

TENDERING PROCESS AND SERVICE DELIVERY IN LOCAL
GOVERNMENT IN UGANDA. A CASE STUDY OF ARUA DISTRICT LOCAL
GOVERNMENT HEADQUARTERS

BY

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DECLARATION

I, Khamis Ayida, hereby declare that this research report is my own original work, that all reference sources have been truthfully reported and acknowledged, and that this document has not beforehand, in its completeness or in part, been submitted to any University in order to obtain an academic qualification.

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APPROVAL

This is to certify that this research report has been submitted in partial fulfillment of the requirements for the award of the degree in Supply and Procurement of Kampala International University with my signature as supervisor.

Signed: 

Date: 04 / 07 / 2014.

Madam Orodriyo Proscovia

DEDICATION

This book is dedicated to my father Mr. Khamis Murjan, brother, Buruga Rashid, Muhamad Khamis and mum Mrs. Nusura and other family members. May God bless you and make you a blessing.

ACKNOWLEDGEMENT

I greatly thank all those people who helped me accomplish this research work. I am particularly indebted to my group mates in class with whom we shared discussions. God bless you all.

To my supervisor Madam Proscovia Orodriyo, your guidance and advice was very vital. May the almighty reward you abundantly. I also extend gratitude to my family for the support provided, both financially and morally. There are no exact words I can use to prove my appreciation and happiness. Special thanks to people who printed this work. What you did was good work which definitely deserves appreciation.

I am also indebted to Kampala International University Library for the contribution you made towards the success of this report. To the almighty God, what I can say is that your love for me is good and always will be.

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LIST OF ACRONYMS

GCC	General Conditions of Contract
GTB	Government Tender Bulletin
ICT	Information and communication Technology
NSSF	National Social Security Fund
PGSEDP	Procurement Guideline for Secondary Education Development Plan
PPDA	Public Procurement and Disposal of Public Assets Act
RFT	Request for Tender
SBD	Standard Bidding Documents
STB	State Tender Bulletin

CHAPTER ONE

1.0 Introduction

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

1.1 Background of the study

The procurement function has not been given the recognition it deserves in developing countries, in most public entities, regardless of the effort by the partners like the World Bank, the International Trade Organisation, the United Nations Conference on Trade and Development, the World Trade Organisation and, others. This could be deliberate or sheer ignorance on the value the procurement function could contribute to any organization (Telgen, Zomer, & de Boer, 1997). Before 1999, the government tender system was complex, favouring big and already existing business therefore making it impossible for both new and small businesses to enter into the system. However, during 2002, the government established a forum on procurement, comprising of representatives from various national and provincial user departments with aim of overcome the problem and investigate the necessary procurement reform measures and processes as well as making the tendering system more easily accesible to all. The forum highlight concerns such as value for money, financial control, corruption, tax and service charges, lack of uniform tendering procedures and labour practices Knudsen, D. (1999).

According to Gildenhuis (2002), calling for tenders for the supply of goods and services is a standard procedure in national government. Legislation compels governments to call for tenders before buying any goods or services. For any national department to deliver services to people successfully nowadays requires it to manage tendering and become involved in the way its suppliers do business. A successful department is often seen as symbol of a country's economic success. The failure to establish performance of the procurement function has led to irregular and biased decisions that have costly consequences to every entity. The need to have

coherent methods of performance of the procurement function in public entities, particularly in developing countries, has never been as sound as it is now.

Faced with the challenge of corruption, conflict of interest, lack of uniformity, theft, inflate prices, inadequate processes and lack of proper monitoring, national governments are always looking at ways of improving and maintaining the current tendering systems. This is supported by the introduction of a number of legislative measures, including the adoption of the Public Procurement and Disposal of Public Assets Act. The current tendering system, is lacking amongst others, in the following areas: taking a long time to go through the whole procedure; relying on a lot of paperwork; need a lot of people to deal with the forms and paperwork; needing other people to administer the procedures; not giving attention to related systems, such as stock control, quality control; and open to abuses, corruption and fraud. Over a period of time, there has been a significant increase in spending, combined with weaknesses in financial accountability Atkinson, W. (2006). Visser and Erasmus (2007:150) states that government, as the largest buyer in the country, is responsible for ensuring that procurement policy supports and attains overall economic objectives. According to Gildenhuys (2002:603), calling for tenders for the supply of goods and services is a standard procedure in national government. Legislation compels governments to call for tenders before buying any goods or services. For any national department to deliver services to people successfully nowadays requires it to manage tendering and become involved in the way its suppliers do business. A successful department is often seen as symbol of a country's economic success.

