

**UNIVERSITY OF EDUCATION, WINNEBA**  
**COLLEGE OF TECHNOLOGY EDUCATION, KUMASI**

**AN EVALUATION OF CONSTRUCTION PROJECT PROCUREMENT CHALLENGES  
IN GHANA (A CASE STUDY OF GA WEST DISTRICT ASSEMBLY OF GREATER**

**ACCRA REGION)**

**BY**

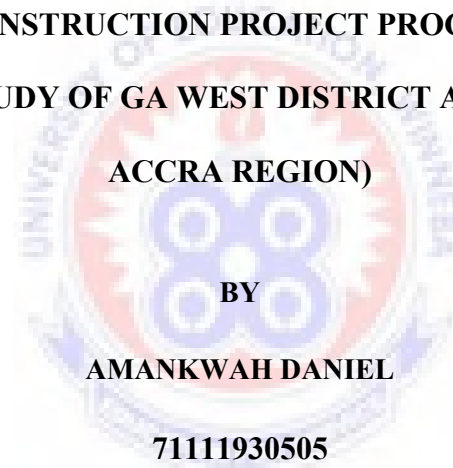
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**B. ED. (TECHNICAL)**

**THIS THESIS IS SUBMITTED TO THE SCHOOL OF RESEARCH AND GRADUATE**  
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**JUNE, 2014**

## DECLARATION

### CANDIDATE'S DECLARATION

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

**CANDIDATE**

**DATE**

.....

.....

**AMANKWAH DANIEL**

### SUPERVISOR'S DECLARATION

I hereby declare that the preparation and presentation of this thesis was supervised in accordance with the guidelines on supervision of thesis laid down by the University of Education, Winneba- Kumasi Campus.

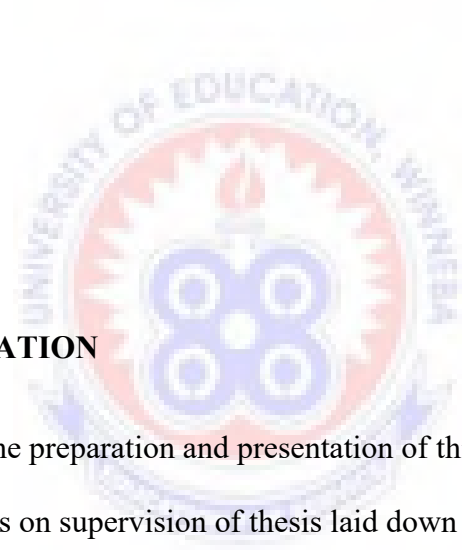
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**Dr. William Gyedu-Asiedu**



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Gratitude also goes to Grace Apronti for her input and direction.



## **DEDICATION**

This work is dedicated to my daughters and son Jacynta, Anapel, Joleneand Avery.



## ABSTRACT

The study sought to evaluate construction project procurement as apply in the construction project procurement focusing on the challenges MMDAs face specifically in the Greater Accra Region. 4 assemblies in the Greater Accra region were selected as the target population. The study population was 574 and the sample size of 87 representing 15% was used. 52 responses were obtained making a response rate of 76.47%. Primary data was collected through questionnaire instrument and analysis was done using descriptive statistical tool with the aid of Statistical Package for Social Sciences (SPSS) version 16.0. The study revealed that procurement organizational structure such as issues of centralization vs. decentralization has been a challenge; Implementation of procurement regulation, rules and guidance as well as internal control and legislative oversight has been also bigger challenge and public procurement practitioners do not have choices as they face various political pressures as well as sound economic decision. Improper procurement organizational structure at the assembly levels was identified among other issues such as centralization vs. decentralization as a major challenge. In averting the challenges the following were revealed; implementation of procurement regulation, rules and guidance as well as internal control systems at the assembly level was also seem has to be coherent, periodic in-service training for capacity building to support public procurement practitioners to effectively enhance their competencies must be effective.

## TABLE OF CONTENTS

Title Page.....	i
Declaration.....	ii
Acknowledgement.....	iii
Dedication.....	iv
Abstract.....	v
Table of Contents.....	vi
List of Tables and Figures.....	xi

### CHAPTER ONE: INTRODUCTION

1.0 Introduction.....	1
1.1 Background.....	1
1.2 Statement of Problem.....	2
1.3 Aims.....	3
1.4 Objectives.....	3
1.5 Research questions.....	3
1.6 Scope of the Study.....	4
1.7 Significance of the Study.....	4
1.8 Limitations of the study.....	4
1.9 Chapter Organization.....	5

### CHAPTER TWO: LITERATURE REVIEW

2.0 Overview of Project Procurement Management.....	6
2.1 Ghana Public Procurement Act 663 .....	9
2.2 The Entity Tender Committee (Etc) In the Procurement Authority.....	10
2.3 General Principles of Public Procurement .....	12
2.4 Non-Discrimination and Equality of Treatment.....	13
2.5 Transparency.....	13
2.6 Confidentiality of Tenders.....	14

2.7 Procurement Processes and Procedures in Ghana.....	15
2.8 Public Procurement Challenges: Internal Factors.....	16
2.9 Public Procurement Challenges: External Factors.....	17
2.9.1 Market Environment.....	17
2.9.2 Legal Environment.....	19
2.9.3 Political Environment.....	19
2.9.4 Social, Economic, and Other Environment Forces.....	20
2.9.5 Interactions of Environment Forces.....	21
2.10 Procurement of Goods and Services.....	21
2.11 Public Procurement and Good Governance.....	22
2.12 Impact of Act 663 on Good Governance.....	23
2.13 Procurement Procedures and Documentation.....	24
2.14 Procurement Oversight, Capacity Building and Anti-Corruption Measures...	25
2.15 Scope of application.....	26
2.16 Methods of Procurement.....	27
2.17 Resource Mobilization by MMDAs.....	27

### CHAPTER THREE: METHODOLOGY

3.1 Introduction.....	29
3.2 Research Design and Methodology.....	29
3.3 Sample Size and Sample Techniques.....	30
3.6 Data Collection Techniques and Tools.....	30
3.7 Pre-Testing.....	30
3.8 Data Analysis.....	31



## CHAPTER FOUR: RESULTS ANALYSIS

4.1 Introduction.....	32
4.2 Background Data.....	32
4.2.1 Age Range.....	33
4.2.2 Gender Ratio.....	33
4.2.3 Level of Education.....	33
4.2.4 Department.....	33
4.2.5 Organization/level.....	34
4.2.6 Nature of Experience.....	34
4.3 Major Challenges Facing Project Procurement by MMDAs.....	35
4.3.1 Discussion.....	38
4.4 Major causes of the Challenges.....	38
4.4.1 Discussion.....	42
4.5 Means of Addressing the Challenges.....	43
4.5.1 Discussion.....	45

## CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction.....	47
5.1 Summary of Findings.....	47
5.1.1 Summary on Challenges facing MMDAs.....	48
5.1.2 Summary on the Major Causes of Challenges facing MMDAs.....	49
5.1.3 Summary on the Means of Addressing the Challenges.....	49
5.2 Conclusion.....	50

5.2.1 Conclusion on the Challenges.....	51
5.2.2 Conclusion on the Factors Influencing the Challenges.....	51
5.2.3 Conclusion on the Means of Addressing the Challenges.....	52
5.3 Recommendations.....	52
REFERENCES.....	55
APPENDIX.....	58



## LIST OF FIGURES AND TABLES

Figure 2.1 Public Procurement Systems.....	17
Table 4.1 Background Data of the Respondents.....	32
Table 4.2 Major Challenges Facing Project Procurement.....	36
Table 4.3 Major Causes of the Challenge.....	39
Table 4.4 Means of Addressing the Challenges.....	44



## **CHAPTER ONE**

### **INTRODUCTION**

This chapter provides the background of the study, statement of the problem, aim of the study, objectives of the study, research questions, scope of the study, limitation of the study, significance of the study and the chapter organization.

#### **1.1 Background**

The primary consideration in the procurement of construction projects is the need to obtain best value for money in the whole life of the service or facility. The design and operation of the facility should maximize the delivery of effective public services. This is most likely to be achieved through integration of the design, construction, operation and ongoing maintenance. Procurement decisions about construction projects should always be on the basis of value for money over the life of the facility and not on the initial capital cost alone. No project is therefore designed in a vacuum. Implementation of Project activities has to take into account several opinions and sections that come with its own challenges. To this end, in designing every project, especially those that involve the use of the public purse need to be done carefully.

Evidently, there is the recognition that construction project procurement management is strategically very imperative. It provides people with powerful set of instruments that improve their ability to plan, implement, and manage activities to accomplish set goals (Larson & Gray 2011). Project Procurement at the local level is

normally developmental in nature. Inherent in every project management therefore is the desired results for the society and the project itself.

