

**PUBLIC PROCUREMENT REGULATIONS AUTHORITY AND PERFORMANCE
OF INSTITUTIONS.**

**A CASE STUDY OF INSTITUTE OF SOCIAL WORK AND
SOCIAL ADMINISTRATION.**

BY

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS
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DECLARATION

This work is original and attributed to my personal efforts and has not been published and / or submitted to any university or institution of higher learning before.

SIGN. 

DATE. 16/02/2017

KAMUKAMA DAVID

APPROVAL

This is to certify that this research report entitled” **out sourcing and services delivery**” has come up under my supervision and is ready for submission with my authority and approval.

Signed.....

Date.....

MASABA RICHARD

DEDICATION

This work is dedicated with joy and love to the executive board and management of National Planning Authority, my brothers and sisters and my friends lastly to my lecturers who have endeavored to facilitate me throughout my course, my the good Lord reward you abundantly.

ACKNOWLEDGEMENT

The success of this work was made possible with the help rendered to me by various individuals and institution.

I would like to extend my sincere thanks to my supervisor Masaba Richard for his valuable and expert guidance in the whole process of making the report.

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ABSTRACT

This research studied **public procurement regulations authority and performance of institutions. a case study of institute of social work and social administration.** the objectives of the study include; To establish the procurement systems that were in place before the public procurement reforms in Uganda; to assess the Government Public Procurement Reforms that was put in place in 1997 in Uganda; to identify the impact of Public Procurement Reforms on services delivery in Uganda and to establish the factors affecting service delivery in institutions. Data was collected using self administered questionnaires. The study used stratified and purposive sampling techniques to draw representative samples and 100 respondents were involved in the study. The study sampled 100 respondents, 42 of whom were Local government leaders and employees, 50 procurement professionals and non professionals, and 8 providers. These respondents were drawn from the three divisions and the municipality headquarters.

The research established the procurement systems that were in place before the public procurement reforms, it assessed the Government Public Procurement Reforms that were put in place and identified the impact of Public Procurement Reforms on institutions. Also the study undertook to examine the roles of different stakeholder in procurement planning and the following were found out; defining procurement requirements, dividing requirements allocated to a single procurement process into separate lots, integration of the diverse decision and activities, ensuring availability of sufficient funds to run the plans, developing of proposals and evaluation of potential service providers. Some factors were found to be affecting service delivery and these included the following corruption, lack of finances, the challenge of getting the right service provider, limited skilled personnel, also poor communication

The findings of this study revealed that there is a positive impact of public procurement reforms on procuring and disposing entities. It was found out that the CTB was the main overseer of the procurement process in Uganda before the reforms; the reforms in place include: formation of the municipal contracts committee, the creation and staffing of a procurement unit among others, though the reforms are still incomplete due to serious capacity bottlenecks.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The chapter covers the introduction, context of the study, statement of the problem, Research questions, and Research objectives of the study, scope of the study, limitation of the study, significance of the study on challenges encountered by the Institute of Social Work in complying with the PPRA, 2004 and organization of the study.

1.2 Context of the Study

The process of carrying out procurement function has been undergoing various reforms over the years in different parts of Africa. In all parts where reforms have been undertaken, the central objectives of the process were to increase transparency and efficiency in the processes of procurement. The reforms also aimed at combating corruption in the public procurement systems as pointed out by Kenya, Uganda and Nigerian experience which appeared to be a major hindrance in the attainment of the value for money in the use of public monies. The question may come up here asking why the governments in many countries should dedicate efforts and resources in reforms on public procurement legal framework and the procurement regulatory systems. The answer to this question is that the reforms were mainly attributed by the fact that procurement accounts for more than 70% of the Government expenditure and also takes a substantial working time of the professionals and leaders (Kambi), 2006.

It is also important to note here that procurement of goods, services and works is a key function in every Public Institutions. This is because every institution requires goods, services and works to run its operations. Whether the entity is making business, offering service or championing certain kind of advocacy, then it is right to state that the same cannot operate without the function of acquiring goods, services and consultancies.

Some statistics show procurement to account for approximately 70% of the recurrent budget of the Governments and about 100% of the Development each year in many countries hence, the need for efficiency in managing this function (Swai,2008)

As stated above , the processes of acquiring goods and services have passed different stages of reforms, even the words that have been used to denote the practice of acquisition have been changing from purchasing , buying to procurement. The term procurement that is now used to denote that aspect of acquisition of goods, works and services is defined by the Public Procurement Act (PPRA,2004) as a buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity spending public funds on behalf of a ministry, department or regional administration of the Government or public body and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation and award of contracts. This term came up in place of supplies function which prevailed prior to 2001 under the old framework guiding supplies function which was conducted under the exchequer and audit ordinance. The definition of procurement above seems to combine the term buying, purchasing, renting and leasing all of which mean a process of acquisition but which formerly used to stand differently.

Further, the application of the new procurement legislation has been the area of the interest since it has taken on board various institutions which were not regulated by the old legal framework for procurement. Section 2 of the PPRA states the application of the Act includes entities not of Government whose procurement are financed from specific public finances and the defense and national security organs. With this legislation, therefore, it was enough to say that the included entities would have to leave behind their old ways of conducting procurement and start to adhere to the government regulated procurement procedures which of course one would equally expect so many challenges thereon. The Institute of Social Work (ISW) is one of the higher learning institutions in Tanzania. It was established by the National Social Welfare Training Institute Act No. 26 of 1973, *(as amended by the Miscellaneous Act No. 13 of 2002)*. ISW is focused on customer satisfaction, increased efficiency, quality and productivity so as to become a self sustainable institution. Its mission is to provide quality education, research and consultancy services in the areas of Social Work, Industrial Relation and Human resource. Its main objective is to provide quality education by increasing the number of graduates passing with second class division and above, carrying out research and consultancy activities in order to contribute significantly to ISW total budget and enrich the lecturers professional knowledge.

ISW, as public body (section 3 of PPRA No 21 of 2004) is obligated to procure goods according to the Act and its Regulations set by the Government. Past and recent years have witness to poor quality of the materials, late delivery of the purchased goods due to the processing time of minimum of 174 days, if the procurement specialist are efficient anyway, from the date of preparing pre qualification document to the ward of the contract and lack of the procurement management syndrome is the major complain in the institutions. The researcher intents to conduct a study on the challenges in implementing PPRA no 21 of 2004 and its regulations in procuring entity the case of institute of so Being the auditor from the Office of the Controller and Auditor General, the researcher has experienced various procurement practices which are not in compliance with the public procurement laws both in the Central and Local Government Authorities as well as the Public Bodies to which this Act applies. In trying to interview some personnel involved in public procurement processes on the reasons causing such minimal degree of compliance with the procurement legislations, most response given was the fact that the act is difficult to understand and even to implement. Many practitioners have been explaining the incidence of minimal degree of compliance to be contributed by the cumbersome procedures introduced by the new procurement act particularly on the procurement procedures, timing for procurements and other requirements of that act.

The above explained circumstances on the challenges for the compliance with the public procurement act, motivated the researcher to undertake a study on the problem in order to shed light and expose those challenges in black and white such that the responsible authorities may institute efforts to address the same and ensure high degree of compliance with the procurement act is reached and if necessary the amendments to the Act be made to smoothen the procurement process.

1.3 Statement of the Problem

The Government has decided to introduce an important tool called PPRA Act 2004 that governs procurement officers to abide this Act when purchasing of goods, services and disposal of the public assets by tender. The application of the PPRA No 21 of 2004 is mandatory to all public bodies including ISW. Although PPRA No. 21 of 2004 was enacted in 2004 and its corresponding regulations of 2005 started working since year

2005. The degree of compliance to such legislation has not been satisfactory to date. The evidence for such minimal degree of compliance includes the PPRA audit reports of 2010/11.

In the Procurement Journal Vol V- No. 2 of 2012 issued by PPRA procurement journal published a summary report on the procurement audits of 106 PEs. The average performance of all audited Procurement entities was below 50% in the indicators as follows; in preparation of the annual procurement plan about 53% of the Procuring entity does not prepare their annual procurement plan for 2010/2012 and contract implementation about 59% of the audited procurement implementation as per terms of the contract was not implemented. The report also noted that in independent of procurement function about 59% of the audited procurement had interference between the Accounting Officer, Tender boards, PMU, and other user department this is compared to 28% in the previous audits. The report continues on advertisement of bid opportunities about 84% of the tenders under open bidding process were not advertised to the public contrary to the requirement of the PPRA and its regulations as compared to 44% in the previous audit. Time for preparation of bids (77%); The use of appropriate methods of procurement (77%); Complying with the use of Standard Tender Document (68%); Appropriate procurement records (51%); and appropriate contract management (59%). Generally the outcome of the audits indicated an average level of compliance of (50%) computed from one hundred six established compliance for ministries, independent departments and agency/authority (MDA) was thirty four percent (34%) and Eighteen percent (18%) for local government authorities (LGA). The Public Authorities attained the fairly average compliance level of forty eighty percent (48%) . Analysis above showing that there are some institution fail to implement the PPRA together with its regulation as other institution fail to prepare their annual procurement plan, fail to establish tender board and there is interference with the top management process which is contrary to the act and its regulation. The analysis has also shown that 17% [18%] of the audited PEs have poor performance, 72% [75 PEs] fair performance and 11% [13 PEs] good performance. The assessment of the poor performed PEs indicated that the main reason for poor performance was lack of /poorly established Procurement Management Units (PMUs). [Note: P<50%- Poor performance; 50%, =80%- Fair performance; P >=80%- Good performance].

1.4 Research Objective

This research is designed to achieve the following general and specific objectives.

1.4.1 General Objective

The general objective of the study was to examine the major challenges that have been encountered by the ISW in the compliance with the requirements of the public procurement Act.

1.4.2 Specific Objectives

- i. To determine whether the ISW procure goods according to the Public Procurement Act and its Regulation.
- ii. Identify the provisions of the Act which the challenges in compliance.
- iii. To identify the challenges faced by the Institute in implementing PPRA Act No. 21 of 2004
- iv. To establish whether poor implementation of PPRA Act 2004 is the cause of not getting VFM in terms of price, delivery and quality
- v. To establish the extent of losses suffered by the organization that is caused by poor implementation of Public Procurement Act 2004.

1.5 Research Question

1.5.1 General Research Questions

What are the challenges faced by ISW in complying with Public Procurement Act No 21 of 2004?

1.5.2 Specific Research Questions

- i) Does the Institute of Social Work procure works, goods and services according to the public procurement Act 2004 and its regulation?
- ii) What are the provisions of the Act which appear to be challenging in compliance.
- iii) What are the challenges faced by ISW in complying with Public Procurement Act No 21 of 2004?
- iv) Is poor implementation of PPRA Act No. 21 of 2004 the cause of not getting value for money in terms of price, delivery and quality?

- v) What are the losses suffered by the organization that are caused by poor implementation of PPA 2004?

1.6 Scope of the Research Study

This research aimed at looking on the challenges encountered by Institute of Social Work in complying with the Public Procurement Act No. 21 of 2004.

1.7 Limitations of the Study

a. Time constraint

The study was limited by the time available for completion. For exhaustive assessment of the challenges encountered in complying with the public procurement laws, the collection of primary data and analysis of the same could involve wider sample of respondents ; however the study was scheduled to take seven months which could not reach many sources. The time taken in this study although seen to be short, the researcher is confident that it did not affect the quality of the data collected as the questionnaires were carefully developed to ensure it collects all necessary information.

b. Financial constraints

Collection of data involves funds, printing of manuscript and events leave much to be desired in totality, the study consumed a large amount of money which is obvious a scarce resource in conducting research.

