

UNIVERSITY OF GHANA

**QUALITY IMPROVEMENT IN PROCUREMENT MANAGEMENT PRACTICES AT
THE GREATER ACCRA REGIONAL HOSPITAL**

The image features a large, light blue watermark of the University of Ghana crest in the background. The crest is a shield-shaped emblem with a blue field. At the top, there are three golden palm trees. Below them is a horizontal band. The lower portion of the shield contains a golden, stylized floral or scrollwork design. The entire crest is centered on the page.

BY

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**THIS LONG ESSAY IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN
PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF
MASTER OF BUSINESS ADMINISTRATION DEGREE IN HEALTH SERVICES
MANAGEMENT**

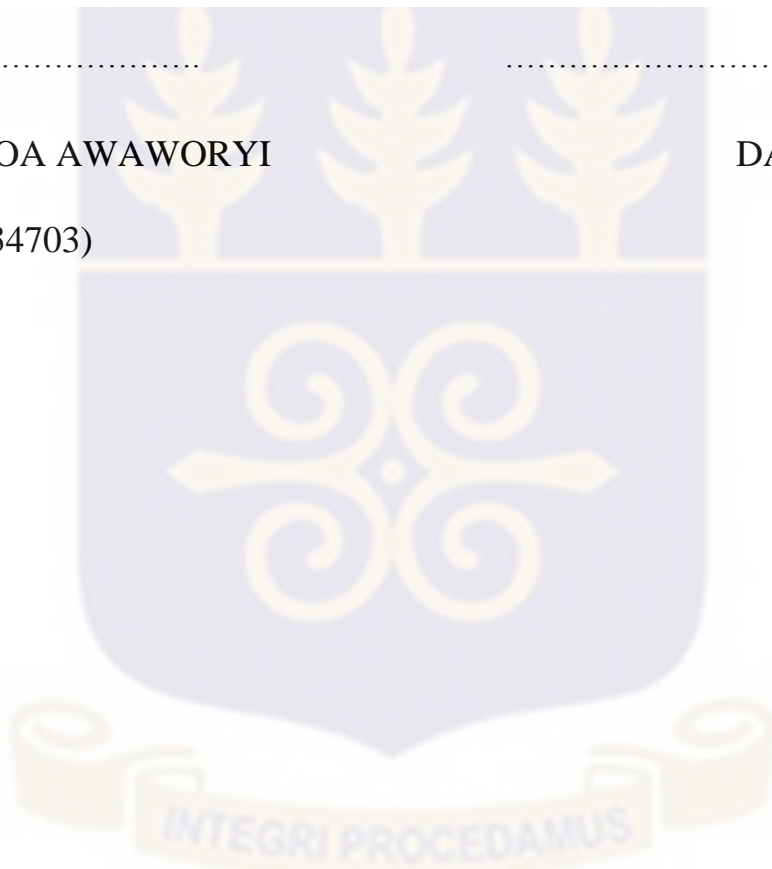
JUNE, 2018

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 the work have been duly acknowledged. I bear sole responsibility for any shortcomings.

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CERTIFICATION

I do hereby certify that this Long Essay was presented and supervised in accordance with the procedures laid down by the University of Ghana.

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DATE



DEDICATION

This work is dedicated to my beloved husband, Mr. Benoni Kweku-Andoh Acquah and my children, Leonard and El-Nathan who have tolerated me in my busy schedule and absence from home while pursuing my studies. Also, to my lovely brother, Rev. Dr. Sefa Kwame Churchill for his prayers, support and encouragement while pursuing my studies.



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LIST OF ABBREVIATIONS

EU	European Union
GARH	Greater Accra Regional Hospital
GARHD	Greater Accra Regional Health Directorate
GHS	Ghana Health Service
GOG	Government of Ghana
MOF	Ministry of Finance
MOH	Ministry of Health
NHIA	National Health Insurance Authority
NHIS	National Health Insurance Scheme
OPD	Out Patient Department
PPA	Public Procurement Authority
PPDA	Public Procurement and Disposal of Public Assets Authority
QA	Quality Assurance
WHO	World Health Organisation

The image contains a large, faint watermark of the University of Ghana crest in the background. The crest features a shield with three golden trees at the top, a central golden emblem with a cross and a sword, and a banner at the bottom with the Latin motto "INTEGRI PROCEDAMUS".

ABSTRACT

This research is a qualitative exploration of quality improvement of procurement management practices at the Greater Accra regional hospital (GARH). It was aimed at identifying how GARH continuously improves its procurement practices and the challenges they face in doing so. A case study design was employed to gather in-depth data from the internal supply chain stakeholders of the hospital. A purposive sampling technique was used and twelve participants were selected for the study. Out of the twelve participants, only seven of them were interviewed due to data saturation. The interviews were conducted on one-on-one basis using a semi-structured interview guide. A thematic content analysis approach was used to analyse data using themes that coincided with the research objectives. The findings revealed that the hospital complies with the Public procurement Act, Act 663 of 2003 and Act 914 of 2016. Based on these requirements the hospital has developed some quality improvement procedures for its procurement activities. Even though the study shows that the hospital has various policies in place to ensure the quality of its procurement activities, the policies have been impeded by various challenges. Some of these include weak monitoring of procurement contracts, lack of personnel to implement procurement processes and delays in the payment of suppliers. The results provide important contributions to the topic of public procurement. In particular, the research emphasizes the relevance of common criteria used in an actual selection of a supplier in a public health organization and the associated challenges to enhance the quality of procurement processes. The identified challenges could be used to guide the development of policies to enhance procurement processes in public health organizations.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study sought to examine whether the Greater Accra Regional Hospital (GARH) follows the appropriate procedures stipulated by the public procurement Act 663 (Act 2003) and its Amendment Act 914 (Act 2016), and whether the hospital has a quality assurance team in place with procurement as one of its priority areas. This chapter covers the study background, problem statement, the objectives of the study, research questions, the significance of the study, the scope of the study and the chapter disposition.

1.1 Background of the Study

Every health facility aims at giving quality health care to its clients or patients. For patients, quality health care delivery means health services delivered should meet their expectation as far as health care delivery outcomes are concerned (Mosadeghrad, 2014). For service providers to provide quality services to patients, there is the need to improve the procurement process so that supplies used in the health facility are procured at the right price, in the right quantity from a reliable source and the right quality delivered at the right time and in the right condition (Azimah et.al, 2014). In Ghana, public procurement accounts for 50-70 per cent of the national budgets, representing 14 per cent of gross domestic product (World Bank, 2003). Out of this, an estimated annual value of US\$600 million has been earmarked for public procurement of goods, works, and consultant services in the Ghanaian construction industry (Anvuur et al., 2006; World Bank, 2003; Anvuur and Westring,1997). A global survey on corruption suggests that the volume of bribes exchanging hands through public sector procurement is estimated between

\$390-400 billion per year (Lengwiler and Wolfstetter, 2006). Mawenya (2008) estimated that corruption in Sub-Saharan Africa is almost up to 70 per cent of public procurement contracts and in such cases, bribes and fraudulent transactions inflate project costs by about 20-30 per cent. These suggest that any improvement in reduction of corruption in the public procurement system will have a direct and substantial impact on the overall economic situation of the country and result in budgetary savings and efficiency in public expenditures (Mawenya, 2008). It has been estimated that annual savings of about US\$150 million are realized through better management of government-financed procurement alone (Anvuur et al., 2006; World Bank, 2003). Therefore there is the need to periodically review procurement systems to ensure efficiency in the process. The periodical review will expose the vulnerabilities in the system, which offers incentives for inefficiencies to thrive for necessary correction. The problem of non-compliance in public procurement can only be effectively dealt with if all stakeholders contribute to the improvement of the procurement system. Quality improvement is described as a stage of quality management based on developing new targets and raising the standards by maintaining stable efficiency and fulfilling all quality requirements (Hoyle 2007). Quality improvement achieved through improving structures and process leads to reduction of waste and delays thereby reducing cost and meeting patient expectations as well as enhancing corporate image.

1.2 Statement of Research Problem

According to the 2006 Auditor's-General's report of Ghana the government's attention has been focused on procurement procedures of Ministries, Departments and Agencies (MDAs) because there is a general perception of wastage and leakage in government spending through procurement in the public sector. This necessitated the promulgation of the Public Procurement

Act 663 in August 2003. Donor funding is currently declining probably due to global economic crisis as well as Ghana being recognized as a lower-middle income country. The funding to the health sector continues to be insufficient to finance the health needs of the ordinary Ghanaian, and therefore health financing has to heavily rely on National Health Insurance scheme (NHIS), which has the question of sustainability and the problem of late release of funds and payment of claims. It has been revealed that, in Ghana, public procurement accounts for 50-70 per cent of the national budget, representing 14 per cent of gross domestic product (World Bank, 2003). For instance, in 2017 an estimated annual value of GH¢ 530,476,516.36 million was spent on public procurement of goods, works, and consultant services in the Ghanaian construction industry (Africa Centre for Energy Policy, 2017).

The 2002 and 2003 Auditor's-General's report revealed that a total of 1.61 billion cedis worth of drugs had expired and were declared harmful, and that various irregularities in procurement of commodities including: overpayment, goods paid for but not supplied, not following laid down rules and non-transparent purchasing procedures by Budget Management Centers (BMCs) of the Ministry of Health (MOH). These irregularities continue to bedevil public procurement and in 2016 it was reported that these irregularities amounted to GH¢2.1 billion (Auditor's- General's Report, 2015). This suggests that if critical attention is paid to continuous improve public procurement practices, corruption and embezzlement of public funds could be reduced if not eliminated, which could enhance wealth creation. There appears to be limited work done in relation to quality improvement of public procurement practices. It is in line with this that the researcher seeks to examine whether GARH follows the appropriate procedures stipulated by the Public Procurement Act 2003 (Act 663) and its Amendment Act 914 (Act 2016) and whether the hospital has a quality assurance team in place with procurement as one of its priority areas.

1.3 General Objective

The aim of the study is to assess the procurement practices of GARH and to ascertain the extent to which the Public Procurement Act 2003 (Act 663) and its Amendment Act 914 (Act 2016) are being effectively and consistently applied in the management of procurement activities.

1.3.1 Specific Objectives

- I. To explore the processes and requirements of the Public Procurement Act in the Implementation of procurement programs in the GARH.
- II. To examine the quality improvement principles in procurement practices at the GARH.
- III. To explore the challenges to procurement processes and activities at the GARH.

1.4 Research Questions

- I. What are the processes and requirements of the Public Procurement Act in the Implementation of procurement processes in the GARH?
- II. What are the quality improvement principles being applied during procurement of goods, services and works at GARH?
- III. What are the challenges to procurement processes and activities at the GARH?

1.5 Scope of the Study

The study focuses on quality improvement in procurement management practices at GARH. Members of the entity tender committee and the head of quality assurance of GARH were the target population.

1.6 Significance of the Study

The findings from this project has implications for quality management practice as it applied to procurement management and for that matter quality health care delivery. It would also contribute to the existing body of knowledge in procurement and quality management in health care. The findings from this project could also be useful to public organizations, public procurement authority and GARH in terms of making policies in relation to the continuous quality improvement in procurement activities in health care settings in Ghana.

1.7 Chapter Disposition

The study is organized into five chapters. Chapter one consists of the introduction, study background, statement of the research problem under investigation, research objectives, research questions, scope of the study, significance of the study, and the chapter disposition. Chapter two deals with a review of the relevant literature on procurement and quality improvement, the conceptual framework and the principal-agent theory which is the theory underpinning the study. Chapter three presents a description of the profile of GARH. The chapter also presents the methodology of the study and describes the research approach, research design, research study setting, target population, sampling technique, data collection methods, data analysis and ethical considerations. The results of the study is presented and discussed in chapter four. Chapter five, which is the final chapter, covers the summary, conclusions and recommendations.

1.8 Conclusion

The introductory chapter has provided a comprehensive overview and general introduction to the whole study. It has outlined the study background, problem statement, and objectives of the

study, research questions, the scope, significance and finally, the chapter disposition. The next chapter is concerned with a review of relevant literature.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews the existing literature on performance assessment of public procurement practices and quality improvement. The review focuses on the public procurement in Ghana and other countries, procurement principles affecting performance and procurement procedures and methods. It also looks at the legal and regulatory frameworks that were in existence prior to the enactment of the Procurement Act 2003 (Act 663) as well as the Principal-agent theory, which is the theory underpinning the study. Finally, the chapter considers the challenges affecting the public procurement entities in their procurement activities.

2.1 Empirical Literature

The empirical literature focuses on the definition of concepts in relation to quality improvement, procurement principles affecting procurement performance, procedures and methods as well as procurement challenges.

2.1.1 Public Procurement Overview

The first procurement order as noted by Thai (2001) was between 2400 and 2800 B.C with a procurement order of five jars of fragrant oil for 600 small weight in grains (Coe, 1987) and documented in red clay tablet found in Syria. The silk trade between China and Greek in 800 B.C. is another evidence of historical procurement. Public procurement is very important and cannot be overlooked because of the huge funds involved. In Ghana, public procurement

accounts for 50-70 per cent of the national budget, representing 14 per cent of gross domestic product (World Bank, 2003). For instance, in 2017 an estimated annual value of GH¢ 530,476,516.36 million was spent on public procurement of goods, works, and consultant services in the Ghanaian construction industry (Africa Centre for Energy Policy, 2017). Given the importance of public procurement in social and economic development, the World Bank ensures that all its funded projects comply with four thematic areas of public procurement as reported by Thai (2001). These areas include fair competition among bidders, transparency in the award and execution of contracts, and the development of indigenous contractors and suppliers (Tucker, 1998).

Along these lines, Schapper et al., (2006) argue that the use of technology could aid in promoting transparency. This argument has been supported by a study by Shadrach and Ekeanyanwu (2003). They argue that the procurement process could be enhanced by the use of electronic commerce (e-commerce), effective auditing and monitoring. Barden (2006) posits that, contracts be awarded to qualified vendors having submitted the lowest evaluated bid without negotiations through independent evaluation methods consistent with the stipulations of the bidding documents. He also suggests that, the contract award results be published as well as disclosure of signed contracts and prices. Schapper et al., (2006) and Shadrach and Ekeanyanwu (2003) therefore conclude that e-commerce should be used for the great volume of simple low value transactions to enhance transparency through effective audit because there is less human interference and manipulation, while for high value complex procurement processes, all the stages involved in procurement process be made available to the public.

