

**UNIVERSITY FOR DEVELOPMENT STUDIES**

**ASSESSING THE CAPACITIES OF DISTRICT ASSEMBLIES FOR EFFECTIVE  
IMPLEMENTATION OF THE PUBLIC PROCUREMENT ACT, 2003 (ACT 663). A  
CASE STUDY OF THE SABOBA AND ZABZUGU DISTRICT ASSEMBLIES IN THE  
NORTHERN REGION**

**BY**

**ISSAH SADAT (B.ED FOUNDATIONS)**

**UDS/MCM/0028/13**

**THIS THESIS IS SUBMITTED TO THE DEPARTMENT OF ACCOUNTANCY  
AND COMMERCE, SCHOOL OF BUSINESS AND LAW, UNIVERSITY FOR  
DEVELOPMENT STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENTS  
FOR THE AWARD OF MASTER OF COMMERCE IN PROCUREMENT AND SUPPLY  
CHAIN MANAGEMENT**

**MAY, 2017**



**DECLARATION**

**Student**

I hereby declare that this thesis is the results of my own original work and no part of it has been presented for another degree in this university or elsewhere:

Candidate's Name..... Candidate's Signature.....

.Date .....

**Supervisor's Declaration**

I hereby declare that the preparation and presentation of the thesis was supervised in accordance with the guidelines on supervision of thesis as laid down by the University for Development Studies.

Principal Supervisor Signature..... Date .....

Name .....



## ABSTRACT

Public procurement in the Metropolitan, Municipal and District Assemblies (MMDAs) is still bedeviled with numerous challenges despite the passage of the Public Procurement Act which was preceded by a radical and comprehensive assessment of the public procurement system in 1993. This study examined the challenges that militate against efficient and effective implementation of the procurement Act and offered suggestions to address those challenges. This study investigated the capacity situations of the Zabzugu and Saboba District Assemblies which are fragmented into staff training, skills and experience, the financial strength of the Assemblies and the level of awareness of the procurement rules, procedures by the key staff of the Assemblies who manage the procurement processes. The significance of this study is that it reveals the various capacity gaps in the District Assemblies and recommends measures to improve on them for effective procurement management. A sample size of 100 comprising respondents in the various departments and units and chairpersons of sub-committees within the Zabzugu and Saboba District Assemblies was used for the study. The mixed research approach was used for the study. Questionnaire and an interview guide were used instruments to collect data from the field which was statistically analyzed with the aid of descriptive statistics and narrative summary analysis. The findings indicate that to some extent, the procurement processes prescribed by the procurement act are being adhered to in the Saboba and Zabzugu District Assemblies. It, however, discloses that the Assemblies do not have adequate capacities in terms of sound financial base and staff with procurement skills and experience to implement the Public Procurement Act effectively.



## ACKNOWLEDGEMENT

The completion of work of this nature would not have been possible without the able support and assistance given by several individuals.

First of all, I am highly indebted to my Supervisor Alhaji Mohammed Hadi Bolaji (PhD) whose careful guidance, constructive criticisms and valuable inputs made this work possible. In addition, I wish to express my gratitude to all my lecturers who sent me through the Masters of Commerce modules leading to the award of this Degree. I sincerely register my appreciation for their immense effort and time.

Second, my appreciation goes to my wife and two lovely sons –Sadat Baba-Issah Katari and Sadat Wumpini Mabruk. The little thought of them always gave me the resolve and inspiration to achieve this height in life. Also, my sincere thanks go to each and every member of my entire family. I appreciate everyone for their motivation and encouragement which rekindled and fuelled my desire to further my studies.

Third, I am deeply indebted to both the District Chief Executive and District Co-ordinating Director of the Saboba District Assembly in the persons of Hon. Ali Adolf and Mr. Chimsi Musah respectively for the unwavering support and co-operation they accorded me in the course of my study.

Finally, my countless thanks go to my course mates and study group members especially (Lawrence Agyekum) in particular whose constant and insatiable appetite to debate others' viewpoints during our group discussions pushed me to study the course modules extensively and



to all those who in diverse ways have contributed to this success but unfortunately due to limited space, whose names could not be specifically mentioned.



## DEDICATION

I dedicate this work to my sweet mother. I know this dedication can in no measure compensate your effort, but this is to acknowledge my appreciation for the education you gave me and your sacrifice.



**TABLE OF CONTENTS**

Title Page.....(i)

Declaration..... (ii)

Abstract..... (iii)

Acknowledgement.....(iv)

Dedication .....(v)

Table of Contents.....(vi)

List of Tables.....(vii)

List of Figures.....(viii)

Abstract ..... (ix)

**CHAPTER ONE: GENERAL INTRODUCTION.....1-9**

1.0 Background of Study .....1

1.1 Statement of the Problem.....4

1.2 Research Questions.....6

1.3 Research Objectives.....7

1.4 Rationale of the Study.....7

1.5 Limitation and Delimitations of the Study.....8

1.6 Organization of the Study.....9

**2.0 CHAPTER TWO: LITERATUREREVIEW.....10-51**

    Introduction.....10

2.1 Scope and Concept of Public Procurement .....11



2.2 Outlook of Public Procurement before the Reform.....	12
2.3 Legal And Regulatory Framework of Public Procurement In Ghana.....	12
2.4 Conceptual Framework.....	15
2.4.1 Staff Awareness of Procurement Regulations and Provisions.....	16
2.4.2 Staff Training, Skill and Experience for Management of Procurement System.....	17
2.4.3 Availability and Timely Release of Funds and Level of Compliance.....	18
2.4.4 Effective Implementation of the Procurement Act/Compliance with Act 663.....	19
2.5 Scope and Application of the Public Procurement Act.....	21
2.6 Principles Underpinning Public Procurement .....	22
2.7 Application of Technology in Public Procurement .....	28
2.8 Procurement Structures and Methods .....	30
2.9 Procurement Procedures and Processes.....	33
2.9.1 Procurement Planning and Tender Preparation .....	36
2.9.2 Tender Submission .....	37
2.9.3 Tender Opening.....	38
2.9.4 Tender Evaluation.....	38
2.9.5 Award and Notification of Contractors.....	39
2.9.6 Contract Documentation/ Request for Approval.....	40
2.9.7 Signing Of Contract .....	40
2.9.8 Disposal and Procurement Performance Review.....	40
2.10 Importance of Good Procurement Systems.....	44
2.11 Performance Assessment Systems .....	44





2.12 Procurement Challenges and Consequences of Poor Procurement Management .....	45
2.13 Corruption and Inefficiencies in Public Procurement.....	47
2.13.1 Offences Relating to Public Procurement .....	49
2.13.3 Ethical Behavior in the Public Procurement Process.....	49
2.14 Summary.....	51
<b>CHAPTER THREE: METHODOLOGY .....</b>	<b>52-74</b>
3.0 Introduction.. .....	52
3.1 Research Design.....	52
3.2 Target Population and Sample Size of the Study .....	53
3.3 sample Frame.....	53
3.4 Sampling Techniques and Sample Size.....	57
3.5 Sampling Procedure for the Study .....	57
3.6 Data Collection Instruments .....	57
3.6.1 Questionnaire .....	58
3.6.2 Interviews.....	58
3.7 Validity and Reliability of Instrument.....	59
3.8 Limitation and Scope of Research .....	59
3.9 Data Collection Procedure .....	60
3.10 Questionnaire Administration Procedures .....	61
3.11 Ethical Considerations .....	62
3.12 Data Presentation, Processing and Analysis .....	62



3.13	The District Assembly Structure .....	63
3.13.1	Mandatory Sub-Committees of the District Assembly .....	64
13.13.2	Departments of the District Assembly.....	66
13.13.3	Revenues and Funds of District Assemblies.....	68
3. 14	Profiles of the Study Area.....	71
3.14.1	Zabzugu District Assembly Profile.....	71
3.14.2	Saboba District Assembly profil.....	71
3.15	Summary.....	74

**CHAPTER FOUR: DATA ANALYSIS, DISCUSSIONS AND PRESENTATION.....75-94**

4.0	Introduction .....	75
4.1	Background of Respondents .....	76
4.2	Age Distribution of Respondents.....	76
4.3	Level of Education of Respondents.....	77
4.4	Gender of Respondents .....	79
4.3	Capacity Situation of The District Assemblies .....	79
4.3.1	Staff Training Experience and Skills.....	80
4.3.1.1	Staff Training and Skills (each assembly).....	81
4.4.1	Adequate And Timely Release of Funds.....	82
4.4.41	Adequate and timely release of funds (each assembly).....	84
4.5.1	Level of Awareness of Procurement Regulations & Procedures .....	84
4.5.1.1	Level of Awareness of Procurement Regulations & Procedures .....	84
4.6	DACF is Released Timely to Execute Projects.....	98
4.7	Level Compliance with Procurement Procedures and Proceeding.....	86



4.7.1 Procurement Planning.....	87
4.7.2 Bid Population.....	88
4.7.3 Procurement Publicity.....	89
4.7.4 Submission, Opening, and Evaluation of Bids .....	90
4.7.5 Contract Award .....	91
4.7.6 Contract Management .....	92
4.7 Level of involvement Participants of Procurement of Key Staff.....	94

**CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....94-121**

5.0 Introduction.....	102
5.1 Summary of Findings.....	102
5.1.1 Preparation and Posing Of Procurement Plans and Contract Awards.....	102
5.1.2 Procurement Procedures and Structures.....	103
5.1.3 Delay in Completion of Procurement.....	100
5.1.4 Poor Involvement of Relevant Procurement Practitioners.....	104
5.1.5 Lack of Experienced and Proficient Procurement Staff .....	104
5.2 Challenges Of Implementation Of The Public Procurement.....	105
5.3 Implications of the Passage of the Public Procurement Amendment Bill.....	106
5.4 Conclusion .....	107
5.5 Recommendations.....	109
5.6 Suggestion for Future Research.....	112



REFERENCES.....113  
APPENDICES.....121



**LISTS OF TABLES**

**Table 2.1: Legal Framework of the Procurement Act .....14**

**Table 3.1: Sample Frame of Respondents.....54**

**Table 3.2: Sample Size.....57**

**Table 3.3 Categorization of Departments of the Assembly.....67**

**Table 4.2: Age Distribution Of Respondents.....76**

**Table 4.3: Level of Education of Respondents ..... 77**

**Table 4.5.1: Training, Skills and Experience of Procurement Participants .....80**

**Table 4.5.2: Adequate and Timely Release of Funds .....82**

**Table 4.5.3 Level of Awareness of Procurement Regulations .....86**

**Table 4.7.1: Procurement Planning.....93**

**Table 4.7.2: Bid Preparation.....94**

**Table 4.7.3: Procurement Publicity .....95**

**Table 4.7.4: Submission, Opening and Evaluation of Bid.....96**

**Table 4.7.5: Award of Contract .....97**

**Table 4.7.6: Contract Management .....98**

**Table 4.8: I Participate In the Procurement Process.....100**



**LISTS OF FIGURES**

**Figure 2.1: Conceptual Frame Work.....14**

**Figure 4.2 Level of Education of Respondents .....78**

**Figure 4.3 Genders of Respondents.....79**



## LIST OF ACRONYMS

AGR	- Auditor-General Report
ASSEMBLY	- District Assembly
CPAR	- Country Procurement Assessment Report
DACF	- District Assembly Common Fund
DCD	- District Coordinating Director
DDF	- District Development Facility
DFO	- District Finance Officer
DPCU	- District Planning Co-ordinating Unit
DPO	- District Planning Officer
GII	- Ghana Integrity Initiative
GOG	- Government of Ghana
HRO	-Human Resource Officer
ICT	- International Competitive Tendering
ICT	- Information Communication Technology
ICT	-International Competitive Tendering
IGF	- Internally Generated Fund
KPMG	- Klynveld Peat Marwick Goerdeler
L.I	- Legislative Instrument
MMDAS	-Metropolitan, Municipal and District Assemblies
MOFEP	-Ministry for Finance and Economic Planning
NADMO	-National Disaster Management Organization
NCT	- National Competitive Tendering



NCT	-National Competitive Tendering
NTR	- Non- Tax Revenue
OECD	- the Organization for Economic Cooperation and Development
PAS	- Performance Assessment System
PEs	- Procurement Entities
PPA	- Public Procurement Authority
PPB	- Public Procurement Board
PPME	- Public Procurement Model of Excellence
PPOA	- Public Procurement Oversight Authority
PU	- Procurement Unit
RFQ	- Request for Quotation
SMCD	- Supreme and Military Council Decree
SPP	- Sustainable Public Procurement
SPSS	- Statistical Package for Social Scientists
STD	- Standard Tender Document
THE ACT	- The Public Procurement Act





## CHAPTER ONE

### GENERAL INTRODUCTION

#### 1.0 Background of the Study

Public Procurement refers to the government activity of acquiring the goods and services it requires to discharge its mandate (Arrow & Smith, 2010: 1). It can be also defined as the formal agreement that results in the acquisition of goods, works or services by the state (Odhiambo and Kamu, 2003). Furthermore, it is considered as “the activity of providing goods, services or giving out the provisions of goods or services by the state or state institution on contractual arrangements prescribed by law.” (Public Procurement Board, 2003).

Over the years, the need to have an effective public procurement system in Ghana has engaged the attention of managers of the national economy and development partners as well. This is due to the huge amount of allocations made to that sector in the annual of budgets of developing countries. Public procurement represents a huge portion of government expenditure annually (Mlinga, 2009). This phenomenon resulted in the plethora of pragmatic measures and steps taken in the past which generated comprehensive public procurement reforms with the focus to streamline and harmonize the procurement processes in the country.

In Ghana, public procurement represents 24% of total imports less salaries and compensations of public servants. It also represents 50% of the national budget and 14% of Gross Domestic Product (Adjei, 2005). Moreover, studies have revealed that the annual value of public procurement for goods, works and services amounted to about \$600 million (World Bank, 2003)



which represented about 14% of Ghana's GDP. These expenditures were in favour of programmes executed by Ministries, Department, Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs) as well as academic and health institutions which constituted procurement for works, goods and technical and consultancy services.

Public procurement is increasingly recognized as one of the critical activities of government business that has significant impact on the prudent and efficient management of public resources. Due to this realization, several countries have become more aware of the significant role it plays and, therefore, put in place measures in a strategic and comprehensive manner to curtail the level of abuse and corruption in that area. One major and bold step taken was the passage of the Public Procurement Act in 2003 to promote efficiency, accountability and transparency in public procurement to overcome the challenges that confronted that sector (Public Procurement Oversight Committee, 2003).

Prior to the passage of the Public Procurement Act, past governments and administrations had taken initiatives to harmonize and sanitize public procurement by passing countless financial and legal instruments to address the setbacks that bedeviled government procurement activities. Each of these attempts was designed to change the procurement regimes, lacked proper focus and comprehensiveness to actualize their objectives. These procurement regimes came in the form of constitutional, legislative instruments, administrative directives and financial circulars. For example, before the coming into force of the Public Procurement Act, different legislations were passed. For instance, the Government Contracts Act, 1960 Act 25 and the Ghana supply Commission Act was passed by PNDC Law 245 but later amended in 1990. Furthermore, in



1976, the Ghana National Procurement Agency Degree, 1976 was passed by the Supreme Military Council (SMCD). In 1979, another significant enactment made was the Financial Administration Degree SMCD 221 with the focus to also address the teething challenges that marred the smooth and effective public procurement management in that era. This financial regulation was operationalized until its amendment in 2003 as the Financial Administration Act, 2003(ACT 654).

Despite the continued efforts aimed at reviewing and reviving public procurement management in the country, evidence pointed that several bottlenecks and weaknesses still confronted public procurement practice in the country which included such weaknesses as copious inefficiencies, lack of openness and transparency in the procurement activities. This was caused by the lack of completeness both in the content and direction in the numerous piecemeal legislations enacted. They also lacked cohesion and clearly defined procedures both in organizational and institutional arrangements required to manage the public procurement system effectively. Furthermore, they failed to address the capacity development and improvement of procurement personnel issues as well as staff and professionals that would manage the procurement cycle. In effect, they could not produce the desired results of achieving value for money for governments (Ministry of Finance, 1999).

In the pursuit to overcome lapses that confronted the public procurement system, the Government after an in depth review of its public expenditure system, launched a comprehensive public financial reform programme in 1993 with the prime motive to strengthen the public financial management system in Ghana. This financial management reform programme was





christened the Public Financial Management Reform Programme (PUFMARP). It commenced work in 1995 to examine the efficiency, equity effectiveness and accountability in the public financial management system in Ghana. The PUFMARP, after completion of its work, recommended an immediate overhaul of the entire public procurement system. The government, in implementing the recommendations directed that the MOFEP (Ministry of Finance and Economic Planning) establish Steering Committee which was named the Public Procurement Oversight Group in 1999 and its terms of reference was to lay the foundation for the design of a comprehensive public procurement reform programme. The Committee achieved one of its major objectives by drafting a public procurement bill in September which eventually gave birth to the Public Procurement Act, 2003 (Act 663) in 31st December, 2003.

The Public Procurement Act was passed to address the perceived shortfalls and the challenges associated with the public procurement for goods, works and services. Also, the Act provides for the establishment of the Public Procurement Authority which is to serve as the Regulator and Overseer of the public procurement in Ghana. The Public Procurement Authority as part its assigned mandate has been conducting monitoring activities over public procurements in the various MDAs and MMDAs across the country. This is to ensure effective compliance and implementation of ACT 663 (Public Procurement Authority Electronic Bulletin, 2014).

### **1.1 The Problem Statement**

The Public Procurement Act was passed to harmonize and improve on procurement processes and procedures in the Ministries, Departments and Agencies as well as in the Metropolitan, Municipal and District assemblies (Public Procurement Act, 2003 Act 663). It furthermore, seeks

to promote efficiency and effectiveness in public procurements by ensuring that procurement processes are carried out in the most transparent, competitive and non-bias manner while promoting a competitive local industry.

Unfortunately, there are also allegations that several public institutions still lack both the needed proficient personnel and financial capacity to effectively comply with the public procurement Act to achieve value for money for the state. Public procurement is still characterized by large irregularities such as lack of fairness, high cost of contracts, illegal and or wrongful termination of contracts, and wrongful award of contracts among others (Auditor –General Report, 2012).

More so, the Auditor-General reports still cite countless findings on large procurement infractions and irregularities on non-compliance with key provisions prescribed by the Procurement Act among procurement practitioners in the District Assemblies. For example, the Auditor- General Report for 2014 on the Management and Utilization of the District Assembly Common Fund and other Statutory Funds disclosed procurement infractions amounting to GHC 11.9 million. This study therefore sought to assess the capacities of the capacities of the Saboba and Zabzugu District assemblies for effective implementation of the public procurement Act, 2003 (Act 663). The two assemblies were selected for the study because they are appropriate- They feature countless number of times in various procurement irregularities and anomalies reported in the Auditor –General report. The Saboba District Assembly for instance, awarded contract to the tune of GHC 30,000 without passing it through competitive bidding (Auditor – General Report, 2014).



Failure to equip Procurement officers with the necessary skills to manage the procurement cycle exposes public procurement to high risks which may result in poor contract delivery making achieving value for money in government procurement impossibility. Therefore, capacities and training of procurement workforce are important drivers of a good procurement management (OECD, 2016).

Francis (2012) undertook a study to assess the level of compliance with the Public Procurement Act, 2003 in public entities in the Ashanti Region but his research was general and limited to only the public institutions in the Ashanti Region, and his finding could not therefore be generalized to cover District Assemblies in the Northern Region. Currently, there is no empirical research undertaken to ascertain the effect of capacity gaps on effective implementation of procurement regulations in District Assemblies in the Northern Region. This study therefore seeks to assess the capacities of Saboba and Zabzugu District Assemblies in the Northern Region of Ghana for effective implementation of the Public Procurement Act (Act 663).

### **1.1 Research Objective**

The general objective of the study is to assess the capacities of the Saboba and Zabzugu District Assemblies in the Northern Region of Ghana for effective implementation of the Public Procurement, 2003 ( Act 663). In order to this goal, the following are the specific objectives:

1. To ascertain the competence levels of the managers of the procurement process.
2. To ascertain whether the district assemblies have adequate funds to implement projects.
3. To evaluate the level of awareness of the procurement regulations by the key participants in the procurement cycle in the District Assemblies.



4. To determine the level of compliance with the procurement procedures, rules and processes as enshrined in the Public Procurement Act.

### **1.3 Research Questions**

The study will seek to investigate the following research questions:

1. Do assembly staffs in the district assemblies have skills and experience to discharge their procurement roles effectively?
2. Are central government funds released to the district assemblies at the expected time for plan implementation?
3. Are the participants in the procurement cycle familiar with the Procurement Act and its provisions, procedures, and processes?
4. What is the level of compliance with the procurement procedures, rules and processes as enshrined in the Act in both assemblies?

### **1.4 Rationale of the study**

Effective public procurement system offers numerous benefits to the state since it promotes competition, transparency and fairness and ultimately achieves value for money in procurement activities. Hence the expectation is that a good procurement management is to ensure judicious use of public resources, fiscal discipline, and transparency in the management of scarce public resources of the country.



Notwithstanding the continued efforts to streamline procurement practices through reforms, unfortunately, there are still reported cases of abuse of the procurement of Act resulting in loss of huge sums of monies to state, waste of tax payers' monies and weak stores management and poor contract management etc.

The significance of this study will be enormous. First and foremost, it will reveal the various capacity gaps in the District Assemblies and recommend measures to improve on them for effective procurement management. Moreover, it would highlight the implementation challenges of the Public Procurement Act in the District Assemblies and outlines the appropriate modalities to address on them. Moreover, the study will serve as reference document for research and civil society organizations in their advocacy for good governance in the country. Lastly, the study will add to the existing the literature on the topic serving as a reference point for other studies.

