## PROCUREMENT PROCESS ADMINISTRATION AND PROJECT SUCCESS IN JUBA CIVIL CONSTRUCTION COMPANY BOSASO, SOMALIA

.

By

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# A THESIS SUBMITTED TO COLLEGE OF HIGHER DEGREES AND RESEARCH IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A DEGREE OF MASTER OF PROJECT MANAGEMENT OF KAMPALA INTERNATIONAL UNIVERSITY

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## DECLARATION

This thesis is my original work and has not been presented for a Degree or any other academic award in any University or Institution of Learning

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Date 3/11/2016

#### APPROVAL

I confirm that the work reported in this thesis was carried out by the candidate under my supervision.

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#### **DEDICATION**

This report is dedicated to my beloved parents who have helped me through my education since my child hood, may late father and my mother Mrs. Khadra, and all my friends and family who were always there for me and helped in some issues could not handle.

#### Acknowledgement

I would like to thank God who has been the source of wisdom, understanding inspiration and guidance.

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May God bless you all.

#### ABSTRACT

This study was initiated with the purpose to establish the role of procurement process administration on project success in Juba construction company Bosaso Somalia. The institution had had a spell of low project success levels where effectiveness, quality and efficiency had become an issue. The research was guided by three objectives including; to establish the factors influencing procurement administration practices in Juba Construction Company, to establish the factors contributing to project success and procurement administration in Juba Construction Company and to establish the relationship between procurement administration practices and project success in Somalia. The researcher adopted descriptive correlational and cross-sectional study designs which involved both qualitative and quantitative approaches. Using this method, the researcher used a structured questionnaire (close ended) and an interview guide (for qualitative responses). A research population of 320 was identified and a sample size of 178 respondents was computed using the Slovene's formula. In selecting the respondents the researcher used simple random, purposive and convenience sampling techniques. From the findings it was found that procurement process was ineffective. On the other hand, project success was found to be very low. Analysis of relationships suggested that there was a significant relationship between procurement process and project success of the entities and it was computed at a Pearson correlation coefficient of 0.734. Regression analysis computed the R Squared was to be at 0.535. As a probable solution, the researcher suggested sound procurement process environment, competent procurement planning staff, good procurement policies on clients and clients' involvement in designing procurement policies. The study concluded that invitation of a limited number of bidders also increases the chance for lasting relationships and a continuous workload over time for the selected contractors, which facilitate improved innovation and the development of knowledge about the clients and their demands, which is important for client satisfaction and influencing project success in the organization. Recommendations were made and required that in order to design an effective procurement process system need to establish a suitable procurement environment.

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#### LIST OF ACRONYMS

- USA United States of America
- GNP Gross National Product
- UNDP United Nations Development Program
- NGO's Non-governmental organizations
- LIB limited international bidding
- ICB International competitive bidding process
- QM National competitive bidding

## CHAPTER ONE INTRODUCTION

#### **1.0 Introduction**

This section presented the background, problem statement, purpose, objectives, research questions, hypothesis, scope of the study and significance of the study.

#### 1.1Background to the study

The background to the study was presented in four perspectives; historical perspective, theoretical perspective, conceptual perspective and contextual perspective.

#### 1.1.1 Historical perspective

Procurement process according to Thai (2004) has a long history written on a red clay tablet, found in Syria, the earliest procurement order dates from between 2400 and 2800 B.C. The term Procurement Process is the process required to supply equipment, materials and other resources required to carry out a project. This process usually involves sub-processes such as acquisition, purchasing, logistics, monitoring, quality assurance and contract administration (Stuckhart 1995). Currently there is a tendency to manage projects using a fast-track approach in an effort to reduce project schedule. To be able to serve the needs of these projects, the Procurement Process is subject to important pressures to be carried out in the most expedite and fluid possible manner the order was for "50 jars of fragrant smooth oil for 600 small weights in grain". Other evidence of historical procurement includes the development of the silk trade between China and a Greek colony in 800 B.C.

Similarly, Thai (2004), in the United States America (USA), government procurement at the municipal level predates that of state and federal governments. In the settlements and colonies, printing was one of the few services contracted out by government, but there were no professional procurement officials. Goods and services needed by the government were supplied by the commissioners or commissaries, which received a commission on what they bought for the militia or other administrative units. It was not until the late 1800s that state legislators began to create boards or bureaus responsible for purchasing, but central purchasing was hardly a process at that time in 1810. Similarly, procurement was at one time perceived to be a simple

ordering or clerical function of government intended to obtain the right goods, capital assets or services (meeting quality requirements), in the right quantity, for delivery at the right time to the right place, from the right source.

Clients procure construction works for strategic reasons that can be defined broadly in terms of the client's ultimate use of the facility on completion. The strategic nature of construction raises two pertinent issues, namely, the manner in which construction works are procured and the measures applied to determine project success. In essence, all activities related to the process of procurement should be informed, structured and carried out in a manner designed to meet or enhance those objectives strategic to the needs of the construction client. Typically, this would include all the procurement activities, from the evaluation of environmental conditions affecting delivery up to operational use. Consequently, any measure of project performance ought to be tied to the strategic outcome required by the construction client: in terms of the investment/business case, the product, and desired organisational and stakeholder outcomes.

Since few construction clients possess either the expertise or capacity to undertake building projects on their own, they typically engage external service providers (i.e. architects, engineers, management consultants, constructors and building suppliers) to deliver the building assets they require. For most clients the activity of building is a complementary or residual activity, and hence there is no economic case for them to retain these skills in order to carry on their primary business activities. To engage the service providers, construction clients require contracts – not only to ensure full and adequate performance by the service providers on whom they depend, but also to provide a degree of certainty that the strategic objectives of the transaction are met in a controlled way. The contract thus assumes a pivotal role as a means towards these ends. It is therefore imperative that the contract's philosophy, structure and parameters are consistent with the adopted procurement approach to deliver the necessary control over supply chain resources, the manner in which the project will be managed and controlled, and with the choice of criteria selected to measure project success at completion.

Construction contracts have evolved into standard contract forms, not only because of their advantages of familiarity and the prohibitive cost of customisation, but also to provide certainty

on the nature of the transaction between parties on a project-specific basis (Masterman, 1997); in effect, to minimise transaction costs.

Fellows (1989) is very critical of this development, arguing that the practice is outmoded and that its practice has contributed significantly to many of the construction industry's recent and current difficulties, subsequently highlighted by Latham (1993, 1994). The development of these contract forms reflects the building industry's perspective. Terms and conditions are the product of an exclusive dialogue between building trade organisations and the built environment professions. The result is a compromise of beliefs between these parties to form a fair and equitable balance of risk and power in the contract terms. The business needs of the construction client, therefore, are very much a secondary consideration (Cox & Thompson, 1998).

Whilst the client may accept this arrangement in order to gain the benefits of the reduced transaction costs within the construction project, the downside is that any resulting agreement between the contracting project, the downside of a —free! commercial negotiation only in a very narrow sense (Root, 2001) and the client, is limited in his ability to exercise any direct or meaningful control over the way the process is organised. However, these established contracting practices have come under sustained pressure as clients have started to exert pressure on the industry to better serve their needs (Egan, 1998) and have begun to look to their own sectors for innovative procurement practices (Root et al., 1999).

In Africa, most countries are sensitive to costs and as such project cost is one of the most common measures used to gauge project performance there (Ssentongo, 2013). In Nigeria, construction teams are always looking for ways to complete the project within the budget specified. The ability of a project team to complete within the cost is challenging, as there are always uncertainties and changes occurring throughout a construction project. According to Uche (2012), cost can be defined as the degree to which the general conditions promote the completion of a project within the estimated budget. Cost can be measured, based on cost variation calculated by the variance between the actual cost and the budgeted cost of a project (Uche, 2012). Even though this has been underscored in the country for several years significant results are yet to be delivered as the costs always remain higher than anticipated.

#### **1.1.2** Theoretical perspective

This study was guided by the transformation theory of projects by Howell (2002). According to Koskela & Howell (2002), the theory of projects is provided by the transformation view on operations where a project is conceptualized as a transformation of inputs to outputs. There are a number of principles, by means of which a project is managed.

These principles suggest, for example, decomposing the total transformation hierarchically into smaller transformations, tasks, and minimizing the cost of each task independently to enable achievement of the expected project success. This study will therefore be underpinned by the transformation theory of projects that relates largely to the acquisition of inputs that are turned to project outputs through value adding role of project procurement processes.

#### 1.1.3 Conceptual perspective

Procurement Process is the process required to supply equipment, materials and other resources required to carry out a project (Holt and Rowe, 2000).the critical elements of project procurement process are planning, bidding process, evaluating, selecting, awarding and contract management, continually, within the process of project inception, delivery and use. This could be done by influencing, for instance, procurement processes, monitoring techniques and accounting procedures. Project quality is, then, not conceptually limited to the product process, but incorporates relations between suppliers and clients within the project supply network.

Procurement administration process involves supply equipment, materials and other resources required to carry out a project (Holt and Rowe, 2000). The critical elements of project procurement process are planning, bidding process, evaluating, selecting, awarding and contract management, continually, within the process of project inception, delivery and use.

Project success is the ability of the project to attain its goods by using its resources in an efficient and effective manner (Draft, 1991). According to (Jones, 2004), Project success refers to the actual output or result of an organization as measured against its intended objective and goals. In the context of this study project success is conceptualized as quality, efficiency and effectiveness of a project.

Project success is the road through which a Catastrophe can be regarded as great successes (some resulted in bankruptcies, many were cancelled before completion and some caused significant damage to public relations). (Free Online Dictionary).

Project quality is, then, not conceptually limited to the product process, but incorporates relations between suppliers and clients within the project supply network. So, before total quality management procedures governing the event of product and service delivery can operate effectively, concern must be given to the foundations within which such procedures make sense, notably, to nurturing a culture of innovation and continuous improvement.