2.1.2 Definition of Public Procurement

According to the Public Procurement Act, 2003 (Act 663), Public Procurement is ‘the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract’ (PPA Module, 2007). Public procurement is the process by which large amounts of state funds are used by public institutions to purchase goods, works and services from the private sector (Adusei & Awunyo-Vitor, 2015). According to the United Nations Office for Project Services (UNOPS, 2010: 6), procurement can be defined as “the acquisition of property, plant and/ or equipment, goods, works or services through purchase, hire, lease, rental or exchange”. It is taken to include “all actions from planning and forecasting, identification of needs, sourcing and solicitation of offers, evaluation of offers, review and award of contracts, contracting and all phases of contract administration until delivery of the goods, the end of a contract, or the useful life of an asset.” (UNOPS, 2010: 6).

For the purpose of this research work, procurement has been defined as the use of state funds in the acquisition of goods, works and services using all actions from planning and forecasting, identification of needs, sourcing and solicitation of offers, evaluation of offers, review and award of contracts, contracts management and delivery to the point of payment.

2.1.3 Nature of Public Procurement Systems Prior to the Reforms

Prior to the enactment of the Public Procurement Act, 2003 (Act 663), procurement of all public goods on behalf of the government of Ghana was done by the Ghana Supply Commission (GSM) and the Ghana National Procurement Agency (GNPA). The inefficiencies on the part of the GSM and the GNPA in terms of planning and execution of procurement programs led to the

development of sectorial procurement programs by the Ministry of Health (MOH) and some other public sector ministries in consultation with the Ministry of Finance (MOF) and other donor agencies (Verhage et al, 2002).

The MOF regulated the procurement of construction works and services prior to the enactment of the Public Procurement Act, 2003 (Act 663). This was due to the fact that there were no laid down procedures and guidelines to follow in terms of procuring goods, works and services in Ghana (Anvuur and Kumaraswamy, 2006). It is along these lines that all World Bank projects used the World Bank Procurement Guidelines for the Selection of Consultants (World Bank, 1995 and 1997). This assertion is confirmed in a study by Adjei (2006) which reports that the Ministries, Departments and Agencies (MDAs) and District Assemblies (DAs) had their own procurement programs and standards they followed in selecting and awarding contracts. For example, the MOH and its agencies followed their own procurement standard operating manuals (1999, 2002). Therefore, prior to the reforms there was no mandated institution to regulate public procurement in Ghana. The reforms have enhanced public procurement practices in Ghana.

2.1.4 The Legal and Regulatory Framework of Public Procurement

A well-organized procurement system can lead to an efficient, non-corrupt and transparent public purchasing system, hence purchasing process emerged through public procurement reforms with the support of donor institutions such as the World Bank (Hunja, 2003). Other studies such as Barden (2006) and Evenett and Hoekman (2003) said that procurement reforms were pre-requisite to access foreign markets and that they addressed issues of budget deficit and corruption. Several financial and legal instruments in the form of laws, decrees and instruments

(Ghana Supply Commission Act, Contracts Act, Act 25, the National Procurement Agency Decree SMCD 55, the Financial Administration Decree SMCD 221) were passed in an attempt to regulate and address the weaknesses and inefficiencies in the public procurement (Adjei, 2006). Unfortunately, these frameworks did not make provisions for the enforcement and oversight responsibility, but only purchases of goods, works and services on behalf of public entities.

In 1999, the Government of Ghana established the Public Procurement Oversight Group to manage the development of a comprehensive public procurement reform program after the launch of the Public Financial Management Reform Program (PUFMARP). According to Adjei (2006), the Ghana Procurement Board (GPB) now the Public Procurement Authority (PPA) was established to perform the oversight and enforcement responsibility of the Public Procurement Act, 2003 (Act 663) following the reformation of the Public Procurement System. This has enhanced the regulation of public procurement in Ghana.

2.1.5 The Objectives, Scope and Function of the Public Procurement Act 663 (Act 2003)

The Public Procurement Act was Act 663 of 2003 but has now been amended by Parliament and is now Act 914 of 2016. The implementation of the Public Procurement Act, 2003 (Act 663) over time revealed certain operational challenges, particularly arising from the interplay of the hierarchical procurement structures specifically designed to ensure efficiency, transparency and value for money in the public procurement system. Extensive amendments have therefore been made to revise the hierarchy of approving structures under the Act, to strengthen the composition and functions of both Entity Tender Committees (ETCs) and Central Tender Review Boards

(TRBs), and increase thresholds across board. The Public Procurement Act of Ghana stipulates and defines the guidelines for procurement in public organizations in Ghana.

According to the World Bank's report in 2003, the Public Procurement Act 663 (Act 2003) was based on five key principles which include: The legal and institutional framework, standardized procurement procedures and tender documents, independent control system, proficient procurement staff and anti-corruption measures. The Public Procurement Act, 2003 (Act 663) applies to all state owned institutions such as the central management agencies; ministries, departments and agencies (MDAs); subvented agencies and governance institutions and state own enterprises; public universities, schools, colleges and hospitals; the Bank of Ghana and financial institutions owned or majority owned by government. The Act applies to all procurement of goods, works, services and contract administration; disposal of public stores and equipment, including procurement financed by funds or loans taken by the government of Ghana, including foreign aid funds.

The main objective of the Act is to coordinate the public procurement process in the public service in a transparent, fair, non-discriminatory, economic and efficient manner in terms of state generated funds as well as loans taken by the Government. In order to achieve these objectives, the Act established the Public Procurement Board now called the Public Procurement Authority, entity tender committees and tender review boards. The Act specifies clearly the rules for procurement methods, procedures and thresholds as well as the definitions of offences and applicable penalties. It also authorizes the issues of regulations, which are enforceable under the Act.

2.1.6 The Structure of the Legal and Regulatory Framework for Public Procurement in Ghana

The legal and supervisory framework which supports public procurement in Ghana includes:

- i) Public Procurement Act (663), 2003 as Amended in Act 914, (Act 2016)
- ii) Public Procurement regulations
- iii) Public Procurement manual
- iv) Standard tender documents
- v) Guidelines

The table below illustrates the structure of the Legal Framework of the public procurement system in Ghana and how it co-ordinates the public procurement process in public entities in order to ensure transparent, fair, non-discriminatory, economic and efficient use of state generated funds as well as loans taken by the Government for procurement of goods, works and services.

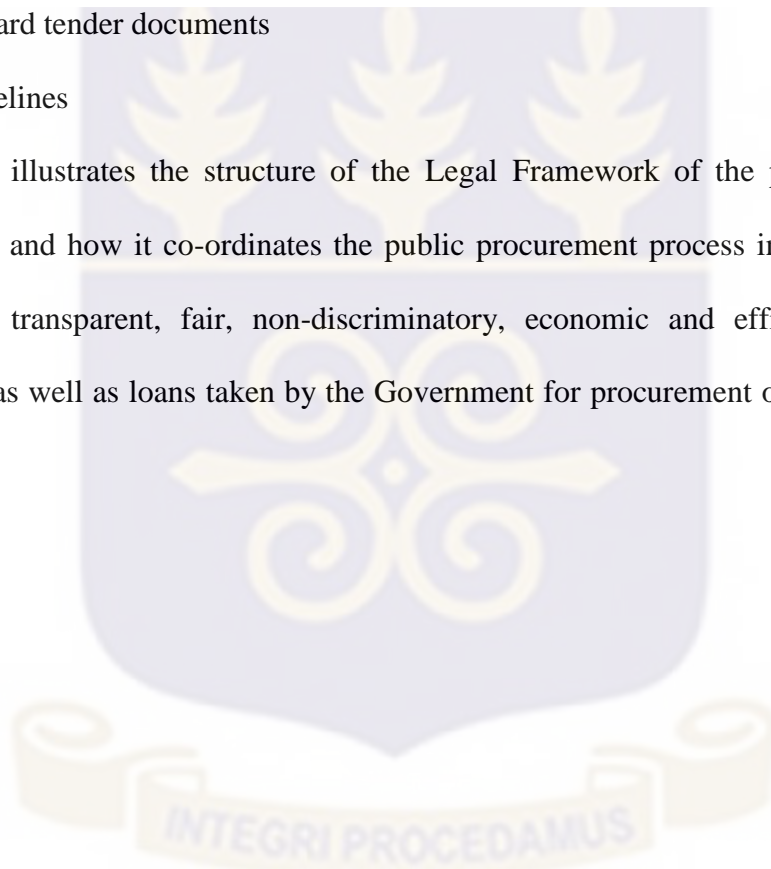


Table 2.1: The structure of the Legal Framework of the public procurement system in Ghana

Legal framework	Description
Public Procurement Act 2003 (Act 663) and its Amendment Act 914 (Act 2016)	Specifies thresholds, procurement methods and procedures, appeals by tenderers and disposal of items as well as defines offences and penalties. Establishes the public procurement board and specifies the functions of the tender committee, as well as authorizes the issuance of regulations which are enforceable under the Act.
Public procurement Regulations	These contain procurement rules and procedures applicable to all procurement entities and the conduct of their activities
Standard tender documents	This contains detailed information on standard invitation, request for quotation and contract documents for procurement values of goods, works and services contract documents
Public procurement manual	This provides detailed procedures and a practical guide which procurement entities are to follow in the procurement of goods, works and services.
Guidelines	This provides specific guidelines on procurement issues such as disposal, procurement methods (e.g. single sourcing, competitive bidding, request for quotation etc.

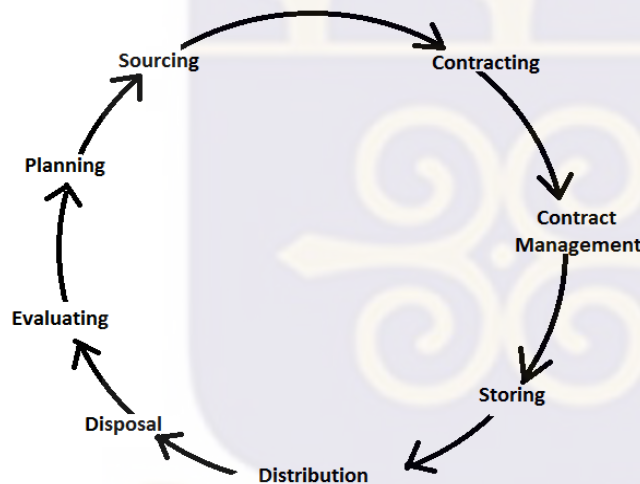
Source: PPA Regulations (2003) and its Amendment Act 914 (Act 2016)

2.1.7 The Procurement Cycle

The Procurement Cycle includes most of the decisions and actions that determine the specific quantities of supplies that are obtained, prices paid, and the quality of supplies received. The procurement cycle outlines the detailed activities influencing the inflow and outflow of both

goods and services at every level of the procurement system in the entire supply chain and giving room for monitoring and evaluation of the whole process. The procurement cycle for goods involves planning, sourcing, contracting, contract management, storing, distribution, disposal and evaluating (Glavee, 2008). Figure 2.1 below shows the procurement cycle for goods. The procurement cycle for goods depends on whether the procurement is circumstances driven or based on the procurement thresholds. The procurement cycle in figure 2.1 below does not apply to the procurement of goods which are circumstances driven. For example, in the case of emergency purchases and when the procurement is in relation to public security.

Figure 2.1: Procurement cycle for goods



Source :Glavee(2008)

The content of the procurement cycle of goods is described as follows:

2.1.7.1 Procurement planning

The PPA Act 663 of 2003 under Part 3 section 21 indicates in details what should be included in the procurement planning process. It provides that Procurement Entities must prepare

procurement plans which must include the contract package, estimated cost of each package, the source of financing, the procurement method and the processing steps and time as well as any expenditure under existing multi-year contracts. It also requires an indication of any item that can be aggregated for procurement as a single package. The procurement plan for each fiscal year must be reviewed, approved and updated by the Tender Committee on a quarterly basis (Public Procurement Board, 2007). The approved plan must be posted on the PPA website as required by amendment act 914, (Act 2016). The Regulations also require that the procurement planning process is fully integrated with applicable budget processes and circulars issued by the Public Procurement Authority and the budget preparation instructions of the Ministry of Finance.

2.1.7.2 Sourcing

The sourcing stage includes activities such as opening up for invitation to tender documents by potential suppliers; preparation and issue of tender documents; requests for quotations or requests for proposals; evaluation of quotations or proposals and the selection of the successful tenderer as well as negotiations, if possible for the best price. The type of sourcing used in the procurement cycle depends on the procurement method selected by the entity which could be circumstances driven (emergency requirement, limited number of suppliers, contract extension and for national security purposes) or determined by the threshold provided by the procurement Act and regulations. The procurement methods available are:

i) Competitive Tendering

Competitive tendering method is the method endorsed by the Act for the procurement of high value goods, works and consultancy services. This tendering method is most preferable under the Act since it involves maximum competition, which leads to value for money. International competitive tendering, which is one of the competitive tendering methods is appropriate for use

when effective competition cannot be achieved within local industries or firms (s.45) and the second type which is National competitive tendering can be used when the entity considers it as the best option (s.44) but subject to contract value thresholds specified in schedule 5.

ii) Restricted Tendering

This procurement method is applicable where the procurement requirement is of a specialized nature, has requirements of public safety and public security or when the number of potential suppliers is limited and open competitive tendering has failed. This method has limited competition with a maximum of six and a minimum of three short-listed suppliers who are invited to tender. This method requires approval from PPA.

iii) Two-Stage Tendering

When detailed specifications cannot be made available, for example, in the case of services or when the optimal solution is unknown, then the two-stage tendering is allowed (s.36) to be used to obtain proposals or offers on various means to meet procurement requirements.

iii) Single Source Procurement

Single source procurement may be appropriate where goods, works or services are only available from a particular supplier or contractor, where there is an urgent need for the goods, works or services and engaging in tender proceedings or any other method of procurement is impractical due to unforeseeable circumstances giving rise to the urgency, where owing to a catastrophic event, there is an urgent need for the goods, works or technical services and where a procurement entity having procured goods, equipment, technology or services from a supplier, contractor or consultant determines that additional supplies must be procured from that supplier, contractor or consultant because of standardization or compatibility with existing goods, equipment,

technology or services. Before an entity can use this method, three conditions must be met which includes justification under section 40 of Act 663, capacity and qualification of proposed firm must be undisputable and acceptable conditions of contract and financial proposal representing value for money

vi) Request for Quotation (RFQ)

This method is appropriate when the goods, works or technical services are readily available and not specially produced or provided to a particular specification of the procurement entity and where there is an established market for goods if the estimated value is less than the threshold. This method is based on comparing price quotations obtained from at least three suppliers for goods/works that are small in value.

vii) Request for Proposal for Consultancy Services

This method is appropriate for the purchase of consultancy services. When value is above what is stated in Schedule 3 of the Act then the Two-stage approach is used. The first stage is seeking expression of interest and the second stage is the formal request for proposal. Tables 2.2 shows the thresholds for the procurement methods for goods works and services and table 2.3 shows the thresholds for regional hospitals and its approving authority.

