
6. Poor functional specifications where mere material descriptions are provided instead of performance- based specifications.

7. Even where a contract is VFM optimised at the contract formation stage, the realisation of VFM gains during contract implementation may be affected by capacity constraints in implementation management, supervision or cost control.
8. Payments not always related to progress of works completion (civil works contracts)
9. Supplier credit financing featured as the main driver of single source contracting in Ghana, leading to supplier-drafted contracts, which in many cases tend to favour Sellers more than the Employer or Buyer.
10. Absence of Advance payment guarantee has been identified as another problematic factor escalating the risk of the Employer
11. Freedom of contractor to outsource some or all aspects of works to subcontractor without approval of Employer also emerged a risk prone area for VFM attainment
12. Where Model Forms of Contract (MFCs) are used, the case remains that substantial amendments are being introduced under the Special Conditions or Conditions of Particular Application, which expose the Employer or Buyer to significant financial and contractual risks.

2.8 Public Procurement Limitations

With public procurement officials trying to achieve Value for Money certain factors impede the achievements, even though sometimes attention is given to the topic. This literature review will follow the distinction of Thai (2004) who divides the factors that can be perceived as a barrier in two categories; internal and external factors.

2.8.1 Internal factors

Although a lot of money goes into public procurement, one of the factors that has a big influence on achievements of public procurement is the budget (Walker & Brammer, 2009). Public procurers can only make use of the amount of money that is budgeted for the year and project, when however less is spent in a year, the budget for next year will be smaller (Harland, Knight, et al., 2012). Also the staff of the public procurement function can hinder achievements, having either a lack of education and skills or too much work for the number of people working. This can either be professionalism or the level of the people working in the public procurement function (Matthews, 2005; Thai, 2004). Public procurers have to deal with a lot of different stakeholders. These stakeholders sometimes have conflicting goals or are not fully aware of the possible results that public procurement can contribute. This counts not only for the general public but also for the management (Harland, Knight, et al., 2012; Walker & Brammer, 2009). Also the place public procurement has in the organization and how public procurement is organized has an influence on the results (Thai, 2004).

2.8.2 External factors

The markets in which public procurement works and the political environment are the external factors that influence the results of public procurement. Public officials are chosen based on the goals they strive for, however it is not always clear how these goals should be interpreted. The political goals of different parties can also be conflicting (Harland, Knight, et al., 2012). The market has a big influence on public procurement since it determines the price and quality of the goods and services.

2.9 Benefits of Public Procurement

Usually, the efficient, effective and professional application of public procurement laws can contribute towards sound management of public expenditures (Hunja, 2003). Efficient public procurement planning leads to the identification of major investment expenditures, that in turn facilitates budgetary and allocation decision-making of procurement practitioners. It is complicated however, to envision how public procurement can deliver significant improvements in the wellbeing of citizens without prudent management of public expenditure that emphasis on effective and efficient procurement policies. This recognition therefore accounts partially for the increasing concentration on public procurement laws and practices and the likely consequences of their reforms(Hunja, 2003)..

Furthermore, there is a growing appreciation of the linkages between specific public sector procurement and benefits. For instance, public procurement can be focused to contribute to Social and Economic benefits.

2.9.1 Social Benefits

Public procurement can be used to position social policies into effect. Socially responsible purchasing means _taking into account the public consequences of organizational buying or bringing about change through organizational buying behaviour'(Drumwright, 1994). The protection of human rights and safety can be influenced by procurement (Carter, 2004). Since the procurement of goods has become more global it is also important to consider this internationally (Hiscox, 2007). One of the possibilities to do this and to act more sustainably is to make use of fair trade products. With a more global market it becomes more important to also consider social results on the other side of the world. By

using fair trade products real differences can be made in the lives of others. (FairTradeFoundation, 2002). Next to assuring good working conditions for employees public procurement can be used to create jobs. This can support people who are unemployed or people who are not getting jobs because of their disability (McCrudden, 2004).

2.9.2 Economic Benefits

Public procurement can also be used to develop the economy and to foster innovation (Nijaki & Worrel, 2012). Public procurement can help develop the small and medium enterprises (SME) or local firms and thereby the society. Giving these suppliers a bigger chance to be the selected Supplier can be done by making the demands more transparent and by standardizing their procedures and evaluation criteria across Public Entities (Preuss, 2007). Helping local firms can be also done by stating the use of local Suppliers in the clauses of a contract or by providing information and advice to local companies (Preuss, 2007). A way of helping Small and Medium Local Enterprises is to split up an assignment into smaller lots. There is a growing interest into using Public Procurement to stimulate innovation (Uyarra & Flanagan, 2010). Different ways through which Public procurement can stimulate innovation can be distinguished. By making innovation an essential criterion based on which the tenders will be judged in public procurement can stimulate innovation. Next to only buying innovations as a government, the public procurement function can also stimulate private buyers. There are two ways of doing this namely through co-operative procurement, where government and private entities buy and foster innovations together and through catalytic procurement where the

government is the initial buyer but real benefit is gained from demand from the private market. A different way to foster innovation is by procuring the products before it is finished. Hereby the risks of the innovation are split between the Government and the Supplier (Edler & Georghiou, 2007).

The successful practice of the above-mentioned principles and other critical elements of Value for Money are likely to advance the course of achieving Value for Money.

Productive use of Tax Payers money by those responsible (public officials) ensures that Government delivers on its mandate which is to meet the needs of citizens. Undoubtedly, Government will never have adequate resources to address all the immediate needs of its people simultaneously, thus careful use of resources will contribute towards meeting the needs.

CHAPTER THREE RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology of this research. The main topics included in this chapter are research strategy, research design, population, sample size determination, questionnaire design, questionnaire content and data analysis.

3.2 Research strategy

Naoum (1998) defined the research strategy as the way in which the research objectives can be questioned. Two types of research strategies are used at studies, quantitative and qualitative research. Quantitative approach is used to gather factual data and to study relationships between facts and how such facts and relationships accord with theories and

the findings of any research executed previously, but the qualitative approach seek to gain insights and to understand people's perception of "the world" whether as individuals or groups (Fellows and Liu, 1997). In this research, a quantitative approach is used to understand how value for money is perceived by public officials in public procurement and to assess the importance of the Ten principles of value for money in public sector procurement in Ghana.

3.3 Research design

"Research design" refers to the plan or organization of scientific investigation, designing of a research study involves the development of a plan or strategy that will guide the collection and analyses of data (Poilt and Hungler, 1985). This research consists of seven phases;

The first is the proposal for identifying and defining the problems and establishment of the objectives of the study and development of research plan.

The second phase of the research includes literature review. Literatures of public procurement and Value for Money were reviewed.

The third phase of the research included a field survey which included Consultants, Contractors and Public Officials involved in Public Procurement in three departments, namely the Ghana Highway Authority, the National Health Insurance Authority and the Funds and Procurement Unit (FPMU) of the Ministry of Education.

The fourth phase of the research included the questionnaire design and its distribution to a sample group of respondents. The purpose of the pilot study was to test and prove that the questionnaire questions are clear to be answered in a way that would help to achieve

the objectives of the study. The questionnaire was modified based on the results of the pilot study.

The fifth phase of the research was questionnaire distribution. The questionnaire was used to collect the required data in order to achieve the research objective. The sixth phase of the research focused on data analysis and discussion. Statistical Package for the Social Sciences, (SPSS) was used to establish the percentages of the Consultants, Contractors and Public Officials who strongly, disagreed, agreed or strongly agreed to the research questionnaire.

The last phase of the research included the conclusions and recommendations.

3.4 Population

The population of this research covered eighty (80) officials of construction companies, Consultants and Public Procurement Officials. The contracting companies had valid registration issued by the Ministry of Water Resource, Works and Housing (M.W.R.W.H.). The M.W.R.W.H in Ghana registers the contracting companies in four major categories; namely D1- K1; D2- K2; D3- K3; D4- K4 depending on their size, capitals, executed projects, equipment values, and qualifications of the technical staff, where class D1- K1 is designated as Class One and class D4- K4 designated Class Four.

D1- K1;	-	over \$ 500,000.00
D2- K2;	-	\$200,000.00 To \$ 500,000.00
D3- K3;	-	\$50,000.00 To \$ 200,000.00
D4- K4	-	Up To \$ 50,000.00

The studied population was the key personnel of the Construction Companies namely

Project Managers, Architects, Quantity Surveyors, Civil and Services Engineers in Greater Accra Region and practising in companies with valid D1- K1 registration and which have executed more than ten contracts within the past five years, with minimum annual turnover of \$5,000,000.00.

The Consultant agencies consist of Architects, Quantity Surveyors, Civil and Services Engineers with a valid membership of a Professional body in Ghana and had supervised more than ten contracts within the past five years, with minimum annual turnover of \$5,000,000.00.

The Public Procurement Officials consist of Directors, Quantity Surveyors, Civil Engineers, Procurement Managers and Officers, Finance Officers from Ghana Highway Authority, National Health Insurance Authority and the Funds and Procurement Unit (FPMU) of the Ministry of Education in Greater Accra.

The main reason for using this category of people is that their activities directly or indirectly have bearing on public procurement within the scope for the study.

3.5 Sample Size Determination

Wood and Haber (1998) defined the sampling as the process of selecting representative units of a population for the study in research investigation. A sample is a small proportion of a population selected for observation and analysis. The samples from contracting companies and consultant offices were selected on census.

Purposive sampling resulted in selecting the three departments, namely Ghana Highway Authority, National Health Insurance Authority and Funds and Procurement Unit (FPMU) of the Ministry of Education. This sampling requires that only the officials who would provide the needed information would be involved in the sample.

Table 3.1 Sample Size selected from the Population

Item	Sample	Number of Persons
A	Contracting companies	20

B	Consultants	20
C	Ghana Highway Authority	25
D	National Health Insurance Authority(NHIA)	10
E	FPMU OF Ministry of Education	5
	TOTAL	80

3.6 Methodology of this research

This study uses the Questionnaire approach to solicit primary information to answer the research questions.

3.6.1 Questionnaire approach

A questionnaire was developed to assess how the principle of Value for Money is understood in public sector procurement in Ghana by contracting companies Officials, Consultants and Public Procurement Officials. The Ten principles of value for money were first examined and identified through relevant literature review and by conducting a pilot study that sought advice from experienced procurement practitioners.

3.7 Questionnaire design

From Table 2.1 there are ten principles of Value for Money that impact on achieving Value for Money in Public Sector Procurement in general around the world, but not all of these principles are consistent with the conditions and circumstances surrounding Ghana's public sector procurement. Principles commensurate with the nature of public sector

procurement in Ghana were selected, modifications and new questions were added after interviewing experienced procurement practitioners to suit the local public sector procurement in Ghana.

3.7.1 Principles added from other research works

Table 3.2 shows the guiding principles influencing public sector procurement, which were added from other works.

The final questionnaire contains 13 guiding principles for achieving value for the public sector procurement. The respondents were asked to fill the questionnaire and they have assured that the information will be confidential and only for research purpose. Table 3.2: Guiding principles of value for money added from other works

Item	Guiding principles	Source
1	Whole Life Costing	Flanagan et al(1989) cited in (SCI-Network, 2011)
2	Social benefits	Drumwright(1994)
3	Economic benefits	Preuss(2007)

3.8 Questionnaire content

The questionnaire included three parts that related organization profile, how Procurement Practitioners in Ghana understand value for money in public procurement and order of importance of principles for value for money in public procurement.

3.8.1 Organization profile

Three items questions were prepared asking for information about organization such as the name of organization, type of work, and number of years of experience

. (The questionnaire is included Appendix 1.)