## **1.2 Statement of Problem**

The success of any project invariably depends on a variety of factors. Some of these factors may be internal while others are external. The situation becomes even more serious when the issue involves public money especially in relation to procurement. Procurement is more than the mere buying of goods, works and services. Policy considerations and extensive planning precede the actual purchase. Thus, in Ghana there exist a legislative framework and the existence of the Procurement Board to regulate procurement issues (Public Procurement Act, 2003). However, opinions still vary as to whether Municipal Assemblies have been managing their Project Procurement as it is enshrined in the Act (663).

There is constant reportage in the media about MMDCE's constituting themselves into tender committees in relations to projects. The Public Procurement Act (Act 633) requires that Members of Parliament be part of the tender committees. Media reports appear to suggest that this sometimes cause problems between MMDCE's and Members of Parliament especially where the two are from different political parties. Indeed, this has led some people to question whether there is the need for MMDCE's to even be members of tender committees. Sometimes it even results in some MMDA's not being able to utilize their share of funds allocated to their Assembly's developmental projects. It is therefore against this background, that, the researcher developed a keen interest in evaluating the challenges confronting MMDAs in the implementation of the Public Procurement Act

towards construction project using GA West Municipal Assembly as a case study for this research.

## **1.2 Aims**

The main aim of the study is to evaluate challenges that confront MMDAs in the implementation of the Public Procurement Act towards construction project and to propose a means of overcoming these challenges.

## **1.3 Objectives**

The specific objectives of this study are:

- i. To identify the features of the major challenges of construction project procurement by MMDAs.
- ii. To identify the causes of these challenges.
- iii. To propose a means of overcoming these challenges

## **1.4 Research Questions**

The study sought to answer the following questions;

- i. What are the challenges facing project procurement by MMDAs?
- ii. What are the causes of the challenges?
- iii. How can these challenges be addressed?

### **1.5 Scope of the Study**

The study focused on the challenges in construction project procurement by the MMDAs per the implementation of the Public Procurement Act specifically at the Ga West District Assembly in the greater Accra region of Ghana. The study could not cover the entire Region due to time and financial resource constraint on the part of the researcher during the study.

### **1.6 Significance of the Study**

The information gathered from this study has the potential to assist MMDAs specifically at the Ga West District Assembly in the Greater Accra region, in identifying areas of challenges in construction project procurement per the implementation of the Public Procurement Act and propose a means of addressing those challenges. It could also be useful in enhancing management decisions in the MMDAs. And finally, the study can be the basis for further research.

### **1.7 Limitations of the Study**

The study does not cover the entire greater Accra region, Ghana, due to time and financial resource constraint on the part of the researcher. It should therefore be hence considered as an exploratory study. However, it gives enlightenment on the challenges in construction project procurement by the MMDAs per the implementation of the Public Procurement Act

## **1.8 Organization of Chapters**

The study is organized in five chapters. The first elaborates on the problem statement and the purpose of the study. It further highlights on the objectives of the study as well as the research questions, scope, limitations, challenges, significance and chapter organization of the study. The second chapter provides relevant literature about the topic. The third chapter also deals with the methods and procedures used to achieve the objectives of the study. Chapter 4 presents the analysis and interpretation of findings of the survey while chapter 5 summarizes the findings of the study, offers recommendations.





## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Overview of Project Procurement Management

Mulcahy (2009) does an overview of the Project Procurement Management process by defining procurement as a formal process by which many organizations obtain goods and services. For her, procurement is even essential in government entities. This is because government entities spend public funds. Private companies or non-formal organizations may also be required to comply with all aspects or some of the aspects of procurement laws in the country.

Callendar and Mathews (2000) also defined procurement as the acquisition of goods, works and services. This embraces not only purchasing, that is, buying of goods, but also includes hiring of contracts or consultants to carry out services. Standards required in procurement are high quality service, economy and efficiency, and fairness in competition. Thus a procedure must be followed and is applicable to all contracts for goods and works.

According to Elliott (2004) any improvements in the public procurement system can have a direct and beneficial effect on the overall economic situation of a country. One measure of this fact is the emphasis which the World Bank and regional institutions like the African Development Bank are placing on assisting developing countries to review and revise their procurement systems. Within the Africa region, over one fourth of the countries has or will have an active public procurement improvement programme (Elliott, 2004). It therefore became necessary for Ghana also to reform its procurement practices and

procedures to conform to international standard, hence the Public Procurement Act, 2003 (Act 663).

Therefore, the enactment of the Procurement Act, Act 663 in 2003 was to culminate some weakness that had been identified from previous procurement reforms undertaken in Ghana. For example in 1996 the then Government launched the Public Financial Management Reform Programme seeking to improve overall public financial management in Ghana. The Act does apply to central management agencies, Ministries, Departments and Agencies, governance institutions, state owned enterprises when using public funds and public universities, schools, colleges and hospitals. A review of the Act reveals that the Act principally aims to harmonize public procurement processes in the public/civil service. It also aims at securing judicious, economic and efficient use of state resources. It also aims at ensuring that public procurement is fair, transparent and non-discriminatory. When in certain cases it may not apply is where a Minister decides that the alternative procedures are in the national interest. It does not also apply when a loan or funding agreement specifies alternative procedures.

Public Procurement Act establishes the Public Procurement Board, Tender Committees and Tender Review Boards. It also specifies rules for procurement methods, procedures, appeals by tenderers and disposal of stores. Further, it defines offences and applicable penalties and specifies thresholds in schedules to the Act. It also authorizes the issue of regulations, which are enforceable under the Act. The Procurement Act has been operationalized by the Public Procurement Regulations, Guidelines, Standard Tender Documents and Public Procurement Manual.

Public procurement systems are in fact the bridge between public requirements such as roads, hospitals, defence needs among others and private sector providers. Government provides goods and services to meet the diverse needs of her citizens (Wittig, 1999). Inputs needed to produce these needs are obtained from either internal government organizations (public works departments and others) or from sources external to the government in the private sector (domestic or international suppliers). In this sense, government traditionally uses its budget process to decide on making or buying through the procurement system, just as a private company makes similar decisions in their enterprise resource plan. However, unlike private sector procurement, public procurement is a business process within a political system, with distinct considerations of integrated, accountability, national interest and effectiveness (Wittig, 1999). Wittig continues that the business operations of governments as controlled by public procurement systems, affect many different elements of society. First are the procuring entities that have needs for material support (e.g. roads, hospitals, desks, educational supplies and others), to fulfill their designated national missions. Then there is the business community of actual or potential suppliers to satisfy the government's identified requirements. But for the government agency's needs to be properly considered by a supplier, they must be expressed in clear terms, compatible with public policies involving such areas as competition, social and economic goals, and transparency of the basic rules and procedures.

In a developed or developing country, public procurement practitioners have and will always face many challenges. Each country has its own economic, social, cultural and political environment, and each country's public procurement practitioners face different

types of challenges, or the same types of challenges but at different levels from their counterparts in other countries.

Procurement actions should encourage suppliers to value government business and provide satisfactory quality service and price in good time. There are also professional associations, academic entities, and public interest groups, which have important views on how public management institutions are to perform. The general public is more likely to feel satisfied when they know that expenditures made through the public procurement system are economical, rational and fair.

### **2.1 Ghana Public Procurement Act 663**

The Public Procurement Act, 2003 (Act 663) enacted by the parliament of the Republic of Ghana seeks to provide for public procurement, establish the public procurement Board, make administrative and institutional arrangements for procurement, stipulate tendering procedures and provide for purposes connected with these. The main objective of the Act is to harmonise the processes of public procurement in the public service to secure a judicious, economic and efficient use of state resources in public procurement and ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner.

Obeng-Ayirebi, (2010) also affirms the fact that the Public Procurement Act 2003 was promulgated to address such inherent challenges in the processes and documentation used

for procuring public projects (i.e goods and services). The key characteristics of the Procurement Act 663 are;

- i. Classification of the works or services for tender
- ii. Tender advertising processes
- iii. Tender evaluation processes
- iv. Tender review processes
- v. Conditions of contract for goods and services
- vi. Contract award procedures etc (Obeng-Ayirebi, 2010).

## **2.2 The Entity Tender Committee (ETC) In the Procurement Authority**

According to Nortey, et al (2010) the Public Procurement Act, (2003), seeks to promote fair, transparent and non-discriminatory procurement procedures to guarantee best value for state resources, and establish a number of structures to facilitate corporate decision making on Public Procurement. The structures include the Procurement Entity which is required to have a Procurement Unit to manage the day to day procurement functions of the Entity, the Entity Tender Committee, which is assisted by an Evaluation Panel and four (4) levels of Tender Review Boards among others. The Entity Tender Committee is one of the most critical components of the structure such that it is often better described as the “owner” of the procurement process in every Entity.

