

EFFECT OF QUALITY OF SCOPE ON BIDDING ACTIVITIES

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ABSTRACT: *Procurement is rapidly becoming prominent as a preference function that offers high-impact prospects for convallescening the bottom line. The effectiveness of procurement results depend much on the inviolability of the processes involved. One of such processes is scope of work. In the process of procuring the services, goods and works, a scope has to be prepared which is also used in the preparation of the bidding documents. This study, then sought to investigate the effect of scope on bidding activities with a case of Golden Star (Bogoso/Pretea) Limited (GSBPL). Both primary and secondary data were used for the study. From the study of the processes involved in the scoping of bid documents at GSBPL, it was revealed that the user departments initiate the process for the procurement of goods and services and prepare the initial scope for this process. But the contract department is involved in guiding and reviewing the process to make sure it is adequate. The study also established that most scope in the bid documents were not adequate and therefore did not meet quality standards. On identifying the causes of inadequate scoping, the study showed that lack of communication between two or more user departments, ambiguity of scope, lack of proper planning among others negatively affect the quality of the scope and the bidding process. With the quality of scope on bidding activities, it was disclosed that a good quality of scope will result in bidders meeting submission deadlines and submitting very competitive bids which are easy to evaluate, less bidder questions, and therefore has a positive impact on the bidding process. Poor quality scope on the other hand, will result in extension to bid submission dates, make evaluation of bids very difficult and may result in rebidding with a revised scope. This may delay projects of the company and challenge to the proposal evaluation and source selection is almost traceable to an uninformative or ambiguous scope of work. The study as a result recommended among others, for more collaboration between the contracts departments and the user department in the scoping of bid documents, user department must have a proper plan of their requirements for bidding activities, training of staff of contracts and user department on the scoping of bid documents and the preparation of a lessons learned report to document all the processes that were followed from initiation of the scope to the provision of the services, goods or works.*

KEYWORDS: Scope of Work, Bidding Activities, Golden Star (Bogoso/Pretea) Limited (GSBPL), Ghana

INTRODUCTION

Procurement is rapidly becoming prominent as a preference function that offers high-impact prospects for convallescening the bottom line. It's becoming a core competency of firm, finding and developing suppliers and bringing expertise that is highly valued by many organizations if not all. Purchasing is generally responsible for spending more than 50 percent of all the revenues firm receives as income from sales (CSCMP & Tate, 2014). More money is often spent for purchases of materials and services than for any other expense and there is significant

opportunity for most organizations to save money by involving purchasing in this area of spending. In the private sector, procurement is considered as a profit centre to maximize the firm's profit in saving material cost (Choi, 2010). Herbert (2013) recognised the value and strategic benefits that procurement can bring to the organisation and therefore it is seen as integral to many organisations. Though procurement in both public and private sectors was for a long time been considered primarily as an operational function without any strategic importance (Bailey, Farmer Jessop & Jones, 1994) recent reviews have shown the strategic importance of purchasing in both public and private hence the need for more attention.

Understandably the attainment of high level of performance of procurement mostly hinges on the quality of scope. A scope of work describes the work to be performed or the services to be provided (Richa, 2014; Rodney, 1992). It describes the tasks, directs methodologies to be used, and sets forth the period of performance. It should contain qualitative and quantitative design and performance requirements (MIL-HDBK-245D, 1996). The scope of work, then directly affects the number and quality of proposals submitted. A well-worded definitive scope of work is essential for a vendor to accurately determine the cost of performance. A scope of work will also be the basis for measuring performance under a contract. An inadequate scope of work will lead to problems with contract administration that may result in costly contract amendments. In many cases, there is a direct outcome of poor quality of scope leading to ineffective performance, lack of appropriate procurement engagement (MIL-HDBK-245D, 1996) among others. As a result, many organisations are failing to make effective purchasing decisions, not fully leveraging their spend and economies of scale, and leaving themselves open to significant business and commercial risk.

Besides, the object of procurement law is to secure a judicious, economic and efficient use of an organization's resources and ensure that bidding process is carried out in a fair, transparent and non-discriminatory manner while promoting efficiency and competitiveness among prospective bidders (Glavee—Geo, 2008). However, in the less developed economies such as Africa, most organisations procure goods and services without going through competitive bidding processes (Agaba & Shipman, 2008) and laid down international best practice. One other area of concern which lack empirical evidence or studies and requires attention lies in the definition of the scope of work as contained in the bid document and its impact on bidding activities. Organisations are confronted with procurement issues such as professionalism, transparency, limited career development opportunities for procurement staff, and weak contract management (World Bank Report 2003) of which this study believe that can be a contributing factors to poor quality of scope of work. For most part in organisations the requesting entity fails to adequately capture the full set of requirements needed to do its work in the tender document. This results in a situation where bidders invariably have to revert to the requesting entity -the client for additional information and clarification in the scope of work identified by the client. Such back and forth interactions, which betrays a lack of sufficient thinking through of needs, cause undue delays leading to the late completion of works and late delivery of goods and services. This adversely affects work schedules and may have implications for the quality of work. This as has been mentioned over the years has failed to highlight the necessary studies as to how scope of work affects bidding process either being quality or poor.