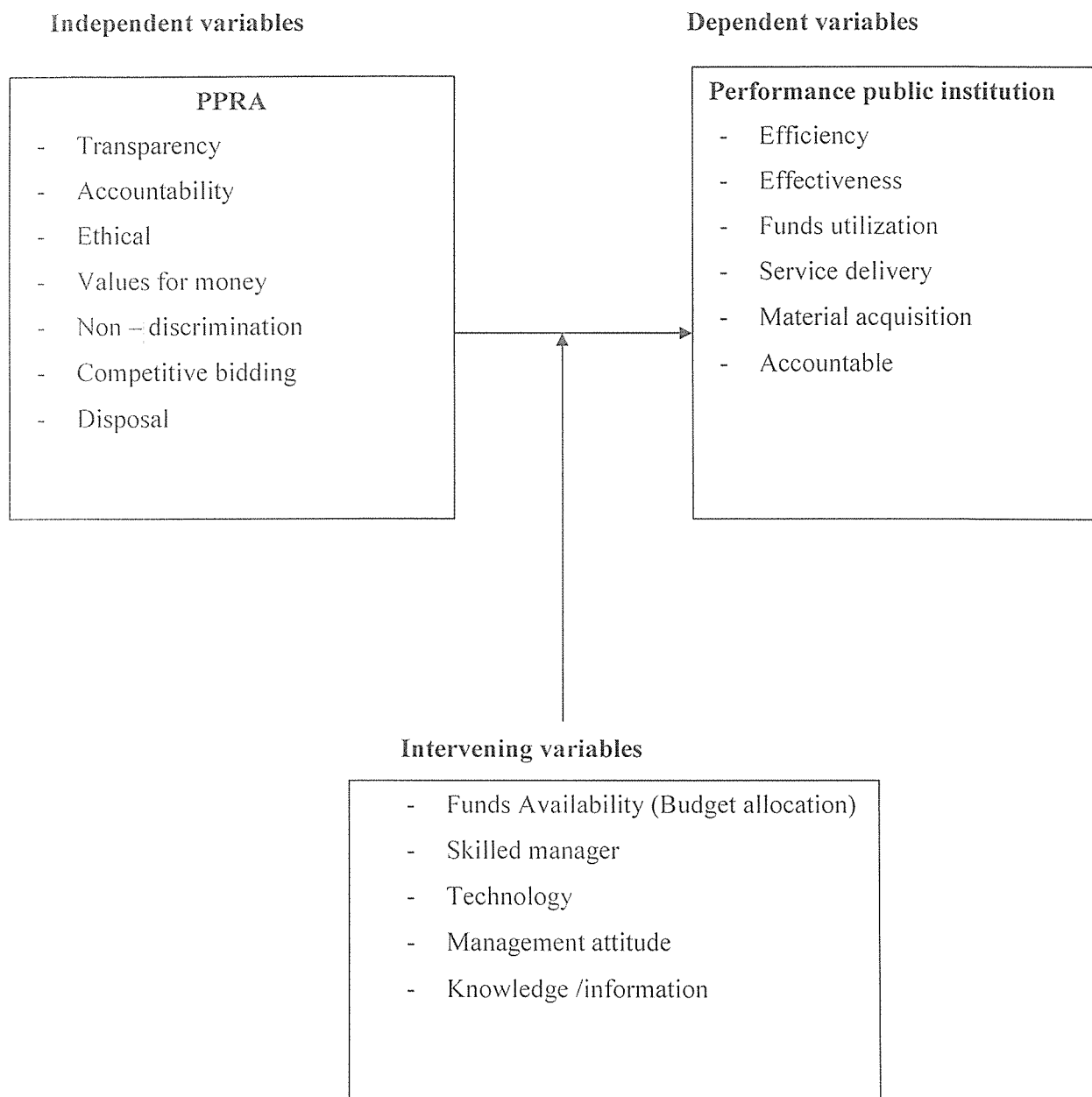
c. Confidential Information

Some information was unauthorized to collect because they were kept as confidential. This limitation hindered the researcher to obtain some of the important information.

d. Uncooperative attitude

Collection of primary data depending on the cooperation from top management, the researcher faced some hindrances to get cooperation because they didn't disclose its primary information.

1.8 Conceptual framework



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter seeks to examine the existing literature about public procurement, its legislation, compliance and challenges in Tanzania. The main focus of the study was to determine the existing challenges in compliance with the Public Procurement Act, 2004. And come up with the findings which will be helpful to the procurement practitioners on complying with the PPA, 2004

2.2 Conceptual Definitions

Public procurement

Public procurement entails the acquisition of goods, works and services by a procuring entity using public funds (Ngwalo,2004).

Purchasing

Lysons and Gillingham (2003) define purchasing as to obtain materials of right quality from the right source, delivered at the right time and the right place. This term is situational each organization the term right differently following the right environment and the business the organization is in. However, the term right should be harmonized with the corporate goals and objectives. In practice some rights are irreconcilable, for example it may be possible to obtain right quality but not at the right source (Njau,2008).

Procuring entity

Means a public body and any other body, or unit established and mandated by the Government to carry out public function.(PPA no 21 of 2004)

Procurement Management Unit (PMU)

This means a division or department in each procuring entity responsible for the execution of the procurement functions. This unit is established by the Accounting Officer/ Chief Executive Officer of the Procuring Entities in accordance with Section 33© of PPA, 2004

Tender Board

It is an independent organ in a procuring entity which has the authority over all procurement processes in a public organization called a procuring entity.

The establishment, composition of membership and functions are spelled out under part III of the Public Procurement Act, 2004.

Accounting Officer

Section 3 of the PPA, 2004 defines an Accounting Officer as a Government officer appointed in accordance with the provisions of Public Finance Act, 2004 to hold a Vote and account for all monies expended from that Vote.

Public procurement Regulatory Authority is an autonomous body endowed with the responsibility of prescribing regulations and procedures for public procurements by Federal Government owned public sector organizations with a view to improve governance, management, transparency, accountability and quality of public procurement of goods, works and services, it is also endowed with the responsibility of monitoring procurement by public sector, agency organizational and has been delegated necessary powers under the public procurement regulatory authority or dinance 2002.(source <http://www.ppa.or.pk/>)accessed on 18/08/09

Supplier

Means company, corporation, organization, partnership or individual person supplying goods or goods or services, hiring equipment or proving transport services and who is, according to the contract, a potential party or the part to a procurement contract with the Procuring entity (PPA No 21 of 2004). Value for money means the provision of an institutional function by a private part results in a net benefit to the institution, defined in terms of cost, price, quality, or risk transfer or combination of these.(PPA No 21 of 2004)

User department means any department, division, branch or section of the procuring and disposing entity, including any project unit working under the authority of the procuring and disposing entity, which initiates procurement and disposal requirements and is the user of the requirement (source: Public procurement and disposal of public assets Act 2003 of Uganda

Compliance

In general, compliance means conforming to a specification or policy, standard or law that has been clearly defined.

2.3 Theoretical Bases of the Study

Section 3(1) of the Public Procurement Act No. 21 of 2004 defines procurement as “buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity spending public funds on behalf of a Ministry, Department or Regional Administration of the Government or public body and includes all functions that pertain to the obtaining of any goods or works or services including description of requirements, selection and invitation of tenderers and preparation and award of contracts”.

On his part Mlinga (2006) defines procurement as the whole process of acquisition from third parties and covers goods, services and construction projects. Ngwalo (2004) asserts that public procurement entails the acquisition of goods, works and services by a procuring entity using public funds.

This study adopts the definition given by Ngwalo (2004) which asserts that Public Procurement entails the acquisition of goods, works and services by public procuring entity using public funds. This definition covers the key features of procurement function and suffices the need of this study in the sense that it places the link on the use of using public funds to acquire goods, works and services (non-consultancy and consultancy).

Types of Procurements

Bases on the consumption purposes of the acquired goods and services, procurement activities are often split into two distinct categories. The first category being, direct procurement (production-related procurement) and the second being indirect procurement (non-production-related procurement). The features of every category of procurement are given in table 1 below.

Table 2.1: Types of procurement and their features

Direct procurement and indirect procurement				
TYPES				
		Direct Procurement	Indirect Procurement	
		Raw Material and Production Goods	Maintenance, Repair and Operating (MRO) Supplies	Capital Goods and Services
F	Quantity	Large	Low	Low
E	Frequency	High	Relatively high	Low
A	Value	Industrial specific	Low	High
T	Nature	Operational	Clerical	Strategic
U	Examples	Crude oil in petroleum industrial	Lubricants, spare parts	Machinery, computers

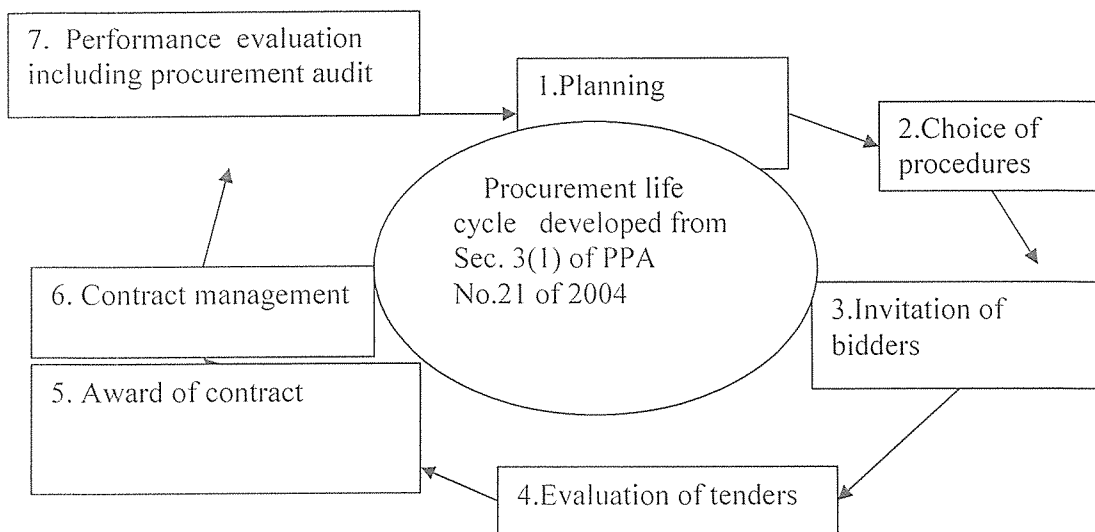
Source: <http://en.Wikipedia.org/wiki/Procurement> accessed on 18/2/2009

Written by Benslimane,

2.3.1 Procurement Life Cycle

Procurement life cycle in modern businesses usually consists of seven steps including information gathering, contacting supplier, background review, negotiation, fulfillment, consumption, maintenance and disposal, renewal of the contract if pleases. Section 3 (1) of PPA No. 21 of 2004 defines the procurement cycle as the procurement process which includes the stages of planning, choice of procedures, measures to solicit offers from tenderers, examination and evaluation of those offers, award of contract and contract management and lastly the performance evaluation and audit. Procurement life cycle can be presented in diagram as shown in figure 1 below.

Fig 2.1: Procurement Life Cycle



Source:PPA,2004

2.3.2 Public Procurement Reforms

The undertaking of procurement in the public sector was not organized as a profession following the fact that nobody was employed as a procurement expert in public sector (Nkinga asserts that there were engineers, architects, quantity surveyors and the like employed to carry out the procurement functions. He further emphasizes that no training in the practical aspects of procurement were offered except those geared towards low level purchase by requisition and three quotations which was totally inadequate for high level and well-organized procurement. This coupled with the use of the old public procurement system and practices led to a wide variance in performance and attracted reforms. Ngwalo (2004) points out that among other reforms that the Government undertook from early 1980s, the public service and parastatal sector reform programs had the impact on procurement. He further emphasized that the two reforms have instituted strategies to achieve social and economic sectors development namely, the Private Sector Participation Strategy and Privatization Strategy respectively. In this regard, the reform which emphasizes private sector participation in the supply of goods, services and works to the Government is the one which pose more challenges in having effective procurements.

Benefit of Efficient and Implication of Inefficient Public Procurement System Mlinga (2004) asserts that an efficient public procurement system results in enhancement of the effective use of public financial resources; improvement of the availability, quality, reliability and reduction in cost of public services; encouragement of accountability and responsibility in the supply management process; improvement of participation and growth of the private sector; and forms an integral part of any good governance process.

On the other hand Mlinga (2004) reveals that inefficient public procurement encourages corruption and malpractice; leads to delays in delivery of essential public services; can result into de-motivation of private sector suppliers leading to lack of competition; and can result into an increase in the cost of items. He concludes that in general inefficient public procurement leads to loss of scarce public financial resources.

