

**PROCUREMENT PLANNING AND SERVICE DELIVERY IN JINJA  
LOCAL GOVERNMENT, UGANDA**

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**A THESIS SUBMITTED TO THE COLLEGE OF ECONOMICS AND  
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## **DECLARATION**

I **NAKAWOOYA SARAH**, declare that the work contained in this research report is my original work and has never been submitted to any other university or institution for the award of a degree.

Signature.....

.....

**NAKAWOOYA SARAH**

**Date**

## **APPROVAL**

This is to certify that this research report has been under my supervision and ready for submission with my approval

Signature.....

Date.....

**Dr. Awolusi .O.Dele**

## **DEDICATION**

I dedicate my thesis work to my family, especially my father in law, Hajji Katwire Ahmed and daughter, Birungi Nisha for their continued support and conducive atmosphere rendered to me respectively and also my supervisor, who helped me develop my thesis .

## **ACKNOWLEDGEMENT**

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## **ABSTRACT**

The study established the effect of procurement planning on service delivery in Jinja district Local Government, three specific objectives guided this study and these were; (i) to examine the effect of budget plans on service delivery in Jinja district Local Government, (ii) to establish the effect of procurement methods on service delivery in Jinja district Local Government, and (iii) to assess the effect of quality plans on service delivery in Jinja district Local Government. The study adopted the following designs; descriptive correlational to measure the degree of association between variables, cross-sectional research design was used because data was drawn/collected from a wide spread of respondents and single linear regression analysis was used to establish the significant effect between variables in order to fulfill the research objectives. The study used a research population of 135 and a sample size of 101. The findings indicated that budget plans significantly affects service delivery in Jinja district Local Government, therefore this implies that budget plans significantly affects service delivery, procurement methods has a significant effect on service delivery in Jinja district Local Government, this was so because procurement methods had a significant impact on service delivery, hence confirming that the more effective procurement methods is, the more it improves service delivery in Jinja district Local Government, quality plans has a significant effect on service delivery in Jinja district Local Government, this led to an implication that high levels of quality plans improves service delivery in Jinja district Local Government. The researcher concluded that; budget plans significantly affects service delivery, the more procurement methods is effective it improves service delivery in Jinja district Local Government, high levels of quality plans is applied, it improves service delivery in Jinja district Local Government. The researcher recommended that; the local government of Jinja, should put in place effective budget plans on all suppliers' records, the local government of Jinja should make sure that the decision to use a particular procurement method should always primarily base on the stipulations of the procurement legal framework and the local government of Jinja, the procurement planning should involve always making key decisions in the procurement cycle for major projects that includes business case and contract award. The study contributed to knowledge since it shows that among the procurement methods, open tendering should be the appropriate procurement method to be applied since it accounted for the biggest effect on service delivery in Jinja district local government. One of the most prominent findings from this study is the fact that it has provided evidence to support the fact that procurement planning can improve the state of service delivery in Jinja district local government.

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## **LIST OF ACRONYMS**

PPDA	–	Public Procurement and Disposal of Assets
SPSS	-	Statistical Package for Social Sciences.
PLCC	-	pearson linear correlation co-efficient
CIPS	-	Chattered institute of procurement services.
ANOVA	–	Analysis of Variances
MPI	-	Market Price Index
P.E	–	Procurement Entity
P.P	-	Procurement Plan
USA	-	United States of America

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

The chapter contains the background of the study, statement of the problem, purpose of the study, research objectives, research questions, research hypothesis, significance of the study, scope of the study.

### **1.1 Background to the Study**

The background of the study4 comprised of the historical, conceptual, theoretical and contextual perspectives

#### **1.1.1 Historical perspective**

In USA, the beginning of the procurement process was need realization and identification of the requirements, this was informed by the inventory status, projects plan, production schedules, work plans, capital or operational requirements budgets and the procurement plan (Kearns, 1996). Establishment of the requirements was the foundation for conducting market survey to ascertain aspects such as prices, new products or alternative or substitute products, new sources of supply, nature of competition and environmental aspects that may affect the supply market (Basheka, 2014).

In today's world, service delivery has become part and parcel of everyday life in many business circles as a large number of organisations are involved in one form of business or another such as procurement (Whitman, 2014). The effects of service delivery and in particular procurement planning are all important issues in today's globalised world which is characterized by stiff competition among organizations. Kearns (1996) suggest that procurement planning activities bring three types of benefits to the organization: value benefits, revenue benefits (allowing the organization to exploit new opportunities such as disintermediation, free service, etc.), and logistics benefits (finding the proper position in a supply chain) (Arrowsmith, 2010). Procurement planning is an important

part of the supply chain and does not only affect external stakeholders but also internal stakeholders. This entails that it has potential to add value not only to the external side of the supply chain but also to the internal supply chain. The procurement planning has had many benefits to organizations such as cost savings and profits (Systems Union, 2006). It thus makes it an important area of study and this particular study addresses how procurement planning is affecting service delivery in an organization. Although procurement planning is a secondary activity in the service delivery, it has a lot of potential for value adding (Recklies, 2014).

In Africa the history of procurement has gained much attention amongst developing countries like Nigeria. Procurement budgets in developing countries account for about 20 percent of government expenditure globally (Waal, 2012), many governments have embarked on reforms in their procurement systems to streamline and harmonize legal and institutional framework. Procurement planning and service delivery is key to the development of any given country. According to the Local Government report on governance (2013), the development of countries in the developed world was not attributed to the proper procurement planning which led to improper service delivery at lower levels.

The planning function encompasses considering an organization's goals, establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate the activities (Robbins, 2014). Planning both as a concept and function is probably one of the extensively talked about concepts in the management literature. It is a function that forms the foundation for the rest of management functions. When planning is properly conceived and implemented, it can serve as an important mechanism for extracting, distributing and allocating resources (James, 2014). Planning generally enhances the gathering, evaluating and interpreting of essential data and information in order to produce knowledge relevant to good policy making Procurement activities, aim at anticipating requirements, sourcing and obtaining supplies, moving supplies into the organization, and monitoring the status of supplies as a current asset (Jessop, 2014). According to Allan (2015), the contribution of

procurement planning is perceived in terms of quality, delivery, cost and flexibility, which has an impact on the competitive capability of the firm to meet customer requirements.

According to the World Bank, many African organisations have clear procurement rules and procedures but have failed to implement them which has translated into poor use of the resources at lower levels hence failing in service delivery (Basheka, 2014). The poor performance of some of these organisations is attributed to failure to have a clear procurement system which is characterized by poor service delivery and monitoring of the funds (Kabaj, 2013). Kabaj (2013) noted that effective procurement planning has been one of the major contributions to the organizational development and it has been clear that a number of organisations have paid adequate attention to the proper management of organisational resources (Basheka, 2014). An efficient procurement planning is vital to the advancement of organisations and is a concrete expression of the organisational commitment to making the best possible use of organisational resources (Arrowsmith, 2010).

In Uganda procurement planning, covering at least the remainder of the then-current budgetary period and the forthcoming budgetary period used not to be carried out in order to ensure procurement on the best terms for the Organization (Trybus, 2013). Long-term planning also helps to demonstrate that the Organization manages its funds in a professional manner and in the best interest of the organizations. The procurement officers did not always communicate the extent feasible, meet on an annual basis to set up spending plans, including acquisition plans, for the budgetary period(s) (Arrowsmith, 2013). There wasn't provision of any proposed revisions to the plans at no more than three or such other procurement office advisers as to what portion of these plans could be achieved within the current acquisition plan period. Such planning wasn't possible to obtain economies of scale and other benefits for the organizations (Rosener, 2014).

### **1.1.2 Theoretical perspective**

This study was guided by the Principal-agent theory developed by Lupia (1998) which denoted that the analysis and evaluation of service delivery requires a specification of who is (or is supposed to be) accountable to whom. Principal- agency theory is more accurately described as a family of formal models addressing related concerns with similar styles of analysis. It is not much of a stretch to suppose that for any given actors labeled “principal” and “agent,” and any pattern of interaction between the two, a principal-agent model can be written down with that pattern as an equilibrium outcome and modelers might consider it a parlor game of sorts to do it (Sasser, 2011). The principal-agent theory concerns with the arrangement that exists when one person or entity (called the agent) acts on behalf of another (called the Principal). For example shareholders of a company (principals) elect management (agents) to act on their behalf, and investors (principals) choose fund managers (agents) to manage their assets. This relationship works well when the agent is an expert at making the necessary decisions, but does not work well when the interests of the principal and agent differ substantially. In general, a contract is used to specify the terms of a principal agent relationship (Lloyd, 2014).

### **1.1.3 Conceptual perspective**

According to Behn (2014), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process.

Basheka (2014) defines procurement planning as the purchasing function through which organization obtain products and services from external suppliers. A good procurement plan will go one step further by describing the process you will go through to appoint those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the

same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery.

Procurement planning (independent variable) was measured in terms of budget plans, procurement methods and quality plans. Whereas on the other hand service delivery was measured in relation to service quality, customer loyalty, customers' feedback and customers' knowledge (Burt, 2013).

Burton (2015) counsels that a procurement plan is an instrument for implementation of the budget and should be prepared by the user departments with a view to avoiding or minimizing excess votes in the entities' budgets and to ensure that procurements do not proceed unless there are funds to pay for them. This implies that all procurement plans must be well integrated into the budget process based on the indicative budget as appropriate and in compliance with the procurement law.

Whitman (2014) defined procurement planning as the process used by companies or institutions to plan purchasing activities for a specific period of time, this is commonly completed during the budgeting process, and the primary concept of procurement planning is that advance planning will result in cost savings, more efficient business operations, and therefore increased profitability. Planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today (Johan, 2006) and Mamiro (2010), in his findings underscores these facts and concludes that one of the major setbacks in procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement (Else, 2012).

Service delivery is a measure of how products and services supplied by a company meet or surpass client expectation. Service delivery is also defined as "the number of clients, or percentage of total clients, whose reported experience with a firm, its products or its services (ratings) exceeds specified satisfaction goals (Farris, Paul W



et.al. 2010). And yet another definition of service delivery is it refers to the extent to which clients are happy with the products and/or services provided by a business. Further definition of service delivery is it is a term generally used to measure a client's perception of a company's products and/or services. It's not a straight forward science however, as service delivery will vary from person to person, depending on a whole host of variables which may be both psychological and physical. The usual measures of service delivery involve a survey with a set of statements using a Likert Technique or scale (Burt, 2013). According to Langseth (2006), service delivery **is** defined as a collection of outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service.

According to Kabaj (2013), service delivery is a collection of outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service. Service delivery is a part of client's experience that exposes a supplier's behavior on client's expectation. It also depends on how efficiently it is managed and how promptly services are provided. This satisfaction could be related to various business aspects like marketing, product manufacturing, quality of products and services, responses client's problems and queries, completion of project, post delivery services, complaint management etc (Basheka, 2013).