Public organizations crave, and try to maximize service delivery. One of the strategies they adopt in pursuit of this goal is effective procurement procedure Lysons, (2000). Unfortunately, the procurement procedures are not always effectively followed which deters service delivery. Public procurement is one of the ways in which Ugandan government implements public policy and it is specifically governed by the Public Procurement and Disposal of Public Assets Act which are estimated that 60% to 70% of Ugandan Government budget expenditure goes through the

procurement process. PPDA Act, (2003) However, it is important to note that public Procurement Functions in Uganda can be traced as far as around independence in 1962 and was specifically governed by the 1977 public finance regulations under the Public Finance Act 1964 The Daily Monitor 23rd March, (2006). Before this system was centralized, all procurement was done from the central tender board. Consequently, the size of the government had grown considerably and centralized procurement system was characterized by several shortcomings which include: - inability to cope with the expansion of the government procurement. The central tender board would not cope with the level of efficiency and effectiveness required for all government procurement, heavy clogging of tender requests coupled with attendant bureaucracy delays, inefficiency, corruption and lack of accountability and transparency. In most developing countries, the procurement function is transitioning from a clerical non-strategic unit to an effective socio-economic unit that is able to influence decisions and add value).

Wakiso District Local Government is heavily dependent on central government transfers which account for 81.5% of the district revenue. Locally generated revenue and donor contributions were 7.27% and 11.2% respectively. The education sector was allocated the highest share of the budget to the tune of 46%. Regarding service delivery outcomes in the primary education sub-sector, 21.7%, 51.4%, 11.2% and 7.4% of the pupils in the district passed in divisions I, II, III, and IV respectively. In the health sector, staffing levels were up to 64%, leaving a staffing gap of 36% in the entire district. In the water and sanitation sector, water coverage level was at 73%. Knight & Mcken, (2007)

The current tendering processes in government may cause the present system to be inefficient in its method of tendering. Implementing tendering controls is a considerable challenge for government, and those in charge of governance have greater ability to dominate the tendering activities and override control processes. Because government has a difficulty retaining qualified individuals, they may be dependent on less experience personnel and external advisors. Moreover, government does not have financial and operational expertise on high level. In the

wake of the above mentioned challenges, a need for an in-depth analysis of tendering systems in national government became necessary. Lastly tendering is part of our government lives. For the past number of years, one has observed with keen interests number of tendering failures Harland, Telgen (2005)

1.2 Problem statement

In spite of the above objectives and properly laid down procedures, criticisms continue to surface in relation to services delivery in Arua district with regard to adequacy, quality, late delivery, corruption and coverage. There is inefficiency in acquisition of goods and services as evidenced by unprofessional bureaucratic delays, lack of institutional coordination, malpractices, political biasness and unethical work especially in the construction of schools, health facilities and roads in Arua district. For instance, Lugolobi (2010) a resident of Arua district complained about poor roads in Arua district that hinder transportation of goods. He also complains of inadequate infrastructure such as classrooms and chairs in schools. (MDLG Stakeholders Report, 2010)

Failure to implement or delayed implementation of recommended performance standards has resulted in unnecessarily high operation costs, uncoordinated business activities, and failure to attract and retain experienced and skilled personnel in the procurement positions, thus affecting the function's performance (David, 2002; NSSF, 2005; Atkinson, 2006; and PPDA, 2007). In order for the government to serve its citizens well both at national and local perspectives, it has carried out reforms in the procurement of its bodies, as one way of improving service delivery at local government levels. Despite all this effort the tendering process is still very poor. Local government has in the recent past witnessed poor service delivery and reported serious losses in period between 2004 and 2009, Management Report (2008). In a Report by PPDA (2007) on a complaint from Arua District by Jeffa on the application for an administrative review the complainant cited non compliance to the procurement rules and regulations. A case in point the complainant cited that; the PDU did not publish notices as required by regulation 44/83 of the LG PPDA regulations, bids were received personally rather through the bid box, and more bids

were received past the closing date contrary to regulation 70 of the LG PPDA regulations. In the same Report, it is observed that the executive had blacklisted the eventual winner but the contracts committee failed to appreciate the concerns of the District Council, thereby breaching regulation 60 of the Local Government PPDA Regulations. All these scenarios cause unnecessary delays, increase costs and force the citizens to miss out on timely and quality services they are supposed to enjoy from the government.