It is upon this backdrop that this study in general seeks to investigate the effect of quality of scope on bidding process in Golden Star (Bogoso/Prestea) Limited--GSBPL by specifically explore the processes involved in the scoping of bid documents for GSBPL, examine the extent

to which the scope meets quality standards, identify the main causes of inadequate scoping in GSBPL and to examine the effect of quality of scope on the bidding process.

LITERATURE REVIEW

Theoretical Review

Systems Theory

General systems theory, as the name implies, is the study of the general features of systems (Ingram, 2007), and it is one way of studying how things interrelate. It looks at order and disorder, patterns, complexity, and change over time (Ibid). Systems theory was initially developed within the natural sciences (biology and physics) by Von Bertalanffy (1950) but has subsequently become widespread in organisation and management theory as a means of explaining processes within and between firms. This theory brings with it an assumption that no system, in this case a supply network, should be thought of in terms of its component parts. Rather, it is argued that the processes and outputs of a system can be understood only by considering it in its totality. "A system is a set of interrelated elements, each of which is related directly or indirectly to every other element, and no subset of which is unrelated to any other subset" (Ackoff & Emery 1972). It is widely employed conceptual framework in the policy sciences as the systems model (Easton, 1953;1965; Dye 1966), which may be seen as an application of general system theory (von Bertalanffy, 1968) to public policy. Some of the earliest work to use systems thinking to suggest that supply networks should be seen and managed as an integrated whole comes from Jones and Riley (1985) Houlihan (1985) and (Novack & Simco 1991). These authors recognise that there is a continuous chain of functional areas in firms through which materials flow and that extends from raw material suppliers to final distributors interacting with end-customers.

Similar work has been produced in what might be called the traditional logistics perspective, with authors such as Scott and Westbrook (1991) discussing how to better manage fluctuations in material flows at the interfaces between supply chain actors. Recognising the limitations of these early works, authors such as Lee and Billington (1992; 1993) and Christopher (2010) move the debate on by emphasising the importance of system-wide co-ordination of both materials and information flows. It is argued that the sharing of information is an essential means of signalling commitment to drive ongoing collaborative behaviour. These authors also introduce the idea that supply chains should be managed to improve both their cost efficiency and their service quality and effectiveness. For Snider and Rendon (2008) perspective, systems framework allows for identification, description, and analysis of the key components of the system which conveys an appreciation for and an understanding of the complex connections and interrelationships among various components. This from the authors may illuminate the relative importance and relevance of components in the production of outputs. It may allow for identification of inefficiencies and pathologies in the system, as well as identification of potential solutions for such problems. The system theory calls attention to the boundaries of the conversion process; that is, the extent to which and the ways in which the process remains distinct and separated from the environment. Systems theory has become increasingly popular because researchers believe it may provide one solution to the root crisis, the crisis of how we think, the crisis of conceptualization. For many social science applications, this model is

referred to as an “open systems” model, which reflects the idea that all elements of the model are open to influences from the external environment. Thus, outputs and feedback are functions not only of the conversion element, but of other environmental factors as well (Ibid). In this study, the bidding activities are considered to be influenced by scope definition. And the major goal of any bidding process is to maximise value for money by creating appropriate incentives through a competitive process for the award of short, medium or long-term contract. But when the scope of work is defect, the bidding activities will also be affected.

Overview of Scope of Work

The Scope of Work (SOW) is a formal document that describes the work activities, deliverables, timelines and milestones, pricing, quality requirements and governance terms and conditions among others to be achieved in a project or contract (Richa, 2014). Whenever you draw up a contract with your customer or vendor, regardless of the industry you work in, the scope of work agreement helps you clearly define what you can expect out of the contract. The SOW gives both the vendor and the customer, a clear picture of the complete project requirements so that both parties are on the same page (Ibid). A scope of work sets forth requirements for performance of work to achieve project objectives. It must be clear, accurate and complete. SOWs have to be read and interpreted by persons of varied backgrounds, including performing contractors and their suppliers, project managers representing departments or offices, and the contracting officer. Therefore, the SOW should be worded to make more than one interpretation practically impossible.