3.8.2 How Procurement Practitioners in Ghana defined Value for Money

This part of questionnaire consist of 2 main sections related to value for money. Section One provided questions about the definition of Value for Money and Section Two presented the principles of Value for Money. (The questionnaire is included in Appendix 1.).

3.8.3 Principles for value for money in public procurement

This part, point up the principles influencing Public Sector Procurement. These principles are collection of previous studies and Researcher experience. (The questionnaire is included in appendix 1).

3.9 Pilot study

A structured questionnaire based on a carefully prepared set of questions piloted and refined until the researcher is convinced of their validity.

Pre-testing is an important stage in the questionnaire design process, prior to finalizing the questionnaire. It involves administering the questionnaire to a limited number of potential respondents and other knowledgeable individuals in order to identify and correct design flaws.

The test was made by distributing eight drafts of the questionnaire (two to contractors, three to consultants and three to Public Procurement Officials). In general, they agreed that the questionnaire was suitable to achieve the goals of the study.

3.10 Data Measurement

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each type of measurement, there is/are an appropriate method/s that can be applied. In this research, ordinal scales were used. Ordinal scale is a ranking or a rating of data that normally uses integers in ascending or descending order. The numbers assigned to the agreement or degree of influence (0,1,2,3,4) do not indicate that the interval between scales are equal, nor do they indicate absolute quantities. They are merely numerical labels.

Based on the Likert scale the Researcher has the following:

Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Scale	4	3	2	1	0

3.11 Process of data and analysis

After collecting the raw data of the questionnaire, the data was entered into computer and SPSS program was used to analyze the data. In part A of the Questionnaire (organization profile), the mean and the percentage was used to get the result of this part and to compare the opinions of the Contractor, Consultant and Public Procurement Official for the principle of Value for Money. The importance index was used to rank the principles of Value for Money in Questionnaire.

5

$$I = \sum_{i=1}^n a_i x_i \dots \dots \dots (Enshassi et al 2003)$$

$i=1$

Where I = importance index $a_i = 0,1,2,3,4$

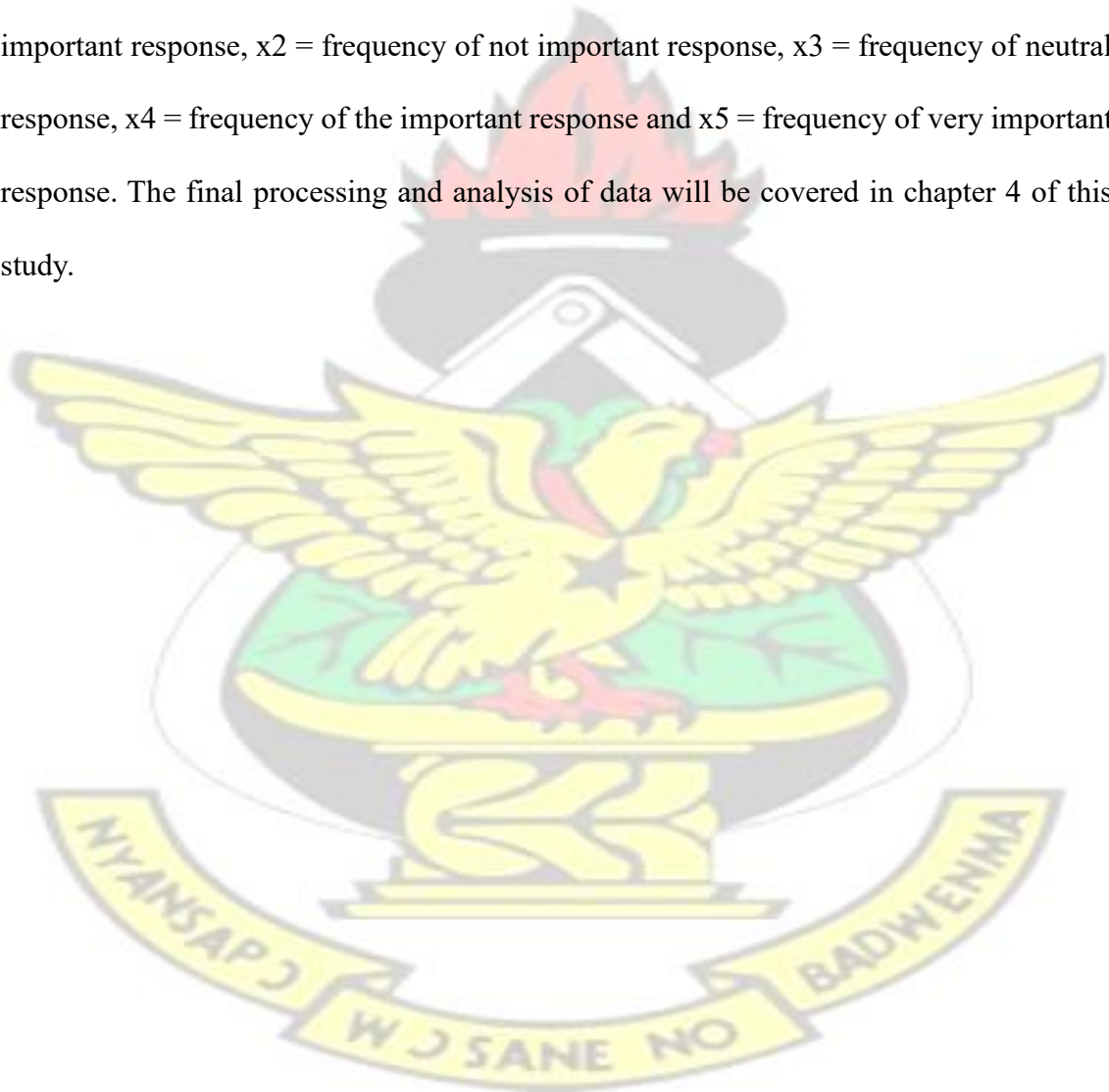
for $i = 0,1,2,3,4$ respectively $x_i =$

frequency of the i the response given as a

percentage of the total response for each

principle.

i = response category index where $a_i = 0,1,2,3,4$; for x_1 = frequency of strongly not important response, x_2 = frequency of not important response, x_3 = frequency of neutral response, x_4 = frequency of the important response and x_5 = frequency of very important response. The final processing and analysis of data will be covered in chapter 4 of this study.



CHAPTER FOUR RESULTS AND DISCUSSION

4.1 Introduction

This chapter describes the results and discussion of the Questionnaire survey concerning how Value for Money is understood and the Guiding principles that promote achieving Value for Money by Contractors, Consultants and Public Procurement Officials viewpoints in Ghana. This chapter focuses on describing the respondent's characteristics in addition to the discussion of how Value for Money is understood and the Guiding principles that promote achieving Value for Money. The same questionnaire was administered to the three groups but the responses varied according to their various areas of interest.

4.2 Section A: Population characteristics

This part was mainly designed to provide general information about the Respondents in terms of their Type of organization, gender, working experience, level of education, position held, and professional membership.

4.2.1 Rate of Respondent

In this study, 29 % (20) Contractors, 27 % (18) Consultants, 44 % (30) Public Procurement Officials responded to the Questionnaire as shown at Fig (4.1). The general

response rate for Contractors, Consultants and Public Procurement Officials was 85 % and the total number of respondents for the three parties was 68 out 80 respondents.

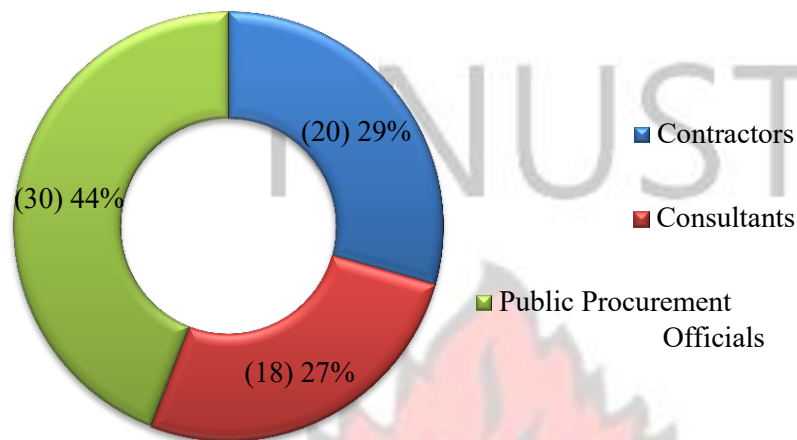


Figure 4.1 Type of Respondent

Source: Researcher's Field Work, Oct, 2013

4.2.2 Gender of the Respondent

Figure 4.2 shows that among the participants of this survey, the Male Respondents represent the highest with 94 % (64) and the Female Respondents were only, 6 % (4)

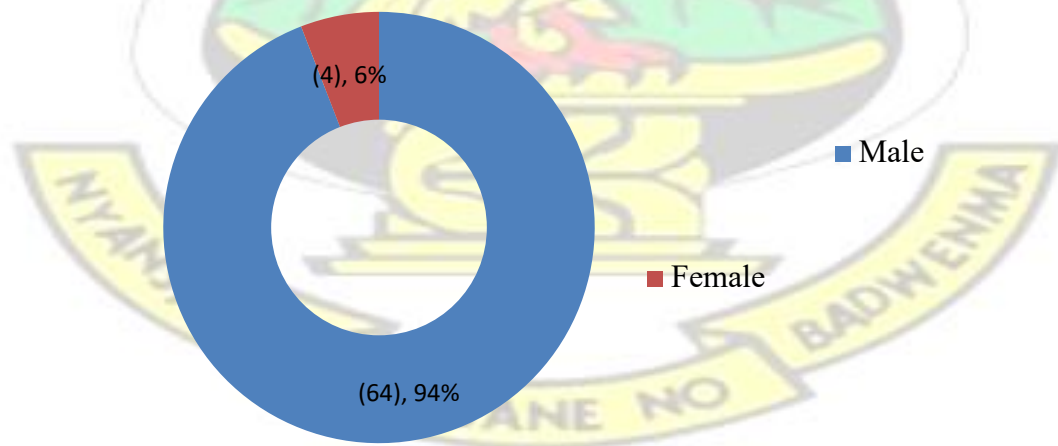


Figure 4.2 Gender of Respondent

Source: Researcher's Field Work, Oct, 2013

4.2.3 Experience of Respondents

Table 4.1 shows that 31 % (21) of the Respondents have experience from 24years and above, 18 % (12) of the Respondents have experience between 16 - 23years, 28 % (19) of the Respondents have experience between 8 - 15years and 23%(16) have experience between 1 - 7 years

Table 4.1: Experience of Respondents (years)

	Years of Contractors		Public Consultants Procurement Average Officials		
	Working Experience Group				
Experience of Respondents	1-7years		11% (2)	20% (6)	23%(16)
		40% (8)			
	8-15years		33%(6)	27% (8)	28%(19)
		25%(5)			
	16-23years		11%(2)	20%(6)	18%(12)
		20%(4)			
	24years and above		45%(8)	33%(10)	31%(21)
		15%(3)			
Total			100%(18)	100%(30)	100%(68)

Source: Researcher's Field Work, Oct, 2013

4.2.4 Level of Education of Respondents

Figure 4.3 shows that only 5% (3) among the participants of this survey were HND holders, 6% (4) of the Respondents were PhD holders, 22% (22) of the Respondents were Msc holders , and 57% (39) of the Respondent being the majority were Bsc holders.