#### **1.1.4 Contextual perspective**

In Jinja local government, public trust in public sector performance in delivering services consistent with citizen preferences has been considered weak (Greene, 2013). The reason is that politicians and bureaucrats are typically observed to show greater interest in rent-seeking activities than in delivering services wanted by their citizens. The information revolution empowers citizens to access, transmit, and transform information in ways that local governments are powerless to block, and in the process it undermines authoritative controls (Barrett, 2013). Poor service delivery remains a pressing issue in Jinja local government whereby, recently the focus of local government's policies on meeting the development goals has increased attention on poor provision of services. At present, however, public services in Jinja local

government lag significantly behind and are considerably more expensive. Corruption swallows up huge amounts of money every year and the numbers may vary but the word “billion” crops up often (Red paper News on 14<sup>th</sup>/June, 2016).

## **1.2 Problem Statement**

Specifically poor education and health service delivery is a frequent problem among public organizations in Uganda, this has been characterized by the existence of 40% poor infrastructures such as roads and poor education services in Jinja, and this problem has been caused by high rate of corruption and poor procurement planning by Jinja authority leaders (Ministry of local government report, 2016). Public service delivery is regarded as low by both community and local governance authority, public participation is also low due to poor service delivery (Chris, 2015). Funding which comes directly or indirectly from the state is often fixed by annual allocation, through the exchequer budgetary arrangements. This has led to difficulties in standards of living of people of Jinja in terms of health and education facilities (National service delivery report, 2013). However specifically health and education services are not delivered to the outlook of the public and this is evidenced by non-completion of some projects like construction of schools and ambulances to hospitals among others, as in the procurement planning report for financial year (2012/2013, Jinja district). Particularly the healthcare and education services in the Jinja district local government are still very alarming (Jinja district public service report, 2015). It is upon this that the researcher wanted to find out the effect of procurement planning and service delivery in Jinja local government.

## **1.3 Purpose of the Study**

This study established the effect of procurement planning on service delivery in Jinja Local Government.

## **1.4 Research Objectives**

The following are the specific objectives;

- i. To establish the effect of budget plans on service delivery in Jinja Local Government, Uganda.
- ii. To determine the effect of procurement methods on service delivery in Jinja Local Government, Uganda.
- iii. To assess the effect of quality plans on service delivery in Jinja Local Government, Uganda.

## **1.5 Research questions**

The following are the research questions;

- i. What is the effect of budget plans on service delivery in Jinja Local Government, Uganda?
- ii. What is the effect of procurement methods on service delivery in Jinja Local Government, Uganda?
- iii. What is the effect of quality plans on service delivery in Jinja Local Government, Uganda?

## **1.6 Hypotheses**

**Ho<sub>1</sub>:** There is no significant effect of budget plans on service delivery in Jinja Local Government, Uganda.

**Ho<sub>2</sub>:** There is no significant effect of procurement methods on service delivery in Jinja Local Government, Uganda.

**Ho<sub>3</sub>:** There is no significant effect of quality plans on service delivery in Jinja Local Government, Uganda.

## **1.7 Scope**

### **1.7.1 Geographical Scope**

The study was conducted in Jinja district local government. Jinja District is a district in the Eastern Region of Uganda. The town of Jinja is the district's main municipal and commercial center. The district headquarters are located at Buwenge and which is 96 kilometres (60 mi), by road, east of Kampala.

### **1.7.2 Content Scope**

The study looked at procurement planning in terms of budget plans, procurement methods and quality plans. Whereas the dependent variable (service delivery ) was measured in terms of availability of public services, accessibility of public services and affordability of public services.

### **1.7.3 Time Scope**

This research was conducted between July 2017 and February 2018, whereby proposal writing was done from July to September 2017, data collection was done between November 2017, and after the final report was written in February 2018 and submitted.

## **1.8 Significance of study**

The following will benefit from the results of the study

To the researcher, the research study will avail more information to the researcher hence becoming more acquainted with the relationship that exists between procurement planning and service delivery in Local Government in Jinja. At the end of the study the researcher will be able to identify gaps in the study that can be basis for further research in the future.

To the Local Government leadership and management, this research will help them to know more about the role of procurement planning and allow planners to determine if expectations are realistic; particularly the expectations of the requesting entities, which usually expect their requirements met on short notice and over a shorter period than the application of the corresponding procurement method allows, while also service delivery in the Local Government of Jinja is critical, as the concept enhances the ethics of managers, supervisors and other employees to achieve the organization's goals and objectives. It will also be an opportunity for all stakeholders involved in the processes of acquiring procurement requirements and being accountable of standing by their decisions, actions, and the overall well-being of projects undertakings within the Jinja Local Government as a result of this research will greatly impact on the service delivery of Local Government and on this basis, such leaders, managers and employees can

make informed decisions regarding how best Local Government can be handled hence being of great significance.

To the policy makers of Jinja Local Government, this information collected by the researcher will avail important information to them and will make them have better decisions. For example, it will permit the creation of a procurement strategy for procuring each requirement that will be included in the procurement plan. Such strategy includes a market survey and determining the applicable procurement method given the requirement and the circumstances and also service delivery addresses both the organization's expectation of the employee and the employee's expectation of the organization in order to achieve its aims and objectives in relation to better understand the relevance of procurement planning and service delivery of Local Government .

To the future researchers, this research study will widen their knowledge and scope concerning the role of procurement planning on the service delivery of Local Government. As they conduct their own studies, the information in this research study can be of significance to these researchers and students because they will be able to identify the areas that need more research as they read what was researched in this research study.

### **1.9 Operational definitions**

**Procurement Planning;** is the process of deciding what to buy, when and from what source. It is the process used by the Local governments, companies or institutions to plan purchasing activity for a specific period of time.

**A budget plan.,** is a quantitative expression of what to do in for a specific period of time. It may include planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities and cash flows. It expresses strategic plans of business units, organizations, activities or events in measurable terms.

**Procurement methods;** these are procedures used in converting requirements or requisitions into purchase orders or contracts. It is also the procedures used by

the procuring entity to acquire goods, services and works. These methods can be competitive and non-competitive. For example in the Local Government, procurement methods are the driving forces that can provide the organization with the ability or procedures on how to achieve its budget plans.

A **quality plan;** is a document, or several documents, that together specify quality standards, practices, resources, specifications, and the sequence of activities relevant to a particular product, service, project, or contract.

**Service delivery;** refers to the obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted properties of the Local Government.

**Planning** is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter covers the literature related to the study. It is from studies and observations made by other scholars/ researchers with more concrete understanding of the object.

#### **2.1 Theoretical frame work**

##### **2.1.1 Principal-Agency theory**

The Principal-Agency theory developed by Lupia (1998) states that analysis and evaluation of service delivery requires a specification of a person who is (or is supposed to be) accountable to whom. This is a core ingredient of principal agent theory. In principal-agent models, some actor (or group of actors) called an agent undertakes an action on behalf of another actor (or group of actors) called a principal. The principal, for its part, can make decisions that affect the incentives of the agent to take any of its various possible actions. This process of structuring incentives for the agent is the central focus of principal agent theory. The decisions made by the principal that structure the agent's incentives to take various actions constitute a contract, in the language of principal-agent theory (Bolton and Dewatripont, 2014). Perhaps the most elemental point about principal agent theory is that it is not in fact a single overarching theory with a specific set of assumptions or conclusions. Principal-agent theory is more accurately described as a family of formal models addressing related concerns with similar styles of analysis. It is not much of a stretch to suppose that for any given actors labeled "principal" and "agent," and any pattern of interaction between the two, a principal-agent model can be written down with that pattern as an equilibrium outcome and modelers might consider it a parlor game of sorts to do it. Given that, one must be aware of claims to "test" principal- agent theory empirically in any broad sense. By the same token, it is always possible to defend any status quo interaction between a "principal" and an "agent" as reflecting the greatest degree of service delivery to which

the agent can be held by the principal, given various informational asymmetries and commitment problems.

In most cases the primary concept of procurement is that advanced planning, scheduling, and group buying will result in cost savings, more efficient business operation, and therefore increased profitability. There are four steps that form the basis of procurement planning: group buying, just in time delivery, negotiated bulk pricing, and reduced administrative overhead (Rosener, 2014).

According to Behn (2014), a procurement plan describes and documents all of the purchases from outside suppliers that will be needed to support the needs of a particular project. A project may need computers, paper or other supplies depending on the nature of the project. Therefore outlining the needs of the project and how the supplies will be procured allow for adequate budget and proper planning. A good procurement plan will also give specific steps on how to initiate and execute purchases. This will ensure that all bids are granted fairly and are in the best interest of the company.

### **2.1.2 Institutional theory**

The institutional theory is the traditional approach that is used to examine elements of public procurement (Luhmann, 2011). Scott (2013) identifies three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for e-sourcing. According to Scott (2013), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. In Kenya, public procurement is guided by the PPDA Act 2014, regulations and guidelines which are from time to time issued by the Public Procurement Oversight Authority only and which must comply with to the latter by all the public entities and providers of Public procurement regulations (2011) and guidelines directing procurement activities (Barrett, 2011). Institutional theory states that there should be e-sourcing with Public procurement regulations to ensure

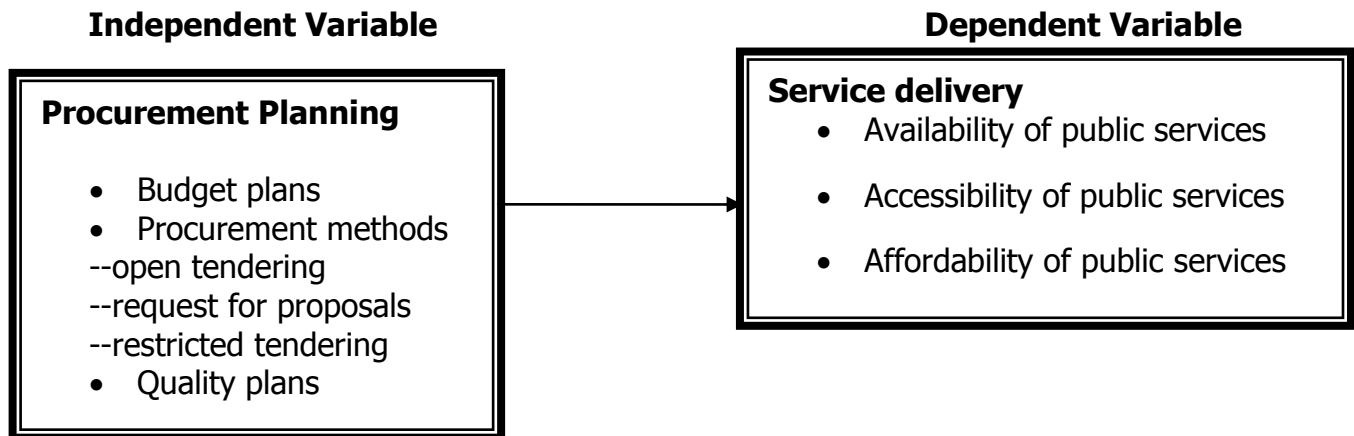


competitive bidding, e-tendering, and professionalism in procurement process (Andrew, 2014).

