

**UNIVERSITY FOR DEVELOPMENT STUDIES**

**CHALLENGES TO THE IMPLEMENTATION OF  
PUBLIC PROCUREMENT ACT 2003 (ACT 663) IN  
PUBLIC INSTITUTIONS IN THE WA MUNICIPALITY**

**ANAS RASHID**

**NOVEMBER, 2020**



**UNIVERSITY FOR DEVELOPMENT STUDIES**

**CHALLENGES TO THE IMPLEMENTATION OF PUBLIC  
PROCUREMENT ACT 2003 (ACT 663) IN PUBLIC  
INSTITUTIONS IN THE WA MUNICIPALITY**

**ANAS RASHID**

**(MCOM, PROCUREMENT AND SUPPLY CHAIN  
MANAGEMENT OPTION)**

**(UDS/MCM/0059/14)**

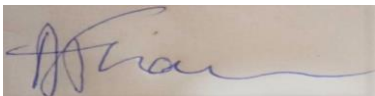
**THESIS SUBMITTED TO THE DEPARTMENT OF  
ACCOUNTANCY, SCHOOL OF BUSINESS AND LAW,  
UNIVERSITY FOR DEVELOPMENT STUDIES IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF  
MASTER OF COMMERCE (MCOM) DEGREE IN PROCUREMENT  
AND SUPPLY CHAIN MANAGEMENT OPTION**



## DECLARATION

### Student

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



Date 21/09/2020.

ANAS RASHID

### Supervisor

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



Date: 21/09/2020.

MR. ERIC BERKO-AIDOO



## **DEDICATION**

This thesis is dedicated to my family and friends especially, my spouse who single-handedly supported me throughout the programme



## ACKNOWLEDGEMENT

The completion of this thesis would not have been possible without an enormous contribution of an outstanding supervisor, Mr. Eric Berko-Aidoo, who carefully went through my work and gave me all the necessary comments and encouragement. May God richly bless him for his sincere supervision.

I also thank all senior members of the School of Business and Law, University for Development Studies, Wa Campus for the enormous contribution they made beginning from the presentation of the proposal through to the finalization of the report. Their comments in the form of criticisms during seminar presentations have positively influenced the final product of my thesis.

My thanks also go to all my respondents at the various procurement units of public entities in the Wa Municipality. Their patience and willingness to provide relevant data for the completion of this work was very helpful.



## ABSTRACT

Public procurement is a critical issue in economic development in both advanced and less-developed countries due to its relative influence on expenditures. In Ghana the Public Procurement Act, 2003 (Act, 663) has been introduced to guide the conduct of public procurement and achieve value for money. Despite the modification of the procurement system in Ghana towards the need for greater achievement of efficiency, compliance with the Public Procurement Act, 2003 (Act 663) remain a challenge. This study investigates the implementation challenges of the Public Procurement Act, 2003 (Act 663) among public institutions in the Wa Municipality. Primary data were gathered using a semi-structured questionnaire from a sample of 50 procurement committee members who were selected from 10 Public entities. The data were analysed using descriptive and inferential statistics. The results indicate the procurement entities in the Wa Municipality. It was revealed that procurement committee members are selected through long years of experience, commitment to work and highest level of education. The methods of procurement used are influenced by the discretion of management and this undermines the principle of transparency and value for money. Different procurement methods yield more transparency, accountability, fairness and value for money. However, respondents do not agree perfectly on the ranking of procurement methods. The results also indicate the challenge of human resources quality, corruption, and political meddling affects all the levels process in the implementation of Public Procurement Act, 2003 (Act, 663). The study concludes that the moral hazards and adverse selection as explained by the agency theory characterized the application of the Public Procurement Act, 2003 (Act, 663). It is therefore, suggested that the Public Procurement Act, 2003 (Act, 663) be modified to solve the anomalies in its implementation. Besides, capacity building and introduction of specific sanctions can lead to a behaviour change among procurement staff in the Wa Municipality.



## TABLE OF CONTENT

<b>DECLARATION</b>	<b>I</b>
<b>DEDICATION</b>	<b>II</b>
<b>ACKNOWLEDGEMENT</b>	<b>III</b>
<b>ABSTRACT</b>	<b>IV</b>
<b>TABLE OF CONTENT</b>	<b>V</b>
<b>LIST OF TABLES</b>	<b>X</b>
<b>LIST OF FIGURES</b>	<b>XII</b>
<b>ACRONYMS/ABBREVIATIONS</b>	<b>XIII</b>
<b>CHAPTER ONE</b>	<b>1</b>
<b>INTRODUCTION</b>	<b>1</b>
1.1 BACKGROUND	1
1.2 PROBLEM STATEMENT	4
1.3 RESEARCH QUESTIONS	6
1.3.1 MAIN RESEARCH QUESTION	6
1.3.2 SPECIFIC RESEARCH QUESTIONS	6
1.4 RESEARCH OBJECTIVES	6
1.4.1 MAIN OBJECTIVE	6
1.4.2 SPECIFIC OBJECTIVES	7
1.5 SIGNIFICANCE OF THE STUDY	7
1.6 ORGANISATION OF THE STUDY	8
<b>CHAPTER TWO</b>	<b>10</b>





<b>LITERATURE REVIEW</b>	<b>10</b>
2.1 INTRODUCTION	10
2.2 CONCEPTUAL FRAMEWORK	10
2.3 THE PUBLIC PROCUREMENT	13
2.4 OVERVIEW OF GHANA’S PROCUREMENT ACT	17
2.5 COMPLIANCE WITH THE PROCUREMENT POLICY	19
2.6. AWARENESS OF THE PROCUREMENT ACT	22
2.7 PRINCIPLES OF PUBLIC PROCUREMENT	24
2.8 METHODS OF PUBLIC PROCUREMENT	31
2.9 CHALLENGES ON PUBLIC PROCUREMENT	35
2.9.1 POLITICIZATION OF PROCUREMENT	35
2.9.2 DRASTIC CHANGES TO BUDGET REQUESTS	37
2.9.3 INADEQUATE PROFESSIONALISM	38
2.9.4 PAYMENT DELAYS	40
2.9.5 THE LEGAL LEGISLATION	42
2.10 THE CONCEPTUAL FRAMEWORK	44
<b>CHAPTER THREE</b>	<b>46</b>
<b>METHODOLOGY</b>	<b>46</b>
3.1 INTRODUCTION	46
3.2 STUDY AREA	46
3.3 RESEARCH DESIGN	51
3.4 POPULATION	52
3.5 SAMPLING	52
3.6 DATA AND INSTRUMENTS	54
3.6.1 TYPES AND SOURCES OF DATA	54



3.6.2 DATA COLLECTION INSTRUMENTS	54
3.7 VALIDITY AND RELIABILITY	55
3.8 ETHICAL CONSIDERATION	57
3.9 METHODS OF DATA ANALYSIS	58
<b>CHAPTER FOUR</b>	<b>61</b>
<b>PRESENTATION OF RESULTS AND DISCUSSIONS</b>	<b>61</b>
4.1 INTRODUCTION	61
4.2 BACKGROUND INFORMATION OF RESPONDENTS	61
4.2.1 GENDER OF RESPONDENTS	61
4.2.2 RESPONDENTS LEVEL OF EDUCATION	62
4.2.3 RESPONDENTS ROLES IN THEIR ENTITIES	63
4.2.4 YEARS OF EXPERIENCE	65
4.3 SELECTION AND COMPOSITION OF PROCUREMENT COMMITTEE	66
4.3.1 EDUCATIONAL/PROFESSIONAL BACKGROUND	66
4.3.2 HOW ONE BECOMES A PROCUREMENT MEMBER	68
4.3.3 RESPONDENTS OPINION ON THE SELECTION OF PROCUREMENT COMMITTEE MEMBERS	70
4.4 ADHERENCE TO THE PRINCIPLES AND PROCESS OF PUBLIC PROCUREMENT	71
4.4.1 PROFESSIONALISM	73
4.4.2 TRANSPARENCY	74
4.4.3 ACCOUNTABILITY	76
4.4.4 COMPETITIVENESS	77
4.4.4 FAIRNESS	79
4.4.5 ACHIEVING VALUE FOR MONEY	80
4.4.6 LEVEL OF ADHERENCE TO PROCUREMENT PROCESS	82
4.5 METHODS USED IN PROCUREMENT OF GOODS AND SERVICES	86





4.5.1 NATIONAL COMPETITIVE TENDER	87
4.5.2 RESTRICTED TENDER	89
4.5.3 PRICE QUOTATION	90
4.5.4 LOW/MINOR VALUE PROCUREMENT	91
4.5.5 FACTORS INFLUENCING THE CHOICE OF A PARTICULAR METHOD OF PROCUREMENT	92
4.5.6 RANKING OF THE METHODS AND PRINCIPLES OF PUBLIC PROCUREMENT	93
4.6 CHALLENGES FACE IN THE PROCUREMENT OF GOODS AND SERVICES	101
4.6.1 BROAD CHALLENGES IN THE IMPLEMENTATION OF THE PUBLIC PROCUREMENT ACT, 2003 (ACT, 663)	101
4.6.2 CHALLENGE AT SPECIFIC STAGES IN THE PROCUREMENT PROCESS	103
4.6.3 PROCUREMENT PLANNING	104
4.6.4 VALUATION AND CLASSIFICATION OF PROCUREMENT CONTRACT	106
4.6.5 CHOICE OF THE MOST SUITABLE PROCUREMENT METHOD	107
4.6.6 EVALUATION OF TENDER DOCUMENTS	107
4.6.7 PUBLICATION OF PROCUREMENT CONTRACT IN SUITABLE MEDIA AND IN GOOD TIME	109
4.6.8 OPENING AND EVALUATION OF TENDERS	110
4.6.8 AWARDING OF PROCUREMENT CONTRACTS	112
4.6.9 CONTRACT ADMINISTRATION	113
<b>CHAPTER FIVE</b>	<b>115</b>
<b>SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS</b>	<b>115</b>
5.1 INTRODUCTION	115
5.2 SUMMARY OF MAJOR FINDINGS	115
5.2.1 SELECTION AND COMPOSITION OF PROCUREMENT COMMITTEE	115
5.2.2 ADHERENCE TO THE PRINCIPLES AND PROCESS OF PUBLIC PROCUREMENT	116
5.2.3 METHODS USED IN PROCUREMENT OF GOODS AND SERVICES	117

5.2.4 CHALLENGES FACE IN THE PROCUREMENT OF GOODS AND SERVICES	119
5.3 CONCLUSIONS	120
5.4 RECOMMENDATIONS	122
<b>REFERENCES</b>	<b>125</b>
<b>APPENDICES</b>	<b>135</b>
APPENDIX 1: QUESTIONNAIRE FOR RESPONDENTS (PROCUREMENT STAFF)	135



## LIST OF TABLES

Table 2. 1: Compliance level (percent) of public entities in Ghana .....	20
Table 3. 1: Sampling distribution of respondents .....	53
Table 4. 1: Gender of Respondents.....	62
Table 4. 2: Level of Formal Education .....	62
Table 4. 3: Respondents Main Roles in their Organisations.....	64
Table 4. 4: Respondents' Years of Experience .....	65
Table 4. 5: Selection of Respondents Based on their Area of Specialisation .....	67
Table 4. 6: Selection Criterion of Procurement Committee Members .....	69
Table 4. 7: Adherence to the Principles of Public Procurement Act, 2003 (Act 663).....	72
Table 4. 8: Evidence of Professionalism.....	73
Table 4. 9: Evidence of Transparency .....	75
Table 4. 10: Evidence of Accountability .....	76
Table 4. 11: Evidence of Competitiveness .....	78
Table 4. 12: Evidence of the Fairness in Procurement .....	79
Table 4. 13: Evidence of Value for Money.....	81
Table 4. 14: Level of Adherence to Procurement Process.....	84
Table 4. 15: Procurement Method Often Used .....	86
Table 4. 16: Goods and Services Procured through National Competitive Tender .....	88
Table 4. 17: Goods and Services Procured by Restricted Tender.....	89
Table 4. 18: Good and Services Procured by using Price Quotation.....	90
Table 4. 19: Goods and Services Procured by Low/Minor Value Procurement.....	91
Table 4. 20: Factors influencing the Choice of Procurement Methods .....	92
Table 4. 21: Ranking of Procurement Methods Base on Transparency .....	94
Table 4. 22: Ranking of Procurement Methods Base on Accountability .....	96
Table 4. 23: Ranking of Procurement Methods Base on Fairness .....	98
Table 4. 24: Ranking of Procurement Methods Base on Achieving Value for Money ..	100
Table 4. 25: Broad Challenges associated with the Implementation of the Public Procurement act, 2003 (Act, 663).....	102
Table 4. 26: Existence of Challenges in Procurement Process .....	104
Table 4. 27: Challenges in Procurement Planning.....	105



Table 4. 28: Challenges in Valuation and Classification of Procurement Contract .....	106
Table 4. 29: Challenges in Evaluation of Tender Documents .....	108
Table 4. 30: Challenges in Publication of Procurement Contracts .....	109
Table 4. 31: Challenges in Opening and Evaluation of Tenders .....	111
Table 4. 32: Challenges in Awarding of Procurement Contracts .....	112
Table 4. 33: Challenges in Contract Administration .....	114



## LIST OF FIGURES

Figure 2. 1: Conceptual Framework .....	<b>Error! Bookmark not defined.</b>
Figure 3. 1: Map of Wa Municipality .....	449
Figure 4. 1: Respondents Opinion on the Selection of Procurement Members.....	70



## ACRONYMS/ABBREVIATIONS

ETCs	Entity Tender Committees
GDP	Gross Domestic Product
GNPA	Ghana National Procurement Agency
GSCL	Ghana Supply Company Limited
GSS	Ghana Statistical Service
MMDAs	Metropolitan, Municipal and District Assemblies
NCT	International Competitive Tendering
ODA	Official Development Assistance
PFM	Public Financial Management
PHC	Population and Housing Census
PPA	Public Procurement Authority
PPME	Public Procurement Model of Excellent
PUFMARP	Public Financial Management Reform Programme
SMEs	Small and Medium-Size Enterprises
SPPI	Sustainable Public Procurement Initiative
TRBs	Tender Review Boards
UWR	Upper West Region



## CHAPTER ONE INTRODUCTION

### 1.1 Background

Public procurement is a critical issue relative to economic development because of its comparative influence on expenditures. It account for at least 15% of the world's output and similarly farther in African nations (World Bank, 2013). Comprehensive municipal procurement guidelines and undertakings are part of the critical fundamentals of commendable governance (PPA, 2013). Governments in advanced and underdeveloped nations expend heftily on communal goods and services. Public procurement has therefore been introduced in these economies to accomplish well-organized and efficient usage of the country's funds. Public procurement has an expressive influence on many activities of government. The effect covers the fruitful distribution of government undertakings and public services, healthy public monetary control by realizing value for money in government disbursement, lessening exploitation and emboldening non-governmental sector progress and investment. Sound public procurement guidelines and activities are part of the crucial components of good governance (PPA, 2013).

Empirical studies (e.g Asampana & Akanferi, 2014; Agboyi *et al.*, 2014; Sumaila *et al.*, 2014) have confirmed the relevance of public procurement in national development. For example, public organisations in Ghana use the procurement decree as a guide (by systematically observing stages of the procurement process) for public expenditures (Asampana & Akanferi, 2014). Besides, compliance with the procurement cycle is very relevant as it's promotes operational efficiency among public entities (Agboyi *et al.*,





2014). This therefore, means that the instruction of public procurement minimizes losses through the reduction in corruption among public officials. The public procurement system also serves as internal control system in public organisations by saving cost of business transaction while maximizing revenue mobilisation. This is largely attributable to the fact that private entities are able to fulfill their tax obligations when engaging with public entities in procurement activities as demanded by the procurement law (Sumaila *et al.*, 2014).

In Ghana, public procurement was done under the framework of different legislative instruments. The multiple procurement related legislations include the District Tender Board Regulation, 1995 (L.I. 1606), the Ghana National Procurement Agency Decree 1976 (SMCD 55) and the Ghana Supply Commission Law, 1990, PNDCL 245 (Azanlerigu & Akay, 2015). Besides, the Ghana National Procurement Agency (GNPA) and Ghana Supply Company Limited (GSCL) were the key negotiators that acquired all governmental goods in Ghana (Anvuur & Kumaraswamy, 2006). However, these traditional purchasing process were found of weaknesses like the nonexistence of a broad public procurement rule, absence of dominant unit with practical know-how, nonexistence of distinctly stated tasks, duties and clout for procurement bodies and no across-the-board licit regime to preserve public procurement (Addai-Donkoh, 2009). From the time when there was no complete procurement direction, these units did not control procurement but buy properties and services for public organizations. The system was depicted by no broad public procurement plan, no complete lawful command to guarantee the protection of public procurement and dearth of plainly outlined



responsibilities, duties and authority for procurement entities (World Bank, 1995).

The Public Procurement Oversight Group was created in 1999. The purpose of this unit was to navigate the scheme of an all-inclusive public procurement amendment agenda, which resulted, to the writing of a public procurement bill in September 2002. Following the weaknesses associated with the traditional procurement process, the Public Procurement Bill was approved into law on 31 December 2003 (Act 663). Its objective among other things include coordinating public procurement procedures in the governmental sector, securing prudent, cost-effective and judicious utilization of state-owned finances and guaranteeing that government procurement is impartial, translucent and non-bias. Osafo-Marfo (2003) posits that, government boarded upon a practice to modify the Public Procurement System as an important fragment of a broader Public Financial Management Reform Programme (PUFMARP). Consequently, the Public Procurement Act, 2003 (Act 663) has a focus on some key principles such as competence, transparency, and value for money, competitiveness, answerability, impartiality and moral issues (PPA, 2011; PPA, 2013). These principles provide basis for reduction in corruption, cost and domination by few potential suppliers, consultants or constrictors. Numerous reporters on contemporary schemes of governance have acknowledged the principles of procurement as key factors in encouraging good governance (Osei-Afoakwa, 2014). Senzu and Ndebugri (2017) therefore, conclude that the present procurement system deployed at different public establishments in Ghana is better than the one applied before the passing of Act 663.



## 1.2 Problem Statement

Despite the modification of the procurement method in Ghana towards the need for greater achievement of efficiency, compliance with the Public Procurement Act, 2003 (Act 663) remain a challenge. The public procurement seems to be one of government undertakings very susceptible to wastage, scam and exploitation (Ameyaw & Mensah, 2013). This means that although there have been various efforts to curb corruption with the introduction of the Public Procurement Act, 2003 (Act 663), and the anticorruption activities, entities have not been able to attain the desire object of the public procurement activities. Public procurement in Ghana utilizes 80% of national tax revenue and account for 17% of GDP (PPA, 2011). Key variables contributing to this weakness include its complication, the magnitude of monetary resources and intimate interface between governmental and non-governmental sectors (PPA, 2014). This means that albeit the introduction of the Public Procurement Act, 2003 (Act 663), there are still challenges government sector institutions faced in order to maintain proficiency in the usage of fund.

The challenges associated with the implementation of the Public Procurement Act, 2003 (Act 663) has been noted by many empirical studies in Ghana. Ten years subsequent to the decree of the Public Procurement Act, compliance has become a major challenge among public entities despite government consistent effort (Kusi *et al.*, 2014). Low compliance level limits the degree of transparency, reduces value for money, increases risk, compromise standards (Kusi *et al.*, 2014) and deters away foreign investors (Ameyaw *et al.*, 2012). Past studies observed instances of non-compliance in different places. The Republic of Ghana (2012) noticed significant cases of non-compliance and



willful violation of the Public Procurement Act in various forms. This draws the attention of many empirical studies (e.g Osei-Tutu, 2011; Ameyaw *et al.*, 2012; Gnanih, 2012; Kissi *et al.*, 2014; Kusi *et al.*, 2014; Adsei and Awunyo-Victor, 2015) on the subject of agreement with the Public Procurement Act in different places over the years.

Evidence of various challenges has been provided by different studies in Ghana. For example, they include technology (Asampana & Akanferi, 2014), ineffective procurement practices (Agboyi *et al.*, 2014; Appiah, *et al.*, 2014), lack of requisite skills (Ameyaw *et al.*, 2012; Asare & Prempeh, 2016; Abebrese, 2017; Osei-Tutu, 2011), and financial challenges (Sarpong *et al.*, 2017). While there is sufficient evidence on the bottlenecks encountered by entities in the application of the recent Public Procurement Act, 2003 (Act 663), all these studies have failed to analysed how the procurement committee members have been nominated and adhere to the procurement practice. The empirical studies have identified low skills of procurement staff and the lack of efficiency, but the methods of procurement used by public entities have been given little attention.

Wa Municipal is part of the eleven District/Municipalities that constitute the Upper West Region (UWR) of Ghana. In 2004, Wa District was promoted to Wa Municipality with Legislative Instrument (LI) 1800 in lieu of the policy of decentralization which commenced in 1988. Wa is the capital and Regional capital of Wa Municipality and Upper West Region (Ghana Statistical Service, 2014). As a result, most of the public entities in the Wa Municipality play both Municipal and Regional roles; and this can be a



challenge in their application of the Public Procurement Act, 2003 (Act 663). However, the empirical studies related to Public Procurement in Ghana are limited in scope and hence their analysis does not cover Wa Municipality.

### **1.3 Research Questions**

#### **1.3.1 Main research question**

The major research question is how does the implementation of the Public Procurement Act, 2003 (Act 663) being a challenge amongst public institutions in the Wa Municipality?

#### **1.3.2 Specific research questions**

1. How are procurement committee members selected in public institutions in the Wa Metropolis?
2. How do procurement committee members of public institutions in the Wa Metropolis adhere to the principles and process of public procurement?
3. What methods do public institutions in the Wa Metropolis use in procurement?
4. What challenges do public organizations in the Wa Metropolis face in procurement?

### **1.4 Research Objectives**

#### **1.4.1 Main Objective**

The major objective of the study is to evaluate the implementation challenges of the Public Procurement Act, 2003 (Act 663).



### **1.4.2 Specific Objectives**

1. To examine how procurement committee members are selected in public institutions in the Wa Metropolis.
2. To analyse the extent to which procurement committee members of public institutions in the Wa Metropolis adhere to the principles and process of public procurement.
3. To evaluate the procurement methods used by public institutions in the Wa Metropolis.
4. To investigate the challenges connected with public procurement among public establishments in the Wa Metropolis.

### **1.5 Significance of the Study**

The significance of Public procurement have been recognized several empirical studies in Ghana (see Kissi *et al.*, 2014; Osei-Bonsu *et al.*, 2016; Gyamfi *et al.*, 2016; Ernest, 2016) and in other African countries such as Kenya (see Amemba *et al.*, 2013; Badaso, 2014; Kagendo, 2010), Tanzania (see Matto, 2017; Said, 2016), South Africa (see Ambe, 2012), Nigeria (see Jibrin *et al.*, 2014), Ethiopia (see Tesfahun, 2011) and Gambia (see Jeng, 2016). This means that public procurement is a very critical issue in Africa because of its main goal of maximizing the use of public financial resources. The greater attention given to public procurement in different countries makes it essential to conduct a study on the implementation challenges of the Public Procurement Act, 2003 (Act 663) by public entities Wa Municipality. This effort will build on existing literature and update management of public institutions on the emerging difficulties in the application of the procurement law.