2.3.3 Principles of Efficient Public Procurement

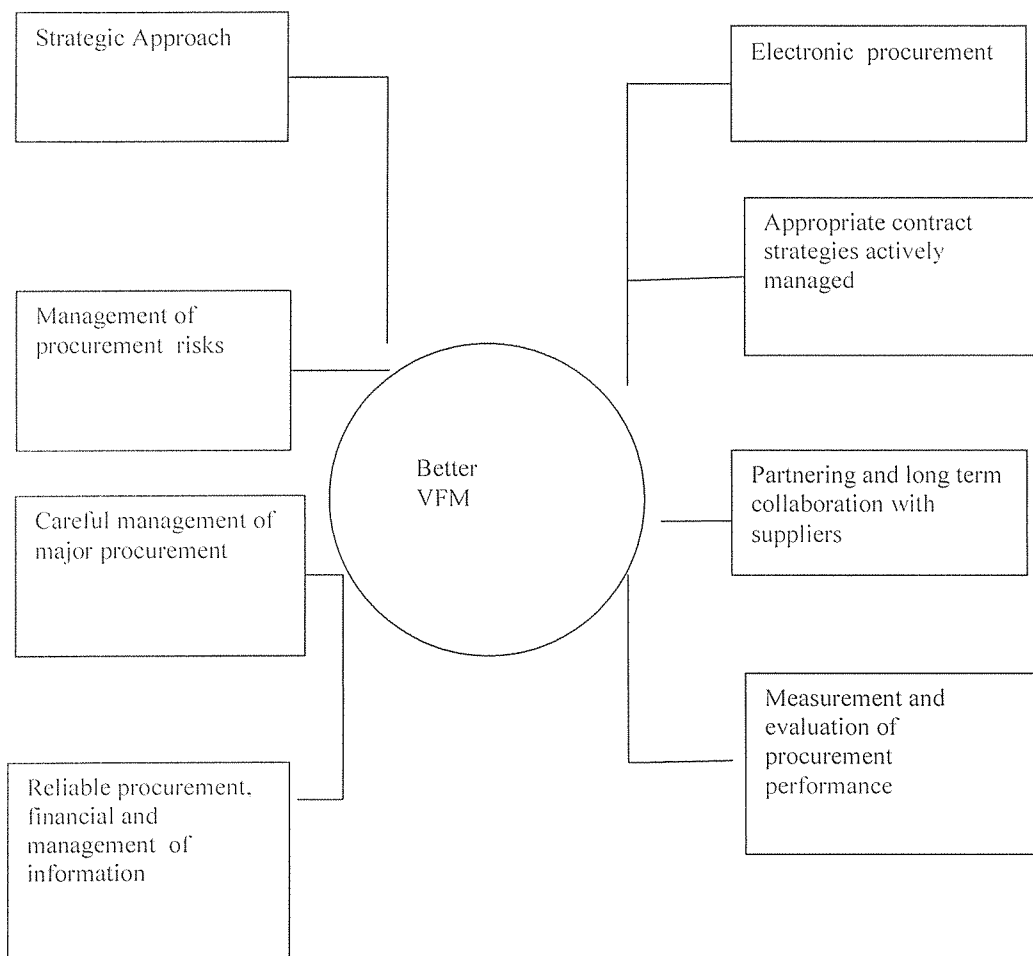
Mlinga (2006) asserts that general principles of public procurement system include fairness, openness, and transparency. It should also provide a means to obtain needed goods, works and services timely, effectively and using competitive prices. Mlinga further makes distinction of public and private sector procurement as the earlier being purchasing, hiring, or obtaining by any other contractual means of goods, construction works and services by the public sector while the later entails private sector acquisition of goods and services.

He also asserts that unlike private sector procurement where the concern may be to obtain needed goods, works and services in a timely and effective manner at efficient prices that are competitive, a public procurement system should also be fair, open and transparent. It is obvious therefore that public procurement must be transacted with other considerations include accountability, non-discrimination among potential suppliers and respect for international obligations, in order to protect the public interests. Public procurement is a business process within a political system and therefore, has significant consideration of integrity, accountability, national interest and effectiveness.

2.3.4 Value for Money in Public Procurement

Regulation 5 of the PPR,2005 (GN.97) emphasizes the need of ensuring that all public procurements are undertaken with regard to economy, efficiency and effectiveness which are the pillars of value for money concept, Ishobeza (2006) identifies 8 factors that can promote VFM procurement as shown in Figure 2. The figure represents key factors which have to be considered when undertaking procurement with the intention of achieving the VFM.

Fig:2.2: Applicability and Promotion of VFM in Procurement



Source: Ishobeza,2006

Ishobeza from the figure above point out that in order to achieve VFM in public procurement, the process has to be approached strategically, the procurement risks have to be managed, more attention has to be dedicated on major procurements and there should be partnering and long term collaboration with suppliers.

2.3.5 Procurement Monitoring

Monitoring is a systematic follow up and search for answers about how an organization is doing things, it is the process involving gathering, analyzing, interpreting and reporting the results to the appropriate Authority (Msanya,2007). Public procurement can be looked from two points of view being oversight point of view and organizational point of view (Boma, 2007). Boma states that oversight organs are interested in procurement monitoring because it is a tool for ensuring conformity with established procurement laws, regulations and procedures while the management of organizations are interested in procurement monitoring as part of internal control system. Boma further pointed out the objectives of the procurement monitoring to include learning on what works and what does not, accounting for resources used and steering and adjusting current activities, programs and projects.

In monitoring the public procurement, the Public Procurement Regulatory Authority (PPRA) uses thirteen performance indicators to measure the actual procurement performance which are tender advertisements, advertisement of tender results, time used to prepare the tender, bidders participation in tender, responsive tender, procedures for tender invitation, timing for processing submitted tender, rejection of tenders, bidders complaints resolution, contract variation and time extension, dispute resolution and the contract implementation.

2.4 Empirical Analysis of the Past Studies

2.4:1 Review of General Reports

Procurement is an activity which goes hand in hand with the overall performance of an entity. The activity has become an integral part of corporate performance and is drawing increased attention from senior management. Although procurement professionals have been facing various challenges as they must adhere to many regulations and structured guidelines.

Procurement in public sector is challenging because every day, procurement professionals try new processes and tweak existing ones to find innovative ways to meet their customers' demands. But in public sector organizations there are a lot of procedures to be followed. But for public sector organizations, there's a catch. With cumbersome procedures that require steps such as budget checking, competitive bidding, vendor certification, and strict control over contract changes, public sector procurement processes often don't fit into standard automated solutions where processes that were traditionally performed manually become automated for reduced procurement time and optimal use of staff. These processes might include copying or building line -term structures into documents or selecting and compiling terms and clauses, to name a few.

Further, in public sector organizations, speed and efficiency are difficult to achieve because workers must fully document and audit procurement processes that are often lengthy, labor intensive ,and time -consuming. While being dynamic in the private sector, in public sector organizations there have remained a hundreds-sometimes thousands- of rules, regulations, and directives that simply can't be avoided.

In addition to the constraints of such a structured environment, there is a more fundamental problem of a limited workforce. Many public sector organizations have not been able to employ required number of professional to service the entities. But for public sector organizations, there's a catch, with cumbersome procedures that require steps such as budget checking, competitive bidding, vendor certification, and strict control over contract changes

Considering the global experiences, the loss of public resources through improperly handled procurements is substantiated by the report of the USA Inspector General of 2003 which states that it has been the experience for procurements to be used as the avenues of defrauding the Governments funds. The report gives examples of the losses to include the Central District of California whereby a procurement clerk defrauded the government of over \$435,000 and in the District of Oregon; the Deputy Administrative Officer defrauded the government for \$39,105.

2.4.2 Review of Studies from Abroad

In public procurement, the struggle has to be the minimization of the cost having consideration on the right quality (Economy). However, the report of Public Accounts Committee (PAC) from the House of Common-London (2005) reports that, in the field of defense procurement, successive hearings by the Committee on the Major Projects Report have highlighted significant cost increases-some #3.1 billion in just a year for the largest 20 projects average slippage of 18 months in delivery date in the recent report-which might have been avoided through the application of better procurement practices. And from the neighbor country of Kenya, in the recent reported case for Anglo Leasing Finance, the Controller& Auditor General published a report on single sourced security contracts where widespread fraud through non-delivery and overpricing are suspected. In Botswana for example, procurement was not treated as an independent financial function and a core responsibility of the Ministry of Finance and Planning. The key custodian of the procurement function under the Supplies Regulations and Procedures was the Department of Supplies in the Budget Division in the Procedures provided in Chapter Four for a Central Tender Board, a Special Tender Board and District Tender Committees. Kenya is another case as it faced a number of challenges in public procurement including the understaffing of procurement departments, lack of capacity to attracting and retaining competent and other facilities to supervise the procurement in the country. These challenges also brought about reforms in year 2001

The Nigerian case was not far from other African states; the reforms started in year 1999 and it was important first to identify the weaknesses in the prevailed public procurement system. The Country Procurement Assessment Report (CPAR), 1999 Identified five major weaknesses in the existing procurement systems in Nigeria namely:

- i) Lack of modern law on Public Procurement and permanent oversight body to provide guidance and monitor purchasing entities.
- ii) That the Finance (Control and Management) Act,1958, together with the Financial Regulations which set basic rules for implementation of existing regulations on procurement (e.g lack of permanent arrangements for control and surveillance) which create opportunities for bribery and corruption;

- iii) That due to inflation and lack of regular adjustments on the thresholds of the approving limits of the Tender Boards, their authorization were constantly being eroded resulting in abuses, prominent among which is splitting of contracts;
- iv) That there was proliferation of tender boards which were perceived by the private sector as sources of delays and non transparency. In addition, these tender boards appeared to have limited mandates with powers to decide contracts de facto resting with the Permanent Secretary and the Ministry/ Commissioner;
- v) That Customs systems and procedures were cumbersome and major causes of delay in clearing goods, and hence a source of corruption; and
- vi) That Procurement is often carried out by staff who substantially lack relevant training.

In Uganda, particular weaknesses identified by the task force for the old system to require reforms in 1999 were as follows:

The Central Tender Board, which oversaw the procurement process in the country, had a set of disparate, (in the sense that the District Governments were not covered) and outdated procurement regulations and procedures.

In Uganda, particular weaknesses identified by the task force for the old system to require reforms in 1999 were as follows:

The Central Tender Board, which oversaw the procurement process in the country, had a set of disparate, (in the sense that the District Governments were not covered) and outdated procurement regulations and procedures.

- i. The responsibility for procurement was inconsistent among various procuring entities within the system.
- ii. The government system operated through cash budgets that, because of a lack of coherent management attention to problems caused by this in the procurement area, made it an unreliable business partner. These problems were compounded by impoverished management practices in the procurement sub-system both at the central and district administrations.
- iii. Bureaucratic delays and lack of institutional co-ordination characterized the current procurement system in the country.

- iv. Malpractice and unethical conduct also saddled the system. There was a high incidence of vested interests, interference and insider dealings. There were occasional cases of retroactive approvals of contract awards.
- v. Procurement knowledge and expertise at policy and operational levels were inadequate . This implies that the personnel involved were severely handicapped concerning the requisite procurement skills. Analysis had also revealed that apart from World Bank documents, the procurement system in the country lacked standard documents for use in specific contract situations.
- vi. The lack of focus in the existing regulations and guidelines were giving rise to decisions, which were devoid of objectivity, accountability and transparency and resulted in a high incidence of corruption and high expenditure.

2.4.3 Review of Studies from Tanzania

Procurement legislations in Tanzania Prior to the year 2001

During the period before 2001 the public procurements (then known as purchasing and supplies) were based mainly on the Exchequer and Audit Ordinance, CAP 439 of 1961 and the various laws establishing the specific public authorities (Nkinga,2003). The Central Tender Board (CTB) was responsible for both the regulation of public procurement practice, approval and issue of tenders themselves.

During this era the Government had a presumption that supplies and equipments/ plants were to be purchased from the Government Stores Departments such as Government Stores, Medical Stores, Veterinary Stores, Maji Stores, Government Press Printer and the Government Electrical and Mechanical Division, and the procurement was to be made from the public institutions located within the District or Region where that procurement was being made.