From Georgia State Financing and Investment Commission--GSFIC point of view, developing a scope of work presents unique problems, because each SOW is designed for a unique procurement action. Thus, no uniform SOW format can be applied, but guidelines can be followed to achieve an end product that meets the specific objectives of the contract. The difficulty and sometimes controversial function of proposal evaluation and source selection is based largely on a scope of work, which is the baseline standard for evaluating all proposals, for reconciling them to design or other requirements, and for determining the best approach to competition. Evaluation criteria are based on a scope of work that defines project objectives and requirements for their achievement. Challenges to the proposal evaluation and source selection are almost always traceable to an uninformative or ambiguous scope of work (GSFIC)

Besides, scope of work directly affects the number and quality of proposals submitted. Any scope of work must be clear, precise and complete as stated already. A well-worded definitive scope of work is essential for a vendor to accurately settle on the cost of performance. A scope of work will also be the basis for measuring performance under a contract. An inadequate scope of work will lead to problems with contract administration that may result in costly contract amendments. The scope of work may also define how the job is to be accomplished. When objectives are not well described and defined, misunderstandings are likely. Ambiguous SOWs can lead to unsatisfactory performance, delays, litigation, and high costs as stated by GSFIC guide.

Scope of work can be loose (broad and general) or tight (specific and detailed), depending on the nature of the requirement. For instance, a relatively loose scope of work may be needed for a service or development effort for which only objectives and guidance can be furnished (GSFIC, 2010). The prospective vendor would be allowed considerable freedom in structuring their approaches to the task. However, if testing or survey services are required, it is possible

and desirable to spell out the amount and type of the tests or surveys needed. A SOW may also be a performance-type, a design-type, or a combination of both. In a performance type SOW, the contractor is responsible for the results. This type of SOW tells the contractor the objectives to be accomplished - the end goal or desired achievement. It is up to the contractor to propose how these objectives will be accomplished (GSFIC, 2010). The extent to which a SOW is a performance or design-type will affect the degree of detail and flexibility needed. As a general rule, it is best to place maximum responsibility for the performance of the contractor, since the contractor is being retained for its expertise and ability to perform. Any provision which takes control of the work away from a contractor, even temporarily, may result in relieving the contractor of responsibility. However, the cost of the work will be influenced by the degree to which the contractor must determine the proper services and methods. Consequently, if you believe that you already possess the methods required for performance, you should weigh the cost benefit of making them available to the contractor against the risk that the methods may not produce satisfactory results mentioned (GSFIC).

In sum, what is clear from the scope of work is its ability to influence any bidding activities and therefore the performance of a project either positively or negatively. It directly affects the number and quality of proposals submitted and when objectives are not well described and defined, misunderstandings are likely to abound as mentioned above. Unclear SOWs can lead to disappointing performance, delays, litigation, and high costs, according to GSFIC. It is upon this background that this study in general seeks to investigate the effect of quality of scope on bidding process from the mining environment perspective using Golden Star (Bogoso/Pretea) Limited--GSBPL by specifically explore the processes involved in the scoping of bid documents for GSBPL, examine the extent to which the scope meets quality standards, identify the main causes of inadequate scoping at GSBPL and to examine the effect of quality of scope on the bidding process as identified from the introduction section.

METHODOLOGY

Research design is an outline of the systematic and scientific procedures adopted in conducting a study (Saunders et al., 2007). The purpose of this study is to describe and explain the procurement processes of GSPBL with specific reference to the quality of scope on bidding activities and how this affects the bidding process. Thus, this study is both descriptive and explanatory in purpose. Descriptive because it can be used to gain a vast amount of information and has the advantage of studying individuals in their natural environment without the influence of the artificial aspects of an experiment. The study also adopted explanatory design because it attempts to build and elaborate on theories and add to predictions and principles where possible. This study as well is a survey -based because it seeks to obtain the data from a population about the quality of scope of works as contained in the bidding document of GSPBL through quantitative techniques. The study population included bidders of GSBPL contracts as well as the departments of the company. The bidders receive and prepare responses to the bid documents so they are in a good position to comment on the quality of the bid document. The total sample of 150 respondents was selected and these comprised 100 GSBPL staff and 50 bidders. A mixture of convenience and purposive sampling was used in this study. A convenience sample is a sample where the respondents are selected, based on their ease of accessibility to the researcher (Kowalczyk, 2005). Convenience sampling was used in this case because; bidders came from various scattered locations/firms and so the researchers interacted

with them as and when they visited GSPBL on the day tenders were opened, hence it was best to use convenience sampling in order to get as many bidders as possible. The purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities the informant possesses. It is a non-random technique that does not need underlying theories or a set number of informants. Simply put, the researchers decided what needs to be known and sets out to find people who can and are willing to provide the information by virtue of knowledge or experience (Bernard 2002, Lewis & Sheppard 2006). Purposive sampling is especially exemplified through the key informant technique (Bernard 2002, Garcia 2006, Gustad et al. 2004, Jarvis et al. 2004, Lyon & Hardesty 2005), wherein one or a few individuals are solicited to act as guides to a culture. Consequently, staff of GSPBL was mainly chosen for the significant information they possess with regards to the study. The methods made it easy for the researchers to select only people with the necessary information and were ready for it gives out. Both Primary and secondary sources of data were used for this research. A questionnaire was the key data collection tool for this study. The data were coded and then analysed using the Statistical Package for Service Solution.

