

**MANAGEMENT OF CONTRACTS AND SERVICE DELIVERY: A CASE
STUDY OF MINISTRY OF DEFENSE, JUBA**

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**A DISSERTATION SUBMITTED TO THE COLLEGE OF HUMANITIES AND
SOCIAL SCIENCES IN PARTIAL AS FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF BACHELOR'S
DEGREE IN PUBLIC ADMINISTRATION OF
KAMPALA INTERNATIONAL
UNIVERSITY**

JUNE, 2014

DECLARATION

This dissertation is my original work and has not been presented for any award in any institution of higher learning whatsoever.

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APPROVAL

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DEDICATION

I dedicate this work to all my parents, father Makeny Aguei Gok and mother Ajuot Guec for helping me in whichever way they managed in the course of my education.

ACKNOWLEDGEMENTS

It is my pleasure to convey my humblest gratitude to my Supervisor, William Mwesigye for his personal support during the period of writing this dissertation. I must mention his personal advice, guidance and ultimate understanding that eventually enabled me to successfully complete my study. His skills were particularly useful especially when I was carrying my research, all the way from my proposal. He mentioned a lot of unique suggestions that have been very useful, for this course and for my future careers.

I wish to thank also sincerely the Secretary General of the government of South Sudan, Mr. Abdon Agaw Jok Nhial for enabling me to get the opportunity to pursue my studies in Uganda.

Many other relatives whose input was in one way or another very important for my studies especially Majak Malak Adhiel and Chol Machar Ajuong are all thanked and you should know that I highly honour all your individual contributions.

I want to also thank my friends especially Dut Malek Malual and David Aguer Lual who also helped me morally during my studies.

The staff of Cabinet Affairs was very instrumental in my studies and I wish to also humbly thank them for their moral support.

Last but not least, I want to in a special way pay tribute to my family especially, my mother, my father and my siblings James Deng, Keribino Makeny Aguei and Ibol Makeny Aguei for the immeasurable love, encouragement and the ultimate support that went unnoticed throughout my years of study in Uganda.

My thanks go to all of you and may the Almighty bless you abundantly

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LIST OF ABBREVIATIONS

SAPS – Structural Adjustment Programmes

IP – Intellectual Property

UNDP – United Nations Development Programme

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ABSTRACT

The study was focused on contracts management and service delivery in the ministry of defense in the republic of South Sudan. It was guided by four objectives which included to identify the innovation strategies being planned and implemented by the ministry of defense in order to improve service delivery, to examine the methods used to ensure compliance to the terms of the contracts by the ministry of defense, to examine the impact of these contracts of services and to analyze the challenges that the ministry faces in its aim to attain its contractual obligations.

The research methodology was by quantitative research and this involved carrying out a research within a given sample population of 40 respondents. The questionnaires were supplied to the respondents and the results were obtained and computed appropriately in accordance with the field data research. In the analysis, the findings of the research were based on the four objectives. The relationship between contract management and service delivery was carried out on the prospective consideration of the statistical results. Majority of the respondents indicated that innovation is an important factor in contract management and this directly related to the levels of performance within the ministry and the mainstream operational framework. The impacts of the contract on service delivery were found to be appropriately useful and it implied it was an important factor that necessitated better relationship between contract management and service delivery.

Challenges relative to service delivery were observed and important understanding of accountability and skill management were found to be factors that influence contract management. Based on these findings, it was concluded that contractual obligations could be fully integrated into the mainstream operational framework within the contract management environment. The study however reached a few recommendations regarding the project establishment. Important contractual administration and service delivery management should be established appropriately. Further research in this field should include developing closer policies necessary to improve both the contract management and service delivery considerations in South Sudan.

CHAPTER ONE

INTRODUCTION

1.0 Background

The provision of service delivery across the globe has been guided by changing techniques relevant to the changing needs. In pursuit of the goal of performance improvement within the public sector, contract management emphasizes on the adoption of private sector practices in public institutions (Balogun, 2003). Contract management models across the globe have therefore been invariably seen through the public service reform initiatives in many developing countries as the solution to reversing falling service delivery. In quest of this same goal, global phenomena introduced performance contracting not only improve service delivery but also to refocus the mind set of public service away from a culture of inward looking towards a culture of business as focused on customer and results. All government departments have to be efficient because they have to ensure value for taxpayers' money. Efficiency encompasses the qualitative and value-laden expectations of the society (Anfuso, 1995). The push factor for introduction of performance contracting across the globe underlies the assumption that institution of performance measurements, clarification of corporate objectives, customer orientation and an increased focus towards incremental productivity and cost reduction can lead to improvements in service delivery (Dall, 2004). The historical levels in India traces some of the factors why performance management is being taken up rapidly in developing countries, the history of public service reforms and the genesis of performance contracting in Asia. Contract management also attempt to demonstrate the applicability of performance contracts across the different public sector organizations as a tool for improving performance.

In Africa it can be argued that contract management is the fundamental prerequisite for preventing the abuse of power and for ensuring that power is directed towards the achievement of efficiency, effectiveness, responsiveness and transparency. Open, transparent and common commercial contracts include employment letters, sales

invoices, purchase orders, and utility contracts. Complex contracts are often necessary for construction projects, goods or services that are highly regulated, goods or services with detailed technical specifications, intellectual property (IP) agreements, and international trade. A contract is a legally binding agreement between the parties identified in the agreement to fulfill all the terms and conditions outlined in the agreement (Dall,; Bailine, 2004).

A prerequisite requirement for the enforcement of a contract, amongst other things, is the condition that all the parties to the contract accept the terms of the claimed contract. Historically, this was most commonly achieved through signature or performance, but in many jurisdictions - especially with the advance of electronic commerce - the forms of acceptance have expanded to include various forms of electronic signature. Contracts can be of many types; sales contracts (including leases), purchasing contracts, partnership agreements, trade agreements, and intellectual property agreements. A sales contract is a contract between a State institution (the seller) and a customer that where the State institution agrees to sell products and/or services. The customer in return is obligated to pay for the product/services bought (Dwyer, Robert, Schurr, and Sejo 1987).

A purchasing contract is a contract between a State institution (the buyer) and a supplier who is promising to sell products and/or services within agreed terms and conditions. The State institution (buyer) in return is obligated to acknowledge the goods / or service and pay for liability created. A partnership agreement may be a contract which formally establishes the terms of a partnership between two legal entities such that they regard each other as 'partners' in a commercial arrangement. However, those expressions may be merely a business-expression to reflect the desire of the contracting parties to act 'as if' both are in a partnership with common goals. Therefore, it might not be the common law arrangement of a partnership which by definition creates fiduciary duties and which also has 'joint and several' liabilities (Raymond, 2006).

African countries emerged from the structural adjustment programmes (SAPS) era of the 1980s both strained and scorched by the several reforms in public sector management. Governments were encouraged to deregulate public enterprises and ensure that they are

run like private sector business (World Ministry 1989). The emphasis of this shift in public management was on maintaining a macro-economic stability, lowering inflation, cutting deficit spending and reducing the scope and cost of government (Therkildsen 2001). It is these challenges that led to introduction of New Public Management (NPM) models in reform programmes of several, if not all public sector institutions in Africa.

In South Sudan, consequently a major common reform area that many developing countries have been pursuing in the implementation of reforms involves the adoption of a multiplicity of measures intended to improve service delivery. The emphasis over the period therefore, had been shifting towards fixing management and performance aspects as a means of providing an immediate remedy. These measures originate from the need to show demonstrable gains from reform following the pains imposed by the structural adjustment reform period; responding to public demands for contract management and transparency; influence of contract reform ideas as well as shift to market economies and private sector led economic development, among others. (Kiragu and Mutahaba 2005).

Above all else, public service reforms in South Sudan and the changes on how public business is conducted are an indication of the degree to which the public service has become a dynamic variable in the equation of successful economy. In an era where competitive success relies significantly on primary production, managed markets and secures industrial capacity, the public service represents a force for encouraging stability in economic development. As Jones and Thomson (2007) notes, the terminology used widely to label changes now occurring in the conduct of the public sector business is 'managerialism.'