#### **1.1.4 Contextual perspective**

Sound formal planning provides the basis for organizing the work on the project and allocating responsibilities to individuals. Brown and Hyer (2010) explain that planning involves identifying the purpose, defining the scope, determining customer requirements (user needs), as well as identifying tasks (key procurement activities), estimating time (delivery schedules for goods and services) and cost, assigning responsibilities and other activities. Planning answers the question: What does the organization hope to accomplish by successfully completing this project? What organizational result is expected? In underscoring the critical role planning plays in successful project implementation, Frese et al (2003) contends that planning requires excellent preparations, which includes detailed scheduling of the process implementation stages and milestones, task timeliness, fallback positions and re-planning. This means that initial planning is not enough.

According to Saunders (1997), planning also encompasses the aspect of forecasting to help in the process of predicting costs and cash flows (financial disbursements). Ultimately, the purpose of procurement planning is to safeguard against delayed implementation of public projects and to avoid situations of budgetary constraints which would hinder successful project execution and completion.

Project control thus portends a project change management process for deciding when changes are appropriate and when to stay the course. Chandra (2008) avers that control is critical to implementation success in so far as it compels regular comparison of performance against targets, a search for the causes of deviation, a commitment to check adverse variances. Brown and Hyer (2010) have anchored their argument for monitoring and control on the fact that there

are several phenomena which influence project execution and cause actual performance to depart from planned performance. These phenomena include: (i) Scope Creep; which describes the tendency for a project to grow beyond its initial size. It is caused by the team members" enthusiasm; unanticipated issues discovered mid-project and redefinition or clarification of customer needs; (ii) Murphy"s Law; which espouses the principle that anything that can go wrong will go wrong. This means that not all risks can be accurately anticipated; (iii) Pareto's law; which postulates that 80% of project's problems and delays are caused by 20% of project activities.

An effective project monitoring system should focus on activities that carry the highest risks for delay, cost over-runs, or performance challenges; and lastly, (iv) Escalation of Commitment principle which states that human beings tend to continue pursuing failing courses of action, even when all signals point to the fallacy of the strategy. Thus a procurement project contract monitoring system can have a significant influence on people's decisions to escalate or deescalate commitment. Most donors require that funding recipients evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

Lysons and Farrington (2006) espouse the view that successful project implementation is about converting a strategic plan into action and doing what needs to be done to achieve the targeted strategic goals and objectives. According to Brown and Hyer (2010), effective project implementation or success can be measured on the basis of time, cost and quality (performance), commonly known as the triple constraint. These three factors represent the Key Performance Indicators (KPIs). To establish whether a project has been effectively implemented, or better still, if the project has been successful, one has to go back to the initial project goals of time, cost and quality (performance) and be able to measure the extent of their individual achievement. This model is premised on the principle of interdependency, whereby each constraint affects the others. For example, if a project requires more time, the cost is likely to rise. Likewise, a higher performance may lead to increased project cost.

Barasa (2014) in a study on Procurement Practices Affecting Effective Project success at the Kenya Civil Aviation Authority reported that 90.6% of respondents believed that procurement planning, contract monitoring & control, as well as choice of procurement procedure were

important factors in project implementation. He further argues that major implementation obstacles for donor funded projects in Kenya include procurement policies and donor guidelines due to bureaucracy which results in low disbursement of donor funds. The fact that both donor and Government procurement policies and guidelines are applied concurrently only serves to compound an already worse situation.

The World Bank Report (2009) and Kirungu (2011) concur that the average project funds absorption rate in Kenya is less than 10% per annum, and attribute the problem to a constrained procurement process. Whereas it is clear that execution of the procurement function has an impact on the outcome of donor funded projects, the two scholars do not provide concrete details on the actual fund absorption rate for INGOs operating in Kenya, nor do they give the extent to which constrained procurement practices affect the success of projects implemented by the INGOs. This begs the question as to which specific practices impact project success the most, given that majority of the INGOs strive to operate within internationally accepted best practice.

In Hargeisa, Somaliland, issues of project success have taken center stage only of late within the country (UNDP Report, 2014). Prior to 1991 (when the Somali government collapsed), there were a few projects in this region. The influx of projects which are mainly humanitarian in nature by NGO's came with the concept of performance as they were constantly and regularly appraised (Abdullahi, 2013). Just like in the rest of Africa, project cost was the corner stone of measuring project performance until mid-2000's where the focus changed to quality. This change was however observed in international NGO's whereby local NGO's continued to appraise basing mostly on the project cost. Currently, such evaluations have offered poor results in terms of the two parameters and analysts believe it is time to have a change of paradigm with regards to project performance (Abdullahi, 2013).

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#### **1.2 Problem statement**

Juba civil construction company is the largest construction company in Somalia, handling more than three quarters of the construction work in Bosaso city. It's tendered to construct feeder roads within the city suburbs and also maintenance of existing main roads. The company is among the highest civil engineering employer with a workforce of over 1000 employees (Investment report 2014). The company annual report as of the year 2014, indicate that the company implemented various procurement processes to enhance its project success (Juba annual report as of the year 2014). Despite these efforts, project success has remained below the expected, with many of the tendered projects either not done at all or not completed within the agreed period. (Puntland investment report 2014). There is little or no literature concerning procurement administration practices and project success in Somalia's private sector or even the public sector, this brings a huge question as to why this is so. This observation have prompted the researcher to carry out the research in order to establish the relationship between procurement and project success as the main objective where the areas of focus will be; procurement processes, project success and the relationship there of.

#### 1.3 Purpose of the study:

The purpose of the study was to establish the impact of procurement process administration practices and project success in Somalia. A case study of Juba Construction Company.

#### 1.4 Specific objectives

- 1. To establish the factors influencing procurement process administration practices in Juba Construction Company.
- 2. To establish the factors contributing to project success and procurement administration process in Juba Construction Company.
- To establish the relationship between procurement administration process practices and project success in Somalia.

#### **1.5 Research questions:**

- 1. What are the factors influencing procurement administration process practices in Juba Construction Company?
- 2. What are the factors contributing to project success and procurement administration process in Juba Construction Company?
- 3. What is the relationship between procurement administration process practices and project success in Somalia?

#### **1.6 Hypothesis**

1. There is a significant relationship between procurement administration process and project success

#### 1.7 Scope of the study

#### 1.7.1 Geographical scope

This study was be conducted in Bosaso city, Puntland is a city in the northeastern Bari province (*gobol*) of Somalia. Located on the southern coast of the Gulf of Aden, it serves as the region's commercial capital and is a major seaport within the autonomous Puntland state. Formerly known as Bandar Qasim, Bosaso's population is estimated at 700,000 residents.<sup>[1]</sup> It is the third largest city in the country after Mogadishu and Hargeisa. While Bosaso is a melting pot, with residents hailing from all the major clans of Somalia, The city is located in the North East of Somalia and on the coordinates: 11°17′ 05"N 049°10′57″E / 11.28472°N 49.182 at Juba civil construction company headquarters, on plot 79, Salim Building in bosaso.

#### 1.7.2 Content scopes

The purpose the research was to establish the relationship between procurement and project success as the main objective where the areas of focus were; procurement processes, project success and the relationship thereof.

#### 1.7.3 Time scope

The study focused on the period from 2012 to 2014, which reflected the period when the company undertook major construction work contracts.

#### 1.8 Significance of the study

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- i. The study may help the management of Juba Civil Construction Company establish the project procurement processes utilized and their influence on the project success.
- ii. The study may act as a source of literature for the scholars who intend to do research on relationship between procurement process and project success.
- iii. The finding and the recommendations of this study will also be useful for project decision makers to evaluate their project procurement processes for improved project success

## CHAPTER TWO LITERATURE REVIEW

#### 2.0 Introduction

This chapter covers the review of related theories and literature in reference to stated objectives of the study

#### **2.1 Theoretical Review**

This study was guided by the transformation theory of projects by Howell (2002). This theory was chose because it aims at establishing the impact of procurement administration practices evolving into a successful project. Transformation theory, first explained by Dr. George Land (also George Ainsworth Land and George T. Lock Land) (1927-) is a description of the structure of change in natural systems. Land's research, detailed in his seminal book Grow or Die), illustrates change as a series of interlocking S-curves, each interspersed with two breakpoints. Breakpoints are the moments in time when the rules of survival change.

Two breakpoints per S-curve yield three distinct phases of growth. Phase I is characterized by experimentation, in which the system attempts to find a connection with its environment. It is not unusual for a system (organism, business, relationship) to die before finding this connection. Assuming this connection is found, the first breakpoint is reached. It is at this point that the rules for success change from experimentation to replication of success. The system must cease searching and begin capitalizing on its connection food supply, market appeal, common interests — by simply repeating its formula for success. In Phase II, the system enjoys tremendous growth, limited only by the environment that provides resources for that growth.

According to Koskela & Howell (2002), the theory of projects is provided by the transformation view on operations where a project is conceptualized as a transformation of inputs to outputs. There are a number of principles, by means of which a project is managed. These principles suggest, for example, decomposing the total transformation hierarchically into smaller transformations, tasks, and minimizing the cost of each task independently to enable achievement of the expected project performance. This study will therefore be underpinned by the transformation theory of projects that relates largely to the acquisition of inputs that are turned to project outputs through value adding role of project procurement processes.

#### 2.2 Conceptual framework



- Procurement planning
- Bidding process
- Contract award

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## Project success (DV)

- Project Quality
- Project Effectiveness
- Project Efficiency

#### Modified from Skitmore (1998)

The study had variables, the independent variable and the dependent variable and the intervening variable. The independent variable was procurement process which had factors; design, bid evaluation, bid invitation, subcontractor selection, compensation selection form and performance evaluation. The dependent variable was project success which had factors; project schedule, project costs, project quality, project effectiveness and project efficiency.

## 2.3 Related literature

#### 2.3.1 Procurement administration process

According to Agaba and Shipman (2007), procurement planning is the process used by companies or public institutions to plan the purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, procurement entities or departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process.

Economic commission of Africa (2003) defines procurement planning as the purchasing function through which procurement entities obtain products and services from external suppliers. According to Lewis and Roehrich (2009), a good procurement plan will go one step further by describing the process that the procuring entity goes through to appoint those suppliers contractually. They assert that the steps or activities involved in the procurement planning are always the same whether for a project procurement or a service procurement exercise. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery. Design Stage: The design stage is very important for many aspects of project performance, such as life cycle costs, project costs and schedule (Andi and Minato, 2003, Faridi and El-Sayegh, 2006). In fact, defective design has been found to cause 30% of cost and time overruns in construction projects (Andi and Minato, 2003). Adequacy of plans and specifications and a design with high constructability have been identified to improve overall project performance (Chua et al., 1999).