Also according to the Procurement and Disposal Audit Report of Arua district for the financial year 2008/2009 (October, 2010), it is observed that in 5 out of 25 cases, reviewed, the record of issue, receipt and opening of bids was not done on the standard LG forms 6, 9 and 10 respectively as required by Regulations 66, 70 and 71 respectively. In the same report it is further noted that there were instances where the bidding period was extended without an addendum issued and approved by the contracts committee. All these scenarios cause unnecessary delays, increase costs and force the citizens to miss out on timely and quality services they are supposed to enjoy from the government. The above cases symbolize inefficiencies in the tendering process whose consequences are reflected in late and sub standard services provided in Arua district. Despite the existence of well-defined measures and frameworks through which tendering ought to take place as per the PPDA Act (2003), there are still malpractices, political interference, conflict of interest and back door dealings in the tendering process that hinder service delivery.

The above cases symbolize a failure to coordinate, effectively plan and implement procurement activities and operation in line with the set procedures, rules and guidelines and thereby failing the realization of value for money, timely delivery supplies, services and or works and quality. These are manifestation of the problem existing in Arua district and therefore warrant a study. The study thus sought to find out whether such procurement scenarios exist in Arua district local government and their impinging effect on the attainment of services such as health, education, roads and other facilities.

1.3 Purpose of the Study

The purpose of the study is to validate other researcher's findings on the effects of tendering process and service delivery in local government with a case study of Arua district local government headquarters.

1.4 Objectives of the study

In an attempt to investigate the study topic, the following are the study objectives.

- i. To examine the tendering procedures used in local government
- ii. To examine the factors affecting service delivery in local government.
- iii. To examine how Arua district ensures the application of fair, competitive, transparent, non discriminatory and value for money procurement and disposal standards and practices.

1.5 Research questions

In a bid to carry out meaningful research, the researcher were guided by the following questions

- i. What tendering procedures are used by local government?
- ii. What are the factors affecting service delivery local government?
- iii. How does Arua district ensure that there is application of fair, competitive, transparent, non discriminatory and value for money procurement and disposal standards and practices?

1.6 Scope of the study

1.6.1 Content scope

This study looked at the relationship between request for invitation of tenders, calling for tenders, submission and receiving of tenders, opening of tenders, assessing of tenders and service delivery in local government.