The outcome of the research will therefore, be relevant in policy formulation on the area of whether there is the need to amend the Public Procurement Act, 2003 (Act 663). Besides, the outcome of this research will revealed the practical impediments that are connected relative to the discharge of the Public Procurement Act, 2003 (Act 663) and suggestions offered aid management of public entities towards effective compliance with procurement principles and procedures. Specifically, public institutions in the Wa Municipality will thus, use the results of this research as a planning guide in the area of public procurement.

The outcome of the research will extend the frontier of academic research by filling existing gaps such as the challenges encountered by public institutions in the application of the Public Procurement Act, 2003 (Act 663) as well as suggesting new areas for further research. This will be useful to development practitioners and students. The limited empirical studies on the deployment impediments of public entities in the Wa Municipality underscore the relevance of this research.

### **1.6 Organisation of the Study**

The research is structured into five chapters. Chapter one is the introduction that presents the background to the research, the problem statement, research questions and objectives. The chapter also presents the significant of the study. Chapter two is literature review, which presents the conceptual framework, and practical studies related to the public procurement. The chapter therefore, presents a specific review on a synopsis of the



concept of public procurement, public procurement in Ghana, entities adherence with the public procurement and the obstacles associated with the execution of public procurement. Chapter three contains the methodology of the study, which detail the general procedures followed to conduct the study. Chapter four present the outcome and discussion of the research with implications on the objectives of the study. Chapter five presents the summary of major results, the conclusions and recommendations of the study.





## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter details a literature review on public procurement. Several concepts and variables have been reviewed with much attention on the objectives of the study. The chapter denotes an assessment of the agency theory and how it applies in this study. Other sections of the chapter are devoted to an evaluation of the concept of public procurement, the theoretical framework, and observance with the Public Procurement Act 2003 (Act 663) of Ghana, and the difficulties associated with the execution of the Public Procurement Act 2003 (Act 663). The chapter draws implications the improvement of public procurement in the Wa Municipality.

#### 2.2 Conceptual Framework

The outline of this thesis is grounded on the agency theory (Jensen & Meckling, 1976). The agency theory stipulates that there are two parties (the principal and the agent) where the principal engages the agent to undertake some jobs independently (Bhattacharjee, 2012). Agency theory implies that the principal and agent are engaged in an exclusive contract and will attempt to exploit their benefits. The principal assign some task to the agent to perform, which sometimes results in an agency skirmish between them. In many firms, agency fight between the stockholders and management occurs especially, where the shareholders are located in many different areas or are not directly involved in the management process (Morck & Steier, 2007). The object of agency theory is to indicate prime bonds and the circumstances that underpin such contracts. This may assist lessen the consequence of object contradiction. The central expectations of this theory are that



people are self-interested, reasonable, and risk-averse, and the theory can be useful at the personal or institutional level (Bhattacharjee, 2012).

Many previous studies have donated to literature of the principal agent theory. These studies (e.g Alchian and Demsetz, 1972; Ross, 1973; Jensen and Meckling, 1976; Eisenhardt 1989; Bergen et al., 1992; Rokkan and Buvik, 2003; Connelly *et al.*, 2010) explained that the principal agent theory warrant that agents perform their duties in the paramount welfares of the principals of an institution. All these roles have one central premise, which is the link between a principal and an agent. The relationship of agency has been used in many instances of social interaction. Agency theory postulates a relationship that arise between two (or more) parties when one, labeled as the agent, performed some agreed duties on behalf of another, detonated as the principal (Ross, 1973). The principal therefore, contracts the agent to execute some delegated service on it/his/her behalf (Jensen & Meckling, 1976). In this circumstance the government of Ghana (Principal) contracts Public Entities and PPA (agents) to do public procurement and applying the Public Procurement Act 2003 (Act 663) for government.

The agency theory has its origins in economic theory. Daily, Dalton, Canella (2003), revealed two features that impact the reputation of agency theory. Primarily, the theory is a ideally simple one and secondly, the view of human beings as selfish is a commonly acknowledged impression. The setback is that the principal is incapable to validate that the agent is behaving correctly. As explained by Bhattacharjee (2012), heightening the type of the problem may be information disproportionateness caused by the principal's



failure to satisfactorily watch the agent's conduct or precisely appraise the agent's aptitude sets. Such lopsidedness may result to agency complications where the agent may not put forth the determination required to get the job completed (the moral hazard problem) or may feign its expertise or abilities to get the job but not act as anticipated (the adverse selection problem).

Connelly *et al.* (2010) contend that just as agents have varied goals, principals also have dissimilar interests, particularly when bearing in mind institutional investors. This suggests that there can sometimes appear a mismatch in output relative to the interest of the two parties. Such issues have tendencies in emerging public procurement process. Public procurement executives, due to their strategic spot in the public procurement practice, are possibly the regulators of information on procurement endeavor from the preparation phase through the contract verdict process to contract management phase (La Chimia *et al.*, 2011). This sometimes results in information asymmetry in the procurement process with potentials of benefitting minority group of people at the expense of the public (Jensen & Meckling, 1976).

The application of the agency theory in this study rest on the premises that procurement officials may not follow the required procurement process due to some bottlenecks or will deliberately refuse to follow the require process in order to satisfy their personal interest. Corrupt officials may take advantage of institutional rigidities and weakness to manipulate the procurement contracts for their personal interest leading to moral hazards. Besides, officials may award contracts to some people or institutions by not following the



right procedures involves. This may lead to adverse selection when the right procurement method is not being followed. People involving in such transactions may pretend under the cover of institutional weaknesses and hence not applying their skills required to conduct procurement process in line with the requirements stipulated by the Public Procurement Act 2003 (Act 663).

### **2.3 The Public Procurement**

The issue of procurement is attracting considerable interest due to its impact on national development. Public Procurement is seen as custom by which governments and other state-owned resourced bodies acquire stuffs, works and services needed to execute communal undertakings. In the history of procurement, the focus has always been to transmute markets and evolution regarding a prosperous economy (UNEP, 2014). Contemporary publication on Public Procurement denotes a pattern shift regarding espousal of latest know-hows in procurement practices that incorporate e-procurement (Azanlerigu & Akay, 2015). The purpose is to achieve a sustainable procurement process. Sustainable procurement according to the UNEP (2014) is the process whereby organization meets their prerequisites for commodities, services, works and conveniences to help accomplish value for money and welfares to the organization, community and the economy whiles curtailing loss to the ecosystem.

Procurement could be described as the purchase of commodities, works and services. This comprises not only obtaining of goods, but it also incorporates engaging of contractors or professionals to perform services (Adusei & Awunyo-Vitor, 2015). Public



procurement implies purchases made by procuring unit exploiting public resources to obtain commodities, works and services (Mwandobo, 2013). Benchmarks needed in procurement are: qualitative service, economy and competence, and impartiality in competition. Consequently, a technique should be respected and is pertinent to all contracts for goods and works (Adusei & Awunyo-Vitor, 2015; Mwandobo, 2013). This means that the procurement process does not aim only at amplifying the use of public economic resources but also to offer equal treatment for those doing business with the government. This makes the deployment of the Public Procurement Act 2003 (Act 663) an obstacle since certain non-government bodies may desire to effect the procurement process in favour of them.

Public procurement emerged from government commitment to dispense public commodities and services to meet the development priorities of a nation, a precise geographical area, municipality or township (Odhiambo & Kamau, 2003). The phenomenon symbolizes the government efforts through agents (public entities) in buying the properties and services needed to execute its purposes (Arrowsmith & Trybus, 2010). Specifically, Odhiambo and Kamau (2003) point out that public procurement connotes the art of acquiring, engaging or gaining by every prescribed method, commodities, building work and services by the government sector using state resources (public funds). Hommen and Rolfstam (2009) perceive public procurement as the possession via purchasing commodities and services by government or state-owned establishments. Arrowsmith and Trybus (2010) postulate that the idea of public procurement has the same meanings as procurement planning or contract placement.



The objectives of public procurement are diverse but the focus of attention is often directed towards achieving value of money (Uyarra & Flanagan, 2009). It also seeks to synchronize the procedures of procurement in communal bodies to access a prudent, economic and competent use of state funds in public procurement to guarantee accountability, equitability and the integrity and non-prejudiced way while fostering a competitive local industry (PPA, 2007). Public procurement has been applied by authorities to accomplish socio-economic purposes like inspiring economic activity; safeguarding state-run businesses from overseas antagonism; augmenting the competitiveness of definite industrial sectors; and solving countrywide inequalities (Bolton, 2006; Thai, 2006).

The nature of public procurement implies that public entities and personnel should be able to carry out the process that will be transparent enough to extend eligible information to appropriate segment of the public. The processes will therefore, require adequate knowledge of the legal framework by those involved. The Public Procurement Act, 2003 (Act, 663) was implemented as the basis for decision making in Public Procurement in Ghana.

The public sector denotes approximately 40-45% of the world's economies; in certain African states it can be as much as 80%. The public procurement practice demonstrates key dissimilarities in the way it is planned and controlled throughout the world: diverse organisational arrangements; distinctive kinds of governments; different governing,



legislative and financing schedules, and, of course, distinctive civilisations (El-Gayed, 2013). Nonetheless, magnifying the efficacy, competence and transparency of procurement systems is an existing issue for governments and the intercontinental development community (Mohamed, 2016). Nations that have recognised strategic procurement plan espoused that the procurement function can be developed to regularize procurement policies with broader government policies (El-Gayed, 2013).

Countries like Tanzania who has no national procurement policy framework have slot of challenges in their governing system (Mohamed, 2016). Libyan government is equally facing these problems as the government department do not have procurement departments and procurement is controlled by either a mixture of the function of the finance and legal department or conducted by ad hoc committees that are created for certain purchases (El-Gayed, 2013). As a matter of fact, the lack of suitable procurement policies in organisation is a major limitation to the practices high quality service (Chari & Chiriseri, 2014). This is because the inexistence of the procurement framework is always considered as the root cause of systematic challenges in those countries (Mohamed, 2016).

Most nations have acknowledged that intensifying the efficacy of the utilization of public resources, as well as funds offered by Official Development Assistance (ODA) necessitates the presence of an sufficient domestic procurement scheme that adheres to global criterions and that works as planned (Osie-Tutu *et al.* 2011). In tandem with this, the UNEP and numerous associates broadcast the take-off of a Sustainable Public



Procurement Initiative (SPPI), with the prospect to establish sub-groups aiming at unambiguous issues. Furthermore, there is an amplified attention from public authorities to self-assured that acquired commodities and services are maintainable (UNEP, 2014).

## **2.4 Overview of Ghana's Procurement Act**

Public procurement has grown in popularity with emerging nations over the last periods (Adusei & Awunyo-Vitor, 2015). Ghana's procurement system is ran by the Public Procurement Act 663 (2003) and the new Public Financial Management (PFM) Act 921 (2016), which delivers supplementary regulation on public procurement (Development Gateway, 2017; Ameyaw, *et al.* 2012). The public procurement Act of Ghana Act 663 (2003) was enacted by Parliament of the Republic of Ghana to create reasonableness and accord to procurement by the organizations, entities and beliefs that regulates procurement undertakings in the state (Adusei & Awunyo-Vitor, 2015). This Act invents the Public Procurement Authority PPA and its command, and stipulates procedures for the whole public procurement procedure. The limits for procurement techniques for properties, works and consultancy services are delineated in the 5th Agenda of the Amendment Act 914 of 2016, which is only sold in hard copy (Development Gateway, 2017).

The Public Procurement Act, 2003 (Act 663) is a legislative framework established by the Act of parliament mandated for regulating procurement processes in Ghana. It is an across-the-board legislation devised to eradicate the shortfalls and organizational flaws, which were in-built in public procurement in Ghana. Specifically, the Public Procurement





Law, 2003 (Act 663) founded the Public Procurement Board; make governmental and functional schedules for procurement; specify tendering techniques and deliver for commitments associated with these. The Board is primarily mandated to guarantee that public procurement is conveyed in a just, clear and unprejudiced manner. Besides, the Act established the procurement frameworks, policies, approaches of procurement, tendering procedures, approaches and procedures to procure consultants, review, clearing of stores, plants and equipment and also miscellaneous provision (Republic of Ghana, 2003). These provisions established a framework for procurement activities in Ghana.

Recently there is the Public Procurement Authority that is mandated to occasionally evaluate the handling of public procurement in Ghana. The exercise often covers all the known public procurement bodies. The selection of entities for appraisal is centered on timetable of the public procurement Act, 2003 (Act 663) which clusters the procurement objects into eight broad categories: (1) Central Management Agencies/Ministry/Sub-vented Agencies, (2) Regional Coordinating Councils, (3) Metropolitan/Municipal/District Assemblies, (4) State Enterprises, (5) Tertiary Institutions, (6) Schools and Colleges, (7) Hospitals and Health Institutions and (7) Financial Institutions (PPA, 2011).

The procurement process involves a series of activities – Planning (comprising description), Sourcing (solicitation and appraisal), Contracting, Contract Management, Storing, Distribution, Disposal and Evaluation (of process). The stages can also be categorized as project planning/budget stage, pre-contract stage, the contract phase and



post contract phase (Patrick, 2011). The process is cyclical normally starting from planning through implementation to evaluation. Ohene (2014) outline the generic process of procurement in his thesis. The main stages pinpointed include: identification of needs and preparation of technical specification, budget approval, decision on the procurement strategy, publication of contract notice, invitation to tender, selection, contract awards and debrief, signing of contract, execution of contract and payment process in a successive order.

## **2.5 Compliance with the Procurement Policy**

A consistent and non-stop evaluation of procurement institutions in states of their public procurement schemes with respect to their observance with the practices, guidelines and conventions establish in the Public Procurement Laws has been accepted universally (Osie-Tutu *et al.* 2011). The PPA has positively influence procurement undertakings in public places in Ghana to a great extend. The Act according to Isaac (2013) has initiated standardised processes, transparency, answerability, fairness and competitiveness, which are crucial component in any anticorruption effort into the public procurement. The present procurement scheme in applied at various Public Organizations in Ghana (i.e. the system approved by Act 663) is superior than the one utilised earlier to the enactment of Act 663. The procurement Act (Act 663) has positively affects public procurement practice in the realm of transparency, liability and non-discrimination (Senzu & Ndebugri, 2017). It comprises the biggest government second spending separately from government wage bill. It is approximately 50% of government expenditure (Adusei & Awunyo-Vitor, 2015).



The procurement techniques frequently used by institution comprise international competitive tender, restricted tender, single source, national competitive tender, price quotation, low/minor value procurement and in certain instances none of these methods. Assessment is often made exercising the Public Procurement Model of Excellent (PPME) tool. The process has a focus on some indicators: management system, information communication, procurement procedure, and contract management (PPA, 2011). This gives a quantitative assessment of compliance level among the entities in question. The PPME tool pegs the performance of organizations from distinction, fully-fledged, maturing, and compliant and the lowest; non-conforming (PPA, 2013). Founded on the performance ranking of an entity, it is inspired to advance on its undertaking to travel to the succeeding level. Kusi *et al.*, (2014) contend that the benefits of compliance include; transparency, value for money, appraisal of trustworthiness of contractors, risk reduction and meeting of public standards. Ghana recorded poor performance on the level of compliance over the years (see Table 2.1).

**Table 2. 1: Compliance level (percent) of public entities in Ghana**

Description	2007	2008	2009	2010	2011
Management System	34.84	34.62	54.93	57.04	46.16
Information and communication	43.15	39.82	56.03	60.88	44.13
Procurement Process	44.34	42.65	67.73	70.04	48.91
Contract Management	33.52	30.66	53.98	55.66	36.95
<b>Total</b>	<b>38.96</b>	<b>36.94</b>	<b>59.00</b>	<b>60.91</b>	<b>44.0375</b>

**Source: PPA Annual Report, 2008, 2009, 2010, 2011**

However, there appear to be a substantial expansion in the level of compliance in 2009 and 2010. Within these years most entities showed good performance in contract process.



The general low compliance level results from a number of factors. Osei-Tutu (2011) and Kissi *et al.*, (2014) all confirm the low compliance level in their empirical studies in Ghana. Kissi *et al.*, (2014) study in selected educational district offices provides that average compliance level is 45%, 43%, 54.72% and 27.6% for Management System, Information and communication, Procurement Process and Contract Management respectively. Specifically, Osei-Tutu (2011) points out that overall compliance level in the Ashanti region is 19.58% and that of Brong-Ahafo region is 17.8%. He added that educational establishments have relatively lower observance level. The foregoing discussing suggests that public institutions have different degrees of adherence with the Public Procurement Act 2003 (Act 663).

Several factors are believed to have influence on the extent of observance with the public procurement Act 2003 (Act 663). Osei-Tutu (2011) discovered that lack of human resources, financial resources in bulk and understanding of the law are the main causes of low performance in terms of compliance. Consistent with this observation, Ameyaw *et al.*, (2012) pinpoint small capability of procurement staff as the main challenge. Their empirical observation provides that barely 5% of 49 bodies studied had procurement staff with educational requirement in procurement. The argument further revealed that there is cautious attempt by procurement officials in Ghana to fragment procurement contracts into small sets. This intentionally controls competition in tendering. Gnanih (2012) pinpoints high magnitude of paperwork in the procurement process as a factor resulting in non-compliance. Adusei and Awunyo-Victor (2015) recognized political interference and weak monitoring in the procurement process as things leading to non-observance.



Some of the key factors are discussed as follows. The factors that militate against effective compliance are multi-dimensional and hence can affect the effective discharge of the Public Procurement Act 2003 (Act 663).

## **2.6. Awareness of the Procurement Act**

The enormity of government spending is always focused on the overseeing of District Assemblies, Public Hospitals, Universities, schools and colleges. The effortless functions of these establishments encompass the appointment of consultancy services for contract works and enormous procurement undertakings (Adusei & Awunyo-Vitor, 2015). It is therefore expedient that these institutions and the public becomes aware of and then comply with the Act to bring about sanity. Interestingly, studies have shown that the PPA has existed for long and as a result stakeholders are very familiar with it base on the detail that conferences and workshops and on the job training programmes are prearranged for them on the procurement Act (Avotri, 2012). It is therefore not surprising when Adusei and Awunyo-Vitor (2015) and Adjarko *et al.* (2014) indicated that knowledge on the PPA is extremely great as all contracts as given by a tender committee and all contracts also go through the procurement practices. A true reflection of this is at the Local government sector, which accordingly had higher adherence level, unlike the other sectors (Osie-Tutu *et al.* 2011). Of course, the observance to the modalities for adherence with the Public Procurement Act is promising at the local government level. Adjarko *et al.* (2014) however disagreed that the local government sector has high compliance to the procurement Act. They discovered that though there was high alertness of the influence of the procurement Act, the local government do not pay attention to



tackling issues through the procurement processes. By as it may, the observance to the modalities for adherence with the Public Procurement Act is inspiring as the MMDAs have made sufficient strides to increase the essential of guaranteeing obedience to the procurement procedures (Adusei & Awunyo-Vitor, 2015).

Some procurement entities especially the educational institutions however rarely adhere to guidelines set by the Act (Isaac, 2013). Though evidence suggested that educational institution in Ghana, particularly the Takoradi Polytechnic are using the public procurement 2003 (Act 663) in its procurement of properties, work and services from contractors (Kusi *et al.* 2014). There is low compliance among many educational institutions with the Public Procurement Act 663 (Osie-Tutu *et al.* 2011; Adjarko *et al.* 2014). The Education segment has moderately little obedience level, which is credited to the kind of supplies, this sector deals with. It was realized that the sector engages in perishables and also has scarcity of storage amenities to boost bulk purchase, hence the insignificant compliance level (Ameyaw *et al.* 2012; Osie-Tutu *et al.* 2011). Poor contract management, weak sanctioning regime and improper disposal of assets have undermined the capacity of the law to deal with corruption in these public organizations (Isaac, 2013). These has been narrowed down to the lack of training programs for all staff, since training is given to only senior officers living the junior officers (Toku, 2015). Similarly reported is evident in other African countries such as Libya. Where El-Gayed (2013) conducted a study and found that the lack of personnel trained in procurement is the influencing factors of public procurement policy. As this is equally the same in Liberia, the government is already tackling these issues via rudimentary and forward-



thinking staff coaching in procurement, but notwithstanding the strides taken in informing and training public procurement specialists and the progress made, there are still some plethora of issues that needs to be confronted in order to warrant an proficient and transparent procurement process (Martinez & Kukutsehka, 2013).

## **2.7 Principles of Public Procurement**

The Public Procurement Act, 2003 (Act 663) framed some major philosophies to influence the undertakings of government procurement. They comprise professionalism, transparency, answerability, competitiveness, equality, effectiveness and accomplishing value for money. Importantly, these values are interconnected; the accomplishment of one spearheads the other and conversely.

### ***Professionalism***

Professionalism is the discipline whereby knowledgeable, veteran and conscientious procurement staffs make well-versed choices concerning procurement tasks (Addai-Donkoh, 2009). Also, it is in the acknowledgment of this fact that the Public Procurement Authority concentrates its finances on the teaching, professional development, elevation and help for persons that are employed in public procurement to guarantee observance to professional and moral values (Adjei, 2006). To accomplish this, the Public Procurement Authority advanced a Capacity Development Policy Paper, which is designed at guaranteeing that:

- All Procurement Bodies has a well-designed Procurement Unit that is ran by staffs who have the required procurement training, know-hows, and obey to established code of ethics.



- Staffs in the Procurement Units in governmental entities will have vocational pathways in procurement and offered the chance to obtain professional procurement credentials.
- Formation of a Procurement Professionals Association

Additionally, over 1,289 participants (from MDAs and MMDAs) were coached. Training of Practitioners, Service Providers, Media, Civil Society groups and the Oversight Groups (Parliament, Police, Judicial Service, Attorney General's Office, SFO, CHRAJ, Ghana Audit Service, and Internal Auditors) have not been left out (PPA Annual Report, 2008).

### *Transparency*

Transparency functions as the image for the progression of public procurement of which trust is fashioned for the process. Thus, Act 663 recommend the use of Standard Tender Documents (STDS), publicizing procurement prospects, public opening, publishing contract awards, settling disagreements and grievances, and efficient supervising. Furthermore, transparency is identical to honesty, trustworthy, visibility and ready approachability to information. The information must be focused on the actions of persons, corporations and government institution (Rawlins, 2008).

