

UNIVERSITY OF GHANA

**IMPLEMENTATION OF SUPPLIER SELECTION AND PROCUREMENT
PROCESSES IN DRIVER AND VEHICLE LICENSING AUTHORITY**

BY

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**THIS LONG ESSAY IS SUBMITTED TO THE UNIVERSITY OF GHANA,
LEGON IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE
AWARD OF MASTER OF PUBLIC ADMINISTRATION DEGREE**

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DECLARATION

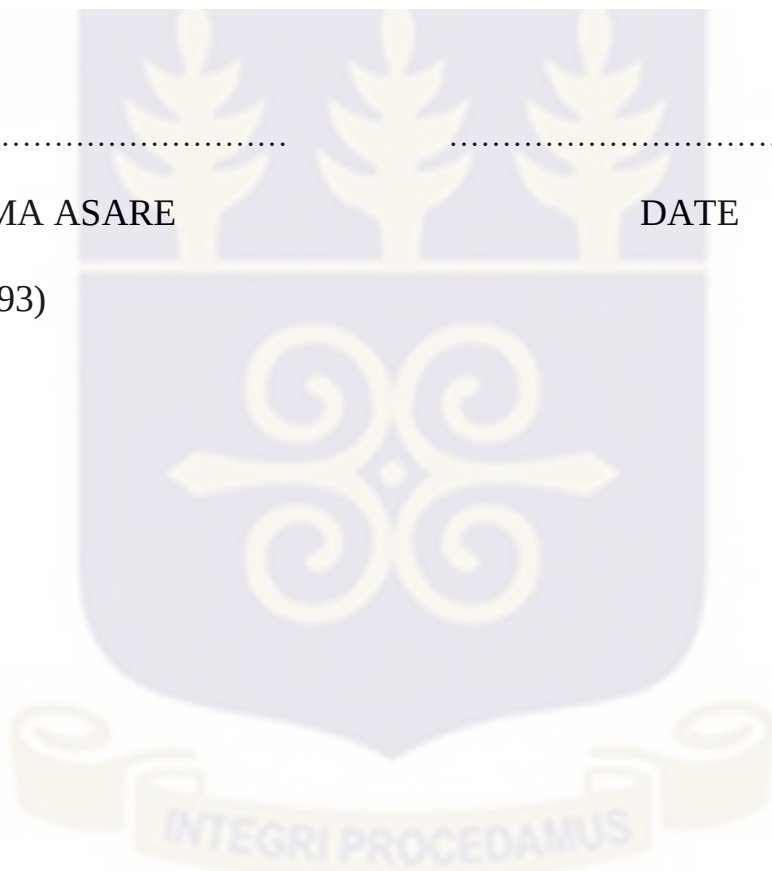
I hereby declare that this work is the result of my own research and has not been presented by anyone for any academic award in this or any other university. All references used in this work have been fully acknowledged. I bear sole responsibility for any shortcomings.

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CERTIFICATION

I hereby certify that this long essay was supervised in accordance with the procedures laid down by the University.

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DR. THOMAS BUABENG
(SUPERVISOR)

.....

DATE



DEDICATION

This work is dedicated to my parents, Mr. and Mrs. Asare, my siblings, Justina, Bernice, Felicia, Benjamin, and George.



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I would like to thank God almighty for how far he has brought me. I would also want to say thank you to my supervisor, Dr. Thomas Buabeng for his guidance, support and constructive criticisms of my work.

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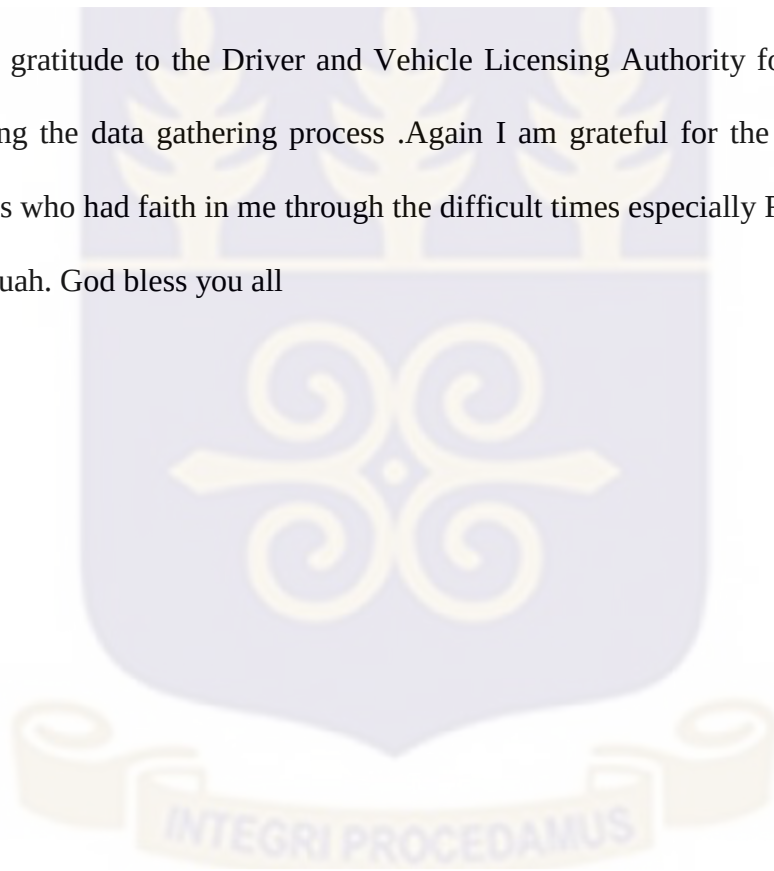


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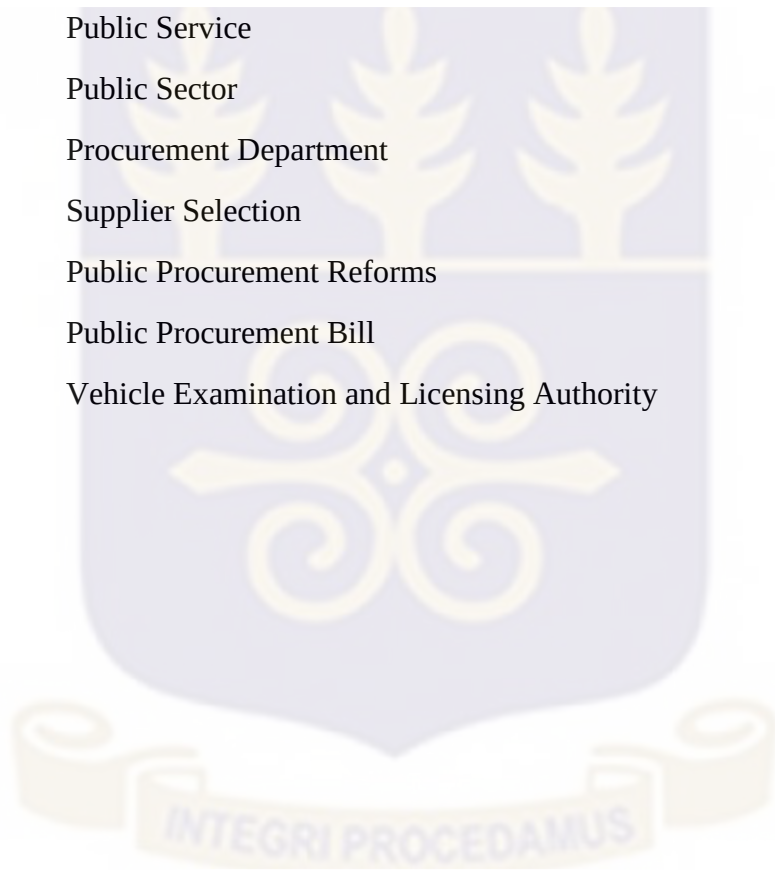
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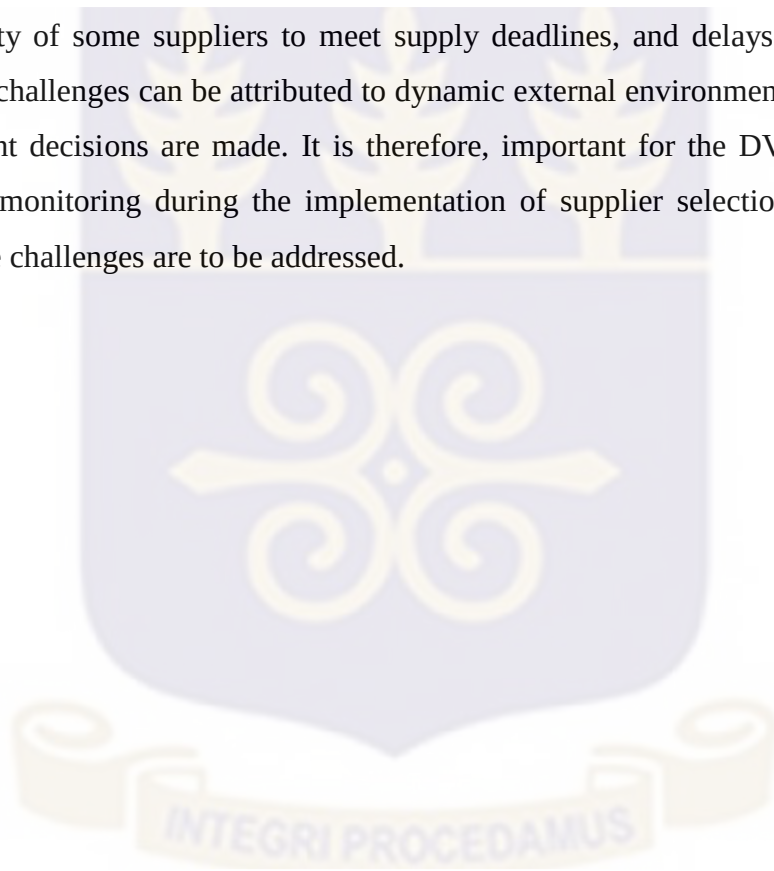
LIST OF ABBREVIATIONS