1.6.2 Geographical scope

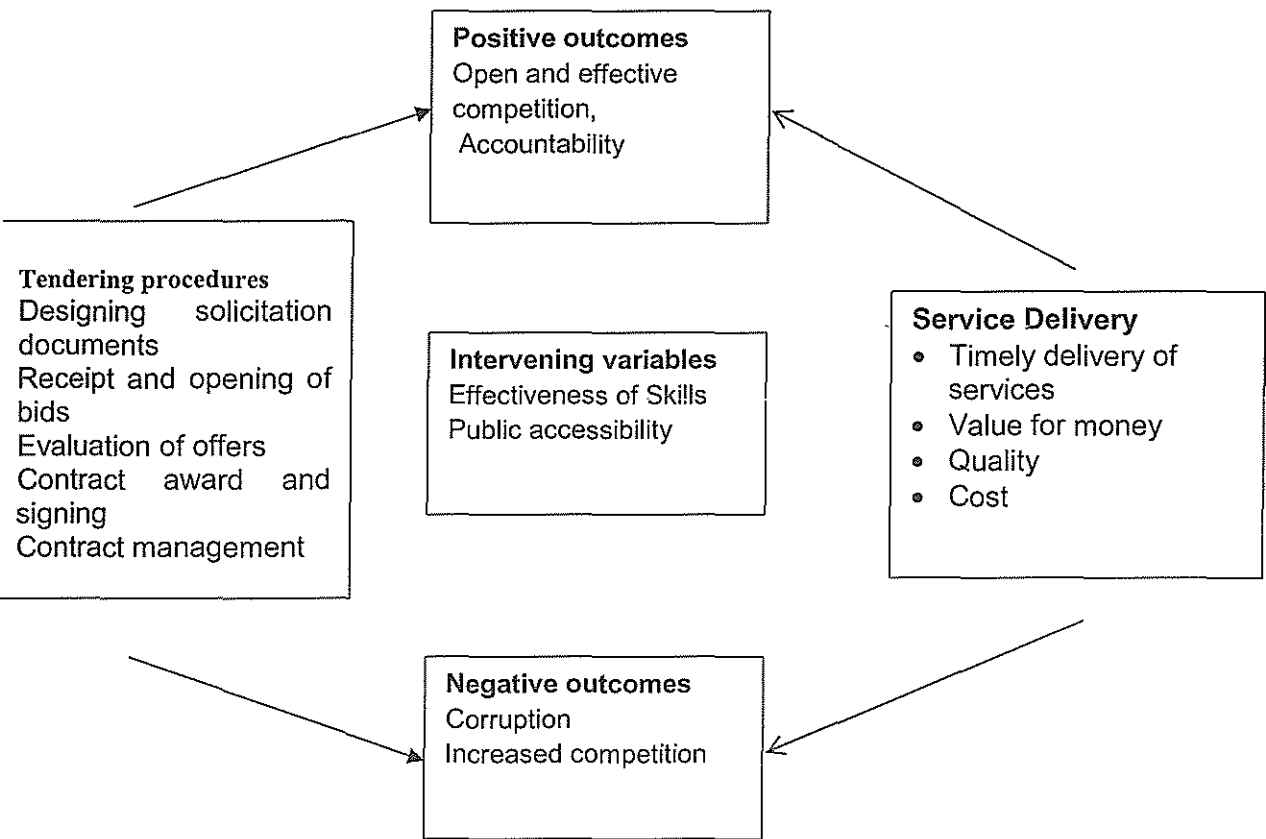
The study was conducted in Arua district local government headquarters, Northern Uganda.

1.6.3 Time scope

The study lasted for a period of three months that is March, April and May, and June 2104

1.7 Conceptual Framework

Figure 1: Showing the conceptual framework



Source: Researcher’s conceptualization, 2014

Independent variable is tendering process and issues considered under this are; tendering procedures; this includes; - designing and approval of solicitation document, receipt and opening of bids, evaluation of offers, contract award and signing and finally contract management. The dependent variable is services delivery and the metrics looked at include; quality timely delivery of services, vale for money, quality, cost and transparency as shown in the framework above. The positive outcomes include open and effective competition and accountability. The intervening variables include effectiveness of skills and public accountability.

1.8 Significance of the study

To the company, the study will bring out awareness in its procurement process and service delivery. This will give a guideline to management in taking corrective measures thus strengthening its procedures on service delivery.

The study will help the government officials to learn more on the tendering process and service delivery in local government and will further be used by future academicians who would wish to expound more on the area of study for reference.

To the public, the study is expected to provide information to policy makers, implementers, and researchers in organizations and the general public at large.

The study will add on existing literature and knowledge on the subject at hand. This will provide guidance and reference to future researcher and student during their studies as secondary data for literature review.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Under this chapter the researcher brought out a critical review of the issues that have been explored and studied both theoretically and empirically in the existing literature on procurement and service delivery. It is important to note that the greatest part of the existing literature on procurement is a result of studies which are conducted in other developed and developing countries. Thus, the study intended to highlight the impact of procurement on service delivery. It is quite relevant to begin with key concepts in this review.

2.1 Tendering

Requests for quotations, requests for reports, requests for information or requests for tenders, and direct contact with the suppliers are some of the procurement procedures. The focus of the study is tendering or requests to tender.

Woods (2008:235) defines tendering as process where by an organisation invites for the supply of goods and services, and awards the contract to the best offer according to predetermined criteria without negotiation. Woods goes further to argue that tendering can be seen as an essential anticorruption approach and according to Moeti *et al.* (2007:124), tender is a report to provide a good or service in competition with other potential suppliers.