Public procurement exploits government funds and is susceptible to corrupt influences. To eschew corruption in the government procurement systems, it is imperative to broadcast calls for tenders, informing contract decisions in the media, as well as the successful bidder's name and conclusive price, and making award yardsticks more





transparent and liable (PPA, 2011). These are some of the fundamental beliefs of transparency in public procurement, which ultimately touch on corrupt activities (Evenett *et al*, 2005). Patrick (2011) posited that procurement institutions must preserve concrete proof and the proper chronicles of activities. The influence of this on transparency is that, record keeping expedite auditing and accountability. Kaspar and Puddephat (2012) consequently, spotted that several Small and Medium Scale Enterprises (SMEs) regularly experience shortage of procurement undertakings due to feeble transparency. Transparency is thus, helpful in unveiling and fighting fraudulent actions in government procurement (Republic of Ghana, 2007); the dearth of which do not favour small entities. This insinuates that the nonexistence of the values of transparency excludes possible market partakers in the process.

Public access to pertinent information on contemporary procurement undertakings is compulsory for transparent. Barden (2006) backs this view opinion in countless modes. He argued that public institutions could accomplish transparency through the usage of efficient publicity; overtly opening of bid documents; efficient assessment of bid documents and publication of award outcomes. Understanding of procurement undertakings intensifies competition in the procurement process.

### ***Competitiveness and Fairness***

The resolve of competitiveness is to vigorously boost contractors' involvement in the tendering process. It magnifies the quantity of partaking in bidding. The principle of competitiveness includes the deployment of announcing procurement prospects, public



opening, and publishing of contract awards, designing interfaces of tackling appeal and protests. These processes expedite public consciousness of procurement prospects and the delivery of pertinent intelligence about the process. Public Procurements exploiting other uncompetitive techniques are actively scrutinized and appraised by PPA and Audit Agency to guarantee transparency, justice, and value for money (Act 663, 2003). Competitiveness can thus, be an indispensable premise for transparency.

### ***Value for Money in the Procurement Process***

Value for Money in the procurement process necessitates a finest mixture of entire expenditure and value of a product to rally around the institution's requirements. The Ghana Value for Money Project is executed under the umbrellas of the Ministry of Finance and Economic Planning (PPA, 2011). The principal objective of the project is to attain value-added effectiveness, transparency, liability and value for money in government fund deployment. Value for money examines the efficacy of the procurement process, its outcomes and results (PPA, 2006). This, of course, has substantial institutional consequences. A crucial purposes of the Public Procurement Act, 2003 (Act 663) is Value for money. This in procurement function is significant test alongside well ran procurement management should be tackled to rationalize a procurement result as indispensable circumstances for supreme value, transparency and accountability in public procurement (World Bank, 2003). It is linked with utilization of funds for the achievement of some anticipated value in an economic, efficient and successful way.



Nevertheless, EOCED/DAC (2007) suggest that, certain procurement practitioners' dearth of dexterities and knowledge to administer the procurement cycle. Thus simple matters like bid assessment and selection were merely centered on least price and not the least appraised price. Project duration, budget, and communication are unsatisfactorily controlled in Ghana thus making Value for Money notion ineffectual. A key obstacle hampering adherence with the Public Procurement Act, 2003 (Act, 663) in Ghana is that procurement undertakings usually lack the capacity to dictate high value for money. Corruption and absence of transparency are the joint elements adding to this hindrance (Adusei & Awunyo-Victor, 2015).

Furthermore, the conditions of certain monetary undertakings of government present main bottlenecks to the realization of value for money for procurement units (PPA, 2011). For example, the dearth of comprehensive information for consultants unavoidably prolongs the duration needed for evaluation. Even where a contract approximates value for money, the contract creation phase, the achievement of value for money advances through contract execution could be disturbed by capability restrictions in application, management, and administration.

### ***Efficiency***

Cloete (1998) posit that, efficiency in the government sector refers to fulfilling the fundamental necessities of the population to the highest conceivable degree deploying the scarce finances that exist for this drive. This entails that efficiency has an implication with value for money. It sets out to attain the finest quality at the least expenditure. A



wide range description of efficiency that contemplates development gains together with cost and quality would guarantee that procurement functions effectively for poverty lessening (McDonald, 2008). In Ghana, efficiency in Public Procurement is performed in a professional and transparent procurement environment (PPA, 2008). Efficiency is generally attained when all the other principles of procurement are observed. High efficient procurement undertakings have analogous features. There is a superior deployment of funding, improved desirability to non-governmental sector and upgraded client gratification.

### ***Accountability***

The Public Procurement Act (2003) stipulates that the principle of accountability is the process of making a person or an institution completely blamable for all phases of the procurement process over which they wield influence. Accountability accelerates other principles of procurement. For example, accountability reduces the occurrence of corruption, applies the procurement Act and standardizes the outline of the public procurement (PPA, 2007).

### ***Ethical Approach***

Ethical contact means standard method to all procurement activities that cannot be doubted or critiqued. The Public Procurement Act, 2003 (Act 663) disallows the tailing Code of Ethics:

- Disclosing confidential or “inside information” either directly or indirectly to any tenderer or potential tenderer or deliberating procurement with any tenderer or



potential tenderer outside the authorized rules and procedures for conducting procurements;

- Assisting or discriminating against any tenderer or probable tenderer in the writing of technical requirements or benchmarks or the assessment of tenders or destroying, spoiling, hiding, eliminating, or inappropriately altering any official procurement manuscript;
- Receiving or demanding money, travel, meals, amusement, offerings, favors, rebates or whatever of physical value from tenderers or soon-to-be tenderers or deliberating or taking potential engagement with a tenderer or soon-to-be tenderer;
- Demanding any other Public Servant or Government official on behalf of the Procurement Institution in procurement to breach the public procurement rules or processes.

Therefore, when government sector institutions advance the market to acquire stuff or service, the onus lie on them to achieve value for money. The process should thus, be accomplished by a non-discriminating and ethical manner. It is projected that corporations in the government sector must be undertaken ethically; exhibiting trustworthiness, uprightness, thoroughness, fair-mindedness, reliance and respect when trading with others (Commonwealth of Australia, 2007).



## **2.8 Methods of Public Procurement**

There are diverse techniques of procurement specified under the law for consumption by government procurement bodies. The procurement methods frequently utilized by organizations comprise global competitive tender, domestic competitive tender, limited tender, sole source, price quotation and low/minor value procurement and in some cases none of these methods. .

### ***Competitive Tendering***

The Public procurement Act and guidelines recommend the application of competitive tendering technique for normal great value procurement for properties, works and consultancy services. Competitive tendering is classified as:

- (1) International Competitive Tendering (ICT) and
- (2) National Competitive Tendering (NCT).

ICT is applied when efficient competition cannot be realized exclusive of the addition of overseas organizations. Furthermore, NCT is adopted when the procurement body so agrees and subject to contract value benchmark specified in schedule

(3). NCT is also applied when there is a suitable reasoning to impede tendering to local contractors. Competitive tendering is the utmost desirable technique the law prescribes, as it boosts highest competition in the procurement system. The offer to engage in the tender process is always publicized and unsealed openly.

### ***Restricted Tendering***



This is a procurement technique with controlled competition. A highest number of six and a lowest number of three selected dealers are called to tender. To employ this method, a procurement body needs exclusive endorsement from the Public Procurement Authority (PPA). The Restricted Tendering method is deployed primarily where procurement prerequisite is of particular description and there is a sufficient fact to demonstrate that there are regulated numbers of probable suppliers.

In 2009 a total of 167 out of 179 entities got endorsement to utilize this method of procurement as likened to 2008 when consent was given for 166 out of 173 submissions obtained (PPA Annual report, 2009). The argument indicates, to realize the objective of transparency, there must be a change in focus of attention from competition in tendering to other boundary of transparency measures such as access to complete information on the process.

### ***Single Source Procurement***

This is a technique of procurement without competition. It is usually used for procurement of sole sourcing requirements. Single source procurement is suitable when procurement is for exigent items, focuses on national security or only a single source can deliver it. It is usually applicable when supplementary prerequisites for regularization is essential. Most investigation, experiment, study or development undertakings are commonly done by the method of single source procurement. This method of procurement entails efficient checking since it exhibits anticompetitive propensities that have prospect to override transparency.



For instance, in the year 2009, 323 out of 360 single source tenders obtained were either accepted or provisionally accepted compared to 318 out of 342 in 2008 by PPA (PPA Annual report, 2008/2009). Institutions and political frontrunners have frequently defied this method in the past years. Public procurement seems to be one of government's undertakings highly susceptible to waste, fraud and corruption as a result of its difficulty, the size of the monetary flows it makes and the close interface it brings between the government and private sectors. Notably, the PPA Board was admonished to scrutinize very prudently the circumstances for supporting sole-source procurement requests with the understanding of making it more of an exemption rather than the norm.

### ***Two-Stage Tendering***

Two-stage tendering is only tolerable where comprehensive descriptions cannot be made accessible before accepting to tender or the optimum solution is undetermined. With regard to services, it is utilized to receive offers on diverse means to meet its procurement requirements.

### ***Request for quotations***

The process of arranging a well-developed tendering or other competitive tendering procedure is generally a time overwhelming and expensive exercise, which can be allotted with when the contract value is small. The principal idea is to permit buying institutions to adopt a basic procedure in those cases where the contract value is so small that the administrative effort allied to a complete tendering procedure develops out of





proportion (Acts 663, 2003). The method is centered on matching price quotations taken from at least three overseas or indigenous suppliers for properties/works that are small in value.

The decision to choose a specific method is constructed on the sum it involves and the conditions immediate to the procurement. The maximum limit for procurement approaches has being delineated by the Public Procurement Act, 2003 (Act 663). Far-reaching modifications have been recommended to adjust the hierarchy of endorsing structures under the Act, to toughen the composition and functions of both Entity Tender Committees (ETCs) and Tender Review Boards (TRBs).

The conditions that might result to the selection of a specific method include: emergency requests, inadequate amount of contractors, contract extensions, enquiry, experiment, study or development determinations and state security (Addai-Donkoh, 2009). This implies that competitive tendering should be used in the dearth of any of these occurrences. Appraisal of entities observance with the procurement methods and process is regularly done deploying the Public Procurement Model of Excellent (PPME) tool. The process has an emphasis on some indicators: management system, information communication, procurement process, and contract management (PPA, 2011). This offers a measurable evaluation of observance level among the entities in question. The PPME tool ranks the performance of entities from excellence, matured, maturing, conforming and the least non-conforming (PPA, 2013). Built on the performance ranking of an entity, it is inspired to advance on its undertaking to travel to the subsequent magnitude.



Kusi *et al.*, (2014) contend that the benefits of using appropriate procurement methods include; transparency, value for money, assessment of credibility of suppliers, risk reduction and meeting of public standards. However, empirical studies have identified several problems related to the procurement process in different parts of the world.

## **2.9 Challenges on Public Procurement**

The history of overtly acquired commodities and services is evident by numerous glitches in African countries especially Ghana. As a result, the challenges that have been connected with the execution of public procurement have received much attention over the years (see Development Gateway, 2017; Mohamed, 2016; Martinez & Kukutsehka, 2013). Osei-Tutu, *et al.* (2011) approves that the Public Procurement Act 2003 (Act 663) of Ghana is perceived to offer answers but not deprived of difficulties. Public procurement specialists have encountered many difficulties triggered by various factors over the years (Toku, 2015). There are baseline indicators that weaken the National Procurement Systems. The indicator covers the political will, changes to budget requests, inadequate professionalism and delays in payment (Osei-Tutu, *et al.*, 2011; Toku, 2015). These pointers are explained below.

### **2.9.1 Politicization of procurement**

The politicization of procurement has been acknowledged by researches as difficulties to the application of the procurement Acts across the globe. For instance, a robust prospective that occurs within the Libyan public bubble has been absolutely crushed in



the past years by the interference of the political systems (El-Gayed, 2013). Mohamed (2016) reported several challenges on public procurement in Tanzania. Among several of the challenges, he found the lack of political will, as one major problem affecting the implementation process. According to him, the lack of political will is the root cause of all causes of systemic challenges in Tanzania public procurement process. Across his findings, El-Gayed (2013) affirmed that the procurement policy of Libya remains under political discussion, which is managed by incompetence.

The Development Gateway (2017) correspondingly highlighted the likelihood of Ghana's government meddling in procurement, which inhibits specialised handling of procurement processes. According to Isaac (2013), the Act has reinvigorated competition among bidders for public contracts and enhance the extent of transparency at the tendering process, structures have been created to harmonise the procurement process to safeguard thoughtful utilization of public funds nevertheless, politicisation in the procurement process have mired its impact. In the Ashanti Region of Ghana, Adusei and Awunyo-Vitor (2015) found among many factors that political meddling is a key challenge insofar as the employment of the procurement Act in concern. Then also, Kusi et al. (2014) concede that one major challenge accounting for the non-application of Ghana's Public Procurement is the issues of unwarranted intrusion by heads of institutions of which the government, ministers, government appointees among others are not left out. Avotri (2012) disclosed that there is some top-level management intrusion inside the procurement process that does not expedite observance in most of the Public Organization administrative system. Taku (2015) therefore concluded in his work on



challenges that confront procurement processes in Ghanaian polytechnics that the procurement purpose ought be modernized to a strategic locus where it will be autonomous, well-resourced and be involved more in the institutions long term strategic planning process.

### **2.9.2 Drastic changes to budget requests**

The politicization of these systems according to some studies triggers other challenges of procurement adaptation. Because thematic issues associated with the possible causes of systematic challenges are describe around lack of political will; improper human behaviour and resistance to change and existence of institutional corruption (Mohamed, 2016). The deployment of suitable and calculated procurement methods removes unwarranted contract costs due to variation of methods and augments real public procurement system (Mwandobo, 2013). However, this is not the situation of many unindustrialized countries. A study on the role of procurement procedures on the efficacy of the public procurement system in Tanzania found that there is increase transaction costs because tender board meetings are not accurately scheduled thus making the procurement process ineffective (Mwandobo, 2013). Development Gateway (2017) noted that the significance of procurement preparation is challenged by the vagueness of budget requirements. In the construction sector, Adjarko et al. (2014) concluded that one of the bottlenecks hampering the integration of environmental sustainability matters into construction procurement is the high cost of implementation. Many procuring entities do relay on informal estimation of cost and do not conduct market survey to established cost estimation (Mwandobo, 2013). In the availability of sustainable products the opinion that



procurement stuffs are costly contributes to the problems distressing the adaption of maintainable procurement (Chari & Chriseri, 2014). Procuring bodies organize impractical cost estimations for each procurement prerequisite as only 30.2 per cent of their approximations are centred on information amassed from market (Mwandobo, 2013).

### **2.9.3 Inadequate professionalism**

Some researchers tag these challenges to limited or lack of knowledge about the concept of procurement (Mohamed 2016; Chari & Chriseri, 2014; Adjarko *et al.* 2014; Etse & Asenso-Bokye, 2014). The issue inadequate knowledge of procurement on recognising main nonconformity and non-deviation throughout assessment as well as rigid minds are big hurdles in public procurement system (Mwandobo, 2013). Among other barriers Telgen *at al.* (2016) stated that shortage of staff and lack of capability of procurement staff are the most common experience barriers to improving transparency as far as the Public Procurement is concern. In a sequential manner, Mohamed (2016) noted in his on instructional analysis of systematic challenges on public procurement that inadequate professionalism and ineffective professionalization is the third in line of cause's procurement challenges in Tanzania. In the case of Zimbabwe, Chari and Chriseri (2014) acknowledged that the absence of management backing is a preventive factor in implementation to viable procurement. Many researchers as having impeded that the successful application of the procurement Act has highlighted the lack of professionalism among others challenges related to staff personnel.



In Ghana, Osie-Tutu *et al.* (2011) maintains that the insignificant observance with the law is as a result of the nonexistence of proficient personnel's to man the public procurement. In his study at the local government level of Ghana, Adjarko *et al.* (2014) found dynamics such as absence of help from senior management team, non-existence of plan, absence of management assurance, absence of knowledge/skills, poor communication, feeble processes, deficiency of personnel and absence of knowledge in the industry as challenges confronting the inclusion of environmental sustainability matters into construction procurement. Adusei and Awunyo-Vitor (2015) sturdily admitted that, tender committee members do not have the required skills and training in the procurement process; besides there is a nerve-wracking situation of the public knowledge that there are enormous exterior demands to undermine the procurement process. Additionally, they found that huge percentage of procurement committee members in their study could not describe the key section of the Procurement Act. Ameyaw *et al.* (2012) and Osie-Tutu *et al.* (2011) in different studies identified low capacity of procurement professionals (dearth of appreciation of the law, absence of resources to purchase in bulk), low interaction as a result of lack of internet facilities, between procurement institutions and Public Procurement Authority (PPA) has result ant in the low level of compliance. Toku (2015) lamented that strategic in educational institution (Polytechnics) decisions are taken by the Rector and Management and the procurement department is not part of management.

Related to that of the unqualified staff and inadequate technical specifications, is nonexistence of checking as well as a incentive for staff (Adusei & Awunyo-Vitor, 2015;



Mwandobo, 2013; Andrews & Bategeka, 2013). Authenticating lowly assessed bid in contradiction of the market price is incredibly imperative to accomplish value for money in getting the procurement prerequisite (Mwandobo, 2013). However, a study on the Ghana's public procurement by Ameyaw *et al.* (2012) discovered that, most of the procurement staffs in the entities (Metropolitan, Municipal and District Assemblies) examined were not dexterous in procurement, therefore utilizing procurement methods which are unsuitable for some contracts particularly services contracts. There are weak policy development processes within some government structures when it comes to public procurement and the degree of influence is clear (El-Gyade, 2013). For example, the weak monitoring criteria and inadequate tender evaluations are found by Mwandobo (2013) to be obstructing competent procurement process, which leads to unproductive procurement system. Isaac (2013) observed among other challenges the manoeuvring of the tendering process by public representatives and suppliers. Which result in poor solicitation documents, timetable of prerequisites, and illustrations and poor terms and conditions of contract (Mwandobo, 2013). To some extent, resources taken for procurements that have not been demanded are occasionally side tracked from the mainstream planning process. Such procurements can result to a shortage of moneys for calculated procurements and result to payment postponements (Development Gateway, 2017).

#### **2.9.4 Payment delays**

Cumbersome documentation process and adjournments on the part of government to pay for properties and services are acknowledged to have an unfavourable consequence on



the cash flow of organization, particularly small firms (Kusi et al. 2014; Development Gateway, 2017; Avotri, 2012; Etse & Asenso-Boakye, 2014). Put differently, Telgaen *et al.* (2016) indicated that the low sense of urgency combine with little local support emerge as a barriers to the implementation of Procurement Act. According to Avotri (2012), despite the circumstance that the Public Procurement Reforms has offered a constant and systematized framework in their procurement process, increasing knowledge and compliance, some of the challenges too much bur some procedure that delay in the procurement activity. Accordingly, deferrals in contract awards are hindering proficient procurement process, which leads to unproductive procurement system of Tanzania (Mwandobo, 2013). As a matter of fact, properly planned tender board meetings and prolong quarterly meetings of the procurement boards in Ghana and Tanzania has resulted in delays in the delivery order (Kusi *et al.*, 2014; Mwandobo, 2013). In the case of Ghana, Kusi *et al.* (2014) opinion that the heads of institutions in the effort to performing their oversight responsibilities occasionally take a long time to scrutinize the document hence the postponement. These meetings, Mwandobo (2013) deems as one of the cradle of revenue for the participants instead of accelerating the procurement process and plummeting transaction expenditures to ensure value for money. Additionally, fragile controls in procurement contracts for cash outlays to carriage of inferior goods or services and deferments of due payments to dealers and normally ineffective contract management were noticed. Occasionally, payment is postponed for over 8 months, compelling companies to request postponement of their overdraft facilities or intensify borrowing with credit availability also becoming very regulated and costly (Kusi et al. 2014). For this reason, corporations favour partaking in intercontinental tenders where a





development associate is offering funds (Development Gateway, 2017). This is attributed to the provision in the Ghana Procurement Act 663 (2003) especially Part 1 sub-section 1 (Kusi et al. 2014; Development Gateway, 2017).

### **2.9.5 The Legal Legislation**

There are varied beliefs on the practical hitches of the application of the Act. The procedures provided by the law according to Avotri (2012) seem very cumbersome. According to Adjerko *et al.* (2014) one of the challenges confronting the inclusion of environmental sustainability matters into construction procurement is the complex documentation processes/procedures. As a result, the public procurement is regularly vulnerable to misconception, which has a direct effect on the transparency, and the in turn intensifies the probability of corruption (El-Gayed, 2013). This is because the procurement law is still inaudible on a well-defined method to embrace, particularly during crisis conditions, the intention behind major Public Institution opt for single sourcing particularly during crisis circumstances. This has the propensity of announcing some heights of misconducts, counterfeits, anomalies and corruption within the system (Senzu & Ndebugri, 2017). In discovering the working glitches that threaten the procurement practices in Ghana, Taku (2015) found that the Act has outline a hierarchy of approving authorities making the procurement process complex, difficult and impedes quick execution of projects. The Development Gateway (2017) reported that individual within and outside of government mentioned this as one of the motives why tenderers - especially small and medium-size enterprises (SMEs) - withdraw from partaking in the public market.



Consistent with Gelderman *et al.*, (2006) proposition, De Boer and Telgen (1998) in a report stated that several public organizations were not familiar with the legal responsibilities to respect the prerequisites of the public procurement laws thereby resulting to non-obedience with the law. Further, Jensen and Meckling (1976) also contended that both the principal and agent are inspired by their own self-interest when venturing into contractual relationship and aspire to exploit benefits or satisfaction for themselves only. To various specialists, the procurement laws are not precisely clear. Thus, understanding of the guidelines by both procurers and contractors will impact the possibility that public agents will obey the guidelines. This results to the opinion that there live a connection between knowledge with the procurement guidelines and its observance that results to progressive influence of the public procurement in particular and the economy of Ghana overall. The inspection made by Adusei and Awunyo-Victor (2015) backs this element of Gelderman *et al.*, (2006) proposition. They observed in the Ashanti region that procurement committee participants could not elucidate some portions of the Act. This demonstrates lack of knowledge in the process.