RESULTS AND DISCUSSIONS

A total number of one hundred and fifty (150) questionnaires were administered to the staff and bidders of Golden Star (Bogoso/Pretea) Limited (GSBPL). Out of the 150 questionnaires administered, one hundred and twenty-three (123) were retrieved and were valid for analysis, attaining 82.0% response rate. A reliability test using Cronbach Alpha; resulting in a reliability coefficient of 0.961 which was above the recommended minimum of 0.7 (Santos & Reynolds, 1999) was conducted on all items (variables) used in the study.

Table 4.1: Reliability Statistics

N	%	Cronbach's Alpha	N of Items
123	100	0.961	25

Source: Output from SPSS

Table 4.2 Demographic Characteristics of Respondents

Variable	Respondents	
	Frequency	Percent %
Gender:		
Male	109	89
Female	14	11
Respondents Age Group		
20-35	43	35
36-55	70	57
Older than 55	10	8
Educational Level		

Diploma & Below	13	11
HND	34	28
Degree	58	47
Masters & Above	18	15
Position		
General Manager	10	8
Heads of Department	47	38
Supervisors	48	39
Ordinary Staff	18	15
Working Experience		
Below 5	18	15
5-10	51	41
10-20	36	29
Over 20	18	15

Source: Field Survey, 2015

Table 4.2 illustrates the demographic characteristics of respondents in the survey. It presents the gender, age, educational level, work experience and job position. In terms of gender, 109 (89%) of the respondents were male whilst 14 (11%) were female. 43 (35%) fell between the ages 20-35 years, 70 (57%) fell between 36-55 years whilst 10 (8%) were older than 55 years. At the educational level of respondents, 11% had Diploma and below, 28% had HND, 47% had degree and 15% had a Master's Degree. In relation to job position, 10 (8%) were the General Managers/Owners/Managing Directors, 47 (38%) constituted heads of departments/functional managers, 48 (39%) were made up of supervisory staff and 18 (15%) were made up of ordinary staff. On the attribute of work experience, 18 (15%) had below 5 years, 51 (41%) had 5-10 years' experience, 36 (29%) had 10-20 years' experience and 18 (15%) had over 20 years' experience.

Table 4.3 Processes Involved in the Scoping of Bid Documents for GSBPL

Characteristics	Frequency				
	SD	D	NA	A	SA
The user department initiates the process for the procurement of goods, services or works	0	5	44	13	61
The User Department prepares the initial scope for bidding activities	0	4	44	20	55
The Contracts Department reviews the initial scope from the user department	4	10	44	18	47
The User Department receives guidance from the contract department in the preparation of scope for bidding activities	1	8	44	31	39
The contracts department and the user department agree on the final scope before using it in the bid document	13	11	44	33	22

Source: Field Survey, 2015

SD – Strongly Agree, D – Disagree, NA – Not Applicable, A – Agree, SA – Strongly Agree

Table 4.3 presents responses to questions relating to the processes involved in defining the scope of bid documents in GSBPL. For this particular objective and questions, the bidders were advised to choose non -applicable in response to all as they are not part of the company to know the internal processes involved in scoping bid documents. The response to the question on whether the user department initiates the process for the procurement of goods, services or works, 74 (60%) of the respondents were for both agreed and strongly agreed to the motion whilst 5 (4%) disagreed, 44 (36%) were non- applicable. On the question of preparing the initial scope for bidding, 4(3%) of the respondents disagreed whilst, 20 (16%) and 55 (44%) agreed and strongly agreed which confirms the current practice of user departments initiating the process of scoping bid documents, however 44 (36%) were non- applicable. With the contract department reviewing the initial scope from the user department, both agree and strongly agree had 65 respondents representing 53%, disagree had 10 and strongly disagree had 4 with non-applicable going for 44 representing 36%. From the statement of user department receiving guidance from the contract department in preparation of the scope for bidding, both agree and strongly agree had 70 respondents representing 57%, disagree and strongly disagree stood 9 respondents representing 7% with 44 respondents representing 36% being non-applicable. On the last on the processes objective, the response to the question of the contracts department and the user department agreeing on the final scope before using it in the bid document, both agree and strongly stood 55 respondents representing 44.7%, disagree and strongly disagree had 24 respondents representing 19.5% and the non-applicable stood 44 respondents with 36% This confirmed the fact that the final scope is not always fully agreed to by the contracts and user departments which creates problems in the bid process.