Composed of persons with varied skills/expertise/exposure, an effective ETC will definitely help in the achievement of the objectives of Public Procurement in Ghana. Poorly performing ETCs give room for mismanagement of the procurement processes, waste and

high possibility of corruption. Nortey, et.al, (2010) state that to enable it function effectively, Act 663 prescribes that the membership of ETC be made up of Internal as well as external persons for a fair and more objective consideration of issues. ETCs are headed by the heads of the Entities, while members include the Head of Finance, Technical/Departmental Heads, Legal Persons (for some Entities) from the Attorney General's office), Member(s) of Parliament and the procurement officer within the Entity. In the discharge of its duties, the ETC is required to:

- i. Ensure that entities comply with the procedures detailed in the law.
- ii. Exercise sound judgment in making procurement decisions.
- iii. Where necessary, refer procurements above their thresholds to their Tender Review Board for approval.

To enable the ETC duly perform these functions the Public Procurement Manual has detailed out the following activities:

- i. Review and approve procurement plans which is a mandatory/critical tool for managing the procurement process
- ii. Receive assistance from an Evaluation Panel in the evaluation of tenders
- iii. Review and approve evaluation reports or forward them to the relevant approval authority or approval.

The ETCs however cannot modify submission by the Procurement unit or Evaluation Panel including recommendations for contract awards or reject any submission without good justifiable reason. In the event that they have an objection to any submission the ETC

shall communicate their finding/reasons for a reconsideration of the submission or the Evaluation Report. Over the years, ETCs have effectively led the management of procurement in Entities, despite numerous challenges which include difficulty in getting the external members i.e. Parliament and Attorney General's Representatives on relevant ETCs.

Recommendations have been made for a review of this membership by the PPA. This notwithstanding a quorum is obtainable without these; therefore Entities are required to document efforts to get these members until the amendments are made to the law. Lack of capacity of ETC has remained a challenge. However with the intensive training currently on-going by the Public Procurement Authority, Entities are encouraged to make their members available for the training to enhance performance and achievements of objectives.

Payment of relevant sitting allowances has also been a source of concern. However the advantages of an effective procurement process far outweigh the cost of the process. Entities are also advised to organize their procurement such that a number of issues/tenders are considered at a sitting to reduce frequency of ETC meeting.

ETCs account for every success in Entities procurement and should be given every support to perform.

### **2.3 General Principles of Public Procurement**

The award of public contracts is governed by the main following general principles:

- i. Non-discrimination and equality of treatment;
- ii. Transparency;

iii. Confidentiality.

## **2.4 Non-Discrimination and Equality of Treatment**

The principle of “non-discrimination” is a cornerstone of Public Procurement. This principle prohibits any discrimination on grounds of nationality, meaning that all participants shall be treated in the same manner, unless the difference is objectively justified. Both direct and indirect discrimination is prohibited, and no national preferences are allowed. Contracting Authorities must remain non-biased and impartial toward all participants.

## **2.5 Transparency**

Attracting a sufficient number of Economic Operators to public procurement through processes that are open and fair is a key concern. In order to ensure a fair system for Economic Operators, there is common recognition of the need for providing clear and readily accessible information on general laws, regulations, judicial decisions, administrative rulings, procedures and policies on public procurement; Consistent information to all tenderers on procurement opportunities, methods for tendering, specifications, as well as selection and award criteria.

Transparency in the context of public procurement refers to the ability of all interested parties to know and understand the actual methods and processes by which contracts are awarded and managed. It represents a key pre-condition to promote wide



participation in procurement. The level of transparency and openness of the procurement procedure varies in practice according to:

a) *The stage of the public procurement process:* Although the tender process is strictly regulated, the phases prior to and after the tender are less subject to transparency and accountability requirements;

b) *The sensitivity of information:* There is also a limited number of restrictions on the information provided outside the government in order to protect commercially-sensitive information in tenders (e.g. content of open tenders such as commercial secrets, individual prices, etc.) or security-sensitive information for the State (e.g. defence, national security) that could harm interests of the tenderers;

c) *The specificity and value of the procurement:* There is a balance to be found between the need for transparency and other considerations, such as efficiency, depending on the type of contract at stake. Therefore, the information made available and the means for its dissemination vary proportionally to the size of the contract and the specificity of the object to be procured (*Public Procurement Manual, 2007*).

## **2.6 Confidentiality of Tenders**

All tenders should be kept in a safe and secure environment to ensure that the confidentiality of tenders and requests to participate are preserved. Confidential information may include technical or trade secrets. The principle of confidentiality obligates the Contracting Authority not to examine the content of requests to participate, and of tenders, before the deadline for their submission has expired.

## 2.7 Procurement Processes and Procedures in Ghana

The processes and procedures involved in the procurement of goods, works and services differ between public and private institutions. Some multinational agencies like the World Bank and the UNDP have their own laid down procedures for the project they fund. Under the Ghana Public Procurement Act, 2003 (Act 663), a public procurement board is established with the objective of harmonizing the processes of public procurement in the public sector to secure a judicious, economic and efficient use of resources in public procurement and ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner. The entity responsible for the procurement shall establish a Tender Committee and a Tender Evaluation Panel with the required expertise to evaluate tenders and assist the Tender Committee in its work. A tender review board shall establish at each level of public procurement to, among other functions, review the activities of each step of the procurement cycle.

Project Procurement Management processes involved contract that are legal documents between buyer and seller (Garry, 2002). In Ghana, according Public Procurement Act, 2003 (Act 663) the procurement processes include:

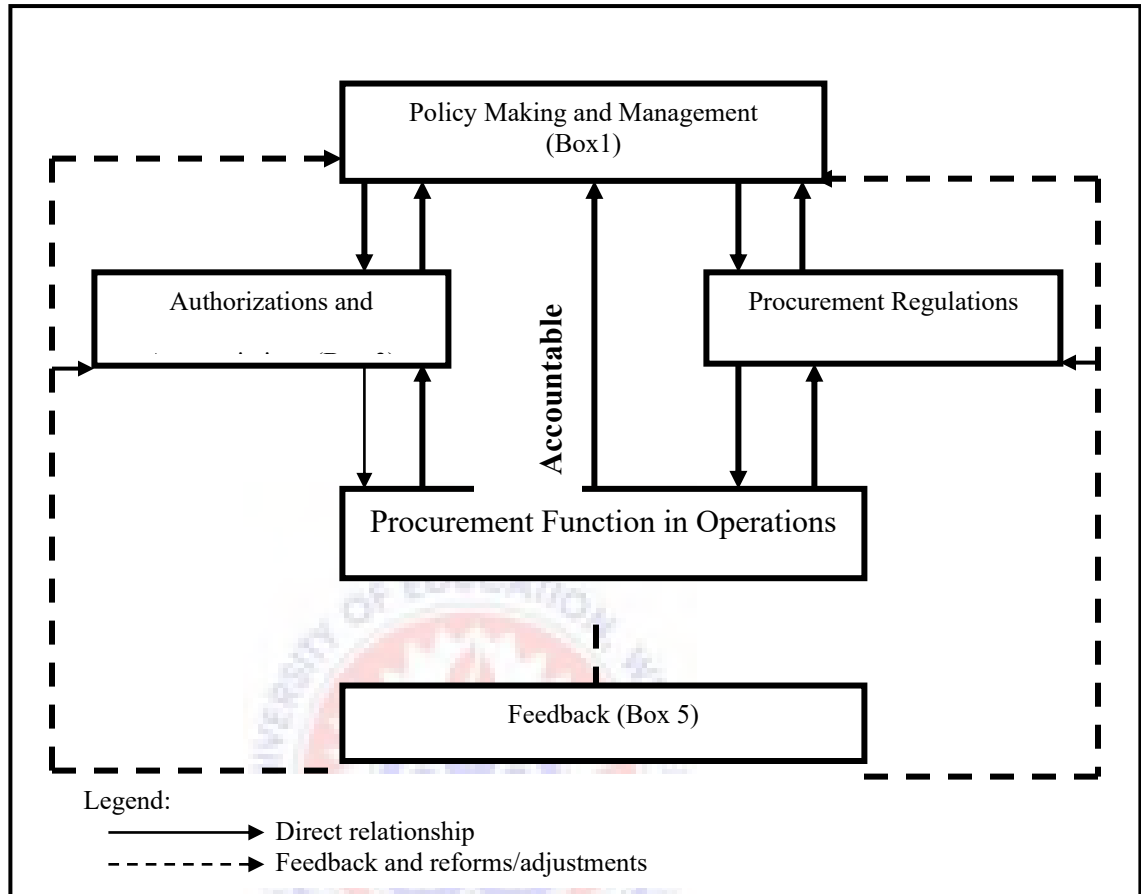
- i. Preparing a procurement plan for the year which is presented to the Tender Committee
- ii. Carrying out a pre-qualification proceeding to identify tenderers who are qualified prior to the submission of tenders

- iii. The procurement entity making a decision on the pre-qualification proceedings and notifying each supplier or contractor who submitted an application as to whether it has been pre-qualified
- iv. The supplier/contractor who satisfies the procurement entity after demonstrating its qualifications is eligible to participate in the procurement proceedings.