### **2.1.3 Normative Ethical Theory**

Darwall (2012) says that philosophers use normative ethical theory to refer broadly to principles, concepts and ideas that can be cited in support of ethical judgments about cases. As such, the investigation of normative ethical theory is unavoidable if we are to think about ethical issues with any case. This is because the part of ethics we call morality is modeled on law, even if other parts are not. What is wrong in a person's undertaking is what one can appropriately be held accountable for doing and that it warrants blame where there is no adequate and justified reason. Thomason (2013) says that managers are often responsible for making a variety decisions which affect both internal and external stakeholders for an organization. It is therefore the management's responsibility when making decisions to act ethically guided by the ethical or moral principles defined by society. Darwall (2012) says that a procurement manager held accountable for wrongdoing should be capable of accepting the judgment in some sense, of being brought to see that it is a reasonable judgment to have been made. This can help to foster e-contracting and moral dealings among public procurement planning personnel. Eyaa *et al* (2011) argues that the level of professionalism in public procurement planning is low or even non-existent. This according to Mosoba (2012) is the reason why procuring entities brought before the PPARB in Kenya continue ignoring the advice of the Board and commit the same mistakes while blaming the law instead of their own deliberate interests. In response, several cases and controversies have characterized tendering for public projects including those in critical social areas such as the General Elections, water and human relief services. For instance, Ngirachu (2013) says reports that procurement of sub-standard BVR poll kits cost the tax payer over Ksh. 7.2 billion only to collapse leading to delay of the release of election results by the IEBC who resorted to controversial manual tallying method. However, Land, Riley and Cayer (2014) argue that finding, hiring and retaining dedicated, energetic and ethical employees with requisite skills has remained difficult especially in the public sector.

## 2.2 Conceptual framework



Source: Developed by the researcher basing on Lupia's (1998) principle Agent theory

A conceptual framework in figure 1 illustrates that procurement planning influences the level of service delivery. Procurement planning was conceptualized/ broken into small constructs such as budget plans, procurement methods and quality plans. Service delivery was conceptualized in terms of availability of public services, accessibility of public services and affordability of public services.

## 2.3 Review of related literature

### 2.3.1 Effect of budget plans on service delivery

It is helpful to look at the money going in and out across a whole year. Include regular payments such as rent or home loan, phone and electricity, car or public transport. Bank statements, bills, credit card statements, receipts and shopping dockets will help you to work out all your expenses. Use the best guess if there's anything can't be found or if bill amounts vary across the year. Adding in all the money that is received or paid over the time period. This could include payments from full-time or part-time employees, any casual work, your pension, government benefits, child support payments and any money from investments. If the income is available, making an estimate based on past year's earnings is very important. When working out money

priorities, thinking about which items needed for the basic living expenses and which are extras or things could be done without if needed to save some money (Abeille, 2013).

According to PPOA (2013), the public procurement planning system in Kenya has been undergoing reforms consistent with the global trend since the mid 1990s, most notably within the periods covering 1997-2014 and 2014. According to (Ebrahim, 2011), before these reforms, the legal framework governing public procurement planning was very amorphous, providing a conducive environment for the perpetration of various malpractices in public procurement planning including the endemic corruption that characterized the system. Putting in place an institution to oversee development and implementation of the public procurement planning policy in Kenya and improve e-tendering (Lysons & Farrington 2011). This was realized through the creation of the Public procurement planning Directorate (PPD) system to oversee the public procurement planning process in Kenya and the Public procurement planning Complaints, Review and Appeals Board (PPCRAB) to handle tendering disputes Act (Public procurement planning Regulations, 2013).

According to Kearns (1996) procurement planning consists of the process used by companies or institutions to plan purchasing activity for a specific period of time and this is commonly completed during the budgeting process. Usually during the procurement planning, departments at the Local Government level for this case are required to request budget for staff, expenses, and purchases and this is taken as the first step in the procurement planning process. The budgets for all the departments are then reviewed, and in an organization that is committed to procurement planning, the accountants spend the time to find common purchasing requirements. Based on the budgets submitted, they may direct departments to work with central purchasing to combine their planned spending for specific commodities. This process works best in an organization or government that is committed to reducing costs. In this procurement planning process, issues surrounding delivery dates, contract compliance, and customer service issues must be resolved internally before going out to contract (Behn, 2010).

It is an opportunity for all stakeholders involved in the processes to meet in order to discuss particular procurement requirements. These stakeholders could be the requesting entities, end users, procurement departments, technical experts, and even vendors in order to give relevant inputs on specific requirements. Procurement is the process of obtaining goods or services in any way, including borrowing, leasing, and even force or pilferage (Arrowsmith & Hartley, 2014). It also embraces clearing out unnecessary acquisitions either due to obsolescence or due to depreciation in their usefulness and value to an entity. Procurement planning is the primary function that sets the stage for subsequent procurement activities; it fuels and then ignites the engine of the procurement process. It is the process of determining the procurement needs of an entity, their funding and timing of their acquisition such that operations are met as required in an efficient manner. In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure.

In a nutshell, procurement planning also permits the creation of a procurement strategy for procuring each requirement that will be included in the procurement plans of the Local Government Logistics and such strategy includes a market survey and determining the applicable procurement method given the requirement and the circumstances that planners can estimate the time required to complete the procurement process and award contract for each requirement. This is valuable information as it serves to confirm if the requirement can be fulfilled within the period expected, or required, by the requesting entity or entities. It can also help in the case of technical expertise to develop technical specifications and/or scope of work for certain requirements that can be assessed, especially where in-house technical capacity is not available or is non-existent within the Local Government

### **2.3.2 Effect of procurement methods on service delivery**

Procurement Methods in the Local Government are said to be the effective techniques as a resource for procurement professionals based on practical experience and techniques tested on actual procurements. Procurement methods offer guidance for the development of procurement documents and method selection. It focuses on the three basic procurement methods which include the invitation to bid, the request for quotations, and the request for proposals. It addresses the appropriate use of each method and explains the rationale for the inclusion of key components in the solicitation document, elaborating on how these components work together to make the process effective within the Local Government.

Procurement methods are the procedures used by the procuring entity to acquire goods, services and works. These methods can be competitive and non competitive. There's a preference for using competitive methods of procurement given that they tend to promote transparency, economy and efficiency, and limit favoritism. These include; open tendering, restricted tendering, request for Proposals, two-stage tendering, request for quotations and single-source procurement, the procurement methods such as tendering, request for proposals, and two-stage tendering are considered competitive procurement methods because the solicitation documents are advertised and open to any qualified firm interested in competing for the assignment. In contrast, request for quotations and single-source procurement are considered non-competitive procurement methods because the invitation to submit offers is not advertised, and it is sent only to firms or individuals specifically invited by the procuring entity (Mamiro, 2010).

With respect to restricted tendering, there's debate as to whether it is a competitive or non competitive procurement method. It is considered a non competitive procurement method because the solicitation documents are sent to a limited number of suppliers, contractors, or service providers. A decision to use a particular procurement method must be based primarily on the stipulations of the procurement guidelines, manuals and

procedures; which necessarily stem from the procurement legal framework. It's also important to consider (among others): the value and complexity of the requirement, the degree to which the procuring entity is able to clearly define the requirement, if there is a need for prospective bidders to participate in finalizing the specifications of the requirement, the urgency of need and market availability (Larson, 1994).

### **2.3.3 Effect of quality plans on service delivery**

Andrews (2014) noted that quality plan lays out how the organization maintains the standards and requirements for a good procurement, he says, adding examples of ensuring that competition is fair and that suppliers are qualified. As a component in procurement planning, it is vital to make a plan of the kind of quality that is expected by the purchasing Institution. By clear planning for this component, it becomes difficult to misuse the funds and reduces the evil of mismanagement of organizations' funds, such organisations face a problem of misuse of funds as procurement officers go for poor quality materials so that they can get a portion for their own benefit but all this results from poor procurement planning. Group buying; Procurement planning must also cater for ways of how costs must be reduced during the procurement exercise. For example at all levels of governance in an organization, procurement officers should plan to combine all the budgets of the different departments and procure at once as a way of reducing the expenses involved in procurement and this is a component in procurement planning that could save a lot of money in the organization. Budget Lindstrom notes: "The budget can mean different things to different companies. In some companies, if you're billing your time to specific internal projects or the business unit, the budget does become important. Budgets have to be done prior to procurement as a way of clearly knowing how the funds are to be spent by the Institution. If all structures and departments at Local Government make budgets, it reduces on the possibility of spending on unplanned activities which is a very important component in procurement planning (Andrews, 2014).

A quality Plan helps the Local Government on how to schedule all of the tasks needed to make sure that projects meet the needs of the organization's demand. It comprises of two parts; i.e. the quality assurance plan which lists the independent reviews needed and the Quality Control Plan which also lists the internal reviews needed to meet the organization quality targets. By using quality assurance and quality control techniques, the organization can create a comprehensive quality management for the Local Government projects (Thai, 2014). Service delivery provides an overview of an institution or organization's mission, planning process, internal structure, and strategies implemented to achieve desired goals. The performance service delivery process also details how performance and financial information is handled to ensure accuracy and completeness.

Public services; is the physical access or reachable of services that meet a minimum standard. The latter often requires specification in terms of the elements of services such as basic equipment, drugs and commodities, health workforce (presence and training), and guidelines for treatment. This can only be obtained by facility visits, using standardized data collection instruments. Data on the population distribution are required to estimate physical access. More precise estimates of physical access use travel time (and costs) rather than distance, but are difficult to measure (Martin, 2015).

A public service can be provided by government to people living within its jurisdiction, either directly (through the public sector) or by financing private provision of services. The term is associated with a social consensus (usually expressed through democratic elections) that certain services should be available to all, regardless of income. Even where public services are neither publicly provided nor publicly financed for social and political reasons. They are usually subject to regulation going beyond that applying to most economic sectors. Public service is also a course that can be studied at a college and/or university (Nwabuzor, 2015).

Although central governments have a crucial role in achieving sustainable human development and reducing poverty, they cannot achieve these goals alone. Effective

governance in a global society implies cooperation or partnerships in which national governments work collaboratively with lower levels of public administration, the local governance, the private sector, organizations of civil society, other states, and international organizations through democratic, transparent, and participative processes (Andrews, 2014).

Affordability refers to the ability of the client to pay for the services. Data can be collected by facility visits or by household interviews. The latter is likely to be a more accurate reflection of what the consumer paid. The extent to which the service is affordable depends on the clients' ability to pay which complicates measurement (Mamiro, 2010).

Kearns (1996) in his study on delivery of public services by local governance, he found out that in the context of an increasingly globalizing world, challenges and requirements of capacity building for local governance should always be analyzed and diagnosed taking into account the full range of stakeholders and actors analysis at community, local, national, regional and international level. Such an analysis should always be conducted in a participative manner to make the stakeholders and actors involved in local governance to share a common understanding of one another's strengths and weakness. This would in turn facilitate the process of cooperation, harmonization, and synergy in capacity building activities.

Allan (2015) found out that most poor populations are quick to agitate for participation but when it reaches the level of participating in the financing they still want some donor or central government to foot the whole bill. Central government on its part gets money from taxes paid by the people. But however efficient and effective a tax system is, if it is taxing a poor population, it will yield poor revenues. There is a limit beyond which a hungry person can milk a hungry cow. The fundamental problem with most African societies is that they suffer from double weakness. Their central and administrative decentralisations are weak while at the same time their private and civil society sectors are also weak (vertical and horizontal weakness). This double weakness is not only in



terms of resources (human, material and financial) it is also in terms of institutions, systems, information, networking, skills, knowledge, etc (Andrews, 2014).

