

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND
TECHNOLOGY, KUMASI,
GHANA**

COLLEGE OF ARCHITECTURE AND PLANNING

DEPARTMENT OF BUILDING TECHNOLOGY

Identifying Reasons Why Some Tenderers are Unsuccessful in Public
Procurement at KNUST

By

NANA KWAME ADJEI

**BSc. Business Administration-Logistics and Supply Chain Management
(Hons)**

**A dissertation submitted to the Department of Building Technology, in partial
fulfillment of the Requirements for the award of the degree of MASTER OF SCIENCE
in Procurement Management (MSC Procurement Management)**

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KNUST

(Index No.: PG 9154613)

DATE _____

DIRECTOR OF PROCUREMENT (KNUST)
(SUPERVISOR)

DATE _____

(HEAD OF DEPARTMENT)

DATE _____

DEDICATION

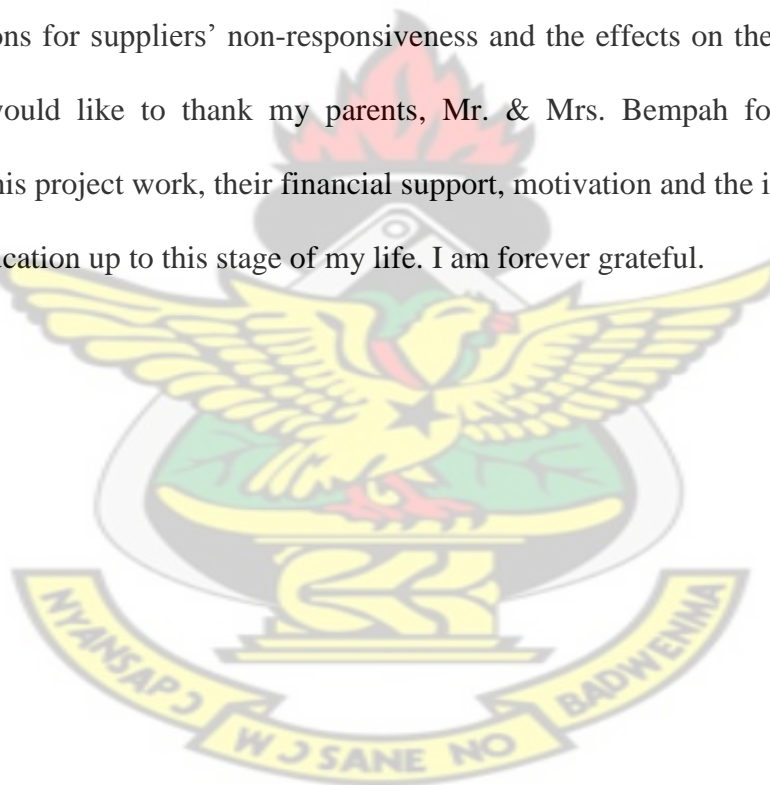
I dedicate this piece of work to the Almighty God. Without His love, grace, guidance and protection, I would not have come this far. Glory be to Him who loves me more than anything in this world. Thank you Lord!

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ABSTRACT

Public Procurement in Ghana has undergone several reviews since independence. The procurement system aims at procuring goods, works and services of the right quality, at the right price, at the right time and delivered to the right place through an open or restricted competitive tendering process. For this matter, competent and capable tenderers must be engaged in the tendering process to promote fair and open competition as well as equal opportunities to these tenderers. These have come in the form of constitutional, legislative instruments, administrative instructions and financial circulars. The objective of the research was to identify some of the causes why tenderers fail to win bids at the Kwame Nkrumah University of Science and Technology (KNUST) and also identify the effect of failures on tenderers and the procurement entity. Methodology used was questionnaires, structured interviews and observations (participatory observation) to collect data for the research work. The study found out that to a large extent, KNUST does not notify suppliers when they fail.

Tenderers continual failure to win bids is one of the factors decreasing the aims of the Public Procurement Act in Ghana. The more intensive the competition is, the more value is derived from the process. But here is the case where a lot of tenderers will be disqualified during the initial processes of the tendering processes. There by reducing the effectiveness and efficiency of the achievement of the Public Procurement Act. Based on the causes identified, the study recommended that successful and unsuccessful Tenderers should be notified after award of contracts. Also, the institution should organize workshop for the tenderers to discuss some of these issues and come out with the solutions for the problems.

Keywords: Public Procurement Act 2003 (Act 663), Public Institution, Tenderers, Kwame Nkrumah University of Science & Technology (KNUST).

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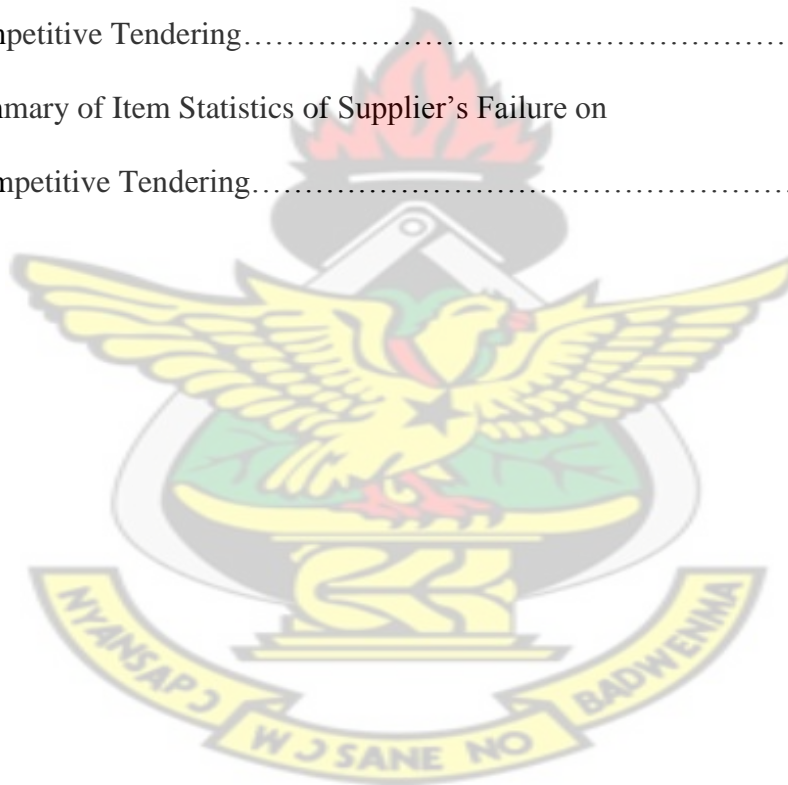


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GLOSSARY

| | |
|-------------------|--|
| EDI | Electronic Data Interchange |
| Failure | It is the non-responsive tenderers who did not meet the requirements of the tender. |
| I&CT | Information & Communication Technology |
| ICT | International Competitive Tendering |
| ITT | Instructions to Tenderers |
| KNUST | Kwame Nkrumah University of Science and Technology |
| LERT | Least Evaluated Responsive Tenderer |
| LOI | Letter of Invitation |
| MEAT | Most Economic and Advantageous Tenderer |
| MDAs | Ministries, Departments and Agencies |
| NCT | National Competitive Tendering |
| PC | Procurement Committee |
| PPA | Public Procurement Authority |
| Procurement | Procurement is the acquisition of appropriate goods and/or services at the best total cost of ownership to meet the needs of the purchaser in terms of quality, time and location. |
| Responsive Tender | A responsive tenderer is one who conforms to all the terms, conditions and requirements of the tender. |
| RFQs | Request for Quotations |
| RT | Restricted Tendering |
| SPSS | Statistical Package for Social Sciences |
| SS | Single Source |
| STD | Standard Tender Document |
| TEP | Tender Evaluation Panel |

| | |
|------------------|--|
| TRBs | Tender Review Boards |
| Unsuccessfulness | These were the tenderers, who were not responsive to the tender in one way or the other. |
| VAT | Value Added Tax |
| VFM | Value for Money |

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CHAPTER ONE

INTRODUCTION

1.0 BACKGROUND

Public institutions and companies or corporations must and will always buy items or demand one service or the other to ensure the smooth running of their operations. The procuring process is more often than not, on a large scale. Public procurement is the process by which large amounts of public funds are used by public units or entities to purchase goods, works and services from the private sector (Hunja, 2003). For this matter competent and capable tenderers are engaged in the tendering process which promotes fair and open competition as well as equal opportunities to these tenderers.

Over the years, tenderers have been very desperate on winning contracts in many public organisations and institutions including KNUST. They spend much of their time and resources in filling the tender documents and responding to Letters of Invitations (LOI's) in anticipation of winning contract(s).

The decision to tender or not to tender for a contract should be a defined and clearly stated process of balancing the opportunity, against a reasonable and practicable evaluation of the likelihood of success. The approach should be organized and systematically done, incorporating a scoring or ranking sheet/method or key tender/no tender questions which will help evaluate the decision and eliminate any emotional sentiment, favoritism and nepotism act that may be associated with the opportunity (Herther, 2006).

Procurement in the public sector involves acquisition of goods, works and service at the most possible total cost of ownership in a right quantity, quality, in time and place for the benefit of the public user entity through contracts.

Be it in the developed or developing world public procurement practitioners and tenderers alike continue to have challenges. Every country having its own economic, social, cultural and political environment is impacted differently by each of the above stated factors. Since public procurement is implemented using the public purse there is the need to make the system not only fair but also seen especially by tenderers to be fair, transparent and competitive. There is therefore the need to appraise the procurement systems and constantly develop and implement reforms to mitigate the existing challenges facing both the procuring entity and the tenderers alike. It is for these reasons among others that led to the enactment of the Public Procurement Act, 2003, ACT 663.

The Procurement Act seeks to make public acquisition of goods, works and services competitive, fair, transparent and to achieve value for money for the state. The emphasis of making the procurement system as much as possible a corrupt free system has invariably led or given birth to a very stringent system which rather works to reduce the level of the needed competition.

Here are some of the importance of selecting a capable and competent tenderer(s):

The organization's or institution's ability to produce a quality product at a reasonable cost and in a timely manner is heavily influenced by the tenderers' capabilities and capacities.

Tenderer selection is one of the key issues of Supply Chain Management (SCM) because the cost of raw materials and component parts constitutes the main cost of a

Product Management. A sound tenderer selection decision today can reduce or prevent a host of problems tomorrow (Monczka *et al.*, 2005).

Ghana's public procurement has made several attempts since 1960's, with interventions to eliminate the weaknesses that were latent in the procurement sector. Tenderer selection was therefore the decision of the person in charge of the purchase. These interventions span from constitutional reforms to legislative instruments, financial notices or circulars to administrative instruments among many (World Bank Strategy, 2000).

The Ghana Supply Commission Act enacted in 1960 together with the Contracts Act which were all aimed to regulate the activities of government purchases from private tenderers. Again, the National Procurement Agency Decree in 1976, which was termed SMCD 55 and the Financial Administration Decree SMCD 221 were some of the attempts made by the Supreme Military Council rule. To stamp for once the level of abuse and corruption in the public procurement sector, the Provisional National Defense Council (PNDC) reviewed the earlier decrees into PNDC Law 245.

According to (Adjei, 2006) the purpose for enacting laws to successfully be a guide for the procurement sector did not seem to work very well mainly owing to the fact that none of the above stated decrees or laws actually gave an oversight responsibility to a particular body.

Tenderer selection is a multi-criteria decision making process which includes evaluation of factors. In order to select the best tenderers it is crucial to consider both qualitative and quantitative factors simultaneously. In the selection process of tenderers, manager also has to consider multi-criteria factors related with decision. Thus the integration of all the multi-criteria analysis and those analysis results by multi-analysis teams has an important meaning in supply chain design (Heung, 2003),

The evaluation criteria are fundamental approach to choose the best tenderer (the least evaluated tenderer). They are specific to each institution, because they vary according to the needs. A tenderer's risks are risks for the buyer. Indeed, if a tenderer takes too much risk, it can have a great impact on his client such as (KNUST). Risk factors can be uncovered in the tendering process, but also in criteria such as: Trade Relations, Currency Exchange, Insurance, Legislative Requirements (Alter *et al.*, n.d.).

One of the most important functions of the Procurement system is the selection of effective and efficient tenderers, because it brings significant savings for the institution. While choosing the best tenderer, a procurement manager might be uncertain whether the selection will satisfy completely the demands of their institution (Bevilacqua & Petroni, 2002). Experts agree that no best way exists to evaluate and select tenderers, and thus institutions use a variety of approaches. The overall objective of the tenderer evaluation process is to reduce risk and maximize overall value to the purchaser (Bello, 2003).

1.1 PROBLEM STATEMENT

It is observed that some tenderers have been consistently failing in their tendering processes at KNUST during tender evaluation process. The tenderers who did not win the contract, sometimes make a disheartening statement that “the institution (KNUST) already has its favourites in terms of tenderer selection”. Again, it reduces the level of competition expected from the tenderers and also makes it difficult for the evaluation panel when it comes to recommendations as a result reduces value for money anticipated for.

Engaging in the competitive tendering process involves a lot of resources specifically: time and money. It is said that “time is money” which literally means “time is valuable”, so don't waste it. For instance, will you spend much resource on buying and completing a whole tender document in vain? No, there is something to get in return for these efforts being made. One of the Total Quality Management ideologies is to get it right the first time. Remember also that, the evaluation process is a very serious and tedious task which does not give room for non-compliance of the requirements, so there should not be any allowable chance for rejection on the part of the tenderers. All tenderers who responded to the tender must appreciate the efficiency and effectiveness of the process and aims at the object for not winning the contract apart from the price and not the requirements or any other form of disqualification.

It is for this reasons that this research seeks to assess the tenderers failure in the competitive tendering and find out the truth of the matter that is, to find out why some tenderers keep on failing in their tendering processes while others are successful in the tendering.

1.2 AIM

The objective of the study is to explore the causes of repetitive failures of some selected tenderers during tendering at KNUST.

1.3 SPECIFIC OBJECTIVES OF THE STUDY

The study attempted to establish the following specific objectives:

- i.** To identify the causes of failure during tendering at KNUST;
- ii.** To determine the effect of failures on tenderers and the procurement entity;
- iii.** To establish measures to mitigate/eliminate these causes.

1.4 RESEARCH QUESTIONS

The following research questions formed the basis for this study;

- i.** What are the causes of failure of tenderers at the tendering stage of the Procurement process?
- ii.** What is the effect of failure on tenderers and the procurement entity and the tenderers future desire to tender?
- iii.** What are the measures of eliminating and/or mitigating the causes of failure.

1.5 SIGNIFICANCE OF STUDY

The principal aim of the Public Procurement Act is to create competitiveness, fairness, transparent and corrupt-free transaction or procurement. To this end the number of competitors is of utmost importance to help state institutions/organizations and public entities achieve value for money. The lesser the competition, the lesser the value for money. The study is expected to contribute meaningfully to literature on public procurement tenderer selection and researchers can also use the study as a base material for further research.

Moreover, the study will identify causes of failure of tenderers at the tendering stage of the procurement process to help tenderers and to address such causes to avoid cutting down on the competition among tenderers for the tendering process to be competitive.

The Public Procurement Authority (PPA) can use the information in the study to develop training manuals for tenderers to overcome failures at the tendering stage of the procurement process.

1.6 METHODOLOGY

This study sought to explore the causes of failure in the tenderers selection processes. The nature of this research required a methodology that could be flexible to allow verbal questions to collect information since the institutions under study have a well structure set-up when it comes to the procurement arena. The methodology suitable for this project is the case study approach, which allows analysis to be built up that revealed the relationship and patterns of interaction between tenderers, procurement office and the user departments.

The study employed both primary and secondary data gathering from the field through semi-structured face-to-face interviews; phone interviews; participant observations; institution's written procedures; and documented books and formats. The data gathered from the field were analyzed by the use of both qualitative and quantitative methods. Subsequently, a discussion of results was presented with conclusions through expressing the relationships, similarities and differences among cases.

1.7 SCOPE OF THE STUDY

Geographically, the study is focused on the KNUST Procurement Office in Kumasi, with the institution's tenderers that were engaged in the tendering processes for the award of contracts from 2010 to 2014. The research focused on only procurement of goods specifically procurement of I&CT products and air conditioners. According to the KNUST Corporate Strategic Plan 2005 - 2014 (Plan2k14), the institution has problem with Inadequate Information and Communication Technology (I&CT) Infrastructure and Facilities. The University has limited communication facilities and poor access to the Internet. This limits access to information and the marketing of University activities and staff potentials. As a science and technology institution, the absence of such IT facilities is a very serious drawback on academic and community

service functions. The limited IT facilities constitute a disincentive to potential collaborators and also create a poor corporate image. It also reduces efficiency in all aspects of the University activities. KNUST positions itself as best Technology University in the sub-sahara environment and to achieve this strategic object, the University procures a lot of I&CT products and Air conditioners.

The procurement threshold under consideration will cover all thresholds for Procurement Methods and Approval Authorities as stated under schedule 3 of the Public Procurement Law 2003, Act 663.

Thematically, the study was carried out to bring the causes of failure of some tenderers in the tendering processes in the KNUST environment and also found out how the institution managed these tenderers after its selection of the least evaluated tenderer for the contract award. This study considered the approach or methods that were used in the selection of the tenderers.

1.8 ORGANIZATION OF THE STUDY

The study is structured into five chapters. Chapter one gives a brief background of the study and states the research problem; significance of the study; scope of the study; overview of methodology; and among others. Chapter two gives an extensive review of literature as well as a conceptual framework. Chapter three presents the methodological processes employed for the study including data collection tools used, while chapter four presents the data analysis. The summary of findings, conclusion and recommendations are presented in chapter five.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter focuses on the literature review of the subject and covers the following broad areas: definitions of terminologies; an overview of public procurement; the importance of the procurement unit to public organization; procurement rules and procedures; procurement cycle; and Ghana's procurement system, challenges and consequences of procurement as far as selection of suppliers are concern. The idea of this chapter is to unearth all the variables in the subject to enable analysis and discussions of the situation in the study area.

The Literature review would help to provide foundation upon which this research is built to endorse, compliment, counter or establish any new trends that probably might emerge.

2.2 OVERVIEW OF PUBLIC PROCUREMENT

Thai (2001) mentioned that public procurement started a long time. Thai traced this history to the earliest procurement order dated between 2400 and 2800 B.C., of which a procurement order was carved in red clay tablet found in Syria. Coe (1989) also revealed that order was placed for '50 jars of fragrant smooth oil for 600 small weights in grain'. Other proof of historical procurement includes the development of the silk trade between China and a Greek colony in 800B.C. Pegnato (2003) states that the essence of public procurement cannot be overelaborated in view of the huge financial outlays that are regularly involved. Arrowsmith (1998) emphasized that procurement is an important tool for achieving economic, social and other objectives.

Due to the significance of public procurement in both economic and social development, Thai (2001) states that the World Bank's Procurement under

International Bank for Reconstruction and Development (IBRD) loans and IBRD credits identifies four major concerns or intents of public procurement for projects funded by its loans:

- i.** Ensuring that the loan is used to acquire only those goods and services needed for the project;
- ii.** Ensuring fair competition for all eligible and responsive tenderers from the World Bank's eligible countries;
- iii.** Promoting transparency or integrity, and
- iv.** Encouraging development of indigenous contractors and manufacturers by allowing local purchasers to build in a domestic preference for local contractors and manufacturers.

In the promotion of procurement transparency and integrity, Ohene-Addae (2012) suggests that transparency in procurement is essential to guarantee the trust and confidence in the procurement system and that it is important to guarantee suppliers that the prospect to supply goods and services are offered on a level playing field while evading corrupt influences. Thai (2001) indicates further that transparency in procurement can be achieved by public agencies through the following strategies:

- i.** Use of effective advertising;
- ii.** Public tender opening procedures;
- iii.** Effective tender evaluation criteria;
- iv.** Independent evaluation methods consistent with the stipulations of the tendering documents;
- v.** The awarding of contracts to qualified vendors having submitted the lowest evaluated tender without negotiations;
- vi.** The publication of award results; fair and speedy protest and

dispute resolution handling processes; and

- vii.** Disclosure of signed contracts and prices to other tenderers.

A Public Procurement system is said to be well functioning if it achieves the objectives of transparency, competition, economy, fairness and accountability (World Bank, 2006). The Public Procurement Act 663 established the Public Procurement Authority (Section 1 of Act 663) which will seek to harmonize the processes of public procurement in the Public Service to secure a judicious, economic and efficient use of state resources in public procurement and ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner (Section 2).