DVLA	Driver and Vehicle Licensing Authority
GRA	Ghana Revenue Authority
KII	Key Informant Interviews
MDA	Ministry, Department, and Agency
MoF	Ministry of Finance
PPA	Public Procurement Act
PS	Public Service
PS	Public Sector
PD	Procurement Department
SS	Supplier Selection
PPR	Public Procurement Reforms
PPB	Public Procurement Bill
VELD	Vehicle Examination and Licensing Authority



ABSTRACT

The aim of the study is to examine the procedures for selecting suppliers and the associated challenges at the Driver and Vehicle Licensing Authority. A case study method within the qualitative research approach was employed for the study. In all fourteen (14) research participants were interviewed for the study. The study findings show that the DVLA is adhering to the requirements of the Public Procurement Act in its Procurement practices. However, procurement process at the Authority has also been bedeviled with many challenges which include: lack of understanding and interpretation of contractual agreement on the part of some suppliers, inability of some suppliers to meet supply deadlines, and delays in the payment of suppliers. These challenges can be attributed to dynamic external environmental factors in which these procurement decisions are made. It is therefore, important for the DVLA to improve its supervision and monitoring during the implementation of supplier selection and procurement processes if these challenges are to be addressed.



CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

The aim of the study is to examine the procedures for selecting suppliers and the associated challenges at the Driver and Vehicle Licensing Authority. This introductory chapter has been categorized under six thematic areas namely introduction to the study, background, significance, research problem, research objectives, research questions, the scope and limitations of the study and lastly, the organization of the study.

1.1 Background to the Study

Due to the dynamic and hostile environment in which organizations in both public and private sector operate, they have been forced to find strategies that will make them relevant in their business (Kuada & Hinson, 2015). One of these strategies is supplier selection. According to Chen et al. (2006) supplier selection processes over the years was never seen as a strategic tool capable of contributing to the overall organizational growth. However, in recent years this view has changed and many organizations both in the public and private sector are giving considerable time to supplier selection processes due to the contribution that it can make to the growth and development of an organization. Many organizational managers are using supplier selection processes to gain competitive advantages of over their rivals (Kumar et al., 2014). Some of these competitive advantages can be realized in improvements in product quality, cost reduction, reliable delivery, and improvement in technology and innovation and waste reduction (Ho, Xu &

Dey, 2010). Supplier selection is the process by which organizations identify, review and contract with suppliers (Chen et al., 2006).

In recent times, population growth and the growth of the Ghanaian economy has opened up the country for more investors. This development has led to many organizations in the country and this has widened citizens' options and their quest for better services. This development is putting enormous pressure on public sector organizations to improve their services. Rapidly changing citizen preferences concerning services requires a broader and faster supplier selection processes (Chen et al., 2006). This will enable the public organizations to focus more on their core mandate of providing citizens with services. Concurrently, the organizations must also find ways to streamline the number of suppliers to obtain efficient supplies. This will require building long term relationship with suppliers and this will provide opportunities of improving quality and reducing cost (Kuada & Hinson, 2015). Moreover, according to Asamoah et al., (2012) because of the risk associated with selecting reliable suppliers, organizations have developed selection criteria that transcends just price as the selection criteria.

These issues require a more organized and efficient approach to manage organizational purchasing decisions, especially with reference to supplier selection (Kumar et al., 2014). The challenge is that the natures of some of these supplier selection processes are unstructured and can be problematic (Kuada & Hinson, 2015). In that vein, Chen (2011) argues that supplier selection processes can be envisaged as a multi-faceted problem which involves both quantitative and qualitative factors. In order for public organizations to make supplier decisions, it is imperative to make a trade-off between the tangible and intangible factors that sometimes creates conflicts for procurement managers (Thomton et al., 2013). Therefore, how organizational

managers make purchasing decisions should be investigated in the future (Ho, Xu & Dey, 2010). Against this background, the study seeks to examine the supplier selection processes at the Driver and Vehicle Licensing Authority and the challenges associated with these processes through an empirical research.

1.2 Statement of Research Problem

Even though the process of supplier selection have been touted as one key strategy for improving the operational performance of organizations in both public and private organizations, there are still some practical challenges associated with the processes in many public organizations in Africa (Asamoah et al., 2012). Many public organizations in Ghana over the years have grown accustomed to making their purchases themselves and locally. The advent of supplier selection to many public organizations in Ghana poses many challenges such as lack of knowledge about the Public Procurement Act which guides supplier selection and procurement in Ghana's Public Service. The objective of supplier selection processes is to maximize the overall value, reduce the risk associated with purchasing and the establishment of long term relationships between suppliers and purchasing organizations (Ho, Xu & Dey, 2010). Supplier selection is increasing becoming a strategic tool for organizations in realizing their strategic goals (Chen, 2011).

Supplier selection processes have been the subject of extensive empirical research in the business literature (Kumar et al., 2014). It is also considered to be one of the fundamental responsibilities of the purchasing function of organizational managers (Adebanjo et al., 2013). The findings of Perks & Oosthuizen (2013) revealed that supplier selection processes have a positive effect on an

organization's financial performance and can benefit the various departments of the organization. The ability to select reliable suppliers is a mark of successful purchasing. Thus, selecting the right suppliers is critical because it has a direct effect on cost reduction and the flexibility of the organization (Asamoah et al., 2012).

While supplier selection is regarded as one of the most critical decision process in every organization (Ho, Xu & Dey, 2010) however, according to Perks & Oosthuizen (2013) little research attention has been given to it in Africa. According to Chen (2011) supplier selection processes focuses on three main areas. First, the objectives and challenges experienced during the process; second, the process of deciding which suppliers to use from a list of potential suppliers and third, the relationship between organizations and suppliers. Relatively little research has been done with reference to supplier selection in public sector organizations in developing countries. Consequently, Adebajo et al. (2013) called for further research to understand the challenges public sector organizations in developing countries face in their quest to implement supplier selection processes. In addition, conspicuously missing in previous studies is an exploration of supplier selection practices based on an organization's position on the supplier chain process (Chen, 2011). These studies have either focused exclusively on the criteria used by the end-product users to select their direct suppliers or have either ignored differences in an organization's position in the supplier chain processes and its associated challenges (Kumar et al., 2014; Perks & Oosthuizen, 2013). As public sector organizations begin to look for opportunities to enhance the way they select and procure goods and services, it is important to understand the processes and the associated challenges that are used throughout the process. `

Hence there is room for arguably a contribution to literature on supplier selection from a developing country context. This research responds to this call by examining supplier selection processes in a public organization in a developing country context. The underpinning research question is: what are the procedures for selecting suppliers and the associated challenges at the Driver and Vehicle Licensing Authority?

1.3 Objectives of the Study

The aim of the study is to examine the procedures for selecting suppliers and the associated challenges at the Driver and Vehicle Licensing Authority. The specific objectives of the study are:

1. Find out if the policy and procedures for supplier selection and procurement are followed in the DVLA.
2. Explore external influences in the supplier selection and procurement procedures in the DVLA.
3. Examine the challenges associated with supplier selection and procurement in the DVLA.
4. Find out ways of improving supplier selection and procurement in the DVLA.

1.4 Research Questions

The main question that guided the study is: “what are the procedures for selecting suppliers and the associated challenges at the Driver and Vehicle Licensing Authority?” Specifically, the study sought to answer the questions below:

1. Are the policy and procedures for supplier selection and procurement followed in the DVLA?
2. What are the external influences in the supplier selection and procurement procedures in the DVLA?
3. What are the challenges associated with supplier selection and procurement in the DVLA?
4. How can supplier selection and procurement in the DVLA be improved?

1.5 Significance of the Study

The findings of the study would have both theoretical and practical relevance. The importance of the study will be: first, it will be adding to literature on supplier selection and procurement processes in a public organization in a developing country context. Second, the study will provide information to practitioners on the challenges and importance of using suppliers in procuring goods and services. Moreover, it will also provide information on how to manage these challenges in the supplier selection and procurement process in a public organization. Other public organizations with similar setups and structure can make use of the findings from the study and apply them to their situations.