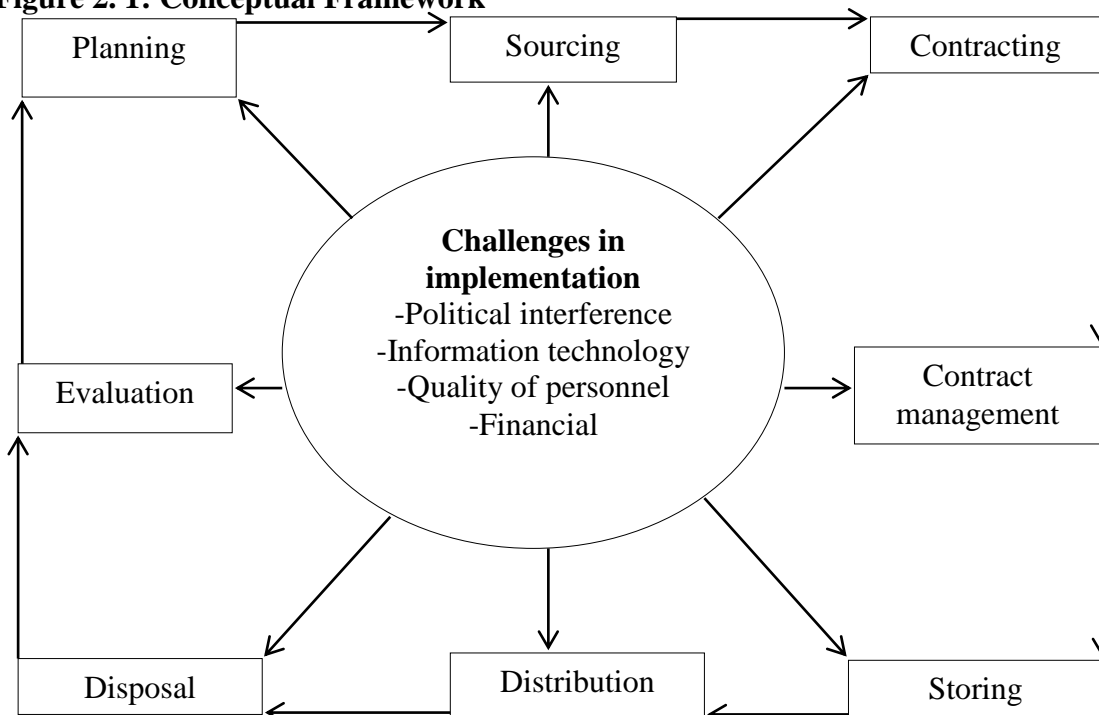
Additionally, Gelderman *et al.*, (2006) proposition denotes that there is a seeming ineptitude in the procurement rules. The public procurement Act, 2003 (Act 663) postulates lots of guidelines, legal and ethical of behavior for the entire procurement process. These rulebooks aim to shun favoritism in the award of contracts and to guarantee transparency and liability via the procurement process. Nevertheless, the guidelines have been condemned on the foundation that they are not in tandem with finest

practices relative to procurement undertakings in the non-governmental sector (Cox & Furlong, 1995).

## 2.10 The Conceptual Framework

The theoretical context developed for this research explains how entities encounter setbacks in the application of the public procurement process. Empirical studies (e.g Osei-Tutu, *et al.*, 2011; Toku, 2015) identify the main hiccups confronting the employment of the Public Procurement Act 2003 (Act 663) of Ghana as Political interference, Information technology, Quality of personnel, and Financial. In this study, each phase of the public procurement process is expected to face these challenges; thus limiting the effective deployment of the Public Procurement Act 2003 (Act 663). The interactions of the challenges with the procurement process are shown in Figure 2.1.

**Figure 2. 1: Conceptual Framework**



Source: Author's Construct (2018)



During procurement planning; where the entity opts for what to buy, when and from what source (Lynch, 2012), some entities are expected to face the challenge of qualified personnel that are conversant with the planning process. On the other hand, the personnel may be challenged with limited information to have a prior knowledge of the market. During sourcing, the entity need to needs to locate suppliers of goods and services (Wallace & Xia, 2014). This stage may be influenced by political interference where politicians will try to pre-inform the procurement committee board of potential suppliers. This interference may affect high level of transparency through asymmetry of information. Besides, some entities with financial, technology and logistics challenges will not be able to adverse their sourcing information on appropriate platforms that can give many suppliers access to the procurement information. Sourcing involves knowledge of pre-qualification of prospective contractors, formulation and matter of tender documents, appeal for quotation for proposals, appraisal response and the assortment of successful tenderer (Ohene-Addae, 2012). Implementation of these processes requires high level of skill personnel and transparency, which may be a challenge to some public entities.

The framework in Figure 2.1 explains that the process of the procurement from planning through sourcing, contracting, contract management, storing, allocation, disposal, and assessment will encounter challenges that are related to political influences, information technology, quality of personnel and financial. The existence of these impediments in the procurement process of governmental entities in the Wa Municipality will affect the effortless application of the Public Procurement Act 2003 (Act 663).



## CHAPTER THREE

### METHODOLOGY

#### 3.1 Introduction

This chapter presents methodology of the research. The chapter therefore, explains the general procedures and techniques deployed in undertaking the research. Specifically, the chapter presents a succinct backdrop of the research area (Wa Municipality) with much focus on the public entities under study. Other sections of the chapter explain the research design, population, sampling, data and instruments, validity and reliability, the ethical considerations and the methods of data analysis.

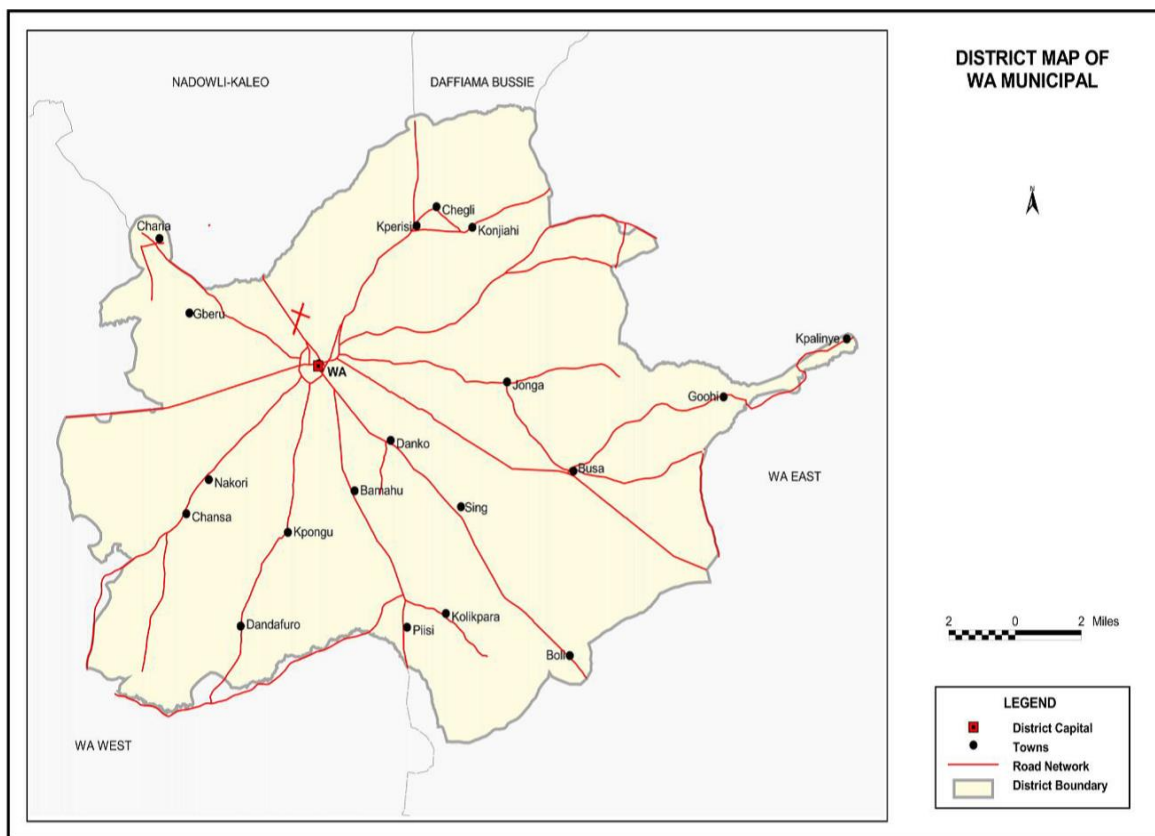
#### 3.2 Study Area

The Wa Municipality is one of the nine District/Municipal Assemblies that constitutes the Upper West Region (U WR) of Ghana. Administratively, it borders with the Nadowli District to the North, the Wa East District to the East and South and the Wa West District to the West and South. It lies within latitudes 1°40'N to 2°45'N and longitudes 9°32' to 10°20'W (Ghana Statistical Service, 2014). The implications of the siting of the Municipality for development include; augmenting two-pronged trade and business with the Francophone nations of Burikina Faso and La Côte d'ivoire. Wa town has the potential of growing into both a manufacturing and business hub for the Northwestern strip of Ghana.

Figure 3.1 presents a map depicting the Wa Municipality boundaries and selected major towns.



**Figure 3. 1: Map of Wa Municipality**



Source: Ghana Statistical Service (2014)

The Wa Township serves as both the Municipal and Regional headquarters that has a lot of public entities located and operated in it. All the regional and Municipal Head offices of public entities are found in the Wa Township. These include, educational, health, banking, transport, Water and state enterprises.

Per the 2010 Population and Housing Census (PHC), the Wa Municipality has an aggregate population of 107,214 (male: 52,996/female: 54,218). This constitutes 15.3% of the total population of the Upper West Region (Ghana Statistical Service, 2010). The growth rate of the Municipality varies between 2.7% for rural and 4% for the urban. The



population structure of the Wa Municipality disclosed that the youth are 49%, prospective working population represents 47% and the aged 4%. This implies an extreme dependency ratio, as the economically working population is 47% against a dependent population of 53%. The population is also a female dominant one, that is, 51% versus 49% males (Ghana Statistical Service, 2010).

Over 80.4% of people in the Municipality belong mainly to one linguistic group – the Mole-Dagbani group. The Dagaabas are the most populous. Other ethnic groups found in the Municipality include the Akan, Ewe, Ga, Dagomba, Grushi, Gonja, Sissala, Moshies who are engaged in government work and commercial activities (Ghana Statistical Service, 2014).

The economy of the Wa Municipality has been dominated by agricultural activities. However, the situation has began to change. In the 2010 Population and Housing Census, it came out that the service sector employs approximately 51.3% of the working population, followed by agriculture 30.2% and industry 18.4% (GSS, 2010). Other key sectors of the economy are transport, tourism, communication and energy.

With respect to the agricultural sector, majority of the farmers are absorbed into peasant cultivation and the principal primary crops cultivated include millet, sorghum, maize, rice, cowpea, and groundnut cultivated on survival foundation. Nonetheless, soya beans, groundnuts, bambara beans are cultivated as cash crops. Animal rearing is done together with other livelihood activities such as crop production (Ghana Statistical Service, 2014).



The state of agricultural production in the Wa Municipality is not different from that found in northern Ghana. In the whole area, roughly 86% of the population is involved in agriculture as a means of employment dominated by crop production (Inkoom and Nanguo, 2011). Most of the farm enterprises are still dominated by semi-subsistence production of staple crops not suitable for profit maximization strategy (Al-Hassan and Poulton, 2007). As a result, poverty is still rife as average household annual income remains at US\$65.00 and poverty headcount index was 83.9% in 2006 (Ghana Statistical Service, 2008).

There are some support organisations that perform significant functions in the development of the Wa Municipality. These organisations also engage in public procurement undertakings and hence apply the Public Procurement Act, 2003 (Act, 663). Some of them are discussed as follows:

**The Municipal Assembly:** The Wa Municipal Assembly has five Zonal Councils (Wa, Busa, Kperisi, Kpongung and Boli) and 73 Unit Committees. Each community in the Municipality has a Unit Committee that works through the Area /Urban Councils to the Assembly level. There are five compulsory sub-committees, namely, development planning, finance and administration, social services, works and justice and security (Ghana Statistical Service, 2014).

The Municipal Assembly coordinates all development activities. It works in collaboration with different organizations to speak to the felt necessities of the communities. In the area





of education, the Assembly plays a substantial role in the implementation of programmes and projects such as provision of educational infrastructure. Its functions include releasing resources and receiving reports during the programmes execution (Ghana Statistical Service, 2014).

**Traditional Authorities:** Traditional Authorities, as part of culture and local administrative framework play a fundamental role in breeding respectable governance, particularly in Ghana. The responsibility of the chieftaincy institution communicates to stuffs such as land administration, maintenance of peace and conflict resolution and community revenue mobilisation.

The traditional institutions provide land and communal labour for the construction of public infrastructure such as schools hospital and roads. This support mechanism facilitates local development that can manifest into reduce the cost of providing some public resources and hence projecting Traditional Authorities as major stakeholders of development is of paramount importance (Ghana Statistical Service, 2010).

**Non-Governmental Organizations (NGOs):** There are a plethora of NGOs, which operate in the Municipality. Some of these comprise, the United Nations International Children Emergency Fund (UNICEF), World Food Programme (WFP), the Ghana Red Cross Society, Methodist Agricultural Project, the Diocesan Development Office of the Catholic Church, Baptist Agricultural Project, North West Development Agency, Plan



Ghana and Suntaa-Nuntaa. The activities of these organizations complement the development efforts of the Municipal Assembly.

The NGOs sometime collaborate with state and local institutions for the achievement of common objectives. For example, they engage in public education to create households awareness on the role of development (Ghana Statistical Service, 2014).

### **3.3 Research Design**

A research design stipulates the overall research plan implemented for a specific project (Creswell, 2014; Kumar, 2011). It is the heart of planning, a scheme or arranged of tactics for carrying out the research (Leary, 2001). The design explains the method of enquiry, the objective and the approach (Kumar, 2011). Several research designs are available for social scientist such as explorative, descriptive, survey, case studies among others (Kumar, 2011; Neuman, 2014).

Guided by related empirical studies (e.g Azanlerigu & AKay, 2015; Chari & Chiriseri, 2014, Kusi *et al.*, 2014), this research will exploit the descriptive research design. According to Kothari (2004), a descriptive study portrays accurately the characteristics of a particular individual, situation or a group. Besides, descriptive study is pointed at creating meticulous observations and comprehensive documentation of phenomenon of significance (Bhattacharjee, 2012). It provides detail, highly accurate picture of specific characteristics, behaviour, thoughts, or feelings, of social settings, individuals or groups (Neuman, 2014; Leary, 2001). The principal feature of this method is that the researcher



has no control over the variables; he can only report what has happened or what is proceeding (Cohen *et al.*, 2007). This research aims at describing the execution challenges of the Public Procurement Act 2003 (Act 663).

### **3.4 Population**

According to Neuman (2014), a target population is the specific collection of components the author will want to study. Consistent with this view, Bhattacharjee (2012) explain that the study population consists of all persons or items (unit of analysis) with features that the researcher will want to study. These may include persons, groups, organizations, a country or any entity the researcher will want to draw inferences about. The target population of this research comprised procurement staff of the public entities in the Wa Municipality.

### **3.5 Sampling**

A multi-stage sampling process was used in choosing respondents for the research. According to Panneerselvam (2007), the multi-stage sampling employs more than one stage to sample the population depending on the reality. In this study, public entities were identified and categorized into Metropolitan Assembly, Health Organizations, Educational institutions, Tertiary Institutions, State Enterprises, and Financial Institutions. The second stage of selection involved the selection of the entities using a simple rand sampling procedure. At this stage, the institutions selected include the Wa Municipal Assembly, Wa Municipal Mutual Health Insurance Scheme, Wa Municipal Health Directorate, Upper West Regional Hospital, Wa Municipal Education Directorate,



Wa Senior High School, Nusrat Jahan Ahmadiyya College of Education, the University for Development Studies, the Ghana Water Company Ltd, and the National Investment Bank. The third stage involved the selected of the procurement committee members of the selected public entities. It was discovered that the procurement committee members vary in number from 5 to 9. The researcher therefore selected five members randomly from each entity. The total sample size was therefore, 50. The sampling distribution is shown in Table 3.1.

**Table 3. 1: Sampling distribution of respondents**

<b>Public Organizations</b>	<b>Categories</b>	<b>Selected Entities</b>	<b>Number of respondents (Procurement Committee Members)</b>
Metropolitan Assembly	Metropolitan/Municipal/District Assembly	Wa Municipal Assembly	5
Health Organizations	Mutual Health Insurance Scheme	Wa Municipal Mutual Health Insurance Scheme	5
	Health Directorate	Wa Municipal Health Directorate	5
	Metropolitan Hospital	Upper West Regional Hospital	5
Education	Education Directorate	Wa Municipal Education Directorate	5
	Senior High Schools	Wa Senior High School	5
	Colleges	Nusrat Jahan Ahmadiyya College of Education	5
Tertiary Institutions	Public Tertiary Institutions	University for Development Studies	5
State Enterprises	State enterprises	Ghana Water Company Ltd	5



Financial Institutions	Public financial institutions	National Investment Bank	5
<b>Total</b>		<b>10</b>	<b>50</b>

Source: Author's Construct (2018)

### 3.6 Data and Instruments

#### 3.6.1 Types and sources of data

Only primary data were collected and exploited in this study. The primary data were collected from the procurement committee members. The data covered different variables related to the objectives of the research. The primary data entails background information of the research subjects, the procurement methods used, the procurement process and the difficulties associated with the application of the procurement process.

#### 3.6.2 Data collection instruments

The instrument utilised in the collection of data was the questionnaire. A questionnaire is a manuscript comprising questions and other sorts of items such as statements devised to seek information on specific issues, themes, problems or opinions to be investigated (Kumekpor, 2002). In designing a questionnaire, researchers consider the working sample units level of understanding of the research issue before settling on either open-ended or closed-ended questions or both (Smith, 1975). The open ended format allowed exploration of the range of possible themes arising from an issue. In closed format, respondents are forced to choose between several given options (Panneerselvam, 2007). They can be apportioned into structured, unstructured and semi-structured questionnaires. While structured questionnaire offer predetermined closed-ended responses for



respondents to pick from, in semi-structured questionnaires, open-ended questionnaires are provided and research subjects have right to offer any replies (Karma, 1999; Twumasi, 2001).

A combination of structured and semi-structured questionnaire was utilized in this study to crave appropriate answers from procurement committee members. Questionnaires are comparatively swift and easy to understand by using codes. Moreover, the author contacted several research subjects quickly, easily and proficiently with the help of a questionnaire, once the targeted group has been identified. Also, a questionnaire is less difficult to standardize. For instance, each research subject is queried the same question in the same way. This feature of a questionnaire makes it a very reliable method of data collection. It is easier to quantify and make statistical inferences with it. Questionnaires also allows respondents to provide candid opinions and anonymity is assured. This instrument was also used because of it wider application in related empirical studies.

### **3.7 Validity and Reliability**

Both validity and dependability are crucial element of any research whether quantitative or qualitative in nature and are the two very significant and essential features of any measurement procedure (Kumar, 2011). Furthermore, it is shrewd for the assessment of validity and dependability of research tools utilized in gathering data for the research of this nature cannot be ignored.

Cohen *et al* (2007) posit that validity refers to the magnitude to which the research tool chronicles what is planned to record. Neuman (2014) also supported the idea on validity



to mean truth that can be pertained to the reasonable rigidity of experimental design, the capacity to generalize findings outside the study, the quality of measurement and appropriate utilization of procedures. Validity is actually focused with the accurateness of measurement and hence, the level to which a quantifying tool gauges what it is intended to measure (Neuman, 2006).

Conversely, dependability of a research tool is concentrated on the uniformity of the instrument. Therefore reliability indicates to the magnitude to which a tool gauges the same way each time it is deployed under same conditions with same objects. According to Neuman (2014), reliability is the dependability or regularity of the measure of a variable. In order to guarantee validity and dependability of research instrument, Burns (2000), stated that “research has a great investment in validity and reliability”.

In research, the term reliability means ‘repeatability’ or ‘consistency’. A measure would be deemed dependable if it will offer us the same result over and over again (suppose that what will be measured will not be varying). To find out the validity of items and the instrument used, the following issues were scrutinized:

- Whether the questions were connected to the research questions;
- How comprehensive they were;
- Whether they would seek the suitable answers;
- If instruction or directions were clear;
- Whether the vocabulary or sentence structure were up to standard;
- Whether the items were properly arranged;
- Whether the items were fitted into sections they had been placed;



- Whether any of the items was ambiguous and misleading.

### **3.8 Ethical consideration**

Ethical stuffs are very imperative for every research undertaking (McNamara, 1994). Being ethical implies obeying to the code of conduct that has advanced over the years for a tolerable professional practice (Kumar, 2011). This is most essential for studies that comprise the deployment of human subjects. Ethical issues are more meaningful for contentious topics or areas that might breach a person's confidentiality or include unlawful behaviour than for "safe topics" (Neuman, 2014:125). This implies that the research must be conducted without violation of participants or other individual rights. Research subjects have the right to recognize what the research is about, how it will influence them, the risks and benefits of involvement and the fact that they have the right to refuse to partake if they choose to do so (Bhattacharjee, 2012). The research subjects in this study were therefore, informed on the possible impact of the study.

According to Creswell (2014), gaining access involves obtaining permission to sites and individual and negotiating approval with these individuals at a site who can facilitate the collection of research data. To gain access into the key informants, a letter of introduction was acquired from the University for Development Studies to convince respondents on the purpose of the study. Research subjects were also guaranteed the maximum privacy that the data were required for academic purpose only. One way of achieving this in this study was that, the participants were instructed not to write their names or any identifiable details to enhance their anonymity. The data were collected for the research stored and handled in a professional manner in order not to identify individual





participants or any information that could lead to identifying individual respondents in the discussion of the research results.

### **3.9 Methods of data analysis**

The responses from questionnaire were coded and converted to quantitative data. The data were entered into the SPSS spreadsheet and transformed to produce other variables that have not been measured directly in the questionnaire. Descriptive and inferential statistics were deployed to analyze the quantitative data. The background characteristics of the research subjects and the appointment/selection of people to form the procurement committee were analysed using descriptive statistics.

Besides, inferential statistics were utilized with descriptive statistics in the analysis of the remaining objectives of the study. Specifically, chi-square test of independences and the Kendall's Coefficient of concordance test were deployed as well. The chi-square test was used to test the independence of some variables from others while the Kendall's coefficient of concordance test analysed the challenges encountered by the public entities in the implementation of the Public Procurement Act, 2003 (Act 663).

The Public Procurement Act, 2003 (Act, 663) required that the implementation of the public procurement projects should be done in a manner that is transparent, faire, accountable and very efficient. These are the principles of procurement that must be adhered to in the application of procurement law. To achieve this, the respondents were, made to rank the procurement methods the used in order of importance. First, they ranked them in order of more transparency, accountability, fairness and value for money.



Legendre (2005) indicates that Kendall's coefficient of concordance ( $W$ ) is a measure of the agreement among several ( $p$ ) judges who are evaluating a given set of  $n$  objects. The Kendall's coefficient of concordance test is a non-parametric test statistics, which was used to test the hypothesis that there exists no agreement among research subjects on the factors most likely to influence students to apply for financial assistance. This is specified as:

$$W = \frac{12 \left[ \sum T^2 - (\sum T)^2 / n \right]}{nm^2(n^2 - 1)}$$

where  $W$  = Kendall's coefficient

$T$  = total rank score for each procurement method

$n$  = number of procurement methods

$m$  = total number of respondents

#### *Statement and Validation of Hypothesis*

$H_0$ : there is no agreement among research subjects on their ranking.