## **2.8 Public Procurement Challenges: Internal Factors**

Thai (2001) developed a model depicting the scope of public procurement that consists of five elements: policy making and management; authorizations and appropriations; procurement regulations; procurement function in operations (processes, methods, organizational structure, and procurement workforce; and feedback) (Figure 2.1). Public procurement practitioners have always walked on a tight rope. Their ability to accomplish procurement objectives and policies is influenced very much by internal forces including Procurement organizational structure such as the issue of centralization verses decentralization; procurement regulations, rules and guidance; and internal controls and legislative oversight.

**FIGURE 2.1 Public Procurement Systems**



**Source: Modify from Thai (2001).**

## 2.9 Public Procurement Challenges: External Factors

Public procurement practitioners have always faced challenges imposed upon by a variety of environment factors including market, legal environment, political environment, organizational environment, and socio-economic and other environmental factors.

### 2.9.1 Market Environment

Arrowsmith (2003) indicates that market conditions have a great influence on public procurement practitioners' effort to maximize competition. Moreover, the market

determines whether or not socio-economic objectives of procurement are accomplished, whether or not a governmental entity can fulfill its needs; the timeliness of fulfillment; and the quality and costs of purchased goods, services and capital assets. As there are different levels of economic growth among countries in the world, market conditions are very favorable in industrialized countries, while they may be unfavorable in developing countries.

Even under a perfectly competitive condition like that in the United States, some supplies and services are required only by the government (particularly for weapons systems) and are available in the market. This is a captive market, which is limited in scope and competition.

Also as markets become more and more globalized through regional and international trade agreements and treaties, public procurement practitioners face a greater challenge. In addition to compliance with their governments' procurement laws and policies and international trade requirements as mentioned above, they face additional challenges including communication, currency exchange rates and payment, customs regulations, lead-time, transportation, foreign government regulations, trade agreements, and transportation. Thus, "before embarking on a foreign purchasing program, public procurement practitioners must carefully assess the total cost implications and compare them to domestic costs" (National Institute of Governmental Purchasing, 1999). Public procurement practitioners are torn between free trade agreements and their countries' economic development/stabilization policies when they face a hard choice between selecting domestic or foreign firms.

### **2.9.2 Legal Environment**

Apart from public procurement regulations and rules, the legal environment refers to a broad legal framework that governs all business activities including research and development (regulations dealing with safety and health of new products), manufacturing (safety and health regulations at workplace and pollution control), finance (regulations dealing with disclosure of information), marketing (regulations dealing with deceptive advertising, disclosure of product characteristics), personnel (regulations dealing with equal opportunity for women and minorities), and contracts. Indeed, most aspects of contracts-- public or private-- such as contract requirements, disputes, and breach of contract are governed under the same contract law (Thai, 2001). In developing and particularly transitional countries, where legal systems are not comprehensive, government contracts may need detailed provisions.

### **2.9.3 Political Environment**

In a democracy many individuals, groups, and organizations in the private sector including trade associations, professional associations, and business firms or companies (commonly known as interest groups) are actively involved in all aspects of the public procurement system. Having various interests, objectives and beliefs, interest groups are involved in the public procurement system in several ways such as lobbying legislative bodies to pass or alter procurement statutes, influencing implementation of these statutes, and influencing budget authorization and appropriations processes. Normally, a government program that is eventually adopted is a compromise among different views of interest groups, policy makers and management. In this democratic environment, there are cases of a

strong coalition of policy makers, bureaucrats and interest groups in their effort to get their programs adopted. This coalition has led to the concept of the 'iron triangle,' which is very popular in the area of defense procurement (Thai, 2001). However, the iron triangle shifts immediately after the procurement program authorization and appropriations stages to move to the procurement stage. As failure or success in winning large defense contracts has a great impact on a company, defense specialized companies compete against each other for these contracts. Public procurement practitioners have choices as they face various political pressures as well as sound economic decisions. For example, should they be concerned with maintaining future business competition by keeping some relatively weak companies in business or should they let these small weak firms go out of business and leave a few defense-specialized firms to compete for contracts? This issue is more common in developing countries where perfect competition hardly exists. Large firms are more willing to make a small profit margin or even to take business losses by offering best bids. After small and weak firms are out of business, they will enjoy an imperfect competitive market.

#### **2.9.4 Social, Economic, and Other Environment Forces**

While some countries impose social policies on their public procurement practices (such as a policy placing a fair proportion of government acquisitions with woman/minority-owned small business, or economically disadvantaged areas), most governmental entities -- be it a developed or developing country or federal, state, and local governments use their large procurement outlays for economic stabilization or development purposes by preferring national or local firms over firms from other countries or other geographic locations. Public procurement practitioners may be in a favorable economic environment or market (with

many competing tenderers in their country or local areas) or an unfavorable economic environment (where competition hardly exists). This environment would have a great impact on their practices as they may face an imperfect competitive market. In addition to social and economic environment, public procurement practitioners are under other external pressures such as an environment protection movement, and foreign policy commitments.

### **2.9.5 Interactions of Environment Forces**

Various pressures on the public procurement system, as described above, are not constant variables, but they interact with each other and become conflicting forces that public procurement practitioners have to deal with. There are tradeoffs between the environment forces, and these practitioners have to seek an optimum solution. These tradeoffs in many cases are the most challenging decisions that public procurement practitioners are facing.

### **2.10 Procurement of Goods and Services**

Since Independence the documentation for procurement of construction works has been handled by construction professionals with the requisite training. The main conditions of contract procurement were the Pink Form or the Standard Ghana Government Conditions of Contract. With the advent of multi-lateral and International support for the development of our national infrastructure and the conditions for such agencies towards ensuring good quality works transparency in the procurement processes other specific conditions were introduced for adoption during public procurement. For example since the documentation,



processes and evaluation of tenders for procurement of goods and services were influenced by the financing agencies like World Bank, IFC, DANIDA, CIDA, JICA etc, depended on other localized and international documentations for the procurement of construction services and goods (Obeng-Ayirebi, 2010). This could lead to excessive duplication of documentations and its attendant conditions on projects that are being funded by more than two international agencies or multi-lateral donors.

Furthermore, there is usually confusion as to which procurement document and processes to be used for the various infrastructure projects, consultancy services and goods. The lack of coherent and clear direction in the public procurement of goods and service created situations for government agencies and functionaries to use any process and document to procure Government of Ghana projects that are locally funded with impunity and without recourse to the principle of good value for money, fairness and transparency.

## **2.11 Public Procurement and Good Governance**

The main ingredients of Good Governance are;

- i. Ensuring that the dignity, lives, and security (ie financial and social) of citizens are protected.
- ii. Development of infrastructure and allocation of resources are not discriminated on the basis of gender, religion, ethnicity, politics and regional demarcations
- iii. Good value for money in the development of public infrastructure.
- iv. Reduction in corruption in the procurement of goods works and services.

From the above analysis, it can be seen that there is a clear relationship between good governance and public procurement. This is because if procurement processes are outlined fairly in a transparent manner, it will enrich good governance.

## **2.12 Impact of Act 663 on Good Governance**

Procuring construction services and general goods has over the years been anchored by professionals based on the financial consideration. In times of old, various professional bodies have their own procurement format and documentation. This usually brings discrepancies in the way public procurement is carried out and thereby its effect on the level of transparency.

Private Professional Practitioners (i.e Quantity Surveyors, Architects, Engineers, Planners, Management consultants), a departure from the period where different documents and conditions of contract are used in the procurement of goods and services have brought to the fore the following positive impact;

- i. Transparency in the public procurement
- ii. Harmonization of documents and processes used in the public procurement. This is because there are classifications and procedures for works, goods and services that set the stage for a common platform for all prospective tenderers.
- iii. Reduction in the cost of tendering and management of the tendering processes.
- iv. There is always good value for money resulting from the competitive processes as outlined in the Procurement Act 663.
- v. Engagement of competent Professionals for the evaluation of tenders for works and goods.

However, the negative impact of the Public Procurement Act, Act 663 is the lack of competent Tender Evaluation Professionals for services (Obeng-Ayirebi, 2010).