The client can choose varying degrees of detail in the design work. The extremities are to specify the technology in detail (i.e. design-bid-build contracts) or merely the performance and functions of the product (i.e. design-build contracts). In design-bid-build contracts the client performs detailed design work together with consultants before contractors are procured, in order to develop a solid base for competitive bidding. In design-build contracts, contractors are procured very early based on the project brief or sketchy drawings, after which the contractor performs detailed design. This facilitates solutions with high constructability, due to contractor focused design (Tam, 2000).

The drawback is diminished client influence in the design work. Between these extremes, where design relies heavily either on the client or the contractor, there are alternatives in which the client and the contractors together with consultants cooperate in developing the detailed design. As for design-build, the contractors need to be involved early in the design process. This approach is often called joint specification (Eriksson and Nilsson, 2008) or concurrent engineering, since it make parallel and integrated design and construction possible (Brown et al., 2001).

Bid invitation: Laws regarding public procurement restrict public sector clients' bid invitations to open invitations in which all contractors are welcome to submit bids. The purpose is of course to enhance competition and transparency. The drawback is that it hampers long-term development in lasting relationships since actor constellations are changed in every project (Dubois and Gadde, 2000). Hence, private sector clients often utilize the possibility to invite a limited amount of trustworthy contractors, or even negotiate directly with only one selected contractor (Eriksson, 2008).

*Bid evaluation:* Selecting a capable contractor is one of the most important tasks faced by clients who wish to achieve project success (Fong and Choi, 2000, Kumaraswamy and Anvuur, 2008). Bid evaluations can include many different parameters, such as bid price, technical competence, management capability, earlier experience, reference objects, environmental and quality management systems, financial stability and collaborative skills (Malmberg, 2007).

Traditionally, clients set a very high weight on price and lower weight on soft parameters, especially among public clients (Eriksson, 2008). Recently, there has, however, been growing interest for a shift from lowest price selections to multi-criteria selection also considering soft parameters (Kumaraswamy and Anvuur, 2008). While bid price is related to competition, all other aspects can be seen as aspects determining the potential for collaboration in the project (Eriksson, 2008a). For instance, suitable competencies and capabilities will provide a basis for better integration between client and contractor. Likewise, earlier experience (especially if it shared) provides a path for how collaboration can be organized.

*Subcontractor selection:* As much as 70-80 % of the overall project cost regards purchased material and services from suppliers and subcontractors (Dubois and Gadde, 2000). Thus, subcontractor selection is very important for project success. The selection of subcontractors can be made by the main contractor (domestic contract), by the client (nominated contract) (Shoesmith, 1996) or jointly by both parties in collaboration (Eriksson, 2007).

In market relationships, main contractors have total freedom to select their subcontractors, leaving the client with no control of who performs specialist work (Shoesmith, 1996). Domestic contracts therefore indicate a *laissez-faire* approach, while nominated contracts entail control and authority. The third alternative, careful joint subcontractor selection by both client and main contractor in collaboration indicates a concern for both parties' interests (Eriksson, 2007).

*Compensation form:* Fixed price for a product delivered is the most common form of compensation (Eriksson and Laan, 2007). This compensation makes the bid evaluation easier since the client easily can compare the different contractors' bid prices. It will also provide the client with a more or less accurate estimation of the total project cost already in the bid evaluation stage. The opposite type of compensation is cost reimbursement, which means that the contractor receives payment for all costs arisen in the project, decreasing the financial risk for

the contractor (Tadelis, 2001). Between these extremities there are alternatives based on reimbursement payments including gain share/pain share agreements based on a target price (Laan, 2007).

*Performance evaluation:* The control of work in progress and the final product can either be executed by the client or by the contractor. Traditionally, construction clients perform most of the control instead of leaving it up to the contractor. End inspections of the finished product are traditionally very comprehensive, consuming both time and money without adding any value.

*Environmental performance:* Environmental management in construction has become a critical issue in recent decades since the actors start to acknowledge that the construction industry is one of the major contributors to environmental problems (Tam *et al.*, 2006). Environmental impact is affected by both the activities performed during the construction process and the material and technical solutions incorporated in the end product (Crawley and Aho, 1999).

Furthermore, the environmental performance depends not only of choices made but also how these choices are executed. Hence, two main aspects can be identified within this area. First, it is in what degree the construction actors make environmentally friendly choices of material and processes, i.e. in the planning and procurement choose those material and those methods that will leave the least environmental "footprint" over the construction's life span (not only the construction period). Second, it is about how the material and processes are used during construction, i.e. environmentally friendly use of material and processes. With little concern over environmental impacts, excess loss of material and improper waste treatment are always common in the construction industry (Tam *et al.*, 2006b).

#### 2.3.2 Project success factors

Chan and Chan (2004) contends that establishment of success indicators enable measurement of project success and advocates that project performance is measured using traditional measures relating to schedule, quality and cost. Thus, project success is considered in the context of achievement of a project's schedule, quality and cost objectives; it does not include other emerging performance metrics used in the measurement of project success.

*Project Schedule*: Schedule refers to the duration for completing the project. It is scheduled to enable the project to be used by a date determined by the plans. Related to "time" is the concept

of "effectiveness". Effectiveness is defined as a measure of how well the project was implemented or the degree to which targets of time and cost were met from the start-up phase to full production. According to Chan & Chan (2004), there are three formulae under the "time" category, namely construction time, speed of construction and time variation. Construction time is the absolute time that is calculated as the number of days/weeks from start of the activities to practical completion of the project. Speed of construction is the relative time, which is defined by gross floor area divided by the construction time.

Time variation is measured by the percentage of increase or decrease in the estimated project in days/weeks, discounting the effect of extension of time (EOT) granted by the client. Moreover, time management is a project function that establishes and maintains appropriate allocation of time to project activities to control overall conduct of project through the successive stages of the project cycle. This is done through the planning, estimating, scheduling and schedule control-i.e. carry out activity/task definition, carry out activity sequencing, estimate duration of activities, develop activity scheduling and schedule control. Chan (2004)

Time management is a critically important skill for any successful project team. Project managers who succeed in meeting their project schedule have a good chance of staying within their project budget. The most common cause of blown project budgets is lack of schedule management. (Chan, 2014)

*Project Costs:* According to Chan and Chan (2014), cost is defined as the degree to which the general conditions promote the completion of a project within the estimated budget. Cost is not only confined to the tender sum, it is the overall cost that a project incurs from inception to completion, which includes any costs arise from variations, modification during implementations period and the cost arising from the legal claims, such as litigation and arbitration. Cost can be measured in terms of unit cost, percentage of net variation over final cost.

Percentage net variation over final cost is the ratio of net variations to final contract sum expressed in percentage term and it gives an indication of cost overrun or under run. Project cost performance is a group of processes required to ensure the project is completed within the approved budget. Project cost management includes: estimating, budgeting and cost control. Cost estimating is the process of developing an approximation (or estimate) for the cost of the resources necessary to complete the project activities.

There is a difference in Cost Estimating and Pricing. Cost estimating is assessing how much it will cost the organization to provide the product or service. Pricing is assessing how much the organization will charge for the product or service. Cost estimating also includes identifying and considering cost alternatives. Cost estimating process is a part of "Project Planning Phase". Cost Budgeting is allocating the value of the overall cost estimate to individual work items, in order to establish a cost baseline for measuring project performance. Cost Budgeting is part of "Project Planning Phase". Project cost control includes influencing the factors that create changes to the cost baseline, ensuring requested changes are agreed upon and managing the actual changes when and as they occur. Cost Control process is part of "Project Controlling Phase" (PMP, 2009).

*Project Quality:* Hardie and Walsh (1994) identified different definitions of quality, including conformance to specification". This definition has been widely implemented throughout industry and academia. They stipulate that if a product does not meet the specified standard defined according to customer demand and requirements, then it is defective, i.e. the customer will be dissatisfied with the product.

Other notable definitions which were highlighted by Hardie and Walsh (1994) include ``anything that can be improved" and ``fitness for purpose or use". Quality has also been defined as "the totality of characteristics of an entity that bear on its ability to satisfy stated or implied needs (ISO Press, 1994).

Here, the stated and implied quality needs are the inputs used in defining project requirements from the donor and the beneficiaries. Quality is also defined as the "Conformance to requirements or fitness for use"-which means that the product or services must meet the intended objectives of the project and have a value to the donor and beneficiaries and that the beneficiaries can use the material or service as it was originally intended (Duran, 1951).

According to Chan & Chan (2004), quality is another project performance criterion that is repeatedly cited by previous researchers. However, the assessment of quality is rather subjective. In the construction industry, quality is defined as the totality of features required by a product or services to satisfy a given need; fitness for purpose. Nowadays, quality is the guarantee of the products that convinces the customers or the end-users to purchase or use. The meeting of specification is one way to measure quality.

They defined specification as workmanship guidelines provided to contractors by clients or clients' representatives at the commencement of project execution. The measure of technical specification is to the extent that the technical requirements specified can be achieved. In real terms, technical specification is provided to ensure that buildings are built in good standard and in proper procedure. The central focus of quality management is meeting or exceeding stakeholder's expectations and conforming to the project design and specifications.

The ultimate judge for quality is the beneficiary, and represents how close the project outputs and deliverables come to meeting the beneficiaries' requirements and expectations. Quality management is the process for ensuring that all project activities necessary to design, plan and implement a project are effective and efficient with respect to the purpose of the objective and its performance. Project quality management (QM) is not a separate, independent process that occurs at the end of an activity to measure the level of quality of the output. It is not purchasing the most expensive material or services available on the market. Quality and grade are not the same, grade are characteristics of a material or service such as additional features. A product may be of good quality (no defects) but be of low grade (few or no extra features). The main principle of project quality management is to ensure the project will meet or exceed stakeholder's needs and expectations (PM4DEV, 2007).