### **1.5 The Limitations and Delimitations of the Study**

Like any other research, the study suffered some setbacks which are as follows: first, the cost of printing, stationery and fuel to embark on field trips to collect data posed a major setback to this study since they were limited resources at the disposal of the researcher. Second, the researcher had tough time with respondents in administering and retrieving the questionnaires from them since some of them were reluctant to answer certain items on the questionnaire even after assuring them of anonymity with any information they provided. Furthermore, some of the departments in the Districts are sparsely located which made it difficult to gain access to the respondents to collect data for the study. Third, the study used closed-ended questions which have the weakness of limiting the amount of relevant data to be collected. This could have had





huge impact on the outcome of the research. Despite all these limitations the researcher encountered, the findings of this study are still in-depth and relevant and could be relied upon for further research on the topic.

The study sought to assess only the capacities of the Saboba and Zabzugu District Assemblies in the Northern Region of Ghana for effective implementation of the Public Procurement Act. Furthermore the study will involve only senior officers and key Assembly Members who participate in the procurement processes in the two district Assemblies. It included only officers who work in the two Assemblies and the education and health departments. The study did not include the capacities of service providers in the two districts due to time constraint.

### **1.7 Organization of the Study**

This study is organized into five chapters. The Chapter One of this thesis discusses the background of the study, statement of the problem, research questions, and research objectives, significance of the study and limitations and delimitation. Chapter Two focuses on the relevant literature on public procurement reforms in Ghana and the theoretical framework. Chapter Three deals with the identification of the appropriate methodology for this study and Chapter Four deals with analysis of data collected from the field, interpretations and discussion of the research findings. The last is Chapter Five which presents the summary of the research findings, draws conclusions and offers recommendations.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter deals with the scholarly works on procurement. It explores the definitions and scope of public procurement. It sheds light on the background of the public procurement reforms in Ghana; it further touches on the conceptual framework for the research. Moreover, it reviews the Public Procurement Act, 2003 Act 663 relative to the procurement thresholds and explains the principles underpinning public procurement. It broadly discusses the various procurement structures, and their responsibilities, the processes and Procedures in the Public Procurement Act, 2003 (Act 663). It further examines the procurement challenges and consequences of poor procurement, corruption and inefficiencies in public procurement and the importance of good public procurement system. Finally, it reviews previous works, articles books, articles and research works that cover areas relevant to the purpose of this study.

#### 2.1 Operationalization and Scope of Public Procurement

Public procurement is broadly defined as the purchasing, hiring or obtaining by any contractual means, goods, works or and services by the government. In other words it is defined as the application of state funds in acquiring works, goods or services to meet the needs of the citizenry. This implies that the process by which public entities purchase goods, works, and services with the use of public money. For example, a head of department who uses state funds to buy car tires to undertake monitoring of development projects is engaging in public procurement.



Furthermore, according to the Public Procurement Act, 2003 (Act 663), Public procurement is described as “the acquisition of goods, goods and services at the best total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations or individuals, generally via a contract”. In the purchase of commodities and contracting of construction works and services if such acquisition is effected with resources from state budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid as well as revenue received from economic activity of state. Public procurement, thus, means procurement undertaken using public funds (World Bank, 1995). Procurement in government cycles would not aim at achieving some profit margins but rather may be looking at satisfying some basic needs of the citizenry. In the nutshell, any state institution applying public funds to acquire its material or logistical needs for service delivery to the general public is involved in public procurement.

## **2.2 Outlook of Procurement before the Procurement Reform in Ghana**

Before the enactment of the Public Procurement Act, 2003 (Act 663), the Ghana National Procurement Agency (GNPA) and Ghana Supply Co. Ltd were the major state corporations that were involved in the supply of goods and services on behalf of government (Verhage, Gronden et., al., 2002) due to the absence of laws requiring public authorities to conduct procurement in an open and competitive manner. Therefore, these Agencies were handpicked and awarded the contracts to supply the logistical needs of government.

In view of the numerous measures together with the concerted efforts made towards addressing the lapses and weakness of the procurement regime, government initiated the PUFMARP in 1996 to fine-tune the public financial management in the country in order to promote

accountability, efficiency and transparency in the use of public resources. The PUFMARP was inaugurated in 1996 which recommended setting up of the Procurement Oversight Group in 1999 to champion the agenda of establishing a robust and a comprehensive regulatory framework for public procurement in Ghana. The POG work gave birth to the Public Procurement Act passed by the Parliament in 2003 as Act 663.

### **2.3 Nature of Public Procurement before the Passage of the Public Procurement Act**

The PUFMARP (1996) assessment findings revealed that the following weaknesses in the previous procurement system before the passage of the Public Procurement Act. These are enumerated as follows:

- a. There was no holistic and harmonized procurement policy.
- b. There was no central coordinating and regulatory body to oversee to manage public procurement.
- c. There were no clear regulations and procedures to enforce compliance by public institutions.
- d. Lack of a legal framework for procurement.
- e. Lack of independent procurement audit provisions.

### **2.4 The Legal and Regulatory Framework of Public Procurement In Ghana**

The 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.



- **Regulations**

The Minister for Finance issues regulations in consultation with PPA, under Section 97 of the Act. The Regulations provide the detailed rules and procedures for all aspect of the procurement system, the operations of PPA and procurement entities and the conduct of procurement activities. They give further in depth explanations to the respective provisions of the Procurement Act.

- **Guidelines**

The guidelines are issued by the Public Procurement Authority (PPA) under the Act and provide supplementary guidance on specific topics. Example: disposal, single source procurement, margins of preference, and further guidelines are issued as required by the PPA.

- **Standard Tender Document**

These are issued by the PPA and listed in Schedule 4 of the Act. They comprise standard invitation and contract documents for procurement of all values. They are separate standard tender document for goods, works and services.

- **Public Procurement Manual**

The PPA issues the manual to serve as reference documents for the conduct of procurement duties. It provides practical guidance and step-by-step procedures for undertaking procurement in accordance with the Act. It contains standard forms to assist with procurement documentation.



**Table 2.1 Legal and Regulatory Framework of the Procurement Act**

<b>LEGAL FRAMEWORK</b>	<b>DESCRIPTION</b>
Public Procurement Act, 2003	Provide comprehensive legal regime to harmonize and safe public procurement.
Public Procurement Manual	Provide practical guidance and step- by step procedures for making procurement in accordance with the act.
Standard Tender Document	They comprise standard invitation and contract documents for procurement of all values. There are separate standard tender documents for all goods, works and services.
The Public Procurement Regulation	They contain detailed rules and procedures for all aspects of the procurement system. The operation of PPA and procurement entities and the conduct of procurement activities.
Guidelines	Issued by the public procurement authority which provides supplementary guidance on disposal, single source procurement , margin of preference, frame work contract agreements, sustainable procurement( SPP) etc.

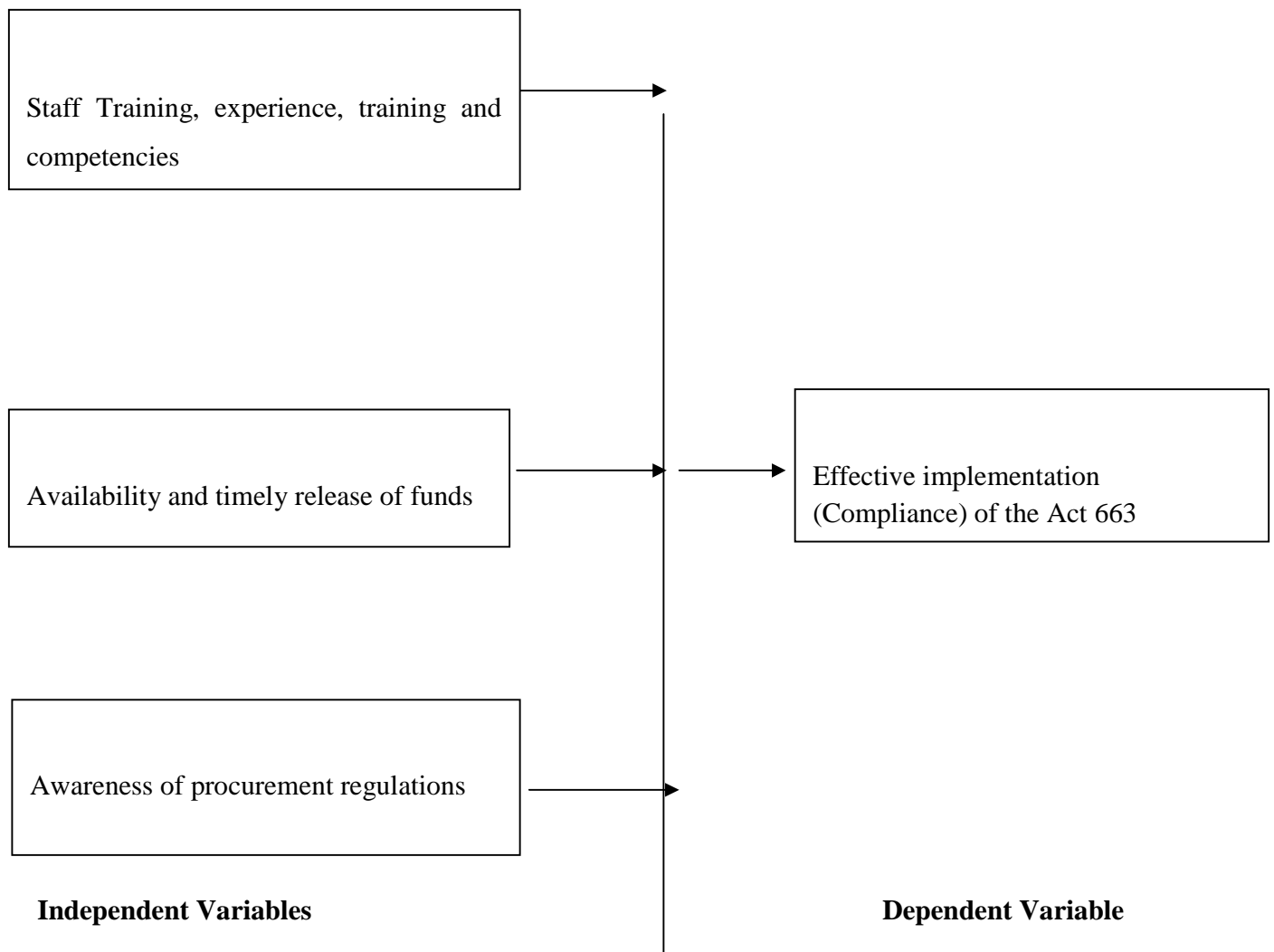
**Source: PPA Regulations (2003)**



## 2.5 Conceptual Framework

A conceptual framework refers to the graphic representation of the relationship between variables in a study (Mugenda and Mugenda, 2003). It also portrays the direction of the study. Through the conceptual framework, the researcher is able to show the relationships among the variables he intends to investigate. The study attempts to establish factors that influence procurement performance at the district assemblies.

**Figure 2.1: Conceptual Framework**



Source: Triantafillou, 2007 (with some modification by the researcher)



From figure 2.1, the aspects of staff experience and relevant skills, availability and timely release of funds for procurement plan implementation and level of awareness of procurement regulations are the independent variables which determine the capacity situation of the district assemblies while procurement performance (compliance) is the dependent variable. The independent variables have direct influence on the dependent variable.

### **2.5.1 Staff's Awareness of Procurement Regulations and Provisions.**

Procurement tasks and duties are discharged in accordance with laid down rules and procedures as enshrined in the PPA, 2003. The laid down steps must be followed religiously in compliance with the object of the Act thereby effectively implementing its provisions. The steps include; planning for the required procurement over a given period, identifying the source of the items, highlighting specifications/initiation of procurement, determination of procurement procedure, sourcing (soliciting) offers, evaluation of offers, post qualification, commencement of contract, contract performance (delivery) and management, record keeping and accountability, payment and post contract performance (PPA Act, 2003). In contrast, some of the participants in the procurement cycle are not familiar with the rules and procedures to manage the processes diligently. Several actors in the procurement activities are expected to play very significant roles in the procurement processes but a large number of them are disregarded in decision making due to their ignorance of procurement procedures (Charles & Oludele, 2003). De Boer and Telgen (1998) posit as quoted by (Gelderman et al., 2006), that one of the factors that causes non-compliance with procurement regulations is the level of awareness with the regulations. De Boer and Telgen (1998) further assert that during the early days of the of the legislation of public procurement rules in the Netherlands, many city authorities could not adhere to the rules due to





unfamiliarity with them. This is further supported by (Gelderland et al., 2006) that a survey on compliance with EU procurement directives, non-compliance could result from procurement managers taking advantage from poor procurement legislations and outright impunity. Guy (2000) suggests we can measure the institutionalisation and adaptability of every organization in different ways which include autonomy, complexity, coherence, congruence and exclusivity. There is the strong need for procurement practitioners to recognize and adopt modalities to overcome complex situations. It is also incumbent on them to act as arbiters and source of organizational advancement. The requirements to educate professionals and equip them with new and higher-level skills have urgently become paramount (Sauber et al., 2008). A skill is the ability either to perform some specific behavioral task or the ability to undertake a mental process that is typical of particular task (Peterson and Van Fleet, 2004). Even though competence is a key determinant and significant to organizational change but the specific impact of skilled staff and advanced service providers on organizational change remained under researched (Hwang & Powell, 2009; Scott, 2008).

### **2.5.2 Training, Skills and Experience of Key Staff**

Procurement professionals are expected to have the requisite knowledge, experience and competencies in order to conduct procurement in the most efficient and effective manner. As Dobler and Burt (1996) note that a profession is a job that involves the use of skills and requires one to undergo a lengthy and thorough training for service delivery. This definition is reinforced by Millerson (1964) who lists the following essential features of a profession. A profession according to Millerson has the following essential features; it requires both practical and theoretical knowledge, a skill is acquired through training or apprenticeship and it requires

upholding its values in an ethical and moral manner, it is structured to serve humanity. The procurement regulations were meant to ensure that capacity building was given to procurement managers since proficient procurement staff is a sine qua non to an effective procurement practice which would be able to promote fiscal transparency and accountability in protecting the public purse. Conversely, several audit reports issued by the Auditor - General have noted that there are still lack of procurement units and inadequate procurement staff in the various MMDAs and MDAs across the country. This report finding concurs with the position of a study undertaken by (PPOA, 2007) that available expertise at the procurement units did not meet the need for specialized procurement knowledge irrespective of the conscious focus towards promoting a professional and competent procurement workforce.

### **2.5.3 Availability and Timely Release of Funds and Compliance**

The (World Bank, 2007) recognizes that though information is very crucial in enhancing an efficient and effective procurement process, a solid financial base remains the engine that propels it. Funds are earmarked monies set aside to undertake specific activities or programmes. The sources of funds for MMDAs are basically statutory (GOG) transfers, donor supports and internally generated funds (Accounting Manual for MMDAs, 2009). Adequate and timely release of these funds to the District Assemblies is fundamental and a driver to successful implementation of the annual procurement plans of various procurement units. However this expectation is far-fetched since funds transfers to assemblies over delay suffocating most MMDAs with limited or no funds to implement their plans resulting in delayed payments to contractors which has negative effect on quality of completed of government projects. These unfortunate phenomena have made it a mirage practically if not impossible to achieve the value

for money in the procurement of public procurement for goods, works or services. The Common Fund Administrator notes this bad trend as follows:

“Inadequate fund flows or delay in the disbursement of funds and its attendant consequences pose a major problem for many MMDAs. For instance, this 2014 is about to close, but it is only the first quarter allocation that has been communicated to the various MMDAs. As a result of this delay projected programmes and projects shall equally suffer unnecessary delay as there is no money to pay contractors. In addition, delays in the implementation of projects also affect the contract sum, which tends to go up this putting unwarranted pressure on the contractors from their bankers.”  
(Common Fund News Letter, 2014).

#### **2.5.4 Effective Implementation of the Public Procurement Act /Compliance with Procurement Procedures**

The Public Procurement Act, 2003 (Act 663) was passed by the Parliament of Ghana in 2003 to “provide for public procurement, establish the Public Procurement Authority, make administrative and institutional arrangements for procurement; stipulate tendering procedures and provide for purposes connected with these” (The Public Procurement Act 2003). The Public Procurement Authority conducted a review in 2006 and identified weaknesses in its implementation that needed immediate solution. These lapses included inadequate number of qualified procurement personnel, incorrect interpretation and application of some provisions of the procurement Act, lack of required training avenues or institutions, poor record management (scattered files), poor handling of suppliers’ complaints, poor procurement planning, mobilization & implementation, poor contract management and high cost of advertisement (PPA, 2007).





One of the measures to adopt for effective implementation of the Act is to ensure that all stakeholders that manage the public procurement function conduct the procurement activities in a way that is consistent with the objectives and goals of the public procurement regulations. But this can be achieved when procurement professionals and suppliers are familiar with the procurement rules as well as when service providers are knowledgeable and courageous to resist any abuse in the procurement process and finally when procurement units have the adequate financial strength to implement their procurement plan effectively (Public Procurement Authority Annual Report, 2015).

The Country Procurement Assessment Report (CPAR), prepared by a team of Government officials, World Bank and donor staff, and national consultants( including senior public service officials reveals substantial inefficiency in public procurement and concludes that the principle of “value for money” is not achieved. This applied for both governments financed and donor financed procurement. The key findings of the 2002 Country Portfolio Performance Review of World Bank projects also indicated slow project implementation and disbursement among other factors was due to a large extent of inadequate procurement planning, non-transparent procurement procedures and poor contract management. A review in 2002 of 132 works contracts which constitute an important part of public expenditure indicated that about 84% incurred cost-overruns of up to 30% of the initial amount (World Bank, 2003b). Similar findings of public procurement weaknesses were recorded in the 1996 Country Procurement Assessment Report (World Bank, 1996). Successive waves of management and financial reforms have, inter alia, focused on improving public procurement efficiency, effectiveness and outcomes (Calendar

& Matthews, 2002). Meeting the expectations of high procurement results through procurement rules leads to a shift in emphasis from accountability and transparency (McCue & Pitzer, 2000) towards accountability for outcomes.

## **2.6 Scope of Application of the Public Procurement Act**

The Public Procurement Act regulates all procurements funded in whole or in part from public funds (Section 14 of Public Procurement Act). Notwithstanding this provision, procurement with international obligations arising from any grant or concessionary loans to the government shall be in accordance with the terms of the grant or loan (Section 86 of the Act).

Prior to the enactment of these provisions, it was recommended that the World Bank/ FIDIC procurement rules be applied on World Bank- funded contracts because MDAs had no set of comprehensive guidelines for procurement (Westring, 1997, World Bank 1996]. There is therefore reason to anticipate that donor partners would feel reluctant to the use of the PPA. For instance, the agreement between the Ministry of Health and its cooperating partners, under a World Bank-administered programme to undertake procurement under specific Ministry of Health procedures is perhaps evidence of this expectation (World Bank 2003).



## 2.7 Principles Underpinning Public Procurement Practice

Public procurement principles are the tenets that guide public procurement and should be upheld in every public procurement activity. They underpin procurement practice and serve as the foundation for public procurement practice and all other officials engaged directly or indirectly in the procurement process (Jorge Lunch, 2013). Procurement practitioners must have deep understanding and be conversant with these principles and their application in order to guide their conduct of daily procurement decisions. The strict integration and adherence to these by the various actors in the procurement process would produce the desired goal of public procurement. Every public procurement practitioner is a custodian of public funds and is guided by an ethical code of conduct. The principles underpinning public procurement are transparency, integrity, economy; openness, fairness, competition and accountability are some of the fundamental principles of public procurement (OECD, 2016).

First of all, transparency has been identified as one of the critical principles of procurement in the sense that information on the public procurement process must be made known to all the relevant stakeholders namely: contractors, suppliers, service providers, and the citizenry at large, unless there are contrary reasons for limiting public access to some confidential information. For example, confidential information could take the following forms: Proprietary information belonging to companies or individuals participating in bidding, and information with national security and defense concerns (Section 40(a-f)). If measures are to be taken to eradicate corruption from the public procurement system, there is the need to publish invitations for tenders, notifying contract awards in the media, including the successful bidder's name and final price, and making award criteria open and accountable. These are some of the basic practices of



transparency in public procurement which directly affect corrupt practice (Evenette et al, 2005). Furthermore, the PPA with the focus to secure transparency in the procurement processes must conduct regular annual assessment of the procurement processes in the various MDAs and MMDAs to gauge performance with regard to compliance with procurement regulations (PPA, 2014). Also, the Internal Audit Agency and the Auditor- General should also conduct regular procurements audit to review the procurement operations of the MMDAs and report their findings to the appropriate stakeholders for further action.

Besides transparency as a principle of public procurement, integrity is key to public procurement. Providing accurate information is a very basic means of ensuring integrity in the procurement process (Jorge Lynch, 2013). This is done by ensuring that all the players have confidence and trust in the information provided by the procurement entity. Integrity engenders confidence in the procurement system. Creating awareness of the rules of a procurement process is fundamental in maintaining ethical standards (Wee, 2002). Integrity of the procurement process could be secured in various ways, for example, when advertisement for contract is made open, the information contained in it must be free of ambiguities or bias. Tender opening and the evaluation process must be open and transparent. Also, the procedures for evaluation should be applied across board and not must be bent to favour a particular bidder. Moreover, bidders should have a clear understanding of the requirement, and know how they will be evaluated. Lastly, evaluation and selection criteria must all be clearly defined in the tender document. These criteria should not be changed unless the need arises which must be communicated to all bidders. Any changes in the offer submission date, should allow bidders sufficient time to adjust their



offers accordingly to meet the new submission deadline (Section 51(5) of Public Procurement Act).

Again, Practitioners are the various players and actors either working directly or indirectly within procuring entities, and other government officials involved in the public procurement process must display personal and professional integrity. Public servants involved in the public procurement process should uphold the values of honesty, trustworthy, responsibility and reliability at all times. They must always keep the purpose of the procurement requirements in

Mind, and strive to ensure that they diligently and professionally manage public procurement as mandated by the public procurement rules (Joyge Lynch, 2013).