### **2.13 Procurement Procedures and Documentation**

Parts III-V of Public procurement Act stipulates procedures for the sizing of tender packages, soliciting and evaluating tenders and for contract award. In particular, section. 22 provides for the pre-qualification of tenderers for large and/ or complex works and technical services contracts. All contracts must be tendered in an open competitive basis, except otherwise provided for in the Act (section. 35). Restricted tendering is justifiable only on the grounds of providing greater economy and efficiency and subject to the approval of the Board (section. 38). Two-stage tendering is only allowed where detailed specifications cannot be made available before going to tender (section. 36) or the optimal solution is unknown and tenders are solicited to provide this. National Competitive Bidding shall be used when the procurement entity so decides (section. 44) and subject to contract value thresholds specified in Schedule 3. Bidding shall be used when effective competition cannot be achieved without the inclusion of foreign firms (section. 45). All procurement must use the appropriate standard tender/ contract document provided in Schedule 4 and modifications can only be introduced through tender/ contract data sheets or special conditions of contract (section. 50).

The successful tender for works contracts shall be the lowest evaluated tender price ascertained on the basis of criteria specified in the invitation documents, which shall include (section. 59):

- 1) The tender price subject to any margin of preference for domestic contractors (section. 60);
- 2) The lifecycle costs of the tendered solution;
- 3) The potential for economic development, local involvement or technology transfer; and
- 4) National security considerations.

The selection of consultants shall be on quality and cost-based criteria (section. 75) with the price component assessed in a similar manner as for works (section. 69). Quality-based selection is allowed for complex or highly specialised assignments (section. 72), and least-cost selection is reserved for small value assignments.

#### **2.14 Procurement Oversight, Capacity Building and Anti-Corruption Measures**

The Board's duties include (section. 3): to provide policy and regulatory oversight; provide training and capacity building for procurement officials hear appeals and complaints; and, assist local industries to become competitive and efficient suppliers to the public sector. The Board shall maintain a database of all suppliers, contractors and consultants and shall debar from procurement practice under the PPA, and publish the list of all suppliers, contractors and consultants with proven of good conduct under the Act. The right to review is provided for in section 78. The head of the procurement entity must first investigate a complaint (section. 79) and then, if unresolved within the time frame allowed, the complainant may seek administrative review by the Board (section 80). Third parties

whose interests may be affected by the review proceedings are permitted to participate in them.

The Board shall establish and publish a code of conduct for all procurement officials, the Board, tender review boards as well as for suppliers, contractors and consultants (section 86). Corrupt practices, as defined in the Constitution and the Criminal Code, 1960 (Act 29), are outlawed under the PPA (section 93). Violation of any provision of the Act, upon conviction, is punishable by a fine not exceeding 1000 penalty units or a term of imprisonment not exceeding five years or both (section 92).

### **2.15 Scope of application**

The PPA applies to all procurement financed in whole or in part from public funds (section 14). Notwithstanding this provision, procurement with international obligations arising from any grant or concessionary loan to the government shall be in accordance with the terms of the grant or loan (section 86). However, it has been suggested that the World Bank/ FIDIC procurement procedures are used on World Bank-administered projects because MMDAs have no set of comprehensive guidelines for procurement (Westring 1997, World Bank 1996). There is therefore reason to expect that donor partners will defer to the use of the PPA. The agreement between the Ministry of Health and its cooperating partners, under a World Bank administered programme, to organise procurement under specific Ministry of Health procedures is perhaps evidence of this expectation (World Bank 2003).

## 2.16 Methods of Procurement

In Ghana, there are five basic methods of procurement which may not be too different from others elsewhere. Some of them are Competitive tendering, Restrictive tendering, and *Competitive tendering*: This is simply a means for buyers to make best use of competitive market forces to obtain the best offer that can be obtained from the market at that particular point in time. Competitive tenders should be sought when there is more than one source of supply available and the value of the purchase to be made is of sufficient value to warrant this procedure. The procurement Act 2003 for instance, sets a threshold for which competitive tendering must be sought in all MMDA's in Ghana.

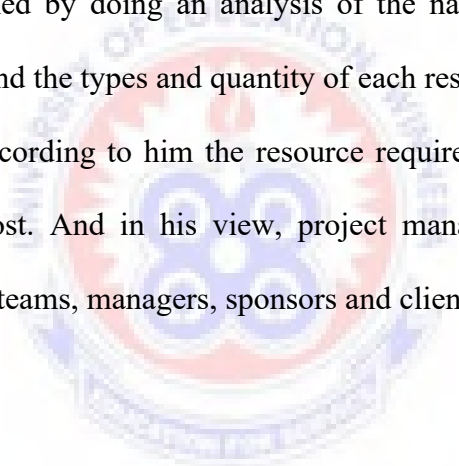
*Restricted tendering*: This involves the opportunity being advertised in the relevant places and media. Organisations will then submit an expression of interest and fill in a pre-qualification questionnaire. Successful organisations will go onto select list and be given an invitation to tender with the tender documents. Tender documents are completed and submitted. From the submitted tender documents scoring takes place and the successful organisation is awarded the contract. The select list may be used for a period of up to eight years. So it is always useful to check when lists are coming to an end to see when your organisation could be included. There must be a minimum of five bidders. This procedure works best when a commissioning body is clear at the start of the process what it wants to buy in terms of pricing and other award criteria

## 2.17 Resource Mobilization by MMDAs

Resource mobilization refers to financing strategies to generate resources to support or pay for the goods and services or works used in the production and delivery of projects.

The major strategies for resource mobilization include: increased allocations from general government revenue; specially targeted public revenue-raising efforts; Contributions from private donors, and foreign assistance and Social health insurance.

Abdomerovic (2006) explains the correct and efficient estimation, allocation and management of project factors. This deals with the definition and assigning of resources to scheduled project activities and he calls this resource estimating. Resources which he defines to include people, money, supplies equipment, material and space must be adequately catered for a successful completion of any project. Resource requirements, in his view, can be determined by doing an analysis of the nature of each activity required to complete the project, and the types and quantity of each resource necessary to complete each phase of the work. According to him the resource requirements should be taken seriously because it involves cost. And in his view, project management is one area that brings discord among project teams, managers, sponsors and clients.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter gives a detailed description of the methods and techniques used in the study, for the collection, analysis and presentation of data.

#### **3.2 Research Design and Methodology**

This study, sought to evaluate construction project procurement within the framework of Public Procurement Act, 2003 (663), focusing on the challenges MMDAs in the Ga West District Assembly in the Greater Accra Region face. A quantitative survey methodology was used. This is because quantitative approaches according to Gay (1992) as quoted in Amedahe (2002). It involved collecting data in order to answer the research questions concerning the status of the subject of the study. The quantitative survey again seeks to find answers to questions through the analysis of relationship between or among variables (Amedahe, 2002). It was anticipated that the survey questionnaire would provide the breadth of coverage, and could be credibly applied, to a wider population from which the sample of the study was drawn. Therefore, this design enabled the researcher to gather the necessary data for the study.



### **3.3 Sample Size and Sample Techniques**

The targeted group was workers in the district directorate. The population of workers of the directorate was 187. Out of these 187 workers, 75 representing 40% was selected as the sample size. This sample size of 75 workers was used to enable the researcher to involve reasonable number of workers for the study to authenticate the results, hence making the findings more sensitive. Random sampling techniques were utilized in the study. These techniques allow every member of the target group equal chance to be selected. It has advantage of reducing bias associated with non-random selection.

### **3.4 Data Collection Techniques and Analysis**

The study used structured questionnaire for data collection. The questionnaire consisted of two sections. Section A comprised of the demographical information of the respondent such as their ages, education and experience. Section B featured items or questions on challenges of construction project procurement. Questionnaires were handed over to the officers who were directly or indirectly involved in procurement processes. It took about one week for majority of the officers to return their answered questionnaire.

### **3.5 Pre-Testing**

The questionnaire was pre-tested on ten people at the Public Works Department in the district. The responses provided basis for reframing of some of the questions to suit the sample unit. This was to ensure both content and reliability validity of the instrument to make the study more sensitive.

### **3.6 Data Analysis**

The data collected were analyzed using the descriptive statistical tool. Statistical Package for Social Sciences version 16.0 (SPSS 16.0) was used to analyze and summarize the data. The SPSS version 16.0 was used in other to have accurate and realistic results analysis of data obtained from the respondents. Tables were used for detailed analysis.



## CHAPTER FOUR

### RESULTS ANALYSIS

#### 4.1 Introduction

This chapter is devoted to the analysis of the results from the respondents. It highlights the background of the respondents and the other key variables of the study.

#### 4.2 Background Data

Table 4.1 contains the background information of the respondents in the study which includes their age, gender, educational level, department, organization and work experience.