Project Efficiency: Efficiency measures the characteristics of the degree to which the process produce output at a minimum reserve cost in order to attain value for money in the organization (Julia, 2005). In other words efficiency is how well productivity resources are used to achieve the Organizational goals (Saleemi, 1992).

Project success starts from efficiency in all the functions of an enterprise in order to change from being reactive to being proactive to attain set success levels in an entity (Knudsen, 1999). According to Van Weele (2000) project success is considered to be the result of overall efficiency. Efficiency provides the basis for an organisation to assess how well it is progressing towards its predetermined objectives, identifies areas of strengths and weaknesses and decides on future initiatives with the goal of how to initiate performance improvements.

*Project Effectiveness*: Syson (2000) defines effectiveness as measures of the appropriateness of the goal the organization is perusing and the degree to which those goals are achieved.

According to Kotler (2003) he defined effectiveness as a measure on how successful the working system in the organization achieves its desired output.

A study carried out by Iravo (2007) in which he sought to examine the effect of montioring on effectiveness of equipment management in public institutions. He sought to solve the problem in Oklahoma State which at the time was marred with public offices using office equipment for private purposes and at times stealing such equipment. He ultimately established that there is an inherent positive relationship between monitoring and wise equipment use in such public offices (Iravo, 2007).

*Economic performance:* This has traditionally been seen as one of the most important areas – if the economy of the project is off, the project can seldom be seen as a success. *Overall project cost,* i.e. the overall cost that a project incurs from inception to completion, is of major interest as it shows the resource usage in economical terms. Another important aspect regards cost predictability, that is, whether the final overall cost is in line with the initial cost estimate (Swan and Khalfan, 2007). *Cost overruns* can be a source for problems for an otherwise successful project as contractors are frequently criticised for the common occurrence of cost overruns (sometimes labelled cost growth) in construction projects (Chan and Chan, 2004).

*Quality Characteristics*: All material or services have characteristics that facilitate the identification of its quality. The characteristics are part of the conditions of how the material, equipment and services are able to meet the requirements of the project and are fit for use by the beneficiaries. Quality characteristics relate to the attributes, measures and methods attached to that particular product or service. Quality characteristics include the following: Functionality is the degree, by which equipment performs its intended function, this is important especially for clinical equipment, that the operation should behave as expected.

Performance is how well a product or service performs the beneficiaries intended use. A water system should be designed to support extreme conditions and require little maintenance to reduce the cost to the community and increase its sustainability. Reliability is the ability of the service or product to perform as intended under normal conditions without unacceptable failures. Material used for blood testing should be able to provide the information in a consistent and dependable manner that will help identify critical diseases. The trust of the beneficiaries depends on the quality of the tests.

Relevance is the characteristic of how a product or service meets the actual needs of the beneficiaries; it should be pertinent, applicable, and appropriate to its intended use or application. Timeliness is how the product or service is delivered in time to solve the problems when it is needed and not after, this is a crucial characteristic for health and emergency relief work. Suitability, defines the fitness of its use, its appropriateness and correctness, the agriculture equipment must be designed to operate on the soul conditions the beneficiaries will use it on.

#### 2.3.3 Relationship between procurement administration process and project success

*Relationships between design stage choices and project success:* A high degree of specification prior to contractor procurement results in a divorce between design and construction, since construction planning cannot affect design (Laan, 2007). This separation results in long project durations and decreased innovation due to lack of joint problem-solving. The literature shows some positive results for both design-build and for design -bid-build. Looking at design-build contracts, these have shown to provide better value for money and reduced project duration, compared to design-bid-build contracts (Tam, 2000). Other studies show that design-bid -build contracts have ensured quality better than design-build contracts (Cheung *et al.*, 2011).

A complete design before construction also improves budget performance (Chua *et al.*, 1997). In order to decrease the risk for defective design increased coordination between designer and contractors is suitable (Andi and Minato, 2003). Early involvement of contractors in concurrent engineering facilitates cost saving and shortened project duration due to increased buildability (Bresnen and Marshall, 2000c, Bresnen and Marshall, 2000a, Brown *et al.*, 2001, Andi and Minato, 2003, Rahman and Kumaraswamy, 2004) and reduced rework (Love *et al.*, 2004), increased client satisfaction since the client maintains the possibilities to influence and control the design work (Pietroforte, 1997, Eriksson, 2008b) and improved environmental performance (Cole, 2000), work environment (Cameron and Duff, 2007), and innovation (Ling, 2003).

Relationships between bid invitation choices and project success: Invitation of a limited number of bidders decreases project duration due to shortened bidding stage (Lam et al., 2001).

Invitation of a limited number of bidders also increases the chance for lasting relationships and a continuous workload over time for the selected contractors, which facilitate improved innovation (Barlow, 2000, Dubois and Gadde, 2002, Manley, 2008) and the development of knowledge about the clients and their demands, which is important for client satisfaction (Eriksson, 2009). Since one key factor of keeping a safe and healthy work environment is continuity (Wilson, 1989), a smaller set of trusted invited bidders is likely to lead to a better project work environment. Also environmental management and sustainable development require continuity and a long-term perspective, which should be facilitated by long-term relationships. For economical performance, the outcome is less certain. While an open bid is likely to result in a lower bid (and potentially a lower overall project cost), a closed bid may be better in terms of avoiding cost overruns as there is less reason for underestimating costs for bidders in this situation.

Relationships between bid evaluation choices and project success: High weight on lowest bid price increase the risk for opportunism and conflicts and hampers cooperation since contractors often bid low to get the job and then search for "extras" to achieve profitability (Korczynski, 1996, Ng *et al.*, 2002, Kadefors, 2005, Alderman and Ivory, 2007). Focus on low bid price also increase the risk for cost and schedule growth due to several change orders (Assaf and Al-Hejji, 2006, Wardani *et al.*, 2006). Factors related to competence and experience, such as poor site management, supervision and planning on behalf of the contractor, are common causes of cost and time overruns (Chan and Kumaraswamy, 1997, Odeh and Battaineh, 2002, Assaf and Al-Hejji, 2006, Sambasivan and Soon, 2007) and poor customer satisfaction (Maloney, 2002). Careful partner selection (through bid evaluation based on suitable soft parameters) considering desired competences, experiences and attitudes can therefore reduce cost growth (Chua *et al.*, 1997, Iyer and Jha, 2005, Wardani *et al.*, 2006) and time overruns (Chan and Kumaraswamy, 1997), and improve quality performance (Yasamis *et al.*, 2002), work environment (Ai Lin Teo *et al.*, 2005), and innovation (Manley, 2008, Bosch-Sijtsema and Postma, 2009).

Environmental management systems (EMS) may not guarantee improved environmental performance (Tam *et al.*, 2006a). Instead, relevant training, expertise and commitment among management staff is the most important success factor for improvements in this area (Shen and Tam, 2002, Tam *et al.*, 2006b). Most clients are, however, not committed to environmental performance, but for those who are, the inclusion of environmental management aspects in

tendering requirements is important (Shen and Tam, 2002). Hence, bid evaluation based on suitable soft parameters that consider various environmental aspects can improve environmental performance. Thus, as for bid invitation we see links to all success criteria, but the relation to economic performance is uncertain. A strong focus on bidding price is certain to bring down the bidding price and likely also get a low overall project cost. However, cost overruns are more likely.

Relationships between subcontractor selection choices and project success: Cooperative relationships between client and main contractor do not automatically spread to subcontractors, which are often traditionally procured by main contractors (Bresnen and Marshall, 2000c, Alderman and Ivory, 2007). Hence, clients who wish to integrate subcontractors in teamwork and joint problem-solving have to get involved in the procurement of subcontractors. Careful joint subcontractor selection by both client and main contractor in collaboration is therefore important in order to increase subcontractors' involvement and cooperation (Palaneeswaran *et al.*, 2003, Briscoe *et al.*, 2004, Eriksson *et al.*, 2007), which in turn may have many positive effects on project performance. Earlier research have found that increased subcontractor involvement may facilitate improved economical performance (Errasti *et al.*, 2007), time performance (Gil *et al.*, 2004, Elfving *et al.*, 2005), quality (Karim *et al.*, 2006, Errasti *et al.*, 2007), environmental performance (Shen and Tam, 2002), work environment (Debrah and Ofori, 2001), and innovation (Eriksson *et al.*, 2007, Manley, 2008).

Relationships between compensation form choices and project performance: Fixed price compensation increase the risk for opportunism and conflicts and hampers cooperation (Korczynski, 1996, Kadefors, 2005, Eriksson, 2008b). Compensation based on incentives connected to different aspects of project objectives facilitates economical performance (Tang *et al.*, 2006), time performance (Eriksson, 2009), quality (Eriksson, 2009), innovation (Dulaimi *et al.*, 2003) and a good project performance in total (Olsen *et al.*, 2005). Furthermore, incentive-based compensation facilitate improved environmental performance (Tam and Tam, 2008) and work environment if the reward to project participants is connected to environmental aspects, such as reduced amount of waste and accidents.

Relationships between performance evaluation choices and project performance: Tight monitoring of contractors' behaviour and performance increase the risk for opportunism and hampers cooperation (Korczynski, 1996). Increased reliance on contractors' self control can instead save both money and time (Eriksson and Nilsson, 2008, Eriksson, 2009) due to earlier identification of defects and a less comprehensive end inspection. Self-control also has the potential to increase the contractors' concern for quality since they cannot rely on others to control the quality of their work (Eriksson, 2009).

#### 2.4 Research gap

Earlier research efforts in this area have been limited to the investigation of how a single or a few specific procurement alternatives affect one or two project objectives. In order to achieve successful governance of construction projects a holistic and systemic approach to procurement procedures is crucial (Cox and Thompson, 1997, Eriksson and Pesämaa, 2007, Eriksson, 2008b). Since a systemic perspective on the effect of procurement procedures on different aspects of project success is lacking in the construction management literature, this research effort aims to fill this theoretical gap that has potential to bring important practical implications.

The purpose of this research is to increase the understanding of how chosen procurement procedures affect project success. The research aims to develop a testable procurement model that proposes certain relationships between specific procurement procedures (treated as success factors) and project results (treated as success criteria). The conceptual model will be based on a systemic and holistic approach. It will include a wide range of procurement related success factors, from the design stage to performance evaluation, and a wide range of success criteria. This will make it possible to analyze if and how different factors and criteria interact and affect each other. The method involves a comprehensive literature review of procurement related success factors and success criteria reflecting construction project performance.