This arrangement gave rise to a clear threat of self-review and conflict of interest. Moreover, the involvement of the CTB in individual tenders brought difficulties in the procurement process. The centralized arrangements led to frequent incoherence in procurement decisions. In many cases due to the Accounting Officers of procuring entities having limited responsibility for procurement since the same were centralizes. Lack of appropriately skilled personnel was also a key impediment to administration of sound

procurement practice, and relevant training was almost non-existent hence the attainment of economy, efficiency and effectiveness in public procurements was very difficult and attracted reforms.

Procurement Legislations in Tanzania during and after the year 2001

The Government in 1997-2001 proceeded with reforms in public procurements (*Kitalala, 2005*). The new era of public procurement in Tanzania started following the enactment of the new public procurement legislation from the year 2001 (Act number 3 of 2001 which was thereafter repealed by Act No.21 of the year 2004). The new legislation came with the solutions to the earlier procurement problems, many of which were given effect by the Public Procurement Act No. 21 of 2004, which entered into force in May 2005. These included abolition of the Central Tender Board, replacing it with a regulatory body called Public Procurement Regulatory Authority (PPRA), full devolution of procurement operations to Procuring Entities themselves; and establishment of an Appeal Authority called Public Procurement Appeal Authority (PPAA)

Further, the new act prescribes the administrative framework within which Procuring Entities assume full responsibility for procurement decisions and administration through the respective entities tender boards. The Public Procurement Regulatory Authority (PPRA) replacing the regulatory function of the former Central Tender, has been formed for the objectives of ensuring fair, competitive, transparent, non-discriminatory and value-for-money standards and practices in procurement

Harmonization of procurement policies, systems and practices was another objective as well as setting standards for public procurement systems. Furthermore PPRA is to monitor the compliance and build procurement capacity. PPRA stands as the advisor, monitor, trainer and authorizer of any deviation from law and inspector of the implementation of the Public Procurement Act.

On the other extreme the Public Procurement Appeals Authority (PPAA) was also created by the new Act to provide a means for aggrieved parties to launch appeals against public bodies responsible for administering the provisions of the Public Procurement Act when other remedies have been exhausted. With the operationalization

of the PPAA, Tanzania has been described as having one of the most comprehensive and robust complaints review mechanisms in the world.

Weaknesses of the old public procurement system

Nkinga (2003) stated that, the major shortcoming of the old public procurement system was the inadequacy and fragmentation of the old procurement laws. The legal framework as highlighted above indicated major weaknesses in that the procurement laws were scattered in various statutes that had loopholes with no enforceable penalties. The following were additional weaknesses resulting from the old public procurement system:-

- a) The legal framework was totally inadequate for procurement of works and for the selection and employment of consultants,
- b) The regulations were outmoded and their origin was in stores management rather than competitive procurement,
- c) The authority of the Central Tender Board was eroded by adhoc arrangement in different sectors (eg. Works, health, education and local government authorities)
- d) Levels of authority were far too low and the Central Tender Board was handling far too low value work,
- e) There was no regulatory body to enforce the legal framework, regulations, rules and procedures,
- f) All sorts of the de facto exceptions had been made with or without any legal basis and rules were ignored altogether,
- g) Management information was lacking at all stages essential for enforcing accountability,
- h) Far too much was left to the discretion of individual public officials who were given no clear policy or guidance,
- i) Training for procurement and supply staff / materials management staff was too academic and not specifically related to job requirements and in consequence was ineffective,

Development of new act

The enactment of the Public Procurement Act 2004 represents an important step in the evolution of Tanzania's public procurement system, although its full effects will only

become apparent once it is well implemented at all levels in the Public Procurements. The act introduced two fundamental reforms: creation of the Public Procurement Regulatory Authority and Public Procurement Appeals Authority; and devolution of tendering responsibility to Ministries, Departments and Agencies.

Silent Features of New Act

The Public Procurement Act No. 3 of 2001

In February, 2001 new public procurement legislation was passed by the Parliament and was subsequently signed into law (The Public Procurement Act No.3 of 2001) by the President. The Act became effective on 1st July, 2001.

The Act provides a comprehensive coverage of all regulatory aspects critical to public procurement. The new Act:- (a) applies to all procurement undertaken by public institutions except for financially independent Parastatal organizations and defense procurement, (b) makes deference to the international obligation of Tanzania at the intergovernmental and international levels, (c) does not cover contract performance or implementation phase, (d) takes into account certain differences between the procurement of goods, works, and selection and employment of consultants and (e) establishes several tender boards with the responsibility for procurement, review of tender documents and contract awards in accordance with pre-determined thresholds.

Technical Agencies such as the Tanzania National Roads Agency (Tanroads) has higher thresholds than ministries. It is also worth to note that Tanroads- Regional offices have same thresholds as ministries following the magnitude of procurements they undertake. The Act also provides for the establishment of the Public Procurement Appeals Authority (PPAA) to settle procurement disputes before judicial review process.

Latter in the year 2004, the PPA Act number 21 was enacted to address the weaknesses considered to be not addressed by the PPA, 2001. Other new features of new system includes the abolition of CTB, replacing it with a regulatory body called Public Procurement Regulatory Authority (PPRA), full devolution of procurement operations to procuring entities themselves; and establishment of an Appeal Authority called Public Procurement Appeal Authority (PPAA).

What are the parameters for compliance?

Although PPA, 2004 has many provisions with various compliance requirements, PPRA has been using some to measure the degree of compliance with the Act.

The parameters as per the PPRA audit report of 2006 include the following ten big parameters:-

- i. Use of standard bidding documents
- ii. Use of appropriate procurement methods
- iii. Advertisement of bid opportunities
- iv. Establishment of Procurement Management Unit
- v. Establishment and composition of tender boards
- vi. Contract administration
- vii. Appointment of goods inspection committee
- viii. Record keeping
- ix. Procurement plan
- x. Appointment of evaluation committee

Use of Standard Bidding Documents

Bidding documents or called solicitation documents are defined by Section 3 of the PPA, 2004 to mean tendering documents or any other documents inviting tenderers to participate in procuring or disposal by tender proceedings and includes documents inviting potential tenderers to pre-qualify, and standard tendering documents. The essence of using the standard bidding documents issued by the PPRA is to ensure that suppliers are having the same platform to be evaluated. This addresses key principles in the Public Procurement Act for equality, fairness and best value for money as spelled out under Section 43 of the PPA, 2004.

Use of Appropriate Procurement Methods and Advertisement of Bid Opportunities

The procurement methods advocated by the PPA, 2004 are spelled out under Part VI of the PPR, 2005 (GN.97). The methods includes International competitive tendering, National competitive, Restricted tendering, International and national shopping, Single-source procurement for goods or services, Direct contracting for works, Minor value procurement, Turnkey contracts and the Force account. However, Section 58 (2) of the

PPA,2004 puts the base emphasis of the Act that all procurements and disposal shall be conducted in a manner to maximize competition achieve economy, efficiency, transparency and value for money

In ensuring transparency the Act via Section 61 requires procuring entities to advertise the tender opportunities in the wide circulating news papers so as to allow a wide participation of the suppliers and contractors.

Establishment of Procurement Management Unit and Tender Board

Establishment and composition of Procurement Management Unit is spelled under Section 34 of the Act and the Tender Board is mentioned under Section 28 of the Act (Part 111. These are among the key pillars of the public procurement systems. Others include the Accounting Officers/ Chief executive and the evaluation committee. Although the composition of the tender board has been prescribed under second schedule of the Act, but the aspect of the size of the entities which seems to be a challenges among many entities was addressed as a room for PPRA to prescribe the procedure to be followed by the procuring entity is given under Section 29(2) of the Act.

Contract Administration, Appointment of Goods Inspection Committee and Record Keeping. Section 3 of the Act defines the procurement process to include the contract administration. It is therefore imperative for the procuring entities to ensure that the procurement contracts entered is efficient and effectively entered. For the contracts related with the supply of goods, the Accounting officer is required under regulation 127 of PPR,2005 (GN,97) to appoint the goods inspection committee which shall Inspect and count the goods in order to ascertain whether they are correct and complete in accordance with the agreement. In ensuring the efficient monitoring and review of the procurement processes the PMU is responsible in maintaining and achieving records on the procurement and disposal process as stated under Section 35 (m) of PPA, 2004

Annual Procurement Plan and Appointment of Evaluation Committee

A Procurement Plan defines the products and services that a Procuring Entity will obtain from external suppliers. A good Procurement Plan will go one step further by describing the process an entity will go through to appoint those suppliers contractually.

The requirement for annual procurement plan is made under Section 45 of the PPA, 2004 to avoid emergency procurement wherever possible and aggregate its requirements to obtain value for money and reduce procurement costs

The procurement legislation requires that procurement processes be done independently among the procurement pillars in procuring entities as stated under Section 38 of the Act. In so doing regulation 90(1) of the PPR, GN 97 requires a procuring to establish a tender evaluation committee comprising not less than three and not more than five members except for consultancy service to evaluate and recommended the award of the contracts.

These compliance indicators according to the PPRA audit report 2009/2010 were as shown in table 2 below:

Table: 2.2 Compliance and Performance Indicators used to Assess PEs

S/N	Indicator	Performance data
1	Establishment and composition of PMU	Existence of a tender board in accordance with the requirements of the Act and Regulations
2	Establishment of PMU	Existence of a PMU in according with the requirements of the Act and Regulations
3	Functioning of AO, TB and PMU	Percentage of tenders in which there was no interference between individual functions
4	Preparation of annual procurement plan	Prepare annual procurement plan
5	Approvals	Percentage of tenders/ contracts which received compulsory approvals in various processes
6	Advertisement of bid opportunities	Percentage of open bidding procedures publicly advertised
7	Publication of awards	Percentage of contract award disclosed to the public
8	Time for preparation of bids	Percentage of tenders complying with the stipulated time in the Act and regulations
9	Methods of procurements	Percentage of tenders using authorized methods of procurement in accordance with their limits of application
10	Use of standard tender	Percentage of tenders using standard/ approved tender

	documents	documents
11	Record keeping	Percentage of tenders with complete records
12	Quality assurance	Formation and functioning of inspection committees (goods) and project managers
13	Contract Implementation	Percentage of contracts which have been implemented as per the terms of contract

Source: PPRA audit report, 2009/2010

Challenges Encountered by the Procuring Entities in compliance with PPA, 2004

Since enactment of the PPA, 2004 there are developments in minimization of the public procurement irregularities. The procurement audit report 2009/2010 indicated an outcome to be an average level of compliance of forty three percentage (63%) computed from the thirteen established compliance indicators being 34% on MDAs and LGAs 18%.

According to the report of PPRA Areas where PEs performed below average include: Functioning of AOs, TBs and PMUs; Preparation of Annual Procurement Plan; Complying to compulsory approvals; Publication of contract awards; Use of standard tender documents; Records keeping; Quality assurance and control; and Contract management.

2.5 Description of Framework

For the purpose of this study, the challenges which affect the compliance with PPA, 2004 will be tested around 10 compliance indicators as shown in the table 4 below: the analysis will be to analyze the extent to which the dependent variables are affected by independent variables under study.

2.5.1 Underlying Assumptions

Availability of training within the institution, compliance with the PPRA requirement, following to Procurement Planning, and Competent employee will result in efficiency in procurement systems, short lead time, reduction in users complaints and achievement of the value for money.