2.2.1 The Legal Framework of Public Procurement Reforms in Ghana

In 1999 the Government of Ghana established the Public Procurement Oversight Group to manage the development of a comprehensive public procurement reform programme. The Public Procurement Bill was drafted in 2002 and this was passed into law on 31st December 2003 as the Public Procurement Act of 2003, Act 663 (Adjei, 2006).

The basic structure of the legal and regulatory framework of public procurement in Ghana consists of the Public Procurement Act 663 of 2003, Public Procurement regulations, Public Procurement manual; Standard tender documents and Guidelines to assist Public Procurement Practitioners. Under Act 663 section 97, procurement regulations are to be issued by the Minister of Finance and the Public Procurement Authority. They contain detailed rules and procedures for all aspects of the procurement system; the operations of the Public Procurement Authority and the procurement entities and the conduct of procurement activities (Public Procurement Authority, 2007). As part of the legal framework of Act 663, the Public Procurement Authority is authorized to issue guidelines and to provide supplementary guidance on

specific topic that are needed to help streamline the conduct of public sector procurement in Ghana. The legal framework also covers the issue of standard tender documents and manual for the conduct of procurement by the Public Procurement Board. (Public Procurement Act 2003, Act 663).

By the Act, the standard documents are to be issued by the Public Procurement Authority and are listed in Schedule 4 of the Act 663. The standard tender documents comprise of standard invitation and contract documents for procurement of all values. It includes standard tender documents for goods, works and services. The manuals issued by the Public Procurement Authority provides practical guidance and step by step procedures for executing procurement functions in accordance with Act 663 and with standard forms to assist in procurement record keeping (Public Procurement Act 2003, Act 663).

2.2.2 The Objectives and Scope of Act 663

The main objectives of Act 663 are to harmonize public procurement processes in the public service, and also to secure judicious, economic and efficient use of state resources and to ensure that public procurement functions undertaken within the public sector are fair, transparent and non-discriminatory. The Act makes reference to procurements financed wholly or partly from public funds; with respect of procurement of goods, works, services and contract administration. Reference is also made to disposal of public stores and equipment and procurements financed by funds or loans taken by the Government of Ghana, including foreign aid funds. Act 663 however has some exceptions and does not apply to some situations such as:

- i.** Where the Minister decides that alternative procedures are in the national interest;
- ii.** Where a loan or funding agreement specifies alternative

Procedures; and

- iii. Excludes stores management and/or distribution. (Public Procurement Act 2003, Act 663).

2.2.3 Functions of the Public Procurement Law, 2003 (Act, 663)

The Public Procurement Act establishes bodies such as the Public Procurement Authority, Entity Tender Committees and Tender Review Boards. It specifies rules for procurement methods, procedures, appeals by tenderers and disposal of stores. It states offences and applicable penalties. It also specifies procurement thresholds as schedules in the Act. It also authorizes the issues of regulations, which are enforceable under the Act. The Act mentions the roles of various institutions such as the Central Management Agencies; Ministries, Departments and Agencies (MDAs), Subverted Agencies and State Owned Enterprises. Others includes Government Institutions; Public Universities, Schools, Colleges and Hospitals, the Bank of Ghana and financial institutions owned or where government is a majority shareholder as well as institutions established by Government for the general welfare of the public.

2.3 SELECTION OF TENDERERS

Tenderer selection is the process by which firms identify, evaluate, and contract with tenderers. The tenderer selection process deploys a tremendous amount of an institution's financial resources. In return, institutions expect significant benefits from contracting with tenderers offering high value. The following describes the typical steps of tenderer selection processes: identifying tenderers, soliciting information from tenderers, setting contract terms, negotiating with tenderers, and evaluating tenderers. The selection process highlights why each step is important, how the steps are interrelated, and how the resulting complexity provides fertile ground for further research. Public procurement is a dominant driver for development. In addition to

providing goods, works and services a country needs, the act of procurement itself can strengthen local economies, support marginalized groups and boost local capacity for business (World Bank, 2003).

2.3.1 Criteria for Selecting Suppliers

According to Lysons (2005), departments evaluate and select tenderers based upon price, quality, availability, capability, financial viability, reliability and other factors such as location, equipment and the like. Ngoben (2011) also stated that, tender process involves the preparation of tender specification and compilation of tender documents. The procurement department and user department complies and issues the tender specifications in a manner that will permit fair and equitable considerations from qualified tenderers in order to get what they really needed. Compiling tender documents involve using the appropriate Standard Tender Documents (STDs) and General Conditions of Contract (GCC).

Once the specifications for goods, bill of quantities for works or terms of reference for services are drafted, the department must submit requests to the Tender Committee for the invitation of tenders. These requests must, in accordance with a prescribed format, contain full details of the information required by the office, enabling it to compile an appropriate tender advertisement. The prescribed standard tender forms must be prepared in compliance with the directives issued by the laws of the operating country, that is, the Public Procurement Act 2003, Act 663 of Ghana, and must be printed in English in our case. The documents must indicate accurate quantities, the requirements for certificates, samples, or compulsory attendance at site inspections and explanatory meetings, and must form part of the tender conditions (Visser & Erasmus, 2007)

2.4 IMPORTANCE OF THE PROCUREMENT UNIT TO PUBLIC INSTITUTION

Below are some of the important roles procurement unit plays within an organization as well as the nation (Public Procurement Manual).

- i. The procurement unit implements the harmonization of the purchasing process to ensure a judicious, economic and efficient use of state or organizational resource;
- ii. The procurement unit advises Management and the various Committees on issues relating to procurement;
- iii. The procurement unit plans and co-ordinates technical assistance in the field of procurement;
- iv. The procurement unit assists in developing, promoting and support training and professional development of persons or works within the organization and ensure adherence by the trained persons or workers to ethical standards;
- v. The procurement unit assists small/local industries or businesses to become more competitive and efficient tenderers to the organization as well as the general public;
- vi. The procurement unit assists in organizing and participating in the administrative policies, reviews and others towards the achievement of the organizational goals;
- vii. The unit presents reports on all activities undertaken within the unit and hence ensuring transparency and accountability within the organization;
- viii. It assists in assessing the operations of the organization and submit proposal for improvement of some processes within and outside the organization; and

- ix.** The procurement unit monitors and supervises procurement function and ensures compliance with statutory and organizational requirements.

Baily (1994), stated that for present purpose of the procurement unit, remembering the need to work as an effective function in the management team, the following are broad statements of important procurement roles;

- i.** The procurement unit supplies the organization with a steady flow of materials and services to meet its needs and again, ensure continuity of supply by maintaining effective relationships with existing source and by developing other sources of supply either as alternatives or to meet emerging planned needs;
- ii.** The unit assists in buying efficiently and wisely, obtaining by an ethical means the best value for every currency (cedi) spent;
- iii.** The unit assists in managing inventory so as to give the best possible service to users at lowest cost;
- iv.** The unit assists to maintain sound co-operative relationships with other departments, providing information and advice as necessary to ensure the effective operation of the organization as a whole; and
- v.** The unit assists to develop staff, policies, procedures and organization to ensure the achievement of the foregoing objectives.

In addition, these important roles performed by the procurement unit/department were added.

- i.** The unit assists in selecting the best tenderers in the market;
- ii.** The unit also helps to generate an effective development of new product;
- iii.** The unit assists in protecting the company's/institution's cost

Structure;

- iv. The unit assists in maintaining correct quality/value balance;
- v. The procurement or purchasing unit also assists in monitoring supply market trend; and
- vi. The unit assists to negotiate effectively in order to work with suppliers who will seek mutual benefit through economically superior performance.

2.5 PROCUREMENT METHODS

There is a slight variation in procedures in the public procurement methods which may also be due to threshold and the item in question. However, procurement/purchasing systems can be considered under so many headings. But before such considerations, there is the need to identify or anticipate the kind of materials, equipment, machinery, works and services needed at that particular moment.

Among the systems commonly used these days for the day to day procurement/purchasing practices are the International Competitive Tendering (ICT), National competitive tendering (NCT), Restricted/selective tendering, two stage tendering, Single or Sole Source Tendering and Request for Quotation (RFQ).

2.5.1 International Competitive Tendering (ICT)

According to the Manual, Public Procurement Act, 2003 (Act 663), ICT is appropriate for high value procurements/supply of goods, works and services. By their nature or the scope is unlikely to attract local competition. These are Lump sum contracts and are being advertised in the international papers.

According to Dagbanja (2011), ICT ‘shall be used whenever open competitive tendering is used and effective competition cannot be obtained unless foreign firms are invited to tender’.

2.5.2 National Competitive Tendering (NCT)

According to the Manuals - Public Procurement Act, 2003 (Act 663), NCT is appropriate for lower value procurement where the goods or works by their nature or scope are unlikely to attract foreign competition or where there are justifiable reasons for the procurement entity to restrict tendering to domestic tenderers. Here all foreign based contractors who have duly registered in Ghana with the appropriate government agencies are also eligible to tender for such contracts of the goods, works and services.

2.5.3 Restricted/Selective Tendering (RT)

According to the Manuals - Public Procurement Act, 2003 (Act 663), restricted tendering is where the works, goods or services are in the hands of few suppliers/contract actors. Restricted/selective tendering occurs when the cost and time to evaluate large number of tenders is disproportional to the value of goods/services/works to be procured. According to Dagbanja (2011), where this method is used, invitation for tenders must be made to prospective tenderers who can provide the goods, works or services. In Ghana, the use of this method requires the approval of the PPA before such procurement method can be utilized. Thus, this is a preferred method for reasons of economy and efficiency according to (Dagbanja, 2011). Dagbanja (2011) adds that this method could, therefore, be described as a ‘transactional cost-saving method of procurement.

2.5.4 Two-Stage Tendering

According to the Manuals - Public Procurement Act, 2003 (Act 663), two-stage tendering is an infrequently used procurement process in which a procurement entity invites tenders in the initial stage to contribute to the detailed specification of the goods or works following review and consultation, new detailed specification are prepared and tender document issued in the second stage to all participants who were accepted in the first-stage.

It is an appropriate method of procurement when it is not feasible for the procurement entity to formulate detailed specification for the goods or works, to identify their characteristics or the character of the goods, services or works are focus on rapid technological advances.

2.5.5 Single-Source Procurement (SS)

According to the Manuals - Public Procurement Act, 2003 (Act 663), sole source procurement takes place when the supply of goods, works, and services are in the hands of one tenderer. These are specialised goods, works, and services. This type of tendering is subject to the approval by the PPA in Ghana. Single source procurement according to section 40 of the Act 663 is used:

- (a) where goods, works or services are only available from a particular supplier or contractor, or if a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists;
- (b) where there is an urgent need for the goods, works or services and engaging in tender proceedings or any other method of procurement is impractical due to unforeseeable circumstances giving rise to the urgency which is not the result of dilatory conduct on the part of the procurement entity;

(c) where owing to a catastrophic event, there is an urgent need for the goods, works or technical services, making it impractical to use other methods of procurement because of the time involved in using those methods;

(d) where a procurement entity which has procured goods, equipment, technology or services from a supplier or contractor, determines that

(i) additional supplies need to be procured from that supplier or contractor because of standardisation;

(ii) there is a need for compatibility with existing goods, equipment, technology or services, taking into account the effectiveness of the original procurement in meeting the needs of the procurement entity;

(iii) the limited size of the proposed procurement in relation to the original procurement provides justification;

(e) where the procurement entity seeks to enter into a contract with the supplier or contractor for research, experiment, study or development, except where the contract includes the production of goods in quantities to establish commercial viability or recover research and development costs; or

(f) where the procurement entity applies this Act for procurement that concerns national security, and determines that single-source procurement is the most appropriate method of procurement.

(2) A procurement entity may engage in single-source procurement with the approval of the Board after public notice and time for comment where procurement from a particular supplier or contractor is necessary in order to promote a policy specified in section 59(4)(c),(d) or 69(2)(c)(i), and procurement from another supplier or contractor cannot promote that policy.

2.5.6 Price Quotation

According to the Manuals - Public Procurement Act, 2003 (Act 663), this is also known as 'shopping' and is based on comparing price quotations obtained from several tenderers. Usually, at least three sources to ensure competition and basis of comparison. Request for quotation (RFQ) may be used when the procurement entity of the organization has the mandate to do so, anything above their limit, could be referred to the District/Ministerial and Regional/Central tender Review Board.

2.5.7 Pre-qualification Method

Pre-qualification as a method of procurement is based upon the capability and ability of resources of prospective tenderers to perform the particular contract satisfactorily, taking into account their:

- i. experience and past performance on similar contracts;
- ii. capabilities with respect to personnel, equipment, and construction or manufacturing facilities;
- iii. required licensing and professional registrations; and
- iv. commercial and financial resources.

This is done either before or after the evaluation procedure to find out whether the selected firm is economically and financially prepared for the task to be undertaken.

2.6 CAUSES OF TENDER FAILURE

According to Darley (2012), there are a number of avoidable reasons why some tenders may fail. The following under listed points are number of them of which when checked well can prevent these mistakes in the tender documents/proposals.

i. Uncompleted Tender

A competitive tender is not just a consideration of the price, although it is an important aspect. A competitive tender is a tender that can compete with other

tender documents in terms of price, quality and delivery; meeting all the requirements of the buyer as specified in the tender document. A competitive tender is a tender that has been completed very well by meeting all the requirements stated and offers good value for money (Darley, 2012).

ii. Unclear Specification

The specification must be clear and easy to compare with others. Unclear specification makes comparison very difficult and adds up to the tediousness of the evaluation process (Darley, 2012 & Bowersox, 2007).

iii. Requirement Not Met

A basic rule for goods, works and services tender is that, it meets all the requirements, and answers all the questions (if any). Failure to address all the requirements, or skipping questions, is likely to result in tender failure. Where the Suppliers, Contractors and Consultants are unsure of what the buyer is asking for, it is advisable to ask for clarification earlier on in the tender process, rather than to miss a question out entirely (Darley, 2012).

iv. Obliterated Information

Additional and supporting information is likely to be asked for during the tender process, for example policies, accounts and references will usually be needed. Tenderers should not forget to include this and reference it clearly within the tender. Tenderers should also provide supporting evidence to back up statements and always give the buyer enough information to make a decision based on the information supplied (Darley, 2012).

v. Administrative Errors

Administrative errors such as;

1. failing to sign or stamp the tender;
2. not submitting in the format requested;

3. submission errors such as failure to submit on time;
4. submission to the wrong person or wrong place/office, can all lead to tender failure (Darley, 2012 & Bowersox, 2007).

Darley (2012) concludes that, reading and taking note of the tender instruction, along with proof-reading your submission will help to avoid these mistakes.

Companies are likely to be unsuccessful for the following reasons:

- i. If the company fails to comply with closing dates and times for submissions. According to the Act 663 section 53(9).Tenders received by the procurement entity after the deadline for the submission of tenders shall not be opened and shall be returned to the supplier or contractor who submitted it.
- ii. Tenderers failure to comply with 'Instructions to Tenderers'. Every invitation or Tender document has its own instruction and all interested and invited tenderers must comply with the rules and regulations of these documents (Bello, 2003).
- iii. Tenderers failure to complete or submit the necessary documentation. Failure to complete the tender documents or price schedule form or failure to submit any requested sample renders the submission to be uncompleted and might lead to failure to win the contract (Act 663 section 58(2)).
- iv. Tenderers failure to match specifications. Not meeting the outlined specification renders the tenderer to deviate from what the institution wants, but this failure to match the exact specification talks about going beyond what has been already stated in the bidding documents

or in the invitation to tender. Tenderers should not forget that over specifying adds up to their total cost of the product and if all things being the same their price will be higher and it will surely turn them down (Hunja, 2003, Bevilacqua, M. & Petroni, A. 2002).

- v. Tenderers failure to demonstrate the necessary financial stability. This type of failure is very common to pre-qualification. That is investigating to find out if only that company is financially sound and can really perform the task to expectation (Bello, 2003 & Bowersox, 2007).
- vi. Tenderers failure to demonstrate sufficient resources to undertake the contract. Tenderers may also fail if they show that they do not have enough resources to undertake the contract and also to find out if the company is not presently undertaken any job that will hinder the current contract to be offered (Adjei, 2006).
- vii. Tenderers failure to provide samples, when requested. Providing sample is one of the requirements in order to win a contract and failure on the side of the supplier to provide sample might lead to their failure (Dagbanja, 2011).
- viii. Tenderers failure to submit the most cost effective, value for money offer. There is no way that a contract will be awarded to two firms at the same time if their total contract sums are the same. At the end of the evaluation process, if all the participating firms complied with all the requirements and instruction to tender the only thing left for separating the men from the boys becomes the price. There are instances where at the end of the process two companies will tie in the race and if this happens then their past experience with regards to the

companies and their delivery records will be used to award the contract (Dagbanja, 2011 & Lysons, 2005).

2.7 PROCEDURE FOR SUBMISSION AND OPENING OF TENDERS AND QUOTATIONS

According to the Dagbanja (2011), there are several procedures for inviting tenders. Tenders shall be submitted in accordance with requirements set out in the Invitation to Tender. Tenders shall be kept in a safe place and remain unopened until the time and date specified for their opening. No tenders received after the specified date and time for their receipt shall be considered by the procurement entity (sec. 53 (1) of Act 663). Tenders shall be opened by an Authorised Official. An immediate record shall be made of the tenders received including names, addresses, value and the date and time of opening. Tenders must be opened in public in the presence of at least three officers, including a member of the Entity Tender Committee. Immediately after the closure, no late tenders shall be accepted (Sec. 53(9) of Act 663). These must be returned unopened to the tenderer.

Tenders are opened in public immediately after the closing time and date. The names of the tenderers and prices submitted are read out. Tenders are forwarded to the relevant evaluation board once the administration has been completed by the Opening team/committee. After public opening of tenders, information relating to the examination, clarification and evaluation of bids and recommendations concerning awards shall not be disclosed to bidders/tenderers or other persons not officially concerned with the process, until the successful bidder is notified of the award and all alterations on the tender document need to be initialed and signed.(Dagbanja, 2011).

According to the manuals, Act 663, if a tender is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions and

specifications in the bidding documents, it should not be considered further. The tenderer should not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

The Procurement Unit will co-ordinate the Tender Opening, ensure smooth operation of the proceedings, take a register of attendance, prepare Minutes of the opening, and advise the Chairman of the opening session on procedural issues if requested.

A Tender Opening Panel shall comprise at least 3 persons, including a member of the Entity Tender Committee. They shall ensure that minutes of the tender opening proceedings are duly written. For purposes of transparency it is not permitted for a tender opening to be halted or postponed once the process begins. This is to ensure that the procurement principles are been adhered to; that is transparency, fairness and equity.

2.8 PROCEDURE FOR TENDER EVALUATION

The evaluation of tenders is the stage in the procurement process during which a contracting authority identifies which one of the tenders meeting the set requirements is the best one on the basis of the pre-announced award criteria, either the lowest-priced or the most economically advantageous tender. The qualified tenderer whose tender has been determined to be either the lowest-priced or the most economically advantageous, as the case may be, is awarded the contract (sec. 59(3) of Act 663).