Table 2.2: Thresholds for Procurement Methods

Threshold for Procurement Methods						
Goods (GH¢)	Works(GH¢)			Services(GH¢)		
	Old	New	Old	New	Old	New
Price Quotation	Up to 20,000	Up to 100,000	Up to 50,000	Up to 200,000	Up to 20,000	Up to 50,000
National Competitive Tender	20,000 to 200,000	100,000 to 10,000,000	50,000 to 1,500,000	200,000 to 15,000,000	20,000 to 200,000	50,000 to 5,000,000
International Competitive Tender	Above 1,500,000	Above 10,000,000	Above 2,000,000	Above 15,000,000	Above 200,000	Above 5,000,000
Restricted Tender	Subject to Approval by the PPA Board					
Single Source Procurement and Selection	Subject to approval by the PPA Board					

Source: Public Procurement Act (663), 2003 as Amended in Act 914 (Act, 2016, Fifth Schedule: 52).

Table 2.3: Category D (Threshold for Regional Hospitals)

Authority	Goods	Works	Services
Central Tender Review Board	Above 400,000	Above 800,000	Above 800,000
Entity Tender Committee	Above 45,000 to 400,000	Above 70,000 to 800,000	Above 45,000 to 400,000
Entity Head	Up to 45,000	Up to 75,000	Up to 45,000

Source: Public Procurement Act (663), 2003 as Amended in Act 914, 2016, (Act, 2016, Second Schedule: 49).

The public procurement Act was amended to enhance efficiency, reduce administrative costs and to streamline the bottlenecks identified in the implementation of Public Procurement Act 663, (Act 2003). A major aspect of the amendment was an increase in the thresholds across reconstituted boards and procurement entities to ensure efficient administration.

2.1.7.3 Contracting and Contract Management

Contracting, which is the next stage, is characterized by an agreement between both parties and signing of a formal contract which is drawn considering the terms and conditions. It is very important to note that, this formal contract is backed by law. Contracting may be in relation to works, goods and consultancy services which are to be procured. The awarded contract must be managed, and this process involves managing relationship with suppliers, risk management, financial and budget management and lastly contract reviews.

2.1.7.4 Storage, Distribution and Disposal

When procured goods are delivered, it is likely that some of the goods may not be used immediately, hence the need for storage to prevent the goods from damaging. Availability of medical supplies in the hospital on a timely basis is very crucial in terms of health service delivery, and these supplies need specialized storage facilities. The urgency of these medical supplies implies that stock level management should be given much attention as well as procurement management so that the facility does not hold too much stock for them to become unwholesome or run out of stock. Goods in storage need to be delivered to their final destination for use. Goods stored could be delivered directly to the end-users or to the various regional stores which then distribute them to the various districts. Unwholesome, unserviceable, obsolete or surplus stocks should be disposed off properly by public tender sales or auction, transferred to

another public organization or destroyed. The disposal method to use depends on the nature and conditions of the goods and any income generated from the disposal must be accounted for.

2.1.7.5 Monitoring, Evaluation and Auditing of the Procurement Function

Basically, monitoring and evaluation of procurement activities is to assess performance against procurement objectives, targets and strategies. This process also includes a formal procurement audit backed by PPA Act 663 Clause 91, which seeks to detect fraud and corruption which may include forensic auditing and performance monitoring; value for money; the risks faced by the procurement process in terms of compliance to law, rules and regulations, and not excluding the spend analysis. These audits can be carried out before the contract, after the contract or on a continuous basis. The auditing team includes auditors (internal, external or auditor-general); the Public Procurement Board; Ministry of Finance; stores personnel or donor staff or consultants where donor financing is involved (Public Procurement Board, 2007)

2.1.8 Procurement Principles and Ethics

The following factors should be considered in order to achieve the basic objectives for a good procurement, which is to procure the right goods, works or services in the right quantity from a reliable source, delivered at the right time and at the right place and in the right condition and for the right price (Erridge et al., 1998; Hill, 2005). These include professionalism, transparency, value for money, competitiveness, accountability and fairness, ethical Approach, and technology.

2.1.8.1 Professionalism

Procurement professionals are individuals who are educated, experienced and responsible for making informed decision regarding the purchasing function. The role they play in the procurement system is critical to the development of the economy (Public Procurement Board, 2007). This is evident in the way the Public Procurement Authority has invested in the training and development of professionals and the promotion and support for public officials responsible for procurement activities in their organizations (Adjei, 2006).

2.1.8.2 Transparency

Transparency in procurement is the application of the same rules to all suppliers of goods, works and services and that these rules are publicised as the basis of procurement decisions prior to their use. Transparency enables the creation of open and fair procedures, encourages inward investment and competitiveness as the public sector is seen as a responsible business partner (Hill, 2005). It is in this regard that the Public Procurement Act 663 (Act, 2003) has endorsed maximum competition in the procurement system through competitive tendering, open publication, publication of contract awards as well as a window of addressing appeal and complaints.

2.1.8.3 Value for money

Value for money is the optimum combination of whole-life cost and quality of the goods, works and services procure to meet the customers' requirements (Adjei, 2006). It is very important to note that the effectiveness of the procured goods, works and or services could be measured by critically analyzing the inputs and outputs, and therefore the price should reflect the item procured. The public procurement board attests to the value for money principle of the Ghanaian

procurement by performing their duty of ensuring judicious, economic and efficient use of state resources in public procurement (Public Procurement Act, 663).

2.1.8.4 Competitiveness

Competitiveness refers to actively encouraging greater supplier participation in the procurement process through advertising, sourcing reviews, pre-qualification and transparent procedures. The benefits of competitiveness includes potential for cost savings in terms of choosing the best price, increases the potential supplier base to rule out monopoly, greater awareness of new developments and confidence in the public sector.

2.1.8.5 Accountability and Fairness

Accountability is the process of holding an individual(s) or an organization fully responsible for all aspects of the procurement process over which they exert authority. When individuals and organisations are held liable for their actions and in-actions in relation to procurement activities, it will help reduce the incidence of corruption and strengthen the perceptions of transparency and fairness.

Fairness refers to showing consideration and impartiality in all stages of the procurement process, especially demonstrating equality in tender evaluations. Being fair in all aspects of the procurement system helps in increasing the potential supplier base as well as developing a mutual relationship and trust between organisations and suppliers.

2.1.8.6 Ethical Approach

According to Wee (2002) ethics refers to an individual's moral principles or values which include honesty, diligence, fairness, trust, respect, consistency and avoiding conflict of interest and not making improper use of an individual's position. Since state funds are used in public

procurement, it very important to consider the ethical behaviors of those involved in the procurement process as likened in the principal-agent theory. It is in this regard that section 86 of the PPA Act 2003 has made it mandatory for the public procurement board to come up with code of conduct in relation to procurement which has been published. The code of conduct gives a detailed explanation of the ethical standard and consideration in the principal-agent relationship which includes:

- i) How to handle confidential information and Supplier relationship;
- ii) Gifts and entertainment and the fact that officials and their immediate families must not sell goods and services to their own agency.
- iii) Officials are to avoid conflict between their personal financial interests and their official duties and officials are not to accept directly or indirectly any gift from any person or entity which has or seeks to obtain a contract with their own agency, department or ministry.

It is in line with this that section 32 of the Public Procurement Act 2003 states that,

“procurement entity shall reject a tender, proposal, offer or quotation if the supplier, contractor or consultant that submitted it offers, gives, or agrees to give, directly or indirectly to any current or former officer or employee of the procurement entity or governmental authority, a gratuity of any form; an offer of employment; or any other thing of service or value as an inducement with respect to anything connected with a procurement entity and procurement proceedings” (Public Procurement Act, 2003: 102).

2.1.8.9 Technology

The use of technology in public procurement (E-procurement) has increased the level of efficiency and transparency since this makes it quite impossible for human manipulations (Erridge et al., 1998; Hill, 2005). The use of technology in the procurement process reduces the cost of processing while enhancing transparency and efficiency which leads to the compliance of the public procurement laws. Staatscourant (2008) discovered that the unavailability of corporate e-procurement system in the public sector entities means it would be difficult to analyse procurement expenditure at a macro-economic level. A study conducted in Brazil by Almeida (2004) revealed that, the use of e-procurement has led to a significant cost savings and increases in the transparency and accountability of government bodies. Realizing the immense benefits of e-procurement, currently the PPA of Ghana has made available online procurement plans templates, standard tender documents, contract awards, dispute and complain resolutions and quarterly procurement bulletin. The PPA is working hard to implement the e-Government Procurement (e-GP) system in Ghana. The e-Government Procurement (e-GP) is being implemented as one of the systems under the e-Ghana project being supported with funding from the World Bank. With e-Government Procurement, government can monitor and evaluate public procurement entities by using a centralized E-procurement system. This system limits the level of human manipulations and interference and therefore the high rate of fraud in the system will reduce.

2.1.9 Public Procurement Challenges

In both developed and developing countries, professionals of public procurement face a number of challenges. These challenges sometimes differ from country to country, mainly due to the country's level of development and the economic, social, cultural and political environment. The

challenges faced by the public procurement could be classified under internal and external challenges.

D) Challenges

Ghana's Public Procurement Authority claims that following the passage and implementation of PPA Act 663, corrupt practices in the public procurement system has significantly reduced and this has been attributed to punitive measures put in place (Business Anti-corruption portal, 2010). The fact that the government of Ghana still has issues with scandalous judgment debt payment raises critical issues about the procurement system and this risk of corruption and lack of transparency in public procurement, which affects the economy in terms of growth, trades and investments. It is along these lines that Hoekman et al., (2004) indicated that not much is known about the actual procurement system in developing countries. The role of procurement professionals in Ghana's economic development is very important because of the use of their professional expertise and experience in procurement to take critical purchasing decisions in the procurement process. It is in recognition of this fact that the PPA supports individuals by engaging them in public procurement training in terms of professional development, upgrading and promotion (Adjei, 2006). The Country Procurement Assessment Report of Ghana (2003) revealed that, even though most staff who handle procurement are trained, they were not procurement-proficient. This affected the application of Public Procurement Act and the Standard Tender and Contract document. A study conducted by Forgor (2007) revealed that lack of proper training of procurement managers is one of the major challenges confronting procurement reforms. Delays in payment of contractors and suppliers (Azeem, 2007), poor record keeping which leads to access and modification of key documents and the release of confidential information in relation to tenders. The lack of career development of procurement

personnel militate against procurement reforms implementation (World Bank, 2003). Professionalism in public procurement does not relate to only levels of qualification, but also the knowledge of the rules governing procurement and therefore the success or failure of public procurement reforms depends on the familiarity of the procurement procedures, processes and the rules and regulation governing procurement management practices.

II) External Challenges

A study conducted by Azeem (2007) revealed that, challenges facing the implementation of procurement laws is due to poor dissemination of the procurement laws among procurement officials. Most procurement staffs involved in public procurement lack the professional expertise and knowledge in the performance of their duties and this therefore places them at a disadvantage because they lack the knowledge of the laws governing public procurement. This is largely due to the poor salary structure of procurement staff in the civil or public service compared to the private sector and this does not attract the professional and competent staffs (Kouyer, 2007). The interference of some politicians in the procurement system is also a major challenge in procurement decisions because politicians think they have the right to intervene in procurement procedures (World Bank, 2004).

2.1.10 Definition of Quality

A universal or global definition of quality does not, exist, but rather quality is defined and measured differently, and largely dependent on different circumstances and one's viewpoint. Reeves and Bednor (1994) provide an overview of major definitions of quality presented by leading scholars such as Abbott (1955); Feigenbaum (1951); Gilmore (1974); Levitt (1972); Crosby (1979); Quran (1974); Gronroos (1983); Parasuraman, Zeithaml and Berry (1985) in the

literature. Based on this overview of various definitions, quality can be described as excellence, value, conformance to specifications, and meeting or exceeding customers' expectations. Reeves and Bednor (1994) indicate that the measurement of quality will be difficult due to the complex nature of its definition. In an attempt to deal with the problem of measuring quality, Roth and Griffi (1994) introduced the specification to customer desires and adaptation to the design criteria (conformance) as important dimensions of the definition. This makes the measurement of quality possible since the customer specifies quality by giving specification and his or her satisfaction becomes the basis for measuring quality performance.

2.1.11 Quality Improvement

Quality improvement is described as a stage of quality management based on developing new targets and raising the standards by maintaining stable efficiency and fulfilling all quality requirements (Hoyle, 2007). Quality improvement is a comprehensive approach characterised by three principles which should be implemented through a set of practices. These principles are: customer focus, continuous improvement and teamwork (Dean & Brown 1994). Quality improvement achieved through improving structures and process leads to reduction of waste and delays thereby reducing cost and meeting patient expectations as well as enhancing corporate image. For healthcare service providers to provide quality services to patients, there is the need to improve upon the procurement process so that supplies used in the health facility are procured at the right price, in the right quantity from a reliable source and the right quality delivered at the right time and in the right condition (Azimah et.al, 2014). Quality improvement when practiced eliminates waste which leads to reduction in cost and improvement in financial performance and aids in the achievement of operations management objectives (Crosby, 1979, 1984; Juran, 1982, 1989; Deming, 1986). Quality improvement adoption and implementation for long term and

improve outcomes have gained a substantial attention in recent literature (Done et al., 2011; Radnor et al., 2012).