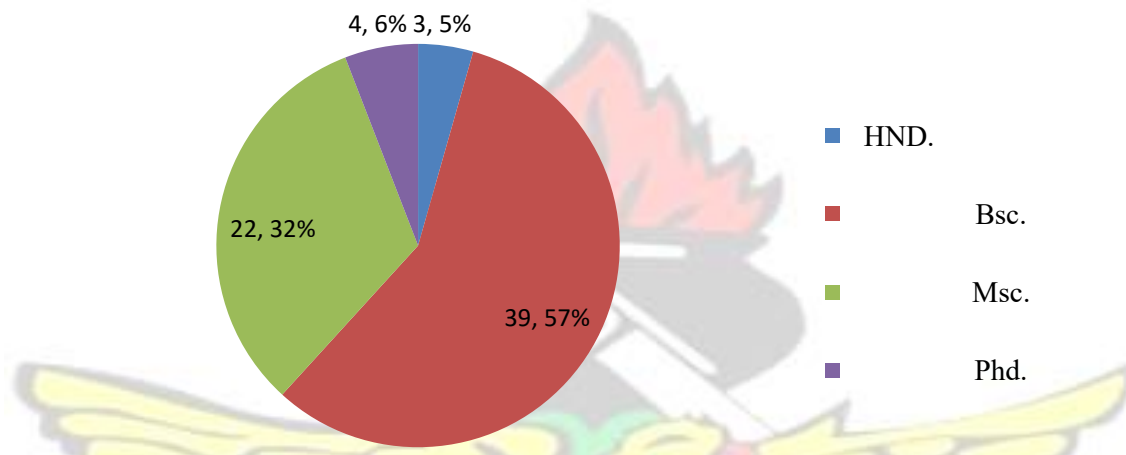


Figure 4.3 Level of Education of Respondents

Source: Researcher's Field Work, Oct, 2013

4.2.5 Respondent's Position Held

Figure 4.4 shows that among the participants of this survey, 23% (16) of the Respondents were Directors from their Departments, 17% (12) of the Respondents were Procurement Managers, 15% (10) of the Respondent were Consultants , 12% (8) of the Respondents were Principal Consultants, 9% (6) of the Respondents were Senior Architects and Quantity Surveyors, 6% (4) of the Respondents were Senior Engineers and Procurement Officers and only 3%(2) were Technical Officers

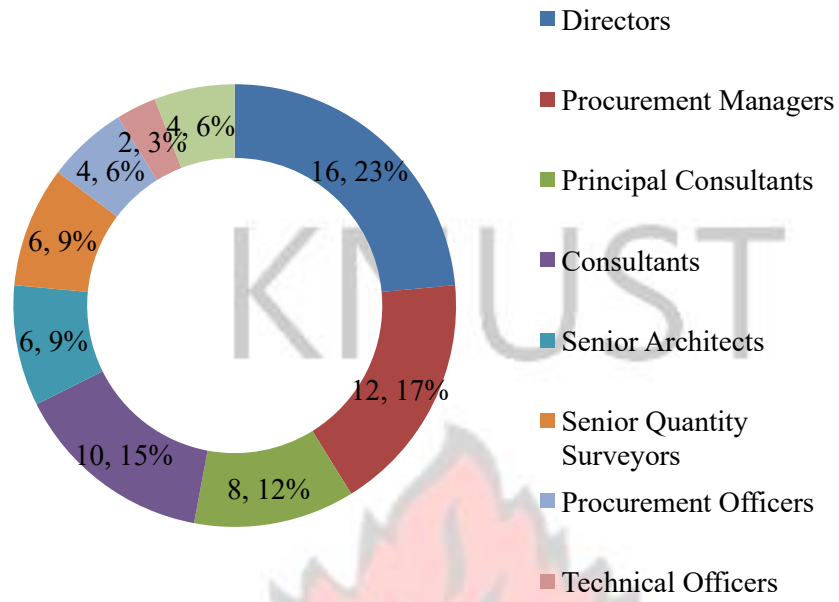


Figure 4.4 Respondent's Position Held

Source: Researcher's Field Work, Oct, 2013

4.2.6 Respondent's Professional Membership

Figure 4.5 shows that among the participants of this survey, 94% (64) of the Respondents had Professional membership, but only 6% (4) of them did have any Professional

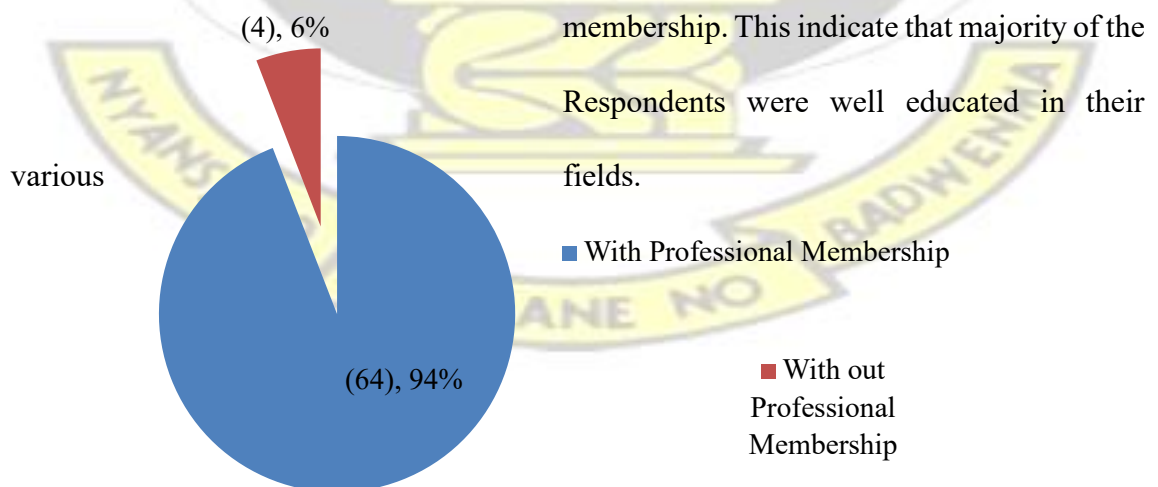


Figure 4.5 Respondent's Professional Membership

Source: Researcher's Field Work, Oct, 2013

4.3 Section B: How Value for Money is understood.

This section presents the findings on how the principle of Value for Money was understood, complied with and implemented in Public Procurement. The analysis provided is based on the understanding formulated from the responses obtained during the questionnaire survey with Contractors, Consultants and Public Procurement Officials. The following areas formed the basis of the analysis of the findings:

- Awareness of Value for Money in Public procurement (Do you consider Value for Money in your procurement activities?)
- Understanding of the Principle of Value for Money. (How would you define —Value for Money in the context of your organisational Public procurement?)
- Systems and processes for Value for Money. (Your Department's systems and procedures enable it to achieve value for money in its procurement.)
- Progress made in Value for Money (Does your department currently measure itself specifically in terms of whether it achieves value for money in its procurement?)
- Introduction of —Value for Money concept (Do you believe that it is necessary to introduce the concept of a —Value for Money approach into your department's processes and evaluation?)

4.3.1 Awareness of Value for Money (VFM) in Public procurement

Respondents were asked whether or not they consider Value for Money in their procurement activities. Their responses are presented in figure 4.6

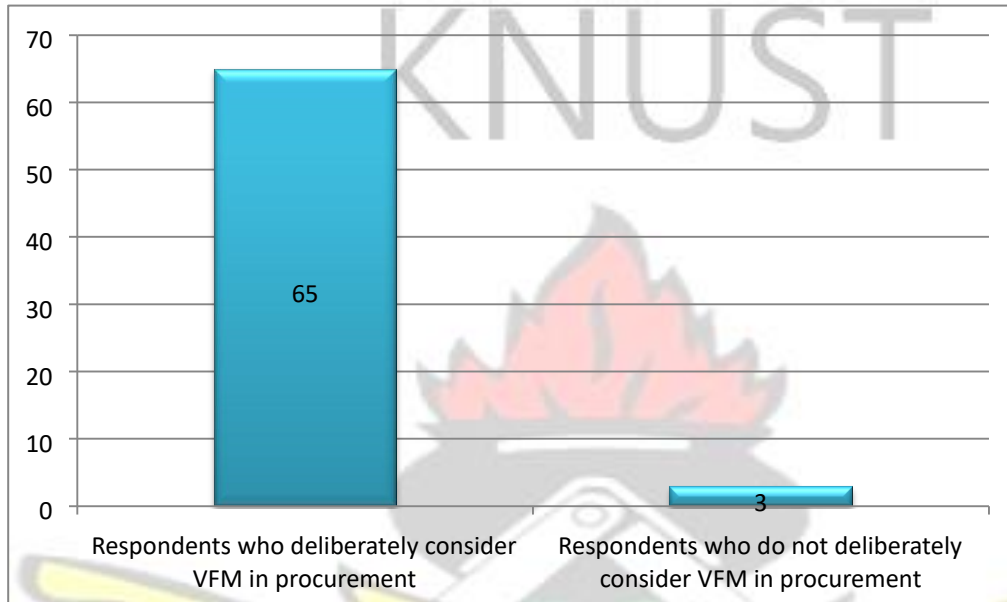


Figure 4.6 Awareness of Value for Money

Source: Researcher's Field Work, Oct, 2013

Figure 4.6 shows that 65 representing 96% of the Respondents were aware of term Value for Money and consider it. 3 representing 4% of the Respondents indicated that they do not consider Value for Money in their procurement. This shows that

Contractors, Consultants and Public Procurement Officials involved in Public Procurement are aware of the concept of Value for Money.

4.3.2 Understanding of the Principle of Value for Money.

During the pilot study, participants were requested to develop a working definition of Value for Money based on their understanding. This was necessitated the need to have a working definition. Participants also seemed to agree that the definition of Value for Money provided in both the Batho Pele Handbook (2007) and that of the Researcher.

The Researcher's definition was used as the working definition.

Finally key elements used in the definition were reconstituted with the 3Es from Batho Pele Handbook (2007) as a Bench mark for examining how the respondent understood Value for money in procurement.

The following are the key elements and their meanings:

- **Whole of life cost:** the total of acquisition, operating and disposal costs
- **Required quality:** does it meet specified standards
- **Economy:** procuring best quality at the least cost.
- **Efficiency:** is investment commensurate with what is procured.
- **Effectiveness:** The extent to which, what is procured achieves the desired purpose.
- **Right time:** procured when needed

4.3.2.1 Value for Money in the context of Respondents opinion.

The respondents were asked to define 'Value for Money' in the context of their organisational Public procurements to provide a framework for comparing the definitions to the working definition. The working definition was broken down into six parts against which the definitions could be measured:

- **Whole of life cost**
- **Required quality**
- **Economy**
- **Efficiency**

- **Effectiveness**
- **Right time**

The definitions given by the Respondents were all reviewed carefully against each of these six points. These criteria were used to construct a table reflecting the extent to which their definitions included the required Value for Money aspects

Table 4.2 shows how the percentage of Respondents in each individual group whose definitions of Value for Money compared in terms of closeness with the six criteria listed during the development of the working definition of Value for Money.

The level of closeness was determined as the bases of the definition having a link to a specific element in the six criteria under consideration. If a definition did not have a link then was said to be not close.

Table 4.2 Value for Money in the context of Respondents opinion

	Contractors		Consultants		Public Procurement Officials	
	Link	No Link	Link	No Link	Link	No Link
	%	%	%	%	%	%
Whole of life cost	10.	90	27.78	72.22	13.33	86.67
Required quality	20	80	66.67	33.33	60	40
Economy	55	45	72.22	27.78	53.33	46.67
Efficiency	30	70	55	45	56.67	43.33

Effectiveness	40	60	66.67	33.33	46.67	53.33
Right time	35	65	77.78	22.22	36.67	63.33
Average	31.67	68.33	61.02	38.98	44.45	55.55
Rank			1		2	
	3					

Source: Researcher's Field Work, Oct, 2013

The results shows that average of 31.67% of the Contractor responses had a link to the six criteria and as much as 68.33% had no link to the six criteria. This means that a majority of the Contractors Respondents understanding of Value for money had no link to the working definition. 61.02% of the Consultants responses had a link and 38.98% had no link to the six criteria. This suggests that a majority of the Consultants Respondents understanding of Value for money had a link to the working definition. 55.55% of the Public Procurement Officials responses had no link and 44.45% had a link to the six criteria. This means a majority of the Public Procurement Officials Respondents understanding of Value for money had no link to the working definition.