## CHAPTER THREE METHODOLOGY

#### **3.0 Introduction**

This chapter discusses the research methodology used in this study and provides a general framework for this research. The chapter presents details of the research design, target population, sample and sampling procedures, description of research instruments, validity and reliability of instruments, data collection procedures, data analysis techniques and ethical considerations while conducting the study.

#### 3.1 Research Design

This study adopted a cross sectional survey design based on both quantitative and qualitative research approaches on exploring the behavior and dimensions of a problem under investigation in order to unveil the causal effect one or more variables have on another/ others. Both qualitative and quantitative approaches were used in this study. Respondents offered qualitative data in their responses which afterwards quantified to establish trends that were used in analysis.

#### 3.2 Population

The study was carried out in Bosaso City, Puntland Somalia with focus on Juba civil Construction Company the population of works 320 employees. The workers were of both gender and traverse across various age brackets. The population comprised of all staff, technical, management and casual according to research conducted by DR. Abrahim Musse in (2013).

#### 3.3 Sample Size

A subset of this population were selected for this research. Out of the total target population of 320 respondents, only 178 respondents were considered for the study. The study adopted Slovene's formula of sampling.
$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{320}{1 + 320(0.05)^2}$$

$$n = \frac{320}{1.8} = 177.8 \approx 178 \text{ respondents}$$

Table 3.1 Showing category of the sample

				Data Collection
Category	Population	Sample	Sampling Technique	Instrument
Management	11	6	Purposive	Interviews
project officers	25	14	Purposive	Interviews
Staffs	62	34	Simple Random	Questionnaires
Customers/			Convenience	
clients	222	124	Sampling .	Questionnaires
	320	178		

Source; primary data, 2016

#### 3.5 Sources of data

#### 3.5.1 Primary data

Primary source of data collection were the original and first hand information which has not existed before. This involved interviewing and use of questionnaires to get the first hand information from the respondents. Interview; Interviews were provided to some of the members of the company and the customers to establish the contribution of procurement process on project success.

Questionnaire; There were systematic designed questionnaires which were closed ended questions printed on the piece of paper to be answered by the participants, So printed questionnaires were given out to the selected respondents who understand the questions clearly and were able to answer them then after retrieved for the analysis.

#### 3.5.2 Secondary data

Secondary data refers to re-analyzing data that has already been collected for some other purposes other than the one at hand. The data in literature review was mostly obtained from this source such as text books, and internet.

Documentation and library; the researcher also gathered information from other related literature from various documentations concerning the study topic which were used in the research.

#### 3.6 Data collection methods

These were tools used for getting the data from the field. For this case the researcher used the following instruments in the data collection exercise interview guide, key informant guide group discussion topics, observation and check lists.

#### 3.6.1 Interview guide and key informants guide:

Ahuja (2001), an interview guide and key informants as a data collection techniques, sets of structured questions in which questions are asked and the answer are recorded by the interviewer. This approach normally enables in depth probing which is very vital in carrying out the research.

#### 3.6.2 Documentary analysis:

Mugenda (1999) documentary checklist outlines the detailed characteristics of defined collection process. These instruments covered the information sources like secondary data such as published information.

#### **3.4 Sampling Procedure**

This study employed purposive sampling technique to select respondents who are highly knowledgeable and experienced in project procurement processes and project success in juba civil construction company. Moreover, the researcher chose purposive sampling because the researcher wanted to get the key informants of this study, for the reason that; selecting the respondents was more useful for this study than the representativeness of the sample size

The study used both primary and secondary data

#### 3.7 Validity and Reliability

#### 3.7.1 Validity

Validity refers to the degree to which evidence and theory support the interpretation of test scores entailed by use of tests. The validity of instrument is the extent to which it does measure what it is supposed to measure. According to Mugenda (1999), Validity is the accuracy and meaningfulness of inferences, which are based on the research results. It is the degree to which results obtained from the analysis of the data actually represent the variables of the study. To ensure validity and reliability, the questionnaires were subjected to a pre-test before going to the field. The researcher also used triangulation methodology to collect data this increases the accuracy of the information elicited from the respondents. Above all the guidance and advice of the supervisor was crucial in achieving the above. Pre-tested and questions were modified until the expected correct interpretation and response were reached. As for validity, the content validity index (CVI) formula was used.

No. of items declared valid in the instrument ÷ Total number of items in the in the instrument

No. of items declared valid	Total number of items	Content valid index
31	36	0.86

#### $CVI = 31 \div 36 = 0.86$

The content validity index (CVI) was calculated and found to be 0.86 which was within acceptable average index of 0.7 or above for the instrument to be valid (Amin 2005). This meant that the items in the instrument were sufficient and relevant to the objective of the study. Therefore the CVI is 0.86 which is worth and relevant items.

#### 3.7.2 Reliability

Reliability is the ability of a research instrument to consistently measure characteristics of interest over time. It is the degree to which a research instrument yields consistent results or data after repeated trials. If a researcher administers a test to a subject twice and gets the same score

on the second administration as the first test, then there is reliability of the instrument (Mugenda, 1999). Reliability is concerned with consistency, dependability or stability of a test (Nachmias, 1996). The researcher measured the reliability of the questionnaire to determine its consistency in testing what they are intended to measure. The test re-test technique was used to estimate the reliability of the instruments. This involved administering the same test twice to the same group of respondents who have been identified for this purpose. Table 3.6.2: Determination of Reliability

Item	X	Y	X2	Y2	XY
1	26	74	676	5476	1924
2	23	77	529	5929	1771
3	14	86	196	7396	1204
4	02	98	04	9604	196
5	29	71	841	5041	2059
Total	94	406	2246	33446	7154
N= 5	$\Sigma X = 94$	$\Sigma Y = 406$	$\Sigma X2 = 2246$	$\Sigma$ Y2= 33446	ΣXY=7154

The following formula was used

 $\underline{N\Sigma}XY - \underline{\Sigma}X\underline{\Sigma}Y$ 

$$r=\sqrt{\left[N\sum X^2-(\sum X) 2\right]\left[N\sum Y^2-(\sum Y) 2\right]}$$

5 x 7154 -93 x 406 ÷ r=  $\sqrt{[5 x 2195 - (93)2][5x 33446 - (406)2]}$ 

 $35,770 - 37758 \div r = \sqrt{[10975 - 8649][167230 - 164836]}$ 

$$1988 \div r = \sqrt{2326 \times 2394} = 1988 \div r = \sqrt{5,568,444} = 1988 \div r = \sqrt{5731236}$$

$$r = 1988 \div 2360 = r = 0.84$$

A correlation co-efficient Index of .084 shows strong relationship between the two tests. According to Amin (2005), a correlation of 0.7 and .084 reflects a very good relationship between variables. Therefore the researcher was able to verify the reliability of the instrument designed for the study.

#### **3.8 Data Gathering Procedures**

Prior to the commencement of data collection, the researcher obtained all the necessary documents, including an introduction letter from the University. Audience with the sampled local authorities in the area will be sought to clarify the purpose of the study. Upon getting clearance, the researcher in person will distribute the questionnaires to the sampled individuals and will hold focus interview guides. Assistance from the local authorities will be sought. Use of questionnaires will expected to ease the process of data collection as all the selected respondents will be reached in time. During the distribution of the instruments, the purpose of the research will be explained.

#### 3.9 Data Analysis

Data from the field was edited and coded according to themes which emanated from the research objectives and questions. Qualitative data was derived from open-ended questions in the questionnaires while the qualitative data was derived from closed ended questions. The coded data was analyzed using both qualitative and quantitative techniques. The quantitative data was analyzed and presented using descriptive statistics such as frequency distribution, tables and percentage and also in narrative form. Qualitative data was presented in narrative form using SPSS. The responses were sorted and coded according to the research objectives. Similar responses were grouped together during presentation.

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#### **3.10 Ethical Considerations**

The researcher sought clearance from the University to be able to collect data in the targeted area. The researcher ensured and assured the respondents that all their responses will be treated in strict confidentiality. The researcher obtained informed consent from authorities to interview their citizens and also interviewed the care takers. The researcher explained to the people in the study area the objectives of the study, introduced him, he explained why the particular respondents were chosen, the benefits, discomforts and harms of the study, and requested to also ask questions in relation to the study.

#### **3.11 Limitations**

The researcher experiences challenges like language barrier where some respondents could not understand English, to solve this researcher enlisted the services of translators where necessary. There were also challenges of poor road network occasioning delays in collection of questionnaires and caring out the interviews.

#### CHAPTER FOUR

#### FINDINGS PRESENTATIONS AND ANALYSIS

#### 4.0 Introduction

This chapter analyzes and presents the findings of the study. The findings are presented and analyzed using frequencies, percentages, charts, means, ranks, interpretations and correlations. The following three objectives guided the analysis:

- 1. To establish the factors influencing procurement administration practices in Juba Construction Company.
- 2. To establish the factors contributing to project success and procurement administration process in Juba Construction Company.
- 3. To establish the relationship between procurement administration process practices and project success in Somalia.

The questionnaire return rate was superb. Since the researcher expected defaulters in returning the questionnaires, he issued more than enough questionnaires (200) out of which 178 were returned. The returned questionnaires formed the basis for analysis.

#### 4.1 Demographic Characteristics of Respondents

In order to determine the profiles of respondents, a frequency distribution table was used coupled with percentages and charts. The sample demographic characteristics included: gender, age, level of education and experience. The results are shown in table below.