$H_1$ : there is agreement among respondents on their ranking of procurement methods.

The value of Kendall's coefficient ( $W$ ) falls between 0 and 1; where 1 represents perfect agreement and 0 signifies perfect disagreement.

Chi-square ( $\chi^2$ ) statistics was adopted to test the significance of the Kendall's coefficient.

The decision is to reject the null hypothesis if  $\chi^2$ -calculated is greater than  $\chi^2$ -critical value. The rejection of the null hypothesis will mean that the respondents have agreement



among themselves on the ranking of the procurement methods, while the value of  $W$  will be a measure of the level of agreement.



## CHAPTER FOUR

### PRESENTATION OF RESULTS AND DISCUSSIONS

#### 4.1 Introduction

This section displays the outcomes and discussion of the study. Results on various variables have been presented and analysed with much focus on the objectives under investigation. First, the results of respondents' background characteristics have been presented. Other sections of the chapter present the results and discussion of selection and composition of procurement committee members, adherences to the principles and process of public procurement, methods used in buying of properties and services as well as challenges face in the procurement of commodities and services. Each of these sections draws implications of the impediments encountered in the procurement process.

#### 4.2 Background information of respondents

##### 4.2.1 Gender of Respondents

It was revealed that the respondents of the study consist of both males and females. As show in Table 4.1, 45 respondents were males and this represents 90% of the sample. The remaining 5 respondents were females and this represent 10% of the sample. The results indicate that males dominate procurement committee members in public entities in the Wa Municipality. This denotes that there is unequal depiction of gender in procurement process.



**Table 4. 1: Gender of Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	45	90
Female	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The findings on gender distribution implies that public procurement processes among entities in the Wa Municipality does not consider the role females could play in guaranteeing transparency, and efficiency in the procurement process. This can be a hindrance to the execution of the Public Procurement Act, 2003 (Act 663) especially in situations of procuring properties and services that are associated with gender sensitivity.

#### **4.2.2 Respondents Level of Education**

For the educational context of the participants, an equal proportion of the respondents (44%) have had first degree and masters respectively. Also, 12% of the respondents indicating the minority have acquired diploma in their field of study. Table 4.2 illustrates the extent of formal education achievement of the research subjects.

**Table 4. 2: Level of Formal Education**

<b>Level of education</b>	<b>Frequency</b>	<b>Percent</b>
Diploma	6	12
First Degree	22	44



Masters	22	44
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The results in Table 4.2 imply that all the research subjects had education up to the tertiary level. This means that they have relevant educational qualification to work in the government sector of Ghana and hence to have been expected to perform their roles in the procurement of commodities and services effectively. Intriguingly, some research subjects have as high as master degree and this will equip them with the relevant skills in public sector procurement activities. The respondents may not necessary have their academic degrees in public procurement but the fact that they have high educational achievement will enable them to read literature on public procurement and understand procurement activities.

#### **4.2.3 Respondents Roles in their Entities**

The respondents were found to have been playing some key roles in their organisations besides being procurement committee members. Considering the role-played by the respondents in their departments, majority of the respondents (28%) are procurement officers while 22% said they serve as supervisors in their departments. From the results 20% said they administer and manage activities within their departments and 12% said they play the role of supply officers to their departments. It was also discovered that 10% of the respondents serve as pharmacist who in charge of medical stores. Two of the respondents (4%) serve as campus estate officer, while the role of coordinating director



and quality surveyor was played by one (2%) of the respondents each. This distribution of the research subjects' main roles in their organisation is presented in Table 4.3.

**Table 4. 3: Respondents Main Roles in their Organisations**

<b>Role</b>	<b>Frequency</b>	<b>Percent</b>
Administration and Management	10	20
Campus Estate Officer	2	4
Coordinating Director	1	2
Pharmacist in charge of medical stores	5	10
Procurement officer	14	28
Quality surveyor	1	2
Supervisor (staff of the registry, financial activities, etc.)	11	22
Supply officer (logistics and ward housing)	6	12
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The results of research subjects' primary roles in their organisations imply that staff of different backgrounds often form the procurement committee members. However, some of the respondents are procurement officers and others are supply (logistics) officers. This means that the main roles of such category of the respondents are in line with their professional roles in their respective organisation. This will have implications in the smooth application of the Public Procurement Act, 2003 (Act 663).



#### 4.2.4 Years of Experience

The research subjects were questioned to reveal their years of experience in their present organisations as well as their experience with their procurement unit. Different results were obtained are shown in Table 4.4 using descriptive statistics. For the years of experience of research subjects in both their present position and with the procurement unit, the results show that the maximum years (10) is the same for both categories. However, the minimum years of experience in research subjects' current position was 1 year while that of the unit is 2 years. Averagely, the mean years of experience of the research subjects in their present position was 4.30 with a standard deviation of 2.023. Besides, the average years of experience with the procurement unit was 5.32 and 2.494 as the standard deviation.

**Table 4. 4: Respondents' Years of Experience**

Years of Experience	N	Minimum	Maximum	Mean	Std. Deviation
In current position	50	1	10	4.30	2.023
With procurement unit	50	2	10	5.32	2.494

Source: Field Survey, 2018

The respondents have different years of experience in their organisations and as procurement committee members. The average years of 4.30 and 5.32 for their experience in their current position and as procurement committee members respectively are almost the same. This means that the respondents upon assumption of duty were selected as procurement committee members. This means years of experience in both categories in Table 4.4 therefore, suggests that the respondents have enough years of experience as procurement committee members. They might have therefore, become





conversant with the public procurement process as stipulated by the Public Procurement Act, 2003 (Act 663). This will have the tendency for minimal challenges with the deployment of public procurement activities in their respective organisations.

#### **4.3 Selection and Composition of Procurement Committee**

This segment shows results and discussion on the challenges encountered by public entities in the selection and composition of procurement committee members. Inappropriate selection and composition of procurement committee members can become a difficulty to the application of the Public Procurement Act, 2003 (Act 663). The study therefore, revealed that selection of members has been influenced by staffs' extent of education and territory of specialisation, appointment based on years of experience, and appointment through hard work.

##### **4.3.1 Educational/professional background**

In understanding composition of the procurement committee, respondents were inquired about their area of specialization. According to the results, 36% of the respondents were specialized in procurement and supply chain management and 18% have public administration background. Those with accounting were 5 (10%) while the same numbers of respondents (5) were specialized in pharmacy. About 8% of the respondents have the background of developmental management while three respondents (6%) were found to be specialized in logistics and supply chain management and planning each. Those who were specialized in building technology were only 2 (4%) while that of administration and management consultant was one (2%).





**Table 4. 5: Selection of Respondents Based on their Area of Specialisation**

<b>Specialization</b>	<b>Frequency</b>	<b>Percent</b>
Accounting	5	10
Administration and Management consultant	1	2
Building Technology	2	4
Development Management	4	8
Logistics and supply chain management	3	6
Pharmacy	5	10
Planning	3	6
Procurement and supply chain management	18	36
Public Administration	9	18
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The results suggest that the research subjects were selected as members of the procurement committee members based on their areas of higher educational specialization. The areas of specialisation depicted in Table 4.5 are related to procurement issues and hence the respondents will have enough theoretical background knowledge in the application of the Public Procurement Act, 2003 (Act 663). This means that the challenge of professional procurement staff as identified by empirical studies (Mohamed

2016; Chari & Chriseri, 2014; Adjarko et al. 2014; Etse & Asenso-Bokye, 2014) will be minimal among public entities in the Wa Municipality. However, this does not guarantee the efficiency of the procurement staff. The public procurement Act, 2003 (Act 663) specified that the procurement committee participants should consist of senior administrators, the finance officer and legal practitioner. The composition of procurement members among public entities in the Wa Municipality is in line with these requirements since some of the respondents indicated their position as accountants, administrators among others. However, no respondent have indicated his background role as a legal practitioner. This can be an impediment in the application of the public procurement Act, 2003 (Act 663). Though various procurement committee members can access the services of legal practitioners, the fact that they are not among the committee means their services cannot be access immediately.

#### **4.3.2 How one becomes a Procurement Member**

The study inquired what motivated the respondent's membership to the procumbent committee in their department. All the respondents agreed that the criteria used in selection of procurement committee members was by Act of Law, thus Act 2003 (Act 663). They were appointed to represents their departments as stipulated by the law. Further inquiries were made on how the appointment was done. Several replies were recorded and shown in Table 4.6.

From Table 4.6, 24% of research subjects said it was through appointment that they became members of the procurement committee in their department. Besides that,



majority of the respondents (62%) said both their educational and professional experience made them part of their department procurement committee. Similarly, 12% indicated that it was through the highest degree of their educational achievement that they became members of the procurement committee in their department. Only 2% indicated that their membership to the procurement committee was motivated by highest experience in procurement.

**Table 4. 6: Selection Criterion of Procurement Committee Members**

<b>Motivation</b>	<b>Frequency</b>	<b>Percent</b>
Highest degree of educational achievement	6	12.0
Highest experience in procurement	1	2.0
Both educational and professional experience	31	62.0
Was appointed based on hard work	12	24.0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

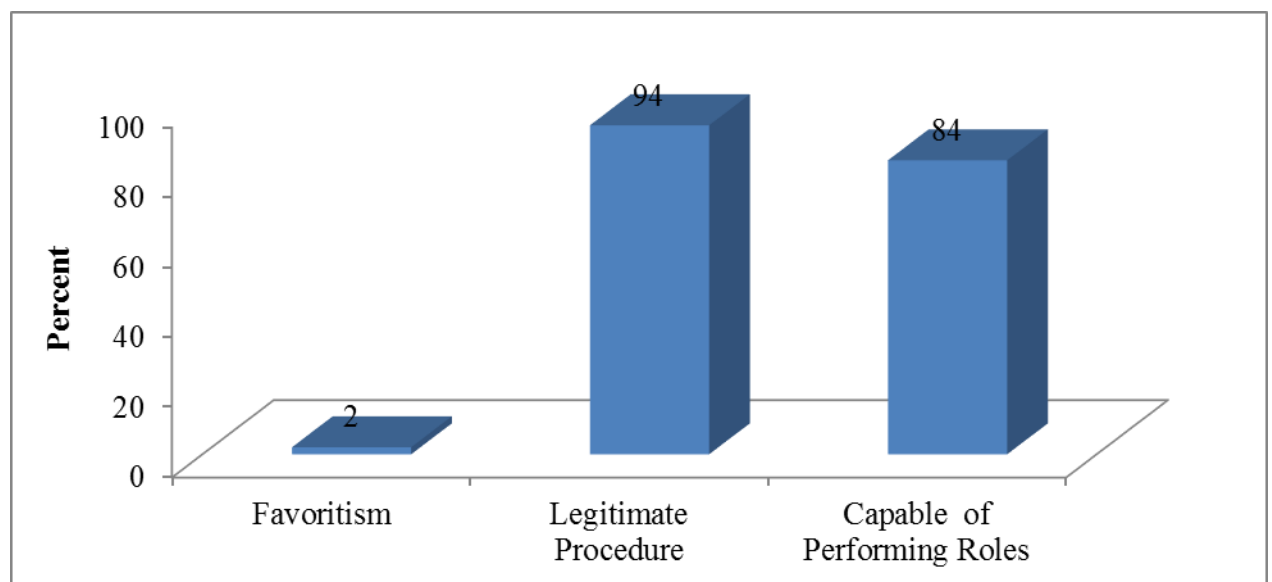
The results imply that members of procurement committees were selected from among staff of entities to represent in the procurement of properties and services. Majority admitted that their selection was based on their professional experience and highest education. This agrees with the criteria stipulated the public procurement Act, 2003 (Act 663). However, certain staffs were considered hard working and hence selected among the procurement committee members. This can however, breed conflicts if some staff considered themselves as qualified procurement staff but not included because of their lazy attitude towards work.



#### 4.3.3 Respondents Opinion on the Selection of Procurement Committee Members

In relation to the avoidance of corruption, conflict of interest among others, the study seek to know if respondents have counted any form of favoritism or whether the selection of procurement committee members follows legitimate procedure. Also, whether or not respondents think all members in the committee are capable of performing the role. From the gathered that information as shown in the table, only 1 (2%) respondent out of the lot said at one point in time there was evidence of favoritism in the selection of procurement committee. If not, all the remaining 49 (98%) of the respondents indicated that they never encounter any form favoritism relative to the selection of procurement committee. With regards to the selection procedures, majority (94%) of the respondents opined that they follow due/legitimate process in selecting the committee members. As to whether the member is capable in their role, 84% indicted that all members in the committee are capable of performing the role in procurement.

**Figure 4. 1: Respondents Opinion on the Selection of Procurement Members**



Source: Field Survey (2018)



Majority of the research subjects have confirmed that the selection of procurement committee members was done without challenges. This conclusion is drawn because a relatively higher percentage of the respondents agree that the selection was influenced by legitimate procedures and hence all candidates were capable of performing their roles. These findings therefore, disagree with the empirical studies that highlight the absence of qualified staff in the procurement process in Ghana. What could be a possible challenge is staff attitude towards work. For example, 1 respondent maintained that the selection criteria of procurement committee members were done under the influence of favouritism. This means that there is small evidence of lack of transparency in the application of the public procurement Act, 2003 (Act 663).

#### **4.4 Adherence to the Principles and Process of Public Procurement**

For the implementation of procurement value, respondents were questioned to reveal on a likert scale of 1 (strongly disagree) to 5 (strongly agreed) the extent to which they concur those procurement committees obey the principles of procurement in their unit. The procurement principles used comprise professionalism, transparency, accountability, competitiveness, equality, and value for money. The results obtained are presented in Table 4.7.

With respect to professionalism, majority (68%) agreed while only 2% disagreed that their department implement the principle of professionalism in their work. Similarly, majority (68%) agreed and just one (2%) strongly disagreed that the procurement



committee in the activities implements the principle of transparency. With regards to accountability, majority (62%) again agreed that their committee member obey the principle of accountability while fewer respondents (4%) strongly disagreed to the same statement.

According to the results, 60% agreed while 4% strongly disagreed that their department procurement committee members obey the principles of competitiveness in their procurement processes. With respect to fairness, 54% agreed that procurement committee members in their department obey such a principle while 2% disagreed that procurement committee members in their department obey the principle of fairness in their dealings. Lastly, 26% of the research subjects strongly agreed, 24% agreed while 12% and 4% respectively strongly disagreed and disagreed that the principle of value for money is obeyed by procurement members.

**Table 4. 7: Adherence to the Principles of Public Procurement Act, 2003 (Act 663)**

<b>Principles</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Total</b>
Professionalism	3(6%)	1(2.0%)	4(8.0%)	34(68%)	8(16%)	<b>50(100%)</b>
Transparency	1(2%)	6 (12%)	5(10%)	34(68%)	4(8%)	<b>50(100%)</b>
Accountability	2(4%)	0(0.0%)	8(16%)	31(62%)	9(18%)	<b>50(100%)</b>
Competitiveness	2(4%)	6(12%)	8(16%)	30(60%)	4(8%)	<b>50(100%)</b>
Fairness	6(12%)	1(2.0%)	10(20%)	27(54%)	6(12%)	<b>50(100%)</b>
Value for money	6(12%)	2(4.0%)	17(34%)	12(24%)	13(26%)	<b>50(100%)</b>

Source: Field Survey (2018)



Most of the research subjects have at least agreed that their entities tender committee members have high observance to the values of the public procurement process. Only small proportion of the research subjects disagreed or strongly disagreed that they exercise to a highest degree the principles of procurement as stipulated by the public procurement Act, 2003 (Act 663). The evidence of adherence to the principles of procurement were therefore, identified and discussed as follows.

#### 4.4.1 Professionalism

From the Table, research subjects were asked to signify evidence of professionalism in the procurement process of the department committee members. From the views of 14 (28%) respondents, their committee members have proficient procurement staff and according 11 (22%) respondents, their members' shows professionalism by adhering to all the procurements principles. Other form of professionalism shown in the procurement process include; the strict application of procurement rules in all procurement activities, opportunity for all members to express their views on issues as well as listening to the advice of procurement officers as shown in Table 4.8.

**Table 4. 8: Evidence of Professionalism**

<b>Professionalism</b>	<b>Frequenc y</b>	<b>Percen t</b>
Take advice from officers	2	4
Proficient procurement staff	14	28
Adhere to all procurements principles	11	22
All committee members are allowed to express their views on	6	12





issues

Implementation of the procurement law	4	8
Not Applicable	13	26
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The research subjects have provided evidence that they do adhere to the principle of professionalism in the procurement practice. Respect for the principles of procurement suggests that the procurement committee members do not have main hindrances in the deployment of the public procurement Act, 2003 (Act 663). This agrees with Addai-Donkoh (2009) explanation that professionalism has to do with the discipline whereby educated, experienced and accountable procurement officers make well-versed judgments concerning procurement operations. The fact that government institutions carry out their procurement activities as stipulated by the Public Procurement Act, 2003 (Act, 663) means that the principle of professionalism has been adhered to.

#### 4.4.2 Transparency

Another principle in the procurement process considered by the study was the issue of transparency. The finding on this matter in the study showed over 50% of the research subjects believed that procurement members in their department exhibited some level of transparency in their activities. For instance, in Table 4.9, equal proportion (18%) of the respondents indicated evidence of transparency is shown through the opening of tenders, by relying on the standard tender document. About 14% of the respondents pointed out that their committee members advertise their activities such as calling for bids on the



media, according to them which a sign of transparency. Other forms of transparency can be seen through the equal treatment for all suppliers (10%), ensuring confidence in receiving bid (4%), while opening them (the bids) in the presences of bidders (6%)

**Table 4. 9: Evidence of Transparency**

<b>Transparency</b>	<b>Frequency</b>	<b>Percent</b>
Not Applicable	15	30
Advertisement	7	14
Bids are open in the presences of bidders	3	6
Confidentiality	2	4
Equal opportunity for all suppliers	5	10
Opening of tender	9	18
Standard tender documents	9	18
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The evidence provided in Table 4.9 represents an adherence to the principle of transparency in public procurement. As stipulated in the Public Procurement Act, 2003 (Act, 663), transparency is achieved through the use of standard tender documents, publicizing procurement opportunities, and public opening of documents, publications



and effective monitoring. The respondents have provided these features as shown in Table .9. As argue by Wakefield and Walton (2010), transparency in procurement makes public procurement information accessible by all potential bidders. This is the case as reported in this study.

#### 4.4.3 Accountability

The respondents also agreed that they adhere to the principle of accountability in carrying out their procurement activities. They were therefore, asked to provide evidence of their practices that represent transparency in procurement. The results were obtained and presented in Table 4.10. In the first place 28% of the respondents indicated adequate record keeping being an important property of accountability within the department. Secondly, (4%) of the participant revealed that the use of procurement audit is a clear sign of accountability. Also, clear chain of responsibility and strictly following procurement process (PPA Manual) were each indicated by 10% of the respondents as evidence of accountability. To ensure accountability, 8% indicated procurement committee member report their dealings and activities to the principal. An independent control system (no act of Inducement) has been indicated by 2% of the respondents to be an evidence of accountably. In some departments, bidders are given reasons why they are not selected (2%).

**Table 4. 10: Evidence of Accountability**

<b>Accountability</b>	<b>Frequency</b>	<b>Percent</b>
Not Applicable	13	26
Procurement audit	7	14



Adequate records keeping	14	28
Clear chain of responsibility	5	10
Independent control system (No act of Inducement)	1	2
Reasons for none selection are given	1	2
Report to the principal	4	8
Use of procurement process (PPA Manual)	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The Public Procurement Act (2003) offers that the principle of accountability is the process of making a person or an corporation entirely answerable for all facets of the procurement process over which they wield influence. Public entities in the Wa Municipality achieved this through regular audit and reporting as indicated by the respondents in Table 4.10. Besides, the procurement staff also keeps regular and up to date information that can be made available to any individual or organisation in need of it. This implies that the procurement activities among public institutions in the Wa Municipality represent high level of transparency. Deployment of the Public Procurement Act, 2003 (Act, 663) therefore, do not face major challenges especially in adhering to the principle of accountability.

#### 4.4.4 Competitiveness

Activities within the procurement process that shows evidence of competitiveness are shown in the table. According to findings, evidence of competitiveness is demonstrated through; the utilization of Public Procurement Act 633 and 914 (2%), formulation of



tender documents (4%), invitation of bids from the general public (12%), giving equal opportunity for all suppliers (2%), requesting for quotations or for proposals (8%) and the selection of the successful tenderer (16%).

**Table 4. 11: Evidence of Competitiveness**

<b>Competitiveness</b>	<b>Frequency</b>	<b>Percent</b>
Not Applicable	17	34
Evaluation of responses	2	4
Bids are invited from the general public	13	26
Preparation and issue of tender documents	4	8
Equal opportunity for all suppliers	1	2
Requests for quotations or for proposals	4	8
Selection of the successful tenderer	8	16
Use of PPA 633 and 914	1	2
<b>Total</b>	<b>50</b>	<b>100.0</b>

Source: Field Survey, 2018



The determination of competitiveness is to keenly inspire greater supplier involvement in the tendering process. Empirical studies maintain that competitiveness is achieved through advertising opportunities, publication of contracts, creating window for appeal and complains. This study identified similar characteristics as demonstrated by procurement officers in public entities in the Wa Municipality. From Table 4.11, invitation of bids from the general public represents high level of competitiveness. However, the fact that only 26% of the respondents cited this evidence means that there is the likelihood of many entities not inviting all their bids from the general public. This could be a challenge in the application of the Public Procurement Act, 2003 (Act, 663).

#### 4.4.4 Fairness

The finding demonstrated that one of the ethics of moral principle of procurement is fairness. Subject to the general principles of fairness, 10% of the respondents said there is fairness in their department because, they apply procurement guidelines when selecting a contractor and 12% said contracts are awarded based on merits. Some other attitudes that demonstrate fairness include; carrying out procurement in a non-discriminatory manner (8%), by opening of tenders (6%), allowing fair competition (8%), by creating suppliers awareness (8%), inviting all registered suppliers for quotations (4%), development of mutual trust (6%) and lessening of the occurrence of corruption (4%).

**Table 4. 12: Evidence of the Fairness in Procurement**

<b>Fairness</b>	<b>Frequency</b>	<b>Percent</b>
Not Applicable	17	34



Allow fair competition	4	8
Contracts are awarded on merits (qualified suppliers)	6	12
Creating suppliers awareness	4	8
Procurement is carried out in non-discriminatory manner	4	8
Invite all registered suppliers for quotations	2	4
The development of mutual trust	3	6
Opening of tenders	3	6
The reduction of the incidence of corruption	2	4
Applying procurement guidelines when selecting a contractor	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The results indicate that research subjects have often made efforts towards maintaining fairness in carrying out procurement operations. This is not a surprise since achievement of transparency, and competitiveness will invariably result in fairness in the procurement process. In the Wa Municipality public procurement activities are carried out with fairness through creating the awareness of all potential suppliers and avoiding discrimination and corruption in the process.