**Table 4.1 Background Data of the Respondents**

No	Item	Description	N	Frq.	%
1	Age				
	A	21-40	52	41	78.80
	B	41-60		11	21.20
2	Gender				
	A	Male	52	37	71.20
	B	Female		15	28.80
3	Education				
	A	Secondary	52	0	00.00
	B	Tertiary		52	100.0
4	Department				
	A	General public service	52	43	82.70
	B	Health/water management		9	17.30
5	Organization/ level				
	A	District	52	15	28.80
	B	Municipal		37	71.20
6	Experience				
	A	< 2 years	52	14	26.90
	B	3-5 years		22	42.30
	C	6-10 years		2	3.80
	D	10 years +		14	26.0

**Source: Field survey, September, 2013**

#### **4.2.1 Age Range**

Table 4.1 above shows the age range of the respondents. 41 out of 52 respondents were between the ages of 21-40 while 11 were between 41-60 years. It is imperative to note that most of the respondents clustered around between the ages of 21-40. Obviously, there was no respondent whose age was below 20 years. This implies that the assemblies do not employ or exploit minors.

#### **4.2.2 Gender Ratio**

From table 4.1, it revealed that 37 out of 52 respondents (71.20%) were males' while 15 representing 28.80% were female. Maleseem more dominant in assemblies than their female counterparts which clearly indicates that men play active role in the assemblies towards the nation building.

#### **4.2.3 Level of Education**

A result in Table 4.1 also shows that all the 52 respondents (100.00%) have had tertiary education. This was done to test the literacy level among the workers in the MMDAs.

#### **4.2.4 Department**

Affiliated groups were explored to ascertain the number of workers in the various departments in the selected assemblies. The results revealed that, out of 52 respondents,

43(82.70%) work at the general public service department while 9(17.30%) were at the department of Health/water management.

#### **4.2.5 Organization/Level**

The respondents were asked to specifically to show where they work. From Table 4.1, it clearly shows that 15 out of 52 representing 28.80% work at the District level while 37 representing 71.20% also work at the Municipal level. No respondent works at the Metropolitan assembly.

#### **4.2.6 Nature of Experience**

The number of years respondents have been working in their respective assemblies was explored to establish the employee's exposure in the environment. The results revealed from Table 4.1 that, 14 workers representing 26.90% have had less than 2 years working experience while 22 representing 42.30% have spent between 3-5 years with their respective assemblies. 2 representing 3.80% out of the 52 have also had 6-10 years working experience while 14 representing 26.00% have had over 10 years working experience. As the employee becomes more mature and experienced, the expectations are that they are acquainted with the procurement regulations and its applications as it enshrined in the procurement act guidelines.

### 4.3 Major Challenges Facing Project Procurement by MMDAs

Potential construction project procurement challenges facing MMDAs were critically analysed. A 4 point likert-scale representing 1= strongly disagree, 2=disagree, 3= agree and 4= strongly agree was use to range the response.The analysis of the various items were ranked per the weighted mean result obtained from the formular;

$$X = \frac{\sum f_i x_i}{\sum f_i} \quad X = X_1, X_2, X_3, \dots = \text{items given, } f_i \text{ correspond to the total number of respondents;}$$

$RI = \frac{\sum f_i x_i}{SN}$ , where S= the largest response scale (in this case 4) and N= total number of respondents. Based upon the weighted mean average, the items were ranked in determining the most important challenges, causes and means of addressing such challenges. A score (Weighted Mean)of 3.0 and above indicate a level of challenge to the assembly. The analysis willtherefore dwell mainly on the scores 3.0 and above. Table 4.2 shows the detailed analysis of the challenges facing construction project procurement by the MMDAs.

**Table 4.2 Major Challenges Facing Project Procurement**

Item	1	2	3	4	N	WM	RII	Rank
Procurement organizational structure such as issues of centralization vs. decentralization has been a challenge.	0	0	26	26	52	3.50	0.875	1
Implementation of procurement regulation, rules and guidance as well as internal control and legislative oversight has been a big issue.	0	4	24	24	52	3.38	0.846	2
Public procurement practitioners have choices as they face various political pressures as well as sound economic decision.	0	4	28	20	52	3.31	0.827	3
Market globalization through regional and international trade agreement and treaties is poses a challenge to procurement practitioners.	0	5	28	19	52	3.27	0.817	4
Contracting Authorities in my department always remain non-bias and impartial towards all participant	0	11	29	12	52	3.02	0.755	5
The procurement Officials lack capacity to fully implement their duties due to pressures from else where such as political	0	16	28	8	52	2.85	0.712	6
The phase prior to and after the procurements are less subject to transparency and accountability requirement	13	19	20	0	52	2.13	0.534	7

**Source: Field survey, September, 2013**

For the purposes of this analysis, the following range of figures shall be applied. 1-1.59 = Strongly disagree, 1.6-2.59 = Disagree, 2.6-3.59 = Agree and 3.6-4.0 = Strongly agree.

From Table 4.2, the agree to the following items descendingly

1. Procurement organizational structure such as issues of centralization vs. decentralization has been a challenge(WM=3.50, RI=0.875).
2. Implementation of procurement regulations, rules and guidance as well as internal control and legislative oversight has been a big issue(WM=3.38, RI= 0.846)
3. Public procurement practioners have choices as they face various political pressures as well as sound economic decision (WM= 3.31, RI= 0.827).
4. Market globalization through regional and international trade agreement and treaties is posses a bigger challenge to procurement practioners(WM= 3.27, RI= 0.817).
5. Contracting Authorities in my department always remain non-bias and impartial towards all participant (WM= 3.02, RI= 0.755).

However, respondents significantly disagree to two other similar two items which are as follows;

1. The procurement Officials lack capacity to fully implement their duties due to pressures from elsewhere such as political(WM= 2.85, RI= 0.755)
2. The phase prior to and after the procurements are less subject to transparency and accountability requirement (WM=2.13, RI=0.534).



### **4.3.1 Discussion**

The above analysis has clearly shown that there are a number of challenges facing project procurement practitioners in their respective assemblies. Some are internal while others are external. Significantly, purchasing of goods is highly driven by the global competitive market and high inflation rate among others. As Arrowsmith, (2003) point out that, market conditions have a great influence on public procurement practitioners' effort to maximize competition. As there are different levels of economic growth among countries in the world, market conditions are very favorable in industrialized countries, while they may be unfavorable in developing countries. Also, other challenges exist purely on political grounds thus sometime pressure from high political offices. Thai (2001) said interest groups are involved in the public procurement system in several ways such as lobbying legislative bodies to pass or alter procurement statutes, influencing implementation of these statutes, and influencing budget authorization and appropriations processes. Public procurement practitioners have choices as they face various political pressures as well as sound economic decisions. The onus thus beholds on the policy makers, technocrats and implementers to ensure that the procurement practitioners comply in line with the procurement policy guidelines as enshrined in the procurement Act.

### **4.4 Major Causes of the Challenge**

Table 4.3 shows the responses on the causes of the challenges

**Table 4.3 Major Causes of the Challenge**

Item	1	2	3	4	N	WM	RII	Rank
We do not strictly comply with the procurement rules and regulations	0	0	34	18	52	3.34	0.836	1
Pre-qualification processes are not carried out to identify qualified tenders prior to the submission of tender	0	15	5	32	52	3.33	0.831	2
Multiple price quotes due to unstable inflation rate from suppliers has become a challenge.	0	7	24	21	52	3.26	0.815	3
There is lack of coherent and clear direction in the public procurement of goods and services.	0	7	30	15	52	3.15	0.788	4
Prepared procurement plan are sometimes not presented to the Tender Committee for approval	0	7	32	13	52	3.12	0.779	5
Resource mobilization has become another major challenge to the procurement officials in the MMDAs	0	11	25	16	52	3.09	0.774	6
Sustainability plays an important role in our search for suppliers.	0	11	28	13	52	3.04	0.759	7
The purchasing function has a good function knowledge of the organization's strategic goals	0	12	27	13	52	3.02	0.755	8
We exchange performance feedback with our suppliers	0	20	23	9	52	2.78	0.697	9
We maintain close relationships with key suppliers to last a long time	4	16	19	13	52	2.78	0.697	9
Exchange of information with suppliers takes place frequently	8	12	17	15	52	2.75	0.686	11
Only contractors who satisfies the procurement entity after demonstrating its qualification is eligible to participate in the procurement proceedings	8	12	4	24	52	2.69	0.673	12
Our purchasing is fully centralized	4	18	23	7	52	2.63	0.658	13
Lack of training and capacity building for procurement officials has been a major challenge	8	22	9	13	52	2.52	0.629	14
We share sensitive information with suppliers	0	31	15	6	52	2.52	0.629	14
We rely on a small number of suppliers	6	16	20	6	52	2.35	0.586	15

**Source; Field survey, September, 2013**

**Table 4.3 Major Causes of the Challenge continuous**

Item	1	2	3	4	N	WM	RII	Rank
International procurement procedures are used to administer projects locally always	0	42	6	4	52	2.27	0.567	16
Public procurement officials do not set environmental criteria that meet government expectation	11	21	20	0	52	2.17	0.543	17
Only limited number of suppliers and service providers are selected by the MMDAs	11	23	16	2	52	2.17	0.543	18
Appeals and complaints brought to the procurement board by the suppliers are not addressed properly	13	25	12	2	52	2.06	0.514	19

**Source: Field survey, September, 2013**

Table 4.3 shows the items used to solicit the views of the respondents on the major causes of challenges facing procurement practitioners in the MMDAs. The respondents agree to the following items as the main causes the challenges in descending order.