Table: 2.3 The causal relationship of dependent and independent variables

Independent variables	Dependent variables
a) Conflict of interest among the management	Establishment and functioning of Tender Boards
b) Lack of members with required titles e.g heads of departments	
c) Reluctance of management and lack of willingness	
a) Lack of qualified staff in the organization	Establishment and functioning of PMU
b) Organization structures which forces improperly reporting of procurement functions	
i) Lack of management willingness	
a) Lack of knowledge among procurement staff	Use of standard tender documents (STDs)
b) Minimal or lack of computer skills to download documents from PPRA websites	
c) Ad-hock procurements which necessitates departure from standard provisions.	
d) The standard bidding document is complicated and time consuming to tailor.	
a) Lack of knowledge among procurement staff	Use the appropriate procurement methods
b) Poor procurement planning	
c) Ad-hock procurements which necessitates departure from standard provisions.	
d) Corruption practices	
e) Lack of cooperation from user departments in planning	
a) Lack of funds	Advertisement of bid opportunities
b) Timing of procurements (ad-hock)	
c) Inadequate annual procurement plan	
a) Lack of enough skills among entity's staff	Contract administration
b) Lack of enough funds to administer the contract	
c) Corruption among staff	
d) Inadequate staffing of the PMUs	
a) Inadequate budget/ lack of funds	Appointment of goods inspection committee and
b) Management override of the procedures	

c) Corruption among staff	evaluation committees
d) Lack of transparency in procurement process	
e) Weak undertaking of the PPA	
a) Inadequate staffing of PMU	Procurement record keeping
b) Weak skills among staff	
e) Big volume of purchases	
a) Inadequate staffing of PMU	Preparation and adherence to annual procurement plans
b) User departments do not furnish adequate information to PMU	
c) Lack of enough knowledge among PMU members	
d) Lack of enough time	
e) Uncertainty of funds availability	

Source: Researcher Collection,2012

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the research strategy, techniques, methods and resources that were used in data collection, the various sources of data, types of data collected as well as description of the techniques that were used in data analysis. This section also describes the general way in which the researcher carried out the research. It describes the sampling procedures and states the main instruments used in data collection from the field.

3.2 The Research Strategy

The researcher design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure (Kothari,2004). In order to achieve the research objectives, the researcher adopted Descriptive research design where by the researcher used the selected few procurement specialist to represent others.

Descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. Because the researcher intended to study the challenges without influencing the situation in any way, this method was found ideal. The study focused on PMU department, Finance and Accounts personnel, ICT specialist, User department, Tender Board Members and Audit personnel.

3.2:1 Description of the Case that Interest the researcher

The researcher determined the challenges in implementing the public procurement Act No. 21 of 2004, there after recommended on the measures on how to overcome those challenges in a procuring entity

3.2.2 Description of the Study area

The research was carried out at Institute of Social Work (ISW) at Dar es Salaam. The choice of a particular place based on the accessibility of both information and permission of conducting research at a particular place.

3.3 Types and Sources of Data

Data are facts, figures and other relevant materials past and present serving as based for study and analysis (Krishna (1993) there are two types of data, primary data and secondary data.

3.3.1 Primary Data

Primary data are data observed or collected by the researcher directly from the field. These are fresh data and thus seem to be of original in nature. The sources of primary data for this study were obtained from collected from PMU, Accounts department, user department and tender board members and Audit personnel.

3.3.2 Secondary Data

Secondary data obtained are the one that have already been collected by other people for some other purposes, this is second hand information. Secondary data for this were collected by reviewing the procurement audit reports issued by PPRA and the CAG reports for year 2009/2010. In gathering the secondary data the hard copies of the reports were perused. These data enabled the researcher to analyze the areas of challenges in compliance with Public Procurement Act, 2004.

3.4 Measurement Strategy

Measurement is a process of mapping aspects of domain onto other aspects of range according to some rule of correspondence (Kothari,2004).The mostly widely used classification of measurement scale were nominal, ordinal, interval and ratio scale. Nominal scale is a system of assigning numbers to the events in order to label them (e.g.male-1 and female-2).

Ordinal scale places events in order but there is no attempt to attempt to make the intervals of the scale equal in terms of some rule. Thus, this is the lowest level of the ordered scale commonly used.

Interval scale normally intervals are adjusted interims of some rule that has been established as a basis of making the units equal. This scale provides more powerful measurement than ordinal scale.

Ratio scale This scale has an obsolete or true zero of measurement. It represents the actual amounts of variables.

For purpose of this study the researcher used nominal scale by assigning numbers. Using nominal scale enabled the researcher to describe differences between variables such as male and female, various user departments, PMU and Tender board, and the like. The arithmetic mean was used to calculate average

3.4.1 Reliability and Validity of Measurement

Sound measurement must meet the test of validity and reliability. (C.R Kothari 2004: 73)

3.4.2 Reliability

The research instrument is considered to be reliable if it can produce the results which are consistent over time and an accurate representation of the total population under study and also if the results of a study can be reproduced under a similar methodology. To ensure this is successful, the researcher designed a study to capture respondents who are experienced in public procurement such that their responsible bears a true view of the field.

3.4.3 Validity

Validity refers to the quality that a procedure or an instrument used in the research is accurate, true, and meaningful and right (Enon, 1998), an instrument of data is said to be valid when it measures what is supposed to measure.

The researcher developed simple and straight questions to attract the common understanding among the respondents. The questions developed were in such a way that they measured a respondent's knowledge on the challenges under the study. The researcher supervised the distribution and collection of questionnaires and cleaned the data to ensure them valid.

3.5 Sampling Plan

3.5.1 Targeted Population

Population: To accomplish this task effectively and efficiently the researcher used 30 respondents among 130 staff at the Institute of Social Work, because the size is affordable to the study putting into consideration of time and fund available

3.5.2 Sample and sample size

A sample is a finite part of statistical population whose properties are studied to gain information about the whole (Webster, 2002). Due to limitation in the aspect of time and resources for the research, the researcher employed a sampling element to achieve the objectives of the study. This drew a sample size of 30 respondents out of 130 staff from departments of finance (5), user department (11), ICT (2), members also from PMU (6), tender board (4), and Audit personnel (2)

Table 3.1 Targeted sample

Category of responses	population	Sample
Member of PMU	50	6
Finance and Accounts personnel	10	5
ICT specialists	4	2
User department	50	11
Tender board members	8	4
Audit personnel	8	2
Total sample size.	130	30

Source: Research Field Data, 2012

3.5.3 Sampling procedures

It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group (Orondo and Kombo, 2002).The participants were grouped into non probabilistic sampling where by purposive sampling was used based on knowledge and experience of participants.

3.6 Data Collection methods and Tools

Field research was conducted at the Institute of Social Work (ISW) in order to get relevant information for the study. The researcher used questionnaire, interview, observation and documentation as the method in data collection

Observation

The researcher used both participatory and non participatory observation. The researcher has decided to use observation in fact finding by observing the whole system at ISW. The method was used mainly for the purpose of validity of the data collected compared with the questionnaire and other method to find the fact. Recording relevant information which will be suitable for the purpose.

Interview

The researcher decided to use this method to obtain data from various staff of ISW by doing face to face interview. The targeted interviewee were those from the different department related to the study. The researcher has decided to use interview due to the following reasons as it allow greater flexibility, high response rate due to the fact that interviewer and interviewee have direct contact, wide coverage from both literate and illiterate people, ensured completeness of questions, and has ability to clarify questions which are not understood by respondents.(Katundu, 2005)

Questionnaire

Questionnaire is a most popular method of data collection. It is a set of questions given to a sample of people. The purpose is to gather information about the people's attitude, thoughts, behaviors and so forth. Questionnaires were distributed to personnel in each department, and others were given to top management. These departments including Accounts, Auditing, PMU, and Information technology , user department as well as tender board members. Questionnaires were administered as a guide to interview in order to explore data.

The researcher has decided to use questionnaire due to the following reasons, it has a wide coverage, guaranteed anonymity of respondents, Are cheap to administer to respondents scattered over a large and convenient for collecting information from a large population within a short period of time, There are some financial costs which are avoided, participants will be free to explain their opinions simply because sometimes the researcher need not to be present, due to the absence of researcher the respondents give true answers to sensitive questions especially if they are not obliged to disclose their names. It avoids

interview bias this is due to the fact that the researcher is not in position to induce the respondent because there is no face to face interaction between them.(Katundu 2005) .

Documentary sources

Documentary sources were collected from the documents available such as files, reports keep at ISW. Those documents enabled to source required data and information required.

3.7 Data Analysis

The researcher analyzed the data using the computer program called Microsoft Excel which assisted in computing some useful totals. The objective was to test how the respondents have reacted to the questions. The response given by respondents was analyzed in line with the findings from the literature review made and secondary data collected there from. Most of the analysis of data was qualitative except for some quantitative sums appeared necessary under the circumstance.

3.7:1 Data Processing

Raw data were processed by using both qualitative and quantitative technique of data analysis.

3.7.2 Specific Analytical Techniques

i) Quantitative techniques

Quantitative method, which was used to analyze data was charts, graphs tables etc.

ii) Qualitative Technique

Qualitative data was in the form of state

3.8 Expected Results

The researcher found out the following challenging towards in implementing the PPA No 21 of 2004; these challenges were lack of training on public procurement Act, interference in the procurement process and late delivery due to the long process of tendering process.

CHAPTER FOUR

FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents an analysis of qualitative and quantitative data as well as, the results to research questions. The main objective of the chapter is to discuss research findings from the analysis done. Initial analysis was done to address specific research questions and there discussed the general findings of the study.

Data were collected through literature search and standardized questionnaire was subdivided in four major parts to mobilize opinions of respondents on key research variables and indicators. The statistical analysis was done using MS- Excel computer program which generated tables of data and computed key ratios of the research findings. The research data included both qualitative and quantitative which were analyzed currently.

4.2 Profile of the Respondents

Demographic Data of the Sample

In this section, the biographic and background information of the respondents is presented and analyzed in order to show the distribution of the respondents by age, experience and qualifications. This information was important to the researcher because it helped him to understand some pertinent issues that may have bearing on the analysis

The population of the study was made up by 130 sample size. Out of the population, 30 respondents were sampled and given questionnaires, out of 30 respondents (75%) filled the questionnaires as shown in table 5 below.

Table 4. The achieved data

S/N	Departments	Questionnaires Distributed	Questionnaires Collected
1	Member of PMU	6	6
2	Finance and Accounts personnel	5	5
3	ICT	2	2
4	Human resource	11	11
5	Tender board unit	4	4
6	Audit personnel	2	2
	Total Questionnaire	30	30

Source: Data from the questionnaires

Distribution of Respondents by Gender

Out of 30 respondents, 8 (27%) were females and 22(73%) were male. The fact that there were more male in the sample than female is not by design but an indicator that more male are practicing in procurement profession than their female counterparts. The table below refers.

Table 4.1. Respondents' gender

Gender	Respondents	%
Female	8	27
Male	22	73
Total	30	100

Source: Data from the questionnaires

Distribution of Respondents by Age

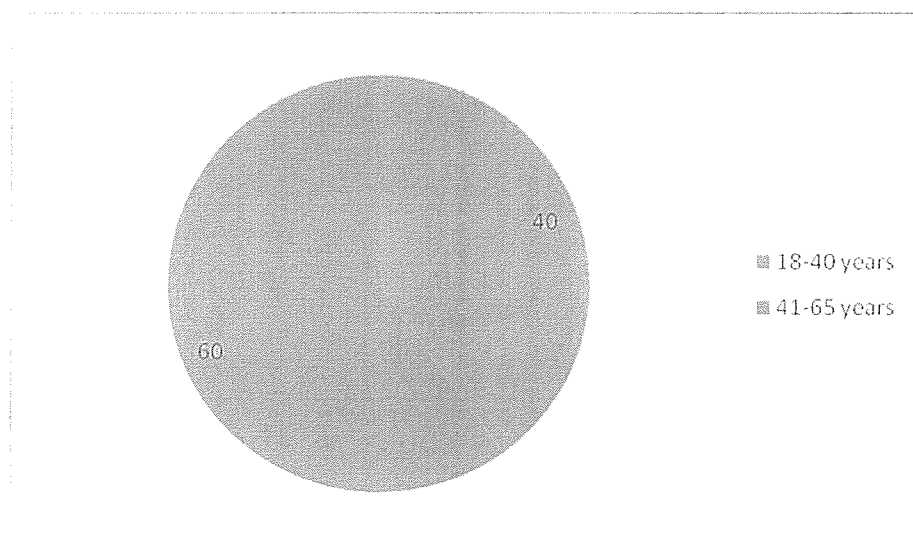
The age of respondents were grouped into two group of age 18 - 40 years and a group of years 41 - 65. Out of 30 respondents identified 18 (60%) had age 41 - 65 years old while 12 (40%) had the age 18 - 40 years old. This scenario shows that the results of the study are a representative of ideas from the young generation as well as the old generation of procurement experts as well as other staff.