In addition, the principle of economy in procurement is synonymous with efficiency, value for money, and commercially and competitively reasonable price. This principle emphasizes the need that public funds be expended in a more prudent and with due care and diligence. For instance, the price paid for goods and services should be equivalent to the utility the public derives from the transactions. To promote the principle of economy in the procurement process, all stakeholders who participate in the cycle should endeavour to avoid fraud and curtail the high levels of waste and abuse of public funds to the barest minimum. Moreover, efforts should be made to avoid paying unreasonably, high prices for substandard goods, collusion with other bidders, or other forms of unacceptable practices (Jorge Lynch, 2013).







Another important principle that promotes an efficient public procurement system is openness. This principle requires that procurement specifications should be open to all competing and potentially qualified organizations and individuals. It means that there should be free flow of information regarding the procurement, unless when there are justifiable reasons contrary to this principle since it is not all information that should be made common knowledge to the competing organizations. For example, confidential and proprietary information about individual companies' financial information should be restricted unless otherwise provided in the procurement rules or other relevant regulation. Furthermore, procurement methods such as restricted or selective bidding, that limit the availability of tenders to only firms in the prequalification list of the procurement entity that is where shopping, sole-sourcing is applied and eliminates competition since in this method invitation is limited to specific companies or individuals (Jorge Lynch, 2013). Also, the evaluation of tender is kept confidential until the appropriate approving authority either the Regional Tender Review Board or District Tender Committee approves of it. This would be defined in the procurement rules. Most defense procurements with wide security concerns and secrets are confidential, restricting relevant information to those that matter or a "need-to-know" basis only. Except for confidential defense procurements, the results of the public procurement process should be published and made available on the PPA website. Moreover, consequently, public procurement information (except for confidential/proprietary information) should be open to all on a restricted access basis. Advertisement of procurement in the dailies, posting of procurement advertisements on notice boards and on the PPA website are all are forms of media through which openness is promoted in the procurement process (Sections 21, 31 and 47 of Public Procurement Act).



Next is the principle of fairness. It has different ramifications and understood in many different ways. Fairness is seen as treating all bidders equally. Fairness in the public procurement process should be observed while conducting the process from the procurement planning stage to the final stage of contract award. Procurement practitioners can adhere to the following measures to ensure fairness in the procurement process. For instance by ensuring all individuals or organizations in the bidding process are treated fairly and no preferential or special treatment should be given other to give more advantage over the others. However, for procurements using the International Competitive Tendering method, the procurement Act allows some margin of preference for domestic companies. Moreover, the process should not be shrouded in secrecy (Section 77 of Act 663). Procurement is not supposed to be shrouded in secrecy to all the competing companies and by so doing the procurement entities shall treat proposals and any negotiations on selection procedure as confidential and avoid the disclosure of their contents to competing consultants. Public officers are prohibited from revealing to other parties any technical information or price relating to other competitors' without their consent. Unfortunately, the confidentiality principle is mostly compromised since in some cases tender evaluation panel manipulate the process to favour their preferred bidders over other competitors.

To add, competition is one of the corner stone of a public procurement system. The public procurement process should not be manipulated for the benefit of any organization or individual. Given that public procurement is funded primarily with tax payers' money, all eligible organizations and individuals should be allowed to participate by submitting offers in response to a specific requirement for which they are qualified. Public procurement requirements should be widely disseminated to increase the chances of a good market response, leading to the award of

competitively-priced contracts. Despite this principle, not all contracts are awarded using a competitive process because the urgency of need may call for a speedy procurement method to fulfill a specific requirement. The use of non-competitive procurement methods, although justified under certain conditions, should be kept to a minimum. It must be used sparingly. This means the non-competitive methods of procurement such as sole-sourcing must be used sparingly. On the contrary, public entities in Ghana have used this method as a vehicle for corruption without even following the prescribed procedures for its application (PPA Annual Report, 2014).

Accountability entails how the public interest is being protected in the disbursement of state monies as (Barrett, 2000) observes that ensuring that integrity prevails in the procurement process is an important requirement in modern public procurement. Similarly, Accountability in public procurement means that anyone involved in the procurement process is responsible for their actions and decisions with respect to the public procurement process. As public servants, procurement practitioners, and others involved in the public procurement process, are accountable and should face punitive sanctions for any unacceptable behaviour that contravenes the public procurement rules. Accountability is state responsibility to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs (Segal and Summers, 2002). Lack of accountability creates opportunities for corruption. Brinkerhoff (2004) suggests three basic features of accountability namely gauging performance, collaborating with oversight bodies and punishing wrongful actions. Auditing and monitoring of procurement activities of the MMDAs is performed by the PPA as one of the modalities of holding procurement managers accountable (PPA Report, 2015).





Value for money is critical to every procurement system as the ultimate focus of the public procurement reform in Ghana is to achieve value for money to the state (Public Procurement Act). Principally, in basic terms, value for money (VFM) may mean getting a good deal from public expenditure. VFM is a key factor to consider when planning policies, programmes and projects as well as when taking any decisions involving the use of public resources. It is considered as a key determinant of efficient use of public funds so therefore should be upheld in every procurement activity. It determines the impact of the project or services being undertaken or rendered on the lives of tax payers. Value for money in procurement is also seen as the most efficient cost, quality and sustainability to meet customer expectation or requirement (Northern Ireland Procurement Board, 2011). However, studies indicate that procurement officials still lack the basic experience and skills to manage the procurement cycle effectively (EODC/DAC, 2007). This draw back has threatened the objective of achieving value for money in public procurement since most contract are merely evaluated based on lowest price but not on lowest competitive price. Corruption also poses as a major obstacle to achieving for money in governments contracts (Transparency International, 2015). Furthermore, excessive delay in completion of contracts, execution of shoddy works, and abandonment of projects by contractors all threaten the chances of achieving value for money in government procurement.

## **2.8 Application of Computer Technology in Public Procurement**

The application of computer technology which is termed as E-Procurement is an emerging issue having a considerable impact on the efficiency and effectiveness of public procurement due to the cost cutting opportunities associated with it. The Auditor-General Report on the Procurement of Drugs and other Items in 2010 indicates that e- procurement is the use of computer software in

procurement management which helps reduce processing time considerably and effectively manages procurement data, its storage, and retrieval for decision making. The report notes that e-procurement is a crucial tool for summarizing information for top management in monitoring and supervision of the procurement function but it further regrets deeply in the contrary that most government institutions as of now do not integrate their procurement operations with computer software to process data.

Marcella (2006) further explains that e-procurement platforms use electronic system over internet connectivity to make procurement decisions between bidders and procurement entities. In this sense, process of e-procurement covers the entire procurement cycle, from the start of the cycle through to contract management (OECD, 2016).

Interestingly, many developed countries in Europe and Asia have adopted e-procurement platforms in their procurements which have injected efficiency and transparency as well make procurement officials more accountable in their procurement processes (OECD, 2006). It is essential however to indicate that, the adoption of the e-procurement concept is almost non-existence in the public procurement of Ghana since procurement processes in the public sector are still largely manual in character. The human interfaces in the procurement processes in the public sector are enormous, making transparency and efficiency far reaching issues. The Auditor-General's Report, 2014 espoused the need to have a robust e-procurement platforms in the public sector. Hopefully, the on-going E-Ghana Project is principally targeted to address the e-procurement issues in line in the current reforms as most government establishments still do



not apply computer software to process procurement data ( A-G Report, Performance Audit, 2010).

## 2.9 Procurement Structures

The Act 663 sets out the structures of public procurement and each of them are established in compliance with the prescribed composition stated Schedule 1 and 2 of the Act. The main structures outlined in Part II which falls within the scope of this work are discussed as below:

To begin, the apex procurement structure established under the Act is the Public Procurement Authority which serves as the highest statutory advisory and co-coordinating institution for public procurement (Part I of Act 663). The PPA is entrusted with the mandate to ensure the overall co-ordination, direction and development of Government procurement practices and procedures in the country (Section 3 of public procurement Act) so all Procurement Entities, Tender Committees and Tender Review Boards are enjoined to conform to the technical guidelines and regulatory instructions issued by the PPA. Due to its central and coordinating role, however the public procurement Authority is still suffocated with funding challenges to effectively discharge its assigned mandate to the latter as an oversight body (PPA Annual Report, 2012).

Next is Procurement Entities which is recognized as procurement structures under the Act. They are public entities or units entrusted with legal and administrative authorities for procurement purposes (Public Procurement Manual). A Procurement Entity is responsible for all procurement activity of the entity in compliance with the law and any regulations or administrative



instructions issued by the Ministry of Finance in consultation with the public procurement Authority (Section 15, (1) Act 663). The head of entity is required to set up a procurement unit to conduct all activities related to procurement within it in accordance with the Act and shall appoint or designate a proficient procurement person with the requisite professional qualifications, experience and skills as head of the procurement unit to undertake the detailed activities of procurement on behalf of the procurement entity (Regulation 15).

Also, the Head of entities are also procurement structures. Schedule 1 of the Act prescribes procurement values up to which the Head of Entity may approve for award of contract. In his review of submissions made by the Procurement Unit, the Head of Entity may consider to honor it, turn it down with reasons; or approve of it subject to clarifications or amendments. However, the Head of Entity shall not modify a submission; or reject any submission without justifiable reasons communicated to the bidders in writing. But for any procurement submission that the head of entity has an interest, he shall declare it and step aside but appoint an officer to take charge of the process.

Entity Tender Committee is set out as procurement structures in Section 17 of Act 663 as procurement structures. The Act enjoins every procurement unit to constitute a Tender Committee in accordance with the manner set out in schedule 1 of the Act. This is however in the opposite as many public procurement units have still not set up entity tender committee to management their procurement activities (PPA Annual Report, 2012). The District Tender Committee discharges such duties as examining the procurement plans to ensure policy and programmes congruence, ensures that there are adequate budget lines for all procurement



packages as well collaborate with the procurement unit in effective contract administration among others.

Moreover, Tender Evaluation Panels are Ad hoc procurement structures which examine tenders and assist the tender committee in its work. It is constituted after bid opening and its membership must include a representative from the user department. It is worthy of note that evaluation panel are set up for specific procurement packages and as soon as the awards agreements are concluded, they dissolve. The panel members must be equipped with the requisite skills, knowledge and experience relevant to the procurement requirements. Meanwhile, there are on-going reports that contracts are still awarded in the MMDAs without evaluation of tenders (A-G Annual Report, 2012).

Moreover, District Review Board is set up to consider procurement Lots above the threshold of the Entity Tender Committee (Schedule 3 of the Act 663). The District Review Board discharges its duty by reviewing lots under each procurement cycle which result in the selection of the lowest evaluated responsive bidder by the district tender committee. It gives concurrent approval for the award of contract of works, goods and services the board is composed of five (5) members.

Last, the Regional Review Board is established with regard to the prescription of schedule 2 of the Act to review procurement decisions of the Regional Tender Committee within the thresholds set out in schedule 3 of the Act 663. It reviews the procurement activities of each procurement cycle leading to the selection of the lowest evaluated tenderer for the award of the





contract. It is important to state that Procurement above District Tender Review Boards are referred to Regional Tender Review Boards for approval.

## **2.10 Public Procurement Tendering Methods**

Different procurement methods are used in procuring goods, services or works in Ghana. Basically, six (6) different methods of procurement are prescribed in the law for use by public procurement entities. The selection of a particular method is determined by the value of the procurement and circumstances leading to the procurement (Part IV of Procurement Act). The methods are explained below:

Section 35 of Act 663 prescribes the use of competitive tendering method for standard and high value procurement for goods, works and consultancy services. Competitive tendering can either be National Competitive Tendering (NCT) or International Competitive Tendering (ICT). The ICT is used when foreign firms or companies are invited to tender for contracts together with domestic firms. Under this method, effective competition could only be achieved when both the foreign and home based companies tender for usually high value contracts (Section of Act 663). The other category of the competitive tendering method recognized by the procurement Act is the national competitive tendering. With this method, only domestic companies are allowed to tender for the contracts (Section 44 of Act 663) and subject to contract thresholds specified in Schedule 3. It is the most suitable method under the procurement law since it is the one which promotes keen competition among bidders in the procurement process but the PPA still decries that the use of inappropriate alternative procurement (PPA Annual Report, 2011). Under competitive tendering, notices of contracts are advertised and opened to potential contractors to



compete for the contractors by expressing interest through tendering (Section 35 2(a) of procurement Act).

Another type of procurement method recognized under the Public Procurement Act is the request for quotation method which is popularly known as shopping. It is used for goods, works or services of low value nature. In this method, quotations are solicited from at least three suppliers from the pre -suppliers list of the procurement entity. The rationale behind this method is to avoid the cost and time consumed in undertaking a normal competitive tendering process thus allowing the procurement entity to conduct the process in a timely and cost effective manner. This gives the room to achieve value for money for entity (Sections 42-43 of Act 663).

The two stage tendering method is also an option available for procuring for works, goods or services. It is mainly used where the procurement entities do not have the requisite expertise to formulate detailed specifications for the goods, works or services (S.36). In the case of services, the potential contractors are requested to submit proposals or offers which are assessed and evaluated and then used as baseline to formulate the procurement requirements. (Sections 36-37 of Act 663)

That is not all, the restricted tendering method is used for public procurement but it is only used when there is limited competition. This is done by inviting tenders from short-listed suppliers with proven track record to execute the contract. It is applied mainly when few companies or contractors are invited to tender from suppliers list of the entity. This method is also applied



when the procurement needs of the entity require goods of specialized nature and on the basis that the numbers of firms with the technical expertise to deliver are limited. A procurement entity must apply for approval from the public procurement authority before using this method of procurement (Sections 38-39 of Act 663). Unfortunately, out of the numerous MDAs and MMDAs in the country in 2011, only 408 public entities applied to the PPA for approval to use this method (PPA Annual Report, 2011).

The last method of tendering used in public procurement is sole sourcing. This method involves procuring from a supplier without any competition and it is normally used for procurement of sole or single sourced requirements. This method is under the following circumstances: when procuring for urgent items, or where goods, works or services are requirements can only be supplied by one source, additionally, it is applied for the purposes of standardization, or for research and experiment, study or development, and when the procurement has high national security concerns (Sections 40-41 of Act 663). However, before using sole - sourcing procurement method, procurement entities are ought to seek prior approval from the PPA. Information available indicates that in 2009, 323 out of 360 single source applications received were either approved or conditionally approved as against 318 out of 342 in 2008 by the PPA (PPA Annual Report, 2008/2009). Allegations also indicate this method that has been abused by some politicians to satisfy their own whims and caprices through the award of contracts.



## **2.11 Procurement Procedures**

There are many steps and procedures involved in the public procurement for goods, works or services. These processes are enshrined in the Procurement Act and public entities are obliged to comply with them processes. They are briefly explained as follows:

### **2.11.1 Procurement Planning and Tender Preparation**

Initially, The Public Procurement Act 663 provides for the activity of planning procurement activities under Part 3 of the Act. A Procurement Entity shall prepare a procurement plan to support the approved programme and the plan shall indicate the contract packages, estimated cost for each package, the procurement method, processing steps and times (Section 21(1) of Act 663). It further requires procurement entities to submit to its Tender Committee not later than one month to the end of the financial year a copy of the procurement plan for its review and approval. It is essential to indicate that it is an infraction for a procurement entity to divide a procurement order into parts in order to manipulate procurement procedures for self gain (Section 21(5)).

Next is the preparation of Tender Documents which is the duty of head of the Procurement Unit. The process starts after request is received from a user department to procure and there is evidence of availability of funds (Section 5, Procurement Manual). Schedule 4 of the Act further requires the use of a Standard Tender Document (STD) for all procurements. The STDs are modified to meet a particular procurement need or requirement.



Invitation to tender follows after preparation of the tender documents. The need to advertise a procurement contract is provided in Section 47 of Act 663. It is a prerequisite for both the International and National Competitive Tendering. Section 47 (1 and 2) requires that the invitation to tender or invitation to pre-qualify shall be published in the Procurement Bulletin and at least two newspapers of wider national circulation. Section 48 (1) of Act 663 states the contents of a typical advertisement should have the provision of tender security which is a primary condition required for all International and National Competitive Tenders (Section 55 of the Act). It is essential to indicate the basic requirement that tenderers are supposed to meet in order to qualify to express interest in a procurement advertisement. These among other things include the following: the company must be solvent as well as has the technical capacity to execute the job. Furthermore it must have the legal capacity and none of its directors should have committed or convicted of any criminal offences in the past.

### **2.11.2 Tender Submission**

Section 53 (1) of Act 663 enjoins procurement entities to comply with the following requirements in tender submission arrangements: Fix the place for submission of tenders usually in a tender box placed at the premises of the entity, and set a specific date and time as the deadline for the submission of tenders; six and four weeks are allowed for bid preparation for International Competitive Tendering and for National Competitive Tendering respectively. Section 53 (2) allows a minimum of two weeks for preparation of tenders for National Competitive Tenders; Tenders are put in a tender box provided at the place of submission as stated in the tender documents until the due closing date (Section 5(12) Manuals, 2007).

### **2.11.3 Tender Opening**

Section 56 of Act 663, requires that closing date for submission of tenders shall be the opening date of tenders which is usually provided in the tender document and specified in the advert. This is prescribed to promote transparency and fairness in the process. Tender opening should commence not later than two (2) hours after the deadline for submission of tenders and continues without break until all tenders have been duly opened by the Entity Tender Committee (Section 56 of Procurement Regulations). It must be ensured that a record of the proceedings of the opening is kept as minutes. Prospective tenderers or their representatives can be present at the tender opening ceremony.

### **2.11.4 Tender Evaluation**

In accordance with Section 19 of Act 663, the Entity Tender Committee shall appoint a Tender Evaluation Panel consisting of minimum of three qualified members and not more than five members (Section 5 (14) Manual, Section 19 (1, 2) Regulations) to evaluate tenders received. The panel must do the evaluation based on the information provided in the respective tenders and no changes in the tender price quoted by any contractor will be permitted.

Also, Section 57, 58 and 59 of Act 663 describe the general procedures to be followed in the examination of tenders, determination of responsiveness of tenders and evaluation of tenders. The determination of responsiveness of tenders shall conform to the requirements set out in the tender invitation documents (Section 58 (1) of Act 663). The successful tender is based on the lowest evaluated tender price (Section 59 (3) of Act 663). The standard Tender Evaluation Forms are to be used by Procurement Entities in evaluation of tenders (Section 59 (6) of the



regulations). Surprisingly, many contracts are still awarded in the District Assemblies without constituting tender evaluation panels to evaluate the bids (Auditor General Report , 2014).

Finally, The Tender Evaluation Panel submits an Evaluation Report to the Entity Tender Committee for approval using SPF2B form (Section 59 (6) Regulations).The evaluation Report forms part of the Records of procurements proceedings as prescribed under Section 28 of the Act. The Entity Tender Committee will review the evaluation report and recommendations presented in the evaluation report. The Review Authority may recommend rejection or otherwise of the evaluation report (Section 5 (15), Manual). Section 64 of the Act prohibits negotiations with a supplier or contractor with respect to the tender submitted by the supplier or contractor.

#### **2.11.5 Award of Contract and Notification of Contractors**

Section 65 of the Act outlines the procedures for acceptance of tender and the coming into force of procurement contract. The Act requires that notice of the contract award should be issued to the successful tenderer within 30 days of the acceptance of the contractor (Section 65 (1) Act 663).The successful tenderer is required to confirm in writing accepting the contract award and submit the appropriate performance security (if required by contract).

Also, after the evaluation, all unsuccessful tenderers who do not meet the qualifications criteria are supposed to be notified with reasons for their disqualification immediately the contract is awarded. The notification goes with details of the successful contractor including his name and



address. Afterwards, tender security of unsuccessful tenderers is released in fulfillment of Section 65 (9) of Act 663).

#### **2.11.6 Contract Documentation/Request for Approval**

The Procurement Unit (PU) prepares the Contract Document. The Contract Documents contain specific details relating to the tenderer, the tenderer's offer, agreement, and performance security (Section (5/17), Manual). The PU requests for approval of Contract Document using form SPF2C.

#### **2.11.7 Signing of Contract**

After the approval of the contract document, the P U arranges for the contract to be signed by each party to the contract (Section 65 (2) of Act 663, Section 5 (17) Manual). Provision of performance security is a pre-requisite for contract signature.

#### **2.11.8 Disposal of Assets and Procurement Review**

The Procurement cycle does not end with the completion of works by the contractors or delivery of goods by suppliers, it extends up to the stages of assets disposal through the recommended method as well as review and monitoring of procurement performance (Public Procurement Manual). There are steps involved in disposing of properties or assets acquired by procurement entities. These steps as outlined in the Manuals of the Public Procurement Act are stated below:







The first step is; the head of procurement sets up a board of survey consisting of representatives of the department with the unserviceable, obsolete or surplus items which shall give a report on them. And subject to a technical report on those items, recommend the appropriate method of disposal after the officer in charge completes the board of survey form. The head of procurement unit then approves the board of survey' recommendations and items are disposed of as recommended. Where items become unserviceable for reasons other than wear and tear, the established procedure by the PPA shall be adhered to before items are boarded and disposed of (Section 83 of Act 663).

There are basically four (4) different methods of disposing of procured items which are prescribed by Section 82 of the procurement Act. The methods namely are transfer to other government department method, sale by public tender method, public auction method and the destruction, dumping and burying method.

To start, the transfer to Government departments or other public entities is applicable where the asset which is considered still useful (Section 85(2) of Public Procurement Regulation) is deployed to another department. The transfer arrangement is preceded by agreement reached by the two entities, after which it proceeds with the formal transfer of ownership of the asset by the recipient. Afterward, it is then removed from the premises of the giver department (Section 85(2) of Public Procurement Regulation).