According to Kovacs (2008), open tendering procedures and restricted tendering are the two normal tendering methods. Kovacs (2008), further states that open tendering procedures happens when theoretically all potential bidders from the four corners of the world are allowed to submit a bid. There are no limitations and restrictions of partaking, and the procurement is advertised nationwide. On other hand restricted tendering means a procurement where by the group of eligible bidders is significantly reduced to a few qualified bidders who are invited to partake in competition. According to Woods (2008), tendering has its own rules and

emphasis. Procurement transactions which are conducted through formal tendering systems are usually done so because of their relatively high value. The general rule concerns a predetermined limit above which the transaction should be subject to the more stringent tendering rules. As with many other aspects of local government management reform in South Africa, tendering activities and their control has recently been devolved down from a centralized arrangement to the individual organisations themselves. All the associated best practice tendering requirements remain in forces.

Woods (2008) states that tendering, and capital expenditure for that matter, does not only apply to fixed asset type items but also to what are known as capital projects, which could be building of a new hospital, road or any of other large infrastructural developments a government decides upon. Such capital spending is even more complex and the investment appraisal methods used even more critical. This is where the result of the tendering process is to award a contract to supply to the winning tender or bid. Public tenders, limited public tenders, private tenders, negotiated contracts, serial contracts, divided contracts and concessions are some of the ways in which tenders can be called for and contracts are concluded (Gildehyns, 2002).

According to Pauw *et al.* (2002:240), capital expenditure usually involve replacing of obsolete capital equipment or an investment that is intended to extend infrastructure or fixed assets in order to expand the productive capacity of an institution. As such, capital expenditure items are usually of a higher expenditure amount. Therefore, laid down procedures, as administered by the relevant tender authority, serve to direct decisions on capital expenditure items. All programmes which could find themselves having to make urgent and unanticipated major expenditures should establish the necessary fast tracking procedural arrangements with their tender authority. Pauw *et al.* (2002) defines tangible capital assets as non-monetary assets having physical substance that are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets; have useful

economic lives extending beyond an accounting period; are used on a continuing basis; and are not for resale in the ordinary course of operations. Tangible capitals include inter-alia: buildings, equipment, machinery, roads, bridges and dams.

2.2 Scope of tendering process

In National Treasury practice note no.8 of 2007/8 paragraph 2, government states that all national departments should invite competitive bids for all procurement above R 500 000. The value include value added tax. Competitive bids should be advertised in at least the Government Tender Bulletin and in other appropriate media should department deem it necessary to ensure greater exposure to potential bidders. The responsibility for advertisement costs will be that of the relevant department. Should it be impractical to invite competitive bids for specific procurement, like in a urgent or emergency cases or in case of a sole supplier, the accounting officer may procure the required goods or services by other means, such as price quotations or negotiations in accordance with Treasury Regulation 16A6.4. The reasons for deviating from inviting competitive bids should be recorded and approved by the accounting officer / authority or his / her delegate. Accounting officers are required to report within ten (10) working days to the relevant treasury and the Auditor-General all cases where goods and services above the value of R1 million (VAT inclusive) were procured in terms of Treasury Regulation 16A6.4. The report must include the description of the goods or services, the name/s of the supplier/s, the amount/s involved and the reasons for dispensing with the prescribed competitive bidding process.

Goods, works or services may not deliberately be split into parts or items of lesser value merely for the sake of procuring the goods, works or services otherwise than through the prescribed procurement process. When determining transaction values, a requirement for goods, works or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction. The department should apply the prescripts of the Preferential Procurement Policy Framework Act, Act 5 of 2000 and its associated Regulations for all procurement

equal to or above R 30 000 (VAT included). However, these prescripts may be applied for procurement with a value of less than R 30 000, if and when appropriate.

2.3 Generic stages in tendering process

Tendering is a process and involves various distinct stages, which are:

2.3.1 Request for invitation of tenders

The tender process involves also prepare a bid specification and compilations of bid documents. The procurement department and user department complies and issues bid specifications in a manner that will permit fair and equitable considerations from qualified vendors. Compiling bid documents which involves using the appropriate Standard Bidding Documents (SBDs) and General Conditions of Contract (GCC), issued by the National Treasury. Once the specifications for goods or services are drafted, the department must submit requests to the Tender committee for the invitation of tenders. These requests must, in accordance with a prescribed format, contain full details of the information required by the office, enabling it to compile an appropriate tender advertisement. The prescribed standard tender forms must be prepared in compliance with the directives issued by the Department of Trade and Industry in terms of the National Industrial Participation Program, and must be printed in at least English. The documents must indicate accurate quantities, the requirements for certificates, samples, or compulsory attendance at site inspections and explanatory meetings, and must form part of the tender conditions (Visser & Erasmus 2007).