Table 4.1:2 Respondents age in %

Age Category	Respondents	%
41 - 65 years	18	60
18 - 40 years	12	40
Total	30	100

Source: Data from the questionnaires

Figure: 4 Respondents age in %



Distribution of Respondents by Highest Academic Qualification

The extracted data from questionnaires shows that 27(90%) respondents have at least a degree level of education while 3(10%) possessed certificate level of education. Further, the questionnaires indicated that 10 (33%) respondents had a professional qualification in procurement and accounts and 20 (67%) respondents were not qualified in professional qualification as indicated below.

Table 4.1:3 Respondents Highest Academic Qualification in %

Education level	Respondents	%
Degree	27	90
Less than degree	3	10
Total	30	100
Professional qualification	Respondents	
Qualified	10	33
Not qualified professional	20	67
Total	30	100

Source: Data from the questionnaires

Procurement of Goods, Works and Services at Institute of Social Work in Complying with Public Procurement Act, No.21 of 2004.

The researcher attempted to find the responses from PMU and user departments of the Institute of Social Work, on whether ISW procure works, goods and services in complying with PPA NO.21 of, 2004 and its regulations, whereby several questionnaires were distributed, and the following were the results from the respondents.

Table 4.1:4 Compliance levels of PPA 2004 and its regulation?

Category	Number of staff	Yes, There is compliance	No, there is non compliance
Number	30	25	5
Rate	100%	83.3%	16.7%

Majority of respondents 25 (83.3%) indicated that the institute does comply with PPA No.21 Of 2004 in its procurement practices except 5 (16.7%) of the respondents indicated that they don't comply with PPA No. 21 of 2004. The researcher went through procurement audit report carried out during the financial year 2008/2009 and 2009/2010 and realized the compliance of procurement Act has been improved compare to Audit report of 2008/2009 whereby the performance results were 58% and procurement audited report of 2009/2010 the compliance level raised up to 94% which is very high performance in PPRA's performance level.

Challenges in compliance with the public procurement Act No. 21 of 2004.

As detailed under part 24.3 of this study, the challenges which affect the compliance with PPA, No.21 2004 were tested around 9 compliance indicators (dependent variables) which includes establishment and functioning of Tender Boards, establishment and functioning of PMU, use of Standard tender Documents (STDs), use of the appropriate procurement methods, advertisement of bid opportunities, contracting and contract administration, appointment of goods inspection committee and evaluation committees, procurement record keeping and preparation and adherence to annual procurement plans. This analysis is to analyze the extent to which the dependent variables are affected by independent variables under study on which the respondents were asked to express their agreement at the 5 scale measurement as follows: 1= strong disagree, 2= Disagree, 3= Don't know, 4= Agree and 5= Strong agree.

1. Establishment and Functioning of the Tender Boards

Most of the Procuring Entities have been working tirelessly to establish the tender boards and most of them have succeeded in establishment but remained with the challenge on the functioning of the same. The following are the response given by the respondents in regard of the challenges listed.

Table 4.1:5 Reasons for non establishment or improper functioning of tender boards

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Conflict of interest among the management	15	4	4	4	3
b	Organization structures which cannot accommodate the requirement law	9	10	2	6	3
c	Lack of members with required titles e.g. heads of departments	11	5	7	4	3
d	Reluctance of management and lack of willingness	6	2	3	6	13

Source: Data from the questionnaires

The results of the data collected from the field indicated that the establishment and functioning of the tender board has been significantly affected by the reluctance of the management and their unwillingness to implement the requirement of the PPA. The results

of the data collected are indicated in table 4.7 above whereby 13 respondents (43%) strongly agreed and 6 (20%) who just agreed to the fact that management reluctance and unwillingness has been a major fact hindering a successful establishment and functioning of the tender boards in the Procuring Entities. On other hand, 6 respondents (20%) and 2(6.7%) indicated strong disagreement and disagreement respectively to the reluctance and unwillingness of the management as the fact contributing to the problems and weak functioning of the tender board. In the fact 3 respondents (10%) stated to be not sure of the real cause of the weakness under discussion.

The respondents indicated a disagreement to other facts such as existence of the conflict of interest among the management, existence of the organization structures which can accommodate the requirement of the law and lack of the members with required titles such as heads of departments. The response in table 4.7 above shows that the first three pointed out causes might not be the fact but the last cause which indicates to bear the truth as agreed by a total of 19 (63%) respondents.

2. Establishment and Functioning of the PMUs

Although most of the Procuring Entities have complied with the requirement of the PPA, 2004 on the establishment of the Procurement Management Units (PMUs), there have been some factors which indicate the weaknesses in functioning of the units. The following data presented in table 4.8 below are the response from the procurement experts on their positions to the hypothesized challenges on proper functioning of the PMUs.

Table 4.1:8 Challenges on the establishment and functioning of the PMUs at the Institute of Social Work.

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Lack of qualified staff in the organization	14	5	2	6	3
b	Organization structures which forces improperly reporting of procurement functions	7	4	3	9	7
c	Lack of management willingness	4	6	4	8	8
d	Complicated recruitment procedures including seek of approval from other organs	4	8	8	7	3

Source: Data from the questionnaires

The data collected from in table 4.8 above agree to one challenges facing the Institute in proper establishment and functioning of the Units. The challenges include organization structures which forces improperly reporting of procurement functions in the Institute which was supported by 16 respondents (53%).

However, 16 respondents (53%) indicated one point which is not a challenge but a weakness in management i.e. lack of management willingness to allow for proper functioning of the units. The respondents were of the view that, in some circumstances the management have been the ones who hinders the proper functioning of the Procuring Management Units and a simple view of the cause may be to allow for interference in procurement processes to fulfill their own interests over the interest of the Institute.

The data above from the field have been in negative relation with the PPRA audit for the year 2008/2009. The report indicated that the establishment of the PMU in the Institute is one of the areas which recorded below 50% of performance. Later on the PPRA audit report of 2009/2010 PMU was officially established with qualified professionals and the report indicated the performance increased up to 100% level.

3. Use of Standard Tender Documents (STDs)

PPRA has been issuing the standard tender documents (STDs) to cause a high degree of uniformity in the procurement process because of that the researcher tested the respondents agreements with the challenges tabulated below to find out what contributes minimal use of the standard tender documents issued by PPRA.

Table: 4.1:7 Challenges for the use of standard tender documents

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Lack of knowledge among procurement staff	11	5	4	7	3
b	Minimal or lack of computer skills to download Documents from PPRA website	8	4	2	9	7
c	Ad-hock procurements which necessitates departure from standard provisions	4	5	4	11	6
d	The standard bidding document is complicated and time Consuming to tailor	8	11	1	7	3

Source: Data from the questionnaires

When the respondents were asked to indicate their agreement on four reasons for not using the Standard Documents (STDs), 16 respondents 53% agreed to the fact that the lack of minimal knowledge of computer may be the attributing factor due to the fact that there is a failure to download and tailoring of the documents from PPRA website. Also 17 (57%) respondents asserted that ad-hock procurements necessitate departure from the use of standard tender documents. The respondents indicated there is disagreement to two factors having a contribution on not using the STDs which are the lack of knowledge among procurement staff and the fact that standard bidding documents are complicated and time consuming to tailor.

The PPRA audit report for the year 2008/2009 indicated a performance of 85% in the use of standard tender documents and later in 2009/2010 PPRA audit report indicated the increased of performance up to 100% which is the excellent level of compliance with the PPA,2004.

4. Use of Appropriate Procurement Methods

Being the key requirement of the PPA, 2004, the researcher also subjected the use of appropriate procurement methods to tests to see the challenges affecting this criterion. Five reasons were put forward and the respondents were to indicate the extent of agreement or disagreement to the reasons. The data gathered from the field are as indicated in table 5 below.

Table 4.2 Reasons for not using appropriate procurement methods by the Institute.

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Lack of knowledge among procurement staff	9	5	4	6	6
b	Poor procurement planning	7	2	1	6	14
c	Ad-hock procurements which necessitates departure from Standards provisions	6	5	6	6	7
d	Corruption practices	17	2	2	4	5
e	Lack of cooperation from user departments in planning.	6	3	2	4	15

Source: Data from the questionnaires

From the results tabulated above, it became evident that ad-hock procurements which necessitate departure from standard provisions, poor procurement planning and lack of cooperation from user departments in planning were the major reasons contributing to non using of appropriate procurement methods in procurement as required by Part V of the PPA, 2004. Poor procurement planning was agreed by 20(67%) respondents which go hand in hand with ad-hock procurements supported by 13 (43%) while lack of cooperation from user departments in planning became another reasons for departures from the required procurement methods supported by 19 (63%) respondents.

The PPRA procurement audit report for 2008/2009 indicated that all NCB tenders executed used proper methods of procurement and scored 100%. Later in 2009/2010 procurement audit, the Institute was noted to have performed 85% on this criterion, where by methods of procurement were applied in accordance with the limits of the applications stipulated under the Second Schedule of GN No.97 of 2005. This was evidenced through tender no. PA/055/2009/2010/G/01-03. This however does not waive the fact that poor procurement planning and lack of cooperation from user departments in planning have remained to be the challenges in compliance with the requirements of the PPA, 2004.

5. Advertisement of Bid Opportunities

The advertisement of the bid opportunities being also a key requirement of the Act was subjected to the test and the results are as presented under table 6 below

Table 4.2:1 Reasons for non advertisement of bid opportunities.

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Lack of funds	9	4	4	1	12
b	Ad-hock procurements	7	6	3	6	8
c	Corruption practices among PEs staff	16	7	3	1	3
d	Inadequate APP	5	6	3	5	11
e	Frame Work Contract –GPSA	5	5	2	3	15

Source: Data from the questionnaires

From the results tabulated above, the respondents agreed to the two reasons inadequate annual procurement plan, which was supported by 16 (53%) respondents. Most of the

common use items and services suppliers are already shortlisted on framework contract by GPSA , thus there is no need to make advertisement, This reason was agreed by 18 (60%) of the respondents as major reasons causing non advertisements of bid opportunities. These reasons remain the challenges complying with the requirement of the PPA, 2004; however, the respondents strongly disagreed to the corruption practices among procurement experts to be the reason for non advertisement of the bid opportunities.

The PPRA procurement audit report for 2008/2009 indicated that tenders are advertised through newspapers of wide circulation as required by Section 61 (2) of PPA No.21 of 2004 and Regulation 80 (1) and (5) of GN 97 of 2005. Tender adverts are not submitted to PPR'A website and journal as per Regulation, 2005, and the report indicated performance level was 75%. Later in 2009/2010 audit report, the Institute noted to have performed 100% on this criterion, where by tender is advertised as required by the Act. This evidenced in the Daily News of 15/10/2010.

6. Contracting and Contract Management Procedures

When asked to respond on the reasons causing weaknesses in contracting and contract management, the respondents gave out the following response.

Table 4.2:2 Challenges for proper contracting and contract management.

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Lack of enough skills among the entity's staff	6	3	3	9	9
b	Lack of enough funds to administer the contract	7	7	4	9	3
c	Corruption practices among Entity's staff		15	6	3	4
2	Inadequate staffing of the PMUs	3	4	6	13	4

Source: Data from the questionnaires

From the response in table 4.2:2 above, lack of enough skills among entity's staff and inadequate PMUs staff were agreed to be major challenges in the proper contracting and contract management supported by 18 (63%) respondents and 17 (57%) respondents respectively. On the other extreme, respondents totaling to 21 (70%) disagreed to corruption as a challenge for proper contracting and contract management.

The response above corresponds to the procurement audit report issued by PPRA in the year 2008/2009 which indicated that the Institute has performed at 40% which is below 50% and that is very poor performance according to PPRA performance level. Later in 2009/2010 audit report, the Institute noted to have performed 87.5% on this criterion,

7. Appointment of Goods Inspection and Acceptance and Evaluation Committees

Following the importance of the above committees, the research subjected the goods inspection committees and evaluation committees to test to get the challenges that might be facing the compliance to these provisions. The results of the respondents were as per table 8 below.

Table 4.2:3: Challenges for appointment of goods inspection and acceptance as well as Evaluation committees.