A key concept related to quality improvement is Kaizen. Kaizen is a Japanese word which means improvement or change for the better (Barnes, 1996). Kaizen is a process-oriented improvement method. It focuses on the course of the implementation and aims to produce cumulative results from an incremental change process. According to Imai (1986), Kaizen involves a continuous improvement process involving everyone, managers and workers alike. With Kaizen, every individual in the organisation irrespective of their level is encouraged to identify ways to improve productivity and quality without investing in new equipment and sophisticated technologies. Kaizen deals with the elimination of waste such as defects/damages, idle time of employees and equipment, mistakes/interruptions, extra steps, material supply in excess, overproduction, unnecessary movements and waiting, unnecessary processes, delays from the process which could be reduced using Kaizen as lean thinking (Womack & Daniel 2003). Quality improvement using Kaizen is process focused since processes must be improved before better results are obtained and therefore failure to achieve planned results indicates failure in the process which needs to be identified and corrected (Imai, 1986; Hammer, Champy & Tathan, 1993). Imai (1986) was quick to say that Kaizen strategies fail in a lot of companies because they ignored process. The procurement process is a system which functions with various units for example departmental units, procurement unit, stores suite, entity tender committee and the evaluation panel. This means that, if there is a problem with any unit in the procurement system, it will affect the overall performance of the procurement process. Therefore there is the need to continuously improve the procurement process using Kaizen which involves all stakeholders

such as heads of user departments and units, management, suppliers and the members of the entity tender committee in the improvement process.

2.1.12 Quality Improvement Principles

A critical factor to the successful implementation of Kaizen and the survival of business is the respect for people and the recognition that improvements are based on many small changes and that there is always room for improvement (Imai, 1986). Respect for people can be demonstrated in the organisation by management valuing their employees safety and health, transparency in all dealings, fair treatment of people, recognition of people's concerns or opinions, valuing development and the potential of people through training, mutual trust and recognizing their special skills (Liker, 2004). In the hospital setting, the improvement process involves management, who organizes training for their staffs who are directly involved in the procurement process to enhance their knowledge on procurement practices. In using Kaizen principles of improvement, management of the hospital from time to time organizes forums for their supply chain stakeholders to address their concerns. Suárez-Barraza et al. (2010) also identified some successful factors for implementation to include commitment to and wish for improvement, participation and involvement of staff, active leadership, proper training, teamwork, effective communication and process orientation.

The successful implementation of Kaizen is highly dependent on team work. Kaizen allows employee participation, open lines of communication, transparency, consultative decision making and sharing of responsibility by employees at all levels (Yokozawa, Steenhuis and Bruijin, 2010). Chakrabarty et al. (2007) in their study also identified critical factors necessary for the successful implementation of the Kaizen initiatives to include top management commitment, education and training, cultural change and organizational understanding of work

processes. The procurement process involves team work and coordination among the various user departments and units, procurement unit and the stores suite. This means employees participation and open lines of communication which are principles of Kaizen must be adopted by procurement entities in order to address the issues of delays in the procurement process.

Standardization is a main feature of Kaizen, which implies that management must set standards for employees as well as provide them with the organisational policies, rules, directives, procedures for the successful enforcement of standards (Wittenberg, 1994; Al-Tahat and Eteir, 2010). The standardization feature of Kaizen allows management to develop organisational protocols in relation to procurement using the procurement Act as a guide, stating clearly timelines and punitive measures to enforce the policies developed.

There has been a lot of research which suggests that the service sectors in some countries have improved and earned lots of benefits from practicing Kaizen. A research conducted by Damrath (2012) in Italy revealed that Kaizen principles were applied in the service sectors such as health care, education, banking and finance, airlines and public sector. He noted that all inefficiencies such as errors, delays, long waiting time and bureaucratic processes in the manufacturing sector could also be found in the service setting and therefore the application of Kaizen principles of lean thinking was used to address the inefficiencies in the service sector.

Damrath (2012) also identified the key factors to the successful implementation of the Kaizen principles in service organisation to include government commitment and support, top management commitment and involvement, visionary leadership, customer focus, good coordination and establishment of cultural changes embracing employee empowerment and involvement. A study conducted by Collins et al. (2007) revealed that the application of Kaizen

principles is suitable in health care setting and that flow model is a suitable tool for following up initiatives.

The procurement management practices in Ghana is faced with inefficiencies such as delays, errors, long waiting time and bureaucratic processes, staffs who are not procurement proficient, material supply in excess which leads to holding too much stock and sometimes shortages of stocks which leads to emergency purchases which does not achieve value for money. All these challenges are faced in both services and manufacturing industries which have been improved using Kaizen principles. For the purpose of continuously improving the procurement practices at GARH, Kaizen principles will be adopted.

2.1.13 Factors Affecting Quality improvement in procurement practices

According to Basheka and Bisangabasaija (2010), public procurement is recognized as essential in service delivery in developing countries and it accounts for a substantial proportion of total expenditure. For example, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending. The fact that the amount of money used in the procurement is huge and belongs to the government, there is therefore the need for accountability and transparency. It is for this reason that both developed and developing countries have instituted procurement reforms involving laws and regulations but the obstacle as identified in various studies to affect the improvement of procurement practices has been captured under enforcement and monitoring mechanism, records management, political interference, professionalism and familiarity with procurement regulations and purchaser's familiarity with rules.

- i) *Enforcement and monitoring mechanism*

Enforcement could be broadly viewed as any actions taken by regulators to ensure compliance (Zubic and Sims, 2011). A study conducted by Okeahalam, (2004) in Africa in relation to corporate governance revealed that countries such as Ghana and Nigeria suffer from weak law enforcement mechanism. This is confirmed by a study conducted by Nwabuzor, (2005) which revealed that, weak enforcement of the rule of law has been linked to corruption among government procurement officials in developing countries such as Bangladesh, India, Sri Lanka, Nigeria and Venezuela.

ii) Records Management

For all individuals and institution to comply by procurement laws, the law must be robust and should come from a reliable source. Reports and data showing compliance to the law must be kept and managed properly. A study conducted in Kenya found out that poor records management had adverse effect on service delivery. It forces individuals to act on ad hoc basis, this makes it intricate to carry out meaningful audits and to prove fraud (Kemoni and Ngulube, 2008). This undoubtedly contributes to non-compliant behaviour. Similarly, Akech, (2005) asserted that due to poor records management, a Minister in Kenya unlawfully obtained confidential information on the tender and used it to interfere with the procurement process. Most recently, the PPDA Capacity Building Strategy Report (2011-2014) revealed that there was low compliance in record keeping in Uganda. Proper records management controls, managing who can access and modify key documents and records have been identified as an integral part of achieving compliance (Alfresco, 2009). It is very true that records keeping and data management is a big challenge in developing countries of which Ghana is inclusive and therefore, if E-

procurement could be adopted, these developing countries will reduce the issues of corruption and other challenges in the procurement system.

iii) Political Interference

In developing countries; one of the major obstacles to the procurement system is ministerial interference with the tender process where ministers intervene and influence tender awards. The threat of being suspended or fired has in many cases intimidated public officers into obeying illegal ministerial directives leading to non-compliance (Akech, 2005). In Uganda, many political figures especially government ministers have been implicated in high value procurement related scandals such as the US\$550 million Bujagali Dam hydro-electric project (Prayas Energy Group, 2002). This is evident in Ghana in the sense that after every change of government, individuals and firms are being accused of causing financial loss to the state and they are being interrogated by the public accounts committee.

iv) Professionalism and Familiarity with Procurement Regulations

According to Raymond (2008), professionalism in public procurement relates not only to the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business activities. If the workforce is not adequately educated in procurement matters, serious consequences; including, breaches of codes of conduct occur. According to Atkinson (2003) there are approximately 500,000 professional purchasing in the United States and only 10 per cent of these have been members of a professional body and the rest are not even aware that there are ethical and legal standards involved in procurement. Boer and Telgen (1998) observe that during the early days of the operationalization of procurement regulations in Netherlands, many Municipalities found it difficult to comply with the regulations because they

were not familiar with them. Gelderman et al., (2006) confirms this observation when he conducted a survey on compliance with EU Procurement directives.

v) *Purchaser's Familiarity with the Rules*

According to Rossi (2010), compliance with the formal elements gives an indication of knowledge of the rules. Lack of clarity is believed to increase the possibilities for non-compliance and therefore educating and training public purchasers will be an effective tool for increasing the compliance with the directives. A study by Heneghan and O'Donnell, (2007) indicated that the high levels of non-compliance were partly attributable to the complex legislative requirements of the Irish Company Acts. For example, in Ghana, the Public Procurement Act has made available clear rules for procurement methods, procedures and thresholds as well as the definitions of offences and applicable penalties. This implies that suppliers have the right to report any irregularity in the bidding and award of contracts. The public entities must try and addresses the concerns of the suppliers or contractors, and take action against the culprits to influence private sector participation and compliance with the procurement laws.

2.2 Theoretical Literature

The theoretical literature focuses on the principal-agent theory which is the theory underpinning the study.

2.2.1 Principal-Agent Theory

The main theory underpinning this study is the principal-agent theory. Studies which have contributed to the literature on principal-agent theory over the years are for example, Ross (1973); Jensen and Meckling (1976); Holmstrom (1979); Fama (1980); Jensen (1983); Arrow (1985); Eisenhardt (1988, 1989); Bergen et al., (1992); Rokkan and Buvik (2003). The contributions of the various authors towards the literature were mainly on the relationship that exists between the principal and the agent. Agents in the principal agent theory basically deal with the relationship between the principal and the agent who are the main actors. The agent acts and takes decision on behalf of the principal (Jensen & Meckling, 1976; Eisenhardt, 1988, 1989; Bergen et al., 1992). Agents have legal roles or duties to perform in the best interest of the principal. This duty, if not performed could lead to a legal action (Reuschlein & Gregory, 1979). Principal-agent relationship could be within the same organisation as in the case of the relationship between a tender committee manager and the subordinate who is a procurement officer. The Principal-agent relationship could also be between two different firms as in the case of the relationship between MOH and GHS, the relationship between the Ministry of Finance and the PPA is also another.

One or more persons (principals) can get into a legal agreement and engage an agent to act on their behalf in terms of performance of duty and decision making, but it is very possible that the agent might not always act in the best interest of the principal and therefore it is very important to put in place measures such as incentives to limit the agency cost (Jensen and Meckling, 1976). The major problems in relation to the principal-agent relationship is the agency problem which arises from conflicting goals or incentives between the two actors, information asymmetry as a result of the principal's inability to measure or verify the agent's behavior as well as the

outcome of the agent's work (Kiewiet & McCubins, 1991; Ouyang, 2006). Information asymmetry is a situation that arises as a result of a principal engaging the agent under the condition of incomplete information while on the other hand the agent too may have some information that the principal may not have access to. Baker et al. (1988) and Wood (1988) confirms that there is a tendency for agents to pursue their own interest at the expense of the principal's interest.

Along the above lines, Douma and Schreuder (1998; 2002) indicate that this problem of information asymmetry arises because the agent has access to private information which is relevant to a potential transaction of which the principal is unaware of, and this puts the principal to a greater disadvantage. The agents sometimes do not take decisions and perform their duties in the best interest of the principal because both actors do not have the same interest. This brings about the issues of corrupt practices, wasteful spending, non-transparent procurement deals and non-compliance with the public procurement rules and regulations. It is in this regard that Halepota (2005) suggests that the principal must design appropriate incentives such as wages, bonuses, decision making rights, promotions and punishments to induce the agent to behave and take decisions that will fulfill the objectives of the principal. Dickinson and Villeval (2008) also indicate that frequent monitoring by the principal also motivates the agent to increase their efforts in the performance of their fiduciary duties.

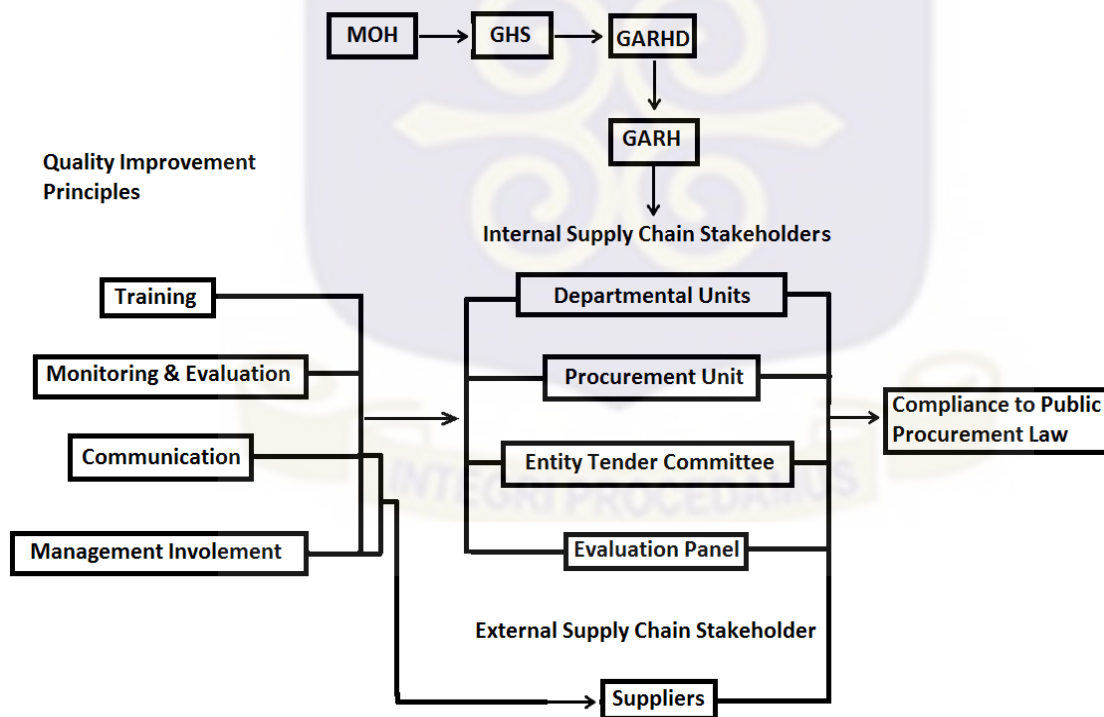
In the application of this theory to the study, the Government of Ghana (GOG) is the principal who has delegated decision making and procurement functions to the Public entities and the enforcement of the Public Procurement Act to the Public Procurement Authority. The MOH through GHS has given GARH the power to provide health services to the citizens of Ghana and also to take some decisions affecting the services they provide of which procurement is an

aspect. In the context of the principal-agency theory, GARH is to act in the best interest of the principal (GHS) and therefore is accountable to MOH through GHS. Taking into consideration the agency problem that arises from the relationship between the actors and also the factors that affect compliance with the public procurement laws, the research seeks to find out whether GARH has a quality assurance team in place with procurement as one of its priority areas.