Moreover, disposal of assets could be done through the Sale by public tender method. This is applied where the estimated value of the asset, or group of assets packaged together, is of Sufficient value to justify the costs of conducting a public tender; a number of separate lots of

lower estimated value assets may be included in a single public tender; or for reasons of transparency a formal public tender is required to dispose of assets provided directly by a donor or purchased with donor funds (Section 85(3) of Public Procurement Regulation)

Under the disposal by public auction method, items or lots have an individual estimated sale value of less than Cedis 5million; and sufficient items or lots can be assembled for disposal to justify the costs of conducting the auction process (Section 85(4) of public procurement)

Last but not least, the destruction, dumping or burying methods could also be in disposal of assets of public entities if they are the available option. It is used where the asset has no saleable value residual value and cannot be transferred to any other entity, the asset cannot be converted into any other form which subsequently gives it value; and approval has been obtained from the appropriate environmental agency (Section 85(5) of Public Procurement Regulation).

Procurement performance review and monitoring are undertaken by institutions such as PPA, donors, media, civil society, Ghana Audit Service among others. Procurement monitoring is conducted by these organizations at regular intervals to review performance of the procurement system, ensure compliance, and gauge behavior of professionals etc.

## **2.12 Performance Assessment System (PAS)**

Assessment of Public Procurement Entities to enhance the effectiveness, efficiency and transparency of procurement systems is an endless concern of governments and donors. All countries have recognized that enhancing the efficiency in the use of public funds, including



funds provided through the Overseas Development Agency (ODA) requires the existence of a solid procurement system that conforms to international standards (OECD, 2006).

The call for regular and continuous assessment of national procurement systems to ascertain compliance with the procedures, rules and regulations contained in the Public Procurement Laws has been embraced worldwide. The baseline indicator assesses the strengths and weakness of National Procurement Systems. The indicator covers the legal and regulatory instruments from the highest level (national law, act, regulation, decree, etc.) down to detailed regulation, procedures and bidding documents formally in use. These indicators are broken down into eight sub-indicators which are individually scored. These are: Scope of application and coverage of the legislative and regulatory framework, Procurement Methods, Advertising rules and time limits, Rules on participation, Tender documentation and technical specifications, Tender evaluation and award criteria, Submission, receipt and opening of tenders and Complaints (OECD-DAC/World Bank, 2006).

In line with conforming to standards of procurement performance assessment, the PPA Annual Report, (2009) revealed that the achievements for 2007 and 2008 under the Performance Assessment System were lower in all the categories than those for 2009 because more low spending entities were included in the assessment. However there is a massive improvement in the 2009 nationwide assessment in all the four indicators above. In that, whereas the 2007 and 2008 national performance is 38.96% and 36.94% respectively, the 2009 performance of 59% shows an over improvement in the previous achievements.



### 2.13 Importance of Good Public Procurement system

The purpose of the public procurement Act, 2003 (Act 663) is to “harmonize public procurement processes in the public service 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 manner.”(Ghana Public Procurement Act, Act 663). Hunja, (2003) opines that sound procurement systems have significant impact on development. Reducing poverty and attaining health, education, and other sector objectives requires getting the most out of the limited funds available for state purchases of goods, services and infrastructure. Efficient public procurement practices also contribute towards the sound management of public expenditures generally.

Furthermore, Procurement planning enables the identification of major investment expenditures, which in turn facilitates budgetary decision-making. In addition, the effective provision of public services often requires the coordinated delivery of materials and the like, which the state purchasing apparatus must accomplish. It is difficult to imagine how a state can deliver substantial improvements in the well-being for its citizens without a public expenditure system that includes effective public procurement policies. This idea is attributable to heightened growing interest in procurement regulations and their impact on reform (Agbesi, 2009). Public procurement has increased donor trust in public systems and has helped improve donor funding in terms of grants and loans, and foreign direct investment in Ghana.



## 2.14 Procurement Challenges and Consequences of Poor Procurement

An effective public procurement system promotes good governance. A poor procurement system produces higher costs to government and the public. World Bank, (2000) report indicates that weak procurement system delays project implementation which further causes variations in the costs of contracts, leads to poor project execution performance and adversely affects the quality of projects for the beneficiaries. More so, it increases rate of corruption, generates more complaints and raise concerns about the integrity of the procurement process as well discouraging good firms (both national and foreign) from participating in bidding, thus depriving the country of receiving better prices for goods, works and services.

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. It also has a toll on 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 delivery. Reduced public services mean reduced standards in basic social services like health care, education, infrastructure etc. negatively affecting the country's development and poverty reduction initiatives.

Poor procurement system curtails donor confidence in the governments of developing countries which adversely affect the quantum of assistance they offer. They insist on their own procurement procedures to protect the interest of their tax payers if they have little trust in the procurement system in place. The procurement process is complicated because of the size and bureaucratic nature of government. Even though public procurement has similarities with the





private sector procurement to some extent, it has some special characteristics that make it different. For example, the procurement process which includes selecting bidders, evaluating tenders, and selecting contracts should be transparent to the public. In addition, public organizations must follow certain rules and restrictions imposed by the government. As posited by Weele (2000), the procurement process is slowed by lengthy procedures and involves a lot of people with voluminous the paper work. The extensive authorization procedures make procurement a tedious, laborious and slow process. This explains why most procurement entities in developing countries are more procedural rather than result oriented. He argues that his experiences with governmental procurement, projects show that failed to put in place comprehensive procurement processes together with applying skills and competency in purchasing may result in remarkable increased cost and unnecessary delays. According to him, 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 suppliers. This means that bureaucracy and weak procedures in the Procurement process may lead to loss of money through over spending which 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. In addition, public procurement is faced with the challenges imposed by a variety of environmental factors (external factors) such as market, legal environment, political environment, organizational and socio-economic environmental factors.

### 2.14.1 Corruption and Inefficiencies in Public Procurement

Osei-Tutu et al. (2011) in a reviewed publication relates that it is vital to make a distinction between instances of corruption and cases of inefficiency or lack of competence. While these problems occasionally go alongside together, and some solutions are helpful in all areas, there are also trade-offs. For example, choosing to speed up a Procurement process might cloud its transparency, making it very efficient but more prone to corruption. This is because it enhances subjectivity. Robb (1996) postulates that corruption is prevalent at the procurement planning and final account preparation stage which are prone to manipulation and fraudulent deals. According to Shakantu (2003), the separation of design from construction, competitive bidding and payment procedures of contractors are susceptible to corrupt practices. There is the likelihood for corruption to occur in public procurement from the start to the end of its process (Gelléri and Csáki, 2003; Shakantu, 2006). A study conducted by Symons (2000) in South Africa, identified huge corruption in the public procurement sector. Some of the fraud identified includes the submission of fictitious and exorbitant invoices for materials and labour as well as bribes in return for work and even prompts payment. In some cases procurement officials were found to have connived with contractors consultants to indulge in unacceptable actions. Shakantu (2006) also reported that proprietary information infringements and stealing other peoples' drawings during the design stage; collusive bidding during the tendering stage; cash inducements (bribery) for over-valuing work performed during the site operations stage; negligence in the form of poor quality documents during production documentation stage; fraudulent conduct such as covering up poor workmanship during site operations are some of the corrupt practices going on in the procurement process. National Conference for Cleaner Public Life (2003) identifies several forms of corruption which include; influencing of the law-making process; bribing of the



decision makers in order to win bids; conflict of interest and massaging( bending the rules) of the processes to favour a particular bidder.

Corruption also occurs in different forms including; bribery, embezzlement, fraud, favoritism, exploitation, conflict of interest, political bargains, abuse of discretion and abuse of power (Habter micheal, 2009). The passion to win contract at all cost stimulates suppliers, contractors and consultants to indulge in corrupt activities by paying bribes to procurement managers (Osei-Tutu et. al., 2009). Shakantu (2006) asserts that consultants such as architects, quantity surveyors, construction managers, management contractors and clerk of works normally have an idea of what the clients are paying for and ought to be the first line of defense for clients against corrupt practices.

The 2009 Corruption Perception Index (CPI) released by Transparency International (TI) discloses that Ghana is not making progress in the fight against corruption through passing of legislations. The country maintained its 2008 score of 3.9 in the 2009 CPI Report. Ghana's score in the Transparency Internationals report, points to the fact that corruption is still deeply rooted in the country's procurement process (Transparency International, 2009). For example, a 2002 internal audit report revealed significant procurement irregularities in some of the major hospitals in Ghana. However, the CPI for 2014 shows some little improvement in the score at 48% over the previous years' performances. But corruption in Ghana is still a major work cancer to fight (Corruption Perception Index, 2016). Moreover, the Auditor-General's report on the 2006 Public Accounts confirmed that corruption in the public service was still a big worry.





### **2.14.2 Offences and Sanctions for Procurement Malpractices**

The Public Procurement Act makes adequate provisions to check the actions of all managers of the procurement process. The laws impose punishments for any infringements of the law which are deemed as offence. For example a person who contravenes any provision of this Act commits an offence and where no penalty has been provided for the offence, the person is liable on summary conviction to a fine not exceeding 1000 penalty units or a term of imprisonment not exceeding five years or to both (Section 91 of Act 663).

Under the Procurement Act, the following actions constitute offences if committed. First, entering or attempting to enter into a collusive agreement, whether enforceable or not, with any other supplier or contractor where the prices quoted in their respective tenders, proposals or quotations are or would be higher than would have been the case had there not been collusion between the persons concerned. Second, if a person directly or indirectly influencing in any manner or attempting to influence in any manner the procurement process to obtain an unfair advantage in the award of a procurement contract. Last but not least altering any procurement document with intent to influence the outcome of a tender proceeding and this includes but is not limited to manipulated mathematical corrections, falsifications of documents and seeking information in a manner the procurement law prohibits( Section of Act 663).

### **2.15 Ethical Behaviors in the Procurement Process**

According to Wee (2002) ethics are “the moral principles or values that guide officials in all facets of their work schedules”. Ethical behavior encompasses the concept of honesty, integrity,





probity, diligence, fairness, trust, respect and consistency. Ethical behavior includes avoiding conflict of interest, and not making improper use of individual position for private gain. Ethical behavior is important since it entails the expenditure of public finance and subject to public scrutiny. Public officials should always behave ethically and fairly in the discharge of their duties. Ethical behavior provides the enabling environment for openness and accountability to thrive and gives suppliers confidence to participate in the competition for public contracts. Ethical behavior can also reduce the cost of managing risk associated with fraud, theft, corruption and other improper behaviors and enhance confidence in public administration. Awareness creation is major factor in maintaining ethical behavior (Wee, 2002). Act 663, therefore contains some salient provisions that are enshrined to anchor the basic tenets of transparency and accountability and also to serve as checks and balances among the various procurement stakeholders.

A key ingredient in any successful contract administration is communication. It is essential for contract administrators to understand the conditions spelt out in tender documents, have the ability to communicate contract obligations to all parties involved, and maintain control over the contract execution. Corruption is one of the critical ethical issues that cast a slare on the procurement process and good governance in general. This takes the form of padding of contract figures, extortion of money from contractors and bribery among others (Transparency International, 2016). Notwithstanding the numerous measures adopted to curtail corruption, in the public sectors, corruption is still a serious cancer in Ghana as the country still lags behind on the rankings of the Corruption Perception Index (Transparency International, 2015).

## 2.16 Summary

The Public procurement Act is a good governance tool designed to promote accountability and value for money. It provides the procedures and guidelines procurement practitioners in the public sector are supposed to comply with in the discharge of their public procurement roles and responsibilities. Unfortunately, the Procurement Act has not been able to achieve its intended objective to the fullest because little has been done to curb the numerous human and technical short-comings that impede its operationalization.



## CHAPTER THREE

### METHODOLOGY

#### 3.0 Introduction

This chapter explains the research design and methodology of the study. It highlights the design variables and provides a wider view of the description and selection of the target population, sampling technique, sample frame, sample size, and procedure for data collection and analysis. Furthermore, the procedures the study adopted to achieve acceptable validity and reliability of the research is also dealt with. Finally the chapter gives a background of the District Assembly system of Ghana and explains the revenues sources and their categories. It details out the profiles of the two District Assemblies as well.

#### 3.1 Research Design

The study was conducted through a mixed research the design. Both quantitative and qualitative data were analyzed for the study. It provided the researcher information on how and why procurement methods and procedures are practiced in the various District Assemblies and gave a clear picture of their capacity situation. Furthermore, the design was used as it offered the researcher the opportunity to explain the characteristics of the independent variables (staff training, experience and skills, financial situation, and level of awareness of procurement regulations). Also, the level of involvement of the relevant procurement practitioners in the procurement processes which affects the level of compliance with the Procurement Act, 2003 Act 663. This is necessary because it would help gather information concerning the current status of the situation and describes what the current situation is, relative to the variables of the



study. A problem is well analyzed in a descriptive design which makes it well understood and appreciated (Ghauri and Gronhaug, 2005).

### **3.2 Target Population**

Target population is the selected members or items to be investigated in a study (Mugenda and Mugenda, 1999). The study involved two (2) District Assemblies in the Northern Region of Ghana namely the Saboba and Zabzugu district Assemblies. It targeted the members of the District Tender Committee and Tender Review Board, core staff of the central administration of District Assemblies. Moreover, Staff of the District Works Departments (DWS) and core staff of departments of the District Assemblies for example Department of Social Welfare and Community Development and Town and Country Planning Department among others and heads and core staff of the district directory of education and health services of the two districts. These two departments were selected because they form part of the district planning units of the district assemblies and also refer to the district assembly tender committees procurements above the entity head thresholds. Finally, it also targeted the chairpersons of the various mandatory sub-committees of the Assemblies. Therefore the target population (TP) for the study is 150 comprising, 75 for Saboba (PS) and 75 for Zabzugu (PZ).

### **3.3 Sample Frame**

The purpose of the sample frame is to give a list of the elements of the sample with their respective description or designation. The sample frame for the study is represented in the table below:



**Table 3.1: Sample Frame of Respondents**

<b>NAME OF COMMITTEE / DEPARTMENT/UNIT/AGENCY</b>	<b>STATUS/DESIGNATION</b>
<b>DISTRICT TENDER COMMITTEE</b>	
The District Chief Executive	Chairman
The District Coordinating Director	Secretary
Works Engineer	Committee Member
District Finance officer (DFO)	Committee Member
Member of user department	Committee Member
Member of parliament	Committee Member
Lawyer appointed	Committee Member
<b>TENDER REVIEW BOARD MEMBERS</b>	
District Planning Officer	Member
Chairperson of Finance and Administration Sub- committee	Member
Chairperson of Works Sub-committee	Member
A representative of the Attorney- General office in the dist	Member
And a representative of the user department	Member
<b>KEY STAFF OF DISTRICT ASSEMBLY AND CENTRALISED DEPTS.</b>	
Internal Auditors	Staff members
Accountants	Staff members
Procurement Officers	Staff members
Human Resource officers	Staff members





Budget officers	Staff members
Store keepers	Staff members
Planning Officer	Staff members
Environmental health officers	Staff members
Assistant directors	Staff members
Store keepers	Staff members
Executive officers	Staff members
Head of National Board for Small Scale Business and core staff	Staff members
Head of NADMO and core staff	Staff members
Head and core staff of Non-formal Education Division	Staff members
Core staff of Community Development	Staff members
Head and core staff of Social welfare	Staff members
Head and core staff of department of Agric	Staff members
Head of education directorate	Staff members
Head of health directorate	Staff members
<b>Members of Sub-Committees</b>	
Chairpersons and members of sub-committee	Members

**Source: Zabzugu and Saboba District Assemblies files**

### 3.4 Sampling Technique and Sample Size

The purpose of the sample is to gain an understanding about some characteristics or attributes of the whole population based on the characteristics of the sample. Best and Kaln (1998) suggest that an ideal sample should be significant enough to reflect the features of the entire of the population.

Mugenda & Mugenda, (2003) posit that sampling is that part of the statistical activity concerned with the selection of elements or observations intended to yield some knowledge about the population under consideration especially for the purpose of statistical assumptions. They further advise that a research would have to use 30% of the target population for it to be accepted as being representative of the total population. Therefore all the respondents targeted for this study, participate in the procurement processes in the various assemblies and have knowledge on how the procurement function could have influence on the procurement process.

The study employed the purposive sampling method to target the respondents suitable for it. In this method, the individuals who have certain background or experiences in the subject matter under study are identified. Therefore, the study dealt with the various officers who participate in the procurement processes in the District Assemblies and who should have knowledge and skills in procurement in order to participate effectively. Also, the purposive sampling method also offers the researcher the convenience to choose the sample size suitable to serve the purpose of the study. The sample size used for the study was 100. The researcher used educated judgment to determine the sample. A sample size of 100 was representative enough to generalize the conclusions.





**Table 3.2: Sample Size**

<b>RESPONDENTS</b>	<b>P(S)</b>	<b>P(Z)A</b>	<b>TP</b>	<b>S(S)</b>	<b>S(Z)</b>	<b>T(S)</b>
members of Tender Committee	9	9	18	6	6	12
members of Tender Review Board	5	5	10	2	2	4
Chair persons of Sub-committees	6	6	12	3	3	6
Core staff of central administration	30	30	60	20	20	40
Heads of department and units	20	20	40	14	14	28
allowance for non- response				5	5	10
<b>TOTAL</b>	<b>75</b>	<b>75</b>	<b>150</b>	<b>50</b>	<b>50</b>	<b>100</b>

**Source: researcher construct**

### 3.5 Sampling Procedure for the Study

Sampling is a selection of elements to be involved in a study with the purpose of using their opinions to draw conclusions about an entire group (Strangor, 2007). There are several ways to ensure that the sample drawn for a study is representative of the population so that any conclusion will reflect the real characteristic of the population.

Most commonly, two methods are used in sampling namely the probability and non- probability sampling (Strangor, 2007). However, the adoption of a particular technique depends on the type of research being undertaken and the nature of the population.

### 3.6 Data Collection Instruments

The researcher used both a questionnaire and an interview guide employed the following as the major instruments to collect data because using more than one data collection instrument gives more credibility to findings of a study (Patton, 2002).





### **3.6.1 Questionnaire**

A questionnaire is a suitable data collection tool used to gather written information from literate respondents and persons with the ability to comprehend and answer the questions effectively for the study (Mugenda and Mugenda, 1999). In order to achieve the objectives of the study, the questionnaire was used to collect information about the capacity attributes of the Assemblies selected for this study which are in respect of the financial situation, the level of awareness of procurement regulations and rules by key procurement practitioners and training, skills and experience of key staff that participate in the procurement process. It contained opened and closed –ended questions. The licket form of questions was largely employed so that the objectives set for the study will be achieved.

### **3.6.2 Interview Guide**

The major respondents namely the District Coordinating Directors and heads of departments were interviewed with the aid of an interview guide to gather primary data to support the findings with more detailed information.

### **3.7 Validity and Reliability of the Instruments**

Validity is the degree to which a test measures exactly what it really intends to measure (Borg and Gall, 1989). And to promote validity of the research instrument, the researcher subjected it to the scrutiny of research experts for their views on the appropriateness of the items on the questionnaires .The researcher also conducted a pilot study where inappropriate items were reframed, merged or abandoned altogether. The pilot test was carried out in the Mion District Assembly which is not part of the sample for the study. The questionnaire was administered to

one member of the Tender Committee Members and a staff of the DWD (District Works Department) as respondents. The reliability of an instrument is a measure of the degree to which research tools yield the same outcomes or information when applied repeatedly at different intervals (Mugenda and Mugenda, 1999). This in research is influenced by the random error, of which if it is high, reliability is low. In order to ascertain the reliability of the instrument, test – retest technique was applied. The research instrument was presented to two staff of the Mion District Assembly and the results were recorded. The same instrument was presented to the same staff members after two weeks and results of both were compared to determine its reliability. Borg and Gall (1989), suggest that reliability index above 0.8 generally shows high consistency in results.

### **3.8 Limitations and Scope of the Research**

Like any other research, the study suffered some setbacks which are as follows:

First, the researcher faced financial constraints in meeting the cost of stationery and fuel or printing and administering questionnaires to the respondents respectively. These expenditures posed a major obstacle to the completion of this study since resources at the disposal of the researcher were not adequate.

Another limitation to this study was the difficulty the researcher encountered in the distribution and collection of questionnaires from the respondents due to their dispersed locations coupled with the lukewarm some of the respondents officers exhibited in accepting to filling out questionnaires. Also, the study used semi- structure questionnaires to collect the data. There is therefore the likelihood that sufficient information may not be captured since the respondents



could not be able to provide further information to buttress some of their answers for some of the items.

### **3.9 Data Collection Procedure**

The questionnaire used to collect data for the study was administered to the various respondents. The questionnaire contained a set of open-ended and closed- ended questions. The closed- ended items had the potential of directing the respondents to obtain the direct responses while the open ended ones gave the respondents the opportunity to freely express their views and opinions without any limitation on the issues concerning the topic. Hence, the open- ended questions were used to get an in-depth understanding of the subject matter since the respondents would give explanations to support the views they expressed which facilitated analysis of the findings of the study.

The first set of questions collected information about the demographic attributes of the respondents namely gender, age and level of education. The second set of questions were put into four (4) categories to collect data on the state of compliance with procurement procedures, processes and rules, the capacity situation of the assemblies which was sub-categorized into; staff training, skills and experience, the level of awareness of procurement regulation and provisions, and adequate and timely release of funds to the Assemblies. The last sets of questions were on the challenges confronting implementation of the Procurement Act and recommended solutions to improve on the implementation.

Moreover, in order to facilitate the analysis of the data collected for the study, indicators that designated compliance were used. The questions were put on the indicators and respondents



were asked to rate their responses on a scale of 1-5. 1 rating indicated absence of compliance, 2 indicated compliance is low, 3 indicated compliance is satisfactory, 4 indicated compliance is good while 5 indicated compliance is excellent. In addition, the aspect of the questionnaire that collected data on the capacity situation of the Assemblies had questions on each of each of the sub- section with items scaled from 1-5 with the statement; 1 indicating strongly agree, 2 indicating agree, 3 indicating neutral, 4 indicating disagree and 5 strongly disagree. Secondary data relevant to the study were sourced from official records, and academic materials which were both in electronic and print form. This aided the researcher to compare the findings of the study with other past studies and works.