A unilateral decision to vary the contract contemplated and allowed for by the existing contract. This would normally have notice periods for fairness and often the right of the other, especially in consumer contracts, to cease the contractual relationship. The Civil Service inherited at independence had not been designed to grapple with development needs of post-independence South Sudan. The pre-occupation of the administration throughout the colonial period had been with system maintenance. As a result the only institutions that were well developed were those responsible for maintenance of law and

order. The reforms being undertaken are nevertheless facing critical challenges and continuation of activities which the government has engaged in since independence. What is important to take account of is that the launching of the on-going reform efforts was necessitated by need to address the declining performance of the Public Service in spite of the many reforms which had been carried out (Lado and Wilson, 1994).

1.1 Statement of the problem

The relevance of contract management is established within the changing framework of service delivery. However, this approach has been crippled by the disproportionate understanding of service delivery prospect. Contract management consists of a combination of roles and responsibilities. The main task areas are service delivery management, relationship management and contract administration. However, no matter what the scope of the contract, there will always be some tensions between the different perspectives of customer and provider. Contract management is about resolving or easing such tensions to build a relationship with the provider based on mutual understanding, trust, open communications and benefits to both customer and provider. The main aim of a contract is to ensure the regulated exchange of specified goods and/or services between providers and consumers. A gap between these two parties will ultimately impact the delivery of public goods and/or services. It is thus important that a study be carried out to assess how the management of contracts influences or affects the delivery of services and/or goods. The changing combinations establish that hindrances in better provision of services are major problems in Ministry of Defense, South Sudan. Contract management also faces challenges of carrying out relevant evaluational practices in terms of award schemes. This is ultimately defined by lack of adequate policies necessary to effectively enhance the process of examining and clearly managing contracts. The Ministry of defense lack skilled manpower to adequately carry out quality assessment of contractors and this ultimately implies that this technique would ultimately be difficult to implement.

1.2 Objectives of the study

The study was aimed at achieving the following objectives;

1.2.1 General Objective

To examine the Ministry of Defense role in public contract management and effective service delivery

1.2.2 Specific Objectives

- i. To identify the innovations and strategies being planned and implemented by the Ministry of Defense in order to improve the service delivery.
- ii. To examine the methods used to ensure compliance to the terms of the contracts that Ministry of Defense, Juba has with Ministry of Defense.
- iii. To examine the impact of these contracts on the delivery of services in Ministry of Defense in South Sudan.
- iv. To analyze the challenges faced by Ministry of Defense in trying to comply with its contractual obligations and how these challenges are solved.

1.3 Research Questions

- i. What are the innovations and strategies being planned and implemented by the Ministry of Defense in order to improve the service delivery?
- ii. How do you ensure compliance with the terms of the contracts you have with the Ministry of Defense?
- iii. How do these contract terms affect or impact the efficiency of service delivery in Ministry of Defense?
- iv. What challenges do you face in trying to comply with your contractual obligations?

1.4 The scope of the study

The study was concentrated on assessing the impact of management of contracts on the delivery of services. It was specifically focused on understanding how the terms of contracts are complied within the Ministry of Defense.

1.4.1 Content Scope

The study studied service delivery and contract management in the Ministry of Defense, South Sudan. The implication of proper approach to contract management and mechanics of effectiveness in the overall development process was studied.

1.4.2 Geographical Scope

The Ministry of Defense is located in Juba, and is approximately 10km.sq.

1.4.3 Time Scope

The study was carried from January 2014 to April 2014 and this involved an extensive application of time required to complete major project analysis and helped to get the right data for study.

1.5 The significance of the study

The findings of the study was useful to organizations in understanding the way in which Contract management can achieve improved service delivery in the Ministry of Defense.

The findings of the study would assist other researchers in understanding the importance and challenges of service delivery in the Ministry of Defense.

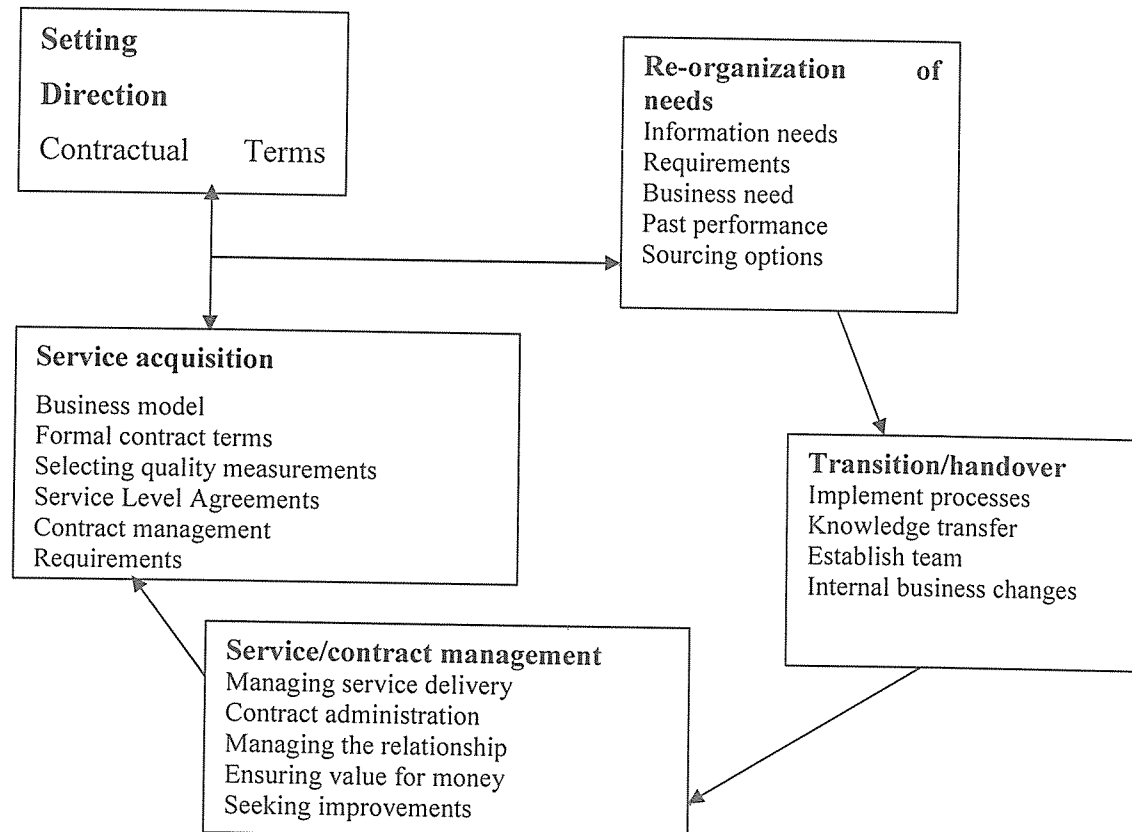
The findings of the study would also help policy makers in drawing ways through which to ensure compliance by this and other companies to their contractual obligations.

1.6 Definition of the keys words

- i. **Consultation.** Citizens should be consulted about the quality of the services they receive.
- ii. **Service standards.** Communities should be informed what level and quality of service they will receive so that they know what to expect.
- iii. **Access.** All citizens should have equal access to the services they are entitled to.
- iv. **Courtesy.** All members of the community should be treated with courtesy and consideration.
- v. **Information.** Communities should be given full and accurate information about the public services they are entitled to.
- vi. **Openness and transparency.** Citizens should be informed on how local authorities function and the information they are entitled to.
- vii. **Redress and handling of complaints.** If community members do not receive promised services they should be entitled to a full explanation and also to a speedy remedy.

1.8 Conceptual Framework

Fig 1: Graphical presentation of the conceptual framework



In the above presentation, the setting of contractual terms and conditions, which is the independent variable, spells out the formal contract terms, the service level and quality as well as the contractual management requirements. These work together with the transitional or implementation plan to determine the delivery of service level and quality and to streamline the fulfillment of the contract obligations i.e. managing service delivery, managing the working relationship, ensuring value for money, seeking improvements where necessary, managing changes and analyzing the ongoing business need. Service delivery contracting includes not just allocating to vendors responsibility for producing the service but also includes delegating to vendors important management responsibilities, such as monitoring the quality of service outcomes.