2.3 Conceptual Framework

From the review of literature, a conceptual framework is designed in Figure 2.3 to guide the rest of the study.

Figure 2.3: Conceptual Framework of quality improvement in procurement management practices



Source: Authors own construct (2018)

This framework posits that, MOH is a government of Ghana Ministry that is responsible for Ghana's health system. This includes policy formulation, monitoring and evaluation, resource mobilization, buildings hospitals and medical education system and regulating the health service delivery in Ghana. One of the agencies within the MOH under which the study setting (GARH) falls is the Ghana Health Service (GHS).

GHS is a public sector organization established under Act 525 of 1996 as required by the 1992 constitution to implement national policies under the control of the minister for health through its governing council (Ghana Health Service Council). This implies that MOH is a policy making body that is, the principal and GHS is the agent whose responsibility is to implement the policy alongside other implementing agencies and therefore accountable to the principal (MOH). The principal (MOH) has the responsibility to monitor and evaluate the activities of GHS to ensure accountability including procurement activities.

The regional and district health directorates emerged as a result of decentralization and health reforms. The GHS has ten regional health directorates, which provide supervision and management support to hospitals in their district and sub-districts within each region. Regional hospitals, including the GARH provide specialized services which are not available at district hospitals and therefore they serve as a secondary level and referral hospitals. GARH is in the Accra metropolis and situated in Osu Klottey which is under the jurisdiction of the Greater Accra Regional Health Directorate (GARHD). This implies that GARH is responsible to GHS through GARHD because of the decentralized nature of the health system.

For GARH to be able to provide health services to its clients, it procures goods, works and services using state funds. The PPA is responsible for monitoring and evaluating procurement

activities of the public sector organisations in Ghana and it is an agency under the Ministry of Finance (MOF). This implies that MOF is the principal and PPA is the agent in this case. GARH is accountable to the Ministry of Finance through PPA, hence must comply with public procurement laws.

GARH procures goods, works and services through a supply chain network. The supply chain network is made up of internal stakeholders and external stakeholders. The main internal stakeholders are departments and units including procurement units, entity tender committees and evaluation panels. The external stakeholders are the suppliers. The procurement begins with the initiation of an order through a purchase requisition which mostly originates from the user department. This purchase requisition from the user department must include complete and accurate specification of items. The purchase requisition is forwarded to the procurement unit for procurement planning. The procurement plan is forwarded to the entity tender committee for approval.

The entity tender committee includes internal members who are senior officials (the medical director, head of procurement, internal auditor, deputy director of nursing services, head of finance, head of administration, head of pharmacy, and the clinical director) and external members (an attorney from the Attorney General's Department, representatives from the regional coordinating council, representatives from the regional health directorate). The entity tender committee approves procurement plans and invitation documents and also award contracts within its authority (thresholds) or ensures referral to the appropriate review board. The chairperson of the entity tender committee is the medical director. The medical director can award low value contract within its threshold which is 45,000 for goods and 75,000 cedis for works. The tender evaluation panel which is an ad-hoc committee with professionals and end

users who are clinicians as members, conduct the evaluation and prepare an evaluation report. It is based on their report that the outstanding suppliers are considered and awarded contracts.

The external supply chain stakeholders are the suppliers, GARH's suppliers are the regional medical stores and the open market. When the supplies are not available at the regional medical stores the facility is given a certificate of non-availability to proceed to buy from the open market using the various procurement methods putting into consideration the value of the goods and the threshold involved. The first four stage of the procurement cycle; planning, sourcing, contracting and contract management are all of strategic importance and overlooking the strategic character of them will lead to poor procurement results or non-compliance with the public procurement laws. The last four stages of the procurement cycle; storage, distribution, disposal and evaluation are operational activities. Involving procurement officials and the user departments only at the operational level leaves the organisation with little scope to achieve value for money.

For public health care institutions to comply with public procurement laws, the quality improvement principles of Kaizen, which includes but not limited to training, monitoring and evaluation, communication and management involvement adopted from the works of Damrath (2012) and Suárez-Barraza et al. (2010) should be applied to the procurement process. This implies that the quality improvement principles will apply to all supply chain stakeholders as they are involved in the procurement process. Quality improvement using Kaizen is process focused since processes must be improved upon before better results are achieved and therefore failure to achieve planned results indicates failure in the process which needs to be identified and corrected (Imai, 1986; Hammer, Champy & Tathan, 1993).

With communication and management involvement, employees are confident to voice out their problems through open communication between themselves and management, make suggestions that will solve the problem because it is the workers that work in the process.

For monitoring and evaluation, management must set standards for employees as well as provide them with the organisational policies, rules, directives, standards, and procedures for the successful enforcement of procurement laws.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the various methods that were employed in achieving the objectives of the study, it includes the research approach, study design, study setting, target population, sample technique and size, data collection method and instruments, data analysis and the ethical consideration.

3.1 Research Approach

A qualitative research approach was used for the study to assess the quality improvement of the procurement management practices at GARH. According to Myers (2009), qualitative research is designed to help researchers understand people, and the social and cultural contexts within which they live. Qualitative data sources include observation and participant observation (fieldwork), interviews, documents and texts, and the researcher's impressions and reactions (Myers, 2009). The rationale for this approach was to understand the context of quality improvement in procurement from participants' perspective and life experience of the phenomenon in a flexible manner as well as obtain a richer and more complete description of the procurement management practices at GARH.

3.2 Study Design

According to Mouton (1996: 175) the research design serves to "plan, structure and execute" the research to maximise the "validity of the findings". To understand quality improvement in procurement practices in public hospitals, a case study design was employed. Yin (2003) defines

a case study as an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly defined. The primary defining features of a case study is multiplicity of perspectives which are rooted in a specific context (Ritchie and Lewis, 2003). The rationale for this design was to understand the context of quality improvement in procurement practices from participants' perspective and life experience of the phenomenon in a flexible manner. It will also help in obtaining a richer and more complete description of the procurement management practices at GARH.

3.3 Study Setting

GARH is situated in the Osu Klottey Sub-Metro of the Greater Accra Region of Ghana. The hospital was established by the British in 1928. GARH is the only secondary health facility in the Sub-Metro and in the Greater Accra Region. The hospital was designated a regional hospital in 1997. It is now redeveloped and transformed into an ultra-modern 420 bed capacity hospital with the full complement of specialist services that reflects the current social aspirations of the rapidly growing capital city of Ghana. As a regional hospital for the Greater Accra Region, with an estimated population of over 4,671,363 (2015 projection based on 2010 census by the Ghana Statistical Service, GSS). The immediate catchment area includes the following suburbs: Nima, Maamobi, Kanda, Accra New Town, Kotobabi, Osu, La, Adabraka, Achimota, Airport Residential Area and Central Accra. The new hospital serves as a referral facility and broadly provides the following services; surgery, radiology, pharmacy, maternal and pediatric care and accident and emergency. The rest are; ear, nose and throat, ophthalmology, dermatology, physiotherapy, dentistry, psychology, urology, cardiology, laboratory, anesthesia and teaching.

3.4 Target Population

The research's target population was the members of staff of GARH. The hospital has a staff population of about 1,157 from various backgrounds. The clinical staff members are about 450 of which 327 are nurses, 64 are medical officers and 59 specialists. The remaining 707 consists of clinical and non-clinical support staff.

3.5 Sampling Technique and Sample

Purposive sampling technique was employed in selecting study participants who are mainly the entity tender committee members (the clinical director, head of pharmaceutical Services, deputy director for Nursing Services, head of administration and support Services, head of finance and accounts services, internal auditor, medical director, the head of procurement, an attorney from the attorney general's department, a representative of the regional health directorate and a representative of the regional co-coordinating council) and the head of the quality assurance team. The sample size in this study depended exclusively on the criteria as far as procurement and quality issues were concerned. This is to enable the researcher to collect a detailed in-depth data from respondents including their experiences and the conditions that exist at a particular point in time of the investigation.

Originally, the study was designed to get the head of the quality assurance unit and all the 11 members of the entity tender committee but only 6 members of the entity tender committee and the head of quality assurance team were interviewed because it was realized that, responses coming from them were almost the same. Data saturation is reached when there is enough information to replicate the study (O'Reilly & Parker, 2012; Walker, 2012), when the ability to obtain additional new information has been attained (Guest et al., 2006), and when further

coding is no longer feasible (Guest et al., 2006). Respondents from the entity tender committee were the medical director, the deputy director of nursing services, head of pharmaceutical Services, head of administration and support Services, head of finance and accounts Services and the head of procurement.

3.6 Data Collection Instrument

Flexible interview guide with open-ended questions was used as the instrument for data collection (see Appendix 1). Interviews dates were agreed on between the participants and the researcher. Interviews were conducted face-to-face on a one-on-one basis and a telephone interview was also granted to one participant who was not ready to grant the interview during working hours because of his busy schedule. All of the participants agreed for the interaction to be tape recorded. The flexibility of the interview guide allowed more relevant questions to be created and asked during the interview process to collect substantive and relevant data. The annual procurement report of GARH was also accessed to gather enough data to make the data richer.

3.7 Data Analysis

A thematic content analysis approach was used to analyse records from interview tapes and field notes. According to Boyatzis (1998), a thematic analysis approach allows the researcher to illustrate data in great details to analyse classifications and present themes that relate to the data. According to Namey et al. (2008), a thematic analysis draws the links between concepts and compare with the data that has been gathered on the field. The researcher became familiar with data gathered from respondents after listening to the audio tape over and over again and

transcribing data from the field. The objectives of the study were revisited in order to identify emerging issues that addressed the objectives to construct an initial thematic framework. After the construction of an initial thematic framework to organize the data, ideas or themes linking particular items were categorized in hierarchy of themes and subthemes. The differences and similarities in responses were captured and the sections of data that did not fall within any category were also reviewed to identify linkages to the research objectives. Lastly findings and connections were provided with interpretations and relevant verbatim statements were quoted where necessary in the study.

3.7 Reliability and Validity

Two pilot interviews were conducted at the research department of GARH to pre-test the interview questions. This was to identify difficulties in the interpretation and understanding of the questions to ensure that the instrument for the data collection was reliable such that the results obtained would be valid. After the piloting, major adjustments were made to the interview guide. For example the question “How does your entity monitor and evaluate its procurement process and by which bodies?” was adjusted to arrive at the question, “In your opinion, do you think that there is the need to monitor and evaluate the entire procurement process? At what levels do you think this evaluation should be focused? Which bodies do you think should monitor and evaluate the procurement process internally and externally?”

3.8 Ethical Considerations

An introductory letter to obtain data or information was obtained from the department of public administration and health services management of the University of Ghana Business School.

This was submitted to the GARH for the researcher to have access to the facility to interview the target respondents (See Appendix 2 for the introductory letter). The purpose and objective of the study was clearly stated as well as the confidentiality of the respondents. The participants were also assured of their anonymity and their ability to withdraw from the study at any point in time.

3.9 Limitation of the Study

The results of the study cannot be generalized because the research was a single case study and therefore limited to only GARH. Another limitation of this study is in relation to the participants of the study. The original plan was to interview all the members of the entity tender committee members of GARH which is made up of both internal members and external members. But this was not achieved limiting the sample size for the study. In addition, only one institution was used and this limits the generalization of the research findings. Other studies can explore more than one public institution.

3.10 Summary and Conclusion

This chapter has outlined clearly the detailed approach used for the whole study, which includes the research approach, study setting, sampling technique and sample size, data collection method and instruments, data analysis, validity and reliability of the instrument, ethical considerations and limitation to the study.

CHAPTER FOUR

DATA PRESENTATION AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter of the research presents the research findings from the field of study. The discussions and data analysis were done under the four main themes which coincided with the objectives of the study.

4.1 Demographic Characteristics of Respondents

This section of the chapter presents the demographic characteristics of the study participants. It consists of gender, ages, level of education and years of service.

Table 4.1 Demographic Characteristics of Respondents

Variable	Frequency	Percentage (%)
Gender		
Male	4	57
Female	3	43
Total	7	100
Age		
16-30	-	-
31-45	3	43
46-60	4	57
61-Above	-	-
Total	7	100
Level of Education		

Primary	-	
High School	-	
Tertiary	7	100
Total	7	100
Years of Service		
1-5	5	71
6-10	2	29
11-Above		
Total	7	100

Source: Field Data, 2018

From Table 4.1 more men participated in the study than women. There were four (4) men representing 57% as against 3 women representing 43%. With reference to the age of the study respondents most of them were between 46-60 years old. Four (4) respondents representing 57% were in the 46-60 years of age bracket with the remaining 3 respondents representing 43% in the 31-45 age bracket. It also shows that the hospital has an ageing workforce.

The level of education of research participant is also crucial in explaining people's understanding of the phenomenon of public procurement. The study findings show that all the respondents had attained tertiary level education. None of the research participants had a certificate below the level of tertiary. This shows that the hospital has a very educated workforce, which is good in enhancing their appreciation of work operations and quality service.

In terms of years of service, five (5) respondents were in the 1-5 years bracket representing 71% whilst the remaining two (2) respondents representing 29% were in the 6-10 years bracket. This

shows that most of the research respondents have been with the hospital for some years to understand the phenomenon of procurement practices at the hospital.

4.2 Processes and Requirements of the Public Procurement Act

The research aimed at exploring the processes and procedures for implementing procurement processes at the hospital. The study revealed that the hospital complies with the Public procurement Act 663 (Act, 2003) and Act 914 (Act, 2016). Based on these requirements the hospital has developed some procedures for its procurement activities. The procedures include: (1) identification of needs, (2) Source for Quotation, (3) Evaluation and Selection, and (4) supply of items. On this issue, an administrative staff asserted that:

“Procurement in the hospital is governed by rules and regulations and so we cannot have procedures or methods that are different from the procedures or methods that are prescribed by the public procurement Act 2003 law as amended in 2016 Act 914. Thus, the processes we have developed are in line with the requirements of the procurement Act”.