1. We do not strictly comply by the procurement rules and regulations
2. Pre-qualification processes are not carried out to identify qualified tenders prior to the submission of tender
3. Multiple price quotes due to unstable inflation rate from suppliers has become a challenge.
4. There is lack of coherent and clear direction in the public procurement of goods and services.
5. Prepared procurement plan are sometimes not presented to the Tender Committee for approval

6. Resource mobilization has become another major challenge to the procurement officials in the MMDAs
7. Sustainability plays an important role in our search for suppliers.
8. The purchasing function has a good function knowledge of the organization's strategic goals
9. We exchange performance feedback with our suppliers
10. We maintain close relationships with key suppliers to last a long time
11. Exchange of information with suppliers takes place frequently
12. Only contractors who satisfies the procurement entity after demonstrating its qualification is eligible to participate in the procurement proceedings.

On the contrary, respondent however, disagree to other significant similar items which can considerably cause a challenge to procurement officials at the MMDAs. The items are as follows.

1. Our purchasing is fully decentralized
2. Lack of training and capacity building for procurement officials has been a major challenge
3. We share sensitive information with suppliers
4. We rely on a small number of suppliers
5. International procurement procedures are used to administer projects locally always.
6. Public procurement officials do not set environmental criteria that meet government expectation, hence undue pressure.

7. Only limited number of suppliers and service providers are selected by the MMDAs.
8. Appeals and complaints brought to the procurement board by the suppliers are not addressed properly.

#### **4.4.1 Discussion**

From the analysis above, the fact remains that the compliance of the procurement Act is abysmal. Governments' procurement laws, policies and international trade requirements and other additional challenges including communication, currency exchange rates and payment, customs regulations, lead-time, transportation, foreign government regulations, trade agreements, and transportation. The entity responsible critically for day-to-day management of the procurement committee seems very weak. According to Nortey, et al (2010) the Public Procurement Act, (2003), seeks to promote fair, transparent and non-discriminatory procurement procedures to guarantee best value for state resources, established a number of structures to facilitate corporate decision making on Public Procurement.

In the discharge of its duties, the ETC is required to:

- iv. Ensure that entities comply with the procedures detailed in the law.
- v. Exercise sound judgment in making procurement decisions.

Also, there seems to be inefficiency towards pre-qualification process in order to identify qualified suppliers. Multi-price quotation as a result of different inflation rate which is purely external is again another factor. Global market determines whether or not socio-economic objectives of procurement are accomplished, whether or not a governmental entity can

fulfill its needs; the timeliness of fulfillment; and the quality and costs of purchased goods, services and capital assets. Regional and international trade agreements and treaties, public procurement practitioners face a greater challenge. Absence of coherancy and clear direction towards public procurement is also a prime factor.

Normally, a government program that is eventually adopted is a compromise among different views of interest groups, policy makers and management. In this democratic environment, there are cases of a strong coalition of policy makers, bureaucrats and interest groups in their effort to get their programs adopted. The study again revealed that resource mobilization at the MMDAs has been a big challenge to th MMDAs. Training and capacity building for procurement officials has also proven to be a challengee at the MMDAs.

#### **4.5 Means of Addressing the Challenges**

Table 4.4 shows the detailed results obtained from the respondents detailing on the means of addressing the identified challenges facing MMDAs.

**Table 4.4 Means of Addressing the Challenges**

Item	1	2	3	4	N	WM	RII	Rank
Open but flexible tendering method of procurement must be adopted to ensure bias free towards all participants	0	0	9	43	52	3.83	0.957	1
Training and capacity building for project procurement officials at a regular interval will be of great support to the MMDAs	0	0	11	41	52	3.78	0.947	2
Problems and complaints brought before the procurement board at the MMDAs must be properly addressed	0	0	11	41	52	3.78	0.947	2
Good resource mobilization strategies properly adhered will address the challenges Confronting the MMDAs in the project procurement	0	0	15	31	52	3.71	0.928	4
MMDAs must provide locally project procedures to be administered instead of international procedures.	0	0	25	27	52	3.52	0.870	5
Support from MMDAs to the local industries has become competitive and efficient, competence of suppliers	15	5	21	11	52	2.33	0.596	6

**Source: Field survey, September, 2013**

From the results obtained in Table 4.4, respondents agree to the items.

1. Open but flexible tendering method of procurement must be adopted to ensure bias free towards all participants (WM=3.83, RI=0.957)

2. Training and capacity building for project procurement officials at a regular interval will be of great support to the MMDAs (WM=3.78, RI=0.947).
3. Problems and complaints brought before the procurement board at the MMDAs must be properly addressed(WM=3.78, RI=0.947).
4. Good resource mobilization strategies properly adhered to will address the challenges confronting theMMDAs in the project procurement (WM=3.71, RI=0.947).
5. MMDAs must provide locally project procedures to be administered instead of international procedures(WM=3.52, RI=0.870)

However, respondents disagree to a particular item with which in their view can not considerably address the challenge; thus Support from MMDAs to the local industries has become competitive and efficient (WM=2.33, RI= 0.596).

#### **4.5.1 Discussion**

From the above results, it is obviously clear that openness and flexibility tendering method of procurement must practically prevail. This is however in line with the general purpose or the main objective of the procurement Act which seeks to harmonize the processes of public procurement in the public service to secure a judicious, economic and efficient use of state resources. Openness goes with transparency which in this context of public procurement represents the ability of all interested parties to know and understand the actual methods and processes by which contracts are awarded and managed. It represents a key pre-condition to promote wide participation in procurement. Training and capacity



building for project procurement officials according to the results will imperatively be needed to address most of the challenges as has been expressed in the section 3 of the Act which states “provide policy and regulatory oversight; training and capacity building for procurement officials; hear appeals and complaints; and, assist local industries to become competitive and efficient suppliers to the public sector”. Making administrative and institutional arrangements for procurement officers to strictly fulfill their obligations should be a hallmark in the MMDAs and other subordinate bodies. In a similar trend, good resource mobilization is also another potential means of addressing the challenges facing project procurement. According to Abdomerovic (2006), resource mobilization means correct and efficient estimation, allocation and management of project factors. The major strategies for resource mobilization include: increased allocations from general government revenue. Resources to him include people, money, supplies equipment, material and space and must be adequately catered for to ensure a successful completion of any project.

The major strategies for resource mobilization include: increased allocations from general government revenue; specially targeted public revenue-raising efforts. Abdomerovic (2006) considers on the correct and efficient estimation, allocation and management of project factors. Resources which he defines to include people, money, supplies equipment, material and space must be adequately catered for a successful completion of any project. Resource requirements, in his view, can be determined by doing an analysis of the nature of each activity required to complete the project, and the types and quantity of each resource necessary to complete each phase of the work. The onus lies on the management of the procurement in the MMDAs to consider the fore mentioned factors for effective utilization.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter presents a detailed summary of the results obtained from the survey.

#### 5.1 Summary of Findings

The main aim of the study is to evaluate challenge confronting MMDAs in the implementation of the Public Procurement Act towards construction project and to propose a means of overcoming these challenges. Descriptive statistics was used. A total number of 4 assemblies located Greater Accra region were selected. The population of these assemblies was made up of 169 workers. Out of this population, a sample size of 68 representing 40% was used as respondents. This sample size of was selected to enable the study to involve reasonable number of participants for the study. A total number of 52 were received making a response rate of 76.47%.

The study revealed the following findings separated under i) challenges facing project procurement in MMDAs, (ii) causes of these challenges and (ii) means of addressing these challenges.

### **5.1.1 Summary on Challenges facing MMDAs**

From the findings, in descending order, the following are the challenges facing MMDAs regarding project procurement in the selected Districts and Municipals in the Greater Accra region.

1. Procurement organizational structure such as issues of centralization vs. decentralization has been a challenge.
2. Implementation of procurement regulation, rules and guidance as well as internal control and legislative oversight has been a big issue.
3. Public procurement practitioners have choices as they face various political pressures as well as sound economic decision.
4. Market globalization through regional and international trade agreement and treaties is posing a challenge to procurement practitioners.
5. Contracting Authorities in my department always remain non-bias and impartial towards all participant
6. The procurement Officials lack capacity to fully implement their duties due to pressures from elsewhere such as political
7. The phase prior to and after the procurements are less subject to transparency and accountability requirement

### **5.1.2 Summary on the Major Causes of Challenges facing MMDAs**

The items that were significantly considered as the major causes of the challenges facing MMDAs according to the findings are as follows in the order of their rankings.