Accessibility; service delivery predominantly has a socio-psychological dimension which can best be measured through household surveys. Client exit interviews are a biased sample as those who stay away from the facility because of socio-cultural barriers will be missed. These dimensions of access are a pre-condition for quality (Oboth, 2014).

Mamiro (1990) indicated that African national governments have to be urged and encouraged to acknowledge the right of the local population to local self government as the surest way to satisfy their needs through their efforts. The national governments in Africa have to recognize their limitations in terms of resources and capacity to mobilize the population sufficiently enough to transform the living conditions in the society without further delay. Second the adoption of the World.

Administrative decentralization can also obstruct the redistribution role of the central government. To guarantee a minimum level of public service and basic needs (or standard of living) for the entire population (regardless of their geographical location), the central government often carries out equalization transfers, which would be disrupted in cases of insufficient leverage on resources (Whitman, 2014). When a large share of revenue and expenditure is shifted to local governments, the central government does not possess sufficient resources to ensure a minimum equity across the entire territory (Kenneth, 2006).

## **2.4 Related studies**

Behn (2014) further adds that effective procurement planning is an important route towards securing the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant

issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

Similarly, Kakwezi and Nyeko (2010), argue that procurement planning is not usually considered in most entities as compared with the finance functions. They conclude in their findings that failure to establish performance of the procurement function can lead to irregular and biased decisions that have costly consequences to any public procuring entity. Procurement planning is the primary function that sets the stage for subsequent procurement activities; it fuels and then ignites the engine of the procurement process. It is the process of determining the procurement needs of an entity, their funding and timing of their acquisition such that operations are met as required in an efficient manner (Hartley, 2014).

Waal (2012) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and Local Government levels of public sector management. His findings revealed a significant positive relationship between procurement planning and service delivery. These results are compared to international research findings, and suggestions are offered for management, policy making, and future research. Procurement Policy Manual (2012), procurement planning drives different expected results which are different from business as usual such as: reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy), data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to improved service delivery (Cardy, 2013).

Ahmed (2015) also in his study on procurement he further noted that many non government organizations however are unable to deliver services to residents. He found out that this might be because of lack of finances or lack of capacity to provide a good

service at an affordable price. So these organizations should find other ways to ensure that the services are improved and reach the people most in need of them.

Dougherty et al (2014) singled out non-adherence to procurement methods as a major impediment to public procurement development in Kenya. He however did not specify the stage of procurement where this happened. In as much as the above studies highlight the core role of proper need assessment as a foundation for an effective procurement, they fail in bringing to the fore the link between need assessment and service delivery in relation to performance. Karin also point out the importance of procurement as a moral and ethical concern and recognize that administrative action is permeated by moral choices and are therefore models of not only technical and professional competencies but also of moral behavior (Schlosser, 2013).

According to Garvin (2013), quality involves using five different approaches namely; the transcendent approach; the product-based approach; the user-based approach; the manufacturing-based approach; and the value-based approach. The transcendent approach equates quality with Innate excellence: The product-based approach defines quality as a sum or weighted sum of the desired attributes in a product: The user-based approach identifies a high quality item as one that best satisfies consumer needs or wants.

Gronroos (2014) noted that service quality involves measuring of how well the service level delivered meet the stake holders' expectations. A common definition of service quality is that service should correspond to the requirements (Edvardsson, 2014). Despite rigorous academic debate and attention to issues related to understanding service quality from an external customer's perspective, research on the procurement needs domain is relatively new (Gremier et al, 1994).

Edvardsson (2006) contends that specification is an integral part of the procurement function. Without a quality specification the process can be filled with pitfalls and obstacles for the purchasing department. He lists the characteristics of a good

specification as follows; Identifies the minimum requirements of the end user, allows for a fair and open procurement process, provides for testing/inspection to insure the goods/services received meet the standard set forth in the specification and provides equitable award at the lowest possible cost.

According to the PPDA Act (2012), purchases must be economical and efficient. This means that they should be based on market prices and should be able to generate saving. It also means that bad practices such as irresponsible procurement leading to wastage, wear and tear of stocks, over invoicing, unplanned expenditure, shortage of goods when needed, poor quality products and similar factors to be avoided. The PPOA prepares and updates a Market Price Index (MPI) to be used by the Procuring Entity (PE) on a periodic basis.

The Procurement Plan (PP) must be integrated into the budgetary processes based on the indicative or approved budget, as stipulated in the PPDA (2006). The budget as well as the procurement plan are to be based on realistic cost estimates derived from the market research database which is to be compiled and updated regularly by the procurement unit in line with regulations, PPDA (2012). Costs are one of the factors that are concerned with the customer perspective.

Nwabuzor (2015) describes a comprehensive procurement performance as a function of an all-inclusive procurement planning process that analyzes all the variables in a specific environment. In relation to the above discussion, the studies and theories have established the value of, cost estimation, quality specification and need assessment. They, however, fail to highlight in clear terms the role of the above procurement planning variables on institutional performance.

Mamiro (2010) noted that lack of service delivery creates opportunities for corruption, Brinkerhoff (2014) identifies three key components of service delivery, including the measurement of goals and results, the justification or explanation of those results to internal or external monitors, and punishment or sanctions for non- performance or

corrupt behavior. Institutions which do not have performance means in their processes, procedures, and plans experience lower performance and higher customer dissatisfaction and employee turnover (Artley, 2014).

Basheka (2014) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in an organization.

Mullins (2013) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries (Basheka, 2012). Its contribution can be at both central and local government levels of public sector management. This Study revealed a significant positive relationship between procurement planning and performance in local government procurement systems. These results are compared to international research findings, and suggestions are offered for management, policy making, and future research (Baldry, 2014).

Procurement is the act of acquiring, buying goods, services or works from an external source. It is favorable that the goods, services or works are appropriate and that they are procured at the best possible cost to meet the needs of the acquirer in terms of quality and quantity, time, and location. Corporations and public bodies often define processes intended to promote fair and open competition for their business while minimizing exposure to fraud and collusion. Basheka, (2013). Kearns (1996) also noted that procurement planning involves a process used by companies or institutions to plan purchasing activity for a specific period of time and this is commonly completed during the budgeting process.

Proper procurement planning also allows planners to determine if expectations are realistic; particularly the expectations of the requesting entities, which usually expect their requirements met on short notice and over a shorter period than the application of

the corresponding procurement method allows. At local government level, different departments submit their budgets at a specified period of time however the procurement planning team has to make sure that these budgets are for example realistic and that they would support the expectations of the department. It is therefore true to believe that procurement planning impact on local government accountability positively because it is during this planning time that changes and advice is given to achieve the best (Martin, 2015).

According to Burton (2015) procurement planning allows an opportunity for all stakeholders involved in the processes to meet in order to discuss particular procurement requirements. These stakeholders could be the requesting entity, end users, procurement department, technical experts, and even vendors to give relevant inputs on specific requirements. The involvement of all the concerned stakeholders at this level helps in proper decision making and also in creating collective accountability hence reducing the errors that could be created by a few people making the decisions on behalf of other people.

During the procurement planning process, planners can estimate the time required to complete the procurement process and award contract for each requirement. This is valuable information as it serves to confirm if the requirement can be fulfilled within the period expected, or required, by the requesting entity. Its impact on the accountability of local government is that it helps to align the procurement activities in their right time by for example procuring at the time when the market prices are favorable and by doing that accountability at the local government level will be possible (Andrews, 2014).

According to Basheka (2013) procurement planning is the primary function that sets the stage for subsequent procurement activities. A mistake in procurement planning has wide implications for local governance, measured from the two indicators of accountability and participation. According to James (2014), the ideals of planning suggest that procurement planning can be implemented in an atmosphere of complete harmony.

Abeille (2013) noted that it is helpful to look at the money going in and out across a whole year. Include regular payments such as rent or home loan, phone and electricity, car or public transport, bank statements, bills, credit card statements, receipts and shopping dockets will help to work out all expenses. Procurement planning is undertaken as part of the service planning process. The primary concept of procurement is that advanced planning, scheduling and bulk purchasing result in cost savings, efficient business operation, and increased value for money. Meanwhile local governments are expected to use procurement planning as an opportunity to evaluate the entire procurement process so that sound judgments and good decision making will facilitate the success of the overall project implementation in the procurement of goods, works and services.

Pope (2006) carried out study about procurement process and service delivery in local government, Ibanda town council and he found that challenges include lack of finances planning, lack of suitable service provider, limited skilled personnel, and also poor communication plan were result poor procurement planning, which shows that their gap between the procurement process and target to reached, meanwhile this study explore ways that helps procurement plan to achieve maximum value for expenditures and enables the procurement entities to identify and address all relevant issues pertaining to a particular procurement. Andrews (2014) who argued that the quality plan lays out how the company is going to maintain the standards and requirements for a good procurement, he added examples of ensuring that competition is fair and that suppliers are qualified, as a component in procurement planning, it is vital to make a plan of the kind of quality that is expected by the purchasing Institution, hence improving service delivery.

Rosemary (2014) established study about the factors affecting procurement planning in county governments in kenya, nairobi city county, The study concludes that, inadequate competencies of procurement work, lack of management support, budgeting procedures affect procurement planning, While there have been developments in regulatory framework, there is still challenges to be addressed in order to realize full

benefits of procurement planning in Uganda, thus, this study will address the needed and remaining part of procurement planning In service delivery.

Making the roles and responsibilities of the participants in the procurement planning in service delivery are difficult and not clear, therefore, to easier this planning process the procurement planning should be designed into the fallowing factors

Sasser (2011) contends that during procurement planning, the procuring unit brings about effective integration of the diverse decisions and activities of members on the technical planning committee not only at a point of time but also over a period of time. It is by reference to the framework provided by planning that members on the technical planning committee make major decisions on local government activities, in an internally consistent manner.

Communities or their representatives can also play some role in the evaluation of potential service providers, the involvement of communities in service provision and monitoring of the performance of service providers is vital in planning. This kind of involvement of citizens ensures that procurement planning and decision-making process reflect their needs and priorities and lead to the types of decisions that will make an effective services delivered in an open, fair and democratic local government (Edvardsson, 2013).

Preparing a multi annual work plan involves each user department to prepare a multi-annual rolling work plan for procurement based on the approved budget, which is submitted to the procurement and disposal unit to facilitate orderly execution of annual procurement activities. A procurement plan is integrated into the annual and multi-annual sector expenditure programmer to enhance financial predictability, accounting and control over procurement budgets. A procurement and disposal unit uses the combined work plan to plan, organize, forecast and schedule the procuring and disposing entity's procurement activities for the financial year, section 96 of the PPDA regulations (2006).



In estimating the value of the works, services or supplies required and confirming the availability of funds, a procuring entity shall ensure that the estimate is realistic and that- the estimate is based on up-to-date information, technical advice is sought, where required, and the confirmation of availability of funding takes into account the total acquisition cost in accordance with regulation 227 of the PPDA Regulations (2006).

The aim and objective of procurement planning in local governments is to carry out activities related to procurement in such a way that the goods and services so procured are of the right quality, from the right source, are at the right cost and can be delivered in the right quantities, to the right place, at the right time (Wyckoff, 2011). Procurement enables the Logisticians to fulfill the right action through, buying quality materials, items and services economically from reliable sources; ensuring timely delivery through the selection of capable and efficient suppliers; continuously locating, evaluating and developing economical and reliable supply sources; identifying the most reliable sources of supply through either open tender, multi-stage tendering by pre-qualifying suppliers and retaining only those that are capable of meeting the organization's requirements - strategic sourcing, and limited tendering (Valarie, 2006).