### **3.10 Questionnaire Administration Procedure**

The researcher sought permission from the District Coordinating Directors with an introductory letter which specifically spelt out the topic of the research and indicated that the essence of the study was purely for academic purposes. Furthermore, respondents were assured of anonymity and confidentiality of their identities.

After securing the consent of the Coordinating Directors, a senior officer in each unit or department was identified with the assistance of the Human resource officers of the Assemblies who subsequently introduced other suitable respondents to the researcher after which questionnaires were administered to them. The officers' consent was also extracted after which questionnaires were administered to them. The respondents were given three (3) weeks to fill them due to their busy schedule which most of them complained about. This whole process of administration of questionnaires took six (6) weeks to complete.



### 3.11 Ethical Considerations

The researcher involved only participants who were willing to accept the questionnaires, so force and deceit were not applied to reach out to respondents. The respondents were also given ample time to fill the questionnaires.

### 3.12 Data Presentation, Processing and Analysis

Data analysis is the process of bringing order, structure and meaning to a larger mass of information collected (Mugenda and Mugenda, 2003). Data analysis methods employed in the study were both quantitative and qualitative procedures. The Quantitative data was analyzed using descriptive statistical tools such as frequencies, percentages, median and mode. The tools for data presentation were mainly frequency distribution tables, bar chart and pie charts. The Quantitative data analysis was performed with the aid of SPSS (Statistical Package for Social Scientists). The advantage of the SPSS version 16 is that it has descriptive statistics features which assist in variable response comparison and gives a clear indication of frequencies (Mugenda and Mugenda, 2003).

Furthermore, Sekaram, (2003) asserts that there are three objectives in data analysis; first is manipulating data to appreciate it, second is testing the goodness of the data, and lastly, answering the research question. He further notes that establishing the goodness of data lends credibility to all subsequent analysis and findings because it measures the reliability and the validity of the data used in the study. After gathering data from questionnaire schedules, they were checked for omissions and inconsistencies in order to properly manage the data before proceeding to do the analysis. The data were analyzed and the results presented in the form of frequency distribution tables, pie charts, bar charts etc to facilitate the interpretation and



explanation of the study findings. This was done by using quantitative techniques, whereby the findings was presented in the form of frequency distribution tables while qualitative techniques was incorporated into the study to facilitate description and explanation of the study findings. By so doing this accelerated good understanding of the study findings. The data collated was then entered into a computer and analyzed using SPSS Version 16. This package enables the computer to summarize statistics and measure of dispersion such as the mean, mode and standard deviation.

### **3.13 The District Assembly Structure**

The MMDAs are established in fulfillment of 240(1) of the 1992 Constitution, which makes decentralization compulsory. In effect, the 1992 Constitution empowers the Parliament to pass appropriate laws to transfers powers and functions of decision making from the central government level to the grass roots. In fulfillment of the requirements of the above referenced provision, the Local Government Act, 1993(Act 462) was passed to regulate the management and operations of MMDAs in Ghana.

The District Assembly is the apex institution within the district charged with the responsibility to implement and manage development activities. It performs deliberative, legislative and executive functions as well. It does this by integrating political, administrative and development resources to achieve equitable allocation and wealth at the grass roots level. It is therefore expected that all stakeholders have deep knowledge about the Assembly with regard to the roles of the various organs, administrative procedures and the channels of communication (Local Government Act, 1993, Act 463).



A District Assembly in Ghana can either be metropolitan with a population of over 250,000 or, municipal with a population of over 95,000 or District Assembly with a population of over 75,000. However, for the purposes of this study, attention will be paid to the District Assembly (Section 1(a (I-III) of Local Government Act, 1993).

Moreover, the District Chief Executive is the head of the District Assembly nominated by the President and he is given approval by 2/3<sup>rd</sup> by majority of the members of the Assembly through voting. The Assembly also has a Presiding Member who is elected by his colleague members by 2/3<sup>rd</sup> of all the members present. It is important to indicate that all District Assembly elections are conducted on a non-partisan basis (Local Government Act).

### **3.13.1 Mandatory Subcommittees of the District Assembly**

The District Assembly is made up of mandatory Sub-Committees which membership is determined by the Assembly (Section 24(1) of Local Government Act, 1993 (Act, 462). The Sub-committees deliberate on significant issues affecting the operations of the assembly and forward their recommendations to Executive Committee for actions to be taken. The mandatory committees are five (5) in number which include Social Services Sub-Committee, Works Sub-Committee, F&A Sub-Committee, Development Sub-Committee and Justice and Security Sub-Committee. The roles and functions of the committees are stated as follows:

First, the Development Planning Sub-committee is responsible for the overall planning of the district and it plays this role by identifying and promoting the economic potential of the district. It further plays the important function of submitting its plan to the Executive Committee to be





harmonized with the plans of other Sub-Committees for the district's entire development agenda (Section 25(1) of Local Government Act, 462).

Next is the Social Services Sub-Committee which is responsible for designing a comprehensive and long term plan on social development aspects of the district, most importantly, in the areas of health, social welfare, sports and culture etc. Furthermore it ensures that there is in place a comprehensive social development plan for the district (Section 25(1) of Local Government Act).

The role of the Works Sub-committee is devising an overall plan for the development of the district in terms of roads, electricity, water and sanitation. The committee also takes part in the general monitoring and supervision of development projects and programmes in the district as part of its oversight responsibilities.

In addition, F&A Sub-committee is set up for prudent and efficient management of the financial affairs of the District Assemblies. Specifically, it plays such functions as examination of the financial records to ascertain the financial position of the Assembly as well verifying the expenditure returns of the Assembly to ascertain their accuracy and genuineness. It can also collaborate with management of the Assembly in developing strategies for improvement in revenue mobilization.

Last, the Justice and Security Sub-committee is established to address and resolve intra and inter district conflicts. It also handles pertinent issues bordering on the bye laws of the District Assembly. It is most significant to indicate that the Chairpersons of the Sub-Committees except



the Justice and Security Sub-Committee Chairperson were included in the target respondents since they all participate in the procurement processes of the Assembly.

### **3.13.2 Departments of the District Assembly**

The Local Government (Department of the District Assemblies) Commencement Instrument, 2009 has made all decentralized departments now departments of the District Assembly. Therefore, departments such as Department of Agric and Department for Community Development have ceased to exist in their current structure and have therefore been reconstituted into 11 departments of the District Assembly (Section 38 of LI 1961). Each department has a head with key support staff to enable them discharge the mandate of the department.

These realignments have brought into practice the composite budget system which vests powers in the Assembly to prepare, administer and control the allocation of the funds of the departments specified under first schedule of this Act.

On the contrary, the operationalisation of the L.I 962 brings all departments in the district as departments of the assembly except the health and education services. They still have separate budgets and enjoy some level of independence from the District Assembly's central administration control. However, the health and education departments were included in the study since they participate actively in the procurement processes of the Assembly. These departments also refer their procurements above the thresholds of their entity heads to the district tender committees for approval. They were however included in the decentralized departments for ease of classification.



**Table 3.3: Categorization of Departments of the Assembly**

Departments established	Departments ceasing to exist
<ol style="list-style-type: none"> <li>1. Central administration</li> <li>2. Works department</li> <li>3. Physical planning</li> <li>4. Department of trade and industry</li> <li>5. Department of agriculture</li> <li>6. Department of social welfare and community development</li> <li>7. Legal department</li> <li>8. Waste management department</li> <li>9. Urban roads department</li> <li>10. Budgeting and rating department</li> <li>11. Transport department</li> </ol>	<ol style="list-style-type: none"> <li>1. Department of social welfare</li> <li>2. Department of community development</li> <li>3. Public works department</li> <li>4. Department of feeder roads</li> <li>5. Department of town and country planning</li> <li>6. Department of rural housing and cottage industries</li> <li>7. Department of animal health and production</li> <li>8. Agricultural extension services division</li> <li>9. Crop services division</li> <li>10. Department of agricultural engineering</li> </ol>

**Source: Departments of District Assemblies Commencement Instrument, 2009 (L.I. 1961)**

Form Table 3.3 one can deduce that the new structural departmental arrangements of the District Assembly. The new departments however do not differ much from their old form in which they earlier existed. They still discharge the same mandate but the difference is the merging of departments which functions are similar to the new established ones. Consequently, all the newly established departments operate under the auspices of the Central Administration Department of



the District Assembly bringing into effect, the operationalisation of the composite budgeting concept.

### **3.13.3 Revenues (Funds) of District Assemblies**

Revenues are important factors necessary for the implementation of MMDAs plans and programs such as the procurement plan, composite budget, and annual action plan etc. The size and volume of revenue generated either from internal sources or through central government sources and the like determine how effective a District Assembly could undertake its activities. Therefore, the District Assemblies are empowered as rating authorities to levy appropriate rates and tolls to generate revenue internally generated funds needed for their development and daily operations (Section 91 of Local Government Act, 1993).

It is essential to indicate that if revenues together with the human resources of the assemblies are effectively and efficiently managed, they would to improve on their service delivery. It is therefore incumbent on local government functionaries to apply the appropriate revenue mobilization mechanisms and techniques to boost their financial capacities for effective plan implementation (Common Fund News Letter, 2015).

There are several sources from which District Assemblies raise funds to undertake their activities. These sources are discussed as follows:

First, District Assembly mobilizes funds through NTR (Non-Tax Revenue) from which comes many sources including those generated through offering services to the general public. Assemblies are permitted by an Act of parliament to withhold and utilize a proportion of their NTR. The residual amount is what is termed internally generated funds (IGF). Non tax revenues



are collected through property rates, fines, penalties and licenses among others. The IGF, therefore, comes through local taxation imposed on the citizens of the district within its jurisdiction. Unfortunately, many District Assemblies have low potentials to generate the needed IGF to undertake development projects (Common Fund News Letter, 2014).

Moreover, MMDAs receive periodic funds transferred from the central government, in the form salaries transfers, the District Assembly Common Fund transfers, transfers from HIPC (Highly Indebted Poor Country) debt relief. However, the researcher considered the application of the DACF and categorized other central Government funds as government of Ghana since the DACF is the major statutory development fund released to the District Assemblies on quarterly basis to implement their annual plans.

The District Assembly Common Fund is another major source of funds for financing District Assemblies operation. Its establishment is backed by the 1992 constitution and the Common Fund Act 1993 (Act 455). It is a fund set aside for the development of MMDAs and allocated to District Assemblies based on a formula approved by Parliament. The indicators and factors determining the sharing formula among other are need- based factor, responsiveness factor, service pressure and equality factor. The office of the common fund is set up to administer the disbursement and monitoring the use of fund across the 216 MMDAs in the country. The Delay in release of this fund to the District Assemblies has been identified by stakeholders especially beneficiaries as one of the major setback to many assemblies in their annual plan implementation. Therefore among the objectives set for this study is to ascertain whether statutory fund for example the DACF are released to the District Assemblies on time to implement their annual procurement activities. The DACF impact assessment report, 2015



indicates that only few stakeholders agree that the DACF released are transferred to the MMDAS on timely basis. However, the delay is attributed to government's inability to meet projected revenue targets through taxation.

In addition Donor funds are other avenues from which MMDAs across the country have enjoyed greater amounts of support from development partners over the past years. Although this source of funds for the assemblies is not sustainable, its significant impact on the physical development and capacity to improve service delivery cannot be ignored. Donor support can come in various forms which include actual cash, machinery, buildings and the like. In many other cases some other donor support comes in the form of technical support. It is important to state that the procedures for procurement for works, goods or services under donor funding projects and programs should be in line with the Public Procurement laws of the country. Hence the donor funding projects fall within the scope of application of the ACT.

The District Development Facility is a major donor fund that has currently made substantial improvement in social, economic and educational infrastructure in the districts of the country. The fund is instituted to as part of efforts to improve the operations of the Metropolitan, Municipal and District Assemblies in the areas of efficiency and accountability. The government through the Ministry of Local Government and Rural Development set up the DDF in collaboration with its major development partners. With this fund, government mobilizes financial resources to MMDAs who access it only by passing an assessment conducted on annually basis. The assessment will determine whether the assemblies have complied with rules, procedures and policies in the performance of their assigned responsibilities. It is conducted



through the use of the Functional Assessment Tool (FOAT). The overall objective of this fund is to promote provision of development infrastructure and service delivery.

### **3.14 Profiles of Study Area**

The Zabzugu and Saboba District Assemblies selected for the study have unique characteristics distinct from each other but have the same structure and mandate as spelt out in the Local Government Act.

#### **3.14.1 Zabzugu District Assembly Profile**

The Zabzugu District, formerly called Zabzugu-Tatale District is one of the twenty-six (26) Districts in the Northern Region. The District was created out of the former Eastern Dagomba District (Yendi) in 1988 by PNDC Law 207. It is one of the Eastern Corridor Districts in the Northern Region of Ghana, with Zabzugu as the District Capital.

The physical Features of the district are as follows; it is found in the North-Eastern part of the Northern Region and occupies an area of 1,100km squared. It borders Tatale/Sanguli District to the East, Yendi Municipality to the West, Nanumba North District and Saboba District to the South and North respectively.

Moreover, it has a population size of 63,815 and has a population density of about 58.0 persons per square kilometer. The number of female population which stands at 32,509 is higher than the male population of 31,306 giving a sex ratio of 96.3 (Population and Housing Census, 2010). Moreover, the district has the highest proportion of its population within the age bracket of 0-4



years with a total population of 11, 611. The total number of males in this age category stands at 5,960 and females are 5,651 resulting in a sex ratio 105.50. Also, the lowest proportion of the district's population is in the age group of 95-99, with a population of 59 and 33 as males and females respectively (Population Census, 2010).

The Zabzugu District Assembly is made up of 27 Assembly Members comprising 15 Elected Members, 10 Government Appointees, 1 District Chief Executive and 1 Member of Parliament. The Assembly has one Town and one Area council with a total of 15 Unit Committees and 15 Electoral Areas. Administratively, only seven out of eleven (11) of the stipulated eleven decentralized departments are operational in the District (District planning Coordination Unit file, 2016).

### **3.14.2 Saboba District Assembly Profile**

The Saboba district was carved in 1988 out of the former Eastern Dagomba District which had Yendi as the capital. It is established by a Legislative Instrument 1854. It is also one of the eleven eastern corridor districts in Northern region of Ghana. It has Saboba as its political and administrative capital (DPCU File, 2016).

In addition the Saboba District is bounded by River Oti between Ghana and the Republic of Togo. It borders the Tatali District to the East and the Chereponi District to the North. The Saboba District also shares boundaries with the Gushiegu and Karaga Districts to the West, and Yendi Municipal to the South-West. It further borders the Zabzugu District to the South. The





District lies between Latitudes 24° and 25 ° North, Longitudes 27° and 13 ° East and covers a total land area of about 1,751.2km<sup>2</sup> (Medium Term Development Plan 2016-2020).

The total population of the district stands at 65,706 (Population and Housing Census, 2010), comprising of 32,320 Males and 33,386 females representing 49.19 % and 50.82% of the total population respectively. The 18 years and older population stand at 28,482 (male -13,337 and female- 15,145) representing 43.35% and the under 18 years being 37,224 representing 56.66%. The District population represents 2.7% of the total population of the Northern Region of 2,479,461 and 0.266% of the National population of 24,658,823. Based on the existing facilities and the distance to facilities in the area, the District is predominantly rural with a population of 59,497 (90.55%) and an urban population of 6,209 (9.45%), (Population and Housing Census, 2010).

There established local government structures for the District include, Saboba as the District Capital, One (1) Constituency, One (1) Town Council, Three (3) Area Councils, one hundred and twenty five (125) Unit Committees members, twenty five (25) Electoral Areas and thirty seven (37) Members of District Assembly (DPCU file, 2016).

### **3.15 Summary**

In summary, the researcher adopts the descriptive approach to the study. The study target population comprised all key officers and district Assemblies authorities who participant in the procurement process in the Saboba and Zabzugu District Assemblies. The study used a sample size of 90 respondents and the Questionnaire was mainly used as a tool for data collection. To



add, both qualitative and quantitative data were analyzed with the aid of the computer software, SPSS. The respondents were assured anonymity of their identities in order to maintain ethical standards.



## CHAPTER FOUR

### DATA ANALYSIS, DISCUSSIONS AND PRESENTATION

#### 4.0 Introduction

The purpose of this chapter is to analyze the data collected from the field with the aid of questionnaire and interview guide. The data analyzed for this study came mainly from the key officers who participate in procurement processes and who should have sufficient knowledge in procurement in order to perform those roles in the Zabzugu and Saboba District Assemblies. This staff included core staff of central administration of the District Assemblies, the heads and core staff of decentralized departments as well as Chairpersons of the mandatory Sub-Committees of the District Assemblies which include the F&A Sub-committee, the Works Sub-committee, the Development Planning, Justice and Security and Social Services Sub-committee. These officers were targeted for the study to enable the researcher gather data for analysis to assess the capacities of these Assemblies in terms of their financial capacity situation, the skills, experience and competence of the relevant procurement practitioners as well as the capacity of the key practitioners with regard to their level of familiarity of procurement rules, procedures and processes. Also, the chapter incorporated the challenges that inhibit the effective implementation of the Public Procurement Act which made it possible for the researcher to investigate the level of compliance with procurement rules and processes.



#### 4.1 Background of the Respondents

A total of 100 questionnaires were administered to the targeted respondents comprising core staff of both assembly and decentralized department and chairpersons of mandatory departments. Out of the Ninety (100) questionnaires administered, Seventy-five (75) were retrieved from the respondents representing a recovery rate of 75%. This was considered statistically acceptable since it was representative of the opinions of the entire population hence an indication of a high response rate.

**Table 4.1: Age Distribution of Respondents**

Frequency	Percentage	Cumulative Percentage	
20 – 30	3	4.0	4.0
31 – 40	31	41.3	45.3
41 – 50	31	41.3	86.7
51 and above	10	13.3	100.0

**Source: Field Survey, 2016**

Table 4.2 shows that the same number of the respondents falls between the ages of 31-40 and 41-50 representing 41.30% each. Respondents who are 51 and above years were 13.3% while the least age group of 20-30 years among the respondents constitute only 3%. The analysis shows that the District Assemblies procurement cycle is managed by officers in the productive age bracket. Figure 4.1 below shows a pie chart that gives a pictorial representation of the age distribution of the respondents.



**Table 4.2: Level of Education of Respondents**

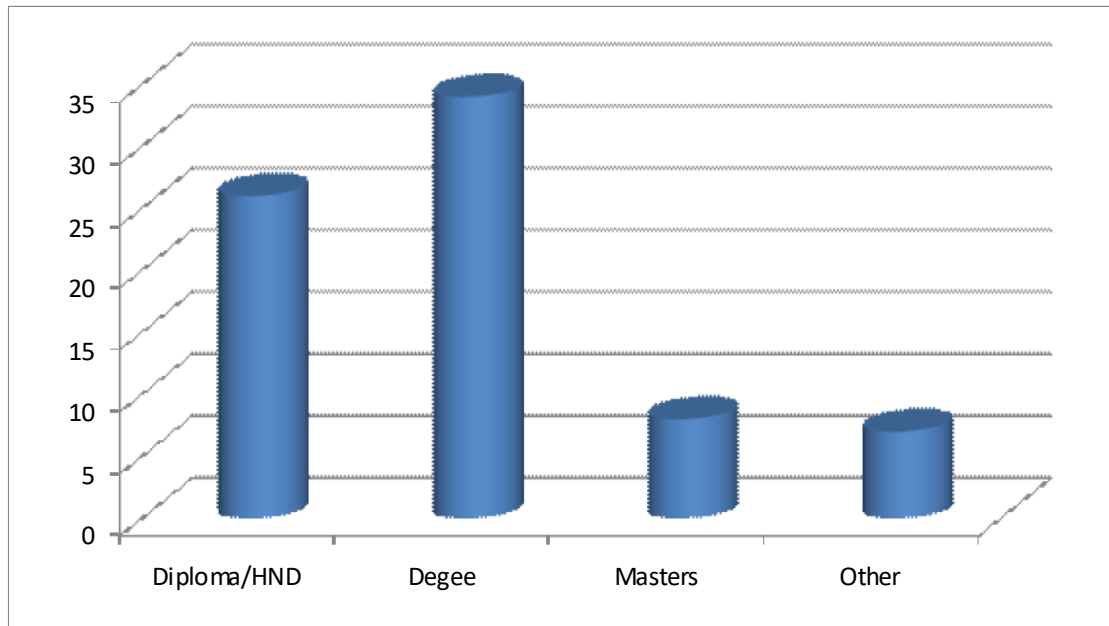
	Frequency	Percentage	Cumulative Percentage
Diploma/HND	26	34.7	34.7
First Degree	34	45.3	80.0
Masters	8	10.7	90.7
Others	7	9.3	100.0

**Source: Field Survey, 2016**

Table 4.3 shows that 34.7% of the respondents indicated they have diploma or a Higher National Diploma whilst 45.3% indicated they have pursued a first Degree programme. The respondents who hold Masters Degree represented 10.7%. The remaining 9.3% indicated they hold other certificates. This is illustrated pictorially in the bar graph in figure 4.2 below.