4.2.1 National Competitive Tendering

National competitive tendering method is a procurement method endorsed by the Act for the procurement of high value goods, works and consultancy services. This tendering method is most preferable under the Act since it involves maximum competition which leads to value for money. When quizzed about the use of national competitive tendering, a medical doctor said that:

“If the item we are to procure is beyond the medical director's threshold then we have to go to the entity tender committee for approval. The entity usually advertise every year and suppliers come with their quotations. The entity tender committee reviews the process and then decides based on price quality and some other abilities to deliver to award contracts to the deserving supplier”

Another respondent also said that,

“We do national competitive bidding by asking for quotations from suppliers after the publications in the dailies. This allows us to be able to select the lowest evaluated bidder for each commodity which serves as a blue print. When we go to the regional medical stores to procure and the items are not availability, we then procure from the suppliers we have already selected.”

4.2.2 Sole Sourcing

The study revealed that, the hospital uses sole sourcing method when the goods and services are of urgent need, and related to national security. Respondents were of the view that, there have been many instances where the hospital used sole sourcing. A medical doctor asserted that:

“The hospital uses sole sourcing. But for the sole sourcing, we use them only for emergency cases. For instance, when we were doing the ebola setup, that is when the ebola issue came, we were given funds to construct a center in case an issue is recorded. This was an emergency situation and the hospital cannot go through the national competitive tendering because it delays time and a case might be recorded and at that time, we wrote to PPA to seek approval to use this method”.

On this same issue, a procurement staff revealed that:

“Sole sourcing is sometimes used by the hospital. For example, during the fire outbreak at the Cental Medical Stores, request made during that period for the procurement of drugs such as HIV, anti-retroviral drugs couldnot be procured from there. Under such a circumstance, the procurement of the anti-retroviral drug did not go through national competitive tendering process because this process takes more than six months. Under this circumstance, we went to PPA to raise an order to procure using single sourcing”.

4.2.3 Restricted Tendering

This procurement method is applicable where the procurement requirement is of a specialized nature, requires public safety and public security or when the number of potential suppliers is limited and open competitive tendering has failed. The study revealed that the hospital rarely uses this method. A pharmacy staff said that:

“Depending on the specialised nature of the procurement we use restricted tendering. we can restrict tenders by looking up for certain criteria. For example a

pharmaceutical company that is supposed to tender should have about 10 to 15 years of experience and must be limited by guarantee or a company that supplies without mobilization”.

4.2.4 Two-Stage Tendering

This procurement method is used when detailed specifications cannot be made available. When asked about the use of the two-stage tendering, an accounting staff said that:

“We use the two-way tendering method for services. For example, after the expansion of the hospital building, suppliers tendered in for the cleaning services and we had six suppliers. We allowed the suppliers who tendered in to inspect the building to see the materials used in the building to determine how the cleaning will be done. The six suppliers brought their proposals in relation to the services they can offer and at what price. The adhoc committee sat down and evaluated the proposals because there was a budget to it. After that the contract was awarded to the best supplier based on our criteria and specification and keeping value for money in mind”.

4.2.5 Request For Quotation

The study revealed that the procurement method that are predominantly used by GARH are price quotation and the National competitive tendering. According to a procurement staff:

“We use price quotations. Price quotations are received from various suppliers’, normally not less than three suppliers and then we compares the prices . For example to buy a swivel chair, price quotations can be taken from kingdom furniture, furniture city and K Asensu and this makes the price quotation three now. We can now choose from the suppliers based on the criteria or specifications, quality and the ability of the supplier to deliver taking into consideration the product that will give us value for money”.

Another respondent also revealed that:

“If we want to procure something which is low value and the amount involved is less, we can use price quotation method but if the amount involved is huge, then the most common one we use is the national competitive tendering. For example Act 914 gives various thresholds to the various categories. I think we are in category D and the threshold for goods that the head of the entity can procure is up to 45000 and for works is up to 75000. So when we are using a price quotation that falls within this threshold for goods or works and services, then the entity

tender committee is not involved, but if the value of the contract is more than 45,000 in terms of goods or up to 75000 for works then the entity tender committee must approve the decision”.

4.3 Application of Quality Improvement Principles in Procurement Practices

4.3.1 Quality Assurance Team

The study also aimed at determining if the hospital had a quality assurance team responsible for monitoring procurement practices at the hospital. The study revealed that the hospital has a quality assurance team in place and their core mandate is to ensure that the hospital gets value for their money by making sure that the goods and services delivered are of the highest quality standard. According a pharmacy staff:

“The quality assurance team is concerned with the quality of the products, the team is less concerned about who buys the goods and how much it is bought, but their concern is about the quality and standards of the products supplied by suppliers’.

The findings from the study revealed that, GARH had a quality assurance unit which is chaired by the medical director and a representative from every department and units. Even though the quality assurance team is responsible for ensuring that supplied goods and services meet required standards, the team also makes input into the procurement planning process. However, the team is not directly involved in the procurement process that is, what goes into the buying, and how suppliers are selected. The quality improvement of the procurement process at GARH is the responsibility of management who are members of the entity tender committee and have some of its members also as representatives on the quality assurance unit.

4.3.2 Quality Improvement Principles

In relation to the application of quality improvement principles at GARH, the study revealed that the hospital has a supply chain protocol, which states the activities to be performed, who to perform the said activity and the time frame within which the set activity has to be performed. From time to time, the implementation of the protocol is reviewed. The supply chain protocol aims to address, delays in procurement planning. The protocol states that instead of the procurement unit returning the plan for the user departments for the accurate specification to be done, the head of procurement should call the departmental heads involved for the specifications to be done via the phone for the planning process to continue.

4.3.3 Enhancing Procurement

To enhance the quality of procurement in the hospital, the hospital has some moral values or principles which officials engaging in procurement are required to comply with. These ethical principles are in the Public Procurement Act, the hospital internal code of ethics, and application of the ethics of the health profession. In addition, to ensure quality improvement in procurement practices and goods acquired, the management of GARH monitors and evaluates their procurement operations through proper documentation of procurement activities that takes place in the procurement cycle. Documents in relation to procurement go through some scrutiny and verifications. Management also monitors and evaluates the procurement operations of the hospital through holding supply chain stakeholders meeting to create opportunities for internal and external stakeholders to make inputs into procurement processes. Based on the information they receive, from the stakeholders, they develop the hospital's procurement protocol to improve the quality of procurement activities the study revealed.

4.3.4 Accountability Procedures

When respondents were asked if procurement plans were necessary for the procurement, all the respondents responded in the positive. It was revealed that in order for the hospital to meet the requirements of the Procurement Act, planning is crucial. The planning process helps the hospital in its budget process. The hospital is required as part of its planning process to submit its procurement plan at least one month before the beginning of a fiscal year. This allows the hospital to create opportunities for the various departments to make inputs into the procurement requirements of the hospital. This planning process is done during the identification of needs stage in the process. The hospital prepares annual procurement plans made up of the budget of the various units based on departmental needs. The study revealed that this is done annually and that it is reviewable, every three months or half of the year. A procurement staff of the hospital explained that:

“The hospital plans and reviews the process to know whether the specific needs of the various departments and units have been met. This also helps in ensuring that whatever the hospital procures, there is bases and proper documentation”.

Besides the hospital’s internal quality assurance (QA) team, the Public Procurement Authority is the external organization that ensures that the hospital complies with the requirements of the Public Procurement Act. The Ghana Health Service and the Audit Service are other external organizations that monitor procurement processes at the hospital. When quizzed on this issue, a procurement staff explained that:

“The Public Procurement Authority is the external institution responsible for ensuring that the hospital adheres to the requirements of the PPA. The PPA has their checklist and standards for conducting the review and so far we have largely complied with their standards”.

An accounting staff said that:

“We have officials of Ghana Health Services who have the overall responsibility, from time to time they also come around to monitor our procurement process through our documents just like the way PPA will do”.

These accountability chains in the procurement process ensures that the hospital complies with the requirements of the procurement Act, thus helping to enhance the quality of procurement practices.

Another procedure that shows that the quality assurance team ensures that procurement procedures are followed include, ensuring that the hospital reports to the Public Procurement Authority for clearance whenever the hospital plans to embark on a restricted tendering and sole sourcing. This is one of the requirements of the Procurement Act, which the QA team is responsible for ensuring that the hospital adheres to it. A procurement staff explains that:

“When the hospital plans to use restricted tendering we apply to the Public Procurement Authority for approval first. This enables us to use some pre-qualified suppliers. So without the prior approval of the PPA we cannot proceed with the process whenever we intend to use restricted tendering and sole sourcing”.

4.3.5 Monitoring and Evaluation Mechanisms

When research respondents were asked about the systems in place for monitoring and evaluating procurement processes in the hospital, the study shows that for monitoring and evaluation of the procurement process, the hospital has an internal audit and a quality assurance team mandated to monitor and evaluate procurement processes. There is also an ad-hoc committee which does evaluation for some particular procurement activities and this committee ceases to exist after the process. In this regard, a respondent said that:

“The ad hoc committee would do the evaluation and write a report in relation to that particular procurement in terms of price, specifications, past experience with the supplier and other preferences and make recommendations to the entity tender committee”.

The ad-hoc committee helps the hospital to address procurement processes that require swift response with inadequate time.

The study shows that another priority area of the quality assurance team is to ensure continuous monitoring and evaluation of the procurement process to ensure its quality and efficiency. The monitoring and evaluation process which is the third stage in the process creates opportunities for corrections which enhances the process. According to a medical doctor:

“Sometimes there are issues with the process; for us, we have what we call supply chain stakeholders so during the stakeholders meeting we try to find out some of the issues or problems that we have encountered from our side, from the supply side and then from other external factors. So this kind of evaluation is based on the information that we receive from the stakeholders and we improve upon the process”.

4.3.6 Mechanisms for Transparency

When asked about how the hospital ensures transparency and fairness in its procurement process in order to achieve value for money. It came to light that the hospital has a whatsapp platform. When there is a request for quotation all the information from tenders are posted there. This information is also shared with the entity tender committee members. To ensure fairness, the procurement unit does not do evaluation, the individual departments and some other professionals from other units within the hospital do the evaluation which ensures transparency, fairness and value for money.

One of the priority areas for the quality assurance team is the introduction of ICT in the procurement process of the organization. Even though the introduction of information communication technology in the procurement process is at its elementary stages, it is facing some resistance from some employees. The study shows that employees were involved during

the introduction of these changes, but people are still resisting it. An administrative staff commenting on these issues of policy resistance said that:

“People have their comfort zones and they are used to doing certain things in a certain way and; so if you tell them don't do it this way and change it this way sometimes people feel reluctant but you must insist once you know you are doing the right thing. Procurement is a complex area and therefore they have certain lines of doing things, but I wouldn't say anybody has any interest, but if you want to change people's way of doing things you will meet some sort of resistance, but once you know that it is in the best interest of the organization you go ahead and enforce it because it was agreed on by all”.

The study uncovered that the introduction of basic ICT mechanisms in the procurement process has enhanced the procurement process. According a pharmacy staff:

“A lot, a lot has improved. For example, we communicate with our suppliers and we have an email system through which we can easily contact our suppliers from. We also have a whatsapp number dedicated solely to procurement; that is for suppliers. We also have a software that helps us sort the various tenders and put an end to the old manual paper work. The introduction of basic technology in the process is really helping”.

4.3.7 Procurement Training

Training is very crucial for public officials responsible for implementing procurement processes since training enhances the skills and capabilities of employees. When respondents were asked about the frequency of training on procurement in the hospital, it was revealed that training programs are conducted in relation to procurement twice in a year. A procurement staff commented on this issue that:

“The hospital does well in organization training on procurement for employees every year. For instance, this year I have already gone for training. I go for the training and then I train my assistance as well when I return from the training. I brief the entity tender committee members on what went on during the training process as well as provide them a copy of the training manual and necessary document”.

4.3.8 Stakeholder Meeting

The hospital also organizes stakeholder meetings to enhance the quality of procurement practices in the organization. These meetings bring together all the departments and units in the hospital as well as some suppliers to assess and review the procurement process in the hospital. The findings show that, the stakeholder meetings create opportunities for suppliers and employees of the hospital to make inputs into enhancing procurement processes in the hospital.

4.4 Challenges to Procurement Procedures and Practices

The study also sought to explore the challenges faced by the hospital in its procurement practices.

4.4.1 Non-compliance with Quality Improvement Policy

To improve communication and coordination between the procurement department and the other departments and prevent shortage of essential drugs and other logistics, the hospital has developed a quality improvement policy which states that the stores suite must prompt the procurement department when stocks gets to the maximum reorder level and procurement department must take action within one week. However, the research identified that these quality improvement procedures were not followed due to poor coordination and communication between the various departments and the procurement department. Specifications of items from most of the departments to the procurement unit are mostly not clear and some delay their requisition which delays the whole process. This puts pressure on the procurement department, which is also under resourced with personnel. On this issue, a medical doctor said that:

“The procurement process is a chain and somebody's job is to organize the process, that is the procurement unit, and another person's work is to store the items that we procure and also issue them out. Sometimes coordinating between these units that is communication between these units are not effective. This leads to delays in prompting the team to begin the process”.

Another respondents hinted that:

“Sometimes even though the procurement team may have engaged stakeholders and the various departments in the process of drawing up the procurement plan, some units often come up late with requests that have not been factored into the plan and this throws the plan and budget overboard”.

Therefore, the departments and units should not wait until they run out of stock before making a requisition. In addition, the procurement department must also be resourced with more personnel to reduce the pressure.

4.4.2 Weak Monitoring of Procurement Contracts

Another challenge to the process is weak monitoring of procurement contracts. Because of poor monitoring processes, the hospital fails in getting value for money during the process. This poor monitoring is as a result of inadequate resources for conducting the monitoring procedures.

4.4.3 Financial Constraints

In addition, because of the inadequate resources, the hospital is also facing financial challenges which cause delays in paying suppliers. Claims payment from the NHIS is a major source of internally generated fund for the hospital, but delays in the payment of claims affect the ability of the hospital to also pay its suppliers on time. Commenting on this issue a procurement staff said that:

“Because creditworthiness of public institution is not all that good, so sometimes it takes 3 months to 6 months before we pay suppliers and they don't want that. So there are some companies that will tell you they don't want credit. There are instances, when the hospital is handicapped financially. This subsequently affects the ability of the hospital to meet its financial obligations to its suppliers”.

Therefore, the hospital must find ways to generate revenue internally to aid in addressing the financial challenges of the hospital.