Local governments can improve on procurement planning and accountability if they increase citizen participation in the issues of local government. According to Pamela Gibson from Virginia Polytechnic and State University, USA, when the citizens are involved in the activities of local government it increases local government accountability as the people try to follow up what the local government is doing. Citizens act as a watch dog to the government as they follow up the activities of the government by making sure that the government officials operate in the way they are expected and that the funds are used in the right way (Rotich, 2011).

However a study by Zomer (1997) indicated that public administration want relationships with citizens but found that they create delays and increase red tape. The

foundation continues to say that sometimes the citizens feel that when their input are sought, their decisions are rarely used to make decisions in the government.

According to the Mullins (2013), local governments that put up strong procedures or rules concerning procurement and how business should be conducted with the government become more accountable to the people they lead because of the clear procedures put up to allow that. World Bank also adds that if procurement planning is done by all the local governments, especially in the developing countries, procurement is likely to be done in the right way since mechanisms of knowing what should be purchased, from who, when and in what quantity. When these are not cleared out they retard the development at local governments because of loss of funds. In addition to the above the political leadership should work towards eliminating corruption and embezzlement of local government funds which is a stumbling block to the operations at local government.

To create a more enduring approach to procuring goods and services that will contribute positively to the community and beyond, the institutes should practice sustainable public procurement by considering the three aspects of sustainability .i.e. economic, social and environmental (Kearns, 1996). Sustainable procurement is a purchasing and investment process that takes into account the economic, environmental and social impacts of the entity's spending. Sustainable procurement allows society to meet their needs for goods, services, construction works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the association, but also to the public and the economy, while remaining within the carrying capacity of the environment (Whitman, 2014).

Procurement should serve as the lead for developing, implementing and maintaining a sustainable procurement policy and program. To accomplish this it will be necessary to ensure, clear identification of the procurement staff's roles and responsibilities for the program, including a Sustainable Procurement Champion, with support and influence at

the senior management level, Appropriate training of the procurement staff in sustainable procurement best practices, Procurement staff are provided with performance goals and objectives including aspects of sustainable procurement, for which they are held accountable through their personal development evaluations and assessments (Valarie, 1996)

Cohen (2014) carried out study about Strategy for Improving Public Procurement practices in Uganda, he found that there is a need for a coordinated approach to procurement practice in central government to achieve best value in its use of public funds, which shows that there is gap between procurement practice in central government and local government, therefore, this study recognize that local government needs to improve procurement practice across the different sectors of the administration and adopting effective procurement approaches which can deliver savings to local communities.

Lloyd (2014) explored study about Improving Procurement Practices in Education, Health and Agriculture in Uganda, he argued that over the last years, Uganda has adopted legislation to improve governance and procurement practices, but its impact has been limited. More often than not, which shows that there is a gap between what reforms say on paper and their implementation on the ground, Thus this study ensure that there should be appropriate mechanisms in place to enable them to measure the costs and savings of the procurement practice so that they can evaluate the extent to which they are using optimum methods.

It is the role of procurement practice in the local government to outline its procurement necessities, classify all of the items they need to procure (Agaba & Shipman, 2012). Producing a sound financial justification for procuring them, listing all the tasks involved in procuring their services, scheduling those tasks by allocating timeframes and resources. Through a Procurement practice template, the procuring entity can quickly

and easily define its procurement requirements, the method of procurement and the timeframes for service delivery (Basheka, 2013).

The aggregation of requirements takes into account, the market structure for the items required, items which are of a similar nature and which are likely to attract the same potential bidders, the optimum size and type of contract to attract the greatest and most responsive competition or the best prices, items which are subject to the same method of procurement and bidding conditions, items which shall be ready for bidding at the same time, items which shall be subject to the same conditions of contract, potential savings in time or transaction costs, the appropriate size of contract to facilitate the application of any preference and reservation schemes, and the optimum number and size of contracts to facilitate management and administration of contracts by the procuring and disposing entity.

Mamiro (2010) further adds that effective procurement planning is an important route towards securing the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

Robert (2013) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management. His findings revealed a significant positive relationship between procurement planning and service delivery in local government procurement systems in Uganda. These results are compared to international research findings, and suggestions are offered for management, policy making, and future research.

Johan (2006), procurement planning drives different expected results which are different from business as usual such as: reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy) , data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to improved service delivery.

Bailey (2014) in his study on procurement he noted that, despite the increase in the total amount of funds available to local government in Uganda, its economic and financial profile is still poor as compared to the development programme it is expected to carry out. Procurement practice enables local government officials to better understand, manage and reduce demand, addressing several outcomes through provision of services that better targets scarce resources. Procurement practices in demand management changes the roles and relationships between service providers and the community, the procurement practice in demand management often involve changing the respective roles of provider and community and the relationship between them, such as by promoting independence, facilitating group to group support and by empowering community to decide how budgets are spent. This situation is not unconnected to the mismanagement and embezzlement of these funds by the local councils (Bailey, 2014).

Martin (2015) also in his study on procurement he further noted that many local governments in Uganda however are unable to deliver services to residents. He found out that this might be because of lack of finances or lack of capacity to provide a good service at an affordable price. So local governments should find other ways to ensure that the services are improved and reach the people most in need of them. It is the role of the procuring entity to divide requirements allocated to a single procurement process into separate lots if it is anticipated that the award of several separate contracts would result in the best overall value for the procuring and disposing entity (Mentzer, 2014).

Where a number of lots are to be procured under the same procurement process, the solicitation documents shall clearly state; the number of lots included in the procurement process, the nature and size of each lot, the minimum and maximum number of lots, if any, for which a bidder may bid, the proportion of each lot for which a bidder may bid, or whether a bid shall be for complete lot and the method of evaluating multiple lots (Burt, 2013).

Lardenoijs (2011) noted that in light of increasing expectations and potential reputation risks for individual companies and professions, private actors are also starting to take positive steps in this regard. They have developed e-contracting standards and instruments, for example with the adoption of quality management and e-contracting norms, codes of conduct or the certification and audit by a third independent party of their e-contracting systems (Van Raaij, 2011). This raises the question of how governments could encourage these initiatives and under what conditions. When selecting a supplier, should the government include criteria linked to corporate social responsibility, and if so, how to ensure that these efforts are founded and that the criteria do not artificially reduce competition? With the convergence of e-contracting instruments used by public and private actors, partnerships between governments and potential suppliers could be further encouraged (Weele, 2011).

Amaratunga & Baldry (2011) noted that as procurement officials are increasingly working closely with private sector actors to develop and deliver the solutions that promote value for money, they need adequate guidance. Enhancing professionalism requires not only management procedures but also a clear set of values and ethical standards clarifying how to achieve this objective. Countries expressed the need to develop a model code of conduct for procurement officials defining clear restrictions and prohibitions, as well as giving recommendations on how to handle their interaction with the private sector.

Basheka (2013) argues that procurement ethics is one of the primary functions of procurement with a potential to contribute to the success of organization operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in local governments.

Mullins (2013) asserts that the contribution of procurement ethics in facilitating an efficient and effective service delivery in organizations is generally undisputed in both developed and developing countries (Basheka, 2012). Its contribution can be at both central and local government levels of public sector management. This Study revealed a significant positive relationship between procurement ethics and performance in local government procurement systems. These results are compared to international research findings, and suggestions are offered for management, policy making, and future research (Baldry, 2012).

According to Garvin (2013), quality of procurement involves using five different approaches namely; the transcendent approach; the product-based approach; the user-based approach; the manufacturing-based approach; and the value-based approach. The transcendent approach equates quality with innate excellence: The product-based approach defines quality as a sum or weighted sum of the desired attributes in a product: The user-based approach identifies a high quality item as one that best satisfies consumer needs or wants.

Gronroos (2014) noted that procurement service quality involves measuring of how well the services level delivered meet the stake holders' expectations. A common definition of service quality is that service should correspond to the requirements (Edvardsson, 2013). Despite rigorous academic debate and attention to issues related to understanding service quality from an external customer's perspective, research on the procurement needs domain is relatively new (Gremmler et al, 2012).

## **2.6 Research gap**

The Agency theory in the literature above did not directly indicate the relationship between procurement planning and service delivery of Jinja Local Government, Uganda, therefore the need to close this gap by the researcher. Still Lupia's principle agency theory of 1998 did not clearly indicate how service delivery should be done in organisations like Jinja Local Government. In a similar way this kind of research had not been carried out in Jinja Local Government, so the researcher finding it necessary to carry out research in this area as it has been identified as a geographical gap.



## **CHAPTER THREE**

### **METHEDOLOGY**

#### **3.0 Introduction**

This chapter consists of the procedures and methods used to conduct research on the study area. It discussed how the respondents were selected, how the data was collected and analyzed. The chapter also presents the research design, population of study, sample size, sampling procedure, research instruments, data sources, reliability and validity, data gathering procedures, data analysis and limitations of the study .

#### **3.1 Research design**

This study followed a descriptive survey design specifically the descriptive correlation strategies. Descriptive studies are non-experimental researches that describe the characteristics of a particular individual, or of a group. It determined the effect between variables and the relationship between variables. Testing of hypothesis and development generalization and use of theories that have universal validity, it also involves events that have already taken place and may be related to present conditions (Kothari, 2014). Further, descriptive surveys were used to discover causal relationships (descriptive correlational). Therefore, the descriptive correlation design enabled the researcher to determine the relationship between procurement planning and service delivery and also researcher used prospective design because the researcher looked for present facts.

#### **3.2 Research population**

The target population for this study included 135 staffs from health and education departments, plus all procurement officers, whereby 23 from health department, 13 budgeting committee members, 12 from education department, 5 procurement officers, 82 beneficiaries or residents (Human resource department of local government, 2017).

#### **3.3 Sample Size**

From a population of 135 respondents, the researcher used only 101 respondents. These consisted of 17 officials from the health department, 10 officials from the budgeting committee, and 9 officials from education department, 4 official from

procurement department, and 61 beneficiaries . The sample size for this study was determined by the Slovene's formula as shown below:

$$n = \frac{N}{1 + N(e^2)}$$

Where; n = the sample size; N = the population size; and e = the level of significance, Which is = 0.05. This can further be illustrated as below:

**Table 1: Target population and sample size**

Departments	Population	Sample size
Health department	23	17
Budgeting committee members	13	10
Education department	12	9
Procurement department	5	4
Beneficiaries	82	61
<b>Total</b>	<b>135</b>	<b>101</b>

**Source:** Jinja District Human Resource department (2016)

#### **Slovenes formula**

$$n = \frac{N}{1 + N(e^2)}$$

Where: n=sample size

N=target population

e=level of significance/marginal error (0.05)

$$n = \frac{135}{1 + 135(0.0025)}$$

$$n = 101$$

### **3.4 Sampling Procedure**

The research study employed the stratified sampling and simple random sampling techniques when carrying out the research study. With reference to Amin (2005) stratified sampling technique is a technique that identifies sub groups in the population and their proportion and select from each group to form a sample using either simple random sampling and stratified sampling. Simple random sampling was also used to select the respondents from different departments. From which all staffs from the required departments were represented in the study and had a chance to be selected to participate in this study as respondents.