1.6 Scope and Limitations of the Study

The study was conducted at the Driver and Vehicle Licensing Authority (DVLA) in the Greater Accra Region of Ghana, (hence all the data collected and analyzed related to no other organization but the DVLA). The rationale for using the DVLA is that, the process of supplier

selection and procurement have improved the performance of many private sector organizations over the years. However, many public sector organizations in Ghana have been bedeviled with many challenges in their quest to improve their operational performance through the use of supplier selection and procurement processes. The researcher therefore decided to use the DVLA since it is a public sector organization in Ghana to explore the cause of these challenges. This limited the ability of the research findings to be generalized across other public organizations. Nevertheless, the purpose and objectives of the study were achieved and other public organizations with similar organizational structure and characteristics can benefit from the research findings.

1.7 Chapter Organization

The research is organized in five chapters. Chapter one presents the general introduction of the study which comprise of the background to the study, statement of research problem, the aims and objectives of the study, research questions and the significance of the research. The second chapter discusses the relevant empirical works and theories which provided valuable introductory knowledge in comprehending the concept of supplier selection and procurement. The research methodology has been explained in chapter three. Here, the procedures and instruments used in collecting the research data as well as how the research data was managed and have been discussed. The data presentation, analysis and discussion were outlined in chapter four, and the final chapter five constituted the summary, conclusion and recommendations of the entire study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews literature with regards to what other scholars have examined on the concept of supplier selection. It reviews journal articles, published and unpublished reports on supplier selection, criteria for supplier selection, challenges and benefits of supplier selection and sustainable supplier selection. It also reviews the Public Procurement Act and examined the legal criteria for supplier selection in Ghana.

2.1 The Concept of Supplier Selection

The emergence of competition coupled with the sophistication of the modern consumers has identified the growing relevance of supplier selection and procurement as a strategic direction for organizational growth and profitability (Edler & Georghiou, 2007). Improvement in sales and organizational growth has been the number one priority of many organizations in both public and private sector. According to Uyarra and Flanagan (2010) supplier selection and procurement in the public sector can demonstrate real and measurable contribution to the sector and how services are delivered to citizens. Supplier selection and procurement has become a very complex and multifunctional process for managers in the public sector as the traditional role of purchasing in the public sector has change significantly (Govindan et al., 2015).

Supplier selection and procurement is not just a tactical activity anymore but it is identified as a strategic activity since organizational suppliers can either help organizations to meet their goals or not depending on their ability to meet supplier deadlines (Chai, Liu & Ngai, 2013; Edler & Georghiou, 2007). Consequently, supplier selection and procurement processes have become an instrument for measuring the performance of organizations (Uyarra & Flanagan, 2010). According to Mani, Agrawal and Sharma (2014) the management of supplier relationship is very important for organizations as it can contribute to their competitiveness and profitability. Thus, a very critical issue that organizations must address is the effectiveness of the supplier networks for achieving their strategic goals including the selection of suppliers, supplier selection criteria, and the monitoring of suppliers (Goebel et al., 2012). To this regard, an effective supplier relationship can help organizations in achieving high quality products and satisfying the consumers.

The objective of supplier selection and procurement processes is to identify the supplier that offers the best all round package that meets the requirements of the organization. Selection is a broad comparison of potential suppliers using a set of criteria and measures (Govindan et al., 2015). Supplier selection refers to the process of identifying an external organization that supplier's relatively standard goods and services (Mani, Agrawal and Sharma, 2014). Nonetheless, according to Goebel et al. (2012) the criteria and measure used in determining potential suppliers vary from one organization to the other depending on the needs of the organization. According to Govindan et al. (2015) a supplier selection process consist of four main steps, namely problem identification, formulation of supplier selection criteria, qualification of suitable suppliers and the final selection of the supplier. On their part, Monczka

et al. (2011) proposed a seven step supplier selection process. These steps include recognizing the need for supplier selection, identifying key sourcing requirements, determining a sourcing strategy, identifying potential suppliers, short listing suppliers in a the selection pool, determining a method of supplier evaluation, and finally selecting a supplier and reaching an agreement.

Several factors affect supplier selection processes. These factors are both firm-specific and environmentally determined. They include (1) the patterns of buyer-seller interaction and relationships, (2) the composition and functional specialization of members of the supplier selection decision making team, (3) the impact of environmental factors such as market structures, technology, economic and socio-cultural factors on these decisions, and (4) the role of intermediaries in the decision processes. In addition, supplier decisions are influenced by three other dimensions namely, technical, commercial and social ((Edler & Georghiou, 2007). It is by having an understanding of these factors that organizations can fully appreciate the processes of supplier selection and procurement.

2.2 Supplier Selection and Procurement Criteria

Supplier selection and procurement processes play very important roles in the operations of organizations both in the public and private sectors. Various factors are considered during the process of supplier selection and these factors are sector and organization dependent (Uyarra & Flanagan, 2010). Conventionally, supplier selection and procurement processes have been based on very few factors, that is the ability of suppliers to meet quality specifications and

requirements, compliance with delivery schedules and price (Igarashi, de Boer & Fet, 2013). However, over the years, as the business environment changes coupled with more demands on organizations to deliver quality services, the criteria for supplier selection and procurement in both public and private organizations have also changed accordingly (Govindan et al., 2015). These days, more factors are considered in supplier selection and procurement processes (Goebel et al., 2012).

In a study to consider the factors that organizations consider in supplier selection and procurement processes (Chai, Liu & Ngai, 2013) found that the top three factors for supplier and procurement rating include quality, delivery, price and technical competence. Accordingly, Igarashi, de Boer and Fet (2013) also found price and quality to be the most important criteria for supplier selection. All the studies show that various factors are considered in selection a supplier in organizations and it appears that the dominant factors considered are quality, price and delivery. Min (1994) also proposed a set of factors for selecting suppliers. These factors include price, quality, delivery, technical capability, facility, financial position, flexibility, and service.

According to Min (1994) supplier selection criteria should be used in measuring supplier selection factors to be able to compare the factors effectively, since most decision makers in organizations cannot simultaneously handle more than seven supplier selection criteria when making a decision. Consequently, it is important to break down the complex problem of supplier selection criteria into sub manageable problems through a multi-levelled decision hierarchy (Ninlawan et al. (2010). It is desirable to organize the attributes of supplier selection under the most relevant supplier factors in order to make it possible to compare decisions (Chai, Liu & Ngai, 2013).

In recent years, many consumers have become sensitive to environmental issues and are placing much importance on how organizations treat the environment. This has consequently led to organizations adding environmental factors as requirements to supplier selection and purchasing decisions (Igarashi, de Boer & Fet, 2013). In addition, more environmental laws and regulations have been promulgated and environmental protection are being encouraged across the globe (Goebel et al., 2012). According to Chai, Liu and Ngai (2013) many organizations are laying more emphasis on environmental issues to survive the competitive business environment. Hence, how to choose the supplier that adheres to environmental laws and regulations is a major strategic issue that requires efficient supplier selection criteria. In evaluating the implementation of green supply chain management practices in the electronic industry, Ninlawan et al. (2010) posit that the main consideration for environmentally friendly supplier selection are price, product quality and environmental capacity. The researchers suggested that organizations should evaluate and select environmentally friendly suppliers on the basis of the quality of product life cycle evaluation. They further argued that the selection of an environmentally friendly supplier is very critical improving the competitiveness of the organization and environmental protection.

2.3 Benefits of Supplier Selection and Procurement

Supplier selection and procurement processes are crucial to the realization of organizational goals. The overall goal of supplier selection and procurement process is to reduce the purchasing risk and maximize the overall benefit to the purchasing organization (Lee, 2009). From being considered as a simple administrative function for acquiring raw materials at the lowest price possible, supplier selection processes have evolved to become a crucial strategic tool contributing to the realization of organizational goals in an effective and efficient manner

(Asamoah, Annan & Nyarko, 2012). The search for suppliers is one of the most difficult aspects of supplier selection and procurement processes. Procurement has become an important business function in the operations of public sector organizations and according to Adebajo, Ojadi, Laosirihongthong and Tickie (2013) both public and private sector organizations need to strategize in order to find the best supplier to stay competitive within a dynamic and hostile business environment. Gosling, Purvis and Naim (2010) also add that the need for supplier selection has also been made more important due to the increased demands on organizations by clients, globalization of markets and the quest to improve business operations. Consequently, supplier selection and procurement processes are important business strategy.

Enhanced quality and availability have been identified as a major benefit of supplier selection (Adebajo et al., 2013). Organizations operate in a dynamic and hostile global business environment. Therefore, to be competitive they need to provide quality products and services to their clients. Through supplier selection and procurement processes public sector organizations can source for goods and services from every part of the world which can enhance their product and service quality (Lee, 2009). This also allows the organizations to tap into the technical expertise of these international suppliers which is not available locally, hence an improvement in quality and product availability.