4.4.4 Delays in Delivery

Delays in delivery on the part of suppliers. The study shows that the inability of suppliers to meet supply deadlines was also identified as a major challenge for the hospital in its procurement processes. In addition, some suppliers participate in the procurement process without actually having a clear stock that they are going to use to deliver because they do not want to hold stock without having an outlet. Therefore, when they are selected and awarded the contract they are unable to meet the supply deadlines. A midwife asserted that:

“Sometimes the delays in delivery occur because the suppliers do not have capital or don’t have stock and probably because we haven't paid for the previous supply. So because suppliers have not been paid they are reluctant to supply the new goods. Our indebtedness to them makes the suppliers reluctant to add to the stock of the facility”.

The inability of the hospital to honor its payments on time may be accounting for the delays in supplying services and goods on the part of the suppliers. The hospital must institute systems to help it raise funds to pay suppliers on time to solve the challenge of delays in delivery.

4.4.5 Poor Communication

Poor communication between the hospital and the suppliers in relation to the award of the contract which leads to delays in supply. These poor communications come up because of the inability of the hospital to deliver the contract document to suppliers on time. The contract document can be ready and because the communication between the procurement unit and the supplier has not been effected on time, this leads to delays in supply.

4.4.6 Lack of Understanding of Public Procurement Laws

Lack of understanding of public procurement laws on the part of some suppliers also serves as another challenge to procurement processes at the hospital. According to the procurement law, goods and services must be supplied before payment is done. In other words, until suppliers have

executed a contract, the procurement entity cannot make payments. This requirement of the law is a major challenge for many suppliers, especially those dealing with the hospital for the first time. An administrative staff posited that:

The procurement law does not make room for immediate payments, every purchase is based on credit, you buy the goods, they supply and you process the documents and payment is made later. There are times we get good deals, but the supplying organization may not be interested in credit and we end up losing the deal. The challenge is the way the law is crafted to promote credits system”.

Reiterating on this same issue, a respondent from the procurement department asserted:

“Because of the delays in payment, some of the suppliers end up supplying part of the goods or some even fail in supplying the goods at all. These creates shortages of logistics and drugs in the hospital which subsequently affects the efficiency of our operations”.

4.4.7 Supply of Sub-standard Goods

On this same issue of the challenges faced by the hospital in its procurement activities, supply of sub-standard and inferior goods by some suppliers was also mentioned as one of the challenges the hospital faces. Even though the hospital sets criteria and standards for suppliers prior to selecting them to supply goods and services, some suppliers still end up supplying goods which are not up to the standard required by the hospital. Expatiating on this issue, a staff of the hospital opined that:

“There was a time we bought some plasters, when you look at the plaster it is plaster, but when you start using it you realize that it is not user friendly. Our patients were reacting to it and causing more damage, so the hospital had to return it to the supplier”.

This challenge can be attributed to the poor evaluation of the product on the side of the hospital when supplies were delivered.

4.4.8 Documentation and Record Keeping

Documentation and record keeping was also identified as a challenge. Procurement documentation passes through a bureaucratic system for approval and by doing so, some documents are misplaced along the line which makes accountability procedures challenging. The hospital's procurement protocol clearly states that anytime a procurement document comes for approval at any department, the department should make a copy of that document and file for proper referencing. However, this requirement was not followed by most of the departments leading to poor and loss of documents during the procurement process.

4.5 Discussion of findings

4.5.1 Processes and Requirements of the Public Procurement Act

The adherence to public procurement laws by GARH showed that, national and institutional procurement policy environments are primary determinant of the extent of effectiveness in procurement procedures and practices. It was also found that, GARH procures its supplies and equipment at the regional medical stores. When these logistics are not available at the regional medical stores, a certificate of non-availability is given to allow them to procure from the open market. GARH uses national competitive tendering, price quotation, restricted tendering, two stage tendering and sole sourcing in procurement depending on the thresholds, the quantity involved and the conditions or circumstances under which the items are to be procured. The annual procurement report of 2017 revealed that 18.92% of medicine purchase and 9.79% of non- medicine purchase were from the regional medical stores and 81.08% of the medicines and 90.21% of non- medicines were procured from the open market. This implies that, most of the supplies are not available at the regional medical stores.

In using national competitive tendering, the study revealed that the hospital receives price quotations from various suppliers after publicly advertising for suppliers to tender. The national competitive tender is used when the value of the contract is above the medical directors threshold. The criteria for selecting suppliers include, price, quality, ability of the supplier to supply the goods, and experience. Based on these criteria, the hospital can choose a supplier taking into consideration also value for money. This is in line with the fifth schedule of the public procurement Act, which provides threshold for the procurement of goods, works and services.

The study also revealed that, the hospital uses sole sourcing method and restricted tendering subject to approval by the PPA board for the procurement of goods, works and services. This is also in line with the fifth schedule of Act 914 which requires procurement entities to seek approval from PPA before using these methods. The Act also provides the circumstances under which sole sourcing and restricted tendering could be used. For example sole sourcing may be appropriate where goods, works or services are only available from a particular supplier or contractor, where there is an urgent need for the goods, works or services and engaging in tender proceedings or any other method of procurement is impractical due to unforeseeable circumstances giving rise to the urgency. Where owing to a catastrophic event, there is an urgent need for the goods, sole sourcing could also be used. Restricted tendering may be applicable where the procurement requirement is of a specialized nature, has requirements of public safety and public security or when the number of potential suppliers is limited and open competitive tendering has failed.

With the two stage tendering, it was revealed that the hospital used this method in the case where it was not feasible to formulate detailed specifications for the cleaning service in question. This

was also in line with section 35 of Act 914 which clearly states the condition under which a procurement entity should procure goods, works or services using the two stage tendering to include a situation where it is difficult to identify the characteristics and specifications of the goods, works or services. Section 42 of Act 914 states the conditions under which a procurement entity could use price quotation to include; where the goods, works or services are readily available and not specially produced and the estimated value of the procurement contract be less than the amount stated in the fifth schedule. This section has been adhered to by GARH since they procure using price quotation when the value of the contract is within the threshold of the medical director.

According to the study, the hospital applies the standard generic public procurement laws to all procurement activities regardless of the procurement type. All these procurement methods have their merits and demerits but a lot will depend on the procuring organization and the interpretation of its organizational needs as well as the requirements of law, if the best is to be derived from these procurement methods. Organizational managers must therefore, understand the requirements of the procurement Act to get the best out of their procurement processes and comply with law and this will also require proper records keeping and monitoring.

4.5.2 Application of Quality Improvement Principles in Procurement Practices

According to Suarez-Barraza et al. (2010) every organization needs to adopt a systematic approach to decision making in the procurement process. The study revealed that, GARH had developed procurement protocols to improve their procurement process which is in line with the standardization principle of Kaizen feature. The standardization principle of Kaizen requires management to set standards for employees as well as provide them with the organisational

policies, rules, directives, procedures for the successful enforcement of standards (Wittenberg, 1994; Al-Tahat and Eteir, 2010). The study revealed that, GARH organizes supplier chain forums to interact with their procurement staffs to discuss the challenges they face in the performance of their duty. This is also in line with Kaizen's principle of teamwork, employee participation, open lines of communication, transparency, consultative decision making and sharing of responsibility by employees at all levels (Yokozawa, Steenhuis and Bruijin, 2010). The procurement staffs of GARH attends trainings organized by PPA and this concurs with the Kaizen's quality improvement principle of valuing development and the potential of people through training, mutual trust and recognizing their special skills (Liker, 2004).

The development of formal legal procedures and quality principles are crucial for the effective implementation of procurement practices. Therefore, procuring organizations must involve the purchasing departments and units in the procurement process, if the organizations will meet its quality needs. The success or failure of improving procurement management practices in developing countries such as Ghana depends to some extent on the knowledge ability of the public procurement practitioners with respect to how familiar they are with the procurement rules and regulations. Knowledge of the procurement process, procedures, rules and regulations will in no doubt help in achieving compliance in public procurement reform programs.

4.5.2 Challenges of Procurement Activities of the Hospital

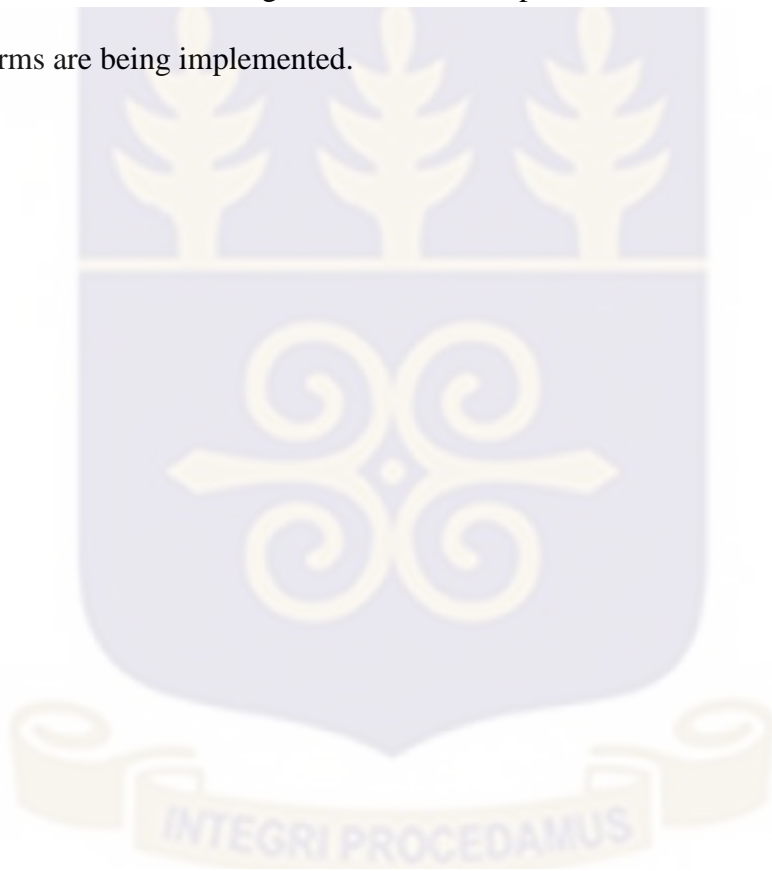
The study considered some organizational practices influencing quality improvement during the procurement process, in order to contextualize the results, the study complemented the results with specific insights from the various departments. The main barriers to quality improvement in procurement reported by respondents were inadequate interaction between the hospital and

supplying organization, low competence of some suppliers hence, their inability to understand procurement laws. This is in line with a study conducted by Heneghan and O'Donnell, (2007) which revealed that, the high levels of non-compliance were partly attributable to the complex legislative requirements of the Irish Company Acts. In addition, delays in paying suppliers which is leading to low confidence amongst supplying organizations dealing with the hospital and suppliers supplying low quality or inferior goods and products which is in line with the findings of Azeem (2007). Other factors that influence the hospital in the implementation of improvement requirements during procurement include poor monitoring of quality principles and procurement contracts. Another challenge of the hospital's procurement activity is in relation to poor documentation and record keeping which concurs with the findings of a study conducted in Kenya by Kemoni and Ngulube (2008).

Additionally, human resource and financial challenges were major issues for the process at the hospital. Government must provide sufficient budgetary support and flexibility to make investments in procurement that may be financially efficient only when viewed from a long term perspective, which is challenging given the limited budget of the government of Ghana. These findings of limited financial and human resources in procurement practices concur with the findings of Azeem (2007) and Womack (2011).

Proper records management controls and monitoring have been identified as an integral part of achieving compliance in procurement (Alfresco, 2009). Even though the study finding show weak monitoring in the implementation of quality improvement principles, it is important that management strengthens the monitoring processes in the implementation of quality requirements. This will enhance the effectiveness of the process. The findings of weak monitoring in procurement processes confirms that work of (Damrath, 2012).

In light of these findings it may be plausible to conclude that the hospital is missing out on fully capturing quality improvement through procurement. The identified challenges may be preventing the hospital from increasing its commitment to an effective public procurement process. In addition, it could be argued that many private suppliers do not see the public sector as an innovative customer to supply goods and service to, even though public organizations always pay their debt to suppliers. The need for knowledge and clarity of procurement rules is a very important factor in the extent or degree to which compliance can be achieved when public procurement reforms are being implemented.



CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

Having explored and presented the research findings from the previous chapter, the final chapter of the study presents a summary of the major findings, conclusion to the whole study, and recommendations to enhance the quality of procurement management practices at GARH.

5.1 Summary

Organizations are under enormous pressure to enhance service delivery to their clients. Public health organizations are not immune to this pressure from their clients. To improve services to clients, public and private organizations are employing procurement practices to achieve this goal. The research aimed at exploring the processes and procedures for implementing quality procurement processes at the GARH.

5.1.1 Research Objectives

- I. To explore the processes and requirements of the Public Procurement Act in the Implementation of procurement programs in the GARH.
- II. To examine the quality improvement principles in procurement practices at the GARH.
- III. To explore the challenges to procurement processes and activities at the GARH.

5.1.2 Research Method

A qualitative research approach was used for the study to assess the quality improvement of the procurement management practices at GARH. To understand quality improvement in procurement practices in public hospitals, a case study design was employed. The case study for the study was GARH. The research's target population was the members of staff of GARH. Purposive sampling technique was employed in selecting study participants. Flexible interview guide with open-ended questions was used as the instrument for data collection. A thematic content analysis approach was used to analyse records from interview tapes and field notes.

5.1.3 Key Findings

5.1.3.1 Processes and Requirements of the Public Procurement Act

The study revealed that the hospital complies with the Public procurement Act, 663 (Act, 2003) and Act 914, (Act, 2016). Based on these requirements the hospital has developed some procedures for its procurement. The procedures include: (1) identification of needs, (2) Source for Quotation, (3) Evaluation and Selection, and (4) supply of items. There was no prescribed procurement method for the hospital. However, the needs of the hospital determine the type of procurement method to use. This is also in line with the Public procurement Act, which also prescribes the conditions under which the hospital can use the various methods.

It was also found that, GARH procures its supplies and equipment at the regional medical stores. When these logistics are not available at the regional medical stores, a certificate of non-availability is given to allow them to procure from the open market. GARH uses national competitive tendering, price quotation, restricted tendering, two stage tendering and sole

sourcing in procurement depending on the thresholds, the quantity involved and the conditions or circumstances under which the items are to be procured. The annual procurement report of 2017 revealed that only 18.92% of medicine purchase and 9.79% of non-medicine purchased were from the regional medical stores and 81.08% of the medicines and 90.21% of non-medicines were procured from the open market. This implies that the hospital procures most of its medicine and non-medicine from the open market and this is due to the unavailability of these medicine and non-medicines in the regional medical stores.