1. Assemblies do not strictly comply by the procurement rules and regulations.
2. Pre-qualification processes are not dully carried out to identify qualified tenders prior to the submission of tender.
3. Multiple price quotes due to unstable inflation rate from suppliers has become a challenge.
4. Lack of coherant and clear direction in the public procurement of goods and services.
5. Prepared procurement plan are sometimes not presented to the Tender Committee for approval.
6. Resource mobilization has become another major challenge to the procurement officials in the MMDAs.

### **5.1.3 Summary on the Means of Addressing the Challenges.**

Under the means of addressing the challenges facing MMDAs on the project procurement, the under listed below are the key points;

1. Open but flexible tendering method of procurement must be adopted to ensure bias free towards all participants.
2. Training and capacity building for project procurement officials at a regular interval will be of great support to the MMDAs to drastically reduce these challenges.

3. Problems and complaints brought before the procurement board at the MMDAs must be properly addressed properly.
4. Good resource mobilization strategies properly adhered to can address the challenges.
5. MMDAs should provide locally project procedures to be administered instead of international.
6. Support from MMDAs to the local industries is necessary for competitive and efficient, competence of suppliers

## **5.2 Conclusions**

On the basis of the above findings, the following conclusions are drawn under the headings that are as follows.

### **5.2.1 Conclusion on the Challenges**

On the bases of the findings per challenges facing MMDAs, the following conclusions are drawn to overcome these challenges.

1. Improper procurement organizational structure at the assembly levels was identified among other issues such as centralization vs. decentralization as a major challenge.
2. Implementation of procurement regulation, rules and guidance as well as internal control systems at the assembly level was also seem to be incoherent.
3. Periodic in-service training for capacity building to support public procurement practitioners to effectively enhance their competencies was lacking.

4. Market globalization through regional and international trade agreement and treaties was observed as a serious economic threat to the up and coming economy.
5. The phase prior to and after the procurements are less subject to transparency and accountability requirement was also identified as a challenge.

### **5.2.2 Conclusion on the Factors Influencing the Challenges**

From the above analysis, the following are the conclusions drawn under the factors influencing the challenges.

1. It was observed the assemblies do not strictly comply by the procurement rules and regulations to their efficient and effectiveness.
2. Pre-qualification processes are not dully carried out to identify qualified tenderers prior to the submission of tender.
3. Multiple price quotes due to unstable inflation rate from suppliers has become a challenge.
4. There is absence of coherency and clear direction towards procurement of public goods and services.
5. Prepared procurement plan are sometimes not presented to the Tender Committee for approval.
6. Ineffective resource mobilization has also been identified as a factor which influences a challenge to the procurement officials in the MMDAs.

### **5.2.3 Conclusion on the Means of Addressing the Challenges**

Several measures were identified as potential factors to address the challenges. These measures include;

1. Open but flexible tendering method of procurement must be adopted to ensure bias free towards all participants.
2. Training and capacity building for project procurement officials at a regular interval will be of great support to the MMDAs to drastically reduce these challenges.
3. Problems and complaints brought before the procurement board at the MMDAs must be properly addressed properly.
4. Good resource mobilization strategies properly adhered to can address the challenges.
5. MMDAs should provide local project procedures to be administered instead of international.
6. Support from MMDAs to the local industries is necessary for competitive and efficient, competence of suppliers

### **5.3 Recommendations**

From the above conclusion, the following recommendations are drawn.

1. Proper procurement organizational structure should be instituted at the assembly levels to address the issues of centralization vs. decentralization which has been a major challenge.

2. Implementation of procurement regulation, rules and guidance as well as internal control systems at the assembly level will also be of immense benefit. This will in turn reduce political pressures coming from elsewhere in their quest to suit and fulfill their political ambition.
3. Periodic in-service training to public procurement practitioners to enhance their competencies is imperative.
4. Full reliance of market globalization through regional and international trade agreement and treaties should be reconsidered as they pose serious economic threat to the up and coming economy.
5. Contracting authorities in the public procurement offices in the assemblies should be regularly checked to avoid if not to eliminate biasness and partiality towards all participant.
6. Assemblies should strictly comply with the procurement rules and regulations.
7. Pre-qualification processes must be dully carried out to identify qualified tenders prior to the submission of tender.
8. There should be coherence in the application of procurement rules and regulations in the public procurement of goods and services.
9. Good resource mobilization strategies must be a adhered to.
10. Openness and flexible tendering method of procurement must be adopted to ensure bias free to all participants.
11. Training and capacity building for project procurement officials must be provided at a regular interval.



12. Problems and complaints brought before the procurement board at the MMDAs must be addressed properly.



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**APPENDIX A**

**PERSONAL DATA**

Please tick [√]

1. **What is your age?** [ ] <20 [ ] 21-40 [ ] 41-60
2. **What is your gender?** [ ] male [ ] female
3. **What is your educational level?** [ ] MSLC [ ] Secondary [ ] Tertiary
4. **Please, choose which government function your department falls under**  
 [ ] General public [ ] Health/Water management [ ] Housing and community amenities  
 [ ] Education [ ] Social Affairs
5. **Which government organization do you work in?**  
 [ ] District [ ] Municipal [ ] Metropolis Others, please specify
6. **For how long have you worked with this organization?**  
 [ ] <2years [ ] 3-5 years [ ] 6-10 years [ ] >10 years

**Procurement Act and its Implementation**

**i. What are the major challenges facing project procurement by MMDAs?**

*Please, indicate the extent to which you agree to any of these items from strongly agree (4) to strongly disagree (1) by placing a check mark (√) on the appropriate figure.*

**Scale of answers from 4= strongly agree, 3= agree, 2= disagree, 1= strongly disagree**

No	Item	1	2	3	4
1	Contracting Authorities in my department always remain non-bias and impartial towards all participant				
2	The phase prior to and after the procurements are less subject to transparency and accountability requirement				
3	Public procurement practioners have choices as they face various political pressures as well as sound economic decision.				
4	Procurement organizational structure such as issues of centralization vs. decentralization has been a challenge.				
5	Implementation of procurement regulation, rules and guidance as well as internal control and legislative oversight has been a big issue.				
6	The procurement Officials lack capacity to fully implement their duties due to pressures from else where such as political				
7	Market globalization through regional and international trade agreement and treaties is posing a challenge to procurement practioners.				

## ii What are the major causes of the challenges?

Please, indicate how strongly you agree to the following statement on **Challenges facing MMDAs** to any of these items from strongly agree (4) to strongly disagree (1) by placing a check mark (√) on the appropriate figure.

Scale of answers from 4= strongly agree, 3= agree, 2= disagree, 1= strongly disagree

No	Item	1	2	3	4
8	There is lack of coherent and clear direction in the public procurement of goods and services.				
9	Pre-qualification processes are not carried out to identify qualified tenders prior to the submission of tender				
10	Sustainability plays an important role in our search for suppliers.				
11	Prepared procurement plan are sometimes not presented to the Tender Committee for approval				
12	We exchange performance feedback with our suppliers				
13	Multiple price quotes due to unstable inflation rate from suppliers has become a challenge.				
14	We do not strictly comply by the procurement rules and regulations				
15	The purchasing function has a good functional knowledge of the organization's strategic goals				
16	Resource mobilization has become another major challenge to the procurement officials in the MMDAs				
17	Exchange of information with suppliers takes place frequently				
18	We maintain close relationships with key suppliers to last a long time				
19	Our purchasing is fully centralized				
20	Only contractors who satisfies the procurement entity after demonstrating its qualification is eligible to participate in the procurement proceedings				
21	Lack of training and capacity building for procurement officials has been a major challenge				
22	We share sensitive information with suppliers				
23	We rely on a small number of suppliers				
24	International procurement procedures are used to administer projects locally always				
25	Appeals and complaints brought to the procurement board by the suppliers are not addressed properly				

26	Only limited number of suppliers and service providers are selected by the MMDAs				
27	Public procurement officials do not set environmental criteria that meet government expectation				

iii **How can these challenges be addressed?**

*Please, indicate how strongly you agree to the following statement on **Means of Addressing the Challenges** to any of these items from strongly agree (4) to strongly disagree (1) by placing a check mark (√) on the appropriate figure.*

**Scale of answers from 4= strongly agree, 3= agree, 2= disagree, 1= strongly disagree**

No	Item	1	2	3	4
1	Training and capacity building for project procurement officials at a regular interval will be of great support to the MMDAs				
2	MMDAs must provide locally project procedures to be administered instead of international procedures.				
3	Problems and complaints brought before the procurement board at the MMDAs must be properly addressed				
4	Open but flexible tendering method of procurement must be adopted to ensure bias free towards all participants				
5	Good resource mobilization strategies properly adhered will address the challenges Confronting the MMDAs in the project procurement				
6	Support from MMDAs to the local industries has become competitive and efficient, competence of suppliers				