All service delivery management need not occur within government, though effective contracting clearly requires that governments maintain some management capacity. Alternatively, when transaction costs are low, certain management tasks may be ripe for some degree of contracting, such as monitoring a production task with well-established performance measures and easily accessible performance data. In direct monitoring government managers actively monitor service production processes and outcomes. Proxy monitoring refers to when governments delegate monitoring activities to another entity, for example, by empowering clients to report on the quality of services they are receiving.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the existing literature about the impact of contracts on the performance of small businesses. It is based on the assessment of various scholars and researchers who have studied this problem before and analyze the activities, achievements and obstacles or challenges of taxation and its impact on performance of small businesses.

2.1 Ideas and Opinions of Scholars on the related Concepts

2.1.1 Contract Management Contextual framework

To get a better understanding of contract management in the purchasing context it would be logical to look in the traditional model of purchasing. However, within this model of van Weele (2002) nothing is explicitly mentioned about contract management. The model clarifies the path to realize a „contract“ but not the essence of „contract management“. Therefore the analysis focussed on other work than that of one of constituters of purchasing theory as Van Weele. Review of work from Van Hijn (2001), Blommestein (2001), Knoester(2005) and Angelov(2005) resulted into three interpretations for contract management:

- i. category management process
- ii. contract administration process
- iii. contracting process

2.1.2 Category management

Harink(2002) gives a definition for contract management: „To create and control an optimal supply base for a product range.“ This definitions aligns with the term category management which, according of Monczka (2004) comprises the determination and allocation of optimal risk and cost reduction to a chosen set of suppliers.

Monczka sees category management as an important aspect of the first phase of the traditional purchasing model of van Weele. This specification phase should not only be

about defining requirements. Blommestein(2001) emphasises „contract management“ to be the first phase of the tactical purchasing process in his model. Taking these similarities into account it can be understood that the interpretation of contract management in these examples can be seen as „category management’.

Contract management or contract administration is the management of contracts made with customers, vendors, partners, or employees. The personnel involved in Contract Administration required to negotiate, support and manage effective contracts are expensive to train and retain. Contract management includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing on any changes or amendments that may arise during its implementation or execution (Garbarino et al., 1999).

2.1.3 Contract administration

Contract management as a form of contract administration is addressed by van Hijl (2001) and Knoester (2005). Knoestter (2005) speaks of contract management as the management of the engagement administration of all term agreements by which means a contract is closed. According to van Hijl (2001) it is the contract management process to ensure that the right information is in the right place at the right time, to support the whole of the contracting process. Based on these interpretations it can be concluded that this type of contract management is different from category management. Additionally connections to both the ordering- and category management process can argued. One connection is found by linking the distribution of contract information to those who require it for ordering. Another connection is found by linking the distribution of contract information to category managers to determine and assess an optimal supply base.

2.1.4 Contracting process

The contracting process can be seen as the third interpretation of contract management based on the contract management process model of Van Hijl. The contracting process is the process to manage the realization of the contract. The contracting process is connected to both the category management process and the contract administration process. Contracting processes are initiated by category management and are from there

supported by the contract administration process. This administration process is necessary during the whole contracting process in order to assure quality, efficiency and effectiveness. (Van Hiji, 2001). Angelov (2005) does also speak of a relation between the contracting process and contract (management) administration process which is to initiate and control the performance of the contracting phases. While the written contract is a record of each party's obligations, it is not designed as a management document for the contract. This is the role of the Contract management plan. A well developed Contract management plan allows the contract to stay in the bottom drawer. The Contract management plan is usually formalized following contract negotiation; however it is a living document and will continue to be updated throughout the life of the contract. In some procurement the Contract management plan includes transition activities, however in larger projects, or where transition is a significant or particularly critical activity, a separate transition plan was developed (Meyer et al., 1990). The process that enables both parties to a contract to meet their obligations in order to deliver the objectives required in the contract. It covers transition and implementation, ongoing day-to-day management, evaluation, and succession planning.

2.2 management of Contract

Contract management is the obligation of an individual or organization to explain its activities, accept responsibility for them and discloses the results in a transparent manner. There has been much written on the identification and value of critical success factors in business organizations. Daniel (1961) discusses critical versus non critical elements of a business leading to success.

Rockart (1979) identifies the use of critical success factors in helping executives define their information needs. He identifies critical success factors as the "limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization" (1979, p. 85). Rockart also discusses an interview method for determining a manager's critical success factors. Bullen and Rockart (1981) differentiate critical success factors from other organizational management terms such as "strategy," "objective," "goals," "measures," and "problems." They also identify five prime sources of critical success factors (industry, competitive strategy/industry position,

environmental factors, temporal factors, and managerial position) and a classification scheme for critical success factors (internal versus external and monitoring versus building/adapting), as well as a hierarchy of critical success factors (industry, corporate, sub-organization, and individual) (Bullen & Rockart, 1981).

Specifically related to organizational success factors, Frame (1999) identifies seven key elements that lead to organizational competence in project management: 1) clearly defined and well-formulated procedures for performing work, 2) access to information needed to perform work effectively, 3) sufficient quantities of human and material resources, 4) opportunities for training and education, 5) clearly defined visions of where the organization is headed, 6) a culture of openness, and 7) institutionalization of project management. Crawford (2002) analyzes and compares many of the results of the previous studies of project success factors and identifies the top six factors: 1) planning (integrative); 2) monitoring and control (integrative), team selection, and technical performance; 3) communication, leadership, strategic direction, and team development; 4) monitoring and control (risk), organizational support, and stakeholder management (other); 5) organizational structure; and 6) project definition and stakeholder management (client).

Finally, in a survey of over 150 project management professionals, Baccarini and Collins (2003) identify fifteen critical factors for project success.

The literature on contract management critical success factors is not as extensive as on project management. There are studies on critical success factors for specific aspects of procurement. For example, Trent and Monczka (1994) identify critical success factors for cross-functional sourcing teams such as organizational resources, involvement of suppliers, decision-making authority, team leadership, and team effort.

Monczka, Petersen, Handfield, and Ragatz (1998) identify the following success factors in strategic supplier alliances: trust and coordination, interdependence, information quality and participation, information sharing, joint problem solving, avoiding the use of severe conflict resolution tactics, and a formal alliance selection process. Gottschalk and Solli-Saether (2005) researched various management theories and identify core competence management and stakeholder management as the most theory-based critical

+(2007), in their research on success factors for implementing business to business e-procurement practices, identify three success factors: supplier and contract management, end-user behavior, e-procurement business processes, and information and e-procurement infrastructure.

Although the literature did not indicate research specifically on critical success factors for government contract management, a literature search did identify best practices and lessons learned in federal government contract management. Cohen and Eimicke (2008) identify twenty problems in government contracting that fall into five categories: 1) problems relating to letting contracts, 2) communication issues, 3) contractor internal management issues, 4) government contract management issues, and 5) environment or external issues. Additionally, in empirical studies of DoD contracting agencies, Rendon (2009b) identifies five organizational contract management process best practice categories---1) process strength, 2) successful results, 3) management support, 4) process integration, and 5) process measurement.

2.3 The contract management constitution statutes

2.3.1 The state legislative assembly represents the will of the people of the state and shall foster their unity and that of the people of South Sudan, exercise legislative factions, oversees the executive and promote the decentralized system of government in the state.

2.3.2 Theoretical Framework

Researcher intends to apply **Service Delivery Models** in this study. According to UNDP (1999), service delivery is a set of institutional arrangements adopted by the government to provide public goods and services to its citizens. Therefore, it is the specific institutional arrangements that critically influence the performance of public service delivery. Same paper highlights four basic broad models of public service delivery arrangements that governments everywhere have adopted:

- 1) **Direct Service Delivery Model** - The central government brings out legislation, enforces it, hires staff, invests, produces and distributes services, either directly operating from the headquarters or through de-concentrated line agencies, assumes full responsibility, and is accountable not only for provisioning but also for delivering services.
- 2) **Privatization Service Delivery Model** - Government transfers the delivery of public services to private companies. In this case it assumes no responsibility except for monitoring the ministry's compliance to legal codes. In many countries transportation and communication services are privatized. The basic rationale of privatization is to gain advantage of allocative efficiency of the market mechanism and to meet resource gaps by mobilizing private sector investment in the public service sector.
- 3) **Decentralization Service Delivery Model** - Decentralization of service delivery functions to local government bodies is the most popular model in most countries. Decentralization is based on subsidiary principles of governance; a rule where provision, production and delivery of services are to be devolved to the lowest governmental tier, local bodies, subject to economies of scale and capacity. By virtue of being closest to the citizens, local bodies are better positioned to match supply of a given service to citizens' demands, transforming citizens from service recipient to client, and ensuring citizens greater contract management for service quality

2.3.3 Decentralizing Contract management

The word decentralization means transfer of power, authority, responsibilities and functions from the central government to local or sub national units of the government. It has been defined by various scholars as transference of authority from a higher level of

government to a lower, delegation of decision making, placement of authority with responsibility allowing greatest number of actions to be taken where most of the people reside, removal of functions from the center to the periphery, a mode of operations involving wider participation of people in the whole range of decision making beginning from plan formulation to implementation (Rahman and Khan, 1996 and Akramove, 2008). Whatever we understand by decentralization, the essential characteristics of decentralization are three fold;

1. The greatest number of decisions should be made in the field; officers must be selected and trained as to develop the capacity to resolve the problem on the spot.
2. A decentralized administration must be developed as far as possible with the active participation of the people themselves. Their cooperation and compliance are essential and the services of the state and the local agencies supplementing and stimulating but not duplicating their staff or equipment should be utilized.
3. Coordination of the work of the various agencies in the field should be done in the field itself because; central coordination means delays, jealousies and jurisdictional disputes (Rahman and Khan, 1997).