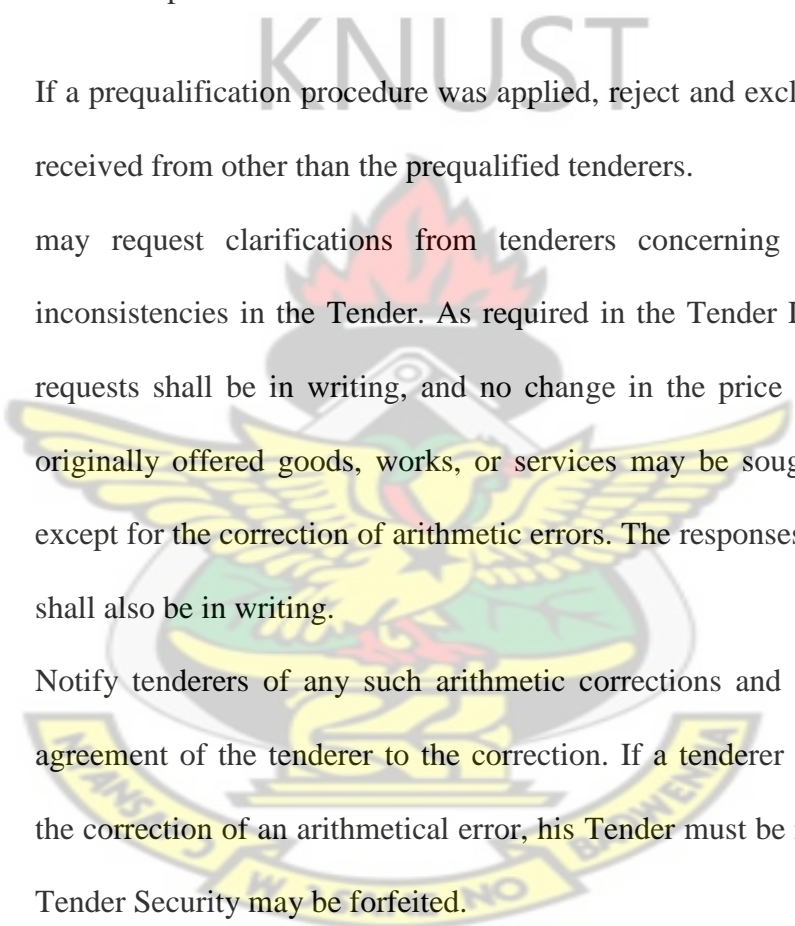
The evaluation of tenders must be carried out by a suitably competent evaluation panel and in accordance with the general law and Treaty principles of equal treatment, non-discrimination, and transparency. The confidentiality of the information acquired by those involved in the evaluation process must be preserved (Dagbanja, 2011).

The directive sets out the criteria on the basis of which contracts are to be awarded, and it also specifies that the award of contracts is to take place after the selection of

economic operators has taken place. The directive does not contain specific rules on how the process of evaluation of tenders should be structured or on the organisation and responsibilities of the evaluation panel. This procurement briefing provides general guidance and examples of good practice in the evaluation of tenders.

2.8.1 Preliminary Examination of Tenders

The procedures for examination of tenders and clarifications must be conducted in accordance with the specific terms contained in the Tender Document used.

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- The logo of KNUST (Kenya National University of Science and Technology) is a large, faint watermark in the background. It features a central shield with a yellow eagle with spread wings, a green base, and a red flame-like shape at the top. The shield is flanked by two yellow banners. The text 'KNUST' is written in large, bold, grey letters across the top of the logo. Below the shield, the motto 'KINROSSI WAKO BUNDA' is written in a yellow banner.
- i. If a prequalification procedure was applied, reject and exclude any Tender received from other than the prequalified tenderers.
 - ii. may request clarifications from tenderers concerning ambiguities or inconsistencies in the Tender. As required in the Tender Document, such requests shall be in writing, and no change in the price or scope of the originally offered goods, works, or services may be sought or accepted, except for the correction of arithmetic errors. The responses from tenderers shall also be in writing.
 - iii. Notify tenderers of any such arithmetic corrections and request written, agreement of the tenderer to the correction. If a tenderer does not accept the correction of an arithmetical error, his Tender must be rejected and the Tender Security may be forfeited.

Any communications between the Procurement Entity and a tenderer during the preliminary examination of Tenders shall be made in writing.

2.8.2 Responsiveness of Tenders

After the preliminary examination of tenders, the Tender Evaluation Panel should examine the tenders to determine whether any issues arising from the preliminary

examination affect the responsiveness of an individual tender, and whether each tender is substantially responsive to the technical specification and contract conditions stated in the Tender Document. The determination of a Tender's responsiveness is based on the contents of the Tender itself, subject to any clarifications received in the Preliminary Examination of Tenders. A substantially responsive Tender is one that conforms to all the instructions, requirements, terms and conditions of the tender documents, without material deviation, reservation or omission. A material deviation, reservation, or omission is one that:

- a) affects in any substantial way the scope, quality, or performance of the works, services or supplies specified in the tender documents; or
 - b) would limit in any substantial way, inconsistent with the tender documents, the rights of the Procurement Entity or the tenderer's obligations under any resulting contract; or
 - c) if corrected would unfairly affect the competitive position of other tenderers presenting substantially responsive and compliant Tenders.
- i. Any tender containing a material deviation, reservation or omission, is therefore not substantially responsive, shall be rejected and may not subsequently be made responsive by the tenderer or the Procurement Entity.
 - ii. The classification of a deviation, reservation or omission as material or non-material shall be determined by the objectives and requirements of the individual procurement requirement, as stated in the Tender Document, and shall take into account the impact on key factors, such as cost, risk, time and quality.

Material deviations, reservations or omissions may typically include:

- i. unacceptable time schedules for delivery compared with requirements stated in the Tender Document;
- ii. unacceptable alternative technical details, such as inferior design, materials, workmanship, specifications, standards or methodologies; or
- iii. unacceptable counterproposals with respect to key contract terms and conditions, such as payment terms, price adjustment, liquidated damages, sub-contracting or warranty.

Non-material deviations may include:

- i. longer delivery schedules unless this takes delivery past a clearly defined cut-off date stated in the Tender Document;
- ii. minor deviations in the payment terms required;
- iii. tenders offering goods to alternative, but equal or superior specifications and performance;
- iv. tenders offering the specified goods but omitting minor attachments or components (e.g. a missing toolkit for a vehicle).

The classification of deviations, reservations and omissions as material or non-material must be consistently applied to all Tenders. Where a Tender is determined to be substantially responsive, the Evaluation Panel may waive, clarify or correct any non-conformity, error or omission, which does not constitute a material deviation. Such nonconformity, error or omission should be quantified in monetary terms to the extent possible and taken into account in the financial evaluation and comparison of Tenders.

2.8.3 Financial Evaluation of Tenders

Tenders that are determined to be substantially responsive to the requirements of the Tender Document shall be subjected to financial evaluation to determine the evaluated price of each Tender, and the lowest evaluated tender.

The evaluated price for each Tender is determined by:

- i. taking the Tender price, as read out at the tender opening;
- ii. correcting any arithmetic errors, in accordance with the methodology stated in the Tender Document;
- iii. applying any non-conditional discounts offered in the Tender;
- iv. making financial adjustments in accordance with the Tender Document for any non-material non-conformity, error or omission. Pricing of components or features which are omitted in a Tender should be based on the highest prices for corresponding components, items, etc., in other responsive Tenders.
- v. If these are not available, pricing from external sources such as printed parts list, price lists, etc. should be used. No additional credits should be given for offered features that exceed the required standards or specification, e.g., additional horsepower or capacity, unless there is a specific provision for this in the Tender Document;
- vi. converting all Tenders to a single currency, using the currency and the source and date of exchange rate indicated in the Tender Document; and
- vii. applying any margin of preference indicated in the Tender Document.

Tenders shall be compared by ranking them according to their evaluated price to determining the Tender with the lowest evaluated price.

2.8.4 Treatment of Discounts

Tenderers may be permitted to offer discounts to their Tenders, which shall be included in the Tender and read out at the tender opening. Any discount offered after

the deadline for submission of Tenders must not be taken into account. Any non-conditional discounts shall be taken into account in the financial evaluation and comparison of tenders. Any prompt payment discount included in a Tender shall become a term of the contract, if that Tender is accepted, and utilised by the Procurement Entity, if payment is made in accordance with the terms of the discount. However, prompt payment discounts must not be considered in the evaluation and comparison of tenders.

2.8.5 Post -Qualification (Repeat Tender Qualifications)

A successful tenderer may be required to demonstrate its qualification again (Act 663 sec. 61) based on the criteria and procedures set out in the tender documents (Act 663 sec. 62(1)). Post-Qualification of the lowest evaluated responsive tenderer should be conducted to determine the tenderer's capability to perform the contract. Using the criteria specified in the Tender Document, this review should include an assessment of the tenderer's financial and physical resources available to undertake the contract, including his current workload.

- i. If pre-qualification was conducted, the lowest evaluated responsive Tender should be recommended for the award of contract, unless the tenderer's qualifications have since materially deteriorated, or if the tenderer has since received additional work that reduces the available capacity.
- ii. Where pre-qualification has not taken place, the lowest evaluated responsive Tender should be subjected to post-qualification, according to the procedures described in the Tender Document.
- iii. If the lowest evaluated responsive tenderer fails post-qualification, his Tender should be rejected, and the next ranked tenderer should then be subjected to post-

qualification examination. If successful, this tenderer should receive the award. If not, the process continues for the other tenderers.

- iv. The rejection of a Tender for reasons of qualification requires substantial justification, which should be clearly documented in the attachments to the Evaluation Report.
- v. A history of poor performance may be considered a justification for failing post-qualification if the tenderer is unable to demonstrate that steps have been taken to resolve previous problems.

According to Dagbanja 2011, the value of prequalification is to allow the Government to be sure of the capacity of the successful tender to perform the contract.

2.9 REVIEW AND APPROVAL OF EVALUATION REPORT

The appropriate review authority (Head of Procurement Entity, Tender Committee, District, Regional, Ministry or Central Tender Review Board) in accordance with the thresholds stated in the schedule, will review the evaluation report and recommendations presented in the Evaluation Report.

The approval shall be 'One stop' only, that is concurrent approvals must be obtained. The review authority, before giving approval, will ensure that any written complaints made by tenderers concerning the tender process have been addressed and responded to. If the complaint reveals a serious breach of procedures or ethics, the review authority may recommend rejection of the evaluation report and call for re-tendering.

2.10 EFFECTS OF TENDERERS' UNSUCCESSFULNESS ON THE TENDERERS AND THE ENTITY

An effective public procurement system is essential for good governance. A poor procurement system results in higher costs to government and the public. Tenderers unsuccessfulness delays project implementation which further increases cost, leading to poor project execution performance and delays the delivery of benefits to the beneficiaries. Procurement problems also increase scope for corruption, generate more

complaints and raise concerns about the integrity of the procurement process. Finally, poor procurement discourages good firms (both local and foreign) from participating in tendering, thus deprives the country of receiving better prices and goods, works and services (World Bank, 2000).

There is less participation in economic activities by the private sector if the government is not seen as a reliable or fair business partner. This reduces private competition and value for money obtained by the government and also reduces private sector growth and investment. It can result in higher tax levels, higher levels of debt (or the inability to repay existing debts) or reduced public service. Reduced public services mean reduced standards in health care, education, infrastructure, among others, negatively affecting the country's development and poverty reduction initiatives. Donors have less confidence in the governments of developing countries and reduce levels of assistance or insist on their own procurement procedures. When Goods, works and services are delivered or completed late, it affects the delivery of public services and completion of projects. Stores are not managed well, leading to stock-outs becoming obsolete as a result of excessive stock-holding. Goods, works and services are of poor quality and quickly deteriorate or fail, for example; a sub-standard item will quickly spoil, requiring repair (PPA, 2007). Fluctuation of prices in developing economies has a negative impact on tenderers and government's gross expenditure, thereby affecting the overall procurement yearly budget. Price is one of the components of evaluating procurement and the last to be considered during evaluation (Adu-Sarfo, 2011).

According to Weele (2000), purchasing procedures are usually embedded in lots of bureaucracy and require that every superior puts his signature under the intended order. The extensive authorization procedures make procurement a tedious, laborious

and slow process. It explains why most procurement entities within the governments of developing countries are more procedural rather than result oriented. The author argues that his experiences with governmental procurement projects show that lack of proper procurement procedures and a professional approach to purchasing may lead to significant cost overruns and overruns of time schedules. According to Weele (2000), the European Commission (EC) estimates that its member countries annually would save at least 4% of their purchasing budgets, provided that they would apply consistent and competitive tender procedures in their dealings with tenderers.

This means that bureaucracy and undue procedures in Procurement process may lead to loss of money through over spending and it affects government budget. It is also clear that Weele's view is not far different from the World Bank's assertion that delays as a result of bureaucratic system increase government expenditure.

According to Vogel (European Commission, 2009) efficiency gained in public procurement brought tangible macroeconomic benefits. Cheaper procurement relaxed the budgetary pressure and created fiscal space and increased productivity in sectors due to increasing competition among procurement tenderers and contractors.

The few empirical studies (Coppens, 2009, European Economics, 2006, Iimi, 2007) quantified the cost savings from transparency and competition in procurement markets; they concluded that rules and procedures that promote transparency and competition tend to reduce procurement prices substantially.

2.11 PROCUREMENT PRINCIPLES AND ETHICS

The fundamental goal of a good procurement system is to procure the right quality of goods, works or services from a dependable tenderer in the right quantity ensuring cost effectiveness. Procurement stuffs are to be delivered at the right time, to the right

place, in the right amount of quantity and quality and at the right price whilst achieving the lowest possible total cost.

In the attainment of the objectives of a good procurement system the following factors are of highest importance: Professionalism and Transparency; Value for money; Competitiveness and Accountability; and other factors include Fairness; Efficiency and ethical approach to the conduct of procurement functions, Lysons (2005).

2.11.1 Professionalism and Transparency in Public Procurement

According to Adjei (2006), procurement professionalism refers to the vocation whereby educated, experienced and responsible procurement officers make informed decisions concerning procurement of works, goods and services and argues that the role which procurement professionals perform in the procurement system of the Ghanaian economy is critical to the economic development of the nation. This therefore evident the fact that one essential aim of the Public Procurement Board is to promote professionalism in procurement and provide the professional development, support for individuals and MDA's engaged in public procurement. The Board is to ensure adherence to ethical standards by trained persons in procurement processes.

Transparency in procurement on the other hand means making the procurement process open to all tenderers and contractors of goods, works and services and that the procurement process is open for all stakeholders and interested parties to see. Adjei (2006) mentions that transparency requires the creation of open and fair method of acquisition of goods, works and services. Transparency leads to the growth of in-country investments and competitiveness and the public sector is seen as a responsible business partner. Transparency is considered one of the best restrictions to corruption and it offers access to information to the public. Transparency is a fundamental standard of high-quality public procurement. An open and transparent procurement

process improves competition, increases efficiency and reduces the threat of unfairness or corruption.

A robust transparency regime enables people to hold public bodies and politicians to account, thereby encouraging trust in a nation's institutions. Transparency also supports the wise use of limited development funds, from planning investments in advance to measuring the results. Much development has been achieved in improving progressive assistance, and pledge to build on the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2008) and the Busan Global Partnership for Effective Development Cooperation (2011).

2.11.2 Value for Money and Competitiveness in Public Procurement

Value for money is a way of associating alternatives for the supply of goods, works and services. Assessing value for money consist of consideration of a number of factors. These comprises the contribution to the advancement of Government Priorities; cost related factors such as whole life of a product and transaction costs as well as non-cost factors such as fitness for use, quality, service and support, and sustainability issues. (AU Policy, 2007).

The concept of Value for Money (VFM) in everyday life according to Glendinning (1988) is easily understood as not paying more money for a good or service than ensuring that its quality or availability justifies the procurement.

In relation to public spending it means having a concern for economy, efficiency and effectiveness. In procurement the concept of value for money refers to cost minimization, output maximization and full achievement of the anticipated results. The practical conclusion is that policy makers in procurements must set precise aims so that there will be criteria to compare results. That is there should be laid down values and a means of measuring these values. VFM requires that steps must be taken

to ensure that procurement activities of public sector organizations are in conformity with these values. The concept of VFM also reflects in the price of the item procured. It is the responsibility of a Public Procurement Board according to Adjei (2006) 'to harmonize the processes of public procurement in the public service so as to secure a judicious, economic and efficient use of state resources in public procurement'. This principle of value for money in the procurement system is accentuated by the Act.

Competitiveness in procurement on the other hand refers to the active participation of the relevant private sector and or tenderers and contractors in the procurement process.

As Glendinning (1988) mentioned, competitiveness in procurement is achieved through advertising of tenders, sourcing reviews, prequalification and the adoption of transparent procedures in the procurement systems. Glendinning (1988) adds that the benefits of competitiveness in procurement cannot be over emphasized. It makes potential savings for the economy, increases in the tenderer interest and develops local industries within the economy. Barrows *et al.* (2003) suggests that competitiveness in procurement eventually leads to economic development and poverty reduction because corruption and frauds in procurements are avoided or at least minimized.

2.11.3 Accountability, Fairness and Efficiency in Public Procurement

Accountability, fairness and efficiency are three cardinal pillars that procurement reforms seek to achieve in that a very fair and accountable procurement system helps in the efficient utilization of the state resources. Barrows (2003) concludes that procurement practitioners need to be very fair in their day-to-day dealings with their tenderers and potential tenderers and the public at large in order to earn the trust of the various actors within the procurement system.

Thompson (1991) defines accountability as the process of holding an individual or an organization fully responsible for actions and inactions for functions they are engaged in over which they have authority to exercise their discretions. Thompson outlines the benefits of accountability and fairness as follows:

- i. The strengthening of the perception of transparency and fairness;
- ii. The reduction of the incidence of corruption; and,
- iii. The development of mutual trust and the fact that procedures are adhered to in all stages of the tendering process.

2.11.4 Ethical Standards in Public Procurement

Heady *et al.* (1996) say that ethics has to do with upholding moral principles and values which influences an individual's beliefs, actions and decisions. It involves leading an unquestionable lifestyle especially within the professional domain. Schapper *et al.* (2006) mention that in the procurement system, ethical standards and considerations are very important for the following reasons:

- i. Procurement staff act as representatives of their organizations in dealing with tenderers in a likened principal-agent theory;
- ii. Excellent ethical conduct is exhibited in dealing with tenderers and contractors;
- iii. It creates a good buyer-tenderer relationship;
- iv. Procurement officers are more exposed to acting ethically than most other employees. (Public Procurement Act, 2003 (Act 663)).

To ensure good ethics in procurement, Section 86 of the Public Procurement Act, 2003 (Act 663), requires the Procurement Board to publish and compile code of conduct for procurement activities. According to the Act, officials and their

immediate families must not sell goods and services to their own agency for ethical reasons. Ethics requires officials not to disclose to any third party confidential or proprietary information. It requires further that officials are to avoid conflict between their personal financial interests and their official duties and are not to accept directly or indirectly any gift from any person or entity which has or seeks to obtain a contract with their own agency, department or ministry. (Public Procurement Act 2003, Act 633)

Section 32 of the Act 663 places emphasis on ethics in procurement and therefore states that a procurement entity shall reject a tender, proposal, offer or quotation if the tenderer, contractor or consultant that submitted it offers, gives, or agrees to give, directly or indirectly to any current or former officer or employee of the procurement entity or governmental authority, a gratuity of any form, an offer of employment, or any other thing of service or value as an inducement with respect to anything connected with a procurement entity and procurement proceedings (Public Procurement Act, 2003 Act 633). Section 32(2) states that, ‘a procurement entity shall record any such attempt in its record of proceedings and immediately notify the Public Procurement Board of any attempt to influence an award of contract or performance of a contract’ (Public Procurement Act 2003, Act 633).

The Act indeed has cautions against corruption in procurement between procurement officers and tenderers and contractors simply because corruption increases the cost of procurement to tax payer and the procurement entity.

The private sector is not exempted from responsibility to act ethically and transparently in procurement proceedings with the Government of Ghana. For this reason the Act requires tenders to sign a formal declaration before being allowed to participate in any procurement process (Public Procurement Act 2003, Act 633).

2.12 SANCTIONS

The adherence to the provisions of the Act and Regulations by public officials is obligatory and therefore failure to do so is considered an offence which is subject to sanctions. According to Section 92 of the Public Procurement Act, 2003 (Act 633), officials suspected of non-adherence to the rules and regulations and found guilty following investigations would be suspended and his or her benefits including salary withheld while officials found misappropriating government funds regardless of the value are to be summarily dismissed. Hence Section 92 of Act 663 establishes that contravention of any provision of the Act is an offence and stipulates the penalties to be applied while Section 93 of the Act defines corrupt practices in terms of article 284 of the Ghanaian constitution, and the Criminal Code of Ghana, Act 29 (1960).

Hunja (2003) concludes that when it comes to the enforcement of procurement rules and regulations the mechanisms of enforcement should not become a barrier so as to make the system inefficient, bureaucratic and costly. The non-compliance to procurement rules and regulations do not help in the achievement of the objectives by which procurement Act was implemented. Non-compliance of procurement rules therefore is considered a major hindrance to the effective implementation of any such procurement laws.

CHAPTER THREE

RESEARCH METHODOLOGY AND ORGANISATIONAL PROFILE

3.0 INTRODUCTION

The objective of this study was to find out the reasons why some tenderers fail in the tendering process at KNUST and to suggest ways by which these causes can be rectified. The literature review in the previous chapter represented studies that have been done by other people. It highlighted the various findings that were made using various models and tools. This chapter discussed the research tools and methods of data collection used. It spelled out types of data and their sources and sample size, described the questionnaire design, and outlined the limitations encountered with the data collection process.