Studies have also shown that the quantum of benefit an organization derives from using supplier selection and procurement processes is dependent on: the size of the organization; the type of products; the volume of product being purchased; the organization's experience in supplier selection and procurement; the market where the goods are purchased; and the time of purchase (Adebajo et al., 2013; Gosling, Purvis & Naim, 2010).

According to Gosling, Purvis and Naim (2010) organizations with large product purchases are likely to get more benefits in getting lower priced goods at better quality. Moreover, organizations buying from well-defined markets and large suppliers can benefit from cost reduction more significantly than another organization buying from a small supplier organization. Lee (2009) also adds that organizations with more experience in supplier selection and procurement processes can easily reach out to foreign suppliers which can offer better quality products and services at lower prices.

Other benefits associated with supplier selection and procurement processes include access to worldwide technology; enhanced competitive position; increased number of suppliers; better customer service; better delivery service; and helps in meeting counter-trade obligations (Adebanjo et al., 2013; Asamoah, Annan & Nyarko, 2012).

2.4 Challenges to Supplier Selection and Procurement

Developing systems and processes for selecting suppliers has been identified as relevant during the process of selecting suppliers to ensure efficiency and effectiveness in procurement (Jauhar & Pant, 2016). Hence, if the supplier selection process is not conducted effectively, the realization of organization goals will be affected.

Supplier selection and procurement processes in the public service are very complicated. This is due to the unpredictable and uncontrollable factors that affect supplier and procurement decisions (Rogerson, 2004). Consequently, various decision making models have been proposed to help address these challenges. These decision making models include Analytical Network Process (ANP), Case Base Reasoning (CBR) and Analytic Hierarchy Process (AHP). Various

studies have been conducted to explore the challenges associated with supplier selection in both developed and developing economies (Tukuta & Saruchera, 2015; Ambe & Badenhorst-Weiss, 2012).

The identified challenges associated with supplier selection and procurement include differences in business and cultural practices practice across regions; delays in transportation; language barriers; inventory management; logistics; and economic and political instability (Adebanjo, Ojade, Laosinhongthong & Tickle, 2013; Ambe & Badenhorst-Weiss, 2012). In their study Asamoah, Annan and Nyarko (2012) also opine that regulations such as tariffs, quotas and trade restrictions are major challenges to supplier selection and procurement processes. Besides these challenges, top management support for supplier selection and procurement processes is crucial for successful implementation (Ambe & Badenhorst-Weiss, 2012). The commitment of top management in supplier selection processes has been identified as one of the most critical issues in supplier selection since management is responsible for allocating resources for such processes (Tukuta & Saruchera, 2015). In particular, top management support and commitment is critical in the public sector because supplier selection and procurement processes are more complex in the public sector owing to its many legal and bureaucratic requirements and the need for the judicious use of public funds (Rogerson, 2004). Supplier selection and procurement processes in the public sector will always face many challenges (Ambe & Badenhorst-Weiss, 2012). Public organizations have to meet various requirements and these requirements create various challenges for public sector procurement managers.

2.5 Supplier Selection and Public Procurement Reforms in Ghana

The government of Ghana procurement reform programme is part of a wider reform agenda to improve public procurement and public financial management. The objectives of the reform are to promote national development, facilitate and enhance public procurement and supplier selection and ensure value for money, foster competition, efficiency, transparency and accountability. A key deliverable of the procurement reform was the drafting of a Public Procurement Bill which was enacted into law by the Parliament of Ghana in 2003. Other measures adopted by the government of Ghana in monitoring and managing public procurement and supplier selection is the issuance of expenditure ceilings for each MDA consistent with the annual budget. Consequently, all procurement institutions must seek clearance from the MoF, through certification as proof of the availability and adequacy of funding before any works contract is awarded.

2.6 The Public Procurement (Amendment) Act (PPA) of Ghana (Act 914 of 2016)

The Public Procurement Act of Ghana, Act 663 of 2003 but has now been amended by parliament of Ghana and is now Act 914 of 2016. The PPA stipulates and defines the guidelines for supplier selection and procurement for all public organizations in Ghana. The procurement Authority is the administrative body with oversight responsibility on all public procurement in Ghana. The objective of the Public Procurement Authority is to harmonize the process of public procurement in the public service of Ghana to ensure judicious, economic and add efficient use of public resources and also to ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner.

Sections 22, 23, and 24 give the following as the criteria that qualify suppliers for a possible contract award. According to the Act, tenders shall possess or do the following to be qualified for the award-

(a) possess the necessary

i. professional and technical qualification and competence

ii. financial resources

iii. equipment and other physical facilities

iv. managerial capability, reliability, experience in the procurement object and reputation

v. the personnel to perform the procurement contract.

(b) have the legal capacity to enter the contract

(c) be solvent, not be receivership, bankrupt or in the process of being wound up, not have its business activities suspended and not be subject to legal proceedings that would materially affect its capacity to enter into a contract.

(d) have fulfilled its obligation to pay taxes and social security contributions and any paid compensation due for damage caused to property by pollution

(e) have directors or officers who have not in any country been

i. convicted of any criminal offence relating to their professional conduct or to making false statements or misrepresentations as to their qualifications to enter into a procurement contract, within a period of ten years preceding the commencement of the procurement proceedings or

ii. disqualified pursuant to administrative suspension or disbarment proceedings.

(f) meet such other criteria as the procurement entity considers appropriate.

(2) The procurement entity may require tenders to provide appropriate documentary evidence or other information that it considers useful to satisfy itself that the tenderers are qualified in accordance with the criteria referred to in subsection (1).

(3) Any requirement established pursuant to this section stated in the tender documents or other documents for invitation of proposals shall apply equally to the tenderers.

(4) The procurement entity shall evaluate the qualification of candidates in accordance with the criteria and procedures stated in the documents referred to in subsection (3).

(5) The procurement entity shall disqualify a tenderer who submits a document containing false information for purposes of qualification.

(6) The procurement entity may disqualify a candidate if it finds at any time that the information submitted concerning the qualification of the candidate was materially inaccurate or materially incomplete.

The PPA further spells out the prequalification proceedings as follows:

Pre-qualification is based upon the capability and resources of the prospective tenderers to perform the particular contract satisfactorily, taking into consideration the tenders;

- Experience and past performance on similar contracts
- Manufacturing facilities

- Capabilities with reference to personnel, equipment and construction
- Required licensing and professional registration and
- Commercial and financial resources.

The PPA also states that procuring organizations shall award the contract to the successful tenderer whose tender has been determined to be substantially responsive and has been determined as the lowest evaluated.

2.7 Supplier Selection Models and Theories

Over the years, various models and theories have been developed to explain the processes involved in supplier selection. Mentzer, Myers and Stank (2007) developed the strategic supply management processes which consist of five steps. The process commences with the analysis of opportunities and the collection of data which informs the strategy development. After developing the strategy the suppliers are then screened and selected, with whom agreements are negotiated and finalized. The final step according to their model is implementation and management. During the implementation stage the supplier is monitored following established metrics according to Mentzer et al. (2007).

Monczka et al. (2015) developed a supplier selection model which consists of seven steps: recognizing the need for supplier selection, identifying key sourcing requirements, determining a sourcing strategy, identifying potential supply sources, limiting suppliers in a selection pool, determining a method of supplier evaluation and selection and finally selecting a supplier and reaching an agreement. Monczka et al. (2015) recommend that before spending time evaluating a

supplier the organization should confirm that the considered supplier fulfills certain entry requirements such as financial capability, proven manufacturing capability, design capability, appropriate business strategy, strong supportive management and capable human resource.

Van Weele (2010) also introduced a purchasing process model which is divided into six stages: defining specification, select supplier, contract agreement, order, expedite, and evaluate. According to Van Weele (2010) the process is a high level process which is aimed at operationalizing purchasing rather strategic sourcing. These supplier selection processes describe more traditional evaluation criteria such as pricing and delivery terms. It however, fails to consider environmental and sustainable criteria in selecting suppliers.

O'Brien (2012) refers to the supplier selection process as a funnel with six steps. The pre-qualification, first evaluation, second evaluation, third evaluation, negotiation and contracting. This process model by O'Brien is straight forward from the beginning phase through the evaluation phase before finally negotiating and reaching an agreement. This model fails to provide a stage for information gathering when compared with that of Monczka et al. (2015) and this can affect its ability to be applied in different business environments.



2.8 Conceptual Framework for Supplier Selection and Procurement

Based on the theoretical and empirical review of the relevant literature the following conceptual framework was developed for the study as shown in Figure 1. To achieve an effective and efficient supplier selection and procurement process, the study proposes a number of steps to guide analyze the process of supplier selection in the Driver and Vehicle Licensing Authority (DVLA).