**Figure 4.1: level of education of respondents**

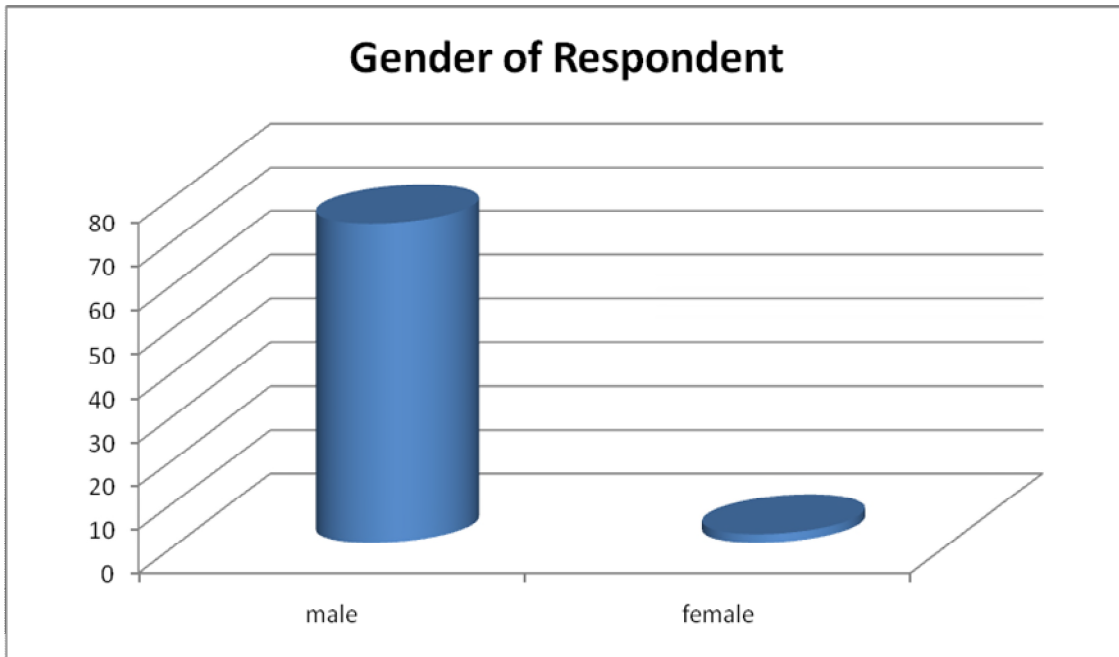


**Source: field survey, 2016**

From the above analysis, the researcher is able to assert that the District Assemblies are resourced with highly educated who should be capable of managing the procurement process of the Assemblies effectively.



**Figure 4.2: Gender of Respondents**



**Field survey, 2016**

Figure 4.4 indicates the gender of the respondents sampled for the study. Out of the total of the 75 respondents for the research, 73 respondents representing 97.3% indicated they were males and two of them representing a negligible two percent indicated they are females. This gives the impression that male officers over dominate female officers in responsible and key positions in the District Assemblies.

**4.3 Capacity Situation of the District Assembly**

This aspect of the analysis assessed the three capacity aspects of each assembly and that of both District Assemblies and the three relevant categories selected by the study. Therefore, the analysis is compartmentalized into staff training, skills and experience of the District Assembly's staff, adequate and timely release of funds and level of awareness of procurement rules and



procedures by the staff members who participate in the procurement process. On a Likert scale of 1 – 5, the capacity situation of the District Assemblies was measured by assigning weights to the extent of agreement or disagreement of the respondents to each item. The respondents strongly agree, agree, remain neutral (neither agree nor disagree), disagree, or strongly disagree to each of the statements made.

Table 4.3.1: **Staff Training, Experience and Skills (both assemblies)**

Description	Median	Mode	Sum
I participate in the procurement processes of the Assembly	4 (53.3%)	5	259
There are frequent and regular procurement trainings and capacity building workshops for officers	4 (72%)	5	293
Training I have received is adequate for practice in procurement	4 (73.3%)	5	290
I have adequate computer skills to carry out procurement task	4 (69.3%)	5	284

**Source : field survey, 2016**

As Table 4.3.1 indicates, all the items score median rate of 4 (disagree) and mode of 5 (strongly disagree) with varied cumulative frequencies and sum of rates. A median of 4 and mode of 5 implies that more than half of the respondents at least disagree to the item with the most occurring rate being strongly disagree, respectively. Hence, more than half (72%) of the respondents at least disagree that there are frequent and regular procurement trainings. Similarly, more than half (73.3% and 69.3%) of the respondents at least disagree that they have received





adequate training and have computer skills to carry out procurement tasks respectively with most of them strongly disagreeing. The sum of rates indicate the extent to which the respondents generally disagree or otherwise among the items with highest sum indicating most strongly disagreed and lowest sum indicating least disagreed (any sum greater than 219 represents disagreement). A list of the items from most strongly disagree to least disagree is: (1) there are frequent and regular procurement trainings and capacity building workshops for officers; (2) training I have received is adequate for practice in procurement; (3) I have adequate computer skills to carry out procurement task; and (4) I participate in the procurement processes of the Assembly. More so the capacities of each district assemblies relative to staff training, experience and skill of staff on some key items is found in table 4.5.1.1 below:

**Table 4.3.1.1: Staff Training, Experience and Skills (for each assembly)**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>
There are frequent and regular procurement trainings and capacity building workshops					
Zabzugu	0.0%	5.6%	5.6%	36.1%	52.8%
Saboba	7.7%	15.4%	20.5%	33.3%	23.1%
Training I have received is adequate for practice in procurement					
Zabzugu	0.0%	11.1%	2.8%	27.8%	58.3%
Saboba	10.3%	17.9%	10.3%	41.0%	20.5%
I have adequate computer skills to carry out procurement tasks					
Zabzugu	0.0%	13.9%	0.0%	36.1%	50.0%
Saboba	10.3%	23.1%	12.8%	25.6%	28.1%

**Source: Field Survey, 2016**

From table 4.3.1.1 whereas 5.6% of the respondents for the Zabzugu District Assembly at least agree (strongly agree or agree) that regular procurement training is organized for officers, 23.1% of that of Saboba District Assembly respondents indicated that they at least agree same.



In the contrary, 88.9% of the zabzugu respondents at least disagree (disagree or strongly disagree) that regular procurement training is organized for officers while 56.4% of the Saboba District Assembly respondents at least disagree that regular procurement training for officers.

**On the item on training I have received is enough for practice in procurement**

On this item, the table shows that 11.1% of the Zabzugu District Assembly respondents at least agree that training they have received is enough to enable them to practice procurement while 28.2 % the Saboba District Assembly respondents at least agree same. Conversely, 88.9% of the Zabzugu District Assembly respondents at least disagree that training they have received is enough to practice procurement however, 61.5% of those of Saboba District Assembly at least disagree to the item.

**Next item: “I have adequate computer skills to carry out procurement task.”**

From the table 13.9% of the respondents of the Zabzugu District Assembly indicated they at least agree that they have adequate computer skills to carry out procurement task while 33.4% of the Saboba District Assembly at least agree that their computer skills is adequate to carry out procurement task. However, 86.1% of the respondents of the Zabzugu District Assembly at least disagree to the item while 53.7% of the Saboba District Assembly at least disagrees same.

From the analysis, it is disclosed that the Saboba District Assembly has more capacity than the Zabzugu District Assembly in terms of staff training, skills and experience than the Zabzugu District Assembly. However, the capacity of the two assemblies remain bad as revealed in table 4.5.1 hence in the view of the respondents, there is a huge gap when it comes to staff training, experience and skills. This agrees with the position of the (AGR, 2010) that majority of procurement trained and the few training rolled out training programmes are not intensive.



From the analysis, the study observed that there is the need to provide adequate training for most procurement practitioners in the district Assemblies. As the (OECD, 2005) posits that largely low compliance is due to inadequate knowledge and inexperience of procurement practitioners. Though, training opportunities are few, the PPA is making strenuous efforts to build the capacities of procurement officers and other actors in procurement (PPA Electronic Bulletin, 2014).

Table 4.4: **Adequate and Timely Release of Funds (both assemblies)**

Description	Median	Mode	Sum
Assembly has enough funds so projects are executed and completed on time	4 (89.3%)	4	315
There is enough IGF to support projects and programs implementation in procurement plan	5 (93.3%)	5	331
Funds are released on time to implement procurement plan	4 (81.3%)	4	297
Allowances of tender committee meetings are paid on time	4 (58.7%)	4	258
Contractors, suppliers or consultant are paid immediately works are completed	4 (61.3%)	4	256
GoG funds are released on time to implement projects and programs	4 (81.3%)	4	297



---

delay in the release of DACF affect the completion of projects	2 (80%)	2	159
DACFs are released on time to execute projects	4 (86.7%)	4	307

---

**Source: Field Survey, 2016**

As shown in Table 4.4, it demonstrates that more than half (89.3%) of the respondents at least disagree that Assembly has enough funds so projects are executed and completed on time. Most notable is the fact that more than half (93.3%) of the respondents strongly disagree that there is enough Internally Generated Funds (IGF) to support projects and programs' implementation in procurement plan. Similar to the first item, most of the respondents at least disagree with all the other items except the delay in the release of District Assemblies Common Fund (DACF) affect the completion of projects. Also, 80% of the respondents agree or strongly agree that delay in release of DACF affect the completion of projects. In general, the most strongly item is the one that states that there is enough IGF to support projects and programs' implementation in procurement plan with the highest sum of 331. This is followed by the first item: assembly has enough funds so projects are executed and completed on time with a sum of 315.

However the capacity of each assembly with regard to timely release of funds is summarized in table 4.4.1 below:



**Table 4.4.1: Adequate and Timely Release of Funds (for each assembly)**

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Assembly has enough funds so projects are executed and completed on time					
Zabzugu	0.0%	2.8%	2.8%	41.6%	52.8%
Saboba	0.0%	7.7%	7.7%	64.1%	20.5%
There is enough IGF to support projects and programs implementation					
Zabzugu	0.0%	0.0%	2.8%	36.1%	61.1%
Saboba	0.0%	7.7%	2.6%	46.2%	43.5%
Funds are released on time to implement procurement plan					
Zabzugu	0.0%	2.8%	2.8%	55.6%	38.9%
Saboba	0.0%	10.3%	20.5%	64.1%	5.1%
Contractors, suppliers or consultants are paid immediately works are completed					
Zabzugu	0.0%	11.1%	0.0%	75.0%	13.1%
Saboba	10.3%	28.2%	25.6%	28.2%	7.7%

**Source: Field Survey, 2016**

**On item: Assembly has enough funds so projects are executed and completed on time**

Whereas 2.8% of the respondents for the Zabzugu District Assembly at least agree (strongly agree or agree) that the assembly has enough funds to execute and complete projects on time, 7.7% of the respondents for the Saboba District Assembly indicated that they at least agree same. In the contrary, 94.4% of the Zabzugu District Assembly respondents at least disagree (disagree or strongly disagree) that regular procurement training are organized for officers while 84.6% of the Saboba District Assembly respondents at least disagree that regular procurement training for officers.



---

**On item: There is enough IGF to support projects and programs implementation**

Table 4.4.1 shows that none (0%) of the Zabzugu District Assembly respondents at least agree that there is enough IGF to support projects implementation, 7.7% of the respondents for the Saboba District Assembly at least agree same. Conversely, 97.2% of the Zabzugu District Assembly respondents at least disagree there is enough IGF to support projects, 89.7% of those of Saboba District Assembly at least disagree to the item.

**The next item : Funds are released on time to implement procurement plan**

It shown in table 4.4.1 that 2.8% of the respondents of the Zabzugu District Assembly indicated they at least agree that they have adequate computer skills to carry out procurement task while 110.3% of the Saboba District Assembly at least agree that their computer skills is adequate to carry out procurement task.

However, 97.2% of the respondents of the Zabzugu District Assembly at least disagree to the item while 89.7% of the Saboba District Assembly at least disagrees same.

**On the item: Contractors, suppliers or consultants are paid immediately works are completed**

Table 4.4.1 shows that whereas 11.1% of the Zabzugu District Assembly respondents at least agree that contractors and suppliers are paid immediately works are completed, 38.5% of those of the Saboba District Assembly at least agree same. Conversely, 88.1% of the Zabzugu District Assembly respondents at least disagree there is enough IGF to support projects, 35.9% of those of Saboba District Assembly at least disagree to the item.



The above analysis shows that Saboba District Assembly has more capacity in terms of adequate and timely release of funds than the Zabzugu District Assembly. However the capacity of the assemblies is with regard to financial situation is appalling. Therefore, the study has disclosed that that central government's delay in release of funds affects timely completion of projects can cause variations in the contract prices due to over delay of payments of contractors for works executed to date and ultimately could cause abandoning of projects. This confirms the position of a publication in the (The District Assemblies Common Fund News Letter, issue 2 December, 2014) that inadequate or delay in the disbursement of funds pose major problems for many MMMDAS. Similarly, the poor IGF generation in the District Assemblies to complement statutory transfers poses a huge threat to the implementation of earmarked projects. This position agrees with assertion of the publication (District Assemblies Common Fund News Letter, issue 2 December 2014) as quoted above. Consequently, lack of capacity in the district assemblies with regard to adequate and timely release of funds endanger the value for money principle espoused by the Public Procurement Act.

Table 4.5: Level of Awareness of Procurement Regulations (for both assemblies)

Description	Median	Mode	Sum
The public procurement Act regulate all public procurement in Ghana	1 (86.7%)	1	120
Advertisement of bid should be done in at least two widely circulated national news papers	2 (69.3%)	2	153
Closing date of bid submission should be the same			

date for bid opening as well	2 (50.7%)	2	182
Tender evaluation panel should have a representative of the user department	2 (66.7%)	2	160
Selecting and participating in procurement method depend on the procurement threshold	2 (60%)	2	166
National competitive tendering is restricted to only domestic companies	2 (56%)	2	189
procurement units are supposed to seek approval from PPA before undertaking sole-sourcing	2 (70.7%)	2	155
Before doing shopping or price quotation, at least three suppliers should be invited to submit their quotations	2 (80%)	2	142

**Source: Field Survey, 2016**

Table 4.5 illustrates the level of awareness of procurement regulations of the respondents. Most (86.7%) of the respondents strongly agree that they are aware that the Public Procurement Act regulate all public procurement in Ghana. In the same vein, more than half (ranging from 50.7% to 80%) of the respondents either agree or strongly agree with the awareness of the remaining items. Considering the sum of rates, the items are listed in order of most strongly agree to least agreed as follows: 1) the public procurement Act regulate all public procurement in Ghana; 2) before doing shopping or price quotation, at least three suppliers should be invited to submit their quotations; 3) advertisement of bid should be done in at least two widely circulated news papers; 4) procurement units are supposed to seek approval from PPA before undertaking sole-sourcing; 5) tender evaluation panel should have a representative of the user department; 6) selecting and participating in the procurement method depend on the procurement threshold; 7) closing date of





bid submission should be the same date for bid opening as well; 8) national competitive tendering is restricted to only domestic companies.

The researcher intent was to investigate whether the respondents have knowledge and conversant (familiar) with relevant procurement rules, procedures prescribed by the procurement regulations and provisions of the Public Procurement Act.

Moreover, the capacity of each assembly with regard to level of awareness of procurement procedures and processes is table in table 4.5.3.1 below:

**Table 4.4.1: Level of Awareness of Procurement Regulations for each assembly (each assembly)**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>
The Public Procurement Act regulate all public procurement in Ghana					
Zabzugu	58.3%	30.6%	8.3%	2.8%	0.0%
Saboba	59.0%	25.6%	7.7%	7.7%	0.0%
Advertisement of bid should be done in at least two widely circulated news papers					
Zabzugu	25.0%	33.3%	38.9%	2.8%	0.0%
Saboba	38.5%	41.0%	12.8%	7.7%	0.0%
Tender evaluation panel should have a representative of the user department					
Zabzugu	27.8%	36.1%	36.1%	0.0%	0.0%
Saboba	33.3 %	35.9%	20.5%	0.0%	10.3%
National competitive tendering is restricted to only domestic companies					
Zabzugu	27.8%	47.2%	19.4%	2.8%	2.8%
Saboba	20.5%	17.9%	23.1%	23.1%	15.4%
Procurement units are supposed to seek approval from PPA before sole-sourcing					
Zabzugu	30.6%	33.3%	33.3%	2.8%	0.0%
Saboba	28.2%	48.7%	12.8%	10.3%	0.0%



---

**Source: Field Survey, 2016**

**On item: The Public Procurement Act regulate all public procurement in Ghana**

From table 4.5.1 whereas 88.9% of the respondents for the Zabzugu District Assembly at least agree (strongly agree or agree) that the public procurement act regulates all public procurement in Ghana, 84.6% of the respondents for Saboba District Assembly indicated that they at least agree same.

In the contrary, 2.8% of the Zabzugu District Assembly respondents at least disagree (disagree or Strongly disagree) that the Public Procurement Act regulates all public procurement in Ghana while 7.7% of the Saboba District Assembly respondents at least disagree in their response to the item.

**On item: Advertisement of bids should be done in at least two widely circulated news papers**

From Table 4.5.1, it is shown that 58.3% of the Zabzugu District Assembly respondents at least agree that the advertisement of bids should be done in two widely circulated newspapers, 79.5% the Saboba District Assembly respondents at least agree same. Conversely, 2.8% of the Zabzugu District Assembly respondents at least disagree in their answers to the item, 7.7% of those of Saboba District Assembly at least disagree to the item.

**On item: Tender evaluation panel should have a representative of the user department**

It is shown in table 4.5.1above that while 63.9% of the respondents of the Zabzugu District Assembly indicated they at least agree that tender evaluation panel should have a representative of the user department, 69.2% of the Saboba District Assembly at least agrees in their answers to the item. However, none of the (0%) of the respondents of the Zabzugu



---

District assembly at least disagree in their answers to the items while 10.3% of the Saboba District Assembly at least disagree same.

---

**On the item: National competitive tendering is restricted to only domestic companies**

Table 4.5.1 above discloses that while 75% of the respondents of the Zabzugu District Assembly indicate they at least agree the national competitive tendering is restricted to only domestic companies, while 38.4% of the Saboba District Assembly at least agree in their answers to the item. Conversely, 5.6% of the respondents of the zabzugu District Assembly at least disagree in their answers to the items while 38.5 of the Saboba District Assembly at least disagree same.

**On item: Procurement units are supposed to seek approval from PPA before sole-sourcing**

It is shown in table 4.5.1 above that while 58.8% of the respondents of the Zabzugu District Assembly indicated they at least agree that procurement units are supposed to seek approval from PPA, 76.9% of the Saboba District Assembly at least agrees in their answers to the item. On the other hand only 2.8% of the respondents of the Zabzugu District Assembly at least disagree in their answers to the items while 10.3% of the Saboba District Assembly at least disagrees same.

It can be deduced from the above analysis that the capacity of the Saboba District Assembly is higher than the Zabzugu's since in almost all the items except **National competitive tendering is restricted to only domestic companies**, the Saboba District Assembly demonstrated high level of familiarity with the procedures and process of procurement than the Zabzugu District Assembly. It can be further noted from the analysis that with majority of the respondent at least agree in their answers with the items in this category in assessing the capacity situation. It can



therefore established that majority of the those who participate in the procurement cycle in the District Assemblies have appreciable level awareness of relevant procurement regulations and procedures, which is an indication that the PPA has not shirk its mandate of conducting capacity building programmes for employees in the public sector of Ghana . This finding concurs with the position of a publication by the Public Procurement Authority that can confirm that only about Twenty – Five Thousand 25000 of various procurement stakeholders have benefitted from short-term training programmes on procurements across the country. (Public Procurement Authority: Electronic Bulletin March-April 2014, Vol.5 issue 2) but contradict the position of (De Boer and Telgen, 1998) that one of the causes of non-compliance is the awareness of the procurement regulations.

#### 4.6: Timely Released of DACF to Execute Projects and Programs

	Frequency	Percentage	Cumulative Percentage
Strongly Disagree	23	30.7	30.7
Disagree	42	56.0	86.7
Neutral	6	8.0	94.7
Agree	2	2.7	97.4
Strongly Agree	2	2.7	100

**Source: Field Survey, 2016**

Table 4.9 shows that most of the respondents (86.7%) at least disagree that DACFs are released on time to execute projects and programs. Only 5.3% of them actually agree or strongly agree



that DACFs are released on time to execute projects and programs. However, 8% of them are neutral (neither agree nor disagree). From the results it is shown that the central government disbursements into the DACF of the assemblies are done effected on time to execute earmarked project and programs. These bottlenecks cause delay in completion of projects. The need to discover of sources of funds is significant in order to complement the DACF. Despite the unanimous indication of delay in release of the DACF by the respondents, the DACF remains the most reliable funding source for MMDAs program and project implementation (Common Fund News letter, 2015).

#### **4.7 Level of Compliance with Act 663 with Procurement Process and Procedures**

Sections 3(d), 13(e) and 3(h) of the Public Procurement Act gives the Procurement Authority the powers to assess performance of the public entities to determine their compliance with provision of the Act. This aspect of the questionnaire intends to ascertain the level of compliance of procurement rules and procedure enshrined in ACT 663 in the District Assemblies the Public Procurement Authority. Therefore, the procurement processes and procedures were put into six category; namely procurement planning, bid preparation, procurement publicity, submission, opening and evaluation of bids, award of contract, and contract management with descriptive items under each category. In this regard, the respondents were asked to rate the compliance assessment indicators on a scale of 1-5. Under each category, a rate of one (1) indicates absence of compliance, two (2) indicates low compliance, three (3) indicates compliance is satisfactory, four (4) indicates compliance is good, while five (5) indicates compliance is excellent.

##### **Table 4.7.1: Procurement Planning**





Description	Median	Mode	Sum
Heads of decentralized departments of the assembly			
make inputs when preparing procurement plans	3 (72.0%)	3	228
Post plan on notice boards and the website of the			
Public Procurement Authority	3 (57.3%)	3	204
Have an approved procurement plan for the assembly	4 (64.0%)	5	287

**Source: Field Survey, 2016**

Table 4.7.1 shows that more than half (72.0% and 57.3%) of the respondents indicate that compliance is at least satisfactory when it comes to heads of decentralized departments making inputs in the preparation of procurement plans and posting plans on notice boards and websites of the PPA respectively. When it comes to having an approved procurement plan for the Assembly however, 64.0% of the respondents indicate compliance is at least good with most of them indicating compliance is excellent. It can, therefore, be said that the compliance to the procurement planning process is at least satisfactory. The impression the analysis is portraying is that procurement planning is effectively undertaken in the districts as majority of the respondents have indicated at least satisfactorily that procurement planning procedures are religiously adhered to. This analysis therefore reveals that compliance with Section 21 of Public Procurement Act, 2003 (ACT) by the District Assemblies is good.