4.3.3 Systems and processes for Achievement of Value for Money.

Figure 4.7 shows that 41% (28) of the Respondents were Neutral , 27% (18) of the Respondents Disagree , 26% (18) of the Respondents Agree, 4% (3) of the Respondents Strongly Disagree and only 2% (1) of the Respondents Strongly Agree with the statement

that Your Department's systems and procedures enable it to achieve value for money in its procurement.

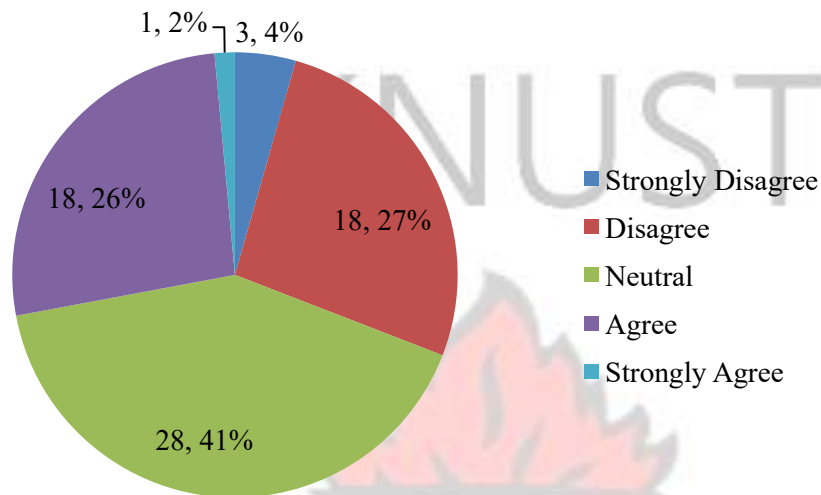


Figure 4.7 Systems and Process for Achievement of Value for Money Source:
Researcher's Field Work, Oct, 2013

4.3.4 Progress made in Value for Money

Respondents were asked whether their Department measured itself specifically in terms achievement of Value for Money in its procurement. Their responses are presented in figure 4.8

Figure 4.8 shows that 53 of the Respondents indicated they do not measure VFM, and only 15 of the Respondents indicated that they measure VFM. This result suggests that the Departments do not really have VFM measurement mechanisms in place.

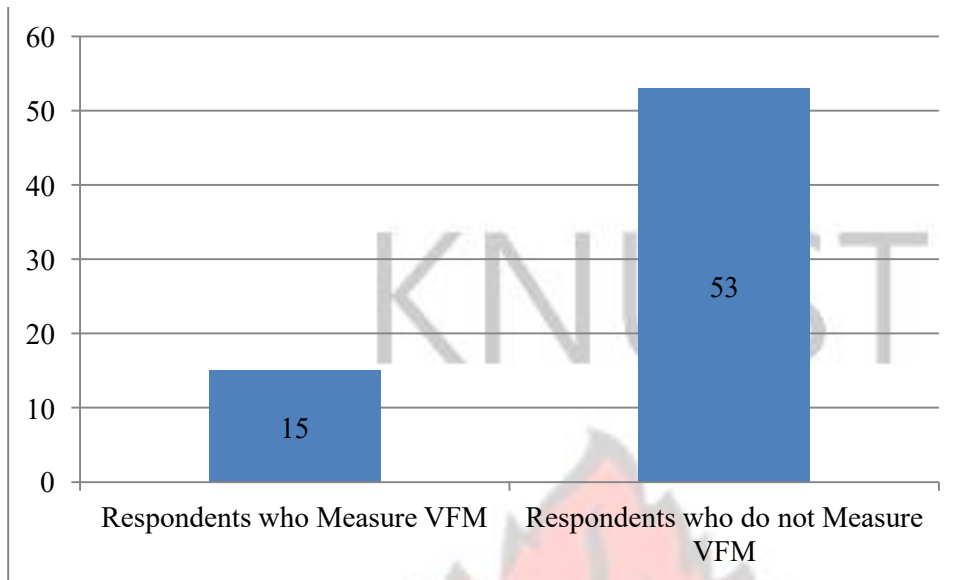


Figure 4.8 Progress made in VFM

Source: Researcher's Field Work, Oct, 2013

4.3.5 Introduction of “Value for Money” concept

Respondents were asked if they believed that it is necessary to introduce the concept of

—Value for Money| approach into their Department's processes and evaluation.

Figure 4.9 presents their responses which shows that 66 of the Respondents indicated that

it is necessary to introduce the concept of VFM, and only 2 of the Respondents indicated

that it is not necessary to introduce the concept of VFM

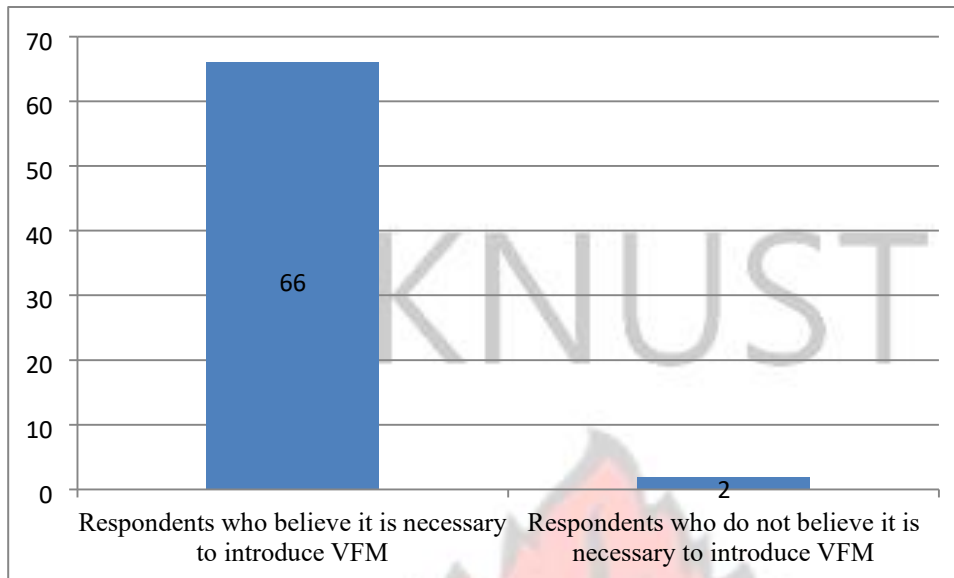


Figure 4.9 Introduction of VFM Concept

Source: Researcher's Field Work, Oct, 2013

4.4 Section C: Guiding principles that promote achieving Value for Money

This part consist of results and a discussion of guiding principles that promote achieving Value for Money. The Researcher sought to find out the extent to which Respondents agreed or disagreed with the guiding principles in Table 4.3 This was done in two parts.

- The first part of discussed the individual group response to each principle
- The second part ranked and discussed collective group responses to each principle

Table 4.3 Guiding principles that promote achieving Value for Money

Item	Guiding principles
1	Competition
2	Efficiency and Effectiveness
3	Fairness and Non Discrimination
4	Objectivity/Integrity/ Honesty
5	Transparency
6	Accountability
7	Confidentiality/ Accuracy of Information/ Protection of Intellectual Property
8	Conformity to the Laws
9	Professionalism
10	Green purchasing
11	Whole Life Costing
12	Social benefits
13	Economic benefits

Source: Cyprus procurement directorate(2008) and other works in Table 3.2

4.4.1 Individual group response to each principle

This part discussed the individual group response to each of the principles in Table 4.3

4.4.1.1 Competition

Competition among Sellers brings out the best offer. Competitiveness of procurement process is by making procurement information accessible to all; through advertising of tenders; sourcing reviews; prequalification of sellers (Glavee-Geo, 2008).

The benefits of competitiveness are enormous and include potential savings for the economy; increases in the Supplier base; and the development of the local industries within the economy thereby leading to economic development and poverty reduction (Glavee-Geo, 2008). Figure 4.10 shows that, 17 Respondents from Contractors strongly agreed, which represents 85%, 2 agreed representing 10% and 1 Neutral representing 5%. 18 Public Procurement Officials strongly agreed which represents 60%, 11 agreed representing 36.66% and 1 was Neutral representing 3.34%. 12 Consultants strongly agreed, which represents 66.67%, 4 agreed representing 22.22% and 2 Neutral representing 11.11%. The results indicate majority of the Contractors Respondents strongly agreed with competition as a guiding principle for achieving Value for Money in Public procurement.

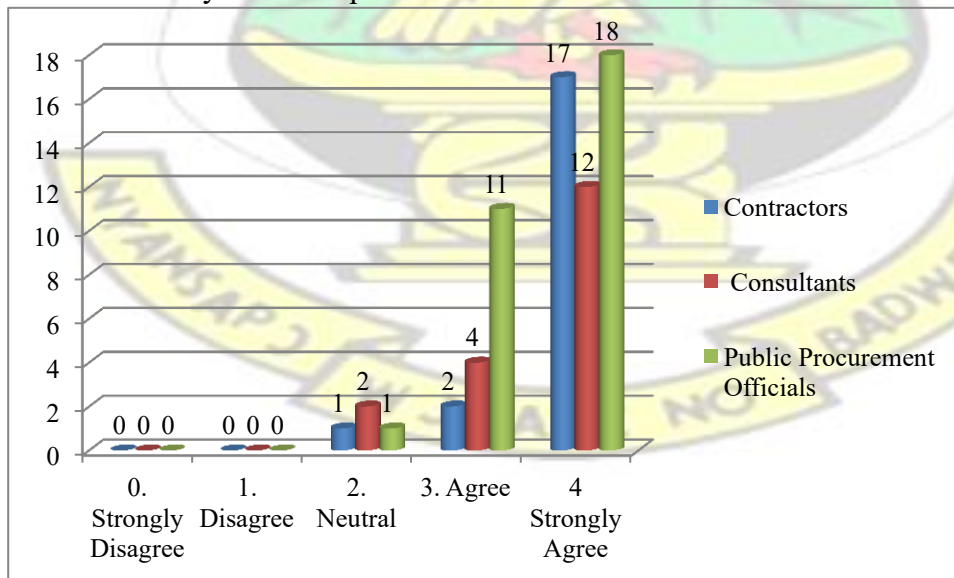


Figure 4.10 Competition

Source: Researcher's Field Work, Oct, 2013

4.4.1.2 Efficiency and Effectiveness

Efficient public procurement system is the one which operates in a well-timed manner, with a minimum bureaucracy, while being responsive to the needs of the ultimate users of the goods or facilities procured (McDonald, 2008).