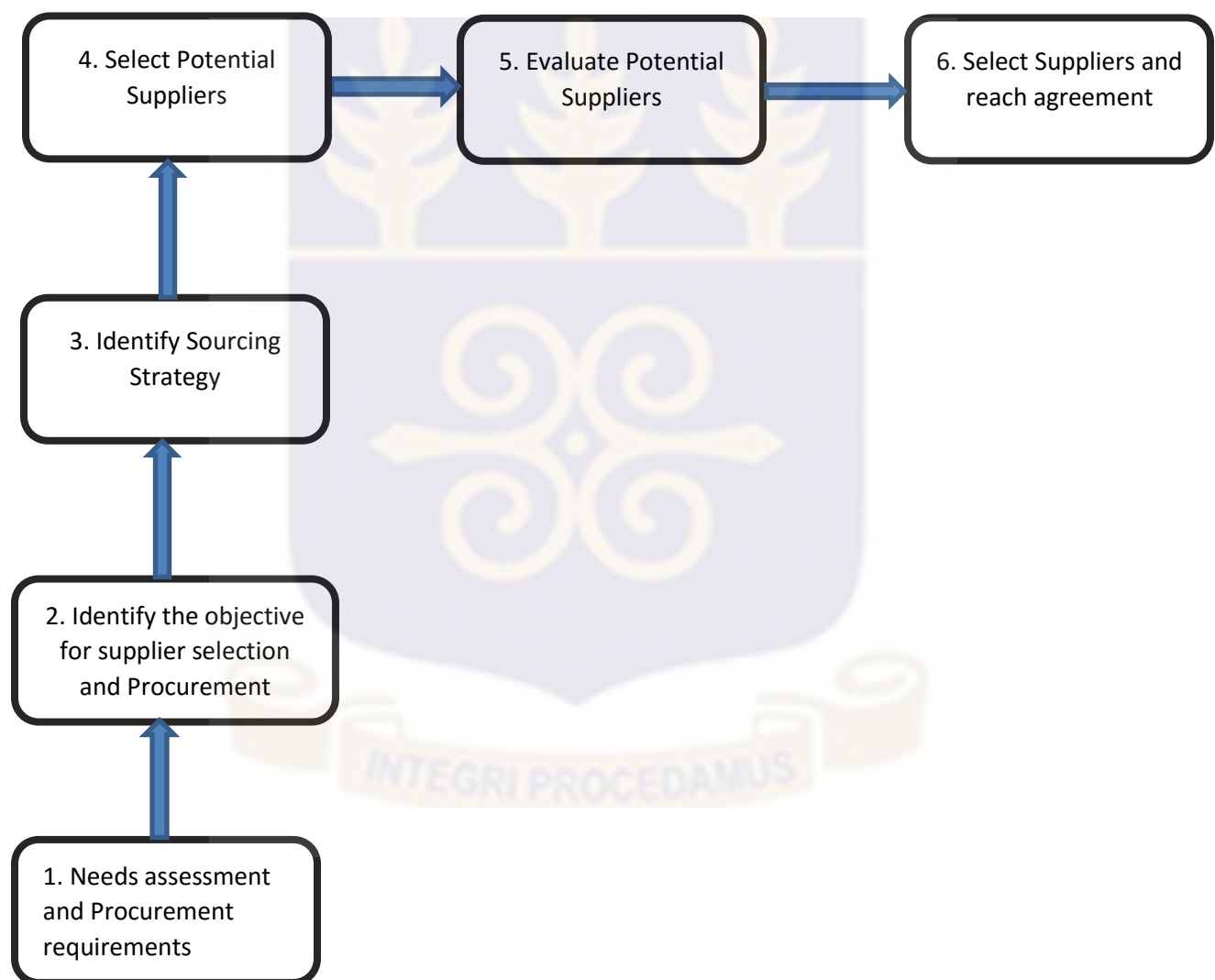


Figure 2.1 Supplier Selection and Procurement Framework

2.9 Conclusion

This section of the study reviewed literature on the phenomenon of supplier selection and procurement. Based on the literature review a conceptual framework was developed for the research.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section of the research outlines the methodological approach that was used to conduct the study. It describes the various activities that were done during the research. These activities included the research approach, research design, data sources, sampling techniques and data collection procedures. It also presented the data analysis techniques, data management and ethical considerations during the data collection processes.

3.1 Research Design

The qualitative approach to social research was used for the study. This approach provides a comprehensive understanding of the context within which the phenomenon of supplier selection and procurement is occurring and the associated challenges that pertains to that specific public organization. In addition, it also provides an opportunity for the researcher to get inside the worldview of the people experiencing the social phenomenon (Neuman, 2007) of supplier selection and procurement and accurately interpret the meaning that the people ascribe to it.

The case study approach of qualitative design to inquiry was used for the study. According to Yin (2013) it becomes more relevant and appropriate to adopt a case study approach for a social research especially when the phenomenon is contemporary and context specific to real life situation and the researcher has very minimal control over events. A case study also presents an opportunity to study a phenomenon from multiple perspectives and also presents an opportunity

to use multiple levels of analysis such as an organization in the case of the DVLA and individual (Yin, 2013).

The case study was deemed appropriate method towards realizing the objectives of the study. For this research, the case study adopted for the study was the Driver and Vehicle Licensing Authority. The Driver and Vehicle Licensing Authority offer the relevant and appropriate context for the study. The DVLA also presents an opportunity to explore a modern phenomenon like supplier selection and procurement in a public organization in a developing country context.

3.3 Study Area

The Driver and Vehicle Licensing Authority (DVLA) is a semi-autonomous public sector organization under the Ministry of Transportation. It was established by an Act of Parliament, Act 569 of 1999 to be responsible for ensuring safety on the roads of Ghana. Before the enactment of the DVLA Act, the department was called Vehicle Examination and Licensing Authority (VELD). The Authority is mandated as provided in the DVLA Act, Act 569 of 1999 to promote good driving standards in Ghana, and also ensure the use of roadworthy vehicles on the roads and in other public places and to provide for related matters.

The vision of the DVLA is to be a reputable institution with internationally accepted standards for drivers and vehicle licensing. The Authority is also responsible for setting guidelines for vehicle construction and use for the public.

According to the Act, DVLA performs the following functions:

- ✚ Establish standards and methods for the training and testing of driving instructors and drivers of motor vehicles and riders of motor cycles

- ✚ Establish standards and methods for the training of vehicle examiners
- ✚ Provide syllabi for driver training and the training of instructors
- ✚ Issue driving Licenses
- ✚ Register and license driving schools
- ✚ License driving instructors
- ✚ Inspect, test and register motor vehicles
- ✚ Issue vehicle registration certificates
- ✚ Issue vehicle examination certificates
- ✚ License and regulate private garages to undertake vehicle testing
- ✚ Maintain registers containing particulars of licensed motor vehicles, driving instructors, driving schools and rivers of motor vehicles.

In the quest of the DVLA to improve its operations and services, it introduced an online registration system that sought to streamline the activities and processes of the Authority. The system was also introduced to eliminate the activities of middle men who hamper the effective running of the functions of the DVLA.

(DVLA, 2017)

3.4 Sources of Data

Data for the study was collected from both primary and secondary sources. Primary data is gathered from first-hand experience whereas secondary data is gathered from second-hand experiences and usually entails data that has already been collected by another person or organization (Walliman, 2005).

The data from the primary sources consisted mainly of data that was collected from the study area through the use of field interviews. A semi-structured interview guide was used to collect the data on the field through a one-one-one interview sessions. The semi structured interview guide gave research participants the freedom to express their views about the phenomenon of supplier selection and procurement without any restrictions and limitations (Creswell, 2009).

The secondary data source comprised of data from already existing literature such as official publications, various published and unpublished reports. Other sources included but not limited to peer reviewed journals, the internet and books. These different sources will provide valuable introductory knowledge about the research.

3.5 Target Population

The target population for the study included the employees of the Driver and Vehicle Licensing Authority. The study selected senior and middle level managers who are responsible for supplier selection and procurement processes at the Authority. In all fourteen (14) research participants were interviewed for the study. The participants were selected from the finance department, procurement department, administration and operations department.

3.6 Sample Size

According to Walliman (2005) a sample refers to a small group of respondents drawn from a population about which a researcher is interested in getting the information so as to arrive at a conclusion. The study selected employees of the Driver and Vehicle Licensing Authority from

the procurement, finance and stores departments. Samples of fourteen (14) respondents were purposively selected for the study.

3.7 Sampling Technique

The study used purposive sampling to sample some of the employees with the requisite knowledge about the phenomenon under study. According to Creswell (2009) the purposive sampling technique gives the researcher the opportunity to select predetermined respondents with the needed knowledge and experience about the concept of supplier selection and procurement processes at the DVLA. The study used key informant interviews as the main technique for collecting the research data.

In general, there are two main types of sample selection techniques to use for a social research. These two sample selections are probability and non-probability sampling methods. A probability sampling technique gives each case an equal chance of being selected whereas in a non-probability sampling method the chances of selecting a case are not same. The research uses a non-probability sampling technique. The non-probability sampling technique used by the study is the purposive sampling technique.