### **3.5 Research Instrument**

The research tools that were used in this research study included the following;

**Questionnaire**, this was used to collect data from the respondents who would especially not feel free to have interviews with the researcher. Questionnaires were also directed towards those respondents who were comfortable with writing. The questionnaire was preferred to save time and this enabled respondents to easily fill out the questionnaires and keep them on the subject and being relatively objective.

The questionnaires were preferred in order to save time, and this enabled respondents to easily fill out the questionnaires and keep them on the subject and relatively objective.

**Interview guide** was also used to collect data, the researcher also used the interview guides to get data from respondents who could not have the time of answering questionnaires but rather prefer to give their three to five minutes viewpoints in responding to Interview Guide. The interview was carried out mainly on four (4) procurement officers, these were interviewed because were the right people to answer the interview questions in relation to the study.

### 3.6 Pilot Testing

#### 3.6.1 Validity Analysis

To test the content validity, the researcher gave the questionnaire to three experts to assess their suitability and relevancy of the research objectives of the study and research questions. They were asked to assess the validity of the questions in the questionnaire by ranking them from 1 to 4 against objectives of the study and the research questions. 1-represents strongly disagree, 2-Disagree, 3-Agree, and 4 for strongly agree. From there, a Content Validity Index (CVI) was calculated. This CVI should be greater than or equal to 0.71 in order to declare a research instrument valid. For the purpose of this study, using this formula;

$$CVI = \frac{\text{No.of questions declared valid}}{\text{total No.of questions in the questionnaire}}$$

After obtaining a CVI of 0.95, the research instrument was declared valid since the calculated CVI of 0.95 was above 0.71 which is the minimum CVI index required to declare a research instrument valid (Amin, 2005).

#### 3.6.2 Reliability Analysis

To ensure the reliability of the instrument, the researcher used the test-retest method. The questionnaire was given to 10 people and after two weeks, the same questionnaire was given to the same people and the Cronbatch Alpha was computed using SPSS. The minimum Cronbatch Alpha coefficient of 0.75 was used to declare an instrument reliable after getting a Cronbatch Alpha coefficient value of 0.79.

The minimum Cronbatch Alpha coefficient of 0.75 was used to declare an instrument reliable.

Reliability Statistics	
Cronbach's Alpha	N of Items
.790	24

### **3.7 Data Gathering procedures**

#### **Before the administration of the questionnaires**

Before the administration of the questionnaires the researcher took an introductory letter from the College of Economics and Management (CEM), the researcher had to first seek authorization from the proposed respondents to conduct research and review the questions to avoid errors and ensured that only qualified respondents are approached.

#### **During the administration of the questionnaires**

The respondents were requested to sign and answer the questionnaires. The researcher emphasized retrieval of the questionnaires within three days from the date of distribution. And lastly, all returned questionnaires were checked if all are answered.

#### **After the administration of the questionnaires**

The data gathered was collected, coded into the computer and statistically treated using the Statistical Package for Social Sciences (SPSS).

### **3.8 Data Analysis**

The frequency and percentage distribution was used to determine the demographic characteristics of the respondents. The means were applied for the levels of procurement planning and service delivery of Local Government in Jinja. An item analysis was used to illustrate the strengths and weaknesses of the respondents based on procurement planning and service delivery of Local Government in Jinja in terms of mean and rank. From these strengths and weaknesses, the recommendations were derived. The following mean range was used to arrive at the mean of the individual indicators and interpretation:

#### **A. For procurement planning**

<b>Mean Range</b>	<b>Response Mode</b>	<b>Interpretation</b>
3.26-4.00	Strongly agree	Very satisfactory
2.51-3.25	Agree	Satisfactory
1.76-2.50	Disagree	Unsatisfactory
1.00-1.75	Strongly disagree	Very unsatisfactory

## **B. For the level of service delivery**

<b>Mean Range</b>	<b>Response Mode</b>	<b>Interpretation</b>
3.26-4.00	Strongly agree	Very satisfactory
2.51-3.25	Agree	Satisfactory
1.76-2.50	Disagree	Unsatisfactory
1.00-1.75	Strongly disagree	Very unsatisfactory

The Pearson's linear correlation coefficient was used to test the significant relationship between procurement planning and service delivery in Jinja Local Government at 0.05 level of significance and tested the last hypothesis. The regression analysis was also used to determine the significant effect between variables.

### **Regression equation**

$$Y=a+b_1x_1+b_2x_2+b_3x_3$$

Whereby;

Y=the dependent variable (service delivery)

$\alpha$  = level of significance (0.05)

b = Beta

$x_1$ =budget plans

$x_2$ = procurement methods

$x_3$ = quality plans

### **Decision rule**

The researcher rejected the null hypothesis since the significance value was less than 0.05

## **3.9 Ethical considerations**

To ensure confidentiality of the information provided by the respondents and to ascertain the practice of ethical in this study, the following activities were implemented by the researcher:

The researcher strived to avoid bias in experimental design, data analysis, and data interpretation also avoided making personnel decision and expert testimony and other

aspects of research where objectivity is expected or required. The researcher promised confidentiality as a pledge that any information participants provide was not to be publically reported in a manner that identifies them and will not be made accessible to others.

The investigator had a moral responsibility to inform the participants of any concealment or deception as soon as possible and to explain the rationale for its use (Silva, 1995).

### **3.10 Limitations of the study**

In view of the following threats to validity, the researcher allowed 0.05 level of significance. Measures are also indicated in order to minimize if not to eradicate the threats to the validity of the findings of the study.

Extraneous variables which were beyond the researcher's control such as respondent's honesty, personal biases and uncontrolled setting of the study.

Attrition/Morality: Not all questionnaires were returned completely answered now even retrieved back due to circumstances on the part of the respondents such as travels, sickness, hospitalization and refusal/withdrawal to participate. In anticipation to this, the researcher reserved more respondents by exceeding the minimum sample size. The respondents were also reminded not to leave any item in the questionnaires unanswered and were closely followed up to the date of retrieval.

## **CHAPTER FOUR**

### **PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS**

#### **4.0 Introduction**

This chapter shows the background information of respondents, the extent of procurement planning, extent of service delivery and the relationship between procurement planning and service delivery in Jinja Local Government. The effect of budget plans on service delivery in Jinja district Local Government, to establish the effect of procurement methods on service delivery in Jinja district Local Government, to assess the effect of quality plans on service delivery in Jinja district Local Government.

#### **4.1 Profile of respondents**

Respondents were asked to provide information regarding their gender, age, education level and number of years of experience. Their responses were analyzed using frequencies and percentage distributions as indicated in table 4.1;



**Table 4.1: Profile of respondents**

<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
<b>Gender</b>		
Male	75	74
Female	26	26
<b>Total</b>	<b>101</b>	<b>100</b>
<b>Age</b>		
20-29 years	17	17
30-39	44	43
40-49 years	29	29
50-59 years	11	11
<b>Total</b>	<b>101</b>	<b>100</b>
<b>Education qualification</b>		
Certificate	18	18
Diploma	34	34
Bachelors	45	44
Masters	4	4
<b>Total</b>	<b>101</b>	<b>100</b>
<b>Working experience</b>		
Less than /Below 1year	24	24
1-4 Years	36	36
5-9 years	32	32
10 years and above	9	8
<b>Total</b>	<b>101</b>	<b>100</b>

**Source: Primary data, 2017**

Table 4.1 results indicated that upon gender, male respondents dominated this sample with (74%) and female (26%), as far as age is concerned most respondents in this sample were between 30-39 years (43%), these were followed by those between 40-49 years (29%), 17% were between 20-29 and only 11% were between 50-59, hence implying that most respondents were in their middle adult age. With respect to education qualification, majority of respondents were Bachelors degree holders (44%), 34% had diploma, 18% had certificate and very few had Masters Degree (4%), and this

implied that majority of respondents in this sample had gone far with education, where they could read and interpret the questions.

With respect to working experience; results in table 4.1 indicated that majority of respondents had a working experience of 1-4 years (36%), these were followed by those who had worked for 5-9 years (32%), 24% had worked for less than /below 1year, and 8% had for 10 years and above, this is because of their age limit which always force them to look for other organizations that can accept their age, implying that majority of workers are experienced enough.

## **4.2 Procurement planning**

The independent variable in this study (procurement planning) was broken into three constructs and these were; budget plans (measured with five questions or items), procurement methods (measured with four items) and quality plans (with four questions or items). All these questions were based on a four point Likert scale, in which respondents were required to rate the extent to which they agree or disagree with each question or item. The SPSS software was used to analyse their responses using means and ranks as indicated in table 4.2.

**Table 4.2 Procurement planning**

<b>Items on procurement planning</b>	<b>Mean</b>	<b>Interpretation</b>	<b>Rank</b>
<b>Budget plans</b>			
All internal auditors are trained in the conduct of a procurement audit and risk analysis	3.32	Very satisfactory	1
All specifications of goods, works and services to be purchased are always well founded and based on market research	3.15	Satisfactory	2
All stakeholders' procurement roles in your institution are clearly demarcated	2.90	Satisfactory	3
The procurement plan is prepared and advertised at the beginning of each fiscal year	2.88	Satisfactory	4
Procurement units always have an ICT data base on all suppliers' records	2.37	Unsatisfactory	5
<b>Average mean</b>	<b>2.93</b>	<b>Satisfactory</b>	
<b>Procurement methods</b>			
Invitation to bid and the request for quotations are all practices in Jinja local government	3.33	Very satisfactory	1
The local government allows open tendering to those interested	3.12	Satisfactory	2
Restricted tendering is always practiced in favour of firms of individuals invited by the procurement entity	2.51	Satisfactory	3
The procurement entity always requests for proposals before open tendering to the interested firms	2.25	Unsatisfactory	4
<b>Average mean</b>	<b>2.80</b>	<b>Satisfactory</b>	
<b>Quality plans</b>			
Procurement officers always attend the on-going workshops	3.26	Very satisfactory	1
Procurement officers ought to have certified professional training	3.08	Satisfactory	2
The internal tender committee members are all trained on procurement procedures	2.98	Satisfactory	3
There is always mandatory induction training on procurement for all public officers prior to joining the institution	2.73	Satisfactory	4
<b>Average mean</b>	<b>3.01</b>	<b>Satisfactory</b>	
<b>Overall mean</b>	<b>2.92</b>	<b>Satisfactory</b>	

**Source: Primary data, 2017**

### Key to interpretation of means

Mean range	Response range	Interpretation
3.26 -4.00	Strongly agree	Very satisfactory
2.51-3.25	Agree	Satisfactory
1.76-2.50	Disagree	Unsatisfactory
1.00-1.75	Strongly disagree	Very unsatisfactory

Results in table 4.2 indicated that the extent of procurement planning is generally satisfactory and this was indicated by the overall mean of 2.92, implying that Jinja district Local Government highly practices procurement planning in all activities. Results further indicated that the extent of procurement planning differs on different items and in different perspectives; for example, regarding budget plans, the workers rated themselves generally satisfactory (average mean=2.93), implying that the procurement plan is prepared and advertised at the beginning of each fiscal year. All internal auditors are trained in the conduct of a procurement audit and risk analysis (mean=3.32), all specifications of goods, works and services to be purchased are always well founded and based on market research (mean=3.15), all stakeholders' procurement roles in your institution are clearly demarcated (mean=2.90), the procurement plan is prepared and advertised at the beginning of each fiscal year (mean=2.88). However, budget plans was rated unsatisfactory on one item and this was on the fact that procurement units always don't have an ICT data base on all suppliers' records.