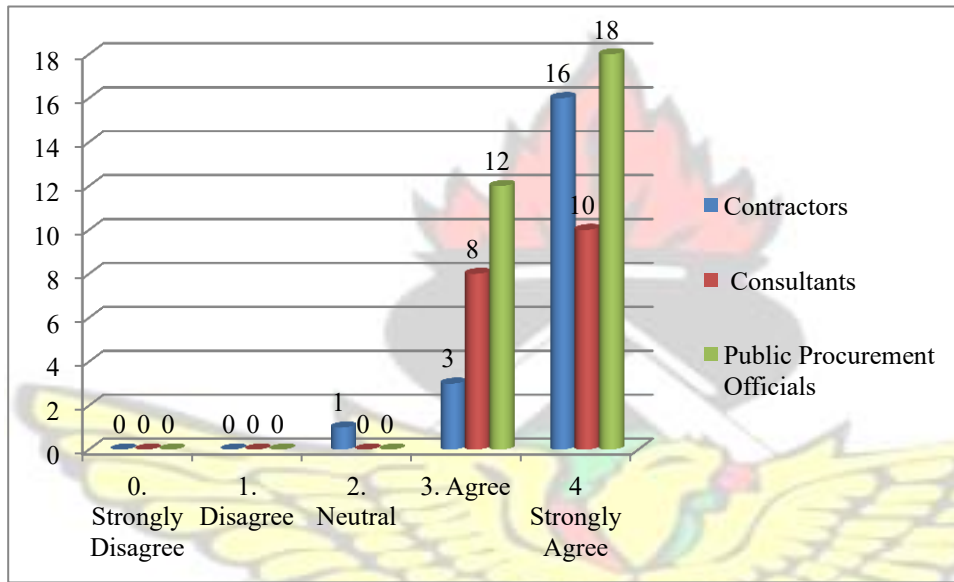


Figure 4.11 Efficiency and Effectiveness Source:

Researcher's Field Work, Oct, 2013

Figure 4.11 Show that Respondents who are Contractors strongly agreed 16 times, which represents 80%, agreed 3 representing 15% and 1 Neutral representing 5%.

Respondents who are Public Procurement Officials strongly agreed 18 which represent 60% and agreed 12 times representing 40% Consultants strongly agreed 10 times, which represent 55.56% and agreed 8 representing 44.44% This indicates that a majority of the Respondents who are Contractors strongly agreed to Efficiency and Effectiveness as a guiding principle for achieving Value for Money in Public procurement.

4.4.1.3 Fairness and Non Discrimination

Public procurement is considered as being fair and non discriminatory when it is unbiased and consistent. If the procedures are clear and everybody is treated equally, this will lead to more and better offers from Sellers to choose from (The World Bank Group, 2003).

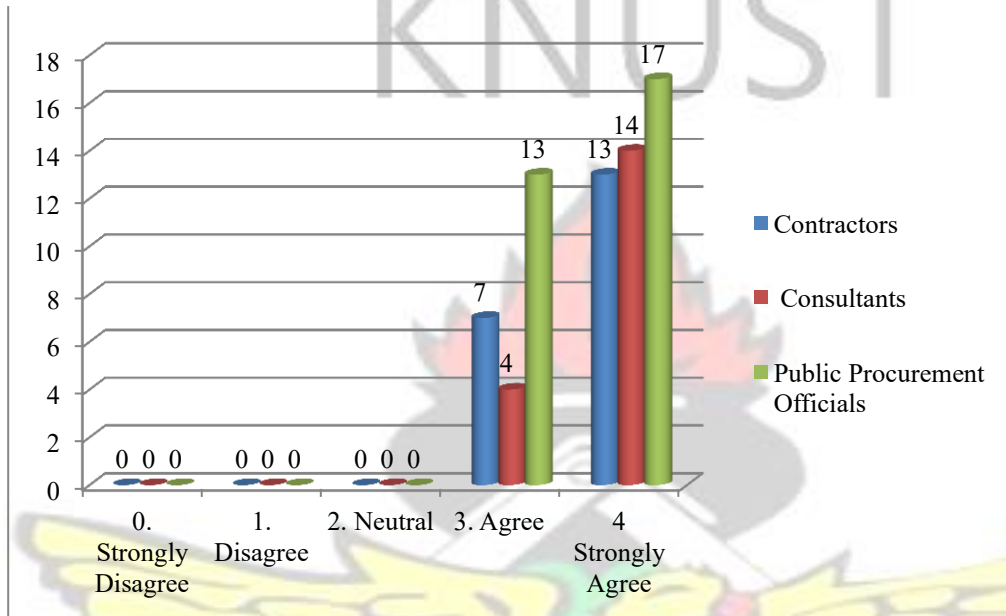


Figure 4.12 Fairness and Non Discrimination

Source: Researcher's Field Work, Oct, 2013

Figure 4.12 Shows Respondents who are Contractors strongly agreed 13 times, which represents 65%, and agreed 7 times representing 35%. Respondents who are Public Procurement Officials strongly agreed 17 times which represents 56.67% and agreed 13 times representing 43.33%. Respondents who are Consultants strongly agreed 14 times, which represent 77.78% and agreed 4 representing 22.22% This indicates that a majority of the Respondents who are Consultants strongly agreed to Fairness and Non Discrimination as a guiding principle for achieving Value for Money in Public procurement.

4.4.1.4 Objectivity/Integrity/ Honesty

Public Procurement Officials should declare any conflict of interest that affects or appears to affect their judgment. (Cyprus Procurement Directorate, 2008) Figure 4.13 Shows Respondents who are Contractors strongly agreed 6 times, which represents 30%, agreed 12 times representing 60% and disagreed 2 twice representing 10%. Respondents who are Public Procurement Officials strongly agreed 14 times which represents 46.67% and agreed 16 times representing 53.33%. Respondents who are Consultants strongly agreed 6 times, which represents 33.33% and agreed 12 times representing 66.67% This indicates that majority of the Respondents who are Consultants agreed to Objectivity/Integrity/ Honesty being a guiding principle for achieving Value for Money in Public procurement.

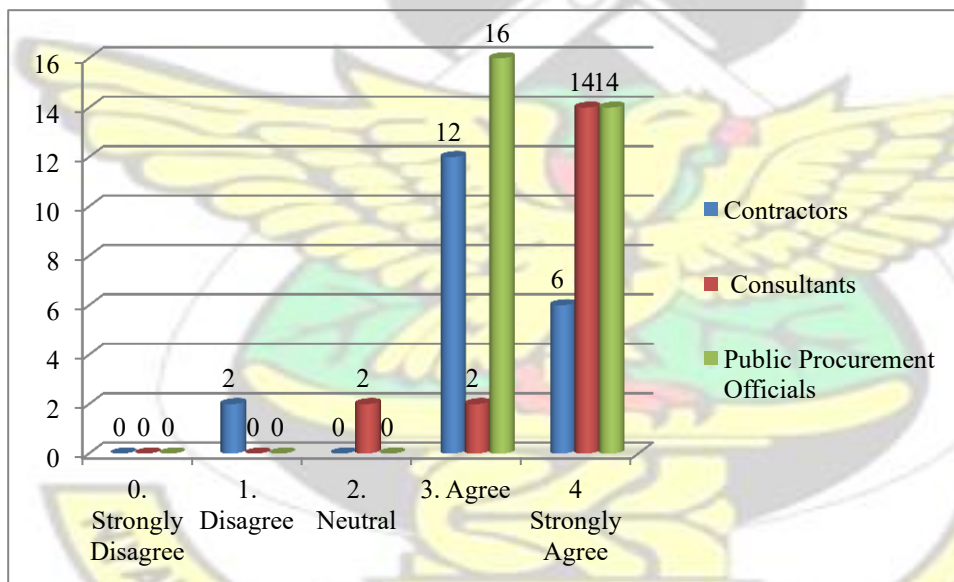


Figure 4.13 Objectivity/Integrity/Honesty

Source: Researcher's Field Work, Oct, 2013

4.4.1.5 Transparency

Public procurement processes can be regarded as transparent when the terms and conditions are clear and available to everybody and when after the decisions are made adherence to the afore mentioned terms and conditions can be verified (Evenett & Hoekman, 2003)

Figure 4.14 Shows Respondents who are Contractors strongly agreed 12 times, which represents 60%, agreed 6 times representing 30% and disagreed 2 twice representing 10%. Public Procurement Officials strongly agreed 22 times which represents 73.33% and agreed 8 times representing 26.67%. Respondents who are Consultants strongly agreed 10 times, which represent 55.55% and agreed 8 times representing 44.44% This indicates that a majority of the Respondents who are Procurement Officials strongly agreed to Transparency as a guiding principle for achieving Value for Money in Public procurement.

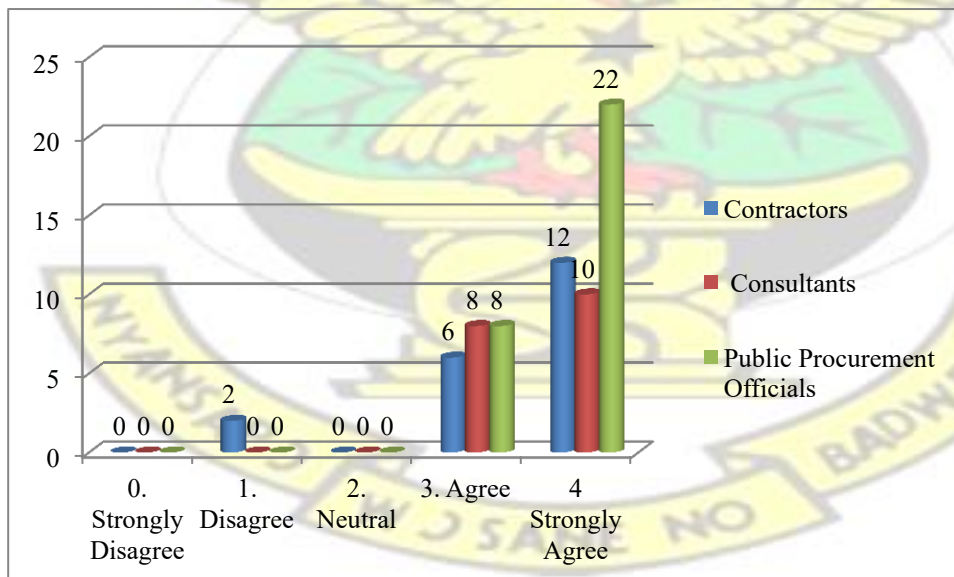


Figure 4.14 Transparency

Source: Researcher's Field Work, Oct, 2013

4.4.1.6 Accountability

Accountability refers to the obligation on the part of Public Officials to report on the usage of public resources and answerability for failing to meet stated performance objectives (Armstrong, 2005). Figure 4.15 Shows Respondents who are Contractors strongly agreed 9 times, which represents 45%, agreed 10 times representing 50% and disagreed once representing 5%. Respondents who are Public Procurement Officials strongly agreed 20 times which represents 66.67% and agreed 10 times representing 33.33%. Respondents who are Consultants strongly agreed 12 times, which represents 66.67% and agreed 6 times representing 33.33%. This indicates that a majority of the Consultants Respondents strongly agreed to Accountability as a guiding principle for achieving Value for Money in Public procurement.

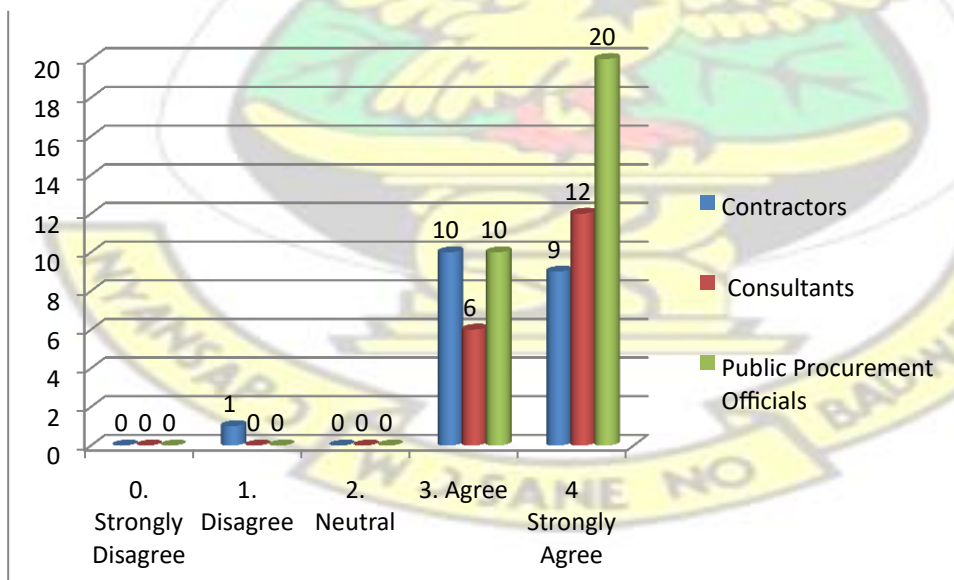


Figure 4.15 Accountability

Source: Researcher's Field Work, Oct, 2013

4.4.1.7 Confidentiality/ Accuracy of Information/ Protection of Intellectual Property

Public procurement Officials should respect the secrecy of information acquired in the course of performing their duties and not disclose any such information without having proper and legitimate authority to do so(Cyprus Procurement Directorate, 2008).