2.3.4 Contract management and distribution

Decentralization is a comprehensive concept that takes many forms. Rahaman and Khan (1997) and Scot (2002) have identified three major forms, namely de-concentration, delegation and devolution.

De-concentration indicates the redistribution of administrative powers and responsibilities only within the central government. It is a process which involves the transfer of functions within the central government hierarchy through the shifting of the workload from central ministries to field offices, the creation of field agencies, or the shifting of the responsibility to local administrative units that are part of central government structure.

Delegation refers to transfer of powers or functions to organizations that are not under the direct control of central government ministries. It implies the transfer or creation of broad authority to play and implement decisions concerning specific activities within specific spatial boundaries to an organization that is technically and administratively capable of carrying them out without direct supervision by a higher administrative unit.

Utilizing Devolution in contract management offers the preferred form of decentralization and it refers to transfer of full power and responsibility for delivery of public goods and services to local governments, who have legislative, revenue-raising, and decision-making powers. Rahaman and Khan (1997) clarified the process of devolution by identifying five fundamental characteristics.

- 1) Powers are transferred to autonomous local units governed independently without the direct control of the centre.
- 2) The local governments are given legal powers to exercise authority over a recognized geographical area.

- 3) The local units have corporate status and power to secure resources to perform their functions.
- 4) Devolution implies the need to develop local governments and institutions.
- 5) It is a process of reciprocal, mutually beneficial and coordinated relationships between central and local governments.

2.3.5 Quality of Reporting

Poor-quality reporting is an area of frustration in many contracts. Poor-quality reporting includes reporting that is verbose, difficult to analyze and not targeted to the agency's needs. Ensure that your reporting is accurate, delivered on time and easy to read. Spend time with the agency to understand what data/information it requires and how it will use it. This enables you to tailor your reporting accordingly.

Good reporting can be a relatively low-cost but high-value-adding activity. For example, in a help desk environment you might be required to report on the types of call being received. Without too much additional effort you might be able to identify user training that could be provided to reduce the number of "how to" calls being received each month.

2.3.6 Service delivery management

This is concerned with ensuring the service is being fully delivered as agreed, to the required level of performance and quality. In practice this means having a well structured service level schedule or service level agreement, with clearly defined performance targets and measures combined with regular reporting. The frequency of reporting will depend on the services being provided; however, monthly reporting on the main service levels is a good rule of thumb. It is important that supplier reporting is provided in a format that makes it quick to analyze and identify service delivery issues. Use of a traffic-light-type system (or something similar) for summary-level monitoring of performance against the key service levels is a useful method for honing in on potential issues and problems (Kleiman, 2000).

2.3.7 Relationship Management

Relationship management is focused on keeping the relationship between the two parties' open and constructive, resolving or easing tensions and identifying problems early.

From the agency's perspective, one of the key elements in relationship management is deciding on the appropriate type of relationship based on where the category and the contract sit in its Portfolio Analysis and where it sits in the Supplier Positioning Analysis. In most services-based contracts, the relationship model tends to lie somewhere on a continuum between a traditional arm's-length arrangement and a full partnership arrangement;

- i. **Traditional arm's-length arrangement.** The agency orders and the supplier supplies. There is little need for the supplier to understand the agency, its strategic direction and business objectives. There is little opportunity for the supplier to add any value over and above supplying the ordered goods or services in full, on time and to specification. Some software licensing falls into this category. This is sometimes described as a transactional relationship
- ii. **Partnership arrangement;** Both parties fully understand each other's business and communicate openly. There is an absence of "game playing" or "manipulative" behavior. Adding value is an essential element of the relationship. In a true partnership arrangement there is generally shared risk and reward. For a partnership arrangement to work successfully there must be a degree of cultural alignment and some convergence in goals within the context of the relationship. There must also be a commitment to the relationship at all levels within both the buying agency and the supplier's organizations. Open communication, information sharing and trust are key elements (Kleiman, 2000).

It is important for both parties to understand and agree the appropriate type of relationship model for the particular contract, recognizing it will not be the same for all agreements. A lack of understanding and agreement on the type of relationship model can often result in frustration through the respective parties' expectations not being met.

2.3.8 Developing Contract management over time

Contract management activity may need to change over time, depending on the nature and complexity of the service being provided.

In the case of simple services, the service was delivered immediately once the contract has been agreed and will probably be a standard ‘off the shelf’ service. In this event, the required Contract management approach should also begin immediately and is likely to remain fairly unchanged throughout the life of the contract, (Hanns, 1998).

For more complex services, there may be a need for a transition period where the full service is not delivered immediately once the contract has been agreed – for example, where a new supplier is taking over a catering service that has previously been delivered in-house or by another supplier. The focus of Contract management activity will therefore need to change as the contract moves from transition to delivery phase (Damone, 2002).

Very complex services usually require longer periods of development and transition, with the customer organization needing to vary its Contract management approach quite significantly over the course of the contract. For example, delivering a major customer facing service may require the development of systems prior to live delivery. There is a parallel here with construction contracts, where the ‘development’ phase can encompass the entire contract. A design, build and operate contract is a direct parallel to many major service contracts (Jensen, 2000).

2.4 Methods of ensuring compliance with contractual terms

In long term contracts, where interdependency between customer and provider is inevitable, it is in the interests to make the relationship work. The three key factors for success are trust, communication, and recognition of mutual aims. Management structures for the contract need to be designed to facilitate a good relationship, and staff involved at all levels must show their commitment to it, (Damone, 2002).

According to Hanns,(1998) information flows and communication levels should be established at the start of a contract, and maintained throughout its life. The three

primary levels of communication in a contractual arrangement are operational (end users/technical support staff), business (contract manager and relationship manager on both sides) and strategic (senior management/board of directors). The right attitudes and behaviors, based on trust rather than adversarial models, should be encouraged, (Hanns, 1998).

There should be set procedures for raising issues and handling problems, so that they are dealt with as early as possible and at the appropriate level in the organization. Contract administration, the formal governance of the contract, includes such tasks as contract maintenance and change control, charges and cost monitoring, ordering and payment procedures, management reporting, and so on. Clear administrative procedures ensure that all parties to the contract understand who does what, when, and how, (Jensen, 2000).

The contract documentation itself must continue to accurately reflect the arrangement, and changes to it (required by changes to services or procedures) carefully controlled. Responsibility for authorizing different types of change will often rest with different people, and documented internal procedures will need to reflect this. Management reporting procedures control what information is passed to management about the service; this can range from a comprehensive overview of all aspects to solely reporting 'exceptions' to normal service. Arrangements for asset management must also be considered (Jensen, 2000).

Service delivery management, relationship management and contract administration should keep both contract and relationship running smoothly, and providing the value for money represented by the contract at its outset. The customer will almost certainly want to aim for improvement over the life of the contract as well; ideally, the requirement for improvement was built into the contract. A good working relationship will help make improvement a reality, based on the principle that improvement is good for both parties, not just a means for the customer to drive down costs (Dietmer, 2002).