2.3.2 Calling for tenders

According to Visser and Erasmus (2007), tenders are usually invited within the borders of the Republic of South Africa, and advertised in the Government Tender Bulletin (GTB), unless the board decides otherwise. The use of any other medium of advertising is left to departmental discretion and, if occurring, is supplementary to the GTB, and is for the account of the department concerned. If these advertisements appear simultaneously with those of GTB, the information must correspond.

Vo Bock (2005), correctly states that the preparation of the Request for tender (RFT) is the first step in the tendering process. In an RFT sufficient information is issued to suppliers to enable them to prepare an offer. Visser and Erasmus (2007) further state that all specifications are an integral part of the tender invitation. Apart from advertising, tender documents are also sent to identify possible tenderers, and the departments are required to provide the office with their particulars. The closing date, time of closure, validity period, and address where the tenders must be deposited or posted must be indicated. The department publishes the sought after goods or services in the State Tender Bulletin. It invites potential suppliers to submit their offers by completing the available tender documents (Pauw et al., 2002). The stages include advertising of tenders, sale of tender documents and attendance of compulsory briefing sessions by prospective bidders. Steyn *et al.* (2010), states that sets of documents are issued to bidders and record is kept of potential vendors that collect documents. Sometimes there is a deposit payable that is refunded if a bid is submitted or documents are returned. In case of the RFP, complex projects it is customary to hold a mandatory briefing to provide bidders the opportunity to clear any misunderstanding.

According to Gildenhuys (2002), the notice for calling for tenders usually mentions the closing dates as well as a closing hour for presenting tenders, meaning only tenders received on or before the closing date and hour are considered to avoid irregularities and corruption. Tender procedures and prescriptions should allow for the rejection of lowest (cheapest) tender if the supplier's reputation cannot be established beyond any doubt. In calling tenders, a manager must ensure that the funds needed to conclude a tender contract are available, as result budgeting is central to public tendering. Once budget funding for a given capital project or capital asset has been confirmed, the actual tendering process by informing all the interested bidders of the opportunity to tender (Moeti *et al.*, 2007)

Submission and receiving of tenders

According to Visser and Erasmus (2007:160), tenders close at 11:00 on the indicated date and to ensure consideration by the STB, prospective tenderers must submit

their tenders by that time. Tenders, where supplies are expected to be stocked in the Republic, close at least four weeks after the date of publication, and in all other cases: five weeks after the date of publication. According to Kovacs (2008), depend on the department tenders may be submitted in single envelop or multi-envelopes as well as electronic copies of the reports. Envelopes are usually sealed for the sake of confidentiality and further, more when competitive tendering procedure is applied, the opening of sealed bids should be in front of the attending persons. Steyn *et al.* (2010) added that bids should be submitted in sealed envelopes, marked with the name and reference number of the bid and particulars of the bidder. Submission often takes place by depositing the envelopes into a locked box. No late bids should be accepted and upon submission, no changes to any bid are allowed. According to Moeti *et al.* (2007), regardless of where or where the invitation to tender is published, further standard requirements are:

- i. The nature and specifications of the desired good or service must be clearly communicated.
- ii. Information about required attributes of potential suppliers must be communicated;
- iii. The closing date and time of the tender must be made clear; and
- iv. The fact that no late tenders will be accepted must be communicated.

Opening of tenders

Gildenhuys (2002), correctly argues that official opening procedures should be prescribed in order to avoid any irregularities. Tenders should be opened in public and in the presence of all competing suppliers who wish to be present. In addition, particulars of each tender should be announced in public and entered into an official tender register which should be kept for auditing purposes.