Table 4.5: The Extent to Which the Scope Meets Quality Standards

Variable	N	Mean	Std. Deviation
	Statistic	Statistic	Statistic
The scope in the bid document is always adequate.	123	2.2033	1.07855
The Contracts Department issues bid bulletins to all bidders to answer questions from bidders.	123	4.5366	0.96064
The Contracts Department issues bid bulletins to all bidders to correct errors and to provide additional information in the bid document.	123	4.4634	0.96914
Variable	Answer		
In your opinion, what are the key components of a good scope?	Provide a good description of the deliverable including specific quality required i.e. specification; Define for how long or when the scope is required; Where the scope is required; (on site, delivery to the ports, off site etc.); Define how the scope should be priced; (per meter, lump sum, per hour etc.); Define the quantity of the scope required (50m, 100 nr, 50 m3 etc.); A good background/project description that provides		

	adequate information and knowledge about the project to prospective bidders; Clearly stated goals/objectives; Well defined set of activities that leads to the realization of each of the stated objectives; Clearly defined outputs; Adequate timeframe for the execution of the project: - Reporting: timelines and formats - Cost indications (based on outlined activities)
In your opinion, in what ways can the quality of scope be improved?	Regular interaction between user departments and the Contracts department. This will enhance the capacities of user departments to improve on the quality of scope whilst at the same time deepening the knowledge and understanding of the Contracts department on the technical details of the various departmental works; Organize site visits for bidders to enable them have a fair and a better understanding for goods, product or service to be rendered; Good communication between two or more user departments; Scope being precise; Scope should be clear and easy to understand; Training of staff involved in the bid process.

Source: Field Survey, 2015

On the extent to which scope of work meets quality standards, mean and standard deviation were used to determine the concentrations of response in relation to the number of respondents choosing a particular response. Analysis of the scope of the bid document always being adequate was disapproved by the respondents (mean=2.2033, SD=1.07855). The analysis also depicted the contracts department issues bid bulletins to all bidders to answer questions from bidders (mean=4.5366, S.D. =0.96064) and the contracts department issues bid bulletins to all bidders to correct errors and to provide additional information in the bid document (mean=4.4634, S.D. =0.96914). These suggested that the scopes of work in GSBPL bid documents are not adequate which leads to bidders asking questions and clarifications from the contract department. The respondents however confirmed the contracts department issues bid bulletins to answer questions from bidders, to correct errors in the bid document including the scope and to provide additional information to the bidders.

From the same table 4.5 on the opinions of respondents what are the key components of a good scope, majority were of the opinion that an attributes of good scope are; to provide a good description of the deliverable including specific quality required that is specification; Define for how long or when the scope is required; Where the scope is required; (on site, delivery to the ports, off site etc); Define how the scope should be priced; (per meter, lump sum, per hour etc); Define the quantity of the scope required (50m, 100 nr, 50 m3 etc) and several others as captured in the table 4.5.

On the opinion of respondents on the ways by which quality of scope can be improved, the study revealed that quality of scope can be improved by regular interaction between user departments and the contracts department as this will enhance the capacities of user departments to improve on the quality of scope whilst at the same time deepening the knowledge and understanding of the contracts department on the technical details of the various departmental works; Organize site visit for bidders to enable them have a fair and better understanding for goods, product or service to be rendered and other as shown in table 4.5 above.

Table 4.6: Causes of Inadequate Scoping in GSBPL

Characteristics	Frequency				
	SD	D	U	A	SA
Lack of communication between two or more user departments may negatively affect the quality of scope for the bid process	0	5	0	24	94
The ambiguity or vagueness of scope may negatively affect the quality of scope in the bid process	0	17	0	31	75
Rushing through the scope preparation process can negatively affect the quality of scope in the bid process	0	13	4	90	16
Lack of training for user departments in scope preparation may negatively affect the scope in the bid process	0	9	0	31	83