2.5 Effects of Contract management on service delivery

According to Klementie (1999) the effect of contracts on the delivery of services depends on many different factors. These are the Contract management activities, which can be broadly grouped into three areas;

1. **Service delivery management** ensures that the service is being delivered as agreed, to the required level of performance and quality.
2. **Relationship management** keeps the relationship between the two parties open and constructive, aiming to resolve or ease tensions and identify problems early.
3. **Contract administration** handles the formal governance of the contract and changes to the contract documentation.

All three areas must be managed successfully if the arrangement is to be a success. In addition, good preparation and the right contract are essential foundations for good service delivery. The arrangement must also be flexible enough to accommodate change. A key factor is intelligent customer capability, the knowledge of both the customer's and the provider's business, the service being provided, and the contract itself. Managing service delivery means ensuring that what has been agreed is delivered, to appropriate quality standards (Klementie, 1999).

The contract defines the service levels and terms under which a service is provided. Service level management is about assessing and managing the performance of the service provider to ensure value for money. Considering service quality against cost leads to an assessment of the value for money that a contract is providing. As well as assessments of whether services are delivered to agreed levels or volumes, the quality of the service must also be assessed. Qualities metrics will have to be created that allow the quality of service to be assessed, even in areas where it is hard to quantify (Johnson, 2001).

A key part of assessing the service provided is the baseline, or level from which service levels and improvements are measured. This will need to be agreed before the service commences. Benchmarking, or comparing performance across different organizations and providers, is another useful way to gauge improvements or pricing levels. Managing

risk is another important aspect of managing service delivery. The fulfillment of the contract may be endangered by several kinds of risk; some within the provider's control some outside it (Dilier, 1998).

In case of any interruption, business continuity plans and contingency plans help prepare the customer organization for the situation where the provider cannot deliver. They are an important part of managing risk. The approach to this will vary depending on the contract, but it is important that the specific responsibilities are not neglected, even though there may not be a nominated individual assigned to the role of relationship manager (Thompson, 2000).

2.6 Challenges facing contract management

Contract management is the process that enables both parties to a contract to meet their obligations in order to deliver the objectives required from the contract. However, according to Mayer et al, (1990) the level of contract management could be hindered by factors related to low level skills that the procurement managers have and in some cases, lack of experience can hinder proper contract management within an institution. It also involves building a good working relationship between customer and provider. If this relationship is not built as appropriate then it would result into poor management of contracts and which could generate poor disbursement of funds and would lead to losses or certain levels of accountability (Noe, et al, 2006).

The central aim of Contract management is to obtain the services as agreed in the contract and achieve value for money. According to Dall et al (2004) levels of inefficiency could be caused by lack of proper knowledge of the terms relevant to contracts management. This means optimizing the efficiency, effectiveness and economy of the service or relationship described by the contract, balancing costs against risks and actively managing the customer-provider relationship would not be achieved as appropriate (Noe, 2006). Contract management may also be interfered by political factors where aspects of favourism and relativism would provide unfair award of

contracts and thus this could be a cause for inflation of the costs involved in contracts and thus would significantly cause massive misuse of public funds (Meyer, et al, 1990).

The contract negotiation process must take account of the requirements for service delivery. If this negotiation is not developed within the arms of government that directly works with the relevant organizations, the procurement system may not then attain its intended objectives, (Noe, et al., 2006).

It is vital to build a contract that not only identifies clearly the obligations of the provider (and indeed the customer), but also enables a productive relationship built on good communication and mutual trust. While the contract must be built on a firm formal and legal foundation, restricting it may be a cause for unconstructive relationship between the provider and the government.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This chapter covered the proposed design, population, sampling strategies, data collection methods, data collection instruments, data quality controls, procedure and data analysis.

3.1 RESEARCH DESIGN

The study was a quantitative research. The quantitative paradigm was used in that it used techniques and measurements that produce numerical or quantifiable data and statistical tools was used for analysis (Mugenda & Mugenda, 2003). The study was a correlation in order to determine or describe in quantitative terms the degree to which the variable are related, that is the degree to which determinants is related to demand (Amin, 2005:218). The study was surveyed in order to obtain descriptions of a particular group of individuals and cross sectional survey in that it was used to gather data from a sample of the population at a particular time (Amin, 2005:212) the study was qualitative in order to obtain in-depth feelings of respondents (Amin ,2005).

3.2 RESEARCH POPULATION

In this study, the target population involved 45 staff from customer care department, Financial Controllers, in the Ministry of Defence which will amount to 150 respondents. All these respondents were involved because they are relevantly based on core security attributes within a given level of the Ministry of Defence.

3.3 Sample and sampling procedures

3.3.1 Sample size

The study was based on sampling because of the large number of the target population. Using Krejcie and Morgan (1970) as cited in Amin (2005:454), the sample size was as indicated in the following table:

No.	Respondent	Sample Size
1	Customer care	12
2	Financial Controllers	4
3	Contract Managers	9
4	Ministry Customers	15
	Total	40

Source: *Field data, 2014*

3.3.2 Sampling procedure

The sampling procedure to be used was purposive sampling to obtain the sample size. Simple random sampling was used to select respondents from the relevant ministry departments to avoid biased information. This ensured that all the participants in the ministry are represented.

The researcher will also use observation schedules in order to obtain the data necessary to answer the research questions in order to achieve the objectives of the study.

The questionnaires were distributed to the relevant departments because they were the ones who can give in-depth information concerning the effects of contract management to improve ministry's level of service delivery.

3.4 Research Instruments

Primarily, Self Administered Questionnaires (SAQs) was used because of their nature of use of one time data collecting device on the variables of interest in the study (Amin,

2005). Each item on the questionnaire was developed to cover the specific objectives, research questions and hypotheses under study (Mugenda & Mugenda, 2003:71).

The SAQ was composed of 3 sets. One set was directed to staffs, national security and procurement staffs. Each questionnaire consists of a title, and introduction, questions on dependent variable that is demand which was conceptualized in to high and low. Questions on the independent variable that is determinants was conceptualized into a given research platform to examine the level of contract management. All questionnaires have a classification item which helps to identify the respondents from the various sections like staff and given level of security attainment. There are both open ended questions to obtain the in-depth feeling of respondents and close ended questions for easy administration.

i. Questionnaire

A questionnaire is an instrument used to gather data which allowed measurements for or against a particular view point. A questionnaire had the ability to collect a large amount of information in a reasonably quick space of time. The unstructured or opened ended questions were used to collect data. Unstructured questionnaire gives a respondent a complete freedom of responses. They permits greater depth of response, when a responded were allowed to give personal response, usually reasons for the response given were quite varied. Opened-ended questions stimulated respondents to think about their feelings or motives and to express what they considered to be of the best assessment of the situations or problem being investigated.

ii. Interview guide

Interview guide was used to standardized situations so that the interviewers can ask the same questions in the same manner. There are a set of questions that the interviewer asked when interviewing respondents. An interview guide made it possible to obtain the data required to meet the specific objectives of the study

iii.Observation

Use of observation as a measurement procedure, assigning numerals to human behavioral acts, is discussed. Observation has important advantages which makes it best suited for certain kinds of studies, and some limitations which preclude its use in others. The central problems in the use of observation are: (1) the effect of the observer on the observed, which is usually not severe and can be minimized; (2) observer inference, which is a crucial strength and a crucial weakness; and (3) the unit of behavior to be used, which involves the molar-molecular problem. The considerations in planning both unstructured and structured observation studies are discussed, including what to observe, how to record it, how to maximize validity and reliability, and how to handle the relationship between the observer and the observed.

3.5 Validity and reliability of instruments

3.5.1 Validity

According to Moser and Kalton (1971), validity is the success of a scale in measuring what it was set out to measure so that differences in individual scores can be taken as representing true differences in characteristics being studied.

The validity of the questions was checked by the responses acquired and the content validity index. The validity of the questionnaire was effected by employing the formula below:

$$CVI = \frac{\text{No of valid items}}{\text{Total number of items}}$$

CVI means content validity index

$$\begin{aligned}\text{Therefore CVI} &= \frac{37 (\text{valid items})}{40 (\text{No of items})} \\ &= 0.92\end{aligned}$$

A valid item is an instrument whose content response can be analyzed statistically and is obtained by considering correct responses in the questionnaire.

To Amin (2005) for instruments to be accepted as valid, the average content validity index (CVI) should be 0.7 or above. Hence the contents of the instruments were valid.