With respect to procurement methods, results in Table 4.2 indicated that of the four items used to measure the procurement methods; only one item was rated very satisfactory (mean=3.33), two were rated satisfactory (mean=3.12 & mean=2.51), while one item was rated unsatisfactory (mean=2.25). However, the average mean of 2.80, falls under high on the interpretation scale, implying that the invitation to submit offers is always sent only to firms of individuals invited by the procurement entity.

Concerning quality plans; on average this construct was rated satisfactory and this was indicated by the average mean of 3.01, one item was rated as very satisfactory;

procurement officers always attend the on-going workshops (mean=3.26) and the last three items were rated satisfactory; Procurement officers ought to have certified professional training (mean=3.08), the internal tender committee members are all trained on procurement procedures (mean=2.98), there is always mandatory induction training on procurement for all public officers prior to joining the institution (mean=2.73), hence implying that the internal tender committee members are all trained on procurement procedures and guidelines.

### **4.3 Service delivery**

Service delivery is the dependent variable in this study and was broken into three constructs and these are; availability of services (with four questions), accessibility of services (with four items) and affordability of services (with four questions). Each of these questions was based on a four point Likert scale and respondents indicated the extent to which they agree or disagree with each question, their responses were analyzed using SPSS and summarized using means as indicated in tables 4.3;

**Table 4.3: Service delivery**

<b>Items on service delivery</b>	<b>Mean</b>	<b>Interpretation</b>	<b>Rank</b>
<b>Availability of public services</b>			
Ensuring availability and access to health service is one of the main functions of your administration	3.72	Very high	1
Increasing inputs lead to improved service delivery and enhanced access to services	2.79	High	2
Service delivering is an immediate output of the inputs in the health system	2.56	High	3
The physical access and reach ability of services have met a minimum standard	2.31	Low	4
<b>Average mean</b>	<b>2.85</b>	<b>High</b>	
<b>Accessibility of public services</b>			
Local community require satisfaction in terms of the elements of service delivery such as basic equipment, drugs and commodities, health, housing and infrastructure, sewages and clear water	3.47	Very high	1
Local governance gives access to the citizens free education	3.29	Very high	2
Public service projects frequently encounter implementation problems in Jinja Local Government	2.62	High	3
The extent to which the service is accessible depends on the client's ability.	2.59	High	4
<b>Average mean</b>	<b>2.99</b>	<b>High</b>	
<b>Affordability of public services</b>			
The extent to which the public services are affordable in your areas always depend on your ability to pay for them	2.98	High	1
Your Local government rely on central government and donor agencies for resources.	2.74	High	2
Services predominantly have a socio-psychological dimension which can be measured.	2.60	High	3+
Re-examination of the local government always become the first step toward establishing productive partnership during provision of services	2.15	Low	4
<b>Average mean</b>	<b>2.62</b>	<b>High</b>	
<b>Overall mean</b>	<b>2.82</b>	<b>High</b>	

**Source: Primary Data, 2017**

<b>Mean range</b>	<b>Response range</b>	<b>Interpretation</b>
3.26 - 4.00	strongly agree	Very high
2.51 - 3.25	agree	High
1.76 - 2.50	disagree	Low
1.00 - 1.75	strongly disagree	Very low

Results in table 4.3 indicated that the level of service delivery is generally high and this was indicated by the overall mean of 2.82, which implies that some services are relatively provided in Jinja Local Government.

Availability of services was the first construct on the dependent variable and was measured using four items/questions and it was rated high on average (mean=2.85), implying that the ensuring availability and access to health service is one of the main functions of the administration of Jinja Local Government. Increasing inputs lead to improved service delivery and enhanced access to services (mean=2.79), service delivering is an immediate output of the inputs in the health system (mean=2.56), but however physical services such as roads are available in your area (mean=2.31).

Concerning accessibility of services, results in table 4.3 indicated that this construct was rated high on average and this was indicated by the average mean of 2.99. the local community require satisfaction in terms of the elements of service delivery such as basic equipment, drugs and commodities, health, housing and infrastructure, sewages and clear water (mean=3.47), the local governance gives access to the citizens free education (mean=3.29), the public service projects frequently encounter implementation problems in Jinja Local Government (mean=2.62), the extent to which the service is accessible depends on the client's ability (mean=2.59).

Affordability of services; this variable was measured using four questions and it was rated high on average (mean=2.62), hence implying that the extent to which public services are affordable in your areas always depend on your ability to pay for them (mean 2.98) in Jinja Local Government. The Local government rely on central government and donor agencies for resources (mean=2.74), the services predominantly have a socio-psychological dimension which can be measured (mean=2.60), however re-examination of the local government always has not become the first step toward

establishing productive partnership during provision of services in Jinja Local Government (mean=2.15).

#### 4.4 objective one; effect of budget plans on service delivery in Jinja Local Government

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.524 <sup>a</sup>	.274	.272	.41854
a. Predictors: (Constant), Budget plans				

ANOVA <sup>b</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.992	1	23.992	136.963	.000 <sup>a</sup>
	Residual	63.413	362	.175		
	Total	87.405	363			
a. Predictors: (Constant), Budget plans						
b. Dependent Variable: service delivery						

Coefficients <sup>a</sup>					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	1.815	.075		.000
	Budget plans	.329	.028	.524	.000
a. Dependent Variable: service delivery					



Regression analysis results in the Model Summary table revealed that budget plans accounted for 27.4% on service delivery in Jinja Local Government and this was indicated by r-squared of 0.274 implying that to small extent budget plans contribute to the service delivery in Jinja Local Government.

The ANOVA table indicated that budget plans significantly affects the service delivery and this was indicated by the F-value=136.963 and Sig-value=.000, since the sig. value (0.000) was less than 0.05 and which is the maximum level of significance required to declare a significant effect. This implies that budget plans highly contribute to the service delivery in Jinja Local Government.

The coefficients table indicated that considering the standard error, budget plans significantly influence the service delivery in Jinja Local Government ( $\beta=0.329$ , Sig=0.000).

#### **4.5 Objective two; the effect of procurement methods on service delivery in Jinja Local Government**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.193 <sup>a</sup>	. 372	.350	.47942

a. Predictors: (Constant), procurement methods

<b>ANOVA<sup>b</sup></b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.207	1	3.207	13.955	.000 <sup>a</sup>
	Residual	82.514	359	.230		
	Total	85.722	360			
a. Predictors: (Constant), procurement methods						
b. Dependent Variable: service delivery						

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.239	.113		19.761	.000
	procurement methods	.164	.044	.193	3.736	.000
a. Dependent Variable: service delivery						

Regression analysis results in the Model Summary table indicated that the procurement methods accounted for 37.2% on service delivery in Jinja Local Government and this was indicated by r-squared of 0.037 implying that procurement methods significantly contributes 3.7% on the service delivery in Jinja Local Government.

The ANOVA table indicated that procurement methods significantly affects the service delivery and this was indicated by the F-value=13.955 and Sig-value=.000, since the sig. value (0.000) was less than 0.05 and which is the maximum level of significance required to declare a significant effect. This implies that procurement methods highly affects the service delivery in Jinja Local Government.

The coefficients table indicated that considering the standard error, procurement methods significantly affects the service delivery of Jinja Local Government ( $\beta=0.164$ , Sig=0.000).

### 4.6 Objective three; effect of quality plans on service delivery in Jinja Local Government

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.479 <sup>a</sup>	.230	.228	.43141

a. Predictors: (Constant), quality plans

**ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.151	1	20.151	108.275	.000
	Residual	67.558	363	.186		
	Total	87.709	364			

a. Predictors: (Constant), quality plans

b. Dependent Variable: service delivery

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.687	.096		17.652	.000
	quality plans	.362	.035	.479	10.406	.000

a. Dependent Variable: service delivery

Regression analysis results in the model Summary table indicated that the quality plans significantly affects service delivery in Jinja Local Government at a rate of 23% and this was indicated by r-squared of 0.230, hence implying that quality plans significantly influences the service delivery in Jinja Local Government.

The ANOVA table indicated a positive significant effect of quality plans has on service delivery and this was indicated by the positive F-value=108.275 and Sig-value=.000, since the sig. value (0.000) was less than 0.05 and which is the maximum level of significance required to declare a significant effect. This implies that quality plans highly affects the service delivery in Jinja Local Government. Still this implied that high levels of quality plans improve the level of service delivery and poor quality plans measures reduce it.

The coefficients table indicated that considering the standard error, quality plans significantly affects the service delivery of Jinja Local Government ( $\beta=0.362$ , Sig=0.000).

#### **4.7 Relationship between procurement planning and service delivery in Jinja Local Government**

The study established a significant relationship between procurement planning and service delivery in Jinja Local Government. The researcher stated a null hypothesis that there is a significant relationship between procurement planning and service delivery, and to achieve this objective and to test this null hypothesis, the researcher used the Pearson's Linear Correlation Coefficient as indicated in table 4.7;

**Table 4.4: Significant relationship between Procurement planning and service delivery in Jinja Local Government**

<b>Variables correlated</b>	<b>r-value</b>	<b>Sig</b>	<b>Interpretation</b>	<b>Decision on Ho</b>
Procurement planning Vs Service delivery	.495	.000	Significant correlation	Rejected

**Source: Primary Data, 2017**

Table 4.7 revealed a positive significant correlation between the extent of Procurement planning and service delivery in Jinja Local Government ( $r=.495$ ; Sig=0.000). The null hypothesis was rejected meaning that the extent of Procurement planning and service delivery are significantly related, this also leads to a conclusion that better procurement planning increases the extent of service delivery in Jinja Local Government.

However the responses from the interview indicated the following;

*"even though the procurement planning consists of the process used by our institution to plan purchasing activity for a specific period of time, the departments at our Local Government are always required to request budget for staff, expenses, and purchases and this is taken as the first step in the*

*procurement planning process but the problem is that few of the staffs are involved during procurement planning”.*

*“the budgets for most of the departments are always note well reviewed, the accountants spend less time to find common purchasing requirements. Basing on the budgets submitted, the departments are poorly directed to work with central purchasing office to combine their planned spending for specific commodities”.*

#### 4.8 Multiple Regression

**Table 4.5: Multiple Linear Regression Analysis between the Dependent (service delivery) and Independent sub-constructs on procurement methods**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.524 <sup>a</sup>	.274	.272	.41854
a. Predictors: (Constant), procurement methods				

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.992	1	23.992	136.963	.000 <sup>a</sup>
	Residual	63.413	362	.175		
	Total	87.405	363			
a. Predictors: (Constant), procurement methods						
b. Dependent Variable: service delivery						

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.815	.075		24.228	.000
	Open tendering	.436	.113	.524	11.703	.000
	Request for proposals	.382	.044	.479	1.314	.000
	Restricted tendering	.317	.028	.293	.561	.002
a. Dependent Variable: service delivery						

Regression analysis results in the model Summary table indicated that procurement methods significantly affect service delivery at a rate of 42.4% and this was indicated by r-squared of 0.424, hence implying that procurement methods significantly influence service delivery.