Variable	Answer
In your opinion, what are the major causes of poor quality of scope in the bid process	<p>Lack of proper planning on the part of user department; The User department unable to clearly define their need of service to be rendered; Inadequate knowledge of the required work to be carried out; Indecision on the side of management resulting in ambiguity in the scope write up; Late request/approval leading to rush in preparing the scope; Wrong appropriation of job leading to poor scoping; When the scope does not originate from the user department and it was solely drawn by the contracts department; When the scope is not well defined and it is opened to bidders' own interpretations; When the scope is drawn based on certain assumptions that do not even exist; Lack of well trained personnel within the user departments charged with the responsibility of preparing scopes; No refresher courses to update knowledge and skills of personnel responsible for the preparation of scopes; Insufficient interactions between various user departments and also between user departments and the Contracts department. Inadequate communication between two or more user departments; vague or ambiguous scope; Untrained staff involved in the bid process</p>

Source: Field Survey, 2015

SD – Strongly Agree, D – Disagree, U – Undecided, A – Agree, SA – Strongly Agree

From table 4.6 on the causes of inadequate scoping in GSBPL, the statement on whether lack of communication between two or more user departments may negatively affect the quality of scope of work for the bid process, both agreed and strongly agreed stood 118 representing 96% of the respondents confirmed that deficiency in communication between the departments involving in scoping may negatively affect the quality of scope of work, and only 5 of the respondents disagree representing 4%. This established the importance of adequate communication in the preparation of scope. On the statement of ambiguity or vagueness of scope may negatively affect the quality of scope in the bid process both agreed and strongly agreed had 106 respondents representing 86 %, proving that indistinctness may affect negatively the quality of scope in bidding process but 17 of the respondents representing 14% disagreeing with the statement. This revealed that ambiguity of scope of work may affect negatively the quality of scope in the bidding process. The study also established that rushing through the scope preparation process can negatively affect the quality of scope in the bidding process where 106 respondents representing 86% both agreed and strongly agreed that preparation for scope of work is very significant key in the bidding process and rushing through renders its positive impact ineffective. However 13 respondents showing 11% disagreed and 4 respondents representing 3 % were undecided on the issue. On the statement of lack of training for user departments in scope preparation may negatively affect the scope in the bidding process, 104 respondents representing 93% both agreed and strongly agreed that deficiency in training for major stakeholders, including the user departments may affect the quality of scope of work in the bidding process whilst 9 of the respondents representing 7 % disagreed.

From the opinion of respondents on what they believed are the major causes of poor quality of scope in the bidding process, the study established among others the following: Lack of proper planning on the part of user department; the User department unable to clearly define their need of service to be rendered; Inadequate knowledge of the required work to be carried out; Indecision on the side of management resulting in ambiguity in the scope write-up; Late request/approval leading to rush in preparing the scope; Wrong appropriation of job leading to poor scoping; When the scope does not originate from the user department; solely drawn of scope by the contracts department; When the scope is drawn based on certain assumptions that do not even exist.

Table 4.7: The Effect of Quality of Scope on Bidding Activities

Variables	N	Mean	Std. Deviation
	Statistic	Statistic	Statistic
A good quality of scope has a positive effect on bidding activities	123	4.6585	0.72235
A poor quality of scope has a negative effect on bidding activities	123	4.6992	0.75677

Variable	Answer
In your opinion, what are the effects of a good quality scope on a bid process?	<p>It enhances the job execution by offering a clear road map to the executor or contractor and the employer for easy assessment of the job and thereby eliminating controversies;</p> <p>It also allows for fair assessment of work done and reduces risk and controversies;</p> <p>Bidders understand the scope of work in order to bid;</p> <p>Best selection of qualified contractor for the job;</p> <p>It leaves no room for ambiguity hence less questions about the scope from bidders;</p> <p>This in turn makes the bidding process less stressful and complicated;</p> <p>Timelines are easily met since there would not be ambiguous scope that needs to be clarified;</p> <p>The bids are evaluated easily and fairly since the scope really depicts what is actually needed; Bidders understand the requirement of the scope and would therefore submit good proposals;</p> <p>There will be less questions from bidders during the bid process;</p> <p>Bidders will not request for extension of submission date as scope is clear and simple, assuming enough time is provided for submission and will result in meeting the deadline for the provision of the deliverable;</p> <p>Bids submitted will be easier to evaluate since you have been very specific in your requirement that is comparing apples to apples and not oranges;</p> <p>Timeline for the bid process shall be met as there shall be no requests for extension as adequate time has been given to bidders to respond.</p>
In your opinion, what are the effects of a poor quality scope on a bid process?	<p>Bidders will find it difficult to prepare their bids;</p> <p>It may lead to litigation;</p> <p>Timelines are not met hence prolongs the bidding process due to time wasted in clarifying the scope over and over again.</p> <p>It makes the bid difficult to respond to hence resulting in bidders redrawing from the bidding exercise.</p> <p>Rebidding may be sought in cases where the objectives or desired expectations of the user departments are not met due to poor quality of the scope.</p> <p>Bidders may not understand the scope and will submit an inadequate proposal;</p> <p>Bidders will ask lots of questions in the bid process which may result in a redefinition of the scope;</p> <p>Bidders may ask for the extension of the deadline for submission of proposal which will result in a delay in the provision of the deliverable;</p> <p>Bids submitted will be difficult and may take a longer time than necessary to evaluate as the requirements were not properly defined that is comparing apples to oranges instead of apples.</p>