3.5.2 Reliability

Reliability was a measure of the degree to which a research instrument yielded consistent results after repeated trials. According to Christensen (1988), reliability refers to consistency and stability in measurements. To establish the reliability of the questionnaire, the researcher used the methods of expert judgment (supervisor and colleagues) and pre-test in order to test and improve the reliability of the questionnaire. The respondents of the pre-test were not the study participants but the ministry employees who provided relevant and updated information on ministry performance contract managements.

3.6 Data gathering procedures

The researcher distributed the questionnaires to relevant ministry departments after the pre-test exercises. The questionnaires was delivered and collected by the researcher in person.

The project was submitted to College of Humanities and Social Sciences. The researcher obtained a letter of introduction as a student carrying out research for academic purposes from College of Humanities and Social Sciences. The researcher then sought permission to conduct the study from the authorities of the Ministry of Defence.

3.7 Data Analysis

The SAQs which had complete data was edited, categorized and entered in computers for SPSS to summarize them using simple and complex frequency tables or cross tabulation. The computation of relative frequencies, mean, standard deviation and other relevant statistics was done using the same package of SPSS at unvaried level. At bi-variate level demand was correlated with the respective concepts of determinants (interest rates, types of loans and customer care).

3.8 Ethical Consideration

After pre-testing of the questionnaire the researcher sought permission from the relevant authorities to conduct the study. The researcher justified the projected approach when approaching the ministry administration in order for them to believe that the study was being carried out purely for academic purposes.

3.9 Limitations of the study

Some of the limitations which are likely to be encountered included incorrect responses by some respondents due to fear by the ministry administration to provide relevant and adequate information.

Also there might be lack of goodwill among the staffs which might make the atmosphere unfavourable for the researcher when he was collecting the questionnaires from the selected ministry departments

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter documents the findings of the research based on data collected and analyzed in relation to contract management and service delivery. As already indicated, particular reference was made to Ministry of Defense in Juba, South Sudan. The findings are presented in statistically using tables and graphs as follows.

4.1 Demographic characteristics of respondents

This presents the categorization of respondents on aspects such as age, sex or gender, in their respective frequencies and percentages.

4.1.1 Gender of respondents

Table 1: Gender profile of the respondents

Gender	Number	Percentage
Male	26	54.2
Female	22	45.8
TOTAL	48	100

Source: *Field data, 2014*

In table 1 above, the research indicated that the Male respondents were 26(54.2%) while the female respondents were 22 (45.8%). This implied that the employment dynamics at the Ministry of Defense showed higher proportion of men as compared to women.

4.1.2 Age specification of respondents

Table 2: Age specification of respondents

Category	Number	Percentage (%)
20 - 30	16	34
31 - 40	24	50
41 and above	8	16
Total	48	100%

Source: Field data, 2014

From table 2 above, the ages of respondents were categorized into three groups. Out of all the 48 respondents selected for the study, 16(34%) of them were aged between 20-30 years old, 24 (which represents 50%) were between 31-40 years old while the 8 remaining respondent (16%) were aged between 41 and above.

4.1.3 Marital status

Table 3: Marital status of respondents

Status	Number	Percentage (%)
Single	8	16.7
Married	38	79.2
Widowed	2	4.1
Total	48	100

Source: Field data, 2014

The marital status of respondents was such that 8 respondents were single, 38 of them were married and 2 were widowed. This represents 16.7% for the singles, 79.2% for those married and the remaining 4.1% is for the widowed.

4.1.4 Designation of respondents

Table 4: Positions held by the respondents

DESIGNATION	NUMBER	
	Male	Female
M.D	1	0
Departmental directors	8	5
Managers	6	1
Distribution managers	3	1
Field supervisors	3	0
Retail vendors	4	3
Others	3	10
TOTAL	28	20

SOURCE: *Field data 2014*

In table 4 above, the respondents were drawn from the list of directors, reporters, political columnists, editors and others. Of all the respondents studied, 1 was the managing director, 13 were departmental directors, and 7 were managers, 4 distribution managers, 3 field supervisors and 7 retail vendors. These were selected because of their vast knowledge of the operations of Ministry of Defense throughout the country

4.2 Innovations and strategies being planned and implemented by the Ministry of Defense in order to improve the service delivery

Table 5: Innovations and Strategies

Factor	Sample size	Percentage (%)
Info. services	10	21%
Collaboration	14	29%
Protect and secure	7	15%
Defense info mgt	9	19%
Degree of attention	8	17%
	48	100%

Source: Field Data, 2014

In the table above, within defense, innovation is essentially “the successful generation and exploitation of new or where appropriate novel application of existing technology, processes or services to produce a more cost-effective military capability for the Ministry of Defense. Technological innovation is, for example, crucial for network-enabled, adaptable and rapidly deployable forces. But as important is innovation within the acquisition cycle that reduces procurement times, improves equipment quality and makes capability more cost effective and reliable. Moreover, such improved quality and reliability will lead to better competitiveness in the South Sudan defence industry and improved export performance. We must not forget, however, that innovation also comes from using new scientific approaches to problems and the generation of new ideas which are pertinent to the development of capability.

To increase innovation within defence acquisition and more widely in defence business, the strategy focuses on five main elements or pillars for innovation. According to the respondents, 15% believed that the important attributes is to examine the level of

protection and their proportionate mechanisms. In South Sudan, these are pillars as a whole represent the key enabling components for achieving greater innovation within the defence supply chain.

For innovation to flourish, the Ministry of Defense identifies the needs early and articulates the future capability aspirations in a form all potential suppliers can understand. The ministry foster an environment where promising innovative ideas are taken forward rapidly to their earliest exploitation. Sharing the capability visions with industry and academia, subject to security constraints, will encourage wider participation and generate fresh approaches in the formulation of new equipment capability concepts in the Republic of South Sudan.

Sensitivity to failure and the very risk averse and conservative acquisition culture adopted over the years has led to a lack of innovative solutions. We need a more balanced view of risk taking and to recognize that innovation can actually reduce risk.

4.3 Compliance with contract terms

Table 6: Showing compliance with contract terms

Factor	Sample size	Percentage (%)
Operational compliance	17	35%
Supplier compliance	16	33%
Regulatory compliance	15	31%
	48	100%

Source: Field Data, 2014

The studies found out that most (78.5%) of the clients of Ministry of Defense are satisfied with the way Ministry of Defense keeps its contracts. Furthermore, the study found that Ministry of Defense has a strict compliance policy concerning the contracts it has with its clients. According to officials, there are three key measures used to ensure that the ministry is fully compliant with its contractual obligations. They include;

Operational Compliance; This is intended to ensure that internal personnel comply with the policies of the ministry and standards regarding contract creation, negotiation and commitments. It ensures that all personnel actions are directed towards adherence to contract terms.

Supplier Compliance; The Ministry's supplies department studies all the terms that bind Ministry of Defense to all existing contracts and ensures that all required supplies are delivered. There is an extensive alert and notification system in Ministry of Defense that ensures that the supplies department complies with the terms of the contracts, including items such as maintenance schedules and volume purchase discounts.

Regulatory Compliance; Ministry of Defense has a strict adherence programme that addresses key policies as set out in business legislation such as environmental impact assessment, pollution schedules and compliance guidelines by improving contract visibility, providing mechanisms for immediate notification of risk events, and offering flexible and comprehensive reporting capabilities.

4.4 Impact of these contracts on the delivery of services in Ministry of Defense

Table 7: Showing Impact of contracts on service delivery

Factor	Sample size	Percentage (%)
Quality Standards	11	23%
Terms of contract	16	33%
Cost variances	12	25%
Service level management	9	19%
	48	100%

Source: Field Data, 2014

According to the Managing Director, Ministry of Defense, has a task of ensuring that what has been agreed is delivered, to appropriate quality standards. When the ministry is

awarded a contract, it always endeavors to monitor whether the service is being delivered to specification. This means being able to check whether the service does what it was required to do – that is, the service is being delivered well, to the agreed standards and price; and that the costs of the service are no higher than agreed.

All the respondents interviewed in this study concurred that at the most basic level, Ministry of Defense ensures that the service offered fulfills the terms of the contract. It does not require any sophisticated measuring techniques to detect this. But the question of how well the service is being delivered is much finer. For example, it is easy to determine whether a telephone call is answered within a certain time, but much more difficult to measure whether the caller was happy with the result of the call. This is in line with author Hanns (1998), who emphasizes the encouragement of the right attitudes and behaviors, based on trust rather than adversarial behavior.