3.8 Instruments for Data Collection

A semi-structured interview guide was used to collect the research data. The semi-structured interview guide gave the research participants the freedom to express their views and experiences about supplier selection and procurement processes in the DVLA. It also gives the research the opportunity to ask follow up questions which may not be in the interview but may

be necessary due to the responses from the participants. The interview guide was structured into four parts. The first part sought to gather data on the demographic characteristics of research respondents. The second part examined the procedures for selecting and evaluating suppliers in the DVLA and the third part explored the benefits associated with supplier selection in the DVLA. The last part of the interview guide sought to examine the challenges associated with supplier selection processes in the DVLA.

3.9 Data Management and Analysis

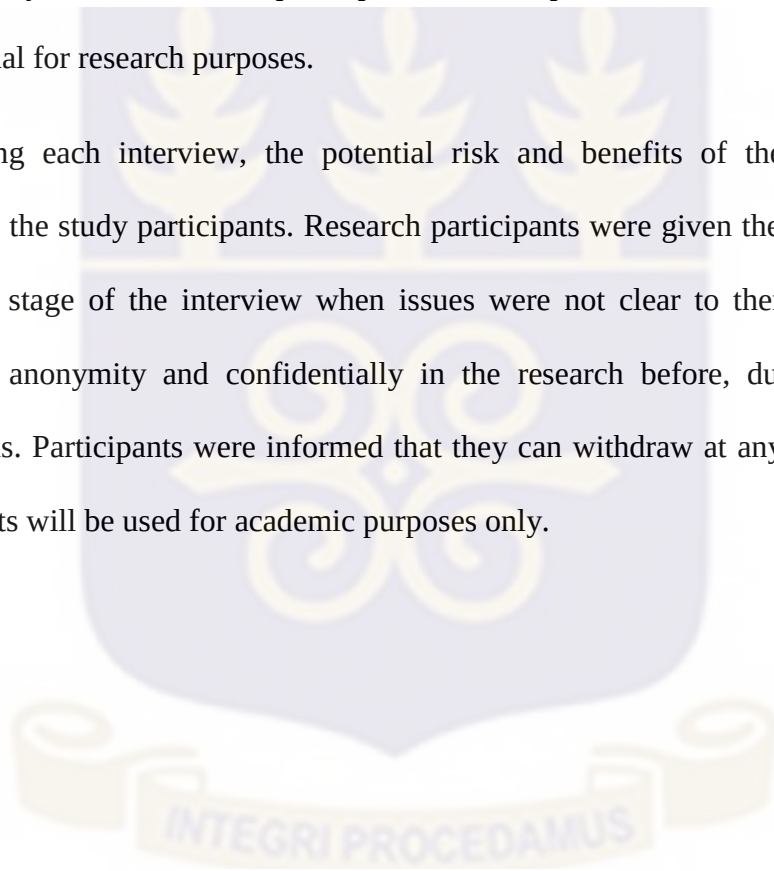
This section of the study outlined how the whole research data will be managed. This involved all the activities that transpired on the field through the analysis stage to the presentation of the final conclusion of the research. The study adopted the approach of Miles and Huberman (1994) in analyzing the research findings. According to Miles and Huberman (1994) qualitative analyses consist of three concurrent flows of activity-data reduction, data display and conclusion drawing and verification. The study employed this approach in analyzing the entire data that was collected from the study area.

The study used audio and digital voice recorders to record the information from the research participants during the interviews. Besides using the audio devices to record the interviews, the researcher also took field notes to serve as a backup in an event the audio device fails. The data from the field was transcribed and documented into notes and later sorted into categories that fall under the three main research objectives. The field data was then organized and analyzed.

3.10 Ethical Considerations

It is very important for every researcher to adhere to some ethical principles in the conduct of their research. This protects the interest of the research participants. The ability of the researcher to act ethically involves the researcher balancing the value of non-interference in the lives of the study participants and the significance of advancing knowledge (Neuman, 2007). According to Neuman researchers have a responsibility to secure prior voluntary consent when possible, avoid causing unnecessary harm to research participants or make public harmful information collected about an individual for research purposes.

Before conducting each interview, the potential risk and benefits of the study were duly communicated to the study participants. Research participants were given the opportunity to ask questions at any stage of the interview when issues were not clear to them. They were also assured of their anonymity and confidentiality in the research before, during and after the interview sessions. Participants were informed that they can withdraw at any stage of the study and that the results will be used for academic purposes only.



CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.0 Introduction

This chapter presents the study findings and discusses both the primary and secondary data collected on the study. The findings and discussions are presented under four main objectives of the research accordingly.

4.1 Procedures for Supplier Selection and Procurement

The aim of the study is to examine the procedures for selecting suppliers and the associated challenges at the Driver and Vehicle Licensing Authority. The study revealed that the DVLA has developed some procedures for selecting suppliers based on the requirements of the Public Procurement Act of Ghana, Act 663 of 2003 which was later amended to Act 914 of 2016. Based on the Procurement Act the DVLA has developed a procurement cycle which is discussed below.

4.1.1 Problem Definition

Identification of the problem is the first phase of the supplier selection and procurement procedures at the DVLA. This stage of the process is the main planning phase of the whole procurement process. This involves identifying a need for the execution of a service for the DVLA or identifying a need to buy materials and equipment for operations. When asked about the frequency of initiating the first phase of the process, it was revealed that the DVLA only initiates the process when there is the need. Since most of the materials and equipment are

bought in bulk from the beginning of the year. The study revealed that the procurement team is headed by the Director of Procurement at the Authority and other members include the finance Director, and the head of the department requiring the materials.

It was also revealed by a senior official that the DVLA prefers to consult suppliers for their materials and other service requirements instead of relying on in-house personnel to solve the problem. The DVLA has a team responsible for dealing with supplier selection and procurement issues. According to an official:

“It’s always prudent for the DVLA to rely on suppliers for goods and services since that helps the Authority to reduce its operational cost. And to achieve this, the Authority has a team responsible for selecting suppliers based on a well-defined and structured criteria developed from the Procurement Act. We cannot do everything on our own hence, the need to bring in external suppliers”

When asked about who and how the supplier selection process is initiated. The study findings revealed that the supplier selection and procurement process is initiated when a department or unit makes a requisition for materials and equipment and the DVLA is in short supply. In addition, the process is also initiated when the DVLA is in need of a service such as consultancy or some form of training needs for its employees. More importantly, the process begins with a formal requisition form from the department in need of the service or materials to the procurement department and the head of the procurement department initiates the process. The aim of initiating the supplier selection and procurement process is to get supplier to bid and not rely on the same suppliers. After the problem has been established and there is the need for materials or services to be acquired, the next step of the supplier selection and procurement

process is continued with, and that is the formulation of an evaluation criteria for selecting suppliers.

4.1.2 Formulation of Evaluation Criteria

Formulation of evaluation criteria is the next phase of the supplier selection and procurement process of the DVLA after it has been established that there is a need to acquire some materials or equipment. The evaluation criteria are the benchmark that will be used to ascertain the credibility and appropriateness of a supplier the study findings revealed. An official opined that:

“This is a very important stage in the whole procurement process because this is the stage where standards are determined, product quality and price issues are also determined. If a mistake is made here it becomes very costly to the Authority and the Authority may end up getting the wrong products or equipment”.

The study revealed that the evaluation factors of the DVLA include quality, price, financial viability of the supplier, technical capacity of the supplier, experience, and reliability of the supplier. When asked about the most important criteria for selecting suppliers in the procurement process. Most of the respondents mentioned quality as the most important criteria followed by price. On this issue an official asserted that:

“Even though all the evaluation criteria are equally important, we rank quality of products and services offered, price and the past records of the supplying organization as the three most important criteria. We want to get value for money”

Based on the responses from the study participants, the research ranks the various evaluation criteria. After the evaluation criteria have been determined, the sourcing is done and tenders are accepted from suppliers.

Table 4.1 Importance of Selection Criteria

CRITERIA	FREQUENCY OF RESPONDENTS	RANK
Quality	13	1
Price	12	2
Experience	8	3
Financial Viability	7	4
Technical Capacity	5	5
Reliability	2	6

4.1.3 Pre-Qualification

The next stage of the procedure for supplier selection and procurement is the pre-qualification stage. This stage involves scanning of all the bids to eliminate and reduce the number of bids to a sizeable and manageable number. It also aims to eliminate potential suppliers or bids that fail to meet all the initial requirements of the process as required by the DVLA the study revealed. During this stage, suppliers are required to provide documentary evidence of:

- a. Valid business registration certificate with currently renewed receipt
- b. Valid tax clearance certificate and tax identification pin
- c. Valid SSNIT contribution certificate

- d. Tender security (Certified bank guarantee from a bank in Ghana/ a bond issued by an insurance or bonding institution).
- e. Ghana Revenue Authority Tax Identification Number

The pre-qualification stage also entails technical and market evaluation of the potential suppliers. This involves a review of how the materials will be packed, conformation to specifications, presentation of sample for verification and delivery period. The findings revealed that only suppliers whose tenders pass the pre-qualification requirements are considered for the last stage of the procurement process.