#### **4.4.5 Achieving Value for Money**

From the table, works procurement has been shown to be adhering to the principle of achieving value for money. About 14% of the respondents declare that members comply with all the principle of procurement to guarantee value for money. According to 16% of the respondents, their department committee members archive value for money by



evaluating all contracts. Also, 12% indicated that their members ensure that suppliers supply according to specification. Other subject to the principle of value for money include; training officials (8%), allowing fair competition (12%) and record keeping (8%).

**Table 4. 13: Evidence of Value for Money**

<b>Value for Money</b>	<b>Frequency</b>	<b>Percent</b>
Not Applicable	15	30
Allow fair competition	6	12
Compel with all the principles	7	14
Contract evaluation	8	16
Ensure suppliers supply according to specification	6	12
Record keeping	4	8
Trained officials	4	8
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018





Value for money determines the efficiency of the procurement process, its outputs and outcomes (PPA, 2006). However, the evidence of value for money as shown in Table 4.13 does not specifically represent any measurable output as delineated by the public procurement Act, 2003 (Act, 663). Studies by Adusei and Awunyo-Victor (2015) maintain that one of the principle bottlenecks confronting observance with the Public Procurement Act, 2003 (Act, 663) in Ghana is that procurement undertakings often fail to control high value for money. This may be the case of public entities in the Wa Municipality since the respondents were not able to provide concrete evidence of how value for money is realized in their procurement activities.

#### **4.4.6 Level of Adherence to Procurement Process**

Respondents were required to measure using likert scale the extent to which they agree that the procurement committee adheres to some process of procurement. Five point likert scales of Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A), and Strongly Agree (SA) were used and the results obtained are presented in Table 4.14. When the question of sufficiently with regards to carrying out procurement planning, 44% agreed, 30% strongly agreed, 16% neutral, 8% strongly disagreed while 2% disagreed that their department procurement committee sufficiently carry out procurement planning. With the issue of valuation and classification of procurement contract, 68% agreed, 16% strongly agreed, 14% disagreed and 2% strongly disagreed that it was well done in their departments.



Furthermore, 44% agreed, 30% strongly agreed, 10% neutral, 6% disagreed whereas 8% strongly disagreed that the organization opted for suitable method in their procurement process. As to the level of confirming the determination of tender dossiers, 70% strongly agreed, 16% were neutral, 8% disagreed while 6% strongly agreed that tender dossiers were determined in their organization. With regards to publication, 36% agreed, 24% neutral, 22% strongly agreed, 10% strongly disagreed and 2% strongly disagreed that their committee published on suitable media in a good time. About 62% agreed, 22% strongly agreed, 10% strongly disagreed while 3% disagreed that their department procurement committee open and evaluate tenders appropriately.

Also, 58% agreed, 20% neutral, 12% disagreed, 8% strongly agreed while 2% strongly disagreed that procurement contracts are appropriately offered in their department. Similarly, 74% agreed, 10% neutral, 8% disagreed, 6% strongly disagreed and 6% strongly agreed that the administration of contracts are generally well done. In respects to the PPL, 66% agreed, 14% strongly agreed, 10% strongly disagreed, 6% neutral and 4% disagreed that all procurement processes are adhered to the law. Systematically, 72% agreed, 14% neutral, 6% strongly agreed, 6% strongly disagreed and 2% disagreed that their department procurement committee systematically observed all the stages of procurement.





**Table 4. 14: Level of Adherence to Procurement Process**

<b>Procurement Principles</b>	<b>S D</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>S A</b>	<b>Total</b>
Procurement planning sufficiently carried out	4(8%)	1(2%)	8(16%)	22(44%)	15(30%)	<b>50(100%)</b>
Valuation and classification of procurement contract well done	1(2%)	7(14%)	0(0%)	34(68%)	8(16%)	<b>50(100%)</b>
Opting for suitable methods	4(8%)	3(6%)	5(10%)	22(44%)	16(30%)	<b>50(100%)</b>
Tender dossiers were determined in the organization	0(0%)	4(8%)	8(16%)	35(70%)	3(6%)	<b>50(100%)</b>
Publication done in	2(4%)	7(14%)	12(24%)	18(36%)	11(22%)	<b>50(100%)</b>

suitable media and in good time						
Opening and evaluation of tenders well done	5(10%)	3(6%)	0(0%)	31(62%)	11(22%)	<b>50(100%)</b>
Procurement contracts are appropriately offered	1(2%)	6(12%)	10(20%)	29(58%)	4(8%)	<b>50(100%)</b>
The administration of contracts is generally well done	3(6%)	4(8%)	5(10%)	37(74%)	1(2%)	<b>50(100%)</b>
All the above eight stages of procurement are observed	3(6%)	1(2%)	7(14%)	36(72%)	3(6%)	<b>50(100%)</b>
All procurement procedures Adhered to PPL	5(10%)	2(4%)	3(6%)	33(66%)	7(14%)	<b>50(100%)</b>

Source: Field Survey, 2018

Generally, the respondents have at least agreed that they adhere to the process of public procurement in their respective entities. The evidence is that the proportion of respondents who at least agreed that they adhere to the process is more than 50%. This means that majority of them implement the public procurement Act, 2003 (Act, 663) with little or no challenge. Kusi *et al.*, (2014) argue that the benefits of compliance include; transparency, value for money, assessment of credibility of suppliers, risk reduction and meeting of public standards. In this study, public entities in the Wa Municipality are implementing their procurement projects in ways that will lead to better value in line with what has been postulate by Kusi *et al.*, (2014). This means that the results of this study do not agree with the empirical findings of Osei-Tutu (2011) and Kissi *et al.*, (2014) who all confirmed that there is low compliance level in procurement activities in Ghana.



The difference outcome between past empirical studies on one hand and that of this study on the other hand is the probably the nature of the challenges encountered in the procurement process. Osei-Tutu (2011) discovered that lack of human resources; financial resources in bulk and understanding of the law are the main causes of low performance in terms of compliance while Ameyaw *et al.*, (2012) pinpoint low capacity of procurement staff as the main challenge. However, in this study, procurement staffs were found to have obtained higher level of education in relevant fields related to procurement. Besides, the staff were observed to have been selected according to the criterion outlines by the Public Procurement Act, 2003 (Act, 663). This can enhance the capacity of procurement staff and hence giving them advantage to improve upon their performance as argue by the results of this study.

#### **4.5 Methods Used in Procurement of Goods and Services**

The study sought to establish the methods, which are often, use in procurement. As shown in Table 4.15, the results demonstrated that none of the entities procurement staffs ever use the international competitive tenders in procurement. However, 74% also stated that their committee in procurement often uses price quotation. About, 70% indicated the committee often uses the national competitive tender. According to 32% of the respondents, the members use the method of low and minor value procurement in their activities. Same proportion of respondents thus 22% indicated that their committee uses the method restricted tenders and single sourcing in procurement.

**Table 4. 15: Procurement Method Often Used**



<b>Procurement Method</b>	<b>Frequency</b>	<b>Percent</b>
International competitive tender	00	0
National competitive tender	35	70
Restricted tender	11	22
Single sourcing	11	22
Price quotation	37	74
Low/minor value procurement	16	32

Source: Field Survey, 2018

The results disclosed that price quotation is the main procurement method often used by the public entities in the Wa Municipality in the provision of goods and services. The next often-used method is the national competitive tender. The remainder of the procurement methods as shown in Table 4.15 are used occasional. The state-run competitive tender is the most desirable method under the law, as it inspires highest competition in the procurement system. It requirement according to the Public Procurement Act, 2003 (Act, 663) is that solicitation to tender is always publicized publicly. Application for quotation is resorted to when the contract value is small that the administrative effort linked to a complete tendering procedure seems out of proportion (Act 663, 2003).

#### **4.5.1 National competitive tender**

The outcome of the research disclosed the instances where the national competitive tender is utilized in the procurement of properties and services. From Table 4.16, 22% of the research subjects suggested that they use the national competitive tenders in procuring



goods and services. Followed by 12% who said they use such method in procuring medicines and non-medicines. Three (6%) respondents each stated that they use the national competitive tenders in procuring works and rehabilitation of facilities such as offices and classrooms. Similarly, 4% revealed that national competitive tender is use in their departments to procure building facilities. Also activities such as procurement of limited contracts (2%) and work above the threshold (2%) were found to be procured using the national competitive tenders.

**Table 4. 16: Goods and Services Procured through National Competitive Tender**

<b>National competitive tender</b>	<b>Frequency</b>	<b>Percent</b>
Not Applicable	23	46
Building facilities	2	4
For procurement of goods and services	11	22
Limited contracts	1	2



Procurement of work	3	6
Procuring medicines and non-medicines	6	12
Rehabilitation of office and classroom	3	6
Used when work is above the threshold	1	2
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The results implies that the procurement of commodities and services such as building, rehabilitation of offices and classrooms, and the procurement of medicines (in health entities) are associated with heavy investment that required the participation of many potential bidders.

#### 4.5.2 Restricted Tender

Restricted tender being one of the methods use in procurement. Though majority (74%) stated that they do not use it in procurement, a total of ten (20%) respondents five (10%) for each stressed that restricted tender is used in selection of consultants and procurement situational and office equipment. Also same proportion of respondents noted that restricted tender is use in their department to renovate and construct classrooms, procurement of work and procurement of goods. The allocation of the responses is shown in Table 4.17.

**Table 4. 17: Goods and Services Procured by Restricted Tender**

<b>Restricted tender</b>	<b>Frequency</b>	<b>Percent</b>
Not Applicable	37	74
Goods	1	2





Procurement work	1	2
Procuring situational and office equipment's	5	10
Renovation and constructions of classrooms	1	2
Selection of consultants	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

The results imply that the goods and services procured by using the national competitive tender are not essentially different from those procured using the restricted tender. This means that the procurement committee members do not have clear-cut guidelines on what method to apply in a particular procurement activity. This will undermine transparency and efficiency in the procurement process.

#### 4.5.3 Price Quotation

It was discovered from the study that price quotation is often used when there is a procurement of less costly goods and services as was confirmed by 40% of the respondents. Such items may include procurement of assorted items, supply of equipment, supply of vehicle parts, and the supplies of stationery as shown in Table 4.18.

**Table 4. 18: Good and Services Procured by using Price Quotation**

<b>Price quotation</b>	<b>Frequency</b>	<b>Percent</b>
Not Applicable	12	24.0
For less costly goods	20	40.0
Procurement of assorted items	2	4.0



Supply of equipment	4	8.0
Supply of vehicles spare parts	5	10
The supply of stationary	4	8
Above threshold	3	6
Total	50	100.0

Source: Field Survey, 2018

The results in Table 4.18 denote that price quotation become preferable when the sum of the contract amount is small. Such contracts are often minor supplies and maintenance that are needed within a shortest possible time and cannot stand the long process involved in competitive tender processes.

#### 4.5.4 Low/Minor Value Procurement

The respondents have revealed that the use of low/minor value procurement is associated with the procurement of minor renovations and repairs, vehicle maintenance, minor fittings, and supply of stationeries. From Table 4.19, 68% of the respondents did not response to this issue and this suggests that low/minor value procurement method is not often used by the public entities in the Wa Municipality.

**Table 4. 19: Goods and Services Procured by Low/Minor Value Procurement**

Low/minor value procurement	Frequency	Percent
Not Applicable	34	68.0
For renovation and minor repairs	8	16.0



Maintenance of vehicles and buildings	2	4.0
Minor fittings	1	2.0
Supply of stationary	5	10.0
<b>Total</b>	<b>50</b>	<b>100.0</b>

Source: Field Survey, 2018

#### 4.5.5 Factors influencing the choice of a particular method of procurement

The respondents were questioned to specify some dynamics that influence the use of a particularly procurement method. From findings, 28% of the respondents indicated that the purchasing budget was an important factor in determining the type of procurement method to use. Additionally, 20% said the issue of value for money is a factor that influences their decision to choose a particular method of procurement. As indicated by 16% of the respondents, the value of the good and services to be acquired also determine the method to use. The study again found that price quotation (12%), influence by senior management (4%), quality issues (4%) and the time given (2%) is all factors that determine which procurement methods to use.

**Table 4. 20: Factors influencing the Choice of Procurement Methods**

<b>Factors</b>	<b>Frequency</b>	<b>Percent</b>
No Response	3	6



Influence by senior management	4	8
Price quotation	6	12
Quality issues	4	8
The purchasing budget	14	28
The value of goods and services	8	16
Time given	1	2
Value for money	10	20
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2018

Research subjects provide different factors that influence the selection of a particular method of procurement. The results imply that budget availability, value of the contract involved as well as the personal discretion of senior management determines to a larger extend which procurement method to use. This implies that there are no clear-cut guidelines for the choice of a particular method. As a result similar procurement activities often use different methods as was observed in this study. This certainly is an impediment in the successful application of the public procurement Act, 2003 (Act, 663).

#### **4.5.6 Ranking of the Methods and Principles of Public Procurement**

The research subjects were asked to rate the approaches of procurement based on principles of procurement. The purpose is to analyse which procurement method yields more transparency, accountability, fairness and value for money. These principles have been selected because standards needed in procurement are: high quality service, economy and efficiency, and equality in competition (Mwandobo, 2013). The ranking



was done using a scale of 1 to 6 with the highest score (6) being the best while the lowest score (1) being the worse. Descriptive statistics and Kendall's coefficient of concordance test were deployed to examine the results. The use of Kendall's Coefficient of Concordance test was to validate or reject the claim that the respondents have an agreement in the ranking of the procurement methods based on the principles of public procurement. The Kendall' Coefficient (W) represent a measure of the agreement and it assume a value between 0 and 1. Values closer to zero represent perfect disagreement while values closer to 1 represent perfect agreement among the research subjects in the ranking of the procurement methods.

#### ***Transparency of Procurement Methods***

From Table 4.21, the descriptive statistics revealed that most of the procurement methods have a least score of 1 and a highest score of 6. This means that some of the respondents have at least ranked them as best in the achievement of transparency (a score of 6) while other have also ranked them as worse (a score of 1) in the achievement of transparency. The standard deviations revealed how wider the score are from their means. Interestingly, national competitive tender noted a minimum score of 2 and this implies that no respondent have ranked it worse in terms of transparency. On the other hand, price quotation had a maximum score of 4 and this means that no respondents have given it the highest score in terms of transparency.

**Table 4. 21: Ranking of Procurement Methods Base on Transparency**

<b>Procurement Methods</b>	<b>Descriptive Statistics</b>	<b>Mean</b>	<b>Rank</b>
----------------------------	-------------------------------	-------------	-------------



	Min.	Max.	Mean	Std. Dev.	Rank	
International competitive tender	1	6	5.04	1.57	5.06	1
National competitive tender	2	6	4.22	1.09	4.23	2
Restricted tender	1	6	3.46	1.41	3.46	3
Single sourcing	1	6	3.22	1.58	3.21	4
Low/minor value procurement	1	6	2.56	1.71	2.57	5
Price quotation	1	4	2.48	1.21	2.47	6

N = 50, Kendall's W = 0.285, Chi-square = 71.23, Asymp. Sig. = 0.00

Source: Field Survey (2018)

Further analysis on the agreement of the respondents on their ranking was done using a non-parametric statistics (Kendall's W). The mean ranks indicate that international competitive tender is the most transparent method of procurement with a mean rank of 5.06, the next is the national competitive tender with mean rank of 4.23, restricted tender (3.46), single sourcing (3.21), low/minor value procurement (2.57), and lastly; price quotation (2.47) as indicate in Table 4.21. The Kendall's W revealed a value of 0.285 and this was significant at 1%. This means that there is 28.5% agreement among the research subjects on the order of their ranking. This reveals that 28% of the respondents have agreed that International Competitive Tender is more transparent and price quotation is the least transparent.

### *Accountability of Procurement Methods*



The respondents have also ranked the procurement methods based on the degree of accountability. The ranking results revealed which procurement method yields more accountability and which one is the least. From Table 4.22, the descriptive statistics revealed that Restricted Tender, National competitive Tender, Low/minor value procurement, and Price quotation all have a least score of 1 and a highest score of 6. This means that some respondents have at least consider them as best in the promotion of accountability while other have also considered them as worse in the promotion of accountability. Besides, international competitive Tender had a minimum score of 2 and this implies that no respondent have ranked it as least in the promotion of accountability in procurement. The results also show that Single Sourcing procurement had a maximum score of 5 and this means that no respondents have ranked it as the best among the other methods in the promotion of accountability. The mean scores however suggest that there is no much variations among some of the methods as showed by the relatively smaller standard deviations.

**Table 4. 22: Ranking of Procurement Methods Base on Accountability**



Procurement Methods	Descriptive Statistics				Mean	Rank
	Min.	Max.	Mean	Std. Dev.	Rank	
International competitive tender	2	6	4.54	1.541	4.54	1
Restricted tender	1	6	3.86	1.539	3.84	2
National competitive tender	1	6	3.66	1.649	3.64	3
Low/minor value procurement	1	6	3.10	1.787	3.10	4
Price quotation	1	6	3.00	1.895	3.00	5
Single sourcing	1	5	2.90	1.182	2.88	6

N = 50, Kendall's W = 0.115, Chi-square = 28.79, df =5, Asymp. Sig. = 0.00

Source: Field Survey (2018)

The results of Kendall's analysis revealed a mean ranking, which ranges 4.54 as the highest and 2.88 as the lowest rank. International competitive Tender has the highest mean rank while Single Sourcing Procurement had the lowest mean rank relative to the promotion of accountability. The table (Table 4.22) also revealed that the next highest ranked method based on accountability is Restricted Tender (3.84), followed by national Competitive Tender (3.64), Low/minor Value Procurement with a mean rank of 3.10, and Price Quotation with a mean rank of 3.00. The Kendall's W revealed a test value of 0.115 and this is significant at 1%. The Kendall's value is low and this means that the respondents do not have perfect agreement on their ranking of the procurement methods based on accountability. Besides, the value of 0.115 means that only 11.5% of the respondents have agreed on the ranking of these methods as shown in Table 4.22. This finding suggests that the procurement committee members do not know precisely which procurement method yields more accountability than the other. The fact that International





Competitive Tender is the first and Single Sourcing is the worse is supported by only the views of 11.5% of the respondents.

### ***Fairness in Procurement Methods***

In the foregoing discussion, the respondents maintained that they ensure fairness in their procurement process. They were therefore asked to indicate by ranking the procurement methods where maximum fairness has been adhere to. The ranking results as shown in Able 4.23 revealed that a lowest score of 1 and a highest score of 6 were recorded for International Competitive Tender, Price Quotation, and National Completeive Tender. This means that some respondents have ranked these methods as best while others have also ranked them as worse. On the other hand, Restricted Tender had a minimum score of 1 and a highest score of 5 and this means that no respondent ranked this method as best in the promotion of fairness. Besides, Single sourcing had a least score of 1 which means that some respondents have ranked as worse in the promotion of fairness and a maximum score of 4 and this suggests that it has not been ranked as even the second best in terms of the promotion of fairness in procurement. The standard deviation shows a little variation than the other principles of procurement and this means that the ranking of the methods is more variable than those discussed previously.

**Table 4. 23: Ranking of Procurement Methods Base on Fairness**



Procurement Methods	Descriptive Statistics				Mean	Rank
	Min.	Max.	Mean	Std. Dev.	Rank	
International competitive tender	1	6	4.78	1.765	4.76	1
Price quotation	1	6	3.56	1.473	3.57	2
National competitive tender	1	6	3.50	1.619	3.48	3
Low/minor value procurement	1	6	3.30	2.102	3.32	4
Restricted tender	1	5	3.00	1.471	2.99	5
Single sourcing	1	4	2.92	0.944	2.88	6

N = 50, Kendall's W = 0.130, Chi-square = 32.53, df =5, Asymp. Sig. = 0.00

Source: Field Survey (2018)

The findings in Table 4.23 also revealed the ranks of the various methods of procurement in terms of fairness. It has been revealed that International Competitive Tender has the highest mean rank of 4.76 while Single Sourcing had the least mean rank of 2.8. The order of the methods in terms of fairness is shown by the rank in Table 4.23. Further test was employed using the Kendall's W to validate the claim of agreement among the research subjects on the order of the ranking. The Kendall's W value was 0.130 and this was significant at 1%. The Kendall's value is low (below 50%) and this means lack of perfect agreement among the respondents on the order of the rankings. The fact that International Competitive Tender is the best and Single Sourcing is the Worst has only been agreed by 13.0% of the respondents.

***Achieving value for money among procurement methods***



The research subjects also ranked the procurement methods based on the promotion of value of money. From Table 4.24, the descriptive statistics revealed that International Competitive Tender, Restricted Tender, National Competitive Tender, Low/minor value procurement, and Price quotation have minimum scores of 1 and maximum scores of 6. This means that some respondents have at least ranked them as worse and others have ranked them as best. On the other hand, Single Sourcing procurement had a minimum score of 2 and this means that no respondent ranked as worse method in terms of the promotion of value for money.

**Table 4. 24: Ranking of Procurement Methods Base on Achieving Value for Money**

Procurement Methods	Descriptive Statistics				Mean	Rank
	Min.	Max.	Mean	Std. Dev.	Rank	
International competitive tender	1	6	4.52	1.752	4.52	1
Single Sourcing	2	6	3.62	1.260	3.64	2
Restricted tender	1	6	3.58	1.486	3.58	3
National competitive tender	1	6	3.22	1.670	3.19	4
Low/minor value procurement	1	6	3.10	2.003	3.10	5
Price quotation	1	6	2.98	1.532	2.97	6

N = 50, Kendall's W = 0.092, Chi-square = 22.94, df =5, Asymp. Sig. = 0.00

Source: Field Survey (2018)

The mean ranked scores indicate that International Competitive Tender is ranked 1 with means rank of 4.52, the next highest ranked method is Single Sourcing which had rank 2 with a mean rank of 3.64. The third highest rank is Restricted Tender with a mean rank of



3.58. Besides, the fourth highest rank is National Competitive Tender with a mean rank of 3.19. This means that despite the high level of transparency and accountability associated with National Competitive Tender, its value for money is low. This probably is as a result of the different processes involved when using this method. The lowest ranked method in terms of value for money is Price Quotation.

Further statistical test using the Kendall's Coefficient of Concordance test revealed a test value of 0.092 and this is significant at 1%. The Kendall's W is low and this means that there an absence of perfect agreement among the respondents on the order of the ranking. The value of 0.092 mean only 9.2% of the respondents has an agreement on the order of the rankings. These findings imply that the procurement committee members do not agree precisely which method yield the maximum value for money. This suggests that the choice of particular methods will be influenced by the circumstances surrounding the procurement project or what has been outline by the Public Procurement Act, 2003 (Act, 663).