Parameter	Category	Frequency	Percent
Condor	Male	117	66%
Genuei	Female	y         Frequency           117           61           57           75           28           bove           18           ry           69           ite           55           16           7           cs           62           rs           13           s	34%
	21-30	57	32%
A.g.o.	31-40	75	42%
Age	41-50	28	16%
	50 and above	Frequency           117           61           57           75           28           118           69           55           32           16           7           62           70           28           13	10%
	Secondary	69	39%
	Certificate	55	31%
Level of Education	Diploma	32	18%
	Degree	16	9%
	Master	7	4%
	1-2 Years	62	35%
	3-4 Years	70	39%
Work Experience	5-6 Years	28	16%
	6-7 Years	13	7%
	>8 Years	5	3%

#### Table 4.1 Showing demographic characteristics of respondents

Source: Primary Data, 2016

The above table shows that there were more male than female respondents. The females accounted for 66% of the 178 respondents while the rest of the 34% was composed of the female gender. Majority of the respondents were between 31-40 years old constituting with 42%, followed by 21-30 (32%) followed by those between 41-50 at 16% while those above 50 years old constituted 10% of the 178 respondents encompassed by the study. This clearly shows there are more young people working for Juba Construction Company.

This is good as young people are known to be innovative in nature; a factor that is increasingly becoming a necessity in construction industry. Most respondents had a secondary schools certificate as their highest academic qualification whose contribution to the total tally stood at 38%. They were followed by certificate holders at 31%, then by diploma holders who were 18%

of the total respondents. Undergraduate degree holders followed with 9% composition and lastly master's degree holders were found to contribute a mere 4%.

This is an indication that the workers at company were not duly qualified to carry out their duties. With regards to work experience, most staff belonged to the 3-4 years bracket contributing 39%, followed by 1-2 years at 35%, then by 5-6 years at 16%, then by 6-7 years at 7% and finally those above 8 years at 3%.

# 4.2 Objective one: Procurement Administration Process on Project Success in Bosaso-Somalia

## 4.2.1 Influence of planning as a procurement process administration on project success

Table 4.2 shows the descriptive statistics regarding the influence of procurement planning on project success at Juba construction company, Bosaso, Somalia as it was found from the primary data gathered during the study.

# Table 4.2 Showing planning as a procurement process administration process

Broownant planning process	Moon	Std	Т	Interpr	Donk
Procurement planning process	wiean	Dev	Statistic	etation	Kank
Procurement planning is done as per the approved budget	1.82				
Procurement planning procedure enlists the views of experts	2.01	0.57	4.1	LOW	1
Planning is done by top management	3.29	ć			-
Users are always involved in drawing the procurement plan	2.31				
Average mean	2.36				1

Source: primary data, 2016

Procurement planning was the first construct variable of procurement process and was found to be low. It obtained a mean of 2.36 and a standard deviation of 0.57 meaning that the responses were not far from this mean. The lowest rated statement was that "Planning is done by top management" as it obtained a mean score of 3.29 and was thus interpreted as very high. The highest rated statement under this construct was that "Procurement planning is done as per the approved budget" which obtained a mean score of 1.82 and was thus interpreted as low. The sampled interviews indicate that the procurement planning process was not satisfactory.

The findings indicated that though the company has the best procurement planning officers, they often overlook the procurement planning procedure of involving the opinion of experts, which has lead to the planning run into pitfalls, this is compounded by the fact that the process of seeking expert opinions is tedious, time consuming and expensive. The process often overlooks the input of project users which makes the process to lack customer input.

#### 4.2.2 Influence of Bidding and bid selection on project success

Table 4.3 shows the descriptive statistics regarding the influence of Bidding and bid selection on project success at Juba construction company, Bosaso, Somalia as it was found from the primary data gathered during the study

Bidding and bid selection process	Mean	Std Dev	T Statistic	Interpretatio n	Rank
Bids are open in the presence of bidders	1.72				
The bidding period is too long	1.33			VERY LOW	3
Bidders are informed why their bids failed	1.52	0.2	8.1		
Contracts are always awarded to the best evaluated bidder	1.86				
Average mean	1.61		· · · · · · · · · · · · · · · · · · ·		

#### Table 4. 3 Showing bidding and bid selection process

Source: primary data, 2016

Secondly, the construct variable of Bidding and selection was analyzed. This construct received heavy criticism from the respondents as it scored a mean of 1.61 which was interpreted as very low. In point of fact, this was the lowest construct in this category as it was ranked as the last in terms of its mean. The highest evaluated statement was where the respondents assessed the statement that "Contracts are always awarded to the best evaluated bidder" as it scored a mean of 1.86 and interpreted as low. The lowest rated statement within this construct was where respondents responded to the statement that "The bidding period is too long" as it scored a mean of 1.33 and interpreted as very low. The recorded interview indicates that the bidding and selection process is flawed. Hence the findings indicated that on many occasions the bidding and selection process in juba Construction Company is rather a private affair, advertisements for bids are rarely carried out and the tendering process is opaque or just not clear to the employees, to win a bid relatively depends on the company's preferences and single sourcing policy.

#### 4.2.3 Effect of contract award and management on project success

Table 4.4 shows the descriptive statistics regarding the effect of contract award and management on project success at Juba construction company, Bosaso, Somalia as it was found from the primary data gathered during the study

Contract award and management	Mean	Std	T	Interpretati	Ran
process		Dev	Statistic	011	<u> </u>
Contractors are always paid immediately after the contracts' completion	1.48				
Contracts are usually awarded to the best bidder	1.52	0.26		VERY	2
Procurement planning is done as per the approved budget	2.31	- 0.30	4.7	LOW	2
Users are always involved in drawing the procurement plan	1.47				
Average mean	1.70				1

T٤	ıb	le	4.	4	Sh	owing	g contract	award	and	management	process
							,				1

Source: primary data, 2016

The final construct under this category was Contract award and management. This construct was found to be at a mean of 1.70 and was such interpreted as very low. The implication was that procurement process in Contract award and management is wanting. The highest evaluated statement under this construct was where the respondents responded to the statement that "Procurement planning is done as per the approved budget" as it scored a mean of 2.31 and was interpreted as low. The lowest evaluated statement under this construct was where the respondents responded to the statement the procurement planning is done as per the approved budget" as it scored a mean of 2.31 and was interpreted as low. The lowest evaluated statement under this construct was where the respondents responded to the statement that "Users are always involved in drawing the procurement plan" which scored a mean of 1.47 and was thus interpreted as very low.

# 4.3 Objective two: Factors contributing to Project success in Bosaso-Somalia

The following table shows the descriptive statistics regarding the Project success of Juba construction company, Somalia as it was found from the primary data collected during the study. It is presented in terms of means, standard deviation, t statistic, interpretation and ranks

# Table 4. 5 Showing project success

Constructs	Indicators	Mean	Constru	Std	Т	Interpre	Rank
			ct Mean	Dev	statistic	tation	
	Rules and procedures laid out help team members to carry out their duties						
Efficiency	The projects encounter minimal wastage	1.35	1.71	0.32	5.3	VERY	3
	Time is well utilized in our projects	2.16				LOW	
	The cost benefit analysis is positive	1.47					
	Our project conform to specification	2.13		<u>.                                    </u>			
	Our project are for purpose required by beneficiaries and other stakeholders Our project projects are acceptable to the community in Somalia			0.19	11.1	LOW	2
Quality			2.11				
	Our project meet the beneficiaries expectations and demand	1.83					
	Our projects end up attaining the goals Goals achieved are in line with organizational goals too Our projects make an impact to the communities they serve						
					5.5		1
Effectivenes s			2.13	0.39		LOW	
	Solutions provided by our projects are sustainable	1.85					
	GENERAL MEAN		1.98			LOW	

Source: Primary Data, 2016

The dependent variable of Project success was also found to be low as indicated by the mean of 1.98 which according to the scale of mean interpretation reads as low. Two construct variables (quality and effectiveness) were found to be low while efficiency was found to be very low.

Efficiency had the worst rating as it was computed at a mean of 1.71 which was interpreted as very low according to the scale of mean interpretation presented earlier. Respondents in the questionnaire had an issue with the fact that efficiency has not been at the expected level. The statement "The projects encounter minimal wastage" received the lowest rating obtaining a mean of 1.35 which was interpreted as very low. As a result this construct received the worst rating within the project success which means that amongst the other two variables of quality and effectiveness, it was the one which had the worst prospects. The interview responses indicate that; our projects always encounter incidences of wastage, the root course being procurement process, there are times when materials are not availed on time causing unnecessary delays and hence wastage of the human resources and time, the suppliers sometimes take longer than expected to deliver materials required for the projects.

Quality was found to be low too, as it was computed at a mean of 2.11 and a standard deviation of 0.19. This construct was ranked second ahead of effectiveness. This means that the quality in Juba Construction Company was not up to the expectations of stakeholders. Of particular interest was the statement that "Our project meet the beneficiaries expectations and demand" which received wide criticism to land it at a mean of 1.83 which was interpreted as low. The highest rated statement within this construct was within the response for "Our project are for purpose required by beneficiaries and other stakeholders" which received a mean of 2.36 which is interpreted as low. Recorded statements show that most of the projects completed by Juba construction company are necessary to the community and are well received and appreciated, this may be partly to the fact that, though they may not be to the expected standard of expert opinions, but they play a role in addressing the urgent needs if not long term. Due to shortfalls in materials, sometimes specifications are adjusted to fit into what is available thus posing a challenge to the overall project quality.

Effectiveness was the highest ranked construct within the category of project success as it obtained a mean of 2.13 which was interpreted as low. This construct had the most spread

responses as the standard deviation was calculated at 0.39. The highest rated statement was "Goals achieved are in line with organizational goals too" as it obtained a mean score of 2.67 and was interpreted as high. The lowest rated statement within this category was the statement that "Our projects end up attaining the goals." This statement obtained a mean of 1.67 which was interpreted as very low. From the interviews, respondents were observed to also criticize the effectiveness by making the following statements; our projects course an impact to the community though not at the expected levels, some of the solutions offered to the community are short lived since some projects are either not completed or shoddily done thus causing little impact to the community.