3.1 RESEARCH PURPOSE

According to Yin (2003), the three different research purposes are exploratory, descriptive and explanatory. The study adopted the descriptive purpose based on the assertion that the descriptive study is best suitable when the research problem is clearly structured and defined and when there are no intentions to find out connections between causes and symptoms (Ericksson and Wiedersheim-Paul, 1997).

This study focused on tenderer selection criteria and the reasons why tenderers fail in the tendering processes at KNUST. Since the research problem was clearly structured and stated in the problem discussions and there were no lack of ideas in the area of finding the causes for tenderer's failure at KNUST, a descriptive purpose was used. The key stakeholders for the tendering procedures were interviewed to find out some of the causes and ways to mitigate and correct these causes for effective and efficient

procurement procedures to get value for money in the tendering process in order to award a contract.

3.2 RESEARCH APPROACH

According to Holme and Solvang (1997), there are two different approaches to research and these include the quantitative and qualitative approaches. This study adopted both approaches. The qualitative approach was used to gain a deeper understanding of the problems by collecting information through interview from the key stakeholders. The qualitative approach enabled whatever the quantitative approach could not capture. On the other hand, quantitative approach was used to collect data from Committee Members, User Departments, Procurement Office Personnel and the Tenderers through questionnaires for descriptive analysis.

3.3 RESEARCH STRATEGY

According to Yin (2003), there are five major research strategies which include experiment, survey, archival analysis, history and case study. This study adopted the case study research strategy to gain a deeper insight into the reasons why the tenderers fail in the tendering process at KNUST.

3.4 STUDY POPULATION

According to Mason *et al*, 2007, population is the collection of all possible individuals, objects or measurements of interest for a study. For the purposes of this study, the population comprises major actors in KNUST which includes Procurement Committee Members; End-User Departments and Tenderers (Registered Suppliers) of KNUST. The population of this study is based on key stake holders under the KNUST tender procedures:

Table 3.1 Description of Population of Key Stake Holders under Study

| KNUST | POPULATION |
|--------------------------|-------------------|
| User Departments/Offices | 200 |
| Registered Tenderers | 500 |
| Procurement Office Staff | 35 |
| Total | 735 |

Source: Researcher's construct (2014)

3.5 SAMPLE SIZE AND SAMPLING TECHNIQUES

The researcher sampled respondents from the populations since it was extremely difficult and too expensive to collect data from the entire population. The sampling technique that was adopted for the study was purposive sampling. According to Saunders *et al.* (2007) purposive sampling enables the researcher to use his or her judgment to select cases that will best enable him or her answer his or her research questions. The researcher purposively chose key persons so far as the procurement tendering processes are concerned such as the Heads of Departments and the Directors of Principal Offices who initiate requests to provide responses to the questionnaire. The sampling was done by selecting specified number of respondents from each of the key stake holders considered for the study. Table 3.2 below shows the sample size of the various Key Stake Holders from the respective population under study.

Due to time constraints, convenience purposive sampling method was used to select 130 out of the total population of 735 that the researcher believed are affected by procurement processes which provided a fair representation of the population to enable the stated objectives to be achieved.

Table 3.2 Sample Size of Key Stake Holders and the Population

| KNUST | POPULATION | SAMPLE SIZE |
|--------------------------|-------------------|--------------------|
| User Departments/Offices | 200 | 50 |
| Registered Tenderers | 500 | 50 |
| Procurement Office Staff | 35 | 30 |
| Total | 735 | 130 |

Source: Researcher's construct (2014)

3.6 DATA COLLECTION METHOD

According to Yin (1994), there are six different sources of information which are listed as documentation; archival records; interviews; direct observations; participant observations and physical artifacts, each with different strengths and weaknesses when collecting data for a case study. Yin (1994) added that the major strength with case study is the different sources of evidence can be used, which in turn increases the validity of the study. In this study, interview was used. The interview guide was structured and as such fits perfectly with the case study. It contained a number of questions which the respondent answered with no difficulty. The interview was conducted in person. The importance of this approach was that there was a personal contact between the respondent and the researcher which increased the awareness and willingness to respond. Data was also collected from key stake holders of the institution through administering questionnaires to find out the reasons why some tenderers fail in the tendering processes at KNUST.

3.7 TYPES AND SOURCES OF DATA

The study used both primary and secondary sources of data to provide the required responses to the research questions.

The secondary sources included minutes of procurement meetings; journals; articles; and other relevant literature. These provided the conceptual and theoretical framework that reveals some of the reasons why tenderers continuously fail in the tendering procedures to increase the level of competition and increase the element of value for

money in the process. The conceptual issues that were derived from the secondary sources of data included the meaning of the concept of procurement management for tenderer selection and how to manage them in general.

The primary data were gathered through direct interviewing using structured interview guide; open ended; structured questionnaires; and participant observation of the process.

3.7.1 Questionnaire Design

The research questions were developed by the researcher in a way that best suits the demand of the topic and were reviewed by some experts in academia and in procurement practice. Subsequently, a pilot test of the questionnaire and interview was conducted for ten (10) participants in order to identify and eliminate potential ambiguity in the questionnaire. Generally, the questionnaire is designed to collect general data from the Procurement Committee Members, staff of KNUST (Both User department and the Procurement Office Staff) and the Tenderers. These questions were grouped in categories to collect data on nature of causes and effects of tenderers failure, as well as identifying ways to mitigate and eliminate these problems and causes in the KNUST working environment.

All items were rated by participants on a five-point Likert scale. The instrument consisted of the following sections: Section A solicited personal and general information from the participants using objective test. Section B, solicited information on respondent's perception on the causes and effects of failures on tenderers. In section C each item was scaled from 1-5 with the statement: **Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree** respectively. Questions in this section solicited data on the causes and effects of tenderers failure.

3.7.2 Questionnaire Administration

The initial questionnaire developed were pilot tested with the ten respondents each at the three sectors of the public entities to ensure that the questions were clear and not ambiguous, such that responses would be consistent with the purpose of the study. Few questions were reviewed as a result of non-response from the respondents of the pilot study. This was done to improve the reliability and validity of the questionnaire. The questionnaires were self-administered on one-to-one basis to the respondents willing to fill or provide answers to the questionnaire at the entities premises. The completed questionnaire was taken by the researcher on the same day and after if the respondents were not willing to fill it that day. The primary data collected was reviewed by the researcher to ensure maximum accuracy, legibility, completeness, consistency and to reduce ambiguity.

3.8 DATA ANALYSIS

The quantitative data were analyzed using the Statistical Package for Social Sciences (SPSS) software version 17. The SPSS results were categorized into tabular and graphical output to allow for easy discussion. The information gathered through the interview was used to support the quantitative data analysis and its explanations.

The minutes of the procurement meetings forms the basis of the qualitative analysis supported by the quantitative analysis to give a clear picture of the causes of the supplier failure.

3.9 VALIDITY AND RELIABILITY

Validity and reliability are the two measurements of the quality of a research. Validity is about measuring what was intended to measure while reliability is the degree to which a research consistently measures an attribute. According to Yin (1994), four different and commonly used tests are used to ensure the quality of the research.

These include construct validity; internal validity; external validity; and reliability. Internal validity was not considered because the study adopted a descriptive approach.

3.9.1 Construct Validity

Construct validity was increased because the respondents were given the issues the interview would be focused on in advance. In this way, the respondent could prepare adequately for the interview and avoid misunderstandings. Before the interview was conducted, the supervisor for this study commented and approved the interview guide. Fellow students also read through the interview guide to make sure the questions were easy to understand and answer. In order for no information to get lost, notes were taken during the interview. The same was done with the questionnaires that were administered to some selected customers of the organization.

3.9.2 External Validity

External validity was increased by interviewing people with the most knowledge in the field of procurement and tendering processes for effective and efficient tendering processes. Also some selected key stake holders were given questionnaires to answer regarding their experiences in procurement practices and their positions as far as initiating of procurement orders are concerned.

3.9.3 Reliability

The researcher interviewed the right people with sufficient knowledge at the institution and key stake holders that match the institution's target. This generated dependable and accurate results.

3.10 ETHICAL ISSUES

The researcher paid attention to all aspects of research ethics regarding the rights and obligations of both the researcher and the interviewees. Those aspects included avoiding plagiarism, being competent and reviewing literature to produce high quality

research, informing interviewees about the research, avoiding coercing interviewees to participate, avoiding harming the interviewees and protecting interviewees' rights to confidentiality (Ticehurst and Veal 2000, Zikmund 2000).

In addition, this research strictly adhered to Southern Cross University's code of ethics, as published for doctoral theses by Professor Chad Perry of the Graduate School of Management (1998b). For example, the researcher was careful to explain the purpose of the research to interviewees and to involve them only with their full prior knowledge and consent. This study avoided any kind of deception by fully informing the interviewees of the details of the research procedures and consequences and by respecting their rights to privacy throughout the process.

3.11 LIMITATIONS AND SCOPE OF RESEARCH

One of the problems faced during the research was the issue of honesty and truly detailed answers to the questions from the participants. Most of the participants since they work in the public sector did not want anybody to know of their identity and thought that the answers they provided might be used against them. The researcher overcame this problem by not mentioning their names or trying to know their identities. Another problem encountered was difficulty in gaining access to participants because most of them would not want to talk publicly. The researcher used an alternative method of interviewing the participants by approaching them at their convenience. Time and lack of financial resources were also problems encountered in the research. Thus the research concentrated only on participants within the Ashanti Region.

3.12 PROFILE OF KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

The Kwame Nkrumah University of Science and Technology (KNUST), Kumasi started as the Kumasi College of Technology by a Government Ordinance on 6th October, 1951. It began formal operations on 22nd January, 1952, with 200 Teacher Training students who were relocated from Achimota College to form the pioneering students of the College. Before its accession to a University status in 1961, the College expanded enormously in academic disciplines and infrastructure. This began with the establishment of the School of Engineering and the Department of Commerce in October 1952, the Departments of Pharmacy and Agriculture in 1953, followed by the Department of General Studies, School of Agriculture, Town Planning and Building, and the Faculty of Science.

In January 2005, the University was organised into Colleges to allow for greater academic and administrative autonomy. Under the new system, the various Faculties have been condensed into six Colleges (KNUST Facts and Figures, 2014).

3.12.1 KNUST Strategic Mandate

The Act of establishing the University defines its mandate, which essentially is to provide higher education, undertake research, disseminate knowledge and foster relationships with the outside persons and bodies. The strategic mandate of the University is derived from Science and Technology in its name (KNUST Facts and Figures, 2014).

3.12.2 KNUST Vision

To be globally recognized as the Premier Centre of excellence in Africa for teaching in Science and Technology for development; producing high calibre graduates with

knowledge and expertise to support the industrial and socio-economic development of Ghana and Africa.

In summary, the vision can be stated as "Advancing knowledge in Science and Technology for sustainable development in Africa"(KNUST Facts and Figures, 2014).

3.12.3 KNUST Mission

To provide an environment for teaching, research and entrepreneurship training in Science and Technology for the industrial and socio-economic development of Ghana, Africa and other nations. KNUST also offers service to community, is opened to all the people of Ghana and positioned to attract scholars, industrialists and entrepreneurs from Africa and other international communities (KNUST Facts and Figures, 2014).

3.12.4 KNUST Core Values

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- The KNUST logo is a circular emblem. At the top is a red torch with a flame. Below the torch is a yellow eagle with its wings spread, perched on a green shield. The shield features a white star and a red diagonal stripe. At the bottom of the emblem is a yellow banner with the text 'WANSAPƆ W Ɔ SANE NO BADWENNA' in black. The list of core values is positioned to the left of the logo.
- i.** Leadership in Innovation and Technology
 - ii.** Culture of Excellence
 - iii.** Diversity and Equal Opportunity for All
 - iv.** Integrity and Stewardship of Resources

CHAPTER FOUR

DATA ANALYSIS, DISCUSSIONS AND PRESENTATIONS

4.0 Introduction

The focus of this chapter is on the analysis of data gathered from the field with the aid of minutes of procurement meetings, questionnaires and interviews. Collection of data for this study was centered on three main stakeholders within the institution that are directly involved in the Public Procurement Act. These include the User Department, Tenderers (Suppliers) and the Procurement Office (Professionals and mandatory body obliged to undertake procurement activities). This was mainly done to gather information to find out the causes of tenderers failure leading to unsuccessfulness in the contract award at KNUST. It was however necessary to consider issues that cause or lead to tenderers unsuccessfulness in the tendering process.

4.1 Background of Respondents for Questionnaire

A total number of one hundred and thirty (130) questionnaires were administered to stakeholders of KNUST Procurement System, out of which one hundred and thirty (130) were obtained and valid for the data analysis. These valid questionnaires used for the analysis yielded 100% response rate. This indicates that, the response rate was excellent and reflects the views of the entire population.

4.2 Background of Minutes of Procurement Meetings from 2010-2014

There are two main Procurement Evaluation Committees at KNUST as far as procurement activities are concerned. We have the Procurement Committee which sat on procurement evaluation for procurement value between GH¢0 and Gh¢5,000 and a Tender

Evaluation Panel which also sat on procurement of value GH¢ 5,000 and above for only goods.

Table 4.1 Number of Tender Evaluation Panel Meetings Held

| TENDER EVALUATION PANEL (TEP) MEETINGS FROM THE YEAR 2010 - 2014 | | | |
|--|---|---|--|
| Year | Started (a) | Ended (b) | (No. of Meetings Held within the year) From (a) to (b) |
| 2010 | Minutes of 44 th TEP Meeting | Minutes of 49 th TEP Meeting | 6 |
| 2011 | Minutes of 50 th TEP Meeting | Minutes of 56 th TEP Meeting | 7 |
| 2012 | Minutes of 57 th TEP Meeting | Minutes of 60 th TEP Meeting | 4 |
| 2013 | Minutes of 61 st TEP Meeting | Minutes of 72 nd TEP Meeting | 12 |
| 2014 | Minutes of 73 rd TEP Meeting | Minutes of 80 th TEP Meeting | 8 |
| Total of Meetings held from 2010–2014 | | | 37 |

Source: Researcher's Construct (2014)

Table 4.2 Number of Procurement Committee Meetings Held

| PROCUREMENT COMMITTEE (PC) MEETINGS FROM THE YEAR 2010–2014 | | | |
|---|---|--|--|
| Year | Started (a) | Ended (b) | (No. of Meetings Held within the year) From (a) to (b) |
| 2010 | Minutes of 317 th PC Meeting | Minutes of 336 th PC Meeting | 19 |
| 2011 | Minutes of 337 th PC Meeting | Minutes of 355 th PC Meeting | 18 |
| 2012 | Minutes of 356 th PC Meeting | Minutes of 367 th PC Meeting | 11 |
| 2013 | Minutes of 368 th PC Meeting | Minutes of 380 th PC Meeting | 12 |
| 2014 | Minutes of 381 st PC Meeting | Minutes of 387 th TEP Meeting | 6 |
| Total of Meetings held from 2010 – 2014 | | | 66 |

Source: Researcher's Construct (2014)

4.3 How Minutes are written

A minute is an official record of what is said or done during a meeting. It records the proceedings as and when the Members of the Committee will be passing on comments and taking decisions with regards to the procurement request. This analysis will start by illustrating how KNUST procurement meetings are been held, the meetings start with an agenda for the meeting inviting all the Committee Members of the meeting and an invitation extended to the respective departments making the request. This invitation indicates a day, time and venue for the meeting.

The minutes of the meeting record the Members present, those in attendance, Departmental Representative present and all the meetings begins with an opening by the Chairman who usually inform someone to pray to commit the meeting into Gods hands, conformation and adoption of the previous minutes, business for the day (this is where the actual issues for the day will be considered with the invited Representatives defending their requests), and closing of the meeting which also usually ends with a prayer.

4.4 Analysis of the Minutes of Tender Evaluation Panel Meetings

The analysis of the Minutes of the Tender Evaluation Panel Meetings are captured as follows:

4.4.1. Data collected on goods only (ICT items and Air-conditioners)

Table 4.3 Tender Evaluation Panel Results for Goods (ICT items and Air-Conditioners)

| Year | No. of Procurement in Selected Items (a) | No. of Tenderers who tendered (b) | No. of Responsive Tenderers (c) | No. of Non-responsive Tenderers (d) |
|-------------|--|-----------------------------------|---------------------------------|-------------------------------------|
| 2010 | 52 | 245 | 129 | 116 |
| 2011 | 61 | 195 | 101 | 94 |
| 2012 | 74 | 238 | 134 | 104 |
| 2013 | 83 | 274 | 189 | 85 |
| 2014 | 37 | 113 | 61 | 52 |

Source: KNUST TEP Minutes (2010 - 2014), 2014

Table 4.4 Reasons for Non-Responsive for TEP Meeting

| CAUSES OF TENDERERS UNSUCCESSFULNESS | FREQUENCY | | | | |
|---|------------|-----------|------------|-----------|-----------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Late Submission / No Submission | 3 | 2 | 2 | 2 | 2 |
| Not complying with the procurement rules indicated in the tender document | 9 | 7 | 9 | 3 | 3 |
| Company's document was not signed | 7 | 3 | 2 | 1 | 1 |
| Company's document was not stamped | 6 | 1 | 3 | 1 | 2 |
| VAT certificate was not added | 8 | 7 | 6 | 7 | 4 |
| Not complying with delivery period | 9 | 8 | 7 | 3 | 3 |
| Not providing requested sample | 5 | 4 | 8 | 3 | 2 |
| Not providing SSNIT certificate | 5 | 7 | 10 | 4 | 3 |
| Not complying/providing bid security | 4 | 5 | 9 | 3 | 4 |
| Did not quote the required currency | 2 | 1 | 1 | 3 | 0 |
| Not providing Manufacturer's Authorization | 7 | 9 | 9 | 8 | 4 |
| Failure to quote for some of the items | 5 | 2 | 1 | 4 | 4 |
| Failure to meet the exact specification | 7 | 6 | 9 | 6 | 3 |
| Under/Over quoting realistic prices | 13 | 9 | 8 | 9 | 5 |
| No notification was given as to the reason it failed | 11 | 7 | 4 | 12 | 4 |
| List of Three (3) Users (track record) | 9 | 8 | 11 | 7 | 3 |
| Not complying with After Sales Service / warranty | 6 | 8 | 5 | 9 | 5 |
| TOTAL | 116 | 94 | 104 | 85 | 52 |

Source: KNUST TEP Minutes (2010 - 2014), 2014

Pareto Chart showing the analysis of the TEP meetings Minutes

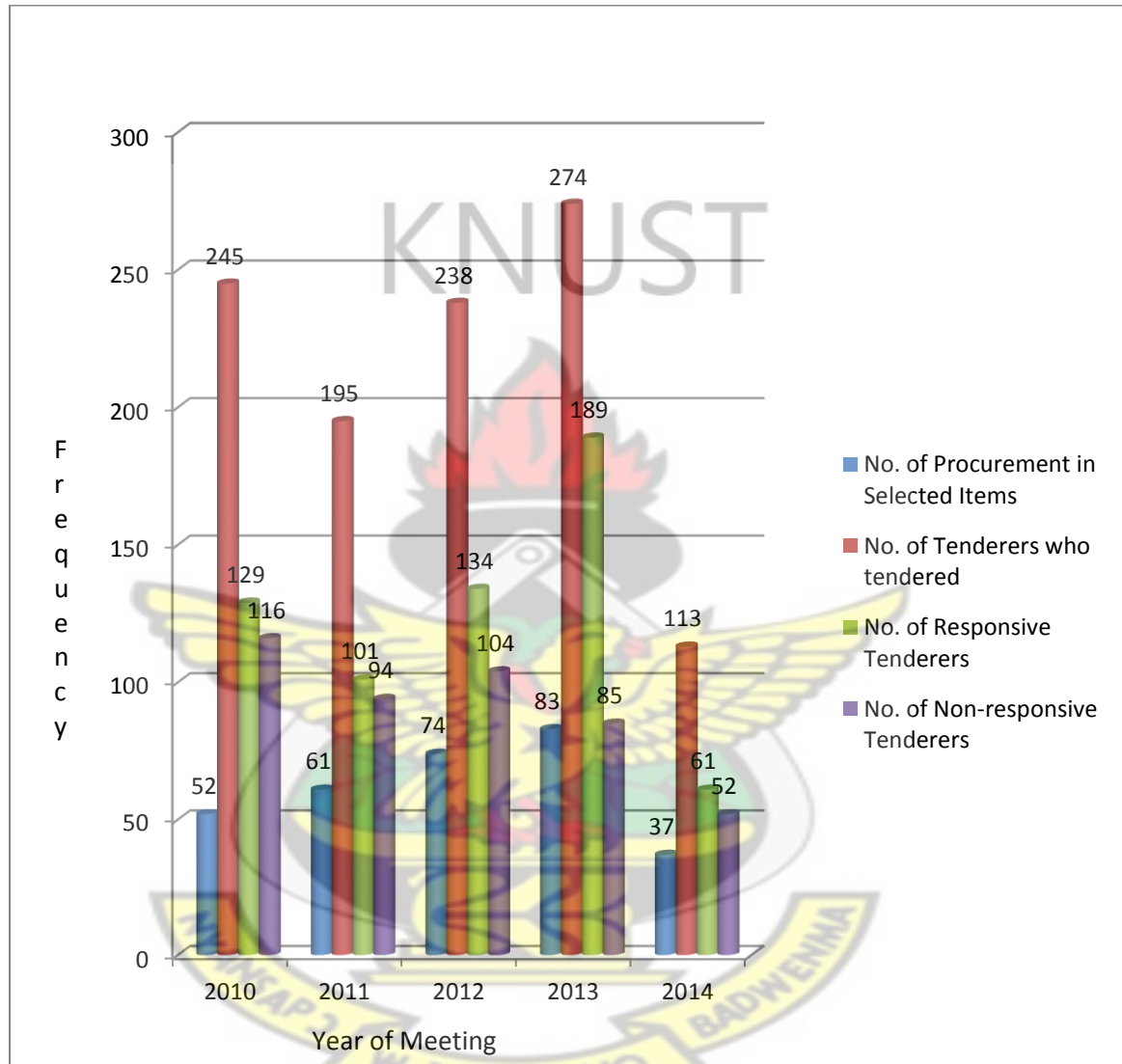


Figure 4.1

Source: Researcher's Construct (2014)

From figure 4.1 the number of non-responsive tenderers, responsive tenderers and number of tenderers participated decreased from 2010 to 2011 and rose in 2011 to 2013 and fell in 2014 because the study covered only six months (Half) of the year period.