#### **4.6 Challenges Face in the Procurement of Goods and Services**

##### **4.6.1 Broad Challenges in the Implementation of the Public Procurement Act, 2003 (Act, 663)**

The research aims to ascertain the challenges confronted by the organizations in the procurement processes. Six challenges were given to respondents to indicate the ones they encounter in the organization. Out of the six, the findings show that only two (inadequate financial resource and bureaucracy) were indicated by more than half of the



population as challenges to their organization. Nearly half of the respondents also said they are challenged by inadequate human resource and political inference. Only 16% and 12% of the population revealed that they were challenged by corruption and poor commitment respectively.

**Table 4. 25: Broad Challenges associated with the Implementation of the Public Procurement act, 2003 (Act, 663)**

Variable	Frequency	Percent
Inadequate financial resource	39	78
Inadequate human resource	21	42
Bureaucracy	31	62
Poor commitment	6	12
Corruption	8	16
Political inference	18	36

Source: Field Survey, 2018

Despite the relatively higher adherence to procurement activities by public entities in the Wa Municipality, some challenges still confront them in the implementation process. These challenges have been identified and discussed by some past studies. The result of this study agrees with El-Gayed (2013) in Libya that in adequate personnel trained in procurement is the influencing factors of public procurement policy while Isaac (2013) in Ghana relates that limited procurement staff results in poor contract management. Other empirical studies in Ghana (Osie-Tutu *et al.*, 2011; Adjarko *et al.*, 2014; Adusei & Awunyo-Vitor, 2015) have also outlined weak staff base in ways that are not as acute as found in this study. This means that the broad challenges facing the implementation of



the public procurement Act, 2003 (Act, 663) are universal that cut across all public entities in Ghana and beyond. Such challenges are therefore, main features of public procurement in developing countries.

#### **4.6.2 Challenge at Specific Stages in the Procurement Process**

From a list of stages in the procurement process, respondents were required to state the stage, which pose a challenge to the organization. From Table 4.26, more than half of the research subjects (66%) suggested that it is at the stage of publishing procurement contract that they have challenges. Next was the planning stage, which 58% of the informants attest that they have challenges during that stage. Followed by contract administration as indicated by 36% of the respondents. Same proportion of respondents (22%) stated that it is at the opening and appraisal of tenders and the stage of awarding procurement contracts that they have challenges with. Furthermore, 18% of the respondents said valuation and classification of contract, 4% said evaluation of tenders and 2% said the choice procurement plan often pose a challenge to them in their organization.



**Table 4. 26: Existence of Challenges in Procurement Process**

<b>Procurement Process</b>	<b>Frequency</b>	<b>Percent</b>
Procurement planning	29	58
Valuation and classification of contract	9	18
Choice of procurement method	1	2
Evaluation of tender documents	2	4
Publication of procurement contract	33	66
Opening and evaluation of tenders	11	22
Awarding of procurement contracts	11	22
Contract administration	18	36

Source: Field Survey, 2018

The results in Table 26 indicate that public entities in The Wa Municipality have at least a challenge in all the procurement process. However, the main challenges occur during procurement planning, publication of procurement contracts and during contract administration. The specific challenges are analysed in details as follows:

#### **4.6.3 Procurement planning**

At the planning stage, about eleven challenges have been identify by the respondents to be affecting their activities. These include; the difficulty in complying with procurement rules, delays in the planning process, inadequate logistics and internet, poor dissemination of procurement information, poor planning, difficulty in getting accurate budget, lack of cooperation among members, lack of training and orientation for members among others. The distribution of these challenge are shown in Table 4.27.



**Table 4. 27: Challenges in Procurement Planning**

<b>Challenge</b>	<b>Frequency</b>	<b>Percent</b>
Hard to comply with Procurement Rules	9	18
Delaying in getting accurate budget	5	10
Inadequate logistics	4	8
Internet facility not consistent	4	8
Lack of cooperation	1	2
Lack of training and orientation	2	4
Poor Dissemination of Procurement Information	4	8
Poor Planning	4	8

Source: Field Survey, 2018

The results in Table 4.27 imply that the challenges associated with the implementation of the Public Procurement Act, 2003 (Act, 663) during procurement planning are due to the negligence of procurement committee members. The reasons being that the procurement committee members have sufficient knowledge of the procurement process and the requirements of the law but they consider them difficult to comply with. This makes the agency theory relevant in this study since the procurement committee members are failing to deliver what would be expected from them. In this case the agents (procurement committee members) are not able to deliver in ways that will minimize the goal incongruence that the principle is expecting. During the selection of procurement staff, the principle was unable to verify the agent behaviour completely and wrongly assumed that such committee members will be able to implement the Public Procurement Act,





2003 (Act, 663) without challenges. There is therefore, the challenge of information asymmetry during the procurement planning as anticipated by the agency theory.

#### 4.6.4 Valuation and Classification of Procurement Contract

The study also sought to establish the challenges encountered at valuation and classification of procurement contract stage. The findings as illustrated in the shows that lack of expertise, poor coordination from work departments, time consuming, difficulty in classifying awarded contracts and lack of knowledge of procurement methods were identified as challenges at valuation and classification of procurement contract stage of the procurement process.

**Table 4. 28: Challenges in Valuation and Classification of Procurement Contract**

Challenges	Frequency	Percent
Difficulty in classifying awarded contracts	1	2
Lack of Expertise	5	10
Lack of skills in procurement methods	1	2
Poor coordination from work departments	3	6
Time consuming	3	6

Source: Field Survey, 2018

The outcomes imply that the main challenges occurring during contract valuation and classification are lack of expertise and poor coordination. However, the educational qualification and years of experience in procurement of Tender Committee Members suggests that they are well qualified to undertake public procurement projects. This



brings to the fore the challenge of moral hazards as explained by the agency theory. The results therefore, imply that procurement staff among public entities in the Wa Municipality use their educational qualification and work experience to deceive the government of Ghana (the principal) as active and qualified members in the implementation of the Public Procurement Act, 2003 (Act, 663); thus resulting in the adverse selection. The government could access the services of private firms or individual consultants to perform similar activities that could yield more value.

#### **4.6.5 Choice of the Most Suitable Procurement Method**

It was discovered in this study that the lack of knowledge and documentation for references is the challenges encountered during the selection of the most appropriate procurement method. This challenge was however mentioned by only one respondent and hence its impact is considered minimal. However, if some staff lacks the knowledge of documentation for references, suggests that inappropriate procurement methods could be used for the procurement of some commodities and services. This will undermine the effective operation of the Public Procurement Act, 2003 (Act, 663).

#### **4.6.6 Evaluation of Tender Documents**

One important barrier connected with public procurement in evaluation of tender documents as discovered by the study was the duration of procurement delivery period (14%). The study also revealed that the evaluation of tender documents is impeded by political interference (8%). Also, the results show that experts in charge of evaluation of tender documents are inadequate (2%). Other challenges associated with the evaluation



of tender documents include the lack of transparency. Details of the distribution of the challenges that are encountered during the evaluation of tender documents are shown in Table 4.29.

**Table 4. 29: Challenges in Evaluation of Tender Documents**

<b>Challenges</b>	<b>Frequency</b>	<b>Percent</b>
Contractors bring quotations	1	2
Lack of adequate expertise	1	2
Lack of transparency	1	2
Political interference	4	8
Duration of Procurement Delivery Period	6	14

Source: Field Survey, 2018

The most occurring challenges during the evaluation of tender documents are political interference and the duration of procurement delivery. The challenge of political interference is universal that talks different dimension across the globe. However, it is most frequent in developing countries where public procurement is being implemented. For example, similar procurement challenges as identified in this study have been noted in Tanzania by Mohamed (2016) and in Libya by El-Gayed (2013). In Ghana, the Development Gateway (2017) equally highlighted the likelihood of Ghana’s government intrusion in procurement, which precludes professional conduct of procurement processes. Adusei and Awunyo-Victor (2015) corroborate the existence of corrupt activities among public procurement practitioners. They perceive issues connecting to political meddling and nonexistence of successful checking in the Ashanti region. The



existences of these challenges are the critical examples cited by the agency theory that emerges from the principal and agent contract relations.

#### **4.6.7 Publication of Procurement Contract in Suitable Media and In Good Time**

Respondents were queried to indicate the bottlenecks their organizations encountered at the publication stage at in the procurement process. The result shows that limited channels of publication, lack of finance, and the incidence late publication were some of the challenges respondents faced at their department. Others include; resources constraints, the lack of Internet facilities are the cost of publishing in a suitable media. The distribution of the challenges is presented in Table 4.30.

**Table 4. 30: Challenges in Publication of Procurement Contracts**

<b>Challenges</b>	<b>Frequency</b>	<b>Percent</b>
Inadequate financial resources	8	16
Internet facility not consistent	3	6
Late Publication	4	8
Limited channel	11	22
Very costly	1	2

Source: Field Survey, 2018

The hindrances connected with the publication of public procurement information are probably of one the main constraint to the application of the Public Procurement Act, 2003 (Act, 663). The respondents maintained that they do not have regular internet facility to advertise their information through the Public Procurement Website. This has been compounded by the challenge of limited financial resources to acquire the needed



logistics to do. The respondents therefore, cited limited alternative platforms for the advertisement of public procurement activities. This finding therefore, implies that many potential bidders would not be informed of procurement contracts and hence would not be able to apply. This challenge has weakened the smooth achievement of competitive procurement methods and hence undermines transparency in public procurement. In Ghana, one medium which the Public Procurement Authority (PPA) deploys to publicize critical information on procurement is via its website (PPA, 2011). That medium is applied to circulate information in terms of general procurement prospects, tender notices, manifestation of interest, and open tender contracts awards among others. This means that all these mediums are not accessible by the public entities in the Wa Municipality with ease.

#### **4.6.8 Opening and Evaluation of Tenders**

Though most of the research subjects suggested that they do not face challenges at this phase of the procurement process. Those few respondents who indicated that they had challenges at this stage indicated the incidence of political interference, the lack of time and resources, conflict of interest and poor Internet connection as some of the problems they encountered at that stage.



**Table 4. 31: Challenges in Opening and Evaluation of Tenders**

<b>Challenges</b>	<b>Frequency</b>	<b>Percent</b>
Conflict of interest	3	6
Inadequate resources	1	2
Lack of time and resources	5	10
Political interference	5	10
Poor internet connection	1	2

Source: Field Survey, 2018

The outcome of the research again disclosed that the challenge of political interference affect the execution of the Public Procurement Act, 2003 (Act, 663). Literature (e.g PPA, 2014) explains that public procurement reforms in Africa continue to gain grounds and assume higher dimensions. However, political intrusion with the procurement process exerts an impediment to the operation process and public procurement modifications. Proliferation of political power restricts completion in tendering and limits the degree of transparency. A myriad of politicians perceived that they have the right to interfere in the procurement procedures thus resulting to variable procurement resolutions (World Bank, 2004). This study therefore, confirmed the results of these studies in the application of public procurement projects in the Wa Municipality.

The results also insinuate that the public procurement entities in the Wa Municipality confront the challenge of human and financial resources as well as conflict of interest in the implementation of the Public Procurement Act, 2003 (Act, 663). This is very acute especially throughout the appraisal of tender documents. The conflict of interest that



emerges during the evaluation of tender documents means that; the procurement committee members do have guidelines in the deployment of the Public Procurement Act, 2003 (Act, 663). As a result, the evaluation of tender documents is influenced by subjective views of the procurement committee members.

#### 4.6.8 Awarding of Procurement Contracts

Study also explores the challenges encountered at the stage of awarding contracts. The survey results reveal that political interference and bureaucracy were the leading challenges followed by the lack of legal consult. Delay in payment and Inadequate resources was identified as challenges encountered by some organization at that stage. The frequency and percentages of the distribution is shown in Table 4.31.

**Table 4. 32: Challenges in Awarding of Procurement Contracts**

Challenges	Frequency	Percent
Delay in payment	1	2
Bureaucracy	8	16
Inadequate resources	1	2
Lack of legal consult	3	6
Political interference	6	12

Source: Field Survey, 2018

From Table 4.31, the main challenges that are associated with awarding of contract are bureaucracy and political interference. Awarding of contract is one of the critical stages in the public procurement process but however, been faced with major obstacles. The



bureaucratic process as well as the political interference undermines the fruitful operation of the Public Procurement Act, 2003 (Act, 663). It can be argued, administrators and other technocrats who have effect in the decision-making process can cause unnecessary delays because of their personal interest. Bureaucracy, which dominates the challenges, can cause frustrations on the part of some contractors or suppliers of goods and services to withdraw their services and this can give way to greedy politicians to manipulate the procurement process.

#### **4.6.9 Contract administration**

With regards to contract administration, inadequate logistics for monitoring was identified by 12% as a challenge, financial constraint was stated by 8% of the respondents as a barrier to their contract administrations. Lengthy Procurement Process, varied decision makers and time factor were each identified by 6% to be a challenge in their organization. About 2% said the delivery time and lack of knowledge and skills of contract administration were challenges in their department.





**Table 4. 33: Challenges in Contract Administration**

<b>Challenges</b>	<b>Frequency</b>	<b>Percent</b>
Lengthy Procurement Process.	3	6
Delays in delivery time	1	2
Varied Decision Makers	3	6
Financial constraints	4	8
Inadequate logistics for monitoring	6	12
Lack of knowledge and skills	1	2
Time consuming	3	6

Source: Field Survey, 2018

Contact administration is one of the critical stages of public procurement process where effective monitoring needs to be done to ensure quality and efficient procurement. However, the public entities in the Wa Municipality face challenges that militates the smooth execution of this phase of the procurement process. That fact that they have inadequate logistics to undertake monitoring means that suppliers or contractors can deliver their services below the minimum standards. This will undermine efficacy and value for money principle of the Public Procurement Act, 2003 (Act, 663).



## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This section demonstrates the results of major discoveries, the conclusions and recommendations of the research. The conclusions and suggestions are obtained from the findings of the research.

#### 5.2 Summary of Major Findings

The major outcomes of the research are summarized relative to the objectives of the study. They are presented under selection and composition of procurement committee members, adherence to the process and principles of public procurement, the methods of public procurement used, and the glitches that are concomitant with the application of stages of public procurement.

##### 5.2.1 Selection and Composition of Procurement Committee

The study revealed that selection of members has been influenced by staff level of education and area of specialisation, appointment based on years of experience, and appointment through hard work. the procurement committee members have been selected in relevant areas of educational qualification such as accounting, logistics and supply chain management, planning, procurement and supply chain management, development management and public administration. The deployment of staff with these background will expedite the procurement procedure and hence the smooth application of the Public Procurement Act, 2003 (Act, 663). However, the composition of the procurement committee members does not include people with legal background. This implies that



despite the relevant educational background of the procurement staff, yet they will still have challenges with human resources. This challenge will affect the smooth functioning of the Public Procurement Act, 2003 (Act, 663).

The results also imply that members of tender committee of the government entities in the Wa Municipality were selected based on their professional experience and highest qualification. This agrees with the criteria stipulated the public procurement Act, 2003 (Act 663). However, some staffs that were selected based on their hardworking can be subjective and leads to conflicts of interest the selection process. This agrees with the criteria stipulated the public procurement Act, 2003 (Act 663).

### **5.2.2 Adherence to the Principles and Process of Public Procurement**

Majority (68%) of the respondents have agreed that their entities tender committee members have high obedience to the values of the public procurement process. Admittedly, evidence of application of the Public Procurement Act, 2003 (Act, 663) was provided for professionalism, accountability, fairness, transparency, and value for money.

The respondents adhere to the principle of professionalism through the use of proficient staff, implementation of the procurement Act, and allowing all staff to employ the expertise and proficiencies in the procurement process. Besides, transparency is achieved thorough advertisement of all public procurement activities, equal opportunity for all, and the use of standard tender documents. Accountability in public procurement is achieved



through adequate record keeping, procurement audit, independent control system, and the use of procurement process manual.

The results also indicate that competitive and fairness are achieved through invitation of bids from the general public, equal opportunities for all suppliers, effective selection of successful tenderers and procurement undertaken without discrimination. Generally, the respondents have at least agreed that they adhere to the procedure of public procurement in their respective entities. The evidence is that the proportion of respondents who at least agreed that they adhere to the process is more than 50%.

### **5.2.3 Methods Used in Procurement of Goods and Services**

The frequently used procurement methods include the National Competitive Tender, Restricted Tender, Single Sourcing Procurement, Price Quotation, and Low/minor Value Procurement. However, price quotation is the main method often used by the public entities.

The procurement staff uses National Competitive Tender in the procurement of commodities and services such as building, rehabilitation of offices and classrooms, and the procurement of medicines (in health entities). These are procurement activities that involve large sums of financial resources. Besides, restricted tender is used in the selection of consultants and procurement situational and office equipment. Also same proportion of respondents noted that restricted tender is use in their department to renovate and construct classrooms, procurement of work and procurement of goods. The



construction of classrooms will require large investments and hence should have been resorted to the use of National Competitive Tender. The use of restricted tender could lead to corruption and hence undermines the uninterrupted execution of the Public Procurement Act, 2003 (Act, 663).

The use of price quotation becomes preferable when the sum of the contract amount is small. Such contracts are often minor supplies and maintenance that are needed within a shortest possible time and cannot stand the long process involved in competitive tender processes. Example as discovered in this study includes supply of vehicle spare parts, and office stationeries. Low/minor value procurement has also been used in the procurement of office stationeries, minor fittings, repairs of vehicles and renovation of buildings.

Respondents provide different dynamics that impact the choice of a particular technique of procurement. The results imply that budget availability, value of the contract involved as well as the personal discretion of senior management determines to a larger extent which procurement method to use. This implies that there are no clear-cut guidelines for the choice of a specific technique.

The study also discovered that the use of some procurement methods yields more transparency, accountability, fairness and value for money than others. The results of Kendall's Coefficient of Concordance Test disclosed that in terms of transparency, the National Competitive Tenders, restricted tender, single sourcing, low/minor value procurement and price quotation are more transparent in a decreasing order. This finding



was backed by the statistic that 28% of the respondents have agreed on this order of the procurement methods relative to their transparency.

With regard accountability, though the extent of agreement is low (11.5%), it was revealed that the order of more accountable are the International Competitive Tender, Restricted Tender, National Competitive Tender, Low/minor value procurement, price quotation and Single sourcing. The respondents also ranked the order of more fairness in procurement. The results are that International Competitive Tender, Price Quotation, National Competitive Tender, Low/minor value procurement, restricted tender, and single sourcing procurement. The Kendall's W was 0.13 and this means that 13.0% agreed to this order of ranking.

The order of more efficient and value for money was not to start with International Competitive Tender, Single Sourcing, Restricted Tender, National Competitive Tender, Low/minor value procurement, and price quotation. The level of agreement in most of the ranking were low and this means that procurement officers are themselves not certain about the method that adheres much to the principles of public procurement.

#### **5.2.4 Challenges Face in the Procurement of Goods and Services**

Several challenges were identified to be connected with the implementation of the Public Procurement Act, 2003 (Act, 663). Key among them includes inadequate financial resources, inadequate human resources, bureaucracy, poor commitment, corruption and political interference. These general challenges manifest themselves in distinctive phases



of the procurement process. This confirms the results of different empirical studies on the key encounters that militates the smooth deployment of public procurement of many developing nations.

### **5.3 Conclusions**

The results of the study have both theoretical and empirical implications. First, it was revealed that public procurement committee members do implement the Public Procurement Act, 2003 (Act, 663) as exactly as prescribed by the law. The selection of members at the entities committee level is sometimes influenced by subjective views of those in authority. As a result the tender committees end up complaining of the low quality of staff to perform some specific task. The challenge couple with political intrusions manipulates the procurement process to satisfy the self-interest of some officials. This represents moral hazards as explained by the agency theory.

The challenges associated with the implementation of the Public Procurement Act, 2003 (Act, 663) means that some of tender committee members are not the appropriate people to have been carrying out the process of procurement. Some private firms could perform similar work better and made accountable to government in less coefficient manner. However, inefficient public staff are rather used and that is characterized by adverse selection. The expected efficient, transparency and professionalism that is required will therefore not be achieved in the deployment of the Public Procurement Act, 2003 (Act, 663).



The respondents indicated that they have been sticking to the core values of public procurement. This means that the procurement staff have tried their best to implement the law as required but their internal challenges means that they are not that professional, transparent, accountable, fairness and achieving value for money as described by the respondents. This means that the procurement staff have over rated themselves in the achievement of the core principles of public procurement. Their capacity is lesser than they thought.

The procurement entities have tried as much as possible to use the right procurement methods, however, the overconcentration of single sourcing for most of the public projects such as construction, repairs, supply of spare parts and stationeries means that some people could have the advantage of monopolizing the procurement process. Besides, the challenge of publishing their advert in the website means that the use of national or international competitive tender is limited.

Another conclusion is that every aspect of the application of the Public Procurement Act, 2003 (Act, 663) is associated with financial, political interference, low capacity of staff and the like. This means that there is no uniform implementation of the law in procurement. The various process as outlined by the Public Procurement Act, 2003 (Act, 663) such as the composition of staff, procurement methods to use under some conditions, and the deployment of the values of public procurement have not been applied as expected.





Most of the problems confronted in the application of the Public Procurement Act, 2003 (Act, 663) are attritional and does not actually represent technical challenges that are beyond the capacity of the procurement staff. The self-interest motives of some staff have generated those attitudinal challenges that become impediments to the uninterrupted deployment of the Public Procurement Act, 2003 (Act, 663). Therefore, moral hazards and adverse selection as highlighted by the agency theory are the main bottlenecks confronting the application of the Public Procurement Act, 2003 (Act, 663) among public institutions in the Wa Municipality.

#### **5.4 Recommendations**

The outcomes of the research have implications for policy and administration of procurement undertakings among public entities in the Wa Municipality. Several recommendations are therefore, provided as follows:

Procurement staff among public entities in the Wa Municipality is not ignorant about the guidelines of public procurement. However, they have weaknesses in the application of the Public Procurement Act, 2003 (Act, 663). For example there is management discretion in the selection of entities committee members, which consequently results to corruption and favouritism. The National Procurement Authority should therefore, introduce sanctions for non-compliance with some basic requirement of the Public Procurement Act, 2003 (Act, 663). Entities that fail to select its tender committee members accordingly should face the consequences of the law. This will prevent the selection of inappropriate people among the procurement committee members.



Public procurement consist a important part of public administration and should be given more attention by the law. This study advocates for an modification of the Public Procurement Act, 2003 (Act, 663) to specify the qualification, experience and any requirement needed to be part of an entity's committee member. This can be a way out to solve the low capacity of procurement stuff as pointed out by this study.

The study revealed that the tender committee members all have relevant higher educational qualification and experience. However, the challenge of human resource still surface in the results. It is therefore, advised for staff with more knowledge and experience within the entities to engage in frequent orientation for those with little knowledge and experience. In situation of agent need external resource people can be hired to give more internal training to the committee members to let them be conversant with the process and glitches in public procurement. This will solve the acute human resource impediments met by the public entities in public procurement.