#### 4.3 Objective three: Correlations

The table 4.6 shows the correlations between procurement process and project success. It can be noted that all the relationships registered positive coefficients on the Pearson scale of correlations which runs from -1 to +1

Table 4. 6 Showing	correlations b	oetween co	onstruct variable	s of procureme	nt process and
project success					

Variables Pairs	Pearson R	Significance p	Interpretation	Decision on Hypothesis
Procurement planning and efficiency	0.521	0.000	Significant average Positive relationship	Rejected
Procurement planning and quality	0.942	0.000	Significant very Strong Positive relationship	Rejected
Procurement planning and effectiveness	0.800	0.000	Significant Strong Positive relationship	Rejected
Bidding process and efficiency	0.702	0.000	Significant Fairly Strong Positive relationship	Rejected
Bidding process and quality	0.507	0.000	Significant Fairly average Positive relationship	Rejected
Bidding process and effectiveness	0.503	0.000	Significant average Positive relationship	Rejected
Contracting process and efficiency	0.710	0.000	Significant Fairly Strong Positive relationship	Rejected
Contracting process and quality	0.713	0.000	Significant Fairly Strong Positive relationship	Rejected
Contracting process and efficiency	0.911	0.000	Significant Very Strong Positive relationship	Rejected

Source: Primary data, 2016

All relationships registered positive coefficients with each other. Between the constructs, the strongest relationship was established between procurement planning and quality which was computed at 0.942 and was interpreted as very strong positive relationship. In this case

procurement planning was observed to have a closer relationship with the dependent variable's construct than any other variable in the study. The weakest relationship among the construct variables was established between bidding process and effectiveness which was computed at 0.503 on the Pearson linear correlation coefficient scale. This was interpreted as significant average positive relationship. In this case it was deduced that bidding process was not that much related to the effectiveness of construction companies. The null hypotheses for all the relationships were rejected seeing that their significance levels (p values) were all below 0.05 which is the significance threshold. This implied that the procurement process and project success are interrelated and hence it requires a clear procurement process to acquire the project's success as indicated by the findings.

Table 4. 7 Showing	correlations betw	een procuremen	t administration	process and	project
success					

Correlations							
· · · · · · · · · · · · · · · · · · ·		Procurement process	Project success	Decision on hypothesis			
Procurement process	Pearson Correlation	1	.734**	Rejected			
	Sig. (2-tailed)	· · · · ·	.000				
	N	178	178				
Project success	Pearson Correlation	.734**	1				
	Sig. (2-tailed)	.000					
L	N	178	178				

\*\*. Correlation is significant at the 0.05 level (2-tailed).

#### Source: Primary Data, 2016

With regards to the general relationship between procurement process and project success, the two tailed significance test offered a Pearson correlation coefficient of 0.734. This suggests a strong positive correlation between the two variables. The asymptotic significance test expressed as sig (two tailed) in the table is at a convincing level of 0.000. Any value below 0.05 confirms

the data collected as significant and reliable. Inference can be made that the responses offered during the study were not obtained by chance since if they were, the significance level would have been computed as above 0.05. For this reason, the null hypothesis ( $H_o$ ) of non-relationship between procurement process and project success is, therefore, rejected due to the strong evidence acquired which attests to a relationship between the two variables of study. Consequently, the alternative hypothesis is adopted.

Correlation does not necessarily mean causality, so it is sensible to only be confident of the relationship rather than the influence one has on the other. In other words, the above correlation may mean that procurement process has an effect on project success or vice versa or there could be no causality in their relationship. In order to really capture the causal effect that procurement process may have on project success, regression analysis needs to be carried out and this is duly covered in the subsequent section. This indicates that the relationship between the two constructs is crucial and interrelated with the study, the respondents findings showed that the two variables are necessary for a project process i.e. procurement planning requires all the necessary procedures to achieve success of a project. (SPSS 2016).

## 4.7 Regression for independent variable constructs against dependent variable

Table 4.8 summarizes the regression details for the independent variable constructs against the dependent variable of project success. From the beta coefficients, it can be noted that each of the independent variables contributes positively towards the project success.

	Model	Un star Coef	ndardized ficients	Т	$\mathbf{R}^2$	Sig.	
		Beta	Std. Error				
Teo do se do se t	(Constant)	0.782	.111	7.05	5	.002	
Construct	Procurement planning	.459	.041	11.20	0 575	.000	
	Bidding process	0.235	.026	9.04	0.555	.000	
variables	Contract management	.666	.058	11.48		.000	
Dependent Variable: project success							

Source: Primary Data, 2016

In order to derive a mathematical model relating the numerous variables x1 - x3 with the dependent variable of project sustainability (y), the regression equation needs to be formulated. For a linear relationship, the general formula is given as

$$y = a + bixi$$

Equation 4. 1: General Linear Regression Model

$$y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \mathcal{E}$$

Equation 4. 2: Least Squares Regression Model Where

x	<del></del>	constant
β1	=	coefficient of "procurement planning"
β2		coefficient of "bidding process"
β3	=	coefficient of "contract management"
у	=	project success
$X_1$	-	procurement planning
X <sub>2</sub>	=	bidding process
X <sub>3</sub>	=	contract management
ε	<u></u>	error term

Y = 2.128 + 0.749x1 + 0.444x2 + 0.627x3

Equation 4. 3: Construct regression Equation

From the R square table above, it can be noted that 53.5% (0.535) of the variation in the project success is due to the variation in procurement process which is in terms of procurement planning, bidding process and contract management. The rest of the variation is explained by other factors that are not within the scope of this study. The R Squared was found to be at 0.535 which signifies that procurement process significantly influenced the project success. The regression analysis examines the weaknesses in the project success if the procurement planning is not implemented. The findings indicated that there is a slight decline in the project's success whereas if all the procedures are implemented, the project succeeds gradually. (SPSS 2016).

# CHAPTER FIVE DISCUSSIONS, CONCLUSIONS AND RECOMMEDATIONS

#### **5.0 Introduction**

This chapter presents the discussion of the findings, conclusions and recommendations arising out of the research findings in chapter four and suggests areas for further research. The findings and results are discussed in line with the objectives of the study.

#### **5.1 Discussion of Findings**

## 5.1.1 The influence of procurement administration process on project success

The study findings indicate that the procurement planning was poorly administered despite the fact that procurement planning is a core practice in construction companies and was therefore expected to be at higher levels than the ones established (0.57). It seems that the process itself was not a problem but the people to implement it might have had lower competence than the one required for them to work in such capacity (2.31). For instance, findings suggested that the educational qualification of the employees in the construction companies were poorly educated for the positions that they held in the companies. According to Musyoki and Kadubo (2011), staff is required to have high educational competence for them to succeed in the tasks assigned to them in their work places whereas this isn't the case in Juba Construction Company as seen in the findings..

As Andi and Minato, (2003), Faridi and El-Sayegh, (2006) observed the design stage is very important for many aspects of project performance, such as life cycle costs, project costs and schedule. In fact, defective design has been found to cause 30% of cost and time overruns in construction projects. Adequacy of plans and specifications and a design with high constructability have been identified to improve overall project performance. According to Dubois and Gadde, (2000), private sector clients often utilize the possibility to invite a limited amount of trustworthy contractors, or even negotiate directly with only one selected contractor. This implies procurement planning influences project success and as the findings established,

drawbacks in the procurement planning hamper long-term development in lasting relationships since actor constellations are changed in every project hence affecting project success.

The selection of subcontractors was made by the main contractor (domestic contract), by the client (nominated contract) or jointly by both parties in collaboration. Fixed price for a product delivered is the most common form of compensation. This compensation makes the bid evaluation easier since the client easily can compare the different contractors' bid prices. It will also provide the client with a more or less accurate estimation of the total project cost already in the bid, Findings from Knudsen, 1999 suggest that project success starts from efficiency in all the functions of an enterprise in order to change from being reactive to being proactive to attain set success levels in an entity

## 5.2 Project success Factors in Bosaso-Somalia

This happens because the clients need a company that is set to work well in to the future.. In terms of efficiency, the company did not do well in this regardHardie and Walsh (1994) identified different definitions of quality, including conformance to specification". This definition has been widely implemented throughout industry and academia. They stipulate that if a product does not meet the specified standard defined according to customer demand and requirements, then it is defective, i.e. the customer will be dissatisfied with the product. In the construction industry, quality is defined as the totality of features required by a product or services to satisfy a given need; fitness for purpose. Nowadays, quality is the guarantee of the products that convinces the customers or the end-users to purchase or use. The meeting of specification is one way to measure quality.

Findings from Knudsen, 1999 suggest that project success starts from efficiency in all the functions of an enterprise in order to change from being reactive to being proactive to attain set success levels in an entity. According to Van Weele (2000) project success is considered to be the result of overall efficiency. A study carried out by Iravo (2007) in which he sought to examine the effect of monitoring on effectiveness of equipment management in public institutions. He sought to solve the problem in Oklahoma State which at the time was marred with public offices using office equipment for private purposes and at times stealing such

equipment. Hence the findings established that there is an inherent positive relationship between monitoring and wise equipment use in such public offices.

#### 5.3 Relationships between procurement administration process and project success

On multiple levels, significant relationships were found between procurement process and project success the company in question. The relationships which were also causal in nature provide hope for the company in that, it is clear that given some little restructuring of the policies regarding procurement process, there is bound to be higher success. A high degree of specification prior to contractor procurement results in a divorce between design and construction, since construction planning cannot affect design, according to Pietroforte, (1997) Dubois and Gadde, (2002).

This separation results in long project durations and decreased innovation due to lack of joint problem-solving. The literature shows some positive results for both design-build and for design -bid-build. Looking at design-build contracts, these have shown to provide better value for money and reduced project duration, compared to design-bid-build contracts early involvement of contractors in concurrent engineering facilitates cost saving and shortened project duration due to increased buildability.

#### **5.2** Conclusions

#### 5.2.1 Procurement Administration process factors

The study was instituted to investigate the role played by procurement process on project success of Juba Construction Company. These processes were not used use effectively to influence the project success of juba Construction Company. It was established that all the parameters examined were low and they gave way to poor project success. This fact presents a challenge to the long term existence of the construction companies.

## 5.2.2 Project success factors in Juba Construction Company

The third objective was on the relationships between contract award and management on project success of Juba Construction Company. Sufficient evidence was provided to suggest that, indeed, there is a significant relationship between the two variables. The relationship was also causal implying that procurement process can effectively positively impact the project success of construction companies.

## **5.3 Recommendations**

After examining the findings instituted in this study, it is prudent for the following to be implemented to pave way for better procurement process of construction companies.