On the other hand, the number of procurement in the selected items increased from 2010 to 2013 and then fell from 2013 to 2014 because it was only six months (Half) of the year study as per the analysis of the tender evaluation panel meetings minute.

From the chart (2010) it was observed that the invited tenderers was supposed to be 245 suppliers for the supply of ICT items and air conditioners and out of the 245 only 129 were responsive of which only 52 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract. The percentage of competition lost in the year 2010 was 47.35%. This is also huge loss to the institution so far as competition in tendering processes is concerned. Now the option left for KNUST was to rely on the 52.65% in which the institution lays it hope on.

From the chart (2011) it was noted that the invited tenderers was 195 suppliers for the supply of ICT items and air conditioners and out of the 195 only 101 were responsive of which only 61 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract. The percentage of competition lost in the year 2011 was 48.21%. This is a massive lost to the institution so far as competition in tendering processes is concern. Now the option left for KNUST was to rely on the 51.79%.

From the chart (2012) it was noted that the invited tenderers was 238 suppliers for the supply of ICT items and air conditioners and out of the 238 only 134 tenderers were responsive of which only 74 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract. The percentage of competition lost in the year 2012 was 43.70% which is quite lesser than the previous years. This is an immense lost to the institution so far as competition in tendering processes is concern. Now the option left for KNUST was to rely on the 56.30%.

From the chart in the year (2013) it was noted that the invited tenderers was 274 suppliers for the supply of ICT items and air conditioners and out of the 274 only 189 tenderers were responsive of which only 83 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract. The percentage of competition lost in the year 2013 was 31.02% which is quite below 2012. This is a huge lost to the institution so far as competition in tendering processes is concern. Now the option left for KNUST was to rely on the 68.97% which is quite encouraging as compared to the previous years.

From the chart in the year (2014) it was also noted that the invited tenderers was 113 suppliers for the supply of ICT items and air conditioners and out of the 113 only 61 tenderers were responsive of which only 52 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract. The percentage of competition lost in the year 2014 was 46.02% which is quite above 2013. This is a huge lost to the institution so far as competition in tendering processes is concerned. Now the option left for KNUST was to rely on the 53.98%.

FORMULA:

Percentage of competition lost = $\frac{\text{No. of Unsuccessful tenderers}}{\text{No. of Tenderers Invited}} \times 100$

Percentage of competition relied on = $\frac{\text{No. of Responsive tenderers}}{\text{No. of Tenderers Invited}} \times 100$

4.5 Analysis of the Minutes of Procurement Committee Meetings

The analysis of the Minutes of the Procurement Committee Meetings are captured as follows:

4.5.1. Data collected only on goods (ICT items and Air-conditioners)

Table 4.5 Procurement Committee Results on Goods (ICT items and Air-conditioners)

| Year | No. of Procurement in Selected Items (a) | No. of Tenderers Invited (b) | No. of Responsive Tenderers (c) | No. of Non-responsive Tenderers (d) |
|------|--|------------------------------|---------------------------------|-------------------------------------|
| 2010 | 53 | 218 | 127 | 91 |
| 2011 | 69 | 243 | 184 | 99 |
| 2012 | 71 | 296 | 189 | 107 |
| 2013 | 87 | 332 | 194 | 138 |
| 2014 | 33 | 148 | 80 | 68 |

Source: KNUST PC Minutes (2010 - 2014), 2014

Table 4.6 Reasons for Non-Responsive for PC Meeting

| CAUSES OF TENDERERS UNSUCCESSFULNESS | FREQUENCY | | | | |
|--|-----------|-----------|------------|------------|-----------|
| YEAR | 2010 | 2011 | 2012 | 2013 | 2014 |
| Late Submission / No Submission | 3 | 4 | 3 | 2 | 1 |
| Not complying with the procurement rules of the invitation | 7 | 12 | 9 | 15 | 9 |
| Company's document was not signed | 1 | 3 | 2 | 5 | 2 |
| Company's document was not stamped | 3 | 4 | 4 | 6 | 3 |
| Not complying VAT requested | 8 | 7 | 7 | 14 | 9 |
| Not complying with delivery period | 2 | 4 | 7 | 5 | 3 |
| Not providing requested picture of sample | 4 | 2 | 3 | 3 | 1 |
| Not complying with SSNIT requested | 5 | 6 | 9 | 7 | 3 |
| Did not respond to the LOI | 2 | 3 | 6 | 5 | 5 |
| Failure to quote for some of the items | 9 | 2 | 7 | 2 | 2 |
| Failure to meet the exact specification | 10 | 8 | 7 | 21 | 7 |
| Under/Over quoting realistic prices | 6 | 10 | 9 | 12 | 5 |
| No notification was given as to the reason it failed | 16 | 7 | 12 | 13 | 7 |
| Not complying with warranty requested | 13 | 15 | 17 | 19 | 9 |
| After Sales Service | 2 | 12 | 5 | 9 | 2 |
| TOTAL | 91 | 99 | 107 | 138 | 68 |

Source: KNUST PC Minutes (2010 - 2014), 2014

Pareto Chart showing the Analysis of the PC Meetings Minutes

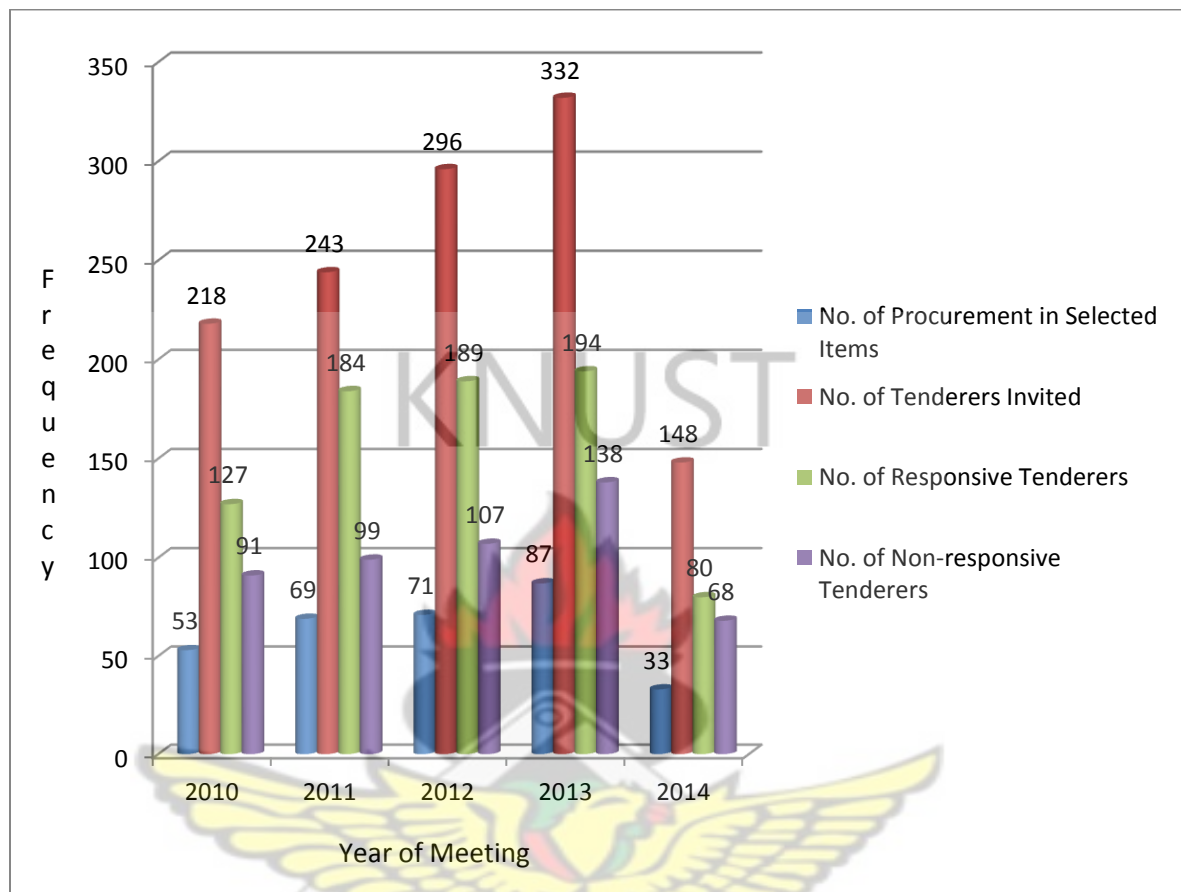


Figure 4.2

Source: Researcher's Construct from Minutes of the PC meeting (2010-2014) -2014

From figure 4.2 above, the number of non-responsive tenderers, responsive tenderers, number of tenderers participated and the number of procurement in the selected items increased from 2010 to 2013 and fell in 2014 because it was only six months (Half) of the year study as per the analysis of the procurement committee meetings minute.

From the chart (2010) it was observed that the invited tenderers was supposed to be 218 suppliers for the supply of ICT items and air conditioners and out of the 218 only 127 were responsive of which only 53 tenderers (LERT) will be selected from the number of

responsive tenderers for the award of contract. The percentage of competition lost in the year 2010 was 40.74%. This is also huge loss to the institution so far as competition in tendering processes is concerned. Now the option left for KNUST was to rely on the 59.26% in which it lays its hope on.

From the chart (2011) it was noted that the invited tenderers was 243 suppliers for the supply of ICT items and air conditioners and out of the 243 only 184 were responsive of which only 69 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract. The percentage of competition lost in the year 2011 was 41.74%. This is a massive loss to the institution so far as competition in tendering processes is concerned. Now the option left for KNUST was to rely on the 58.26%.

From the chart (2012) it was noted that the invited tenderers was 296 suppliers for the supply of ICT items and air conditioners and out of the 296 only 189 tenderers were responsive of which only 71 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract.. The percentage of competition lost in the year 2012 was 36.15% which is quite lesser than the previous years. This is an immense loss to the institution so far as competition in tendering processes is concerned. Now the option left for KNUST was to rely on the 63.85%.

From the chart in the year (2013) it was noted that the invited tenderers was 332 suppliers for the supply of ICT items and air conditioners and out of the 332 only 194 tenderers were responsive of which only 87 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract. The percentage of competition lost in the year 2013 was 41.57% which is quite above 2012. This is a huge loss to the institution so

far as competition in tendering processes is concern. Now the option left for KNUST was to rely on the 58.43%.

From the chart in the year (2014) it was also noted that the invited tenderers was 148 suppliers for the supply of ICT items and air conditioners and out of the 148 only 80 tenderers were responsive of which only 33 tenderers (LERT) will be selected from the number of responsive tenderers for the award of contract.. The percentage of competition lost in the year 2014 was 45.95% which is quite above 2013. This is a huge loss to the institution so far as competition in tendering processes is concerned. Now the option left for KNUST was to rely on the 54.05%.

FORMULA:

Percentage of competition lost = $\frac{\text{No. of Unsuccessful tenderers}}{\text{No. of Tenderers Invited}} \times 100$

Percentage of competition relied on = $\frac{\text{No. of Responsive tenderers}}{\text{No. of Tenderers Invited}} \times 100$

4.6 Analysis of Questionnaires: Demography of Tenderers, Procurement Office and User Department

Table 4.7 Company's Registration with the Registrar General

| Statutory Requirement (Business Certificates) | YES | | NO. | | Total No. of Suppliers |
|--|---------------------|------------|---------------------|------------|------------------------------|
| | No. of Suppliers | Percentage | No. of Suppliers | Percentage | |
| Registrar General | 50 | 100 | 0 | 0 | 50 |
| SSNIT | 50 | 100 | 0 | 0 | 50 |
| Ghana Revenue Authority | 50 | 100 | 0 | 0 | 50 |

Source: Field Survey (2014)

Table 4.7 indicates the suppliers status in respect of meeting the Business Statutory Requirement in Ghana. From the table, all tenderers that responded have all registered their companies with the Registrar General's Department, Social Security and National Insurance Trust (SSNIT), Ghana Revenue Authority. This means that, the firms are in good standing to do business in Ghana.

Table 4.8 Suppliers level of participation in the tendering processes

| Level of Participation | No. of Suppliers | Percentage (%) |
|---|------------------|----------------|
| Representative for tender opening meeting | 11 | 22 |
| Monitoring the tendering process | 10 | 20 |
| Sales Agent to the Supplier's | 6 | 12 |
| Completing the tender document | 11 | 22 |
| Signing of the tender | 12 | 24 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.8 indicates tenderers level of involvement in the tendering processes. From the table, 11 respondents representing 22 percent indicated that they represent their companies at tender opening meetings. 10 respondents representing 20 percent indicated that they monitor the tendering processes. 6 respondents representing 12 percent indicated that they are sales agents for their companies. 11 respondents representing 22 percent indicated that they filled the tender document. 12 respondents representing 24 percent indicated that they sign the tender document.

Table 4.9 Educational level of Suppliers

| Educational Level of Suppliers | No. of Suppliers | Percentage (%) |
|-----------------------------------|------------------|----------------|
| Primary Education | 0 | 0 |
| Junior Secondary/Middle Education | 0 | 0 |
| High School Education | 11 | 22 |
| Tertiary Education | 39 | 78 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.9 indicates tenderers (Suppliers) educational levels. From the table, 11 respondents representing 22 percent indicated that their level of education is Senior High School level. 39 respondents representing 78 percent indicated that their level of education is the Tertiary level. This evident that most of the suppliers are educated and therefore understand the requirements of the procurement processes.

Table 4.10 Staff Status at Procurement Office

| Staff Status | No. of Suppliers | Percentage (%) |
|---------------|------------------|----------------|
| Junior staff | 8 | 26.7 |
| Senior staff | 18 | 60 |
| Senior member | 4 | 13.3 |
| Total | 30 | 100 |

Source: Field Survey (2014)

Table 4.10 indicates staff status at the procurement office. 8 respondents representing 26.7 percent indicated that their status is junior staff. 18 respondents representing 60

percent indicated that their staff status is senior staff. 4 respondents representing 13.3 percent indicated that their status is senior member.

Table 4.11 How long Staff of Procurement Office have been with the department

| Length of Service of Staff at the Procurement Office | No. of Staff | Percentage (%) |
|---|--------------|----------------|
| Less than 4 years | 22 | 73.3 |
| 4-10 years | 4 | 13.3 |
| More than 10 years | 4 | 13.3 |
| Total | 30 | 100 |

Source: Field Survey (2014)

Table 4.11 indicates how long staffs have been with the department which is the procurement office. 22 respondents representing 73.3 percent indicated that they have been with the procurement office for less than 4 years. 4 respondents representing 13.3 percent indicated that they have been with the office for 4 to 10 years and for more than 10 years.

Table 4.12 Staff Status at the selected User Departments

| Staff Status | No. of Staff | Percentage (%) |
|---------------|--------------|----------------|
| Junior Staff | 0 | 0 |
| Senior Staff | 0 | 0 |
| Senior member | 50 | 100 |
| Total | 50 | 100 |

Source: Field Survey (2014).

Table 4.12 indicates the staff status at the selected user departments. All the respondents who were purposely selected were senior members of staff of which most of them are those who initiate the request for the procurement activity. This was to ensure quality of data to be collected.

Table 4.13 How long Staff have been with their departments (User Department)

| Length of Service of Staff | No. of Suppliers | Percentage (%) |
|----------------------------|------------------|----------------|
| Less than 4 years | 10 | 20 |
| 4-10 years | 12 | 24 |
| More than 10 years | 28 | 56 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.13 indicates how long staffs have been with their department. 10 respondents representing 20 percent indicated that they have been with their department for less than 4 years. 12 respondents representing 24 percent indicated that they have been with the office for 4 to 10 years and for 28 respondents representing 56 percent indicated that they have been with their department for more than 10 years.

4.7 Causes and Effects of Failures on Tenderers

Table 4.14 Supplier's registration with KNUST

| Registration Status | No. of Suppliers | Percentage (%) |
|---------------------|------------------|----------------|
| Yes | 50 | 100 |
| No | 0 | 0 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.14 indicates tenderers registration with KNUST. All respondents are registered suppliers. Under the Institution policy, any supplier or contractor who wants to deal with KNUST shall register the business with the KNUST by complying with all the terms and conditions as stated in the advertisement which was published on Wednesday, July 13, 2011 and Friday, March 21, 2014 in the Daily Graphic and the Ghanaian Times respectively. The essence of this was to find out whether all the respondents were registered and therefore the assumption was that they all know the requirement of the institution when it comes to tendering in the Institution.

Table 4.15 Involvement in any competitive tendering in KNUST

| | Frequency | Percentage (%) |
|-------|-----------|----------------|
| Yes | 50 | 100 |
| No | 0 | 0 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.15 indicates tenderers involvement in any competitive tendering process at KNUST. All respondents indicated that they have been involved in competitive tendering processes before.

Table 4.16 Procurement Method usage by the KNSUT

| Procurement Methods | Yes | | No | | Total | |
|---|------------------|----------------|------------------|----------------|------------------|----------------|
| | No. of Suppliers | Percentage (%) | No. of Suppliers | Percentage (%) | No. of Suppliers | Percentage (%) |
| Price Quotation | 46 | 92 | 4 | 8 | 50 | 100 |
| Restricted Tendering | 27 | 54 | 23 | 46 | 50 | 100 |
| National Competitive Tendering (NCT) | 36 | 72 | 14 | 28 | 50 | 100 |
| International Competitive Tendering (NCT) | 0 | 0 | 50 | 100 | 50 | 100 |
| Pre-qualification | 0 | 0 | 50 | 100 | 50 | 100 |

Source: Field Survey (2014)

Table 4.16 indicates the procurement method that tenderers have been involved in their tendering processes in KNUST. 46 respondents representing 92 percent indicated that

they have been involved in the price quotation method while 4 respondents representing 8 percent indicated that they have not been involved in the price quotation method. This shows clearly how flexible and adoptive rate of the usage of the price quotation method. This method is suitable for thresholds as stated under schedule 3 of the Public Procurement Act 663.27 respondents representing 54 percent indicated that they have been involved in the restricted tendering method while 23 respondents representing 46 percent indicated that they have been involved in the restricted tendering method. 36 respondents representing 72 percent indicated that they have been involved in the national competitive tendering method while 14 respondents representing 28 percent indicated that they have been involved in the national competitive tendering method. All the respondents indicated that they have not been involved in the international competitive tendering process before. For the pre-qualification method, all the respondents indicated that they have not been involved in the pre-qualification tendering process before.