The ANOVA table indicated a positive significant effect of procurement methods have on service delivery and this was indicated by the positive F-value=136.963 and Sig-value=.000, since the sig. value (0.000) was less than 0.05 and which is the maximum level of significance required to declare a significant effect. This implies that restricted procurement methods highly affect service delivery.

The coefficients table indicated that of all the aspects of procurement methods, open tendering accounted for the biggest influence on service delivery ( $\beta=0.436$ , Sig=0.000).

## **CHAPTER FIVE**

### **DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS**

#### **Introduction**

This chapter focuses on the findings, conclusions; recommendations based on the conclusions of this study and suggested areas that need further research following the study objectives and study hypothesis.

#### **5.1 Discussions**

This study aimed at examining the effect of procurement planning on service delivery in Jinja district Local Government, three specific objectives guided this study and these were; (i) to examine the effect of budget plans on service delivery in Jinja district Local Government, (ii) to establish the effect of procurement methods on service delivery in Jinja district Local Government, and (iii) to assess the effect of quality plans on service delivery in Jinja district Local Government.

##### **5.1.1 Objective one; effect of budget plans on service delivery**

The findings indicated that budget plans significantly affects service delivery in Jinja district Local Government, therefore this implies that budget plans significantly affects service delivery. This finding is in line with Abeille (2013) who noted that it is helpful to look at the money going in and out across a whole year. Include regular payments such as rent or home loan, phone and electricity, car or public transport. Bank statements, bills, credit card statements, receipts and shopping dockets will help you to work out all your expenses. Use your best guess if there's anything you can't find or if bill amounts vary across the year. Add in all the money that you receive or are paid over the time period. This could include your pay from your full-time or part-time job, any casual work, your pension, government benefits, child support payments and any money from investments. If your income is variable, make an estimate based on your past year's earnings. When working out money priorities, think about which items you need for your basic living expenses and which are extras or things you could maybe do without if you needed to save some money.

It is an opportunity for all stakeholders involved in the processes to meet in order to discuss particular procurement requirements. These stakeholders could be the requesting entities, end users, procurement departments, technical experts, and even vendors in order to give relevant inputs on specific requirements. Procurement is the process of obtaining goods or services in any way, including borrowing, leasing, and even force or pilferage. It also embraces clearing out unnecessary acquisitions either due to obsolescence or due to depreciation in their usefulness and value to an entity. Procurement planning is the primary function that sets the stage for subsequent procurement activities, it fuels and then ignites the engine of the procurement process (Arrowsmith & Hartley, 2014).

### **5.1.2 Objective two; effect of procurement methods on service delivery**

The findings indicated that procurement methods has a significant effect on service delivery in Jinja district Local Government, this was so because procurement methods had a significant impact on service delivery. Still open tendering accounted for the biggest influence on service delivery, hence confirming that the more effective procurement methods is, the more it improves service delivery in Jinja district Local Government. The finding also agrees with Mamiro (2010) who argued that procurement methods are the procedures used by the procuring entity to acquire goods, services and works. These methods can be competitive and non competitive. There's a preference for using competitive methods of procurement given that they tend to promote transparency, economy and efficiency, and limit favoritism. These include; open tendering, restricted tendering, request for Proposals, two-stage tendering, request for quotations and single-source procurement, the procurement methods such as tendering, request for proposals, and two-stage tendering are considered competitive procurement methods because the solicitation documents are advertised and open to any qualified firm interested in competing for the assignment. In contrast, request for quotations and single-source procurement are considered non-competitive procurement



methods because the invitation to submit offers is not advertised, and it is sent only to firms or individuals specifically invited by the procuring entity.

### **5.1.3 Objective three; effect of quality plans on service delivery**

The finding still indicated that quality plans has a significant effect on service delivery in Jinja district Local Government, this led to an implication that high levels of quality plans improves service delivery in Jinja district Local Government. This finding is in line with Andrews (2014) who noted that quality plan lays out how the organization maintains the standards and requirements for a good procurement, he says, adding examples of ensuring that competition is fair and that suppliers are qualified. As a component in procurement planning, it is vital to make a plan of the kind of quality that is expected by the purchasing Institution. By clear planning for this component, it becomes difficult to misuse the funds and reduces the evil of mismanagement of organizations' funds, such organisations face a problem of misuse of funds as procurement officers go for poor quality materials so that they can get a portion for their own benefit but all this results from poor procurement planning. Group buying; Procurement planning must also cater for ways of how costs must be reduced during the procurement exercise. For example at all levels of governance in an organization, procurement officers should plan to combine all the budgets of the different departments and procure at once as a way of reducing the expenses involved in procurement and this is a component in procurement planning that could save a lot of money in the organization.

Andrews (2014) noted that at all levels of governance in an organization, procurement officers should plan to combine all the budgets of the different departments and procure at once as a way of reducing the expenses involved in procurement and this is a component in procurement planning that could save a lot of money in the organization. Budget Lindstrom notes: "The budget can mean different things to different companies. In some companies, if you're billing your time to specific internal projects or the business unit, the budget does become important. Budgets have to be

done prior to procurement as a way of clearly knowing how the funds are to be spent by the Institution. If all structures and departments at Local Government make budgets, it reduces on the possibility of spending on unplanned activities which is a very important component in procurement planning.

## **5.2 Conclusions**

### **5.2.1 Objective one**

According to the findings budget plans have a positive significant effect on service delivery in Jinja district Local Government. Hence concluding that setting of appropriate budget plans during procurement planning can lead to the improvement in the service delivery since it increases on the quality and efficiency during service delivery.

### **5.2.2 Objective two**

According to the findings procurement methods have a significant effect on service delivery in Jinja district Local Government, hence concluding that service delivery can be improved once procurement methods such as open tendering is effectively applied.

### **5.2.3 Objective three**

According to the findings quality plans have a positive significant effect on service delivery in Jinja district Local Government, hence concluding that effective service delivery can base on quality plans since quality plans lay out how the organization maintains the standards and requirements for a good procurement.

## **5.3 Recommendation**

The researcher recommends that;

Jinja district Local Government should develop good budget plans, and this will help to cater for issues surrounding delivery dates, contract compliance, and customer service issues can be resolved internally before going out to contract.

Jinja district Local Government should address the use of appropriate procurement method by primarily basing on the stipulations of the procurement legal framework, this will help to explain the rationale for the inclusion of key components in the solicitation document, elaborating on how these components work together to make the process effective within Jinja district Local Government.

Jinja district Local Government should develop high quality plans whereby procurement officers should plan to combine all the budgets of the different departments and procure at once as a way of reducing the expenses involved in procurement and this can help to save a lot of money and later improves service delivery.

#### **5.4 Contributions to knowledge**

The study contributed to knowledge since it shows that among the procurement methods, open tendering should be the appropriate procurement method to be applied since it accounted for the biggest effect on service delivery in Jinja district local government. One of the most prominent findings from this study is the fact that it has provided evidence to support the fact that procurement planning can improve the state of service delivery in Jinja district local government. Another important revelation that can be attributed to this study is that it is now clear that procurement planning is somehow lacking, little is done through to improve service delivery in Jinja district local government.

#### **5.5 Areas for further research**

Prospective researchers and even students are encouraged to research on the following areas;

1. Procurement methods and quality of procurement services in Jinja district Local Government.
2. Procurement process and performance of Jinja district Local Government.

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## APPENDICES

### APPENDIX I: RESEARCH INSTRUMENT

#### SECTION A: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

##### Fact Sheet

Code# \_\_\_\_\_

Data Received by Respondent \_\_\_\_\_

Direction: please tick one

##### **A1. Your sex;**

\_\_\_1. Male

\_\_\_2. Female

##### **A2. Education level**

\_\_\_1. Certificate

\_\_\_2. Diploma

\_\_\_3. Bachelors'

\_\_\_4. Masters

##### **A4. Number of years of experience**

\_\_\_1. Less than one

\_\_\_2. 1year- 4years

\_\_\_3. 5years-9years

\_\_\_4. 10 years and above

## APPENDIX II B: QUESTIONNAIRE TO DETERMINE PROCUREMENT PLANNING

DIRECTION: rate your ability, knowledge or skill on the following item by ticking the right number corresponding with each question. Key; 1=strongly disagree; 2 = Disagree; 3 = Agree; 4 = strongly agree.

	Items on procurement planning	Rank			
	<b>Budget plans</b>				
1	All internal auditors are trained in the conduct of a procurement audit and risk analysis	1	2	3	4
2	All specifications of goods, works and services to be purchased are always well founded and based on market research	1	2	3	4
3	All stakeholders' procurement roles in your institution are clearly demarcated	1	2	3	4
4	Procurement units always have an ICT data base on all suppliers' records	1	2	3	4
5	The procurement plan is prepared and advertised at the beginning of each fiscal year	1	2	3	4
	<b>Procurement methods</b>	1	2	3	4
1	Restricted tendering is always practiced in favour of firms of individuals invited by the procurement entity	1	2	3	4
2	The local government allows open tendering to those interested	1	2	3	4
3	The procurement entity always requests for proposals before open tendering to the interested firms	1	2	3	4
4	Invitation to bid and the request for quotations are all practices in Jinja local government	1	2	3	4
	<b>Quality plans</b>				
1	Procurement officers always attend the on-going workshops	1	2	3	4
2	Procurement officers ought to have certified professional training	1	2	3	4
3	The internal tender committee members are all trained on	1	2	3	4

	procurement procedures				
4	There is always mandatory induction training on procurement for all public officers prior to joining the institution	1	2	3	4

## APPENDIX II C: QUESTIONNAIRE TO DETERMINE SERVICE DELIVERY

DIRECTION: rate your ability, knowledge or skill on the following item by ticking the right number corresponding with each question. Key; 1=strongly disagree; 2 = Disagree; 3 = Agree; 4 = strongly agree.

NO	Availability of public services	SA	A	DA	SDA
1	Service delivering is an immediate output of the inputs in the health system				
2	Ensuring availability and access to health service is one of the main functions of your administration				
3	Increasing inputs lead to improved service delivery and enhanced access to services				
4	The physical services such as roads are available in your area				
	<b>Accessibility of public services</b>				
5	The extent to which the service is accessible depends on the client's ability.				
6	Public service projects frequently encounter implementation problems in Jinja Local Government				
7	Local governance gives access to the citizens free education				
8	local community require satisfaction in terms of the elements of service delivery such as basic equipment, drugs and commodities, health, housing and infrastructure, sewages and clear water				
	<b>Affordability of public services</b>				

<b>9</b>	The extent to which public services are affordable in your area always depend on your ability to pay for them				
<b>10</b>	Re-examination of the local government always become the first step toward establishing productive partnership				
<b>11</b>	Services predominantly have a socio-psychological dimension which can be measured.				
<b>12</b>	Your Local government rely on central government and donor agencies for resources.				

## INTERVIEW QUESTIONS

1). What do you see as the main problem with procurement in this local government?

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2) Are the staff involved in procurement planning activities?

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3) What do you assess of the quality of the goods and services purchased?

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4) In your view, are the Local Government funds utilized well?

.....

.....