According to Moeti *et al.* (2007), to avoid the unfair selection of a tender bid, all tenders received in good time must be opened in public and particulars of each tender must be made public and this information should be entered into an official tender register, to be kept for auditing purposes. Tenders must be opened in public, in the presence of a least two officers, immediately after the closure, and no late

tenders may be accepted. These must be returned unopened to the tenderer. Also tenders received by facsimile, telegram, telex, or similar media are unacceptable, and each tender must be given a mark of authenticity as proof of receipt prior to closure. A list of tenders received before the closing time must then be drawn up and recorded. On request, the prices of civil, mechanical, electrical, and building work tenders are disclosed at the time of opening, while only the name of the tenderer is revealed in other types Visser & Erasmus (2007). Pauw *et al.* (2002), state that in case of tenders for construction contracts, the officials opening tenders read out over a microphone the names of tenderers and their prices. According to Steyn *et al.* (2010), public opening is highly recommended. Bidders are present and they can also sign the attendance register.

Assessing of tenders

Suitably competent officials evaluate the tenders and choose a winner. These officials take into account the quality, suitability, price and abilities of the bidder when they choose the winning supplier. Responsible officials score each report by comparing it to a predetermined set of benchmarks. These benchmarks might have quantitative and qualitative criteria and the institution selects the tender that offers the best value for money. The selectors also take into account the supply reputation and financial standing of the various suppliers (Pauw *et al.*, 2002). According van Bon (2005), bids should only be evaluated in terms of the criteria stipulated in the bidding documents. Moeti *et al.* (2007) state that a well-qualified internal tender selection committee should compare tenders, against one another as well as against a set of predetermined criteria. The tender committee should then make its selection and prepare a contract for the successful bidder.

According to Gildenhuis (2002), governments are not and should never be obliged to accept the lowest tender. Good reason may exist why the lowest tender should not be awarded. There may be doubts, for instance, on the quality of product or service offered by tender. Visser and Erasmus (2007:160) states that the institution initiating the tender request makes recommendations for the adjudication of the tender, and an evaluation panel is appointed to consider all tenders received. These

must be evaluated only against the written conditions, and only those tenders keeping strictly to the specifications are acceptable. Should tenders be equal in all respects, the successful tenders are then determined by the drawing of lots. The tax affairs of the respective tenderer must be investigated before a contract is awarded. During evaluation, communication with tenderers only allowed for clarification purpose and no negotiations are allowed. Evaluation is the most crucial phase of tendering that all the parties involved directly or indirectly, keep a sharp eye on. A reasonable source selection, made consistently with the predetermined rules, gives good grounds for successful implementation of the contract and develop the tendering entity's prestige (Kovacs 2008).

According to Lyons (2005:10), the department evaluates and select suppliers based upon price, quality, availability and reliability. Kovacs, 2008:186 also highlight that one of the things a tendering entity is mostly short of is financial resources; therefore costs-consciousness is one of the highest priorities in tendering practices. Although in most of the cases alone cannot reflect all the merits and demerits of the offered facilities, its prime essence is unquestionable. Van Bon (2005) states that all responses from suppliers will be used to select the most suitable supplier. The evaluation and selection process is based on department evaluation procedure, in combination with evaluation and selection criteria, as documented in the RFI. Suppliers should be assessed by SCM practitioners, for possible risks such as the availability of adequate facilities, financial standing, capacity and capability to deliver, previous performance in terms of quality and service delivery, as well as attainment of goals Accordingly Van Bon (2005:40), he states that bids may only be evaluated in accordance with the evaluation criteria stipulated in the bid documentation.

When any bid is passed over or regarded as non-responsive, the reasons for passing over such bid must be defensible in any court of law. Deviations by more than a predetermined percentages from the cost estimate of the project or commodity cannot be regarded as justifiable reason for the rejection of a bid and has, therefore, not been approved as evaluation norm. The bidding price must be used in the

formulas the basis when calculating the points for price. According to Steyn *et al.* (2010), evaluating and comparing of bids involves scrutinising and analysis of the documentation submitted, analysis of bidders, selection of a vendor, and recommendations of a vendor. In the local government, there is the PPPFA which guides government procurement along lines of a point scoring system, which in turn indicates if a preferential supplier is successful or not (Woods 2008). According to circular 3/4/3/2/10, in respect of the PPPFA, prescribes that the lowest acceptable bid must receive 80 or 90 points for price. A bid is regarded as acceptable if:

- i. It complies in all respects with the specification and conditions of the bid;
- ii. The bidder completed and signed all the prescribed bid forms to enable
- iii. the principal to evaluate the submitted bid;
- iv. The bidder submitted the required original tax clearance and other
- v. clearance or registration forms are prescribed by various acts and in the bid documentations; and
- vi. The bidder has the necessary capacity and ability to execute the contract.