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Inadequate budget/ Lack of funds	8	11	2	5	4
b	Management override of the procedures	6	3	3	15	3
c	Corruption practices among staff	16	4	7	1	2
d	Weak understanding of the PPA	11	6	8	2	3

Source: Data from the questionnaires

From the data above, management override was supported by 18 (60%) of the respondents to be the major challenges facing the appointment of goods inspection and acceptance committees as well as the evaluation committees. Otherwise the respondents did not see a direct connection of lack of funds, corruption, transparency and weak understanding of the PPA, 2004 which were disagreed by 63%, 67%, 63% and 57% respectively of respondents.

One of the area in which the PPRA audit report for the year 2008/2009 indicated a performance below 50% is the appointment of goods inspection and acceptance committees and project managers whereby the Institute performance level is 30% which is

very poor performance. But in 2009/2010 audit report indicated the improvement of the performance level up to 100% on this criterion.

8. Procurement Record Keeping

The researcher wanted to get the response on the keeping of the procurement records which the following are the results.

Table 4.2:4 Challenges for procurement record keeping

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Inadequate staffing	6	4	3	15	2
b	Weak skills among staff	9	9	1	8	3
c	Corruption practices among staff	18	5	3	2	2
d	Big volume of purchases	12	6	4	6	2

Source: Data from the questionnaires

From the table 4.2:4 above, the respondents agreed on the aspect of inadequate staffing of the PMUs to have contributed to poor record keeping at the response of 17 (57%). However, respondents disagreed with other factors which included weak skills among staff, corruption practices among staff, limited time and big volume of purchase by 60%, 77%, 47% and 60% respectively.

The response above corresponds to the procurement audit report issued by PPRA in the year 2008/2009 which also indicated the performance level below 50% is on record keeping whereby the Institute performance score was at 40% which is below PPRA Standard performance level. Later in 2009/2010 audit report, the Institute's compliance level on such criterion raised up to 90% performance level which is above expectation of the PPRA level.

9. Timely for Preparation of Annual Procurement Plan

Table 4.2:5 Challenges in preparation of annual procurement plan

S/N	Challenges	Response Rate				
		1	2	3	4	5
a	Inadequate staffing of PMU	11	7	4	3	5
b	User departments do not furnish adequate information to PMU	4	2	2	10	12
c	Lack of enough knowledge among PMU members	15	4	2	3	6
d	Lack of enough time	9	4	2	12	6
e	Uncertainty of funds availability	3	5	4	12	6

Source: Data from the questionnaires

From the data in table 4.2:5 above, the user departments were stated to contribute in failure to prepare annual procurement plan. In order for the PMU to prepare a proper procurement plan, the cooperation from user departments is highly needed. The response above shows that failure of the user departments to furnish the appropriate information contributes to poor annual procurement plan supported by 22 (73%) respondents.

Lack of enough time was also stated to be another challenge for preparation of annual procurement plan supported by 15 (50%) respondents. Further, it was stated that uncertainty of funds availability contributes also on failure to prepare a proper procurement plan because the funds availability is the main driver in budgeting for procurements. This was supported by 18 (60%) of respondents as opposed to 8(27) respondents who disagreed with such challenge while 4 (13%) indicated unawareness on the fact.

The PPRA procurement audit report for 2008/2009 indicated that performance level for such provision is 55%. This was not satisfactory performance level. Later in 2009/2010 procurement audit, report indicated that the compliance level increased up 70% on this criterion.

From the above response it is evident that there are areas which still have challenges in ensuring full compliance with the requirements of the PPA, 2004 together with its underlying regulations of the year 2005. Those areas which need immediate interventions therefore include preparation of annual procurement plan, Contracting and Contract management procedures, Record keeping and functioning of Accounting officer, Tender Board and Procurement Management Unit.

Provisions of the Act which appear to be challenging in compliance with PPA, 2004

To get the provisions which seem to be the challenges to the procurement practitioners, the researcher used open ended questions so that the respondents could indicate individually any requirement of the law which seem to be difficult to adhere with. The response given included the following.

There is a need to reduce the processing time for consultancy services. Further, the tendering procedures seem to take a long time and the procurement experts were of the view that the same be reduced.

The methods for procurement have also stated to be challenging. The challenges on the use of a particular procurement method is due to the fact that in other circumstances funds availability is uncertain and some procurements comes in ad-hock hence difficult to consider the use of the appropriate method.

There is a need to pass powers for setting the threshold of approval to the tender boards instead of the thresholds to be pre-determined by the Act.

The failure of the annual procurement plan is mainly attributed by the irregular cash flow from treasury which cannot allow projections.

The PPA and PPRA are silent on the reporting authority for the PMU, this result into different practices among the Procurement Entities.

The Act has so many approvals needed, but the approval of the annual procurement plan could have sufficed the need of the approval and only variations from the APP could have been the issues which need approval and this would have been the area to reduce the

procurement transaction costs. Also the Act does not recognize the Board of Directors in the approvals in the Parastatal bodies complying with the Act.

The requirement of the Act to prepare monthly reports to PPRA is seemed to be a cumbersome procedure due to volume of the procurement of the entity.

Another challenge is problem related to training where by the workshops or seminars on the Public Procurement Act conducted by some Institutions or private consultants. Most of them have therefore, proved to be ineffective in terms of its coverage and delivery. Experience has shown that some of these training are facilitated by non – qualified trainers with scanty understanding of the Act and its Regulations. It can be therefore, fairly said that some of the sensitization workshops or seminars are conducted more with commercial motive than knowledge acquisition. All of these obviously reduce the potential impact of the new law from being realized

Challenges faced by the Institute of Social Work in Complying with the PPA NO.21 of 2004

To get the provisions which seem to be the challenges faced by the Institute in Complying with the PPA No.21 OF 2004, the researcher used open ended questions so that the respondents could indicate individually any challenges that appear to be difficult to adhere with. The response given included the following

Interference/ Influence in the Procurement Process, Lack of Training on Public Procurement Act, The organization structure of the Institute does not accommodate the requirements of the law,

Lack of cooperation from the user departments has also been pointed out to be other reason for non compliance.

Knowledge and skills among the PMUs staff in the law and procurement procedures is still the challenge which also needs a critical look. On addition to that more training is required on the new PPA, 2011 which is still unknown to procurement experts.

The loss of value for money in terms of price, delivery and quality cause by poor implementation of PPA 2004 and its regulations.

Value for Money (VFM) can be defined as an essential test against which a procuring entity must justify a procurement outcome. From the user or the targeted public point of view, value for money is the value (output) attached to some defined cost (input).

The user department or consumer attempts to attach value to products or services received and compares the same with resources. Value for money is based therefore not only on the acquisition price/cost (economy) quality but also on the maximum efficiency and effectiveness of a procurement transaction. Source. Isac Smith (2009) presented in www.smartprocurement.co.za,

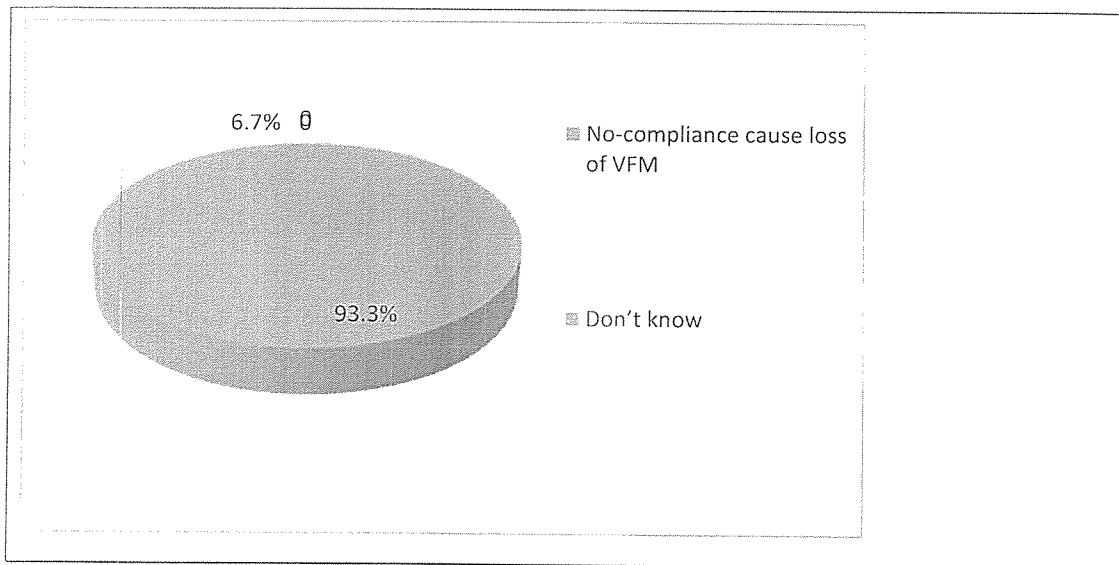
Table 4.2:6 is the Analysis of Research Questionnaire Responses from respondents

Category	Number of staff	Yes, Poor implementation with PPA 2004 lead to loss of VFM	Don't know
No.	30	28	2
Rate	100%	93.3%	6.7%

Source: Data from the questionnaires

Majority of respondents 28 (93.%) indicated that poor implementation with PPA 2004 in procurement practices cause the great loss of Public Resources, low quality of common use items and poor management of the contracts all those resulted to the loss of value for money (VFM) which was supported by 28 (93.3%) respondents. 2 (6.7%) of respondents did not give any reasons on such scenario.

Figure: 5 Compliance Level of PPA 2004 and its regulations at ISW



The losses suffered by the Institute of Social Work that are caused by poor implementation of PPA 2004.

To get the losses suffered by the Institute that are caused by poor implementation of PPA 2004 and its regulations, the researcher used open ended questions so that the respondents could indicate individually any impact of losses resulted from non complying of the procurement laws . The responses given by respondents were as follows.

There are various losses which has been evidenced through poor implementation of the PPA 2004, in such a way that poor quality materials and goods being procured, partial or non-deliveries of procured goods, over-invoicing, damaged goods , misappropriated materials, poor recording and storage of materials, dubious procurement contracts. The researcher found out that user department are getting authority to purchase from top management to procure goods or services, without consulting PMUs, due to their individuals interest as a results poor quality of goods are purchased and that situation lead to loss of value for Institute's funds.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the introduction, summary of the studies, conclusions and recommendations of the whole research findings.

5.2 Summary of the study

The study has concluded that procurement is a risk function and a challenging Role which needs a good level of education, experience and exposure skills. Above all procurement has turned out to be a backbone of the functioning of almost all organizations.

The examination of the challenges facing the procurement practitioners in complying with the PPA, 2004 identified various challenges as detailed under chapter four of this report. However, management interference and overrides appeared to be a major challenge followed by the challenge on the certainty on the availability of funds.

Other challenges given for non compliance with the PPA, 2004 included the organization structures which cannot accommodate the requirements of the law, lack of cooperation among from the user departments and the low knowledge and skills among the procurement experts in the laws and procurement procedures. It is the expectations of the researcher that if the challenges are given a critical look and addressed, the degree of compliance will increase substantially.

The results of the study have answered the research questions in that the reasons given by the respondents contribute to difficulties in full compliance to the Act, 2004. Therefore the establishment and functioning of the tender board and PMUs together with the compliance with the provisions for compliance indicators used in this study depends on the reasons given in this report. Therefore the summary conceptualization of all factors can be given in the following figure.

5.3 Conclusions on the research objectives

The conclusions delivered based on the findings of this study, is based on the research objectives. The General objective was to determine challenges that have been encountered by the Institute in complying with the requirements of the Public Procurement Act 2004 and other four specific objectives were

To determine whether the ISW procures goods works and services according to PPA 2004 and its regulations. The response given by respondents were as follows

Majority of respondents 25 (83.3%) indicated that the institute does comply with PPA No. Of 2004 in its procurement practices except 5 (16.7%) of the respondents indicated that they don't comply with PPA No. 21 of 2004. The researcher went through procurement audit report carried out during the financial 2009/2010 and realized the compliance level of procurement Act has been up to 94% which is maximum performance.

Provisions of the Act which appear to be challenging in complying with PPA, 2004

To get the provisions which seem to be the challenges to the procurement practitioners, the researcher used open ended questions so that the respondents could indicate individually any requirement of the law which seem to be difficult to adhere with. The response given were as follows.