**4.7.2: Bid Preparation**

Description	Median	Mode	Sum
-------------	--------	------	-----

Use STDs for tender document preparation	3 (66.7%)	4	237
All bid documents contain the same evaluation criteria	3 (76.0%)	3	247
Setting reasonable time and date for bid opening	4 (56.0%)	4	269

**Source: Field Survey, 2016**

Table 4.7.2 reveals more than half (66.7%) of the respondents indicate that the level of compliance is at least satisfactory when it comes to using Standard Tender Documents (STDs) with most of them indicating that compliance is good as table 4.7 shows. Most (76.0%) of the respondents indicate that compliance is at least satisfactory with regard to bid documents contain the same evaluation criteria. Again, most (56.0%) of the respondents indicate compliance is at least good when it comes to setting reasonable time and date for bid opening. The responses for each of the items therefore gives positive impression that compliance with procedures for bid preparation in the District Assemblies is at is at least satisfactory. Hence, Section 53(1) and 56(1) of the Public Procurement Act are adhered to by the Assemblies.

#### 4.7.3: Procurement Publicity

Description	Median	Mode	Sum
Post procurement notices on Assembly notice boards	3 (56.0%)	2	210
Advertise tender invitations in the national dailies	4 (60.0%)	4	268
Produce information for posting in the procurement bulletin	2 (53.3%)	2	204

**Source: Field Survey, 2016**



Table 4.7.3 shows that more than half (56.0%) of the respondents indicate that compliance is at least satisfactory when it comes to posting procurement notices on Assembly notice boards with the most occurring rate being low compliance. It was also noted from the table that most (60.0%) of the respondents indicate that compliance is at least good when it comes to advertisement of tender invitations in the national dailies. However, when it comes to producing information for posting in procurement bulletin, 53.3% of the respondents indicate compliance is at least low with most of them indicating compliance is low. Moreover from above analysis, it is deduced that the Assemblies do not comply with the procedure of posting notices of procurement on their notice boards and do not also produce information for posting in procurement bulletin in the category of procurement publicity. The essence of procurement publicity is to promote openness, transparency and accountability in the procurement process. This analysis confirms the finding of a research undertaken by (KPMG, 2008) which posits that public procurement still suffers from fraud and misconduct. However, in some instances, the regulation may be violated due to unfamiliarity with the procedure by the practitioners as found by (Osei Tutu, 2011) that the level of compliance with procurement rules among public entities in the various regions is still appalling.

Table 4.7.4: **Submission, Opening and Evaluation of Bids**

Description	Median	Mode	Sum
Setting date, time and venue for bid submission	4 (60.0%)	4	277
Put in place a secured tender box	4 (66.7%)	5	293
Put in place tender opening register	4 (50.7%)	3	268



Setting date, time and venue for bid opening	4 (58.7%)	5	276
Record minutes of tender opening meetings	4 (56.0%)	5	277
Constitute tender evaluation panel	4 (66.7%)	4	288

**Source: Field Survey, 2016**

Generally, Table 4.7.4 demonstrates that in all the descriptive items that compliance is good for submission, opening and evaluation of bids. All the items has a median of 4 most of the respondents indicate compliance is at least good. The mode of 5 means that compliance is excellent is the most occurring rate when it comes to putting in place a secured tender box, setting date, time and venue for bid opening, and recording minutes of tender opening meetings. The analysis therefore establishes that with majority of the respondents at least agreeing that the procedures for submission, opening, and evaluation are followed, indicates that the districts satisfactorily complied with this aspect of the procurement cycle.

#### 4.7.5: Award of Contract

Description	Median	Mode	Sum
Notify both successful and unsuccessful bidders in writing	3 (62.7%)	3	318
Signing letter of awards	4 (68.0%)	5	288
Publicizing contract awards	3 (52.0%)	2	204
Notifying bid losers	2 (57.3%)	1	178
Release of tender security to bid losers	2 (65.3%)	1	158



---

**Source: Field Survey, 2016**

From Table 4.7.5, it is clear that most (62.7%) of the respondents indicate that compliance is at least satisfactory with regard to notifying both successful and unsuccessful bidders in writing. Similarly, most (68.0%) of the respondents indicates that at least compliance is good in signing letter of awards with most of them indicating that compliance is excellent. However, most (57.3% and 65.3%) of the respondents indicate low or absence of compliance in notifying bid losers and releasing tender security to bid losers with most of them actually indicating absence of compliance. The analysis reveals that in the award of contract category of the procurement cycle, notifying bid losers and release of tender security to bid losers shows a higher level of non-compliance which conflicts with position of a publication made by the (Ministry of Finance, 2001) that the procurement act came into to strengthen processes in state institutions, prudent utilization of resources inject competition and fairness while eliminating bias in the procurement process.

#### 4.7.6: Contract Management

Description	Median	Mode	Sum
Opening site log books at project sites	3 (56.0%)	2	209
Having district monitoring team	4 (72.0%)	4	287
Preparing inspection reports for payment	4 (52.0%)	3	268
Paying retentions after defects liability period	4 (52.0%)	4	258
There is good record keeping system in place for			

---



---

procurement activities	3 (80.0%)	4	248
preparing progress reports by district engineer before payment are effected	4 (58.7%)	4	278

---

**Source: Field Survey, 2016**

Table 4.7.6 discloses that most (56.0%) of the respondents indicate that compliance is at least satisfactory in opening site log books at project sites with the most occurring rate, however, being low compliance. When it comes to having District Monitoring Team, most (72.0%) of the respondents indicate at least compliance is good. So it is for paying retention after defect liability period, preparing progress report for district engineer before payment are effected and preparing inspection reports for payment. However, differences in the sum of rates show the differences in the level of compliance. This analysis has discloses the except opening log book at project sites as of the procedures for effective contract management practice at the district assemblies, the respondent stated that with procedures with regard to contract management in the districts are being complied with is satisfactory. The analysis further reveals that compliance with opening log books at contract sites at part of the contract management procedures is low hence making it difficult for project monitoring teams to keep track of the activities being carried out at the sites. The low compliance in that aspect concurs with the position held by (World Bank Country Portfolio Performance Review, 2002) that the core findings of the country portfolio performance review of world bank projects ascribed inadequate planning, non-transparent procedures and weak contract management as major obstacles to good project management.



**Table 4.8: Participation in the Procurement Process of the Assembly**

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
<b>Designation</b>					
Accountants	0	6	3	0	5
Sub. Com. Chairpersons	1	0	1	1	3
Com. Dev/ soc. Welfare	0	0	1	2	1
DBO	0	1	0	2	1
DCD	2	1	0	0	1
DCE	1	0	0	0	0
DEHO	0	0	1	0	0
DFO	1	1	0	0	0
DPO	0	2	1	0	0
Directors	0	3	0	1	1
Dist. Cooperative officer	0	0	0	0	1
Engineers	3	1	0	0	0
HRO	0	0	0	0	2
Internal Auditors	0	0	1	2	2
Internal Auditor-GES	0	0	0	0	1
NADMO	0	0	1	1	0
NBSSI	0	0	0	1	1
Non-Formal Education	0	0	0	0	1
Presiding members	0	0	0	1	1
Procurement officer- GES	0	0	0	0	1
Records office	0	0	0	1	0
SEOs	0	0	1	1	1
Store keepers	0	0	0	0	2
Works foreman	0	1	0	0	0



From Table 4.7 above, the practitioners who strongly agree or at least agree they participate in the procurement process of the Assembly are the engineers, DFOs, DCE, DCDs, DPOs, Records office and works foreman. Conversely, practitioners who strongly disagree or at least disagree that they participate include the community development/ social welfare, Dist. Cooperative officer, HRO, Internal Auditors, NADMO, NBSSI, Non-Formal Education, Presiding members, Procurement officer- GES, SEOs and store keepers. While six of the accountants agree that they participate in the procurement process of the Assembly, five of them strongly disagree. Three of the budget of the officers disagree that they participate while only one of them agree.

The research findings have established that some key officers are not involved in the procurement processes. Meanwhile, the active participation of every officer is key and a must be upheld. This contradicts the position of Weele (2000), that the procurement process is slowed by lengthy procedures and involves a lot of people in the paper work. This contraction is further reinforced by position of the (PPA, 2012) that performances of MMDAs in the various assessment components have showed increased interest among entity leadership in their procurement activities.



## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter gives synopsis of the major findings, draws conclusions and offers recommendations in line with the objectives and research questions set for the study. This is done with the aim of improving the capacities of the Zabzugu and Saboba District Assemblies in the Northern Region of Ghana for effective implementation of the Public Procurement Act, 2003 (Act 663). The suggestion of areas identified for further research in the process of conducting the study, is also included in this chapter.

#### 5.1 Summary of Major Findings

The study has established that the Saboba and Zabzugu District Assemblies in the Northern Region of Ghana largely do not have adequate capacities with regard to solid financial base and skilled and experienced procurement practitioners to effectively implement (or comply with) the Public Procurement Act, 2003 (Act 663).

##### 5.1.1 Preparation and Posting of Procurement Plans and Contract Awards

Section 21 of the Public Procurement Act enjoins public entities to prepare procurement plans which ought to be reviewed quarterly. The study has revealed that though majority of the respondents indicated strongly that the Assemblies prepare procurement plans; they fail to post them on the PPA website and notice boards of the District Assemblies. Furthermore, the analysis has shown that there is no effective communication between the Assemblies and the bidders in the award of contract due to failure on the part of the Assemblies to notify bid losers after tender



evaluation. This irregularity compromises transparency and fair competition in the procurement process.

### **5.1.2 Procurement Structures and Procedures**

The study has also disclosed that the District Assemblies have in place the requisite procurement committees but noted contrary to expectation that they do not have permanent procurement department or units to manage their procurement activities. Consequently, Procurement is left in the hands of Accountants or Engineers who pose as procurement officers but lack the requisite technical competence and expertise to execute any effective and efficient procurement that could achieve value for money for the Assemblies. This confirms the position of Hui et al, (2001) that while analyzing procurement issues in Malaysia procurement officers were blamed for malpractice and non-compliance with procurement rules and procedures. Moreover, the study has also shown that procurement processes and procedures are fairly complied with.

### **5.1.3 Delays in Completion of Projects**

The research analysis has shown that 89.3% of the respondents strongly disagree that the Assemblies generate adequate Internally Generated Fund (IGF) to support and sustain project implementation in the procurement plans and 86.7% of them also disagree that the District Assemblies Common Fund (DACF) which is considered as the major statutory grant to District Assembly is released on timely and regular basis for project implementation. This indicates weak financial capacity which has huge adverse effect on the execution of new projects and on-going ones as well since the district assemblies would be unable to honor certificates submitted by contractors for work done. These trends results in variations in the contracts sums of projects. And if not properly addressed, leads to abandoning of projects by contractors and



high possibilities of shoddy works. This finding agrees with the position of a study undertaken by the (World Bank, 2003b) that an examination of contracts awarded in 2002, disclosed that a large number of them completed with the contract sum shooting up to about 30% variation of the initial amount. The study has therefore established that value for money and efficiency are hardly achieved in the procurement activities of the Assemblies.

#### **5.1.4 Poor Involvement of Key Staff in Procurement Activities**

The involvement of key participants namely the chair persons of the various Sub-Committees, heads of decentralized departments, members of Tender Committee and Tender and Review Boards members among others is crucial in promoting the transparency and openness in the procurement process. However, the analysis has revealed that the Assemblies do not involve some key officers who are supposed to be participants in the process thereby leaving it to only some few people. These people may therefore have the opportunity to manipulate the process and bend the rules to satisfy their parochial interests. Also, non-involvement of some participants in the process slims their opportunities to gain knowledge and practical experience. This shows instances of malpractice and it erodes the efforts made to produce committed and experienced personnel who will have the focus and interest to promoting effective procurement management. This finding is supported by the position of Lam, Riley, and Cayer, (2005) that recruiting and sustaining skilled employees is always difficult.

#### **5.1.5 Lack of Experienced and Proficient Procurement Practitioners**

The analysis shows that 73% of the respondents indicated that the training they have received is inadequate for them to practice procurement effectively. The study has therefore established that most procurement participants in the District Assemblies do not have the required competencies





to contribute positively to the procurement processes of the Assemblies and to discharge any effective procurement tasks.

## **5.2 Challenges impeding effective implementation of the Public Procurement Act**

The scores of the capacity indicators in the three key relevant areas of the study have shown that there are number of areas that need improvement in the discharge of public procurement in the districts. The challenges the study identified through the responses from the interviews and open-ended questions are as follows:

First, delay in release of the DACF and other GOG funds to district Assemblies has been identified as a stumbling block to effective procurement management since the procurement process is powered by sound financial base and which remains one of the fundamental factors that can be an influence in achieving value for money and efficiency in the in the entire procurement process. This assertion concurs with the position of the (World Bank, 2007) that finance is the engine that drives procurement. Availability of funds is therefore considered as a catalyst in promoting speedy implementation of all planned activities which has positive correlation compliance with procurement rules and regulations. The study has however noted in the contrary that the Assemblies lack adequate funds due to delay in the release of statutory transfers and poor IGF mobilization since majority of the of the respondents disagreed that DACF and other GOG funds are released on time to implement earmarked projects and programmes.

Another challenge that poses major risk to effective procurement management in the District Assemblies is lack of qualified and proficient procurement officers. The analysis has shown that





the Assemblies do not have procurement officers with the requisite professional procurement background. Consequently, Procurement duties and roles are handled by officers without the skills and experience to to comprehend and appreciate very complex procurement issues that may confront them in the procurement process. Though some of them officers might have undergone some training, they are usually short and theoretical in content. This goes contrary with the position of Lysons and Gilingham, (2003) that procurement managers must have deep knowledge about specifications in order to secure value for money for their organizations and handle the user and supplier relationship effectively. The lack of professional procurement officers in public entities may results from the poor compensation packages developed for public officers making it extremely difficult to attract and retain fully trained procurement officers in the Assemblies. This finding concurs with the position of PPOA that despite the efforts made to develop professional procurement workforce, procurement is still handled by less specialized procurement officers.

Besides, another challenge that needs immediate attention is the failure to punish unethical and corrupt behavior of procurement functionaries. Officers managing the procurement function in the District Assemblies commit various procurement infractions but go unpunished due to failure to invoke and enforce the penal provisions of the public procurement Act.

### **5.3 Implications of the Public Procurement Act Amendment**

The Public Procurement Act, 2003 (Act 663) has been amended through an Amendment Bill by passed by Parliament as the public procurement Amendment Act, 2016 (Act 914) and came into effect in July, 2016. The focus of the amendment is to take cognizance of current international best practices to improve operation of the current procurement system in Ghana. The amendment

further seeks to address some of the implementation weaknesses identified in the Procurement Act. Furthermore, it seeks to introduce sustainable procurement, framework contracting and emphasized e-procurement to meet current best practices.

This amendment comes with some critical consequences which are worth noting. First, procurement entities are now given more powers to manage the processes of larger procurements since the thresholds of the procurement thresholds specified in schedule 2 of the Act have been amended and reviewed upwards (Fifth Schedule of Amendment Act, 2016). In line with amendment, circumspection should be exercised by procurement entities in applying the appropriate tendering method for the right category of procurement. Second, procurement entities should reconstitute their Tender Committees to reflect the prescription of the current provision in the Amendment Bill. (Section 20D of Amendment Act, 2016).

The public procurement act amendment took place alongside the passage of the public financial management act, 2016 (Act 921) and the Local Governance Act, 2016 (Act 926). Their passage preceded the repeal of the Financial Administration Act (Act 654) and the Local Government Act 1993 (Act 452) respectively.

#### **5.4 Conclusion**

On the bases of the findings of the study, it is concluded that the both the Saboba and Zabzugu District Assemblies have low financial and human resource capacities to secure effective implementation of the Public Procurement Act. However, the study reveals in the contrary, that the level of awareness of procurement rules and procedures by key procurement practitioners in the two Assemblies is fairly good regardless of the fact that the level of compliance with



procurement procedures and regulations is still low in those Assemblies. But comparatively the Saboba District Assembly has more capacity than the Zabzugu District Assembly in respect three thematic areas. Also, the study has identified lack of permanent procurement units staffed with competent procurement professionals to manage the procurement system in the Assemblies and their weak financial base pose as the major obstacles that impede the effective implementation of the Public Procurement Act.

Furthermore, the findings of the study from the field have disclosed some challenges but in the pursuit of improving compliance with the Act, the study proposes some recommendations to fix them. Paramount among the recommendation are : first, there is there is the need to ensure that regular and intensive trainings are organized for core staff of the District Assemblies as well key staff of decentralized departments and other relevant participants in the procurement process. These trainings could be organized internally for the staff to specifically address their peculiar needs. In addition, intensive sensitization and education campaign should be instituted to increase the level of awareness of procurement rules and procedures to improve compliance. Also the IGF performance of the District Assemblies should be improved to complement the DACF and other GOG transfers. The establishment of permanent procurement units staffed with competent should also be promoted.

Finally, the study admits that though its findings cannot be generalized due to the limited size of the sample, it can be customized in other District Assemblies across the country to improve on the implementation challenges of the Public Procurement Act, 2003( Act 663).



## 5.5 Recommendations

On the basis of the discussions, findings and conclusions, the following recommendations are hereby strongly proposed:

First of all, The Public Procurement Authority as well as the Assemblies should prioritize the capacity development of their staff in order to bridge the capacity gaps of officers involved in the procurement process. The PPA and District Assemblies should make concerted efforts aimed at developing a structured and comprehensive capacity building programme to train the core staff of the Assemblies and other procurement practitioners. This may be done by organizing regular training workshops for all procurement stakeholders including service providers (at the regional and district levels) and short courses which are practical in content for procurement officers, Engineers, Coordinating Directors among others. A deliberate plan and conscious efforts should be put in place to organize refresher trainings to keep practitioners abreast of emerging and contemporary issues in procurement as well. Moreover, academic institutions should develop procurement management curricula and integrate it with other disciplines such as accounting, management, and economics so that students before graduation would acquire the basic fundamentals in procurement before going into the job market. Last but not least, Government should step up efforts aimed at attracting and retaining qualified people in the procurement profession through the design of lucrative remuneration schemes for procurement staff.

Moreover, the Act 663 provides for the establishment of procurement units which should be staffed with competent personnel to manage and implement all procurement activities. However this is lacking in the district assemblies. There is therefore the need to establish the units and



resourced them with permanent staff and logistics to enable them carry out their mandate effectively. The Assemblies could liaise with the Local Government Secretariat for posting of procurement officers to staff their procurement units if need be.

There should be increased attention to improve revenue collection by the District Assemblies. Delay in release of funds makes it imperative for district Assemblies to improve their IGF collection to complement the statutory funds. Unfortunately enough has not been done mobilize IGF at the district Assembly level leading to abysmal revenue performance. The study suggests that District Assemblies can overcome this challenge by exploring other revenue sources. For example, the District Assemblies can embark on vigorous campaigns to improve their IGF performance to complement the District Assembly common fund and other statutory transfers. There are specific measures that can be adopted to improve IGF generation. First, a revenue data on all ratable items in the districts for appropriate levying and collection should be developed. Second, education and sensitization of the citizenry on the need to pay taxes should be intensified. Moreover, accounting to the citizens on how Assemblies have expended the levies and rates collected is indispensable in boosting the citizens' confidence in the assemblies' authorities and convince them to pay their rates and tolls. Internal control mechanisms such as revenue task force, monitoring and supervision teams to check leakages in the system should also be set up.

Huge violations of procurement regulations in the District Assemblies is partly attributed to poor or ineffective supervision which could be quelled by oversight bodies namely PPA, Internal Audit Agency, District Monitoring Team and the NRCC stepping up their monitoring and supervision role over procurement activities. Procurement audit should be conducted regularly



(Section 91 of Public Procurement Act) Vis-a-viz the annual procurement assessment and monitoring that is being conducted every year by the PPA in the District Assemblies to enforce compliance.

The appointment of State Attorneys to District Tender Committees should be top priority of the PPA. The membership of tender committees includes State Attorneys who are supposed to advise the committees on the legal issues which are critical to the procurement process. They contribute positively by advising and guiding on decisions that have legal connotations on contracts awards. This, if ensured, would help the Assemblies avoid taking controversial decisions which have the penchant to trigger payment of judgment debts in favor of litigating contractors.. It is therefore recommended that to enrich the work of the Tender Committees, the PPA should ensure that Attorneys are appointed to serve on all Tender Committees.

To add, the PPA and other civil society organizations should initiate steps to broaden the scope of procurement regulations sensitization and education. This should be done to curtail the magnitude of procurement anomalies in the Assemblies operations. In doing this, the PPA can embark on vigorous sensitization and education of stakeholders on procurement regulations in the media. This could be in the form of television bulletins, radio discussions, publications in the newspapers, production of fliers, and distribution of copies of the ACT to all relevant institutions and organizations.

That is not all; the Provision of logistical and material Support should be given high consideration during budget preparation. District Assemblies should make adequate budgetary allocations in their composite budgets in terms of logistical and material support namely fuel,



allowances, and stationery etc to enable monitoring and inspection teams to discharge their duties efficiently.

The PPA website should be updated and maintained regularly so that District Assemblies would have uninterrupted access to it to post their procurement plans, advertisement and awarded projects. Also, District Assembly should create at their local levels efficient internet connectivity facilities say Local Area Networks to link up the various and departments in order to facilitate speedy discharge of procurement tasks.

Finally, the PPA should design an abridged and simplified procurement manual for MMDAS and MDAs to serve as guide and reference in their procurement work.

### **5.6 Suggestion for Further Research**

Further research should be carried out in assessing the capacities of supplies and contractors in the private sector for effective procurement relationships between government and service providers. This would benefit both parties playing their roles effective resulting in reduced cost in terms of time and energy. Also, further research should consider assessing sustainable procurement (green procurement) measures incorporated in procurement contracts for the mutual benefits of society, environment and contractors alike.