4.1.4 Final Selection

The final stage of the whole process is the selection of tenders to supply the goods and services to the DVLA. This is the stage for selecting the most qualified tender after shortlisting them. The study revealed that to select the most qualified supplier, he least error or non-compliance of the processes by any shortlisted applicant can lead to disqualification. To select the final supplier, the tendering organizations are asked to provide samples of their products after shortlisting. To explain this point an official elaborated that:

“This is the final stage of the process where the procurement team selects the best and most qualified organization to supply the products and services to the Authority. This stage is very important since a mistake here will require the initiation of the whole supplier selection and procurement again. Therefore, a mistake here will defeat the purpose of the whole process”.

After the most qualified organization or tender is selected, the relevant documents are signed to formalize the whole agreement and make it a working document. This involves agreeing on payment terms and other terms such as deadlines.

4.2 External influences in the supplier selection and procurement procedures at the DVLA.

The study also aimed at exploring the external influences in the supplier's selection and procurement procedures at the DVLA. It was revealed that the Authority in its supplier selection and procurement process reports to the Ministry of finance which exercises a supervisory function over the DVLA. The ministry of finance issues regulations and is also in charge of receiving procurement reports from the Authority and submitting to Parliament for review. The study revealed that procurement at the Authority can be categorized into international competitive tendering; national competitive tendering; two-stage tendering which can be both national or international; restricted tendering; single sourcing; and request for quotations. The challenges of interference are very dominant in restricted tendering processes.

Even though the study revealed that procurement processes at the Authority comply with the requirements of the Public Procurement Act, it was mentioned by some respondents that there are some level of external influences in the process.

According to respondents from the administration department:

“Even though we try to comply with the requirements of the procurement law, there are instances where some senior officials help their favorite tendering organizations by giving them information on what to do to win the contract”.

Professionalism in public supplier selection and procurement do not only relate to the levels of education and the qualifications of the workforce but also to the professionalism approach in the conduct of business activities. The study revealed that procurement committee officers are sometimes faced with challenges of favoring some suppliers over others because they are preferred by some senior management officers. It was also revealed that, there were instances where some suppliers failed to provide the highest quality of goods and services by colluding with some officials of the Authority leading to poor value for money for the public. Due to interference in the process by some officers of the Authority, confidentiality was not highly observed as there were examples where some officials revealed confidential bids which allowed preferred tenders to review and re-submit their bids to give them a competitive advantage over their competitors. These external influences create partiality in the procurement process and defeat the purpose of the procurement Act.

4.3 Challenges associated with supplier selection and procurement at the DVLA

The study also aimed at exploring the challenges hindering supplier selection processes at the DVLA. When the study respondents were asked about the challenges hindering supplier selection at the DVLA, it was revealed that the process has been facing some challenges. When respondents were asked about the challenges the DVLA faces from supplier during the process. The study revealed lack of understanding and interpretation of contractual agreement on the part of some suppliers. Because some of the suppliers were eager to win the contract some do not take their time to read and understand the terms of the contract and this later creates problems between the Authority and these suppliers. On this issue, a respondent lamented that:

“We have instances where suppliers come back after we have signed the contract with them complaining about the contract prices that they wanted an exclusive price but not inclusive. But you see when they want the contract they will not take the pain to read the terms or get a lawyer to help them in that regard and these issues end up creating problems for the DVLA”.

The study also revealed the inability of some suppliers to meet supply deadlines was also a major challenge for the DVLA. When suppliers put in their tender, because they want to win the bid they end up making promises and quoting time line which may not be realistic but still promise to deliver on that time. When these delays occurs it subsequently affects the operations of the DVLA to meet its client needs. According to a participant:

“It is really difficult dealing with some of these suppliers, some fail to meet supply deadlines and they come here trying to justify their inability to meet the deadlines and also seek extension so they can meet the deadlines”.

In addition, presentation of false documents by suppliers was also identified as a challenge. As part of the process of supplier selection and procurement, supplying organizations are required to present their tax certificate and business license certificates. The tax certificate and tax receipts must be issued by the Ghana Revenue Authority to show that the supplying organization is complying with the relevant tax laws. However, it was revealed that documents which were not supposed to be handwritten with pen by suppliers have been written with pen. The study shows that some suppliers use this strategy to avoid paying tax and also reduce the amount of tax they have to pay on a supply. An official asserted that:

“There is this particular supplier that I have corrected that this tax documents should not be written with pen but must be issued by the Ghana Revenue Authority. Moreover, we

are able to detect these issues because the information provided on these documents are supposed to be written in pen. When we detect issues like this we sometimes eliminate these tenders to avoid the fraud challenges”.

The ability of potential suppliers to pre-finance a supply is part of the criteria for selection. The DVLA expects suppliers to be financially viable and pre-finance the supply. However, it was revealed that even though some of the suppliers quote that they can pre-finance the supply, they later come back asking for part payment to supply the goods and this is a challenge for the organization. Because it must now look for new suppliers especially if the selected supplier fails to pre-finance the supplier. This affects the ability of the Authority to meet its supply and project deadlines.

Communication is very important in every contractual agreement. It was revealed by the study that because of inadequate product description by the DVLA it leads to the supply of products by suppliers which fail to meet the requirements of the DVLA. Besides the inadequate product description, lack of understanding on the part of suppliers also creates this challenge of supplying products which fails to meet the requirements of the DVLA. On this issue a respondent lamented that:

“Sometimes even though the DVLA specifies the product description but fails to specify the product brand some suppliers supply products which meet the specific requirements of the DVLA but with an inferior or lower quality product brand. When this occurs we end up rejecting the suppliers and now specifying the brand that we want”.

Other challenges mentioned by study participants include delays in payment of suppliers. Even though the DVLA pays its suppliers within 28 working days after supply, there have been instances, where the DVLA have failed in meeting payment deadlines.

4.4 Discussion of Findings

The DVLA based on the requirements of the Public Procurement Act has developed some steps to guide its supplier selection and procurement process. The absence of an effective procurement process or weak implementation of supplier selection and procurement processes can affect the operations of any organization. The effectiveness of the process is also dependent on the evaluation criteria of the procuring organization. However, Goebel et al. (2012) posits that there exist some differences in the criteria used across different purchasing scenarios and products. The findings show that quality, price and experience are the most important evaluation criteria and this confirms the findings of Igarashi, de Boer and Fet (2013) who found that price and quality are the most important criteria for selecting suppliers. Another study by Asamoah et al. (2012) to explore evaluation criteria for supplier selection in pharmaceutical firms in Ghana revealed that organizations in the health industry paid more attention to price and product quality than experience. This difference in findings can be attributed to the difference in industry. However, a dominant criterion that transcends all industry in the procurement process is quality. Therefore, the evaluation criteria for any supplier selection and procurement process are also determined by the industry and the specific organizational requirements of the buying organization.

The role of supplier selection and procurement in an organization cannot be over emphasized. With the relevance of the procurement process, the research revealed that the Authority's supplier selection and procurement process has been bedeviled by many challenges which include inability of suppliers to meet quality demands and fraud. In addition, inability of suppliers to meet supply deadlines and inability of the DVLA to pay suppliers on time were all challenges revealed by the study. These challenges can be attributed to external environmental factors beyond the control of the suppliers such as delays with imports. These challenges arise due to the unpredictable business environment in which supplier and purchase decisions are made. Some of these factors include the patterns of buyer-seller relationships, intermediary roles in the decision making process, the composition and functions of organizational members who make decisions concerning procurement and the impact of technological and market structures (Chai, Liu & Ngai, 2013; Ninlawan et al., 2010). Although firms and their suppliers do not have much control over some of these environmental factors that militate the effective review of procurement decisions, both buying organizations and suppliers can structure some of their internal organizational policies and processes to ameliorate the challenges posed by procurement processes. These findings confirm the works of Adebajo, Ojode, Laosinhongthong and Tickle (2013) and Rogerson (2004).

The supplier selection and procurement process is a very complex process which requires the development of systems and procedures to guide the whole process. According to Jauhar and Pant (2016) supporting and monitoring systems in the supplier selection and procurement process contributes to the overall efficiency of the process. The procurement process at the DVLA has well established systems for monitoring the process by the systems implementation has not been effective. This can be attributed to human and political interference in the whole

process. The challenge of human interference in the process has also led to challenges of transparency in the whole procurement process. Transparency is arguably one of the most important ethical issues in supplier selection and procurement processes (Ambe & Badenhorst-Weiss, 2012). The Public procurement Act of Ghana, stipulates that procurement must be conducted in a fair, equitable, transparent and competitive manner. Transparency can be interpreted as involving publicized contracts, disclosure of rules governing procurement in general and governing specific procurements, rule based decision making and opportunities for verification and enforcement (Rogerson, 2004). The lack of transparency is a major impediment to fairness, equal treatment, and integrity in public procurement (Asamoah, Annan & Nyarko, 2012; Mentzer et al., 2007). The lack of transparency can be attributed to the weak monitoring systems during the supplier selection and procurement process. Ensuring transparency in the supplier selection and procurement process is an essential determinant of efficiency as it improves the competitiveness of public procurement. It is therefore, critical for public organizations to ensure transparency throughout the tender process.