Table 4.17 Unsuccessful Suppliers In All Procurement Methods

| Suppliers unsuccessfulness in any of the Procurement Methods | No. of Suppliers | Percentage (%) |
|--|------------------|----------------|
| Yes | 50 | 100 |
| No | 0 | 0 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.17 indicates tenderers unsuccessfulness in any of the respective procurement methods at KNUST. All the respondents representing 100 percent indicated that they have been unsuccessful in the tendering process at least once.

Table 4.18 How often do suppliers fail

| Frequency of Unsuccessfulness | No. of Suppliers | Percentage (%) |
|-------------------------------|------------------|----------------|
| Very often | 16 | 32 |
| Often | 9 | 18 |
| Not often | 25 | 50 |
| Not at all | 0 | 0 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.18 indicates how often tenderers are unsuccessful in the tendering processes. 16 respondents representing 32 percent indicated that they have been unsuccessful very often in the tendering processes. 9 respondents representing 18 percent indicated that they have been unsuccessful often in the tendering processes. 25 respondents representing 50 percent indicated that they have been unsuccessful not often in the tendering process. From the above table, it can be seen that all the suppliers in one way or the other have been unsuccessful in the tendering processes.

Table 4.19 Causes of Tenderers unsuccessfulness in Tendering Processes

| TENDER FAILURES FACTORS | YES | | NO | | Total | |
|--|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | No. of Suppliers | Percentage (%) | No. of Suppliers | Percentage (%) | No. of Suppliers | Percentage (%) |
| Late Submission | 38 | 76 | 12 | 24 | 50 | 100 |
| Not complying with the procurement rules of the invitation | 33 | 66 | 17 | 34 | 50 | 100 |
| Company's document was not signed | 30 | 60 | 20 | 40 | 50 | 100 |
| Company's document was not stamped | 30 | 60 | 20 | 40 | 50 | 100 |
| VAT component/element/certificate was not added | 32 | 64 | 18 | 36 | 50 | 100 |
| Not complying with delivery period | 35 | 70 | 15 | 30 | 50 | 100 |
| Not providing requested sample | 40 | 80 | 10 | 20 | 50 | 100 |
| Not providing SSNIT certificate | 30 | 60 | 20 | 40 | 50 | 100 |
| Not complying/providing bid security | 31 | 62 | 19 | 38 | 50 | 100 |
| Did not quote the required currency | 27 | 54 | 23 | 46 | 50 | 100 |
| Not providing Manufacturer Authorization | 29 | 58 | 21 | 42 | 50 | 100 |
| Failure to quote for some of the items | 34 | 68 | 16 | 32 | 50 | 100 |
| Failure to meet the exact specification | 41 | 82 | 9 | 18 | 50 | 100 |
| Under/Over pricing against the Institutions Budget | 47 | 94 | 3 | 6 | 50 | 100 |
| No notification was given as to the reason it failed | 39 | 78 | 11 | 22 | 50 | 100 |

Source: Field Survey (2014)

Table 4.19 indicates the causes of tenderers unsuccessfulness in the tendering process. 38 respondents representing 76 percent indicated that late submission of tender documents

was the cause of unsuccessfulness in the tendering process whereas 12 respondents representing 24 percent indicated that late submission was the cause. According to the Public Procurement Act 663, Section 53 (9) A tender which is received by the procurement entity after the deadline for the submission of tenders shall not be opened and shall be returned to the supplier which submitted it. The Standard Tender Document for goods under clause 21 also stipulates that any tender not received within the date and time specified in the Instruction to tenderers (ITT) will not be accepted and will be returned unopened. The moment the tender opening meeting commences, any tender received afterwards becomes late submission and this automatically makes the firm that brought it unsuccessful. From table 4.17, 33 respondents representing 66 percent indicated that not complying with the procurement rules of the invitation as the cause of unsuccessfulness in the tendering process whereas 17 respondents representing 34 percent indicated that not complying with the procurement rules of the invitation was not the cause. During the tendering process of the procurement activities, all the rules of the procurement procedures are well elaborated and this must be complied with the suppliers. From table 4.17, 30 respondents representing 60 percent indicated that not signing the tender documents was the cause of unsuccessfulness in the tendering process whereas 20 respondents representing 40 percent indicated that not signing the tender documents was not the cause. Suppliers' documents must always be signed and is one of the requirements in the tender documents and the invitation letters. Any supplier who does not sign its documents renders the supplier to be non-responsive. From table 4.17, 30 respondents representing 60 percent indicated that not stamping the tender documents was the cause of unsuccessfulness in the tendering process whereas 20 respondents

representing 40 percent indicated that not stamping the tender documents was not the cause. Suppliers' documents must always be stamped and is one of the requirements in the tender documents and the invitation letters. Any supplier who does not stamp its documents renders the supplier to be non-responsive.

From the table, 32 respondents representing 64 percent indicated that not adding VAT component in the tender documents was the cause of unsuccessfulness in the tendering process whereas 18 respondents representing 36 percent indicated that not adding VAT component in the tender documents was not the cause.

From the table, 35 respondents representing 70 percent indicated that not complying with the delivery period stated in the tender document was the cause of unsuccessfulness in the tendering process whereas 15 respondents representing 30 percent indicated that not complying with the delivery period stated in the tender document was not the cause. The delivery period is the duration within which the supplier is supposed to deliver the goods to the entity. Suppliers who do not meet the delivery period causes delay and make the contract to be stand still and also affect the usage of the items by the User departments.

From the table, 40 respondents representing 80 percent indicated that not providing requested sample in the tender documents was the cause of unsuccessfulness in the tendering process whereas 10 respondents representing 20 percent indicated that not providing requested sample in the tender documents was not the cause. Samples are requested in order for the User Department to access and inspect the quality to find out whether the item they requested was the exact item the Department requested. Therefore

non-provision of the sample as stated in the invitation letter or the tender document renders the supplier to be non-responsive.

From the table, 30 respondents representing 60 percent indicated that not providing SSNIT certificate in the tender documents was the cause of unsuccessfulness in the tendering process whereas 20 respondents representing 40 percent indicated that not providing SSNIT certificate in the tender documents was not the cause.

From the table, 31 respondents representing 62 percent indicated that not providing bid security in the tender documents was the cause of unsuccessfulness in the tendering process whereas 19 respondents representing 38 percent indicated that not providing bid security in the tender documents was not the cause. The institution always request for tender security because they think considering the advantages and disadvantages of the tender security and the tender bond they see the tender security more secure than the tender bond. Some suppliers also submit bankers draft instead of the tender security. Some suppliers also do not meet the percentage as stated in the tender document for the tender security. There was no doubt that 62 percent said that their failure was as a result of not complying with the tender security.

From the table, 27 respondents representing 54 percent indicated that not quoting the required currency in the tender documents was the cause of unsuccessfulness in the tendering process whereas 23 respondents representing 46 percent indicated that not quoting the required currency in the tender documents was not the cause. When suppliers do not submit their tender document without the specified language, it renders those suppliers non-responsive. From the table, 29 respondents representing 58 percent

indicated that not providing any requested information in the tender documents was the cause of unsuccessfulness in the tendering process whereas 21 respondents representing 42 percent indicated that not providing requested items in the tender documents was not the cause. During the tender evaluation, any non-compliance to the requested documentation and certification renders the suppliers non-responsive.

From the table, 34 respondents representing 68 percent indicated that their failure to quote some of the items was the cause of unsuccessfulness in the tendering process whereas 16 respondents representing 32 percent indicated that their failure to quote some of the items was not the cause. From the minutes of the procurement meetings (Tender Evaluation Panel and Procurement Committee) was observed that some of the suppliers will write “complied” against the offered specification but the brand that the suppliers will quote will be non-responsive to the offered specification. This also buttresses the fact that the committee should be made of experts and professional to come out with this technical advice as to such of these issues (concerning ICT, the voltage, storage capacity, memory, processor and performance rate of the items must be of paramount interest to the ICT Consultant).

From the table, 41 respondents representing 82 percent indicated that, their failure to meet the exact specification was the cause of unsuccessfulness in the tendering process whereas 9 respondents representing 18 percent indicated that their failure to meet the exact specification was not the cause. From the table, most of the suppliers indicated that they fail as a result of not meeting the specification of the institution.

From the table, 47 respondents representing 94 percent indicated that Under/Over pricing against the institutions budget was the cause of unsuccessfulness in the tendering process whereas 3 respondents representing 6 percent indicated that Under/Over pricing against the institutions budget was not the cause. All things being equal, if at the end of evaluation process; all the firms become technically responsive then the only thing to be used for the selection of a supplier will be based on the lowest evaluated/responsive tenderer. When this happen, all the subsequence evaluated tenderers will be unsuccessful due to higher prices the suppliers will quote. Another reason why suppliers will also fail is when the prices of the items are below the institutions budget. Usually, before the institution comes up with its budget, they might have done their own market survey and pricing below it might be as a result of the supplier providing inferior goods for the entity.

From the table, 39 respondents representing 78 percent indicated that no notification was given as to the reason why they were unsuccessful in the tendering process whereas 11 respondents representing 22 percent indicated that they were notified as to the reason why they were unsuccessful.

Table 4.20 Re-participation of Unsuccessful Tenderer

| Re-participation | Frequency | Percentage (%) |
|------------------|-----------|----------------|
| Yes | 50 | 100 |
| No | 0 | 0 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.20 indicates if tenderers would still tender again if they are not successful. From the table, all the respondents indicated that they would still tender if they are not successful. This shows how suppliers are committed and willing to win contracts and this is a positive sign for the institution therefore they have to capitalize on this to ensure that all suppliers will pass through the initial stage of the tendering process in order to get real value for every cedi spent.

Table 4.21 Enquiry by the Supplier on their causes of failure

| Enquiry | Frequency | Percentage (%) |
|--------------|-----------|----------------|
| Yes | 20 | 40 |
| No | 30 | 60 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.21 indicates whether respondents inquired from the procurement office why they were unsuccessful. From the table, 20 respondents representing 40 percent indicated that they inquired from the office why they were not successful whereas 30 respondents representing 60 percent indicated that they did not inquire from the office as to why they were not successful. This also affirms the fact that most suppliers do not know the causes of their failures. This could be as a result of the suppliers not knowing whom to inquire from, the office to contact and lack of the supplier's technical knowhow of the whole tendering processes.

Table 4.22 Responses of Enquiry made by Suppliers

| Responses | Frequency | Percentage (%) |
|--------------|-----------|----------------|
| Yes | 20 | 40 |
| No | 30 | 60 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.22 indicates whether respondents were told of the causes why they were not successful in winning the contract. From the table, 20 respondents representing 40 percent indicated that they were told of the causes why they were not successful. In reference from table 4.35, 30 respondents representing 60 percent did not inquire from the office and as such would not know the causes why they were not successful. The table also evident the fact that most suppliers were not told of the causes as to why they fail. By informing suppliers as to the reasons why they fail will help them to correct similar mistakes in future tendering procedures which in effect will help the entity to enhance value for money in their tendering processes.

Table 4.23 Suppliers estimation as to how long it takes them to receive their money after delivery of goods

| Estimated payment period | No. of Suppliers | Percentage (%) |
|--------------------------|------------------|----------------|
| 1-4 weeks | 4 | 8 |
| 4-8 weeks | 30 | 60 |
| 8-12 weeks | 16 | 32 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.23 indicates the duration in which respondents receive their money after award of contract. From the table, 4 respondents representing 8 percent indicated that they received their money within 1-4 weeks after contract award. 30 respondents representing 60 percent indicated they received their money within 4-8 weeks after contract award. 16 respondents representing 32 percent indicated that they received their money within 8-12 weeks after contract award. From the table, most of the respondents representing 60 percent of the suppliers' population said that they receive their money after delivery of goods within 4-8 weeks which is very bad and needs to be revised.

Table 4.24 Suppliers having problems or challenges with the User Departments and the Procurement Office of KNUST

| Problems | No. of Suppliers | Percentage (%) |
|--------------|------------------|----------------|
| Yes | 31 | 62 |
| No | 19 | 38 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.24 indicates whether respondents have any problem or challenge with any department or the procurement office. From the table, 31 respondents representing 62 percent indicated that they have a challenge with some department and even the procurement office. However, 19 respondents representing 38 percent indicated that they do not have any challenge or problem with any department or the procurement office. From the table a lot of suppliers indicated that they have problems; one way or the other with User Department and the Procurement Office. This is a very negative sign that needs redress as soon as possible to avoid accumulated effect on the entity. Some of them

indicated that their price variation was not approved and for that matter they could not supply the goods due to the delays in the process. Others also said, they were not informed as to the reasons why they fail. All this are severe issues that need redress as soon as possible in order not to magnify and spread any bad news associated with the office.

Table 4.25 Reliability Statistics on Tenderers Failure

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | No. of Items |
|------------------|--|--------------|
| .880 | .880 | 23 |

Source: Field Survey (2014)

Table 4.25 represents the test of reliability of the items used in the scale. A cronbach's alpha of .880 means that the items used in the scale hang together and are consistent and can therefore be relied upon in identifying the measures to remedy or mitigate the causes of supplier failure by the respondents of the research from the suppliers' point of view. The items measured the same construct. This suggests very good internal consistency reliability for the scale.

Table 4.26 Item Statistics on Tenderers Failure

| Factors of failure | Mean Score | Standard Deviation | No. | Ranking |
|--|------------|--------------------|-----|---------|
| Late submission | 4.44 | 1.163 | 50 | 11th |
| Not Complying with the procurement rules of the invitation | 4.38 | .855 | 50 | 16th |
| Document not signed | 4.48 | .614 | 50 | 9th |

| | | | | |
|---|------|-------|----|------|
| Document not stamped | 4.48 | .544 | 50 | 9th |
| Non Submission of eligible VAT certificate | 4.28 | 1.144 | 50 | 20th |
| Not Complying with the delivery period | 5.14 | 5.529 | 50 | 1st |
| Not Complying with the warranty | 4.58 | .609 | 50 | 5th |
| Non Submission of sample | 4.24 | .591 | 50 | 21st |
| Non Submission of eligible SSNIT certificate | 4.22 | .954 | 50 | 22nd |
| Non Submission of eligible TAX certificate | 4.32 | 1.151 | 50 | 19th |
| Interchangeability of Bid security and bid bond | 4.44 | .861 | 50 | 11th |
| Previous work record | 4.56 | .611 | 50 | 6th |
| Non Submission of Manufacturers Authorisation | 4.72 | .497 | 50 | 2nd |
| Not Quoting required currency | 4.40 | 1.161 | 50 | 15th |
| Non Submission of bid in the required language | 4.42 | .859 | 50 | 13th |
| Application of domestic preference | 4.66 | .593 | 50 | 3rd |
| Failure to quote for some items | 4.38 | .635 | 50 | 16th |
| Failure to meet the required specifications | 4.22 | .954 | 50 | 22nd |
| Over pricing against the institution's budget | 4.52 | .995 | 50 | 8th |
| Underpricing against the institution's budget | 4.54 | .762 | 50 | 7th |
| Omission of units prices | 4.60 | .571 | 50 | 4th |

| | | | | |
|--|------|------|----|------|
| Not notifying tenderers when they fail | 4.42 | .642 | 50 | 13th |
| Lack of understanding of the tendering process | 4.38 | .855 | 50 | 16th |

Source: Field Survey (2014)

Table 4.26 represents the measures to mitigate or remedy suppliers' failure from the suppliers' point of view. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'neutral', 4 was 'agree' and 5 was 'strongly agree'. Out of the listed items, 'not complying with the delivery period' has the highest mean of the respondents. A mean of 5.14 indicates that respondents strongly agree with the causes of supplier failure. Late submission, not complying with the procurement rules of the invitation, document not signed, document not stamped, non-submission of eligible VAT certificate, non-submission of sample, non-submission of eligible SSNIT certificate, interchangeability of bid security and bid bond, non-submission of bid in the required language, not quoting required currency, failure to quote for some items, failure to meet the required specification, not notifying tenderers when they fail and lack of understanding of the tendering process with means 4.44, 4.38, 4.48, 4.48, 4.28, 4.24, 4.22, 4.32, 4.44, 4.42, 4.40, 4.38, 4.22, 4.42 and 4.38 respectively represent that respondents agree with the causes of supplier failure. Not complying with the delivery period, not complying with the warranty, previous work record, non-submission of manufacturers authorization, application of domestic preference, over pricing against the institution's budget, underpricing against the institution's budget and omission of unit prices with means 5.14, 4.58, 4.56, 4.72, 4.66, 4.52, 4.54 and 4.60 respectively represent that respondents strongly agree with the causes of supplier failure.

Table 4.27 Summary of factors of failure Statistics

| | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | No. of Items |
|---------------------------|-------|---------|---------|-------|----------------------|----------|-----------------|
| Factors of failure(Means) | 4.470 | 4.220 | 5.140 | .920 | 1.218 | .039 | 23 |

Source: Field Survey (2014)

From the table, an average mean of 4.470 indicates that, on the average; respondents agree to the causes of suppliers' failure. A minimum mean of 4.220 represents non-submission of eligible SSNIT certificate and failure to meet the required specification which implies that the items indicate that respondents agree to the causes of supplier failure in the tendering process. A maximum mean of 5.140 represents not complying with the delivery period which implies that the item indicates that respondents strongly agree to the causes of suppliers' failure in the tendering process. A range of 0.920 between the maximum and the minimum mean that there is a substantial gap between the two variables.

4.8 Measures to Mitigate/Remedy the Causes of Supplier Failure

Table 4.28 Reliability Statistics on Measures to Remedy/Mitigate Causes of Supplier Failure

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | No. of Items |
|------------------|--|--------------|
| .825 | .825 | 6 |

Source: Field Survey (2014)

Table 4.28 represents the test of reliability of the items used in the scale. A cronbach's alpha of .825 means that the items used in the scale hang together and are consistent and can therefore be relied upon in identifying the measures to remedy or mitigate the causes of supplier failure by the respondents of the research from the suppliers' point of view. The items measured the same construct. This suggests very good internal consistency reliability for the scale.

Table 4.29 Item Statistics of Measures to Remedy/Mitigate the Causes of Supplier Failure

| Mitigation Measures | Mean Score | Standard Deviation | No. | Ranking |
|---|------------|--------------------|-----|---------|
| Workshop(training for suppliers) | 4.40 | 1.221 | 30 | 5 |
| Notification of unsuccessful tenderers and the reasons for failing | 4.47 | .900 | 30 | 4 |
| Understanding the procurement rules/requirements of the invitation | 4.67 | .606 | 30 | 1 |
| Meeting the specifications | 4.60 | .621 | 30 | 3 |
| Quoting realistic prices | 4.40 | .621 | 30 | 5 |
| Using well qualified/experienced officers to prepare tender documents | 4.67 | .606 | 30 | 1 |

Source: Field Survey (2014)

Table 4.29 represents the measures to mitigate or remedy suppliers' failure from the suppliers' point of view. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'neutral', 4 was 'agree' and 5 was 'strongly agree'. Out of the listed items, understanding the procurement rules/requirements of the invitation and using well qualified/experienced officers to prepare the tender documents represents the highest measures to mitigate/remedy the causes of supplier failure. A mean of 4.67 indicates that suppliers' strongly agree that understanding the procurement rules/requirements of the invitation and using well qualified/experienced officers to prepare the tender documents is the most suitable measure to mitigate and remedy the causes of suppliers' failure during the tendering process. A mean of 4.6 indicates that suppliers' are moving from agreeing to strongly agreeing with the measures to mitigate or remedy the causes of suppliers' failure. Workshop (training for suppliers), Notification of unsuccessful tenderers and the reasons for failing and Quoting realistic prices with means 4.40, 4.47 and 4.40 respectively indicates that suppliers' agree to the measures to mitigate/remedy the causes of suppliers' failure.