## REFERENCE

Ahwoi, K. (2010). Local government and Decentralization in Ghana. Accra-North, Ghana Unimax Macmillan,

Assessment Report. (2015). District Assemblies Common Fund Impact Assessment. Accra, Ghana. District Assemblies Common Fund Secretariat.

Auditor- General. (2005). Consolidated Report of the Auditor General on the Special Audit into the Operations of District Assemblies, 2001-2004, Republic of Ghana, Accra Pp 1-15.

Auditor- General. (2012). Report of the Auditor General on the Audit of the Accounts of District Assemblies. Republic of Ghana, Accra Pp 1-22.

Auditor- General. (2014). Report of the Auditor General on the Audit of the Management and Utilization of DACF and other Statutory Funds. Republic of Ghana, Accra Pp 1-66.

Auditor-General. (2010). Performance Audit Report of the Auditor General on the Audit of Procurement of Drugs and other Items. Republic of Ghana, Accra Pp 4-35.

Ayitey, F.K. (2012). Assessing the Level of Compliance with the Public Procurement Act, 2003 (Act 663) in Public Entities in Ashanti Region. Master's Thesis, Kwame University Of Science And Technology, Ghana.

Azeem V. (2007). Impact of the Public Procurement Act, 2003, (Act 663) in Ghana Integrity Initiative's Perspective. Paper presented at a special Forum on Improving Efficiency and Transparency in Public Procurement through information dissemination. Accra, Ghana.

Azeem V. (2009). The Problem of Corruption in the Public Sector. Paper presented at a Panel Discussion Organized by the Committee for Joint Action (CJA). Accra ,Ghana.



Barrett, P. (2000). Balancing Accountability and Efficiency in a More Competitive Public Sector Environment. *Australian Journal of Public Administration*, Vol. 59 NO.3, Pp. 58-71.

Calendar, G., & Matthews, D. (2002). The Economic Context of Government Procurement: “New Challenges and New opportunities. *Journal of Procurement*, Vol. 2 NO. 1, Pp. 55-71.

Common Fund Administrator. (2013). District Assemblies Common Fund Trends .” Issue 4-December 2013, Republic of Ghana, Accra.

Common Fund Administrator. (2014). District Assemblies Common Fund Impact Assessment. Issue 4-December 2014, Republic of Ghana, Accra.

Common Fund Administrator. (2015). District Assemblies Common Fund Utilization. Issue 4-December 2015, Republic of Ghana, Accra.

Common Fund Administrator. (2016). District Assemblies Common Fund Impact Assessment. Issue 3- September 2016, Republic of Ghana, Accra.

Republic of Ghana. (1992). Constitution of Republic of Ghana. Accra. Government Press.

Cooper, D.R and Schinler, P.S (2001). *Business Research Methods*. New York: MC D.C.: The World Bank.

De-Boer, L., &Telgen, J. (1998). Purchasing Practices in Dutch Municipalities. *International Journal of Purchasing and Materials Management*, Vol. 34 NO. 2, Pp. 31-36.

DECD/DAC. (2007). Assessment of Country’s Procurement System (Tanzania). *Tanzania Procurement Journal*, Vol.1 No 5, Pp. 5-4.

DPCU file. (2016). District Profile. Zabzugu District Assembly, Northern Region



DPCU file. (2016), District Profile. Saboba District District Assembly, Northern Region.

Evenette, S. & Hoekman, B. (2005), International Cooperation and the Reform of Public Procurement Policies.

Financial Administration Act, (2003), Act 654, Government of Ghana, Accra.

Financial Administration Regulation, (2004), LI 1802, Republic of Ghana, Accra.

Financial memoranda for District Assemblies, (2004), Republic of Ghana, Accra.

Gelderman, J. C., Ghijsen, W. P. & Brukman, J. M. (2006). Public procurement and EU Tendering Directives- explaining non-compliance. International Journal of Public Sector Management, Vol. 19 NO. 7, Pp. 702-714.

Ghana Local Government Act, 1994 (Act 462). Republic of Ghana, Accra. Ghana Publishing Corporation.

Ghana Public Procurement Authority. (2008). Annual Report. Republic of Ghana, Accra. Ghana Publishing Corporation. PP. 18.

Ghana Public Procurement Authority. (2009). Annual Report. Republic of Ghana, Accra. Ghana Publishing Corporation. Pp. 2-20.

Ghana Public Procurement Manuals. (2004). Republic of Ghana, Accra. Ghana Publishing Corporation.

Government of Ghana (2009). Accounting Manual for MMDAs. Accra, Ghana. Controller and Accountant General's Department.



Habtermicheal FanielSahle. (2009). Anti-Corruption Strategies in South African, Public Sector Perspective on the Contribution of Complexity Thinking and ICT, PhD thesis, Stellenbosch University, South Africa.

Hunja, R.R. (2003). Obstacles to Public Procurement Reform in Developing Countries in Arrow Smith, S and Try bus, M (Eds) Public Procurement: The Continuing Revolution Kluwer International.

KPMG International (2008) Governance Survey. Nairobi KPMG.

Local government Act, 1993 (Act 462), Government of Ghana, Accra.

Local Government Service Act, 2010, Act, 656, Republic of Ghana, Accra.

Lynch, J. (2005). Public Procurement: Principles, Categories and Methods. Class room Series. Lean Publication.

McCue, C.P., & Pitzer, J. T. (2000). Centralized vs. Decentralized purchasing: current trends in government procurement practices. Journal of Public Budgeting, Accounting & Financial Management, Vol. 12 NO. 3, Pp. 400-420.

Odhiambo, W and Kamu P. (2003). The Integration of Development Countries into the World Trading Systems. Public Procurement: Lessons from Kenya, Tanzania and Uganda. Available on <http://www.oecd.org>, accessed on 14<sup>th</sup> October,2015.

OECD Procurement Assessment Guide, Procurement Capacity Toolkit. OECD- World Bank.

OECD. (2016). Fighting Corruption in the Public Sector. Available at <http://www.oecd.org/gov/ethics/recomm>. accesses on 15<sup>th</sup> March, 2017.



OECD-DAC/World Bank. (2006). Organization for Economic Committee Development (OECD)/Development Assistance Committee (DAC)/ World Bank. Joint Venture for Procurement: Methodology for Assessment of National Procurement Systems, version 4, Pp.1-16

OECD-DAC/World Bank. (2007). Organization for Economic Committee Development (OECD)/Development Assistance Committee (DAC)/ World Bank. Joint Venture for Procurement: Methodology for Assessment of National Procurement Systems, version 4, Pp.1-16.

Osei-Tutu et al., (2011). The level of Compliance with the Public Procurement Act, 2003 (Act 663) in PMG, Wadsworth, Centage Learning. Pp. 1-16.

Osei-Wusu, D., (2008). Planning & Budgeting Process of Local Authorities. Publication on Building Leadership for Effective Local level Development. ILGS, Accra.

Population and Housing Census. (2010). Saboba District Analytical Report. Republic of Ghana.

Population and Housing Census. (2010). Zabzugu District Analytical Report. Republic of Ghana.

Public Procurement Authority. (2010). Training Manuals on Public Procurement. Republic of Ghana, Accra.

Public Procurement Authority. (2016). District Assembly Common Fund. Public Procurement Electronic Bulletin, Issue 1. PP 4-15.

Public Procurement Authority. (2016). District Assembly Common Fund. Public Procurement Electronic Bulletin, Issue 5. PP 4-15.



Public Procurement Authority. (2016). District Assembly Common Fund. Public Procurement Electronic Bulletin, Issue 3. PP 4-15.

Public Procurement Authority. (2016). District Assembly Common Fund. Public Procurement Electronic Bulletin, Issue 4. PP 4-15.

Public procurement Authority. (2012). Annual report, Republic of Ghana, Accra.

Public procurement authority. (2013). Annual report, Republic of Ghana, Accra.

Public procurement authority. (2014). Annual report, Republic of Ghana, Accra.

Public procurement Authority. (2016). Annual report, Republic of Ghana, Accra.

Public procurement Authority. (2003). Procurement Regulations. Republic of Ghana, Accra.

Robb, D.J. (1996). Ethics in Project Management: Issues, Practice, and Motive. Proceedings

Scott W.R. (2004), Institutional Theory, Encyclopedia Theory, Thousand, and Oak: CA

Shakantu, W. (2006). Corruption in the Construction Industry Forms, Susceptibility and Possible Solutions. Journal of Civil Engineering, Vol. 14 NO.7, Pp. 43-47.

Sheoraj, R. (2007). The State of Skills Readiness in the South African Public Service: An Overview of Provincial and Local Government. Master's Thesis, University of Pretoria, South Africa.

Symons, E. (2000). Government Concern at Low Level of Infrastructure Investment. The Civil Engineering and Building Contractor, 34(2), 1999, P 13-14.

Local Government Ministry. (2009). Department of the District Assemblies Commencement Act, 2009, L.I. 1961. Republic of Ghana, Accra.



Training Department. (2010). Revenue Mobilization Improvement Techniques for MMDAs. University Of Cape, Ghana.

Transparency International (2015), Examples of Corruption. Retrieved in October 2015 available at <http://www.transparency.org>.

Transparency International (2016), Examples of Corruption. Retrieved on 13<sup>th</sup> March, 2017 from <http://www.transparency.org>.

TransparencyInternational (2009), Examples of Corruption. Retrieved in October 2015 from <http://www.transparency.org>.

Wee, H. (2002). Corporate Ethics: Rights Makes Might Business Week, (quoting Stuart Gilman on Earon), No.11.

Weele , A. V. (2006). Purchasing Control: Performance Management and the Evaluation of the Industrial Purchasing Function.

Westring, G. (1997). Ghana Public Procurement Reform. An Audit Report Prepared for the World Bank, Stockholm: Advokatifirman Caderquist KB.

World Bank. (1995a). Guidelines: Procurement under IBRD Loans and IDA Credits, World Bank, Washington, D.C.

World Bank. (1996). Ghana 1996 Country Procurement Assessment Report for Ghana, Washington, DC, the World Bank.

World Bank. (1996). Ghana 1996 Country Procurement Assessment Report for Ghana, Washington, DC. The World Bank.



World Bank. (2003). Ghana 2003: Country Procurement Assessment Report, Washington, DC.

Ghana Country Department. the World Bank.

World Bank. (2003b). Ghana 2003 Country Procurement Assessment Report. Washington, DC:

Ghana Country Department. The World Bank.



## APPENDIX 1

### BASELINE PERFORMANCE EVALUATION GRID ADMINISTERED ON PUBLIC ENTITIES TO MEASURE COMPLIANCE LEVEL

<b>Main Compliance Areas</b>	<b>Key Compliance Indicators</b>	<b>Information rated on a scale of 0 – 5</b>
--------------------------------------	--	--





<b>MANAGEMENT SYSTEMS</b>	Effectiveness of Leadership	<p>Training programme(s) in place</p> <p>Seeking technical support from the body with oversight role</p> <p>Carrying out international procurement auditing</p> <p>Good record keeping</p>
	Human Resource Development	<p>Having Staff with professional procurement qualification</p> <p>Putting internal auditors in place and giving them procurement training</p> <p>Evaluation of performance of procurement staff</p>
	Monitoring and Control Systems	<p>Putting proper payment systems in place for every contact</p> <p>Capturing procurement transactions in Cash budgets</p> <p>Putting in place quality control mechanisms for contacts</p> <p>Effective use of available procurement information dissemination systems</p>
	Compliance with ethics and regulatory framework	<p>Appropriate use of procurement plans and contact documents</p> <p>Use of Standard Tender Documents (STD) and Manual</p>

		<p>Use of right procurement methods</p> <p>Anti-corruption measures put in place</p>
	Complaints system, structure and sequence	<p>Fairness and transparency in resolution of cases within the terms established in the legal framework</p>



<b>INFORMATION AND COMMUNICATION</b>	Procurement Information searching and Dissemination	Awareness of use procurement websites, procurement internal notice boards and newspapers Capacity to use and using the procurement information dissemination systems.
	Interaction with the marketplace	Having knowledge of and interacting with the marketplace  Interacting with all procurement stakeholders
<b>PROCUREMENT PROCESSES</b>	Procurement Planning	Having an adequate defined procurement plan Posting plan on the PPA website
	Procurement Publicity	Advertising tender invitations Sending information for placement in procurement bulletin Using internal notice boards to display procurement information
	Bid Preparation and Invitation	Use of STDs All bid documents containing same evaluation criteria Stating reasonable date and time for bid opening
	Submission, opening and evaluation of bids	Stating date, time and venue for bid submission Stating date, time and venue for bid opening Having secured tender box in place Having tender openings register Keeping minutes of bid opening including all opening records

		Evaluating tenders in accordance with tendering
--	--	---



		requirements
	Award of Contract	Notifying Winner of Contract Publicizing contract awards Notifying losers of bid
<b>CONTRACT MANAGEMENT</b>	Project Planning and Mobilization	Taking Works Programme from executers Taking Advance payment Guarantees for Advance payments made
	Project Implementation and Supervision	Preparation of project monitoring reports Organization of project progress meetings Comparing and analyzing planned progress against actual
	Inspection and Inventory Control	Preparation of Handing over certificates Preparation of completion or delivery reports Use of appropriate stock control record system
	Disposal	Forming the required membership of Board of survey Keeping minutes of meeting of Board of survey Keeping records of items disposed

		Evaluating tenders in accordance with tendering requirements
--	--	--

	Award of Contract	Notifying Winner of Contract Publicizing contract awards Notifying losers of bid
<b>CONTRACT MANAGEMENT</b>	Project Planning and Mobilization	Taking Works Programme from executers Taking Advance payment Guarantees for Advance payments made
	Project Implementation and Supervision	Preparation of project monitoring reports Organization of project progress meetings Comparing and analyzing planned progress against actual
	Inspection and Inventory Control	Preparation of Handing over certificates Preparation of completion or delivery reports Use of appropriate stock control record system
	Disposal	Forming the required membership of Board of survey Keeping minutes of meeting of Board of survey Keeping records of items disposed

Source: OECD Procurement Assessment Tool Kit, 2006

## APPENDIX 2

### FIFTH SCHEDULE THRESHOLDS FOR PROCUREMENT METHOD



(Sections 20, 20a 20c 34a, 42, 66 And 72)

<b>Procurement method</b>	<b>Contract value threshold</b>
1. International Competitive Tender a. Goods b. Works c. Technical	Above GHC10,000.00 Above GHC15,000.00 Above GHC 5,000.00
2. National Competitive Tender a. Goods b. Works c. Technical Services	More Than GHC25,000.00 Up To GHC10,000,000.00 More Than GHC50,000.00 Up To GHC15,000,000.00 More Than GHC25,000.00 Up To GHC10,000,000.0
3. Price Quotation a. Goods b. Works c. Technical Services	Up To GHC100,000.00 Up To GHC200,000.00 Up To GHC50,000.00
Restricted Tender	Subject Approval By The Board
Single Source Procurement Selection	Subject Approval By The Board
<b>Consultancy Services – No Threshold Limits</b>	
1. Quality Selection	Refer To Public Procurement Authority Manual for Procedure
2. Quality Cost Based Selection	Refer To Public Procurement Authority Manual for Procedure
3. Consultants Qualification	Refer To Public Procurement Authority Manual for Procedure
4. Fixed Budget Selection	Refer To Public Procurement Authority Manual for Procedure
5. Least Cost Selection	Refer To Public Procurement Authority Manual for Procedure
6. Individual Consultant	Refer To Public Procurement Authority Manual for Procedure
7. Single Source	Refer To Public Procurement Authority Manual for Approval

Source: **The Public Procurement (Amendment Bill, 2015)**



**APPENDIX 3: RESEARCH QUESTIONNAIRE**

This questionnaire is administered to collect data for a Master's Thesis on the topic: **ASSESSING THE CAPACITIES OF DISTRICT ASSEMBLIES FOR EFFECTIVE IMPLEMENTATION OF THE PUBLIC PROCUREMENT ACT, 2003 (ACT 663). A CASE STUDY OF THE SABOBA AND ZABZUGU DISTRICT ASEMBLIES IN THE NORTHERN REGION**

I would be grateful if you could answer the following questions. The Questionnaire is in four (4) parts: Personal data, Level of compliance with the public procurement process, capacity situation of the district assembly and challenges of implementation of ACT663. Your objectivity is highly counted upon. Also any information given will be treated with utmost confidentiality and anonymity.

Thank you.

**Section A: Personal Data**

- 1. Gender: Male ( ) Female ( )
- 2. Age Group: 20 -30yrs ( ). 31- 40 ( ) 41-50yrs ( ) 51yr and above ( )
- 3. Designation: .....
- 4. Education Qualification

Diploma/HND ( ) First Degree ( ) Masters ( ) Other: .....

**Section B: Level of Compliance of ACT 663 With Respect to the Procurement Process**

6. The Table below shows the compliance assessment indicators with respect to the processes. Please rate the information provided on a scale of 1-5. Answer the following questions under each category one (1) rating indicates absence compliance, two (2) indicates low compliance, three (3) indicates compliance is satisfactory, four (4) indicates compliance is good while five (5) indicates compliance is excellent.

<b>PROCUREMENT PROCESSES</b>	<b>RATE</b>
<b>Procurement Planning</b>	





Heads of decentralized departments of the Assembly make inputs when preparing procurement plans	
Post plan on notice boards and the website of the Public procurement Authority	
Have an approved procurement for the Assembly	
<b>Bid Preparation</b>	
Use Standard Tender Document (STDs) for tender preparation	<b>Rate</b>
All bid documents contain the same evaluation criteria	
Setting reasonable time and date for bid opening	
<b>Procurement Publicity</b>	
Post Procurement Notices on Assembly notice boards	
Advertise tender invitation in the national dailies	
Produce information for posting in the procurement Bulletin	
<b>Submission, Opening and Evaluation of Bids</b>	
Setting date, time and venue for bid submission	
Put in place a secured tender box	
Put in place tender opening register	
Setting date, time and venue for bid opening	
Record minutes of tender opening meetings	
Constitute tender evaluation panel	
<b>Award of Contract</b>	
Notify both successful and unsuccessful bidders in writing	
Signing letter of award	
Publicizing contract awards	
Notifying bid losers	

Release of tender security to bid losers	
<b>Contract Management</b>	
Opening Site Log Books at project sites	
Having District Monitoring Team	
Preparing Inspection Reports For Payments	
Paying Retentions After Defects Liability Period	
There Is Good Record Keeping System For Place For Procurement Activities	
Preparing progress report by District Engineer before payment are effected	
What is your general view about procurement processes in your assembly	

**SECTION C: Capacity Situation of District Assembly**

The table below shows capacity situation of your district assembly under three categories.

Please tick the appropriate box by expressing your opinion on the capacity situation

1= strongly agree      2=Agree      3= neutral      4 disagree      5= strongly disagree

<b>Staff, Training , Experience And Skills</b>					
I participate in procurement processes of the Assembly					
There are frequent and regular procurement training and capacity building workshops for officers					
Training I have received is adequate for practice in procurement					
I have adequate computer skills to used to be undertake procurement activities					
<b>Adequate and Timely Release Of Funds</b>					
Assembly has enough funds so projects are executed and completed on					





time.					
There is enough Internally Generated Funds (IGF) to support projects and programs implementation in procurement plan					
Funds are released on time to implement procurement plan					
Allowance of tender committees releases are paid and on time					
Contractor, supplier on consultants are paid immediately works are completed					
Government of Ghana (GOG) funds are released on time to implement projects and programs					
Delay in the release of District Assembly Common Fund (DACF) affect the completion of projects					
DACFs are released in time to execute project and programs					
<b>Level of Awareness of Procurement Regulations</b>					
The public procurement Act regulate all public procurement in Ghana					
Advertisement of bid should be done in at least two widely circulated national news papers					
Closing date of bid submission should be the same date for bid opening as well					
Tender Evaluation Panel should have a representative of the use department					
Selecting and participating in procurement method depend on the procurement threshold					
National competitive tendering is restricted to only domestic companies.					
Procurement units are supposed to seek approval from PPA before doing					

sole-sourcing					
Before doing shopping, or price quotation, at least, three suppliers should be invited to submit their quotations.					
What is your overall assessment of the capacity situation of your district assembly					

**SECTION D**

- 7. Does your district Assembly have a Procurement unit (Yes) (No) if no proceed to question 9
- 8. How many officers (s) are in the procurement Unit.?
- 9. Do you know of any challenges in the implementation of Act 663: (Yes) (No)

**Please List any you know**

.....

.....

.....

.....

**SECTION E:**

10. What would you recommend to improve on the challenge of the Act 663?

.....

.....

.....

11. What would you recommend to build the capacity of your Assembly in the three relevant areas as follows?

- a) Finances



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

b) Staff, training and experience of staff

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

c) Awareness of relevant procurement laws and regulations

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



**APPENDIX 3: INTERVIEW GUIDE**

1. Do you participate in the procurement activities of the Assembly?



- a. Does your department prepare annual action plan as input to the composite budget of Assembly
  - b. Does your Assembly central government releases on time and regular basis for its earmarked projects and programs for the year?
  - c. Do you think the IGF performance of your Assembly is good to complement central government and donor funds for plan implementation for the year
2. Do you have entity Tender Committee?
    - a. who are the members?
    - b. . How often does the Committee meet?
      - a. Do you have a permanent procurement unit in your Assembly? If no, who handles the procurement function?
  3. Do you have professionally trained procurement personnel in your assembly?
  4. Are you impressed with the flow of the DACF from the DACF Administrator?
  5. Does an attorney serve on your Tender Committee?
  6. Do you achieve value for money in your procurement activities
  7. Do you have a district monitoring team? If yes are you satisfied with its performance?
  8. Are you satisfied with the supervisory role of the PPA”
  9. What measures would you suggest to improve transparency in the procurement process?
  10. Which aspects of the Act do you think should be amended?
  11. Do you have a copy of the procurement act in your possession?
  12. Do you think the cost the cost of public procurement is expensive?
    - a. Do you see any challenges in the implementation of the Act? And what measures do you suggest to curtail them
  13. Has the passage of the Public Procurement Act achieved its intended purpose?