4.5 Conclusion

This chapter presented the research findings as well as the discussion of the findings. This was done using the thematic content analysis. The research findings show that supplier selection and procurement processes at the DVLA are guided by the Public Procurement Act, Act 914 of 2016. Even though the DVLA is doing its best to comply with the requirements of the Procurement Act, supplier selection and procurement processes at the Authority have been bedeviled with many challenges. Some of these challenges include inability of suppliers to meet quality demands, fraud, issues of transparency, inability of the Authority to pay suppliers on time, and

inability of some suppliers to meet supply deadlines. With all these challenges the procurement process has also helped the DVLA in improving its operations the study revealed.



CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

Having examined and presented the findings from the previous chapter, this final chapter of the study outlines the summary of the major findings, conclusion drawn and recommendations to enhance supplier selection and procurement processes at the DVLA.

5.1 Summary

In today's competitive business environment organizations in both public and private sector are under enormous pressure to enhance service delivery to clients and also increase shareholders value. To achieve this objective, many organizations are using procurement strategies. The aim of the study is to investigate the procedures and processes for supplier selection and procurement at the DVLA and the associated challenges. The study adopted a qualitative research approach to address the research objectives.

Main Findings

The main findings have been summarized under four themes namely: procedures for supplier selection and procurement; external influences in the supplier selection and procurement procedures; and challenges associated with supplier selection and procurement in the DVLA.

- Procedures for Supplier Selection and Procurement

The study sought to explore the process for selecting suppliers. The study revealed that the DVLA has developed some procedures for selecting suppliers based on the requirements of the Public Procurement Act of Ghana, Act 663 of 2003 which was later amended to Act 914 of 2016. Based on the Procurement Act the DVLA has developed a procurement cycle made up of some steps. Identification of the problem is the first phase of the supplier selection and procurement procedures at the DVLA. This stage of the process is the main planning phase of the whole procurement process. This involves identifying a need for the execution of a service for the DVLA or identifying a need to buy materials and equipment for operations. Formulation of evaluation criteria is the next phase of the supplier selection and procurement process of the DVLA after it has been established that there is a need to acquire some materials or equipment. The evaluation criteria are the benchmark that will be used to ascertain the credibility and appropriateness of a supplier the study findings revealed. The next stage of the procedure for supplier selection and procurement is the pre-qualification stage. This stage involves scanning of all the bids to eliminate and reduce the number of bids to a sizeable and manageable number. It also aims to eliminate potential suppliers or bids that fail to meet all the initial requirements of the process as required by the DVLA the study revealed. The final stage of the whole process is the selection of tenders to supply the goods and services to the DVLA. This is the stage for selecting the most qualified tender after shortlisting them. The study revealed that to select the most qualified supplier, the least error or non-compliance of the processes by any shortlisted applicant can lead to disqualification. To select the final supplier, the tendering organizations are asked to provide samples of their products after shortlisting.

- **Eternal influences in the supplier selection and procurement procedures at the DVLA**

The study also aimed at exploring the external influences in the supplier selection and procurement procedures at the DVLA. It was revealed that the Authority in its supplier selection and procurement process reports to the Ministry of finance which exercises a supervisory function over the DVLA. The ministry of finance issues regulations and is also in charge of receiving procurement reports from the DVLA and submit to Parliament for review. The study revealed that procurement at the DVLA can be categorized into international competitive tendering; national competitive tendering; two-stage tendering which can be both national or international; restricted tendering; single sourcing; and request for quotations. The challenge of interference is very dominant in restricted tendering processes. Even though the study revealed that procurement processes at the DVLA comply with the requirements of the Public Procurement Act, the study revealed some level of external influences in the process. The study revealed that procurement committee officers are sometimes faced with challenges of favoring some suppliers over others because they are preferred by some senior management officers. It was also revealed that, there were instances where some suppliers failed to provide the highest quality of goods and services by colluding with some officials of the Authority leading to poor value for money for the public.

- **Challenges associated with supplier selection and procurement at the DVLA.**

The study also aimed at exploring the challenges hindering supplier selection processes at the DVLA. When the study respondents were asked about the challenges hindering supplier

selection at the DVLA, it was revealed that the process has been facing some challenges. When respondents were asked about the challenges the DVLA faces from supplier during the process. The study revealed lack of understanding and interpretation of contractual agreement on the part of some suppliers. The study also revealed the inability of some suppliers to meet supply deadlines was also a major challenge for the DVLA. When suppliers put in their tender, because they want to win the bid they end up making promises and quoting time line which may not be realistic but still promise to deliver on that time. When these delays occurs it subsequently affects the operations of the DVLA to meet its client needs. Communication is very important in every contractual agreement. It was revealed by the study that because of inadequate product description by the DVLA it leads to the supply of products by suppliers which fail to meet the requirements of the DVLA. Besides the inadequate product description, lack of understanding on the part of suppliers also creates this challenge of supplying products which fails to meet the requirements of the DVLA.

5.2 Conclusion

The aim of this research was to explore the challenges related to processes and procedures in public supplier selection and procurement processes at the DVLA. Contrary to previous studies that sought to assess the innovation impact of public supplier selection and procurement in relation to other policy instruments, the study explored aspects of public procurements that constrain the effective implementation of procurement policies using a qualitative research approach on the basis of the findings, includes that inability of suppliers to meet quality demands, fraud, inability of suppliers to meet supply deadlines and inability of the DVLA to pay suppliers on time as the challenges bedeviling procurement processes in the DVLA. These

challenges can be attributed to dynamic external environmental factors in which these procurement decisions are made. In light of these findings it may plausible be concluded that the DVLA is missing out on fully capturing innovation through procurement. These findings are of very high policy relevance. Recent initiatives by the government of Ghana directed at improving procedures and procurement laws, simplifying procedures and improving public tendering processes can be assessed favorably in the light of these results.

5.3 Recommendations

Based on the above conclusions, the study makes the following recommendations.

First, suppliers must be encouraged to read and understand procurement contracts. To do this, they may employ the services of lawyers to explain the content of contracts to them to avoid misunderstandings between suppliers and the Authority in the future after terms of the contract have been agreed and signed.

The study also, recommends that all procurement needs of the Authority should be included in the annual budget for the year. The DVLA must therefore enhance its internal systems for generating funds to support procurement processes which may not have been catered for in the annual budget.

Furthermore, the DVLA should strengthen its monitoring systems and put in plays systems to pay suppliers on time to avoid delays in payment. The DVLA can also establish an independent team that will inspect deliveries or services rendered by suppliers. Establishing these teams and the monitoring mechanisms will help address the challenges with delays in deliveries and quality issues.

Finally, the DVLA should consider identifying some suppliers and establish relationships with them in order to identify themselves with suppliers that meet requirements. This will help in minimizing the problems that may arise in dealing with new suppliers who may not understand how supplier selection and public procurement processes work.



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APPENDIX 1: Interview Guide



INTERVIEW GUIDE

TOPIC: IMPLEMENTATION OF SUPPLIER SELECTION AND PROCUREMENT

PROCESSES IN DRIVER AND VEHICLE LICENSING AUTHORITY (DVLA)

This interview guide aims to collect data on supplier selection and procurement processes at the DVLA. The information will be used for academic purposes only and respondents are assured of their anonymity and strict confidentiality.

RESEARCH OBJECTIVE: The aim of the study is to examine the procedures for selecting suppliers and the associated challenges at the Driver and Vehicle Licensing Authority.

I. DEMOGRAPHIC CHARACTERISTICS

1. Gender.....
2. Formal Education.....
3. Position.....
4. How long have you been working here.....
5. What are your core function?.....

II. SUPPLIER SELECTION AND PROCUREMENT PROCEDURES

6. Does the Authority have a procurement policy?
7. If yes, can you elaborate on this policy?

8. What are the processes for assessing the procurement needs of the DVLA?
9. What are the processes for selecting suppliers?
10. What are the criteria the DVLA uses in selecting suppliers?
11. How are these criteria determined?
12. How does the DVLA evaluate its suppliers?
13. What are the benefits of supplier selection to the DVLA?
14. What documents are required of the suppliers during the selection stage?
15. How does the DVLA evaluate the authenticity of the documents submitted by a supplier?
16. How does the DVLA authenticate the credibility of potential suppliers?

III. SUPPLIER SELECTION AND PROCUREMENT CHALLENGES

17. What are the challenges the DVLA faces during its supplier selection and procurement process?
18. Does the DVLA face political interference in its supplier selection and procurement process? Yes or No.
19. If yes, what are the political challenges it faces in its supplier selection and procurement process?
20. What are the challenges the DVLA faces with suppliers?
21. Does the DVLA encounter external influences in its procurement processes?
22. If yes, can you explain what these external influences are?
23. Do you have any recommendation to improve supplier selection and procurement processes at the DVLA?

THANK YOU FOR YOUR TIME