It is advocated that the National Procurement Authority draw a matric of procurement activities and the appropriate procurement method to be used and distributed to all public entities as a guideline for the choice of a procurement method. This will minimize the goal congruence challenge as identified by the Agency Theory and the selection of efficient procurement methods by procurement stuff. This mechanism will also reduce the self-interest motives of some authorities in influencing the procurement methods.



With the arrival of information and communication technology, access to Internet is no longer a development challenge. The National Procurement Authority should warn all public entities to try as much as possible to use the internet and publish all relevant information pertaining to public procurement to enable mass access. This will advance the level of transparency and responsibility in public procurement. Staff should be allowed to use access to Internet as a challenge for withholding relevant information from the public. This intervention will promote accountability, transparency and value for money in public procurement.

The existence of implementation challenges in all parts of the procurement process means that more attention should be paid to public procurement. The National Procurement Authority should introduce more checks and balances in the procurement process to minimize political interference in the procurement process. This is achievable through post examination of selection process, contract awarding process and contract administration process. People found guilty of the law should be punished severely as example to those who will engage in analogous undertaking in the future.



## REFERENCES

- Abebrese, E. & Konadu, F. (2017). Effects of the Public Procurement Act on Public Financial Management in Ghana. *Journal of Excellence, Leadership, & Stewardship* Vol. 6 No. 2.
- Addai-Donkoh. K. (2009). *Health Sector Procurement and Stores Management Practices*. Workshop presentation on 11/18/2009
- Adjarko, H., Osei-Poku, G. & Ayarkwa, J. (2014). Challenges to the Incorporation of Environmental Sustainability Issues into Construction Procurement at the Local Government Level of Ghana. *International Refereed Journal of Engineering and Science* (IRJES) ISSN (Online) 2319-183X, (Print) 2319-1821 Volume 3, Issue 11, PP.42-52. [www.irjes.com](http://www.irjes.com)
- Adusei, C. & Awunyo-Vitor, D. (2015). Implementation Challenges of the Public Procurement Act by Selected Metropolitan, Municipal and District Assemblies in the Ashanti Region, Ghana. *iBusiness*, 2015, 7, 39-50 SciRes. <http://www.scirp.org/journal/ib> <http://dx.doi.org/10.4236/ib.2015.71005>.
- Agboyi, M. R., Adu – Gyamfi, L., & Ackah, A. (2014). An Evaluation of Vehicle Component Procurement on the Performance of Road Transportation: A Case Study of Public Bus Transit in Ghana. *Global Journal of Management Studies and Researches*, 1(5), Pages: 234-243. [www.academicjournalscenter.org](http://www.academicjournalscenter.org) ISSN 2345-6086.
- Ambe, I. M. & Badenhorst-Weiss, J. A. (2012). Procurement challenges in the south African public sector. *Journal of Transport and Supply Chain Management*.
- Amemba, C. S., Nyaboke, P. G., Osoro, A. & Mburu, N. (2013). Challenges Affecting Public Procurement Performance Process in Kenya. *International Journal of*



*Research in Management* ISSN 2249-5908

[http://www.rpublication.com/ijrm/ijrm\\_index.htm](http://www.rpublication.com/ijrm/ijrm_index.htm) Issue 3, Vol. 4.

Ameyaw, C. & Mensah, S. (2013). Curbing Corruption in the Public Procurement Process in Ghana. *Public Policy and Administration Research* [www.iiste.org](http://www.iiste.org) ISSN 2224-5731(Paper) ISSN 2225-0972. Vol.3, No.5.

Andrews, M. & Bategeka, L. (2013). *Overcoming the limits of institutional reform in Uganda*. UNU-WIDER. ISSN 1798-7237 ISBN 978-92-9230-688-5

Appiah, S. C. Y., Mohammed, A. & Emmanuel, O. (2014). Integrating Environmental and Social Considerations into Public Procurement Practice in Ghana. *The International Journal of Humanities & Social Studies* (ISSN 2321 - 9203) [www.theijhss.com](http://www.theijhss.com) Vol 2 Issue 6.

Asampana, I., & Akanferi, A. A. (2014). An Evaluation of Information Systems and Technology Procurement Process: The Case of Public Organizations in Accra Ghana. *International Journal of Computer Applications* (0975 – 8887) Volume 100 – No.17.

Asare, E. N. & Prempeh, K. B. (2016). Measures of Ensuring Value for Money in Public Procurement: A Case of Selected Polytechnics in Ghana. *Journal of Logistics Management*, 5(1): 22-31 DOI: 10.5923/j.logistics.20160501.04 <http://journal.sapub.org/logistics>

Avotri, N. S. (2012). *Assessment of the Prospects and Challenges of Procurement Reforms in Ghana: The Case of Volta River Authority*. A thesis submitted to the Institute Of Distance Learning, Kwame Nkrumah University of Science and Technology. Ghana.



- Azanlerigu, J. A. & Akay, E. (2015). Prospects and Challenges of E-Procurement in Some Selected Public Institutions in Ghana. *European Journal of Business and Management* [www.iiste.org](http://www.iiste.org) ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.29.
- Badaso, C. J. (2014). Challenges of Implementing Procurement Policies in State Corporations in Kenya. *European Journal of Business and Management* [www.iiste.org](http://www.iiste.org) ISSN 2222-1905 (Paper) ISSN 2222-2839. Vol.6, No.3.
- Bhattacharjee, A. (2012). "Social Science Research: Principles, Methods, and Practices" Textbooks Collection. Book 3. [http://scholarcommons.usf.edu/oa\\_textbooks/3](http://scholarcommons.usf.edu/oa_textbooks/3)
- Chari, F. & Chiriseri, L. (2012). Barriers to Sustainable Procurement in Zimbabwe. *Greener Journal of Business and Management Studies* ISSN: 2276-7827 ICV 2012: 6.03 Vol. 4 (1), pp. 014-018. [www.gjournals.org](http://www.gjournals.org)
- Cohen, L., Manion, L., and Morrison, K. (2007). *Research Methods in Education* (6th ed.). New York, USA: Routledge
- Creswell, J. W. (2014). *Qualitative, Quantitative and Mixed Method Approach to research Design*. Fourth edition. Sage Publication.
- Development Gateway, Inc. (2017). *Open Contracting Scoping Study: Ghana Country Report*. Washington.
- EL-Gayed, Y. (2013). *The influencing Factors of Public Procurement Policy Development; The Case of Libya*. Thesis Submitted to Salford Business School, the University of Salford, UK.
- Ernest, K. Isaac, O. Emmanuel, B. B. & Edward, B. (2016). Networking For Knowledge Capacity Building of Procurement Professionals in Ghana. *International Journal*



*of Construction Supply Chain Management* Volume 6 Number 2. (pp. 34-47).

DOI: 10.14424/ijcscm602016-34-47.

Etse, D. & Asenso-Boakye, M. (2014). Challenges of public procurement audit. A perspective of Ashanti regional office of Ghana audit service. *International Journal of Economics, Commerce and Management* United Kingdom Vol. II, Issue 3, <http://ijecm.co.uk/> ISSN 2348 0386.

Ghana Public Procurement Act, 2003 (Act 663). Republic of Ghana. Accra Ghana Publishing Corporation.

Ghana Statistical Service, (2008). *Ghana Living Standards Survey, Report of the Fifth Round*. Republic of Ghana Statistical Service, Accra, Ghana.

Gyamfi, T. A., Zievie, P. & Boateng, V. (2016). Risk Management of Procurement Challenges: The Implication to Construction Firms In Ghana. *American Journal of Engineering Research* (AJER) e-ISSN: 2320-0847 p-ISSN : 2320-0936 Volume-5, Issue-8, pp-164-172 [www.ajer.org](http://www.ajer.org)

Isaac, P. (2013). *Combating Public Sector Corruption in Ghana: The Case of the Public Procurement Act (2003) Act 663*. This Thesis Is Submitted To The University Of Ghana, Legon. <http://ugspace.ug.edu.gh>. Ghana.

Jeng, S. S. (2016). *Challenges of The Gambia's Public Procurement Organizations*. A dissertation submitted to the Amity Center for E-learning Amity University, Noida.

Jensen, M. C and Meckling, W. H. (1976) Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics*, 3: 305–360



- Jeppesen, R. (2010). "Accountability in Public Procurement - transparency and the role of civil society", United Nations Procurement Capacity Development Centre September 2010. [Online] Available: [www.unpcdc.org](http://www.unpcdc.org)
- Jibrin, M. S., Ejura, S. B. & Augustine, N. I. (2014). The Public Procurement Reforms in Nigeria: Implementation and Compliance Challenges. *Journal of Asian Business Strategy*. <http://aessweb.com/journal-detail.php?id=5006> 4(11) 149-162.
- Kagendo, N. M. (2012). *Effects of public procurement and disposal act on procurement in parastatals in Kenya*. A management research project presented to school of business, university of Nairobi.
- Karma, R. (1999). *Research Methods*. SAGE Publications. New Delhi, India.
- Kissi, E., Addo, A. F. & Adesi, M. (2014). The Public Procurement Act 663 (2003) Of Ghana: Compliance level in Selected Education District Offices. *Modern Management Science & Engineering*. ISSN 2052-2576 Vol. 2, No. 1. [www.scholink.org/ojs/index.php/mmse](http://www.scholink.org/ojs/index.php/mmse)
- Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.
- Kumar, R.(2011).*Research methodology. A step-by-step guide for Beginners*, Sage Publication Ltd. Olivers Yard 55 city Road, ECIX ISP
- Kumekpor, T. K. (2002). *Research methods and techniques of social research*. SonLife Press & Services.
- Kusi, L. Y., Aggrey, G. A. B. & Nyarku, K. M. (2014). Assessment of Public Procurement Policy Implementation in the Educational Sector (A Case Study of Takoradi Polytechnic). *International Journal of Academic Research in Business*





*and Social Sciences*, Vol. 4, No. 10 ISSN: 2222-6990.

<http://dx.doi.org/10.6007/IJARBSS/v4-i10/1226>

Leary, M. R. (2001). *Introduction to Behavioural Research Methods*. Pearson Education Co. New York

Legendre, P. (2005). Species Associations: "The Kendall Coefficient of Concordance Revisited." *Journal of Agricultural, Biological, and Environmental Statistics*, 10(2): 226–245.

Mahmood, S. A. I. (2010). Public procurement and corruption in Bangladesh confronting the challenges and opportunities. *Journal of public administration and policy research* Vol. 2(6) pp. 103-111. <http://www.academicjournals.org/jpapr> ISSN 2141-2480.

Manyenze, N. (2013). *Procurement Performance in the Public Universities in Kenya*. A Research Project Presented to the School of Business, University of Nairobi.

Martínez, R. & Kukutschka, B. (2013). Liberia: *Overview of public procurement*. [www.U4.no](http://www.U4.no)

Matto, M. (2017). Mapping Public Procurement Reforms in Tanzania: Compliance, Challenges and Prospects. *European Journal of Business and Management* [www.iiste.org](http://www.iiste.org) ISSN 2222-1905 (Paper) ISSN 2222-2839. Vol.9, No.12.

McNamara, J. F. (1994). *Surveys and experiments in education research*. Lancaster, PA: Technomic Publishing Company, Inc.

Moe, C. E. & Päivärinta, T. (2013). Challenges In Information Systems Procurement in the Public Sector. *Electronic Journal of e-Government* Volume 11 Issue 2, (pp308- 23), available online at [www.ejeg.com](http://www.ejeg.com) ISSN 1479-439X.



- Moe, C. E., Newman, M. & Sein, M. K. (2017). The public procurement of information systems: dialectics in requirements specification. *European Journal of Information Systems*. [www.palgrave.com/journals](http://www.palgrave.com/journals)
- Mohamed, B. M. (2016). Institutional Analysis of Systemic Challenges on Public Procurement: The Case of Tanzania. *International Journal of Business and Social Science* Vol. 7, No. 4. [www.ijbssnet.com](http://www.ijbssnet.com) ISSN 2219-1933 (Print), 2219-6021 (Online).
- Mwandobo, L. J. (2013). The Role of Procurement Processes on the Effectiveness of the Public Procurement System in Tanzania. A Dissertation Submitted to Open University of Tanzania.
- Neuman, W. L. (2014), *Social Research Methods*. Seventh Edition. Oxford University Press, London.
- Normanyo, S. S., Ansah, J. & Boakye, H. M. (2016). The role of legal/regulatory framework of the Ghana public procurement policy on SME participation in public procurement. *Journal of Advance Management and Accounting Research* Vol.3, No.4. ISSN (2728 - 4273); p –ISSN 3584 – 5611 [www.cardpub.org/jamar](http://www.cardpub.org/jamar)
- OECD (2007). *SIGMA support for improvement in governance and management*. Available at: <http://sigmaweb.org>
- Ohene, D. (2014). “*Assessment of the Level of Compliance of Tendering Procedures of Public Procurement Entities*” Case study at Estate Management Department of the Ghana Health Service. A Thesis Presented to the Kwame Nkrumah University of Science and Technology, Kumasi.



- Ondiek, B. A., Deya, F. O. (2013). Challenges Facing Administrators in The Implementation Of Public Procurement And Disposal Act In Civil Services In Kenya: A Case Of Uasin-Gishu County. *Research Journal of Finance and Accounting* [www.iiste.org](http://www.iiste.org) ISSN 2222-1697 (Paper) ISSN 2222-2847. Vol.4, No.18, 2013.
- Osei-Bonsu, N., Kissi, E. & Agyekum, K. (2016). The Growth of Quality Assurance for Public Works Procurement in Ghana: Problems and Critical Success Factors. *International Journal of Engineering and Management Research* (pp 211-220). Volume-6, Issue-2. [www.ijemr.net](http://www.ijemr.net) ISSN (ONLINE): 2250-0758, ISSN (PRINT): 2394-6962.
- Osei-Tutu, E., Mensah, S. & Ameyaw, C. (2011). The Level of Compliance with the Public Procurement Act (Act 663) in Ghana. *Management and Innovation for a Sustainable Built Environment* ISBN: 9789052693958. Amsterdam, The Netherlands.
- Panneerselvam R. (2011). *Research Methodology*. PHI Learning Private Ltd. New Delhi.
- PPA (2011). 2011 Public Forum. *Electronic Bulletin Vol. 2, Issue 6*
- PPA (2013). Ensuring Compliance in Public Procurement through effective Monitoring & Evaluation. *Electronic Bulletin Vol. 4, Issue 3*
- PPA (2014). PPA Embarks on Benchmarking Visits. *Electronic Bulletin Vol. 2, Issue 6*
- PPA Annual Report. (2007). National Public Procurement Authority Annual Report 2007. Ghana.
- PPA Annual Report. (2008). National Public Procurement Authority Annual Report 2008. Ghana.





- Said, A. M. (2016). *An evaluation of the challenges experienced in the Adoption and integration of e-procurement in public sectors in Tanzania. The case study of National Social Security Fund*. Research Report Submitted To the Faculty of Business Administration, Zanzibar University.
- Sarpong, P. B., Janguo, D., Antwi, H. A., Boamah, K. B. & Banguo, A. (2017). Reframing Public Procurement Challenges in Ghanaian Hospitals through Systems Thinking. *International Journal of Scientific Research in Science, Engineering and Technology* | Volume 3 | Issue 2 | Print ISSN: 2395-1990 | Online ISSN : 2394-4099. [(2)2: 712-720].
- Senzu, E. T. & Ndebugri, H. (2017). Evaluating the Effectiveness of the Procurement Acts in Public Financial Administration; the Case Study in Ghana. *MPRA Paper* No. 79068. <https://mpra.ub.uni-muenchen.de/79068/>
- Sumaila, S. S., Alhassan, F., & Sakara, A. (2014). Assessing the Contribution of Public Procurement in Revenue Mobilisation in Ghana (The Case of Tamale Polytechnic). *International Journal of Economics, Commerce and Management* United Kingdom Vol. II, Issue 9, Sep 2014. Licensed under Creative Common Page 1 <http://ijecm.co.uk/> ISSN 2348 0386.
- Telgen, J., van der Krift, J. & Wake, A. (2016). *Public Procurement Reform: Assessing Interventions Aimed at Improving Transparency*. Crown. [www.gsdr.org](http://www.gsdr.org)
- Tesfahun, Y. (2011). *Public Procurement Reforms in Ethiopia: Policy and Institutional Challenges and Prospects*. A thesis submitted to the school of graduate studies of Addis Ababa University.

- The World Bank (2013). *Ghana's Comprehensive Approach to Public Procurement Reform*. Retrieved from <http://www.worldbank.org/en/news/feature/2013/02/04/Ghana-8217-s-Comprehensive-Approach-to-Public-Procurement-Reform>
- Toku, L. I. (2015). Exploring the Operational Challenges that Confront Procurement Practitioners in Ghanaian Polytechnics. *G.J.C.M.P.*, Vol.4(3):1-6. ISSN: 2319 – 7285. [www.gifre.org](http://www.gifre.org)
- Twumasi, P. A. (2001). *Social Research in Rural Communities*, Accra: Ghana Universities Press
- UNEP (2014). Sustainability of Supply Chains and Sustainable Public Procurement a Pre Study. [www.unep.org](http://www.unep.org)



**APPENDICES**

**Appendix 1: Questionnaire for Respondents (Procurement staff)**

**UNIVERSITY FOR DEVELOPMENT STUDIES**

**SCHOOL OF BUSINESS AND LAW**

This questionnaire is seeking your opinion in an effort to solicit information to write a research paper on the topic “**Challenges to the Implementation of Public Procurement Act, 2003 (Act 663) in Public Institutions in the Wa Municipality**”. This study is being conducted in partial fulfillment of the award of a Master of Commerce degree. Your opinion is, therefore, needed for academic purpose only and will be treated confidentially.

---

**A. Background Information of Respondents**

1. Gender: a. Male [ ] b. Female [ ]
2. Level of education: a. SHS [ ] b. Diploma [ ] c. First Degree [ ] d. Masters [ ]  
e. Others (Please specify).....
3. Current institution employed.....
4. What role do you play in your department? .....
5. How many years of experience do you have in your current position.....
6. Years of experience with the procurement unit.....

**B. Selection and composition of procurement committee members**

7. What is your educational/professional background (area of specialization)?  
.....
8. What is your position in the procurement committee?.....



9. What motivated your membership to the procurement committee in your department?
- a. Highest degree of educational achievement [ ]
  - b. Highest experience in procurement [ ]
  - c. Both educational and professional achievement [ ]
  - d. Was appointed based on hard work [ ]
  - e. Others (specify).....
10. What other criteria does your department use in the selection of procurement committee members? .....
11. Have you counted any form favouritism in the selection of procurement committee members in your department? a. Yes [ ] b. No [ ]
12. Does the selection of procurement committee members in your department follows legitimate procedures? a. Yes [ ] b. No [ ]
13. Do you think that all members in the procurement committee in your department are capable of performing their roles in procurement? a. Yes [ ] b. No [ ]

**C. Adherence to the principles and process of public procurement**

14. To what extent do you agree that your procurement committee members obey the following principles in procurement? Use a 5-point Likert scale of Strongly Disagree (SD) = 1, Disagree (D) = 2, Neutral (N) = 3, Agree (A) = 4, and Strongly Agree (SA) = 5 by ticking the appropriate column.

<b>Procurement principle</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Professionalism					

Transparency					
Accountability					
Competitiveness					
Fairness					
Achieving value for money					

15. Please indicate how your (procurement) committee shows evidence of the following principles (of procurement) in your procurement process.

Procurement principle	Evidence of procurement principle
Professionalism	
Transparency	
Accountability	
Competitiveness	
Fairness	
Achieving value for money	

16. Please indicate the extent to which your procurement committee adheres to the following process of procurement. Use a 5-point Likert scale of Strongly Disagree (SD) = 1, Disagree (D) = 2, Neutral (N) = 3, Agree (A) = 4, and Strongly Agree (SA) = 5 by ticking the appropriate column.

Procurement process	SD	D	N	A	SA
Procurement planning sufficiently carried out					
Valuation and classification of procurement contract well done					
The most suitable procurement method opted for					
Tender dossiers were determined in the organization					
Procurement contract publication is done in a suitable media and in good time					
Opening and evaluation of tenders well done					
Procurement contracts are appropriately offered					
The administration of contracts is generally well done					
All the above eight stages of procurement are systematically observed					
All procurement procedures according to the Public Procurement Law 2003 (Act 663) are adhered to					

#### D. Methods used in procurement of goods and services





16. Which of the following methods does your committee often use in procurement?

(Select all that apply)

- a. International competitive tender [ ]
- b. National competitive tender [ ]
- c. Restricted tender [ ]
- d. Single sourcing [ ]
- e. Price quotation [ ]
- f. Low/minor value procurement [ ]

17. Please indicate in the table below the activities your procurement committee ever used the following methods of procurement for.

<b>Procurement Method</b>	<b>Activity the method was used</b>
International competitive tender	
National competitive tender	
Restricted tender	
Single sourcing	
Price quotation	
Low/minor value procurement	

18. What factors influence the choice of a particular method for your procurement of goods and services? .....



19. Using a scale of 1-6, rank the procurement methods on adherence to the principles of procurement in the table below (indicate which of the methods shows more transparency, accountability, fairness and value for money)

<b>Procurement Method</b>	Transparency	Accountability	Fairness	Achieving value for money
International competitive tender				
National competitive tender				
Restricted tender				
Single sourcing				
Price quotation				
Low/minor value procurement				
<b>Sum of rank</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>

**E. Challenges face in the procurement of goods and services**

20. Which of the following general challenges has your organization face in procurement?

- a. Inadequate financial resource [ ]
- b. Inadequate human resource [ ]
- c. Bureaucratic procedures in procurement [ ]
- d. Poor commitment of procurement committee members [ ]
- e. Corruption in the procurement process [ ]
- f. Political interference in the procurement process [ ]

21. Please indicate (by ticking) which stage in the procurement process you have a challenge.





<b>Procurement process</b>	<b>Yes</b>	<b>No</b>
Procurement planning	[ ]	[ ]
Valuation and classification of procurement contract	[ ]	[ ]
Choice of the most suitable procurement method	[ ]	[ ]
Evaluation of tender documents	[ ]	[ ]
Publication of procurement contract in a suitable media and in good time	[ ]	[ ]
Opening and evaluation of tenders	[ ]	[ ]
Awarding of procurement contracts	[ ]	[ ]
Contract administration	[ ]	[ ]

22. Please state the main challenges associated with the following stages of procurement in your organization.

<b>Procurement process</b>	<b>Challenge</b>
Procurement planning	
Valuation and classification of procurement contract	
Choice of the most suitable procurement method	
Evaluation of tender documents	
Publication of procurement contract in a suitable media and in	

good time	
Opening and evaluation of tenders	
Awarding of procurement contracts	
Contract administration	