Source: Field Survey, 2015

From table 4.7 relationship between the quality of scope and bidding activities were examined to determine how each variable relate to its positive and negative effects on the bidding process. It was instructive to reveal from the study that a good quality of scope has a positive effect on bidding activities, producing a mean value of 4.6585 and a standard deviation of 0.72235. The variable thereby validated the fact that a good quality scope has a positive effect on bidding activities.

Additionally, the study observed the degree to which a poor quality scope has a negative effect on bidding activities. The respondents' responses depicted that poor quality of scope has a negative effect on the bidding activities with a mean value of 4.6992 and a standard deviation of 0.75677.

The study sampled respondents' opinions on the perceived effects of a good quality scope of works/services/goods. Among the various responses established included the fact that having a good quality scope would enhance the job execution by offering a clear road map to the executor or contractor and the employer for easy assessment of the job and thereby eliminating controversies; It also would allow fair assessment of work done and reduces risk; Bidders understand the scope of work in order to bid; Better selection of qualified contractor for the job; It leaves no room or less for ambiguity hence less questions about the scope from bidders; This in turn makes the bidding process less stressful and complicated; Timelines are easily met since there would not be ambiguous scope that needs to be clarified; The bids are evaluated easily and fairly since the scope really depicts what is actually needed; Bidders understand the requirement of the scope and would therefore submit good proposals; There will be less questions from bidders during the bid process; Bidders will not or less request for extension of submission date as scope is clear and simple assuming enough time is provided for submission and will result in meeting the deadline for the provision of the deliverable; Bids submitted will be easy to evaluate since you have been very specific in your requirement that is comparing apples to apples and not oranges among others.

From the statement of effect of poor quality of scope on bidding activities the study concluded among others the following that it may adversely affect the bid process as it would have implications for bid submission date and bid evaluation; Bidders will find it difficult to prepare their bids; It may lead to litigation; Timelines are not met hence prolongs the bidding process due to time wasted in clarifying the scope over and over again; It makes the bid difficult to respond to hence resulting in bidders redrawing from the bidding exercise; Rebidding may be sought in cases where the objectives or desired expectations of the user departments are not met due to poor quality of the scope; Bidders may not understand the scope and will submit inadequate proposal; Bidders may ask for the extension of the deadline for submission of proposal which will result in a delay in the provision of the deliverable; Bids submitted will be difficult and may take a longer time than necessary to evaluate as the requirements were not properly defined that is comparing apples to oranges instead of apples.

SUMMARY OF FINDINGS

The purpose of the study is to find the effect of scope on the bidding activities using Golden Star (Bogoso/Pretea) Limited. The findings of the study can be summarized as follows:

From the study of the processes involved in the scoping of bid documents at GSBPL, it was revealed that the user departments initiate the process for the procurement of goods and services and prepare the initial scope for this process. This is mainly because they will end up using the services or goods and have the technical know-how of the end product required. But all this shall involve the contracts department who shall guide and review the process to make sure it is adequate. This confirmed the using of GSBPL Contract Management Procedure (2013) and their steps involved in determining the scope of work, services or goods in the organization which includes specifying the deliverables or outcomes, measuring performance requirements, defining proposed contract duration, defining the place and crafting the contract strategy.

With the objective of examining the extent to which the scope meets quality standards, it was established that the scope in the bid documents are not adequate and therefore did not meet quality standards. This made the contract department to issue bid bulletins to answer questions from bidders, correct errors and to clarify issues in the scope. The scopes from the user departments are not properly done. The contract department most of the time do not the appropriate review of the scope before issuing them out into the market place. This in a way go against Lyson's (1996) understanding of the overall purchasing task as aiming to obtain materials, goods and services in the right quantity from the right source delivered to the right place at the right time at the right price and at the right quality, to achieve an organizational objective. The study as well indicated from the opinion of the respondents that, the key components of a good scope among others included provision of a good description of the deliverable including specific quality required, i.e. specification; define for how long or when the scope is required; where the scope is required; define how the scope should be priced; define the quantity of the scope required. The study also found out from the opinion of the respondents in what ways can the quality of scope be improved, the following were established: regular interaction between user departments and the contracts department. This will enhance the capacities of user departments to improve on the quality of scope whilst at the same time deepening the knowledge and understanding of the Contracts department on the technical details of the various departmental works; organize site visit for bidders to enable them have a fair and better understanding for goods, product or service to be rendered; good communication between two or more user departments; scope being precise; scope should be clear and easy to understand etc.