Hand-in-hand with quality goes the question of cost. Ensuring supply of the agreed quality may mean greater cost; reducing costs may mean compromising quality. Balancing the tradeoff between cost and quality is what is meant by ensuring value for money in Ministry of Defense. The study also established that responsibilities for managing service delivery and for managing customer obligations are very clearly and appropriately apportioned to the most competent staff of the ministry. This finding is in support of the findings of Johnson (2001), where he reiterated that “assessment in contract management is not only done to ensure that goods are delivered but also that the right quality is delivered” (Johnson, 2001).

Service level management is one of the key service delivery assessment instruments in the Ministry of Defense. It’s the process of managing the performance provided to the customer as specified in the contractual performance metrics. In order to meet customers’ business needs and gain optimum customer satisfaction while at the same time meeting the ministry’s business goals, Ministry of Defense optimizes the relationship between cost and quality of the services delivered. Service level management plays an important role for the ministry in balancing cost and quality of

services in order to provide the customer with best value for money as agreed upon in the contract.

The ministry also ensures that there is a detailed agreement of the required service levels and thus the expected performance and quality of service to be delivered. The contracts also define the service levels and terms under which a service or a package of services is to be provided. By clearly stating the required and agreed quality of services, both Ministry of Defense and its customers know and understand what targets have to be met in the delivery and support of services. The customer may receive benefit if the service provider exceeds agreed service levels and could agree a regime of bonus payments by way of incentivizing the provider. A 'balanced scorecard' approach to performance measurement helps to make agreements on the level of service work well.

The study found out that at Ministry of Defense, managing service delivery involves more than simply gauging whether services are being delivered to agreed levels or volumes, or within agreed timescales. The quality of the service being delivered is also assessed. Health and safety issues are an important consideration for many of their contracts. The required standards expected under a contract are always clearly described in the contract documents.

4.5 To analyze the challenges faced by Ministry of Defense in trying to comply with its contractual obligations and solutions

Table 8: Showing challenges faced by the ministry of defense in complying with contractual obligations

Factor	Sample size	Percentage (%)
Inefficiency	14	29%
Market Competition	11	23%
Increased legal risks	10	21%
Government policies	13	27%
	48	100%

Source: Field Data, 2014

It is important to recognize that managing an outsourcing contract starts before any decision has been taken on the selection process, let alone about the service provider.

For this reason, proper project planning is essential to a successful outsourcing partnership. Indeed, a previous Australian Government Solicitor observed that:

There is often an inverse relationship between the amount of time spent in preparing tender and contract conditions and the resources required to deal with problems in contract administration and disputes after the contract has been formed.

Contracting out inevitably involves some reduction in accountability through the removal of direct departmental and Ministerial control over the day-to-day actions of contractors and their staff. Indeed, the removal of such control is essential to the rationale for contracting out because the main increases in efficiency come from the greater freedom allowed to contracting providers. Accountability is also likely to be reduced through the reduced availability of citizen redress... At the same time, accountability may on occasion be increased through improved departmental and Ministerial control following from greater clarification of objectives and specification of standards. Providers may also become more responsive to public needs through the forces of market competition.

Potential losses (and gains) in accountability need to be balanced against potential efficiency gains in each case. The apparent inflexibility of contracting, in the sense of being a relatively fixed set of terms, is one intangible cost that needs to be taking into account before deciding to contract out. As well, the move from traditional public administration to contract increases legal risk, that is, the risk of litigation and associated financial penalties such as damages which are not generally exacted under public law remedies. While there are measures, which can be taken to overcome these issues, they add to transaction costs. Failure to take into account the full overall cost can undermine the very purpose of contracting which is to increase the efficiency and cost effectiveness of public administration.

The effective and efficient management of the relationship with the private sector by government agencies requires a solid foundation of commercial, project management and policy skills. There is a particular risk that the private sector service provider may have greater information and knowledge about the task than the Commonwealth agency. If they are not to be disadvantaged by this situation, public service contract managers will need a level of market knowledge and technical skills that are at the same level, or above, those prevailing amongst the private sector service providers.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

Given the findings documented in the previous chapter, the initiative in this chapter is to develop analytical conclusions and advance policy recommendations necessary for various stakeholders, researchers and academicians who may in future base on this study to adopt mechanisms against the challenges exposed in these findings. Therefore, the chapter begins by drawing logical conclusions based on empirical evidence already pointed out and thereafter advances the recommendations.

5.1. Summary of the findings

5.1.1 Demographic Profile of the Respondents

The study was carried out within a comparative class of respondents. In this study, a sample of 48 respondents was selected for the study and thus the projections obtained valid data and results as per the indicated respondents.

5.1.2 Innovation and strategies

The strategies and innovative factors that aided contractual management imply that there is significant relationship between the innovations and the approaches that the ministry utilizes in its approach to enhance service delivery.

5.1.3 Compliance in contractual management

The effective mechanism reflecting contractual management is defined variously in the context of various internal and external factors. These were found to be useful and ideally relevant within the context of terms and conditions of contracts. The research equally established positive relations between supplies and deliveries. This according to the research from the ministry of defense is important for the general operational output within the ministry.

5.1.4 Impact of Contracts on Service delivery

The positive relationship between contracts and service delivery is evidenced in the research. The various factors established in this context explain that the methods themselves are meant to examine the positive trends that directly relate to According to the Managing Director, Ministry of Defense, has a task of ensuring that what has been agreed is delivered, to appropriate quality standards. When the ministry is awarded a contract, it always endeavors to monitor whether the service is being delivered to specification. This means being able to check whether the service does what it was required to do – that is, the service is being delivered well, to the agreed standards and price; and that the costs of the service are no higher than agreed.

5.2 Conclusions

5.2.1. Demographic Profile of the respondents

A contract is the cornerstone to any business transaction. The respondents in this study were 48 and it represents a binding relationship between contracting entities; defining the terms and conditions for the products and services provided.

5.2.2 Innovation and strategies

Contracts represent a particular but widespread way of establishing and maintaining a transactional or functional relationship with customers. Many services can only be used if consumers agree and sign a contract. Contracts specify the rights and duties of the provider (Ministry of Defense) and consumers and typically have a fixed time horizon. As such, the contract specifies the service that is bought by the consumer. Mobile phones, internet access, and cable or pay-TV subscriptions are examples of service contracts in Ministry of Defense that typically have a fixed time period.

5.1.3 Compliance in contractual management

Managing and monitoring contract compliance is an essential requirement for businesses to mitigate risk and eliminate unnecessary costs. A single contract not in compliance with any aspect of the agreement can lead to severe financial and business losses as well as loss of confidence by the customers. Therefore, having a proper tool to support the compliance process helps companies meet internal organizational objectives and stringent regulatory requirements.

5.2.4 Impact of Contracts on Service delivery

One source of risk involved in signing contracts for the customer concerns uncertainty of service performance during the contract period. The consumer purchases the service in advance but, by the nature of the service, the consumer will remain uncertain about the actual service quality until the service has been delivered. The longer the contract, the larger is this risk, and as such, consumers would therefore tend to prefer shorter contracts. If a contract is more specific with respect to the quality of the service to deliver then consumers are bound to feel more assured of the quality. This is because the risk of a deterioration of service quality over time is more limited if the terms of delivery are specified in the contract. Good contract management goes much further than ensuring that the agreed terms of the contract are being met – this is a vital step, but only the first of many. No matter what the scope of the contract, there will always be some tensions between the different perspectives of customer and provider. Contract management is about resolving or easing such tensions to build a relationship with the provider based on mutual understanding, trust, open communications and benefits to both customer and provider – a ‘win/win’ relationship.

5.2 Recommendations

Several recommendations were reached in this section basing on the findings and given the conclusions in the previous section and these include the following;

- Management structures for the contract need to be designed to facilitate a good relationship, and staff involved at all levels must show their commitment to it. Information flows and communication levels should be established at the start of a contract, and maintained throughout its life. The three primary levels of communication in a contractual arrangement are operational, business and strategic.
- Contract administration, the formal governance of the contract, includes such tasks as contract maintenance and change control, charges and cost monitoring, ordering and payment procedures, management reporting, and so on. The

importance of contract administration to the success of the contract, and to the relationship between customer and provider, should not be underestimated. Clear administrative procedures ensure that all parties to the contract understand who does what, when, and how.