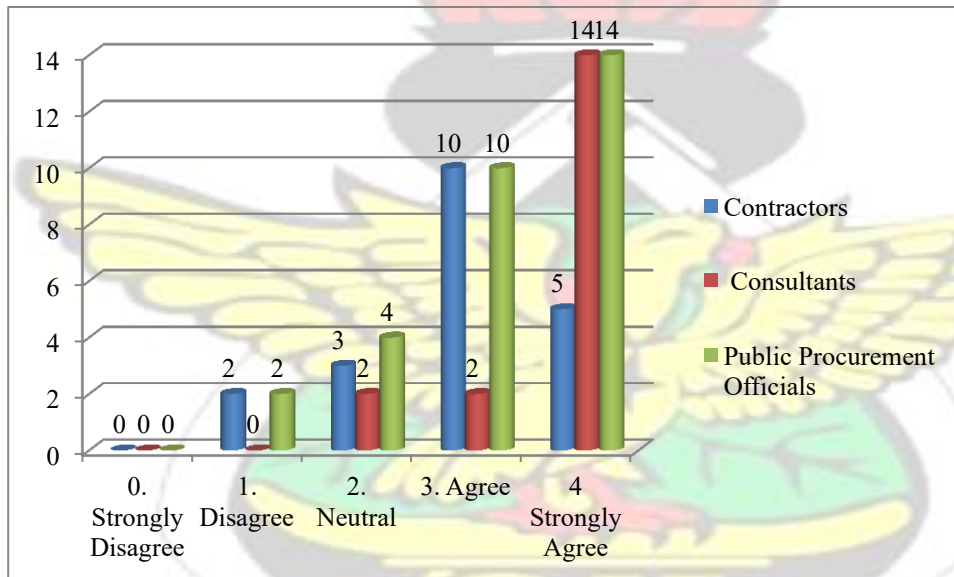


Figure 4.16 Confidentiality/Accuracy of Information/Protection of Intellectual Property

Source: Researcher's Field Work, Oct, 2013

Figure 4.16 Shows Respondents who are Contractors strongly agreed 5 times, which represents 25%, agreed 10 time representing 50%, Neutral 3 times representing 15% and disagreed 2 times representing 10%. Respondents who are Public Procurement Officials strongly agreed 14 times which represents 46.67% and agreed 10 times representing 33.33%, Neutral 4 representing 13.33% and disagreed 2 times representing

6.67%. Respondents who are Consultants strongly agreed 14 times, which represents 77.78% and agreed 2 times representing 11.11% and Neutral 2 times representing 11.11%. This indicates that a majority of the Respondents who are Consultants strongly agreed to Confidentiality/ Accuracy of Information/ Protection of Intellectual Property as a guiding principle for achieving Value for Money in Public procurement.



4.4.1.

8 Conformity to the Laws

Public Procurement in Ghana should adhere to the Public Procurement law Act 663.

Procurement Entities should align procurement activities to conform to rules and regulations stipulated by the Public Procurement law Act 663.

Figure 4.17 Shows Respondents who are Contractors strongly agreed 14 times, which represents 70%, and agreed 6 times representing 30%. Respondents who are Public Procurement Officials strongly agreed 16 times which represents 53.33% and agreed 12 times representing 40%, and Neutral 2 times representing 6.66%. Respondents who are Consultants strongly agreed 12 times, which represents 66.67% and agreed 4 times representing 22.22% and Neutral 2 times representing 11.11%. These results indicate that a majority of the Respondents who are Contractors strongly agreed to Conformity to the Laws as a guiding principle for achieving Value for Money in Public procurement.

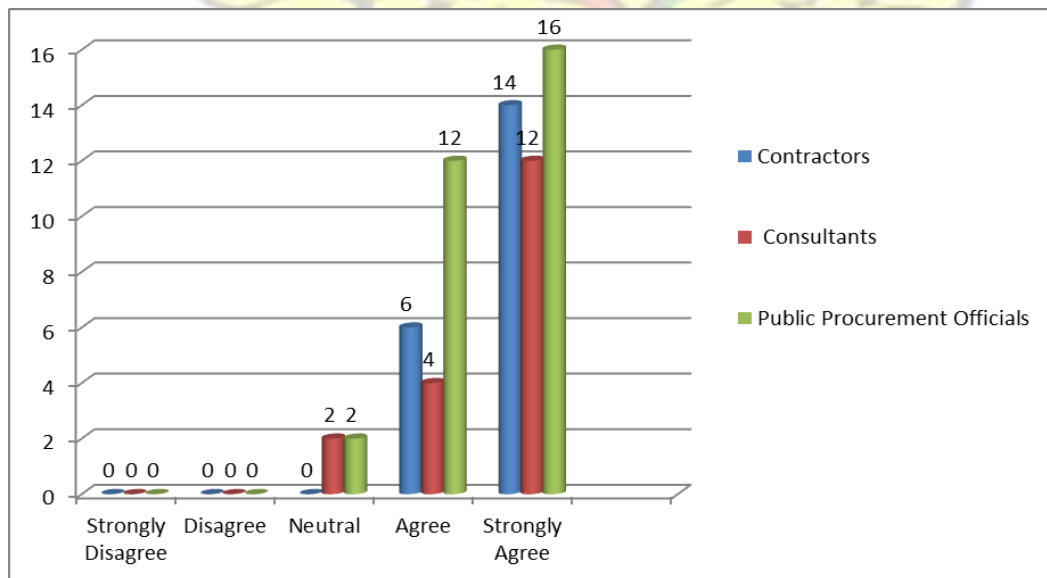


Figure 4.17 Conformity to the Laws

Source: Researcher's Field Work, Oct, 2013

4.4.1.

9 Professionalism

Professionalism is the attribute exhibited by educated, experienced and responsible procurement officers when they make informed decisions regarding procurement functions. The role that procurement Professionals play in the procurement system of the Ghanaian economy is critical to the economic development of the country (Public Procurement Board, 2007) Figure 4.18 Shows Respondents who are Contractors strongly agreed 15 times, which represents 75%, and agreed 5 times representing 25%. Respondents who are Public Procurement Officials strongly agreed 20 times which represents 66.67% and agreed 10 times representing 33.33%. Respondents who are Consultants strongly agreed 14 times, which represent 77.78% and agreed 4 times representing 22.22% .These results indicate that a majority of the Respondents who are Public Procurement Officials strongly agreed to Professionalism as a guiding principle for achieving Value for Money in Public procurement.

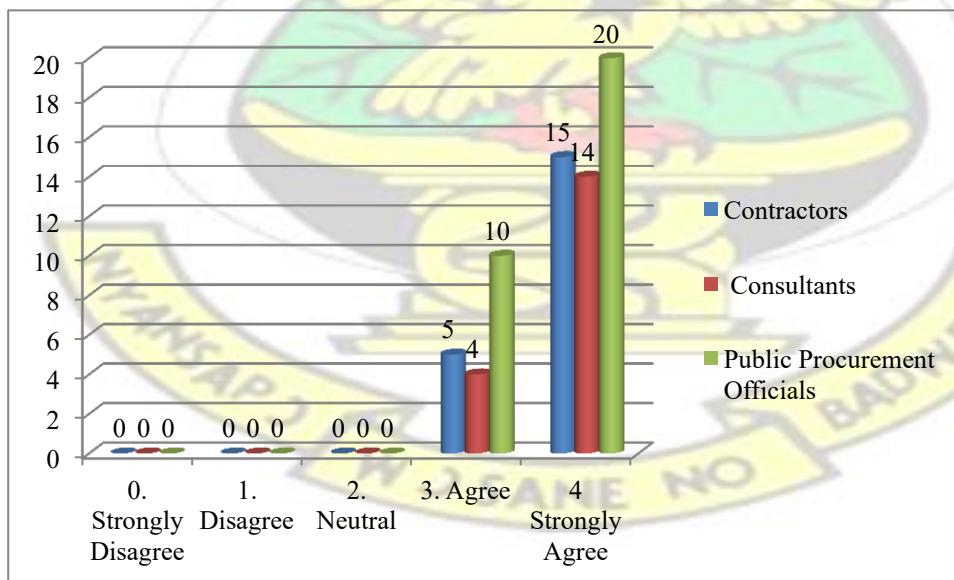


Figure 4.18 Professionalism

4.4.1.

Source: Researcher's Field Work, Oct, 2013

10 Green purchasing

Green procurement is the purchase of environmentally preferable goods, services or works. Integration of environmental consideration in Public procurement is an area that has remained largely unfocused in Ghana.

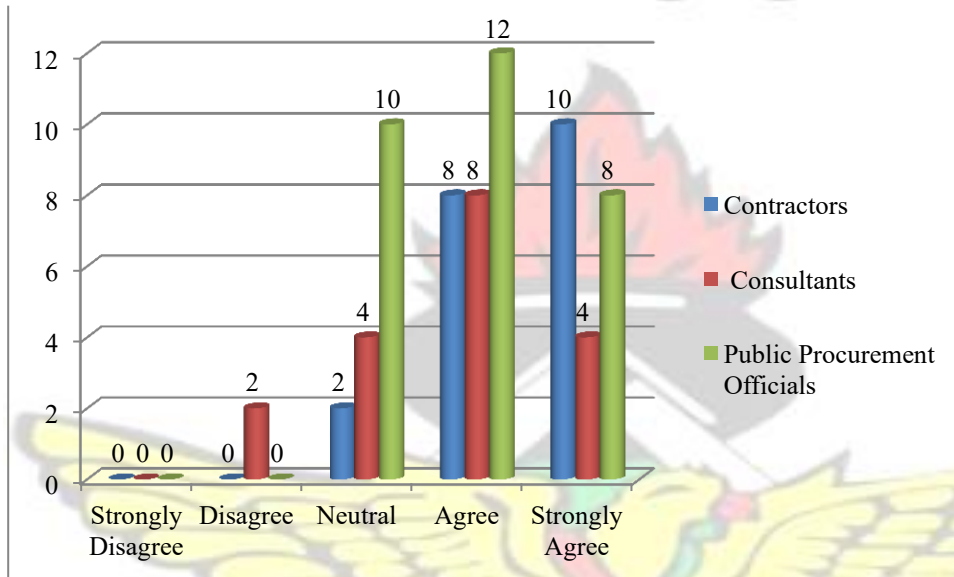


Figure 4.19 Green Purchasing

Source: Researcher's Field Work, Oct, 2013

Figure 4.19 Shows Respondents who are Contractors strongly agreed 10 times, which represents 50%, agreed 8 times representing 40% and Neutral 2 times representing 10%. Respondents who are Public Procurement Officials strongly agreed 8 times which represents 26.67%, agreed 12 times representing 40% and Neutral 10 times representing 33.33%. Respondents who are Consultants strongly agreed 4 times, which represents 22.22%, agreed 8 times representing 44.44%, Neutral 4 times representing 22.22% and disagreed 2 times representing 11.11%. These results indicate that a majority of the

4.4.1.