Table 4.30 Summary of Item Statistics of Measures to Remedy/Mitigate the Causes of Failure

| | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | No. of Items |
|---------------------|-------|---------|---------|-------|----------------------|----------|-----------------|
| Mitigation Means | 4.533 | 4.400 | 4.667 | .267 | 1.061 | .016 | 6 |

Source: Field Survey (2014)

From the table, an average mean of 4.533 indicates that, on the average; suppliers' strongly agree to the measures to mitigate/remedy the causes of suppliers' failure. This implies that suppliers' agree to the measures. A minimum mean of 4.400 represents workshop (training for suppliers) and quoting realistic prices which implies that the items indicate that suppliers' agree to the measures to mitigate/remedy the causes of suppliers' failure in the tendering process. A maximum mean of 4.667 represents understanding the procurement rules/requirements of the invitation and using well qualified/experienced officers to prepare the tender documents which implies that the items indicate that suppliers' strongly agree to the measures to mitigate/remedy the causes of suppliers' failure in the tendering process . A range of 0.267 between the maximum and the minimum mean that there is a substantial gap between the two variables.

Table 4.31 Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | No. of Items |
|------------------|--|--------------|
| .755 | .755 | 5 |

Source: Field Survey (2014)

Table 4.31 represents the test of reliability of the items used in the scale. A cronbach's alpha of .755 means that the items used in the scale hang together and are consistent and can therefore be relied upon in identifying the measures to remedy or mitigate the causes of supplier failure by the respondents of the research from the Procurement Staff point of

view. The items measured the same construct. This suggests very good internal consistency reliability for the scale.

Table 4.32 Item Statistics of Measures to Remedy/Mitigate the causes of Supplier Failure for Suppliers in terms of payment terms

| Remedy to delay payment | Mean Score | Standard Deviation | No. of items | Ranking |
|---|------------|--------------------|--------------|---------|
| Availability of funds before initiating the request | 4.40 | .814 | 30 | 2 |
| Reducing bureaucratic procedures | 4.07 | .868 | 30 | 4 |
| Education of suppliers on tendering procedures | 4.33 | .711 | 30 | 3 |
| Decentralised payment systems | 4.00 | .983 | 30 | 5 |
| Giving feedbacks to tenderers on their performance | 4.47 | .629 | 30 | 1 |

Source: Field Survey (2014)

Table 4.32 represents the measures to mitigate or remedy suppliers' failure from the suppliers' point of view. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'neutral', 4 was 'agree' and 5 was 'strongly agree'. Availability of funds before initiating the request, reducing bureaucratic procedures, education of suppliers on tendering procedures, decentralised payment systems and giving feedbacks to tenderers on their performance with means 4.40, 4.07, 4.33, 4.00 and 4.47 respectively indicates

that respondents agree to the measures to mitigate/remedy the causes of suppliers' failure during the tendering process.

Table 4.33 Summary Item Statistics Measures to Remedy/Mitigate the causes of Supplier Failure for Suppliers in terms of payment terms

| | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | No. of Items |
|------------|-------|---------|---------|-------|----------------------|----------|--------------|
| Item Means | 4.253 | 4.000 | 4.467 | .467 | 1.117 | .043 | 5 |

Source: Field Survey (2014)

From the table, an average mean of 4.253 indicates that, on the average; procurement office staffs agree to the measures to mitigate/remedy the causes of suppliers' failure. A minimum mean of 4.400 represents decentralised payment systems which imply that the item indicates that procurement office staffs agree to the measures to mitigate/remedy the causes of suppliers' failure in the tendering process. A maximum mean of 4.467 represents giving feedbacks to tenderers on their performance which implies that the item indicates that procurement office staffs agree to the measures to mitigate/remedy the causes of suppliers' failure in the tendering process. A range of 0.467 between the maximum and the minimum mean that there is a substantial gap between the two variables.

Table 4.34 Procurement Office assessment of suppliers after delivery of goods

| | Frequency | Percentage (%) |
|--------------|-----------|----------------|
| Yes | 18 | 60 |
| No | 12 | 40 |
| Total | 30 | 100 |

Source: Field Survey (2014)

Table 4.34 indicates suppliers' assessment by the procurement office after delivery of goods. From the table, 18 procurement office staffs representing 60 percent indicated that they assess suppliers after delivery of goods whereas 12 procurement office staffs representing 40 percent indicated that they do not assess suppliers' after delivery of goods. This assessment is very important for both the entity and to suppliers as well in order to come out with suppliers rating and performance for future purposes in such a way that if they tie in any future bid, it can be used to award the contract. Supplier assessment is very vital for both the entity and the supplier and this must be publish for suppliers to know their status and the entity must also write to the suppliers below average to improve their performance.

Table 4.35 Feedback to suppliers on the outcome of the assessment of performance

| Feedback | No. of Staff | Percentage (%) |
|--------------|--------------|----------------|
| Yes | 16 | 53.3 |
| No | 14 | 46.7 |
| Total | 30 | 100 |

Source: Field Survey (2014)

Table 4.35 indicates whether the staffs of procurement office inform suppliers on the outcome of the assessment of performance. From the table, 16 staffs representing 53.3 percent indicated that they do inform the suppliers on the outcome of the assessment of performance. 14 staffs representing 46.7 percent indicated that they do not inform suppliers on the outcome of the assessment of performance. This was to identify whether the suppliers who failed during the tendering process were informed of their shortfalls and performances. The table also attests to the fact that the office informs the suppliers about their performances.

Table 4.36 Prompt Payment to Suppliers after Delivery of Goods

| Prompt payment to Suppliers | Frequency | Percentage (%) |
|-----------------------------|-----------|----------------|
| Yes | 16 | 53.3 |
| No | 14 | 46.7 |
| Total | 30 | 100 |

Source: Field Survey (2014)

Table 4.36 indicates whether suppliers are paid promptly after delivery of goods. From the table, 16 staffs of the procurement office representing 53.3 percent indicated that suppliers are paid promptly after delivery of goods whereas 14 staffs of the procurement office representing 46.7 percent indicated that suppliers are not promptly paid after delivery of goods. This was to show the effect of late payment on suppliers and their desire to involve in future tender. From the table, it is observed that most respondents were of the view that suppliers are paid promptly and this will influence their decision to participate in any future tender. That is, they are assured of their payments as soon as they deliver the goods.

Table 4.37 Duration for the Entity to Award Contracts after Tender Opening

| Award contract after Tender Opening | No. of Staff | Percentage (%) |
|-------------------------------------|--------------|----------------|
| Within 1 and 2 weeks | 14 | 46.7 |
| Within 3 and 4 weeks | 12 | 40 |
| 5 weeks and above | 4 | 13.3 |
| Total | 30 | 100 |

Source: Field Survey (2014)

Table 4.37 indicates how long it takes the university to award contract after tender opening. From the table, 14 respondents representing 46.7 percent indicated that suppliers are awarded within 1 and 2 weeks after tender opening. 12 respondents representing 40.0 percent indicated that suppliers are awarded within 3 and 4 weeks after tender opening. 4 respondents representing 13.3 percent indicated that suppliers are awarded 5 weeks and above after tender opening. This was to identify the lead time that it takes the entity to award the contract.

Table 4.38 Repeated suppliers' failure during competitive tendering

| Repeated Suppliers' failure | No. of Suppliers | Percentage(%) |
|-----------------------------|------------------|---------------|
| Yes | 45 | 90 |
| No | 5 | 10 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.38 indicates whether suppliers fail repeatedly in competitive tendering process in the university. From the table, 45 respondents representing 90 percent indicated that some repeatedly fail in competitive tendering process. 5 respondents representing 10 percent indicated that some repeatedly fail in competitive tendering process. This is due to the fact that some suppliers are not responsive to some user departments' requirements. This comes as a result of the suppliers not understanding the procurement procedures very well and also not engaging professionals in their business set up.

Table 4.39 How often suppliers fail repeatedly in competitive tendering

| Frequency of failure | No. of User Department | Percentage(%) |
|----------------------|------------------------|---------------|
| Very often | 22 | 44 |
| Often | 25 | 50 |
| Not often | 3 | 6 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.39 indicates how often suppliers fail repeatedly in competitive tendering process. 22 respondents representing 44 percent indicated that suppliers very often fail repeatedly in the tendering process. 25 respondents representing 50 percent indicated that suppliers often fail repeatedly in the tendering process. 3 respondents representing 6.0 percent indicated that suppliers often do not fail repeatedly in the tendering processes. This was to reveal the effect of supplier failure and tendency for suppliers to tender again. This was to give a fair idea how often suppliers failed and from the responses, the rate at which suppliers failed in tendering process was high and this could deter them from participating in the future. When few suppliers participate in the tendering process, it reduces the element of value for money. That is, the lowest evaluated/responsive tenderer will be selected among the few participated firms.

Table 4.40 Effect of scheduling of Tender Evaluation Panel (TEP) &Procurement Committee (PC) meetings on the tender price

| Effects of TEP/PC meetings on the tender price | No. of User Dept. | Percentage(%) |
|--|-------------------|---------------|
| Yes | 43 | 86 |
| No | 7 | 14 |
| Total | 50 | 100 |

Source: Field Survey (2014)

Table 4.40 indicates whether scheduling of tender evaluation panel/procurement committee meetings have effect on the tender price. From the table, 43 respondents representing 86 percent indicated that scheduling of meetings have effect on the tender price whereas 7 respondents representing 14 percent indicated that scheduling meetings

do not affect tender price. When meetings are not scheduled on time, it delays the whole process and also affects the prices of the items. For instance, some suppliers request for price variations since market prices keep rising and as such has an effect on tender prices. This can also result in re tendering the requests since the suppliers will not be able to supply the items at the earlier price. This will make the supplier unsuccessful because it will not be possible for the supplier to supply the items at price quoted earlier. This will also cause delay and increment of prices of the requested items for the User Departments.

4.9 Impact of Suppliers Failure on Users and on Competitive Tendering

Table 4.41 Reliability Statistics on impacts of suppliers failure on users

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | No. of Items |
|------------------|--|--------------|
| .762 | .762 | 4 |

Source: Field Survey (2014)

Table 4.41 represents the test of reliability of the items used in the scale. A cronbach's alpha of .762 means that the items used in the scale hang together and are consistent and can therefore be relied upon in identifying the impacts of suppliers' failure on users. The items measured the same construct. This suggests very good internal consistency reliability for the scale.

Table 4.42 Item Statistics of Impact of Suppliers' Failure on Users

| Impact of Suppliers' Failure on Users | Mean Score | Standard Deviation | No. | Ranking |
|---------------------------------------|------------|--------------------|-----|---------|
| Increase cost of transaction | 4.30 | 1.298 | 50 | 4 |
| Reduce value for money | 4.40 | .948 | 50 | 3 |
| Delivery period | 4.64 | .631 | 50 | 1 |
| Poor quality product | 4.60 | .606 | 50 | 2 |

Source: Field Survey (2014)

Table 4.42 represents the impacts of suppliers' failure on users. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'neutral', 4 was 'agree' and 5 was 'strongly agree'. Out of the listed items, delivery period and poor quality product represent the highest impact of suppliers' failure on users. Delivery period and poor quality product with means of 4.64 and 4.60 respectively indicates that users strongly agree with the impacts of suppliers' failure. Increase cost of transaction and reduces value for money with means 4.30 and 4.40 respectively indicate that users agree with the impacts of suppliers' failure.

Table 4.43 Summary Item Statistics of Impact of Supplier's Failure on Users

| Impact of Suppliers failure on Users | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | No. of Items |
|--------------------------------------|-------|---------|---------|-------|-------------------|----------|--------------|
| Item Means | 4.485 | 4.300 | 4.640 | .340 | 1.079 | .026 | 4 |

Source: Field Survey (2014)

From the table, an average mean of 4.485 indicates that, on the average; respondents agree to the impact of suppliers' failure on users. A minimum mean of 4.300 represents increase cost of transaction which implies that the item indicates that respondents agree to the impact of suppliers' failure on the users. A maximum mean of 4.640 represents poor quality product which implies that the item indicates that respondents agree to the impact of suppliers' failure on the users. A range of 0.340 between the maximum and the minimum mean that there is a substantial gap between the two variables.

Table 4.44 Reliability Statistics on Impacts Of Suppliers Failure On Competitive Tendering

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | No. of Items |
|------------------|--|--------------|
| .752 | .752 | 5 |

Source: Field Survey (2014)

Table 4.44 represents the test of reliability of the items used in the scale. A cronbach's alpha of .752 means that the items used in the scale hang together and are consistent and can therefore be relied upon in identifying the measures to remedy or mitigate the causes of supplier failure by the respondents of the research from the suppliers' point of view. The items measured the same construct. This suggests very good internal consistency reliability for the scale.

Table 4.45 Item Statistics of Impact of Supplier's Failure on Competitive Tendering

| Impact of Suppliers Failure on Competitive Tendering | Mean Score | Standard Deviation | No. | Ranking |
|--|------------|--------------------|-----|---------|
| Difficulty of suppliers selection | 4.30 | 1.298 | 50 | 3 |
| Reduces competition | 4.40 | .948 | 50 | 2 |
| Reduces value for money | 4.64 | .631 | 50 | 1 |
| Poor quality product | 4.28 | .701 | 50 | 4 |
| Re-tendering | 3.98 | 1.020 | 50 | 5 |

Source: Field Survey (2014)

Table 4.45 represents the impacts of suppliers' failure on users. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'neutral', 4 was 'agree' and 5 was 'strongly agree'. Out of the listed items, reduces value for money represents the highest impact of suppliers' failure on competitive tendering. A mean of 4.64 indicates that respondents strongly agree with the impacts of suppliers' failure on competitive tendering. Difficulty of suppliers' selection, reducing competition, poor quality product and re-tendering with means 4.30, 4.40, 4.28 and 3.98 indicates that respondents agree with the impacts of suppliers' failure on competitive tendering.

Table 4.46 Summary Item Statistics of Impact of Supplier's Failure on Competitive Tendering

| Impact of Suppliers Failure on Competitive Tendering | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | No. of Items |
|--|-------|---------|---------|-------|-------------------|----------|--------------|
| Item Means | 4.320 | 3.980 | 4.640 | .660 | 1.166 | .057 | 5 |

Source: Field Survey (2014)

From the table, an average mean of 4.320 indicates that, on the average; respondents agree to the impacts of suppliers' failure on competitive tendering. A minimum mean of 3.980 represents re-tendering which imply that the item indicates that respondents agree to the impacts of suppliers' failure on competitive tendering. A maximum mean of 4.640 represents reduces value for money which implies that the item indicates that respondents strongly agree to the impacts of suppliers' failure on competitive tendering. A range of 0.660 between the maximum and the minimum mean that there is a substantial gap between the two variables.

CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

5.0 INTRODUCTION

This study began with a set of objectives and review of literature. Data was collected using archival records, participatory observation and a set of questionnaires. The data was analyzed to arrive at findings.

The chapter outlines the summary of findings followed by recommendations to reduce the level of repetitive supplier failure, the effects of these failures on the suppliers and the entity and addresses the measures to mitigate and eliminate the causes of supplier failures. It further gives conclusions of the study.

5.1 SUMMARY OF FINDINGS

The objectives of the study were as follows:

- i. To identify the causes of failure during tendering at KNUST;
- ii. To identify the effect of failures on tenderers and the procurement entity;
- iii. To identify measures to mitigate/eliminate these causes.

From the analysis of the data obtained from the survey, the following findings were revealed as the main causes of supplier failure. Summary of findings of supplier failure for the research area are presented as follows:

5.1.1 Lack of Qualified Personnel

The research revealed that majority of the employees for the supplier's companies tends to be mostly relatives of the owners and have no in-depth knowledge so far as procurement is concerned and they do not really know much about the procurement

processes and documentation. As such it was observed that the employees that work for the suppliers do not have the expert knowledge in their respective field that they are working for. The research revealed that many of the suppliers have problem with personnel (either with the recruiting staff or they do not have the employees at all) which has resulted to low participation in procurement for the Institution.

5.1.2 Not Notifying Unsuccessful Tenderers

The research revealed that the Procurement Unit of KNUST does not notify unsuccessful tenderers. The Public Procurement Act insists that all unsuccessful tenderers should be notified with the reasons for not winning the contract after awarding the contract and that all tender securities for the unsuccessful tenderers should be returned to them as soon as possible, this if also done could help some of these suppliers to correct some of these issues. The study also revealed that 78% of suppliers were not notified as to the reasons why they were unsuccessful.

5.1.3 Poor Documents Preparation

The research also discovered poor preparation of documentation such as filling of the price schedule form attached to the letters of Invitation (LOI), the price schedule form states the specifications of the items been requested for and records whether the form is signed, stamped, VAT inclusive, a delivery period of 4 weeks, submission of sample if requested and complying to the minimum of one year warranty if the item is an electronic equipment.

5.1.4 Interchangeability of Tender Security with either tender bonds or Bankers Draft

This problem was observed during the analysis of the minutes whereby the Tender document will state clearly requesting for the tender security but some suppliers tend to submit Tender bonds and Bankers Draft which leads to disqualification of those tenderers.

5.1.5 Failure to submit their quotations

In some cases the Procurement unit will issue out LOI's to some of their registered suppliers who deal in the supply of the said request to bring their quotations, but in many cases the suppliers fail to respond to the invitation letter which automatically disqualifies them. Non-submission of quotations on the part of the suppliers also reduces the competition among suppliers which might lead to higher costs quoted by the few participated suppliers.

5.1.6 Typographical Mistakes on the Part of the Suppliers

According to the interview with the staffs of the Procurement office, it was revealed that the Evaluation process is a serious exercise and therefore any little mistake might lead to the non-responsiveness of the Suppliers. As such they expect consistency and provision of the requested documentation more especially with regards to the prices. Many of the suppliers too quote prices in figures with respect to them stating the amount quoted differently in words. This problem usually happens when quoting prices for the supply of items by using the various procurement methods such as restricted tendering and National Competitive Tendering.

5.1.7 Failure to meet the Preliminary Requirements (Commercial Requirements)

The preliminary requirements are the required certifications needed for the operationalization of the company. Some of these certifications are the VAT certificates, SSNIT certificates, TAX clearance certificates, Registrar General Certificate, Company registration certificate, Certificate to Commence Business and Labour Certificate. Each of the above certificates is very important so far as the selection of supplier is concerned and non-submission of one of these certificates can lead to disqualification of that supplier. Expiry of one of the above certificates on the day of tender opening also renders it invalid.

5.1.8 Failure to meet the Technical requirement (specification)

The technical requirement is the specification given by the user department for the requested item backed by an expert's advice. Any supplier who fails to meet or exceed the technical requirement will be disqualified since the supplier is not meeting the demand of the requested items. A typical example is giving a specification below the minimum specifications required.

5.1.9 Quoting of Unrealistic Prices

The research also showed that some of the supplier's quote non-competitive prices which leads to disqualification of the supplier. Not forgetting that one of the main aims is to achieve value for money and this is the main reason why procurement involves processes so that the item in question can be obtained at the barest minimum price (Lowest Evaluated Responsive Tenderer-LERT).

5.1.10 Quoting wrong brands

Even though the Act frowns on the mentioning/using of brand names or using a particular model or model number as the basis for writing specifications, this can be done in an intelligible way by assisting a technical person in writing the specifications. Also there are some items if required cannot be changed in terms of their brands such as a request requesting for a mac operating system. No matter what, it can only come from one company that is apple. In such cases any supplier that quotes any other brand will be non-responsive.

5.1.11 Tender Security

Failure to submit or comply with the terms and conditions of the tender security on the date of opening leads to disqualification of the supplier, consultant or contractor (that is, submission of Bid Bond or Bankers Draft instead of Bid Security required on the date of opening).

5.1.12 Bad Track Records

Any supplier who has dealt with the University before and has been one way or the other disappointed the institution either in supplying inferior goods or not delivering the goods at all or on time and has a higher tendency of not awarding the contract even if that company's price seems to be the most competitive.

5.2 THE IMPACT OF SUPPLIER FAILURE IN COMPETITIVE TENDERING

The research also showed some impact of suppliers' failure on a competitive tendering as follows:

5.2.1 Difficulty of supplier selection

When all the suppliers becomes unsuccessful the next alternative is to re-advertise or single source. The more suppliers fail in one way or the other, the more it reduces the level of competition which also affects the selection process. Efficient Public Procurement means a system which operates in a timely manner, with a minimum bureaucracy, while being responsive to the needs of the end users.

5.2.2 Reduced competition

As discussed earlier, if a lot of suppliers fail during the process due to non-compliance of the rules governing the procurement process, it reduces the element of competition in the tendering process and thereby giving advantage to the only responsive tenders.