- The contract documentation itself must continue to accurately reflect the arrangement, and changes to it carefully controlled. Responsibility for authorizing different types of change should often rest with different people, and documented internal procedures should reflect this. Management reporting procedures control what information is passed to management about the service; this can range from a comprehensive overview of all aspects to solely reporting 'exceptions' to normal service. Arrangements for asset management must also be considered.
- Service delivery management, relationship management and contract administration should keep both contract and relationship running smoothly, and providing the value for money represented by the contract at its outset. The customer will almost certainly want to aim for improvement over the life of the contract as well; ideally, the requirement for improvement was built into the contract. A good working relationship will help make improvement a reality, based on the principle that improvement is good for both parties, not just a means for the customer to drive down costs.

5.3 Further Research

- Contract succession planning and management policies need to identify the renewal options available to organisations and provide guidance on timeframes for ensuring service continuity.
- Close attention must therefore be given to the transition arrangements, particularly the hand-over of the service delivery from one contractor to another. This is to ensure not only that there is a smooth transaction but also that the new contractor has the necessary expertise and knowledge to work within the corporate culture of the agency. A particular issue is the handling of residual value risk that is the risk borne by the party taking over any capital assets involved. This is one of the many risks, referred to earlier, that needs to be addressed upfront in contract negotiations.

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APPENDICES

APPENDIX A

RESEARCH INSTRUMENTS

Dear Respondent,

I am **Madit William**, a student of Public Administration at Kampala International University carrying out a study on the *impact of Contract management on service delivery*. The study is a partial fulfillment of the requirements for the award of a Bachelor degree in Public Administration of Kampala International University. Your contribution, opinions and experience was highly appreciated. Note that the information you will give be treated with utmost confidentiality.

Thanks for your cooperation.

SECTION A: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Please tick () in the bracket of the most appropriate response and where explanation is required, use the space provided.

1. Gender: () Male
() Female

2. Age: () 18 – 28
() 29 – 38
() 39 – 48
() 49 and above

3. Education level:
() Secondary Level
() Bachelors degree

() Masters Degree

Any other (please specify) _____

4. How long have you worked in this State institution?

() Less than one year

() 1-5 years

() More than five years

5. What position do you hold in this State institution?

() Director

() Manager

() Field operations

Any other (please specify) _____

SECTION B: Innovation and strategies

6. What types of contracts do you have in place with customers in this State institution?

7. How do you ensure compliance with the terms of these contracts?

8. What is the role of customers or clients in service delivery?

9. How far do your customers play their roles in service delivery?

10. In case the clients do not perform their role, what effect does this have on your work?

11. What effect does Contract management have on service delivery in your State institution?

Section C: Compliance in Contracts:

Contract management and service delivery	Responses			
	SA	A	D	SD
1. High quality service delivery				
2. Timely delivery				
3. Value for money				
4. After sale services				
5. Satisfactory handling of complaints				

N.B: SA – Strongly Agree, A – Agree, D – Disagree, SD – Strongly Disagree

12. Are there any circumstances under which it may be impossible for you to comply with the terms of your contracts with your clients?

() Yes

() No

13. If yes, under what circumstances are these?

Section D: Effects on the efficiency of contracts

14. How do you handle such a scenario (in 10 above) without compromising your State institution's reputation?

15. How relevant are principles of efficiency in the management of contracts in the ministry

16. Does the ministry lack skilled manpower to manage its contractual obligations

17 Are there any significant policies that may hinder levels of efficiency within the ministry in terms of contract management?

18. What could be other factors that directly relate to efficiency and which would directly affect service delivery in the ministry?

Section E: Challenges in compliance with contractual obligations

19. What challenges do you face in trying to honor your contract obligations?

20. Do the above mentioned challenges in any way affect your ability to comply with your contractual obligations?

() Yes

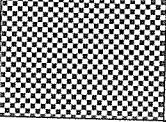
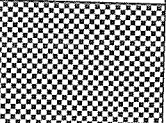
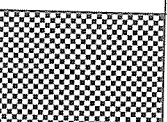
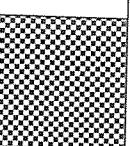
() No

() Not sure

21. If yes, in what ways?

22. How do you address the above challenges?

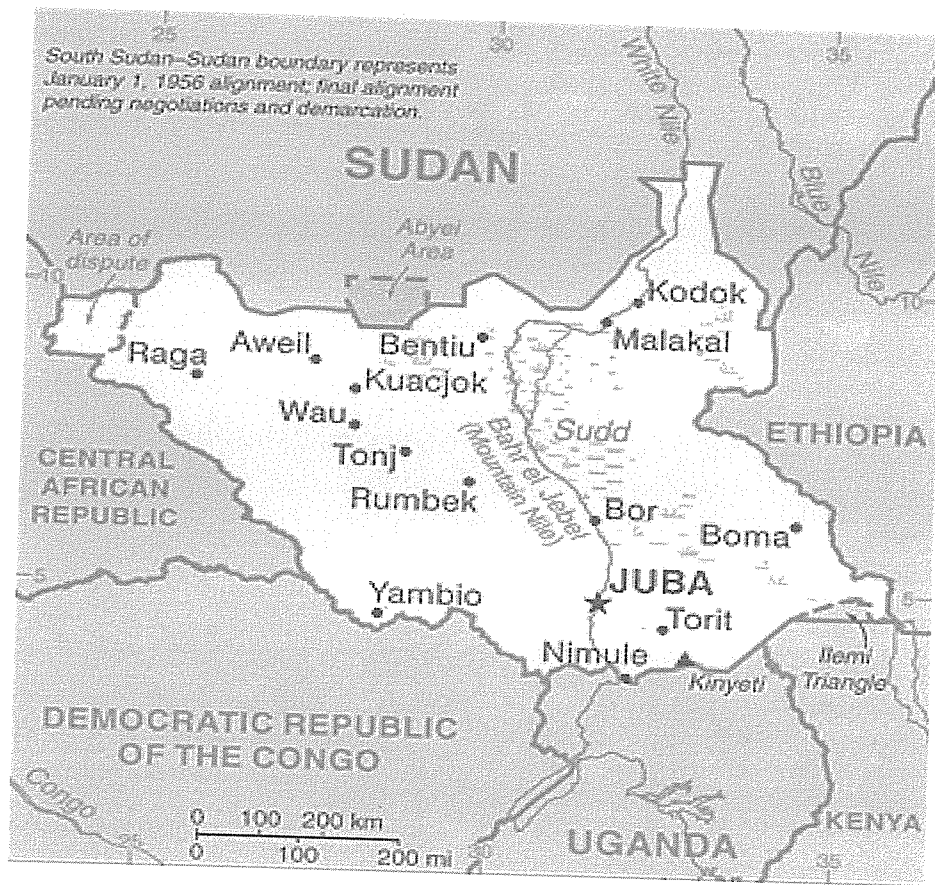
APPENDIX B
THE TIME FRAME OF THE STUDY

Activity	Time in months			
	1	2	3	4
Proposal writing				
Data collection				
Data analysis				
Submission				

APPENDIX C
BUDGET OF THE STUDY

Item	Amount in Uganda shillings
Typing & printing	200,000
Air time	100,000
Transportation	270,000
Stationery	100,000
Accommodation and Food	240,000
Literature Collection	50,000
Miscellaneous	100,000
Total	1,060,000

APPENDIX D: MAP OF JUBA



COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
DEPARTMENT OF POLITICAL AND ADMINISTRATIVE STUDIES

Date: 20/5/2014

To: The Permanent Secretary, Ministry of
Defence, Government of the Republic of
South Sudan.

This is to introduce to you Mr. Mwesigye William Reg. No. BPA/34783/113/DF
who is a bonafide student of Kampala International University. He/She is working on a research
project for a dissertation, which is a partial requirement for the award of a Degree. I hereby
request you, in the name of the University, to accord him/her all the necessary assistance he/she
may require for this work.

I have the pleasure of thanking you in advance for your cooperation!

Yours Sincerely,

The seal of Kampala International University is circular. It features the university's name around the perimeter and a central emblem. A date stamp '27 MAY 2014' is visible over the seal.
Mr. Mwesigye William
Head of Department, Political and Administrative Studies