Respondents who are Contractors agreed to Professionalism being a guiding principle for achieving Value for Money in Public procurement.

11 Whole Life Costing

Whole Life Costing (WLC) is an economic evaluation technique that concerns the assessment of the total cost of an asset over its operating life, including initial capital costs, maintenance costs, operating costs and the cost or benefit of the eventual disposal of the asset at the end of its life (Flanagan et al, 1989 cited in SCI-Network, 2011).

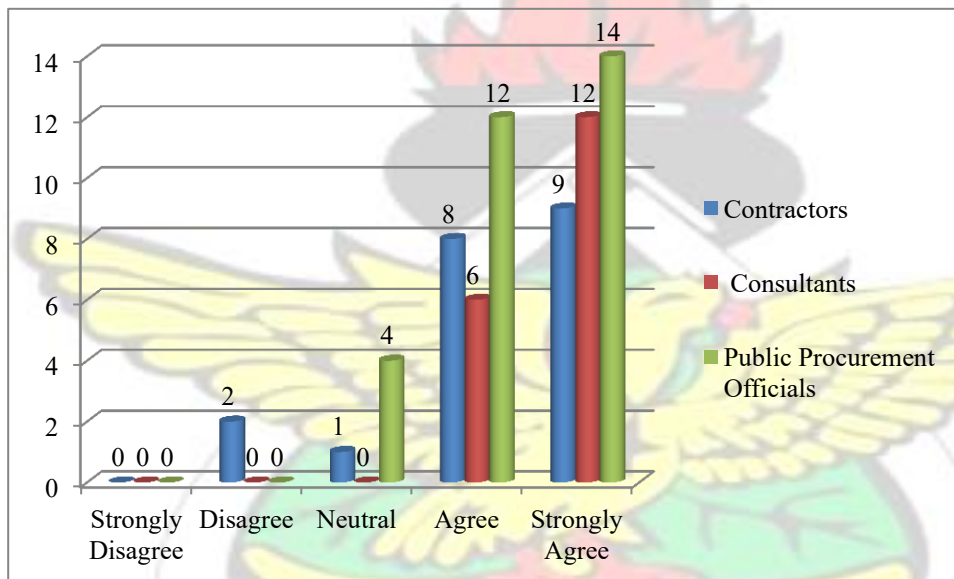


Figure 4.20 Whole Life Costing

Source: Researcher's Field Work, Oct, 2013

Figure 4.20 Shows Respondents who are Contractors strongly agreed 9 times, which represents 45%, agreed 8 times representing 40%, Neutral once representing 5% and disagreed 2 times representing 10%. Respondents who are Public Procurement Officials strongly agreed 14 times which represents 46.67%, agreed 12 times representing 40% and

4.4.1.

Neutral 4 times representing 13.33%. Respondents who are Consultants strongly agreed 12 times, which represent 66.67% and agreed 6 times representing 33.33%.

These results show that a majority of the Respondents who are Consultants agreed to



4.4.1.12 Social benefits

Socially responsible purchasing means _taking into account the public consequences of organizational buying (Drumwright, 1994). The protection of human rights and safety can be influenced by procurement (Carter, 2004). Assuring good working conditions for employees, public procurement can be used to create jobs to support people who are unemployed or people who are not getting jobs because of their disability (McCrudden, 2004).

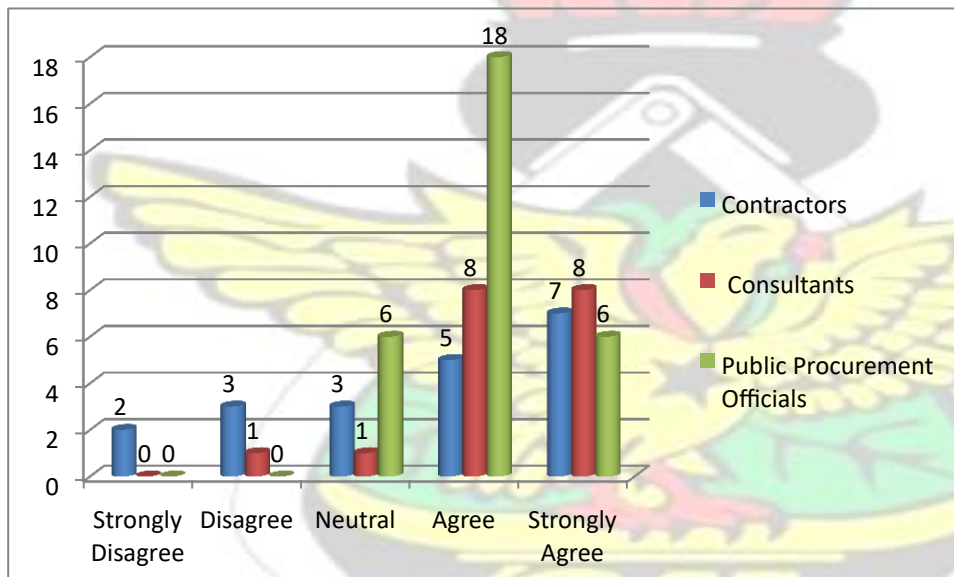


Figure 4.21 Social Benefits

Source: Researcher's Field Work, Oct, 2013

Figure 4.21 Shows Respondents who are Contractors strongly agreed 7 times, which represents 35%, agreed 5 representing 25%, Neutral 3 times representing 15%, disagreed 3 times representing 15%, and strongly disagreed 2 times representing 10%.

Respondents who are Public Procurement Officials strongly agreed 6 times which represent 20%, agreed 18 times representing 60% and Neutral 6 times representing 20%. Respondents who are Consultants strongly agreed 8 times, which represent 44.44%, agreed 8 times representing 44.44% and Neutral once representing 5.56%. These results show that a majority of the Respondents who are Public Procurement Officials agreed that ensuring Social benefits was a guiding principle for achieving Value for Money in Public procurement.

4.4.1.13 Economic benefits

Public procurement can help develop Small and Medium Enterprises (SME) or local firms and thereby the society. Local Suppliers can be given training and advice to enhance their capacity (Preuss, 2007)

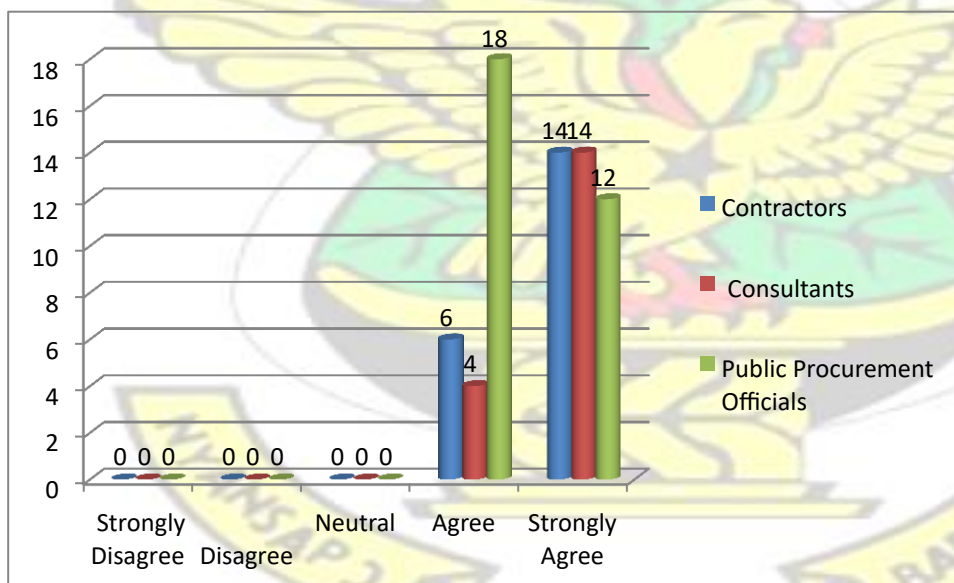


Figure 4.22 Economic Benefits

Source: Researcher's Field Work, Oct, 2013

Figure 4.22 Shows Respondents who are Contractors strongly agreed 14 times which represents 70%, agreed 6 times representing 30%, Respondents who are Public

Procurement Officials strongly agreed 12 times which represent 40% and agreed 18 times representing 60%. Respondents who are Consultants strongly agreed 14 times, which represent 77.78% and agreed 4 times representing 22.22% These results show that a majority of the Respondents who are Consultants Respondents agreed to Economic benefits as a guiding principle for achieving Value for Money in Public procurement.

4.4.2 The collective group responses to each principle

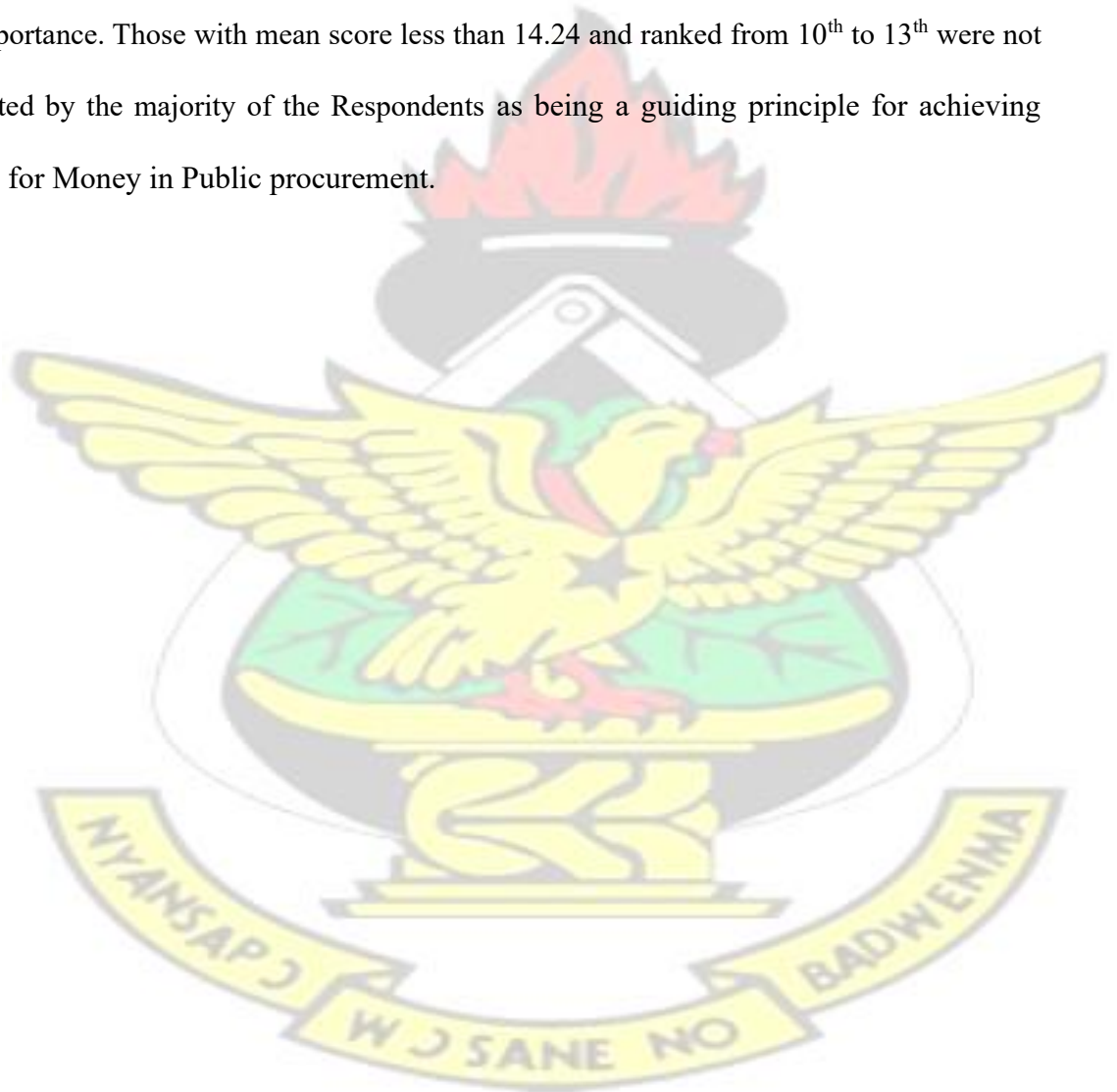
Table 4.4: The collective group responses to each principle