## 5.3.1 Procurement Administration process factors

- 1. Sound procurement process: In order to design an effective procurement process system need to establish a suitable procurement environment. Operating under a sound procurement granting process,
- 2. Competent procurement staff: The poor levels of education by the procurement planning staff seems to have caused the low project success, as they would not come up with good procurement policies. In order for one to be allowed to work in this committee, one should be highly competent in terms of education and experience.

#### 5.3.2 Project success factors

- 3. Client involvement in designing procurement policies: The reason as to why customer did not find favor with the procurement policies in the company was partly for the fact that they had no input in them. Involving them in each new policy designed should effectively lead to better acceptance which will also lead to success.
- 4. There is more need for the company to provide efficient and sustainable policies that can be implemented easily to influence success in the organization's projects.

## **5.4 Areas for Further Research**

There is need to conduct studies in the following areas

- 1. Staff competence and procurement policy management in construction companies
- 2. Procurement management and customer retention in construction companies
- 3. Customer involvement and success of procurement policies in construction companies

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# APPENDICES

## **APPENDIX 1: TRANSMITTAL LETTER**

## **OFFICE OF THE DEPUTY VICE CHANCELLOR**

## COLLEGE OG HIGHER DEGREES AND RESEARCH

Dear Sir/Madam,

# **RE: INTRODUCTION LETTER TO CONDUCT RESEARCH IN YOUR**

## INSTITUTION

AHMED OMAR DAAHIR is a true student of Kampala International University pursuing Masters of project management

He is currently conducting a field research for his dissertation entitled, procurement process and project success in Juba construction company, Bosaso Somalia

Your institution has been identified as a valuable source of information pertaining to his research project. The purpose of this letter then is to request you to avail him with the pertinent information he may need. Any data shared with him will be used for academic purposes only and shall be kept with utmost confidentiality.

I

Any assistance rendered to him will be highly appreciated.

Yours truly,

Deputy Vice Chancellor

.....

#### **APPENDIX II: INFORMED CONSENT/ FACE SHEET OF RESPONDENTS**

Dear Respondents,

I am carrying out a research on **procurement process and project success in Juba construction company, Bosaso Somalia**. I am kindly requesting you to spare some time and respond to these questions by ticking in the box corresponding with your answer. All the information you provide will be treated with confidentiality and the results thereof will be treated for academic purposes only.

1. Gender

	Male Fe	emale		
2.	Age Bracket			
	20-30	] 30-40		
	40-50	50 and abov	/e	
3.	Highest academic ed	ucation attained		
	Secondary	Certificate		,
	Diploma 🦳	] Degree		
	Postgraduate			
4.	For how long have ye	ou worked with y	our bank?	
	Less than 1 year	]	Between 1-3 yrs	
	Between 3-5 yrs	]	Over 5 yrs	
5.	For how many year	s have you been	a customer in this co	mpany (client)?
	(C	USTOMERS O	NLY)	
	Less than 1 year		Between 1-3 yrs	
	Between 3-5 yrs		Over 5 yrs	
		APPENDIX	III: QUESTIONNA	IRE

For the following questionnaires, answer using the following key

1. Strongly agree 2. Agree 3. Disagree 4. Strongly disagree 5. Not sure

Construct	Question Variable	I	Resj	por	ise
Variable		1	2	3	4 5
	Procurement planning is done as per the approved	104000	20196	Conteses (	
	budget				
	Users are always involved in drawing the				
Procurement	procurement plan				
Planning	Planning is done by top management				
	Procurement planning procedure enlists the views of				
	experts				
	Bids are submitted as per the rules and regulations				
	Bids are open in the presence of bidders				
	The bidding period is too long				
Bidding and	Bidders are informed why their bids failed				
Selection	Contracts are always awarded to the best evaluated				
	bidder				
	Contracts are completed within the contracted period				
	Contractors are always paid immediately after the				
	contracts' completion				
	Contracts are usually awarded to the best bidder				
Contract Award	Procurement planning is done as per the approved				
and Management	budget				
	Users are always involved in drawing the				
	procurement plan				

# Table App. 1: procurement administration process

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# **Project success**

# Table App. 2: Questions on project success

Construct	Question Variable	Response					
Variable		1	2	3	4	5	
	Procurement planning is done as per the approved budget						
Procurement Planning	Users are always involved in drawing the procurement plan						
	Planning is done by top management Procurement planning procedure enlists the views of experts				<u></u>		
	Bids are submitted as per the rules and regulations						
Bidding and Selection	Bids are open in the presence of biddersThe bidding period is too longBidders are informed why their bids failedContracts are always awarded to the bestevaluated bidder	-					
	Contracts are completed within the contracted period						
	Contractors are always paid immediately after the contracts' completion						
Contract	Contracts are usually awarded to the best bidder						
Contract Award and Management	Procurement planning is done as per the approved budget						
	Users are always involved in drawing the procurement plan				· .		

#### **APPENDIX IV: INTERVIEW GUIDE**

- 1. Account for the procurement policies utilized in your company
- 2. How would you rate the project success in your company? Explain
- 3. What are the major challenges faced by your company in formulating and implementing procurement process management policies?
- 4. What are the most common mistakes made while formulating and implementing procurement management policies?
- 5. Within the context of this study, what do you feel requires to be done to improve the project success in your company?
- 6. How do you project the construction sector of Bosaso in terms of procurement process management and project success?

# APPENDIX III:

# THE TIME FRAME OF THE STUDY

# Table App. 3: Time Frame

Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
1. Conceptual												
Phase												
Chapter 1												
Chapter												
2-3												
3. Dissertation												
Proposal												
Proposal		•										
Hearing									-			
Chapter 4-5												
Dissemination												
Phase												
Viva Voce												
Revision												
Final Book												
Bound												
Clearance												
Expected												
Graduation												

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# APPENDIX IV: BUDGET OF THE STUDY

# Table App. 4: Research Budget

Item	Amount in Somalia shillings
Typing & printing	200,000
Air time	100.000
Transportation	270,000
Stationery	100,000
Accommodation and Food	240,000
Literature Collection	50,000
Miscellaneous	100,000
Total	1.060.000
10(4)	



# UGANDA MANAGEMENT INSTITUTE

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our Ref:

10<sup>th</sup> October, 2016

ur Ref:

EXTERNAL EXAMINATION OF DISSERATAION FOR AHMED OMAR DAAHIR MPP/43359/143/DF

- Topic: Procurement Process and Project Success in Juba Civil Construction Company Bosaso Somalia.
- Comment: The title appears incomplete and would read better as "Procurement Process Administrative Practices and Project Success in Juba civil Construction Company Bosaso-Somalia. This amendment attempts to answer key questions of Who? What? Where? and Why?

Abstract: One paragraph abstract which is fine except it rather long.

- Background: While the focus in the background opens with forced marriages in the historical section, it should deal with Puntland for the contextual perspective to support development of statement of the problem.
- The problem: The candidate needs to bring out what triggered the study and points to urgency of the research. At the moment there is no clear puzzlement that warranted the research .rks \*
- Objectives and Research questions: The purpose of the study and the specific objectives are somehow aligned but inconsistent with the title. 2.5 marks

Hypothesis: Used research questions, there is no hypothesis

Literature Review: The literature is lacking in structure to reflect the study objectives. The sources cited are rather dated and need to refer to them using the recommended referencing system of the University. It requires an overhaul to serve the purpose of establishing the extent extant literature answers the research questions and the gaps that warranted an empirical study.

Methodology used

Candidate points to study design –descriptive survey, and goes ahead to justify it. The study population is not clearly defined as well as sampling procedures. 9 Marks

# Results/Findings

It is not clear what basis is data presented as does seem to follow objectives/questions. The candidate could improve presentation by employing a range of data display aids/tools. Internal Examiner's Report

Name of Candidate: Ahmed Omer Daahir

#### MPP/43359/143/DF

Degree: Masters of Project management

Title: The Procurement Process And Project Success In Juba Civil Construction Company, Bosaso Somalia.

Internal Examiner:

Senior Lecturer, College of Humanities and Social Sciences

#### Tel:+256772425552/704425552

Email: ongodiae@gmail.com

#### 1. Narrative Report

# Introduction

I have read this report and find that it is of a good standard. There is internal consistency; the ideas are presented quite coherently with clear progression from research objectives to conclusions. Below I comment on: the originality of the report; contribution of the research to knowledge; strengths and weaknesses; audience; and general remarks.

#### Originality

Having read this research report, I am convinced that the report is an independent endeavour of the candidate. The candidate appropriately acknowledged sources used to support or explain the study problem.

#### Strengths

The purpose of the study. The report is internally consistent, and addresses most of the research questions.

*Presentation and language:* The dissertation structure has no major weaknesses. The report is structured in a research format and serves its purpose.



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# COLLEGE OF HUMANITIES AND SOCIAL SCIENCES

# VIVA VOCE EXAMINATION COMMENTS

Name of Candidate: <u>Ahmed Omar Dahir</u> Registration No. <u>MPP 40888/143/DUF</u> Title of the study: <u>Procurement Process and Project Success in Juba Civil Construction Company</u> in Bosaso punctand.

CONTENTS	COMMENTS RAISED BY THE EXAMINERS
<ul> <li>Preliminary Pages</li> <li>Title, Declaration, Approval Sheet, dedication, Acknowledgement, Abstract, Table of Contents, List of Tables, List of Figures</li> </ul>	Te title changes success in Jusa CIVIL Construction convers Bases Sumalia.
<ul> <li>Chapter One: Introduction         <ul> <li>Background of the study</li> <li>Statement of the problem</li> <li>Purpose of the study</li> <li>Research and objectives questions</li> <li>Scope</li> <li>Significance/justification</li> </ul> </li> <li>Chapter Two: Literature Review         <ul> <li>Literature on previous research</li> <li>presents a critical synthesis of empirical literature according to relevant themes, or variables,</li> <li>justifies how the study addresses a gap or problem in the literature, and outlines the theoretical or conceptual framework of the study</li> </ul> </li> </ul>	The condidate needs to bring out what briggers the Study No Research accession, - Whendance is harding The condidate should start with the IV not the DV. The condidate should start with the IV not the DV. Whendance is harden in structure. Its must reflect the objective.
Hypotheses	

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