There is a need to reduce the processing time for consultancy services. Further, the tendering procedures seem to take a long time and the procurement experts were of the view that the same be reduced. The methods for procurement have also stated to be challenging due to the fact that in other circumstances funds availability is uncertain and some procurement comes in ad-hock hence difficult to consider the use of the appropriate method. There is a need to pass powers for setting the threshold of approval to the tender boards instead of the thresholds to be pre-determined by the Act. The failure of the annual procurement plan is mainly attributed by the irregular cash flow from treasury which cannot allow projections. The Act has so many approvals needed, but the approval of the annual procurement plan could have sufficed the need of the approval and only variations from the APP could have been the issues which need approval and this would have been the area to reduce the procurement transaction costs. The requirement of the Act to prepare monthly reports to PPRA is seemed to be a cumbersome procedure due to volume

of the procurement of the entity. The requirement of the Act to prepare monthly reports to PPRA is seemed to be a cumbersome procedure due to volume of the procurement of the entity.

To identify the challenges faced by the Institute in implementing PPA 2004

To get the provisions which seem to be the challenges faced by the Institute in Complying with the PPA No.21 of 2004, the researcher used open ended questions so that the respondents could indicate individually any challenges that appear to be difficult to adhere with. The response given included the following

Interference/ Influence in the Procurement Process, Interference by top management due to conflict of interest, Lack of Training on Public Procurement Act, The organization structure of the Institute does not accommodate the requirements of the law. Example, The Institute structures doesn't show the existing of PMU, Uncertainty in the availability of funds affects the planning of the procurements, Lack of cooperation from the user departments.

To establish whether poor implementation of PPA 2004 is the cause of not getting VFM in terms of price, delivery and quality.

The response given by respondents on the above objective were as follows.

Majority of respondents 28 (93.%) indicated that poor implementation with PPA 2004 in procurement practices cause the great loss of Public Resources, low quality of common use items and poor management of the contracts all those resulted to the loss of value for money (VFM) which was supported by 28 (93.3%) respondents. 2 (6.7%) of respondents did not give any reasons on such scenario.

To establish the extent of losses suffered by the organization that are caused by poor implementation of Public Procurement Act 2004.

The responses given by respondents on this objective were as follows.

There are various losses which have been evidenced through poor implementation of the PPA 2004, in such a way that poor quality materials and goods being procured, partial or non-deliveries of procured goods, over-invoicing, damaged goods, misappropriated

materials, poor recording and storage of materials, dubious procurement contracts. The researcher found out that user department are getting authority to purchase from top management to procure goods or services, without consulting PMUs, due to their individuals interest as a results poor quality of goods are purchased ,through those improper procurement procedures , The Institute has been facing loss of value of its money.

5.4 Recommendations

Following observations and conclusions drawn on this study, this section makes key recommendations as follows:-

To Institute of Social Work

- i) Combating of management reluctance and overrides in adhering the PPA, 2004,
- ii) The management in the Institute of Social Work should practically take procurement as the priority area and therefore start aggressive procedures to ensure all procurements under their entities are compliant to the requirements of the Act.
- iii) The Institute of Social Work is advised to take procurement plan as an organizational activity and let user departments participate fully in coming up with the proper annual procurement plan

To the Government

- i) The government through PPRA as the regulatory body should take disciplinary measures to the managers who will be noted to be reluctant in enforcing compliance and those who override the requirement of the law.
Ensure certainty of funds availability
- ii) If the government is willing to see the compliance to the Act, particularly on the requirement of the preparing and implementing an annual procurement plan, it has to ensure a predictable cash flow so that the Institute can have a proper expectation of funds and therefore plan accordingly.

To the PPRA

Recommend the harmonization of the organization structures to accommodate the requirement of the PPA, 2004. The PPRA being the regulatory authority is advised to assess that PEs whose structures are not accommodating the requirements of the PPA, 2004 and forward recommendations to the relevant authorities such as the Institute of Social Work so as to enforce establishment of organization structures which complies with the Act.

Further training on the PPA, 2004

PPRA in collaboration with PEs have to ensure vigorous efforts are taken to train procurement experts in the requirement of the procurement laws and increase their exposures on such requirements.

Strengthen controls to combat any corruption practices

PPRA is recommended to increase its audit capacity to include a sort of investigation skills to investigate any suspect of corruption. In so doing it is also advised to strengthen collaboration with other bodies such as PCCB whenever some fraudulent procurement transactions are suspected. It is the belief of the researcher that if this approach is undertaken, a big portion of corruption and procurement mismanagement may be cut down or solved completely.

Other Researchers

Although the study has attempted to evaluate the challenges facing the procurement experts in complying with the PPA, 2004 and its underlying regulation, some issues came up but could not be looked into. It is therefore felt that future researchers can take into the consideration as follows:

In order to understand why certain reasons are given by respondents, future researchers should target to evaluate the attitude of the respondents towards those reasons. The management attitude on the applicability of the PPA, 2004 and its benefits to their operations may lead into happening or not happening of certain outcomes.

Future studies can also enhance the findings by making a comparison of the challenges to the procurement experts in complying with procurement laws of Tanzania and same offices of other developing and developed countries and their respective laws.

Although this study has concentrated on the challenges facing the procurement experts in carrying out their duties as per the PPA, 2004 and its regulations, there is a need to carry out a study on those losses incurred by the PEs due to deliberate acts and identify the corrective actions as well as disciplinary measures to those who caused the losses.

5.5 Areas for further Research

Compliance of public institution to the PPRA policies and Regulation.

Transparency and Accountability in Public institution to apply with PPRA.

Efficiency and Effectiveness in public institution compliance with PPRA.

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APPENDIX I
QUESTIONNAIRE

Dear Respondent!

Re: Questionnaire on challenges encountered by procuring entities in complying with the terms of PPA, 2004.

Case Study: Institute of Social Work.

The objective of this Questionnaire is to collect your opinion on various matters related to challenges encountered by the Procuring entities in complying with PPRA ACT, 2004. For The researcher wishes to assure you that the information provided will be used for academic purposes only for the completion of Bachelors degree in Procurement and Supply chain Management only. Details may be communicated to the researcher at: Mobile telephone number; 0784727237, email: laizersethmotto@hgmail.com

Thank you in advance for your co-operation.

Please fill or tick the appropriate answer for the following questions

NB: The data will be for academic purposes only and not otherwise:

A: Respondents information

- 1. Department.....
- 2. Position.....
- 3. Sex.....
- 4. Age 18 – 40 ☐
- 41 - 65 ☐

B: Understanding of Procurement and Related laws

B-1 what academic qualification have you attained?

- 1. Degree ☐
- 2. Certificate ☐
- 3. Diploma ☐
- 4. Masters ☐

B-2 Have you attained any Professional qualification in procurement?

- 1. Yes ☐
- 2. No. ☐
- 3. In process ☐

If the answer is IN PROCESS please specify the level _____

B-5 Does ISW procures goods/services according to procurement act, No.21 2004?

- 1. Yes ☐
- 2. NO ☐

C-1: Challenges in Complying with PPA, 2004.

1= Strongly disagree 2= Disagree 3= I am not sure 4= Agree 5= Strongly agree

1. Tender boards are not properly established or functioning due to the following reasons

a) Conflict of interest among the management [1] [2] [3] [4] [5]

b) Organization structures which cannot accommodate the requirement law [1] [2] [3] [4] [5]

c) Lack of members with required titles e.g. heads of departments [1] [2] [3] [4] [5]

d) Reluctance of management and lack of willingness [1] [2] [3] [4] [5]

2. PMUs are not established or weak functioning among procuring entities due to the following factors

a) Lack of qualified staff in the organization [1] [2] [3] [4] [5]

b) Organization structures which forces improperly reporting of procurement functions [1] [2] [3] [4] [5]

c) Lack of management willingness [1] [2] [3] [4] [5]

c) Complicated recruitment procedures including seek of approval From other organs [1] [2] [3] [4] [5]

3. There is weak use of Standard Bidding Documents (STDs) due to the following factors

- a) Lack of knowledge among procurement staff [1][2][3][4][5]
- b) Minimal or lack of computer skills to download Documents from PPRA website [1][2][3][4][5]
- c) Ad-hock procurements which necessitates departure from standard provisions [1][2][3][4][5]
- d) The standard bidding document is complicated and time Consuming to tailor. [1][2][3][4][5]

4. PES do not use the appropriate procurement methods in procurements due to the following:

- a) Lack of knowledge among procurement staff [1][2][3][4][5]
- b) Poor procurement planning [1][2][3][4][5]
- c) Ad-hock procurements which necessitates departure from Standards provisions [1][2][3][4][5]
- d) Corruption practices [1][2][3][4][5]
- e) Lack of cooperation from user departments in planning [1][2][3][4][5]

5. PEs do not advertise bid opportunities following:

- a) Lack of funds [1][2][3][4][5]
- b) Timing of procurements (ad-hock) [1][2][3][4][5]
- c) Corruption among staff [1][2][3][4][5]
- d) Inadequate annual procurement plan [1][2][3][4][5]
- e) Framework contract-GPSA reasons [1][2][3][4][5]

6. Inefficiency in Contract administration is caused by the following

- a) Lack of enough skills among entity's staff [1][2][3][4][5]
- b) Lack of enough funds to administer the contract [1][2][3][4][5]
- c) Corruption among staff [1][2][3][4][5]
- d) Inadequate staffing of the PMUs [1][2][3][4][5]

7. There is no appointment of goods inspection and evaluation committees due to the following reasons.

- a) Inadequate budget/ lack of funds [1] [2] [3] [4] [5]
- b) Management override of the procedures [1] [2] [3] [4] [5]
- c) Corruption among staff [1] [2] [3] [4] [5]
- d) Lack of transparency in procurement process [1] [2] [3] [4] [5]
- e) Weak understanding of the PPA [1] [2] [3] [4] [5]

8. There is inadequate record keeping in respect of procurements due to:

- a) Inadequate staffing [1] [2] [3] [4] [5]
- b) Weak skills among staff [1] [2] [3] [4] [5]
- c) Limited time [1] [2] [3] [4] [5]
- d) Big volume of purchases [1] [2] [3] [4] [5]

9. Annual Procurement plans are not adequately prepared among the procuring entities due to:

- a) Inadequate staffing of PMU [1] [2] [3] [4] [5]
- b) User departments do not furnish adequate information to PMU [1] [2] [3] [4] [5]
- c) Lack of enough knowledge among PMU members [1] [2] [3] [4] [5]
- d) Lack of enough time [1] [2] [3] [4] [5]
- e) Big volume of purchases [1] [2] [3] [4] [5]

C-2 what are the provisions of the Act which appears to be challenging in compliance?

.....

C-3 What are the challenges does the ISW faces in implementing the PPA No 21 of 2004?.....

.....

C-4 Is poor implementation of PPA No. 21 of 2004 the cause of not getting value for money in terms of price, delivery and quality? YES ☐ DON'T KNOW ☐

How would you like the challenges addressed.....

.....

C-5 What are the losses suffered by the organization that are caused by poor implementation of PPA 2004?

.....

APPENDIX II

ACTIVITY SCHEDULE

Proposed Time schedule: starting from 1st January – 30th April 2013

S/N	ACTIVITIES	DURATION IN WEEKS
1	Writing and submitting proposal	8 Weeks
2	Data collection	4 Weeks
3	Thesis Writing	12 Weeks
4	Submission	4 Weeks

APPENDIX III

ESTIMATED RESEARCH BUDGET

S/N	Research activities/items	Unit Cost	Total cost
1	Stationery(Photocopy, Binding, Printing, Typing) and Editing	100,000.00	100,000.00
2	Proposal production	50,000.00	50,000.00
3	Field expenses	560,000.00	560,000.00
4	Final report production	100,000.00	100,000.00
5	Contingencies	150,000.00	150,000.00
	TOTAL		960,000.00

APPENDIX IV

RESEARCH WORK PLAN

MONTH		JANUAR Y				FEBRUA RY				MARCH				APRIL				MAY				JUNE				JULY			
WEEK		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
S/N	Activity																												
	Writing and submitting proposal																												
2	Data collection																												
3	Thesis Writing																												
4	Submission of final Research paper																												