On the causes of inadequate scoping in GSBPL, the study showed that lack of communication between two or more user departments negatively affect the quality of the scope for the bidding process as the end product is to benefit all the user departments. The ambiguity of scope also negatively affects the bid process. From the judgment of the respondents, the major causes of poor quality of scope in the bid process include: lack of proper planning on the part of user department; the user department unable to clearly define their need of service to be rendered; inadequate knowledge of the required work to be carried out; indecision on the side of management resulting in ambiguity in the scope write up; late request/approval leading to rush in preparing the scope; wrong appropriation of job leading to poor scoping; when the scope does not originate from the user department and it was solely drawn by the contracts department etc.

From the study on examining the effect of the quality of scope on bidding activities, it was disclosed that a poor quality scope has a negative effect on bidding activities and good quality scope has a positive effect on bidding activities. A good quality scope will result in less bidder

questions, bidders meeting submission deadlines and submitting very competitive bids which are easy to evaluate. Poor quality scope results in extensions to bid submission dates, makes evaluation of bids very difficult and may result in rebidding with a revised scope. This may delay projects of the company. Challenges to the proposal evaluation and source selection are almost traceable to an uninformative or ambiguous scope of work.

CONCLUSION

In the process of procuring goods, works and services, a scope has to be prepared which, as well is used in the preparation of the bidding documents. The scope prepared are mostly inadequate, which results in the extension of the bid period, which delays the provision of the scope item, the provision of the wrong scope item, changes of the scope within the bidding process and many more. To this end the study investigated the effect of the quality of scope on the bidding activities with a case of Golden Star (Bogoso/Prestea) Limited (GSBPL). Quality of scope is influenced by the processes involved in determining the scope of work and the extent to which it meets quality standards. This includes identifying the underlying causes of inadequate scoping and establishing the relationship between the quality of scope and the bidding process. It was clear from the study that most user departments define the scope of works while the contract department reviews the scope and drafts the bid document. Accordingly, the extent to which these two departments interface by way of clear communication determines to a large extent the quality of the scope. In addition, ambiguity of scope, hastiness and lack of staff training can adversely impact the quality of the scope. Lastly, it was concluded that a good quality of scope, impacts the bidding process positively in terms of enabling bidders to submit good proposals, attracting less questions from bidders during the bid process and resulting in bidders not requesting for extension of submission date. The theoretical significance of this study of the effect of scope on bidding activities is to create the awareness in research from the general system theory perspective as Snider and Rendon (2008) posited that systems framework allows for identification, description, and analysis of the key components of the system which conveys an appreciation for and an understanding of the complex connections and interrelationships among various components.

However, in taking into consideration the fact that the findings of the study could be applied in most cases, there were some significant exception, principally only one company was involved, and as such, the findings may not be generalised to other broader institutions; it is thought nevertheless that the recommendations can be targeted to improve on the quality of scope knowing its resultant effect on bidding activities.

RECOMMENDATIONS

Based on the findings of the study, the study recommends the following:

- Improved collaboration between user departments and contracts department in the scoping of bid documents: There should be more collaboration between the contracts departments and the user department in the scoping of bid documents. The contract department should make sure all the stakeholders views (user departments, technical staff, project sponsor, etc.), has been sought before the scope is finalised. The scope

should also be properly reviewed by the contracts department together with the user department to make sure the scope is adequate for the bid process.

- **Proper Planning:** The user department must have a proper plan of their requirements for bidding activities. When they plan their requirements well, there will be enough time for the user department to prepare a good scope together with the other stakeholders. The contracts department also gets enough time to do a proper review of the scope and together with the user department do a second review before the bid document is issued. This will allow the bidders enough time to also respond appropriately to the bid. The evaluation of the bid document, then becomes easy and positively achieve.
- **Training of user department and contracts department staff on the scoping of bid documents:** The study showed that poor quality of scope more of the time is due to lack of training in scoping by a staff of a user department. Some staff has no idea what to write in terms of scope. The study, therefore, recommends periodic training for the staff of the contracts department and staff of user departments responsible for preparing scope. Training the staff will make them more effective and efficient in the preparation of scope. The training will make the user department prepare a good scope which would require fewer revisions for bidding purposes.
- **Lessons learned Report:** The study recommends that lessons learned report should be prepared after the provision of the service, goods or works. This report shall document all the processes that were followed from initiation of the scope to the provision of the services, goods or works. This report shall be used to guide future bidding activities so that they are improved upon. The report can also be used in the training of staff in scoping bid documents.

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