The hospital uses sole sourcing and restricted tendering procurement method when the goods and services are of urgent need and on the grounds of national security. In using competitive tendering, the study uncovered that the hospital receives price quotations from various suppliers and that various factors are considered in choosing a supplier. These factors such as quality, price, and delivery time form the bases of the criteria for selecting suppliers. Based on these factors, the hospital can choose a supplier taking into consideration value for money.

5.1.3.2 Application of Quality Improvement Principles in Procurement Practices

The study also aimed at determining if the hospital had a quality assurance team responsible for monitoring procurement processes at the hospital. The research shows that the hospital has a quality assurance team in place and that its core mandate is to ensure that the hospital gets value for money by making sure that the goods and services delivered are of the highest quality standard. The findings from the study revealed that, GARH had a quality assurance unit which is chaired by the medical director and a representative from every department and units. Even though the quality assurance team is responsible for ensuring that supplied goods and services meet required standards, the team also makes input into the procurement planning process but are not directly involved in the procurement process. The quality improvement of the

procurement process at GARH is the responsibility of management who are members of the entity tender committee and have some of its members also serving as representatives on the quality assurance team.

In relation to application of quality improvement principles of GARH, the study found out that the hospital has a supply chain protocol, which states the activities to be performed, who to perform the said activity and the time frame within which the set activity has to be performed. From time to time, the implementation of the protocol is reviewed. The supply chain protocol aims to address, delays in procurement planning. The protocol states that instead of the procurement unit returning the plans for the user departments for the accurate specification to be done, the head of the procurement entity should call the departmental heads involved in the specifications to be done via the phone for the planning process to continue. This also implies that a failure on the part of the department head can affect the efficiency of the process. Therefore, it will be prudent to develop electronic alerts that will notify departments to initiate procurement processes than to rely on manual mechanisms.

To enhance the quality of procurement in the hospital, the hospital has some moral values or principles which officials engaging in the procurement process are required to comply with. These ethical principles are in the Hospital's internal code of ethics, and application of the ethics of the health profession. In addition, to ensure quality improvement in procurement practices and goods acquired, the management of GARH monitors and evaluates their procurement operations through proper documentation of procurement activities that take place in the procurement cycle. Documents in relation to procurement go through some scrutiny and verifications.

Another priority area for enhancing the quality of procurement practices is the organization of stakeholder meetings. These meetings bring together all the departments and units in the hospital as well as some suppliers to assess and review the procurement process in the hospital. The findings show that the stakeholder meetings create opportunities for suppliers and employees of the hospital to make inputs into enhancing procurement processes in the hospital. Based on the information received from the stakeholders, the hospital develops a procurement protocol to improve the quality of procurement activities the study shows.

5.1.3.3 Challenges to Procurement Procedures and Practices

The study also sought to explore the challenges faced by the hospital in its procurement processes. To improve communication and coordination between the procurement department and the other departments and to prevent shortage of essential drugs and other logistics, the hospital has developed a quality improvement policy which states that, the stores suite must prompt the procurement department when stocks get to the maximum reorder level and that the procurement department must take action within one week. The research, however, observed that these quality improvement procedures were not followed, leading to poor coordination and communication between the various departments and the procurement department. Specifications of items from most of the departments to the procurement unit are mostly not clear. For example, requests from main stores and pharmacy for instance, come late, that is when they have run out of stock, which puts pressure on the procurement department which is also understaffed.

Another challenge to the process is weak monitoring of procurement contracts. Because of poor monitoring processes the hospital fails in getting value for money during the process. This poor monitoring is as a result of inadequate resources for conducting the monitoring procedures. In

addition, because of the inadequate resources, the hospital is facing financial challenges which cause delays in paying suppliers. Claims payment from the NHIS is said to be a major source of internally generated fund for the hospital. However, delays in the payment of claims affect the ability of the hospital to pay its suppliers on time.

Delays in delivery on the part of suppliers also serves as a challenge. The study shows that the inability of suppliers to meet supply deadlines was also identified as a major challenge for the hospital in its procurement processes. In addition, some suppliers participate in the procurement process without actually having supplies to deliver because they do not want to hold stock without having an outlet. Therefore, when they are selected and awarded the contract they are unable to meet the supply deadlines.

Lack of understanding of public procurement laws on the part of some suppliers was also revealed as another challenge to procurement processes at the hospital. According to the procurement law goods and services must be supplied before payment is done. In other words, until suppliers have executed a contract the buyer cannot make payments. This requirement of the law is a major challenge for many suppliers, especially those dealing the hospital for the first time.

Another challenge was poor documentation and record keeping. Procurement documentation passes through the bureaucratic system for approval. Some documents are misplaced along the line which makes accountability procedures challenging. The hospital's procurement protocols clearly state that anytime a procurement document comes for approval at any department, the department should make a copy of that document and file for proper referencing. However, this

requirement was not followed by most of the departments leading to poor recording keeping and loss of documents during the procurement process.

5.2 Limitation

This study has some limitations. The results represent the view of the internal members of the entity tender committee and therefore a further research could be conducted to include the external members of the entity tender committee.

Second, the empirical exploration was done in one public health facility, which subsequently limits the chances of generalizing the findings to other sectors. Further research should consider cross-industry surveys.

5.3 Conclusion

The aim of this research was to explore the processes and procedures for implementing quality procurement processes at the GARH. Contrary to previous studies that sought to assess the innovation effects of public procurement from the lens of legal instruments, this study explored the several challenges to quality improvement in public procurement that are thought to constrain the effectiveness of public procurement. The study used a qualitative research methodology to explore the phenomenon of procurement practices at Greater Accra Regional Hospital. The findings revealed that the hospital complies with the Public procurement Act, 663 (Act, 2003) and Act 914, (Act, 2016). Based on these requirements the hospital has developed some quality improvement procedures for its procurement. Even though the study shows that the hospital has various policies in place to ensure the quality of its procurement activities, the policies have been

impeded by various challenges. Some of which include weak monitoring of procurement contracts, lack of personnel to implement procurement processes, supply of sub-standard goods, poor documentation and record keeping, poor communication, delays in delivery and delays in the payment of suppliers. The results provide important contributions to the topic of public procurement. In particular, the research emphasizes the relevance of common criteria used in the actual selection of a supplier in a public health organization and the associated challenges to enhance the quality of procurement processes. The identified challenges can be used to guide the development of policies to enhance procurement processes in public health organizations. In doing so, it is anticipated that it will lead to a better alignment and expectations between suppliers and procurement entities within the public health sector.

5.4 Recommendations

To improve upon procurement management practices at GARH, the study makes the following recommendations.

5.4.1 Training

First, the study found out that procurement refresher courses or workshops are organized only for members of the entity tender committee, but not the heads of user department who are heavily involved in providing the inputs for procurement planning. It is therefore recommended that refresher courses or training workshops should be organized to include the heads of the various user departments. In addition, the hospital must recruit more staff to bridge the staff deficit in the procurement department.

5.4.2 Adoption of E-procurement Systems

Secondly, in order to address the issues of delays in procurement planning due to inadequate specification of user needs and also to address the delays caused by the bureaucratic nature of approving procurement documents, the study recommends the adoption of an electronic system to digitize procurement activities. The electronic system will reduce the bureaucratic bottlenecks associated with the process and also enhance the monitoring process.

5.4.3 Development of a Comprehensive Budget

Thirdly, to address the challenge of delays in the payment of suppliers, the hospital should insist on the development of departmental budgets that will make provision for all the procurement needs of the various departments. This will help the hospital make provision for all its procurement needs and allocate funds for them. The hospital must also be innovative in devising new ways of generating revenue internally without solely depending on the NHIA and central government subventions.

5.4.4 Enhancing Monitory of Policy Implementation

Fourth, even though there are quality assurance policies in place, it was revealed that these policies were not effective. The hospital must improve upon its monitoring of the implementation of these policies. Punitive measures must be adopted to deter officials who try to circumvent the quality principles.

5.4.5 Enhancing Stakeholder Meetings

Lastly, the hospital must enhance its stakeholders meeting to improve upon the knowledge of suppliers and staff of the hospital about procurement laws. This could also enhance the knowledge of private suppliers about how public sector procurement practices and payments are

conducted. Consequently, this would help suppliers exercise restraints when there are delays in payment.



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APPENDICES

APPENDIX 1: INTERVIEW GUIDE

UNIVERSITY OF GHANA



INTERVIEW GUIDE

I am Senam Adzoa Awaworyi, a final year MBA. Health Services Management student of the University of Ghana conducting a research into quality improvement in procurement management practices at the Greater Accra Regional Hospital (GARH). The Interview is intended to collect data from the entity tender committee of GARH. This will help the researcher to examine whether the GARH follows the appropriate procedures stipulated by the public procurement Act and whether the hospital has a quality management team in place with procurement as one of their priority areas. This exercise is for academic purpose only. Any information provided will be treated confidential and no name will be ascribed to any response.

Section A: Personal Data

Gender: Male () Female ()

1) **Age Group:** 16-30yrs (), 31-45yrs () 46-60yrs () 61yrs and above ()

2) **Position Held** **and for how long**

3) **Educational background**

Primary () High school () Tertiary () Member of a professional body ()

SECTION B: PROCUREMENT PROCEDURES

- 4) What are the various procurement procedures and methods used by outfits? Under what circumstances do you use the various procurement procedures and methods? What percentage of the supplies you procure go through national competitive bidding?
- 5) In your opinion, are procurement plans necessary? Why are procurement plans necessary? In your opinion, when is the ideal or appropriate time to do procurement planning? So is that what happens in your establishment?
- 6) In your opinion, do you think that there is the need to monitor and evaluate the entire procurement process? At what levels do you think this evaluation should be focused? Which bodies do you think should monitor and evaluate the procurement process internally and externally?

SECTION C: TECHNIQUES AND METHODS FOR ASSESSING THE PERFORMANCE OF THE PROCUREMENT ENTITY

- 7) Is there a need for accountability in the procurement process? Is that what happens in your outfit? How can this accountability be ensured? Is there anything you wish to be changed or added in the process of ensuring accountability?
- 8) In your opinion, what can we do to ensure that we get value for money in our procurement processes? What new thing do you recommend to be done to achieve value for money?
- 9) Is there any difference between procurement before the use of computers and the internet and after the introduction of computers?

SECTION C: FACTORS AFFECTING PROCUREMENT PERFORMANCE

10) Is Procurement process challenging? Can you please share some of the challenges?

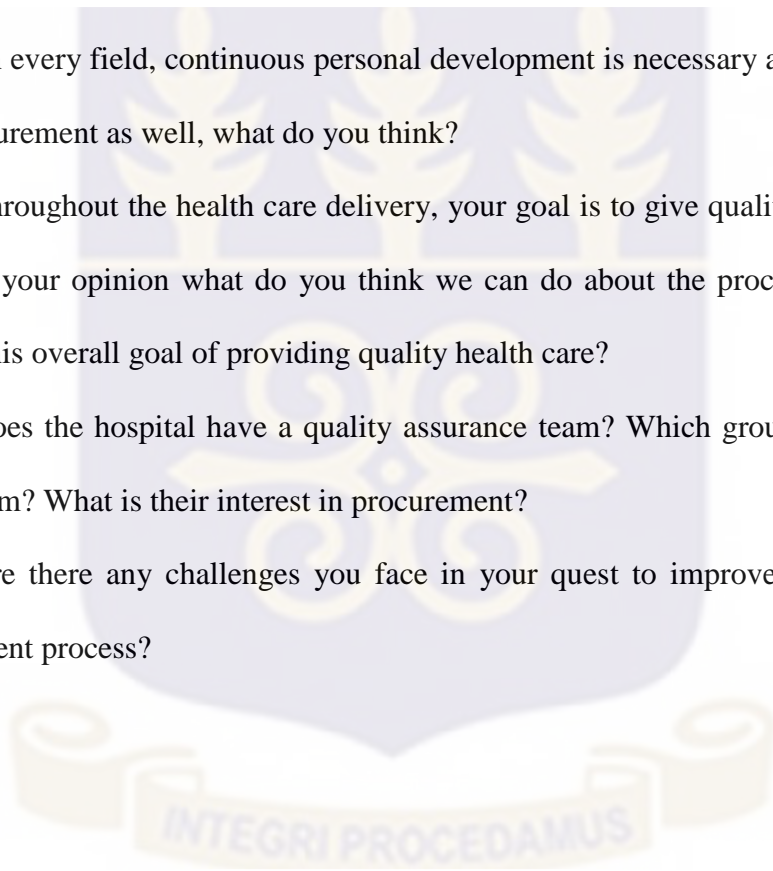
SECTION E: MEASURING THE QUALITY OF THE PROCUREMENT FUNCTION AND PROCEDURES

11) In every field, continuous personal development is necessary and I believe it is so with procurement as well, what do you think?

12) Throughout the health care delivery, your goal is to give quality healthcare to our clients. In your opinion what do you think we can do about the procurement process to achieve this overall goal of providing quality health care?

13) Does the hospital have a quality assurance team? Which group of people makes up the team? What is their interest in procurement?

14) Are there any challenges you face in your quest to improve the quality of the procurement process?



APPENDIX 2 LETTER OF INTRODUCTION



UNIVERSITY OF GHANA
BUSINESS SCHOOL
DEPARTMENT OF PUBLIC ADMINISTRATION
AND HEALTH SERVICES MANAGEMENT

UGBS
University of Ghana Business School

Ref. No.: *PAHS/26*

12th March, 2018

The Medical Director
Greater Accra Regional Hospital
Accra

Dear Sir/Madam,

LETTER OF INTRODUCTION

The bearer of this letter, Ms. Senam Adzoa Awaworyi is a final year student of the University of Ghana Business School, Legon. She is undertaking a course leading to the award of Master of Business Administration (MBA) in Health Services Management As part of the requirements of the programme, she has chosen to research on the topic: *"Quality improvement in procurement management practices at the Greater Accra Regional Hospital"*

I would be most grateful if you could give her the necessary assistance to facilitate her data collection.

Thanks for your cooperation.

Yours faithfully,

Dr. Theophilus Maloreh Nyamekye
Lecturer/Supervisor

COLLEGE OF HUMANITIES

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