Item	Guiding principles	Mean	Std. Dev	Weighted Average	Rank
1	Professionalism	16.32	19.16872	50.6	1 st
2	Fairness and Non Discrimination	16.32	17.81685	49.6	2 nd
3	Competition	14.72	17.82807	49.4	3 rd
4	Efficiency and Effectiveness	15.92	17.55677	49.4	4 th
5	Transparency	15.52	17.31589	48.8	5 th
6	Economic benefits	16.32	17.08333	48.8	6 th
7	Accountability	15.92	16.93045	48.6	7 th
8	Conformity to the Laws	14.72	16.36582	48.4	8 th
9	Whole Life Costing	14.72	15.09437	46.4	9 th
10	Objectivity/Integrity/Honesty	13.52	14.17886	46	10 th
11	Confidentiality/Accuracy of Information/Protection of Intellectual Property	11.12	12.20819	44	11 th
12	Green purchasing	10.08	10.98362	41.2	12 th
13	Social benefits	9.92	10.92886	40.6	13 th

	Average	14.24			
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Source: Researcher's Field Work, Oct, 2013

The mean scores of the items in Table 4.4 indicate that the all the Respondents who are Contractors, Public Procurement Officials and Consultants agreed to 9 out of the 13 principles studied as a guiding principle for achieving Value for Money in Public procurement with a mean score more than 14.24. They were ranked from 1st to 9th in order of importance. Those with mean score less than 14.24 and ranked from 10th to 13th were not accepted by the majority of the Respondents as being a guiding principle for achieving Value for Money in Public procurement.



CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter includes the findings conclusions and recommendations that would help to advance the course of achieving Value for Money in Public procurement to enable Government address needs of its people with resources committed to developmental projects in Ghana (Greater Accra Region). The first objective of this study was to find out how Value for Money was understood in Public Sector Procurement in Ghana by Consultants, Contractors and Public Officials involved in Public Procurement. The second objective was to identify guiding principles that promote achievement of Value for Money. The third was to formulate recommendations about how Value for Money could be achieved in Public Sector Procurement in Ghana.

5.2 Summary of findings

This part of the study concludes the main findings as follows: **How**

Value for Money was understood in public sector procurement

Awareness of Value for Money in Public procurement.

The result from the previous chapter indicated that 96% of Consultants, Contractors and Public Officials involved in Public Procurement who were sampled were aware of the term Value for Money and consider it in their procurement activities. 4% of the respondents indicated they do not consider it in their procurement activities.

Majority of them were aware of the term Value for Money and consider it in their procurement activities.

Understanding of the Principle of Value for Money by Consultants Contractors and Public Officials involved in Public Procurement.

The first step to successful implementation of any concept is a clear understanding of the concept by the implementers. The results in chapter four show that the Consultants were ranked 1st with 61.02% of their responses had a link to the six criteria. Majority of the Consultants seem to understand term Value for Money in Public procurement.

Public Procurement Officials were ranked 2nd with 44.45% of their responses had a link to the six criteria. The results suggested majority of 55.55% did not have clear understanding of the term Value for Money in Public procurement.

The Contractor responses were ranked 3rd with average of 31.67% who had a clear understanding and majority of 68.33% who did not have a clear understanding of the term Value for Money in Public procurement.

The —Value for Money‖ concept seems abstract and subjective, and not every Contractor, Consultant or Public Procurement Official can be presumed to be implementing it given that there is a lack of understanding of what it means. A clearer definition of Value for Money is therefore required in order to facilitate its effective implementation in Public procurement.

Systems and processes for Achievement of Value for Money

The Respondents were asked to indicate how they agree to the statement —Your Department’s systems and procedures enable it to achieve value for money in its procurement‖. It was found that majority of the Respondents were Neutral with 41% to the statement and 27% disagreeing with it. The result from the previous chapter shows majority of the Respondents did not agree with the statement.

In order to achieve Value for Money it is imperative to have in place systems and processes that consciously facilitate its achievement.

Progress made in Value for Money

In order to ascertain progress made in Value for Money Respondents were asked whether their Departments made measurement of achievement of Value for Money in its procurement. It was found that 77.94% of them did not measure for VFM. The result in the previous chapter suggests that the Departments do not really have VFM measurement mechanisms in place.

Introduction of “Value for Money” concept

Respondents were asked if they believe that it is necessary to introduce the concept of a —Value for Money approach into their department’s processes and evaluation.

The results in the previous chapter show that of 97% Respondents indicated it is necessary to introduce the concept of VFM. This suggests the need and importance for its formal introduction to various Government Department and Institutions.

Guiding principles that promote achieving Value for Money

It was found that all the Respondents who are Contractors, Public Procurement Officials and Consultants agreed to 9 out of the 13 principles studied as a guiding principle for achieving Value for Money in Public procurement with a mean score of more than 14.24. They were ranked as follows: 1st Professionalism, 2nd Fairness and Non Discrimination, Completion 3rd, Efficiency and Effectiveness 4th, Transparency 5th, Economic benefits 6th, Accountability 7th, Conformity to the Laws 8th, Whole Life Costing 9th in order of importance. Those with mean score less than 14.24 were not agreed on by the majority and were ranked from 10th to 13th. They were Objectivity/Integrity/ Honesty 10th, Confidentiality/ Accuracy of Information/ Protection of Intellectual Property 11th, Green Purchase 12th and Social benefits 13th.

5.3 Conclusion

The study have shown that the term —value for money‖ seems abstract and subjective, and not every Contractor, Consultant or Public Procurement Official can be presumed to be implementing it given that there is a lack of understanding of what it means. A clearer definition of Value for Money is therefore required in order to facilitate its effective implementation in Public procurement.

The identified guiding principles that promote achieving Value for Money should serve as a guide to Public procurers in their procurement activities to make judicious and productive use of the Tax Payers‘ money.

It is imperative to have in place systems and processes that consciously facilitate the achievement Value for Money in the Public procurement entities.

5.4 Recommendations

The following points can be recommended to all parties in order to facilitate the achievement of Value for Money in Public procurements.

5.4.1 Development and Institutionalisation of a clear definition of Value for Money

The development and institutionalisation of a clear definition of Value for Money in Departments should be encouraged, to build up a clear understanding of its meaning throughout the organisation. The definition developed in this study can be a useful starting point for this. The major role-players in Public procurement should agree on the clear definitional framework and an approach for how Value for Money should be reported.

5.4.2 Implementation of Systems and processes for Achievement of Value for Money.

Internal systems and processes should be developed, to ensure the achievement of Value for Money in each Department's procurement activities.

5.4.3 Implementation of Measurement Mechanism for Achievement of Value for Money.

Departments should develop and implement Value for Money measurement mechanism, in order to be able detect if it is achieving Value for Money or not.

5.4.4 Adoption and Implementation of guiding principles that promote achieving Value for Money.

Procurement Entities and State Departments are recommended to adopt and implement these proposed guiding principles that promote achieving Value for Money in their procurement activities. This will help them to make judicious and productive use of the Tax Payers' money to ensure that Government delivers on its mandate which is to meet the needs of citizens.

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APPENDIX 1

RESEARCH QUESTIONNAIRE

Dear Respondent,

I am conducting this survey for my Msc thesis on Achieving Value for Money in Ghana's Public Sector procurement Regime and your response is very much important. It will take a few minutes to complete the questionnaires by ticking the appropriate response that best describes your views and be assured that this survey will not be used for any other purpose than what it is intended-Msc thesis research.

Therefore, information provided will be very confidential and no individual respondent will be identified. Answers to the questionnaires will be combined with others and used for statistical analysis and discussion within the Msc thesis research work.

I will be very grateful for a timely response to the questionnaires as these are very important to this research project.

Thanks.

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RESEARCH QUESTIONNAIRE

This questionnaire is administered to collect data for a Master's Thesis on **achieving value for money in Ghana's Public Sector procurement Regime**. I will be grateful if you could answer the following questions. The questionnaire is in three parts: personal data, how Value for Money is understood and the Guiding principles that promote achieving of Value for Money

Section A: Personal Data

1.1 Gender: Male ☐ Female ☐

1.2 Years of Working Experience Group:

1-7years ☐ 8-15years ☐ 16-23years ☐ 24years and above ☐

1.3 Position Held:

.....

1.4 Level of Education:

HND. ☐

Bsc. ☐

Msc. ☐

PhD. ☐

1.5 Area of specialization:

.....

1.6 Do you have any Professional Membership in your Area of specialization?

Yes ☐

No ☐

Section B: How Value for Money is understood.

2.0	How Value for Money(VFM) is understood.
2.1	Do you consider value for money in your procurement activities?
Tick	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.2	How would you define —Value for Money in the context of your organisational Public procurement? [write your opinion in the next row]
Answer	
2.3	Is there another definition or understanding of VFM in your Department?
Tick	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.4	If so, how does it compare to your definition?
Tick	Same <input type="checkbox"/> Not <input type="checkbox"/>

2.5	Does your department currently measure itself specifically in terms of whether it achieves value for money in its procurement?					
Tick	Yes <input type="checkbox"/> No <input type="checkbox"/>					
2.6	VFM is about achieving the best return and performance, in the life time of goods, works or services procured. [Cross relevant section]					
Cross	1.Strongly Disagree	2. Disagree	3. Neutral	4. Agree	5 Strongly Agree	
2.7	In your opinion, your Department achieves VFM in its procurement. [Cross relevant section]					
Cross	1.Strongly Disagree	2. Disagree	3. Neutral	4. Agree	5 Strongly Agree	
2.8	Your Department's systems and procedures enable it to achieve value for money in its procurement. [Cross relevant section]					
Cross	0.Strongly Disagree	1. Disagree	2. Neutral	3. Agree	4. Strongly Agree	
2.8	Do you believe that it is necessary to introduce the concept of a —Value for Money approach into your department's processes and evaluation?					
Tick	Yes <input type="checkbox"/> No <input type="checkbox"/>					

Section C: Guiding principles that promote achieving Value for Money

In your opinion, how do you agree with the following guiding principles for achieving value for money in Public procurement? [Tick relevant section]

On the scale of 0-4 answer the following questions

Scale: 4= Strongly Agree, 3= Agree, 2=Neutral, 1=Disagree, 0= Strongly Disagree

C	3.0	Guiding principles that promote achieving Value for Money	0. Strongly Disagree	1. Disagree	2. Neutral	3. Agree	4 Strongly Agree
	3.1	Competition					

	3.2	Efficiency and Effectiveness					
	3.3	Fairness and Non Discrimination					
	3.4	Objectivity/Integrity/ Honesty					
	3.5	Transparency					
	3.6	Accountability					
	3.7	Confidentiality/					
		Accuracy of Information/ Protection of Intellectual Property					
	3.8	Conformity to the Laws					
	3.9	Professionalism					
	3.10	Green purchasing					
	3.11	Whole Life Costing					
	3.12	Social benefits					
	3.13	Economic benefits					

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