5.2.3 Reduced Value for Money

Value for money is the optimum combination of life span of the item procured (fitness for use) and the cost of the item acquired. This must reflect in the price and quality of the item or service procured. The aim of the Public Procurement Act is to 'secure a judicious, economic and efficient use of state resources in Public Procurement'. It has to be noted that Value for Money (VFM) is a critical measure of the effectiveness of the procurement function in every institution.

Achieving VFM requires a strategic and integrated approach to procure. This, of course, has significant organizational and institutional implications. VFM may not be achieved if the Public Procurement Act and Regulations are not strictly followed.

5.2.4 The main effect of failures on Tenderers and KNUST

The main effect on tenderers was lack of confidence in the procurement process and unwillingness to participate in the tendering process in their subsequent invitation.

For KNUST, when few suppliers participate in the tendering process, it reduces the element of value for money which might end up in higher cost of the products.

5.3 RECOMMENDATIONS

The study identifies the areas of supplier non-responsiveness and participation challenges. Recommendations are now given based on the findings of the research as follows:

- i. The Procurement unit should organize seminars for all suppliers and contractors for the supply of goods and execution of works.**

It was observed that during the Procurement Committee and Tender Evaluation Panel minutes analysis, suppliers were continually unsuccessful in the tendering process thereby there is the need to improve this situation through organization of seminars. The Procurement Unit through the Head of entity can deliberate on this issue and advertise in the newspapers either for a fee or for free, to invite all interested suppliers and contractors to participate in this kind of seminars in order to help them to correct such mistakes that causes their non-responsiveness during the tendering processes.

Competitiveness means ‘actively encouraging potential suppliers to participate in the tendering process through advertising, sourcing reviews, prequalification and other means. The merits of competitiveness includes:

- a) Potential for cost savings;
- b) Increases the potential supplier base;

- c) Greater awareness of new developments or technology;
- d) Greater understanding of the supply market and develop confidence in transacting
- e) business in the public sector;
- f) It will also increase competition in public sector enhancing and improving
- g) confidence level of the suppliers in public tendering.

ii. **Notification of successful and Unsuccessful Tenderers before and after award of contracts**

All unsuccessful Tenderers should be notified immediately once the contract has been awarded. The Procurement Act stipulates that any unsuccessful tenderer must be notified of the reason(s) why they did not win the contract and such reasons must be highlighted to them. Therefore, in doing so, that tenderer will turn to correct those accentuated problems and makes a precise submission next time.

iii. **Both Suppliers and the Entity should get clear understanding of the Terms and Conditions of the Contract**

It is important to spend time and resources planning the tendering process. Before embarking upon any bid, there must be a clear understanding of what must be achieved and what particular goods are being sought for (specifications). Failure to plan properly at the beginning of the procurement process may lead to suppliers non-responsiveness of the bid at the evaluation stage and if not can have challenges in the long term. This adds extra expenses and potential suppliers may lose interest in the tender and the institution as well.

Another key factor in the tendering process is to ensure that the process is documented clearly and then implemented in accordance with the procedure set out in the tender documents. Business entities that are regularly calling for tenders should take legal advice on setting up the process. It is then a good idea to prepare a tender manual and appoint one person to be the tender manager for the process. That person in charge must be given a reasonable degree of independence and must be protected from interference by others in the workforce.

The request for tender should set out clearly what goods and services are being requested, how a tender should be submitted, how the tender is going to be assessed, the contract terms and a timetable for the tender process. If time is spent drafting the tender request properly it will help reduce the exposure to liability and help ensure that proper procedures are followed.

Failure to get the basics requirement of the tender right may result in the whole process costing more and taking a longer time than necessary. Both the User Departments and the suppliers may be left wondering whether the process was worthwhile. The tendering process must be designed and tailored carefully for the project in mind. It is vital that the process is documented properly and implemented accordingly. Both parties should seek legal advice at the very beginning to help avoid the pitfalls and ensure that the processes are beneficial to both parties.

- iv. **E-procurement:** This is the only tool that can be used to eliminate the element of human contact in the procurement processes. Without E-procurement, the tendering processes cannot be 100% transparent and also through the implementation of the E-procurement processes a lot of these errors will be eliminated because whereby

company's does not input in the right requirement the system it will automatically rejects or not allow them to continue with the process. Through E-procurement, the duration for the tendering processes could be shortened, stored and expedited to enhance effective and efficient process.

5.4 CONCLUSIONS

Supplier's continual failure in an attempt to win contract is one of the factors dwindling the aims of the Public Procurement Act in Ghana because the more intensive the competition is, the more value is derived from the process but here is the case where a lot of suppliers will be disqualified during the initial or in the middle of evaluation processes of the tendering processes thereby reducing the effectiveness and efficiency of the achievement of the Public Procurement Act [that is to achieve value for money by awarding contracts to the Least Evaluated Responsive Tenderer (LERT) or the Most Economic and Advantageous Tenderer (MEAT)].

The study also discovered that, failure on the part of the suppliers without any notification or reason for their disqualification can discourage suppliers' from tendering in future contracts invitation or public tender as far as KNUST is concern.

According to the findings, it was observed that a lot of the suppliers are continuously unsuccessful without knowing what actually caused that failure. In the recommendation, some points have been highlighted of the ways KNUST could use to correct such of these unsuccessfulness/failures of some of the causes accentuated earlier. The study therefore reviewed that the most prominent one is to try as much as possible to organize seminars/workshops for the suppliers which will educate suppliers on some of these mistakes that they commits in tenders.

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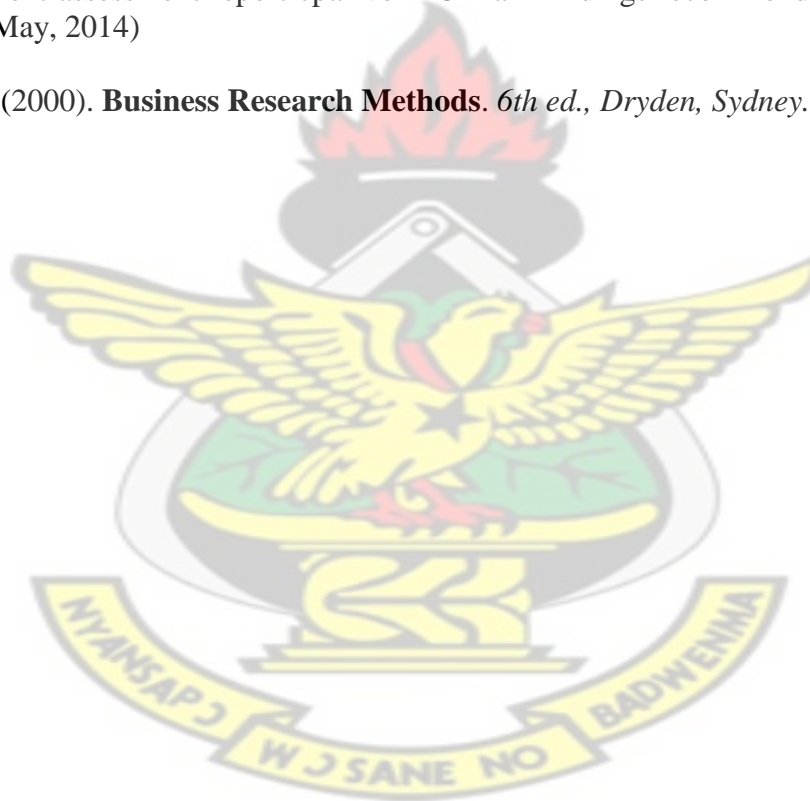
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APPENDIX A

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI
COLLEGE OF ARCHITECTURE AND PLANNING
DEPARTMENT OF BUILDING TECHNOLOGY**

**RESEARCH TITLE: IDENTIFYING REASONS WHY SOME TENDERERS ARE
UNSUCCESSFUL IN PUBLIC PROCUREMENT AT KNUST, KUMASI**

The research is strictly for academic purpose and information given will be kept confidential and will go a long way to help the successful analysis of the research. Please read through the following questions and answer them accordingly.

TENDERER'S QUESTIONNAIRE

PART A

Profile of Tenderer

Please tick (✓) or fill in the spaces provided

1. What is the name of your company?

.....

2. Have you registered your company with?

| BUSINESS CERTIFICATES | YES | NO |
|------------------------------|------------|-----------|
| Registrar General | | |
| SSNIT | | |
| Ghana Revenue Authority | | |

3. What is your involvement in the tendering process for your organization?

| COMPANIES INVOLVEMENT IN THE TENDERING PROCESS | YES | NO |
|---|------------|-----------|
| Representative for Tender Opening Meeting | | |
| Monitoring the tendering process | | |
| Sales Agent | | |

| | | |
|--------------------------------|--|--|
| Completing the Tender Document | | |
| Signing of the Tender Document | | |

4. What is your educational level?

- a. Primary education { }
- b. Junior Secondary/middle education { }
- c. Senior Secondary education { }
- d. Tertiary education { }

PART B

Causes & Effects of failures on tenderers

Please tick in the spaces provided

5. Have you registered with KNUST?

- a. Yes { }
- b. No { }

6. Have you been involved in any competitive Tendering in KNUST before?

- a. Yes { }
- b. No { }

7. If yes, indicate the type of the procurement method:

| PROCUREMENT METHODS | YES | NO |
|-------------------------------------|-----|----|
| Price Quotation | | |
| National Competitive tendering | | |
| Restricted Tendering | | |
| International Competitive Tendering | | |
| Pre-qualification | | |

9. Have you been unsuccessful before?

- a. Yes { }

b. No { }

9. How often?

a. Very often { }

b. Often { }

c. Not often { }

d. Not at all { }

10. If unsuccessful, what are the usual causes?

Tick any of the following:

| TENDERER'S FAILURES | YES | NO |
|--|------------|-----------|
| Late Submission | | |
| Not complying with the procurement rules of the invitation | | |
| Company's document was not signed | | |
| Company's document was not stamped | | |
| VAT component/element/certificate was not added | | |
| Not complying with delivery period | | |
| Not providing requested sample | | |
| Not providing SSNIT certificate | | |
| Not complying/providing bid security | | |
| Did not quote the required currency | | |
| Not providing Manufacturer Authorization | | |
| Failure to quote for some of the items | | |
| Failure to meet the exact specification | | |
| Under/Over pricing against the Institutions Budget | | |
| No notification was given as to the reason it failed | | |

11. If your answer to Q10 above is Yes, would you still tender again with KNUST?

a. Yes { }

b. No { }

12. If the cause is unknown, did you inquire from the Procurement Office?

a. Yes { }

b. No { }

13. If yes, were you told of the cause?

a. Yes { }

b. No { }

14. In your own estimation, how long does it take you to receive your money after delivery of a contract?

a. 1- 4 weeks { }

b. 4 -8 weeks { }

c. 8 -12 weeks { }

d. 12 -16 weeks { }

e. Above 16 weeks { }

15. Currently, do you have any problem or challenge with any Department or Procurement Office of KNUST?

a. Yes { }

b. No { }

16. If yes, Please indicate

.....

17. Any suggestions for this research?

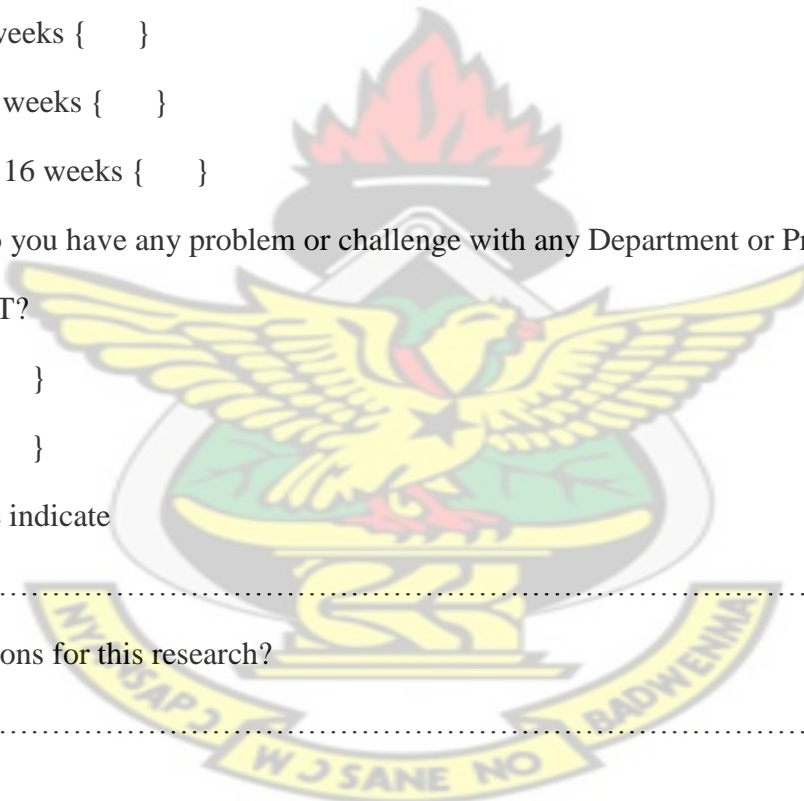
.....

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THANK YOU

KNUST



KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI
COLLEGE OF ARCHITECTURE AND PLANNING
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USER DEPARTMENT'S QUESTIONNAIRE

PART A

Profile of Respondents

Please tick (✓) or fill in the spaces provided

1. Name of your section?

.....

2. What is your Staff Status?

a. Junior Staff { }

b. Senior Staff { }

c. Senior Member { }

3. What is your position in the Department?

.....

4. How long have you been with your department?

a. Less than 4 years { }

b. 4-10 years { }

c. More than 10 years { }

PART B

Impacts of failure

5. What are the impacts of supplier's failure on the User as well as the University?

Using the Likert scale of 1-5 answer the following questions

Scale: 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5= Strongly Agree

| IMPACTS OF SUPPLIER'S FAILURE ON USERS | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| Increase cost of transaction | | | | | |
| Reduce value for Money | | | | | |
| Delivery delays | | | | | |
| Poor Quality product | | | | | |

6. What is the impact of supplier failure on a competitive tendering?

| IMPACTS OF SUPPLIER'S FAILURE ON COMPETITIVE TENDERING | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| Difficulty of supplier selection | | | | | |
| Reduces competition | | | | | |
| Reduces value for money | | | | | |
| Poor Quality product | | | | | |
| Re-Tendering | | | | | |

7. Do some suppliers fail repeatedly in your competitive tendering?

a. Yes { }

b. No { }

8. How often do suppliers fail repeatedly in your competitive tendering?

a. Very often { }

b. Often{ }

c. Not often { }

d. Not at all { }

9. If yes, what are some of the causes of supplier failure in the University (KNUST)?

Using the Likert scale of 1-5 answer the following questions

Scale: 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5= Strongly Agree

| CAUSES OF SUPPLIER'S FAILURE IN THE UNIVERSITY | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| Late Submission | | | | | |
| Not Complying with the procurement rules of the invitation | | | | | |
| Document not signed | | | | | |
| Document not stamped | | | | | |
| Non Submission of eligible VAT certificate | | | | | |
| Not Complying with the Delivery Period | | | | | |
| Not Complying with the Warranty | | | | | |
| Non Submission of Sample | | | | | |
| Non Submission of eligible SSNIT certificate | | | | | |
| Non Submission of eligible TAX certificate | | | | | |
| Interchangeability of Bid Security and Bid bond | | | | | |
| Previous Work Record | | | | | |
| Submission of Manufacturers Authorization | | | | | |
| Not Quoting in the required Currency | | | | | |
| Non Submission of Bid in the required Language | | | | | |
| Application of Domestic Preference | | | | | |
| Failure to quote for some items | | | | | |
| Failure to meet the required specifications | | | | | |
| Over Pricing against the Institution's budget | | | | | |
| Under Pricing against the Institution's budget | | | | | |
| Omission of Unit Prices | | | | | |
| Not Notifying Tenderers when they fail | | | | | |
| Lack of understanding of the tendering process | | | | | |

10. Please indicate if there are other causes of supplier failure.

.....

.....

.....

11. Does scheduling of TEP/PC meetings have effect on the tender price?

a. Yes { }

b. No { }

THANK YOU

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI
COLLEGE OF ARCHITECTURE AND PLANNING
DEPARTMENT OF BUILDING TECHNOLOGY

**RESEARCH TITLE: IDENTIFYING REASONS WHY SOME TENDERERS ARE
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The research is strictly for academic purpose and information given will be kept confidential and will go a long way to help the successful analysis of the research. Please read through the following questions and answer them accordingly.

PROCUREMENT OFFICE QUESTIONNAIRE

PART A

Profile of Respondents

Please tick (✓) or fill in the spaces provided

1. Name of your section?

.....

2. What is your Staff Status?

a. Junior Staff { }

b. Senior Staff { }

c. Senior Member { }

3. What is your position in the Department?

.....

4. How long have you been with your department?

a. Less than 4 years { }

b. 4-10 years { }

c. More than 10 years { }

PART B

Measures to remedy/mitigate the causes of failure

5. What are the measures to remedy/mitigate the causes of supplier failure?

Using the Likert scale of 1-5 answer the following questions

Scale: 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5= Strongly Agree

| MEASURES TO REMEDY/ MITIGATE THE CAUSES OF SUPPLIER FAILURE BY THE PROCUREMENT OFFICE | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Workshop (Training for suppliers) | | | | | |
| Notification of Unsuccessful Tenderers and the reasons for failing | | | | | |
| Understanding the procurement rules/requirements of the invitation | | | | | |
| Meeting the specifications | | | | | |
| Quoting realistic Prices | | | | | |
| Using well qualified/experienced Officers to prepare bid documents | | | | | |

6. Please indicate if there are other causes of supplier failure.

.....

.....

.....

.....

.....

.....

7. Do you assess suppliers after goods delivery?

a. Yes { }

b. No { }

8. Do you inform suppliers on the outcome of the assessment of performance?

a. Yes { }

b. No { }

9. Do you pay suppliers promptly after delivery of goods?

a. Yes { }

b. No { }

10. If No, why?

Using the Likert scale of 1-5 answer the following questions

Scale: 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5= Strongly Agree

| MEASURES TO REMEDY/ MITIGATE THE CAUSES OF SUPPLIER FAILURE IN TERMS OF PAYMENTS | 1 | 2 | 3 | 4 | 5 |
|---|----------|----------|----------|----------|----------|
| Availability of funds before initiating the request | | | | | |
| Reducing Bureaucratic Procedures | | | | | |
| Education of Suppliers on tendering procedures | | | | | |
| Decentralized Payment Systems | | | | | |
| Giving feedbacks to tenderers on their performance | | | | | |

11. How long does it take your entity to award contract after evaluation of tenders?

a. within two weeks { }

b. Between two and four weeks { }

c. Four weeks and above { }

12. Any suggestions for this research?

.....

.....

.....

THANK YOU

APPENDIX B

Thresholds for Procurement Methods

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

Source: Public Procurement Act, 2003.

Decentralized Procuring Entities - Thresholds for Review/Approval Authority (Amounts in GH¢)

| Authority | Goods | Works | Services | Services |
|--|------------|-------------|------------|--------------|
| (1) Head of Entity | Up to 50m | Up to 100m | Up to 50m | Up to GHC50m |
| (2) Entity Tender Committee | >50m-250m | >100m-500m | >50m-250m | >50m-100m |
| (3) District Tender Review Board | >250m-1.0b | >500m-2.0b | >250m-1.0b | >100m-500m |
| (4) Ministerial and Regional Tender Review Board | >1.0b-8.0b | >2.0b-15.0b | >1.0b-8.0b | >500m-3.5b |
| (5) Central Tender Review Board | Above 8.0b | Above 15.0b | Above 8.0b | Above 3.5b |

Source: Public Procurement Act, 2003.

Other Procuring Entities - Thresholds for Review/Approval Authority (Amounts in GH¢)

| Authority | Goods | Works | Services | Services |
|--|-------------|-------------|------------|------------|
| (1) Head of Entity | Up to 50m | Up to 100m | Up to 50m | Up to 50m |
| (2) Entity Tender Committee | > 50m- 1.0b | >100m-2.0b | >50m-1.0b | >50m-500m |
| (3) Ministerial and Regional Tender Review Board | >1.0b-8.0b | >2.0b-15.0b | >1.0b-8.0b | >500m-3.5b |
| (4) Central Tender Review Board | Above 8.0b | Above 15.0b | Above 8.0b | Above 3.5b |

Source: Public Procurement Act, 2003.