It is clear that the department should evaluate and select suppliers based upon price, quality, availability and reliability.

Awarding tenders

According to Pauw *et al.* (2002: 237), before awarding the tender, an audit should confirm that the evaluation exercise has not in no way been flawed and open procedures and non-discriminatory criteria were used. Pauw *et al.* (2002) further argue that this confirmation is necessary in the selection and awarding of all public tenders, and also greatly reduces possibility of tenderers contesting the award. Moeti *et al.* (2007) added that all bidders should be invited to attend the awarding of tenders, as this goes a long way towards mitigating claims by bidders and other interested parties of tenders having been unfairly awarded. Successful tenderers are notified by means of letters of acceptance. The organisation approves acceptance on behalf of the relevant public institution. These letters are the basis for placements of orders, administration of contracts, and settlement of disputes. Tender results from national and provincial departments are published in the GTB. Formal contracts are then signed by the official, so designated, on behalf of a public institution. The

reasons for non-consideration of lower tenders may only be given to persons making written requests.

However, such information may only be given after issuing of the letters of acceptance. The actual tender documents may not be made available for perusal to any interested party, or the general public (Visser & Erasmus 2007:160) Pauw *et al.* (2002:238) state that managers should make public the winners of tenders. After awarding of tenders, written contracts should be entered into between the government and successful tenderer (Gildenhuys, 2002:605). In addition, Pauw *et al.* (2002: 238) state that the contract should have a penalty clause if any possible failure on the part of the successful bidder to meet the terms of the tender occur. When drawing up public procurement policies and rules, governments may consider further objectives to cover special aspects, like:

- i. national security that may call for special procurement techniques;
- ii. mandatory sourcing to utilise state owned and operated capacities; and
- iii. positive discrimination of certain social groups, small-and medium-size enterprises

2.4 Tending Process Objectives

Based on all of the above, it is clear that the tendering process aims to bring about fairness, impartiality, consistency, transparency, efficiency, economy, traceability, accountability, equal opportunity, and domestic or regional preference are some of objectives of the tender system. In the general tendering guidelines (SA, 1999:2-8), the government identifies value for money, open and effective competition, ethics and fair dealing, accountability and reporting and equity as the five pillars of procurement. No public procurement system should be operated if it is not founded on these pillars. These pillars are application to tendering and serve as guiding principles in which the tendering principles are based upon.

2.5 Factors affecting service delivery

Zenz (1994), Roylance (2006), Aviv (2001), Lysons & Farrington (2006) and very many other scholars argue that there are several factors affecting service delivery in local government institutions. The following are some of them.

Organizational culture

Lakos, (1998) argues that the extent to which an organization foresees a 'culture of assessment' is critical to the effective use of evaluation. He therefore focuses on organizational factors as a key to efficient quality service delivery. A culture assessment is an organizational environment in which decisions are based.

Inadequate finance

Despite the increase in the total amount of funds available to local government in Uganda, it's economic and financial profile is still poor as compared to the development programme it is expected to carry out. Bailey, (1998) advanced that this situation is not unconnected to the mismanagement and embezzlement of these funds by the local councils. Dahel, (2003) further notes that many local governments in Uganda, however, are unable to deliver services to residents. He advances that this might be because of lack of finances or lack of capacity to provide a good service at an affordable price.

Corruption during tendering

According to the Inspectorate of Government (IGG) Report to Parliament (January – June 2003), it was observed by the IGG that corruption is moving from direct corruption for example bribery, 'ghost' workers and stealing of cash to indirect corruption mainly through the manipulation of procurement and tendering process the report also adds that the increased disbursements of funds from the central government to districts as results of decentralization has seen an increase of corruption at the local government, the report pointed out the worst areas affected are still in the procurement of goods and services for the districts, (IGG Report, 2003).

In the National Public Procurement Integrity Baseline Survey,(2006), it was noted that public procurement at the local government level is believed to be one of the principle areas where corruption in Uganda takes place. Corruption is disastrous to the sound functioning of any government department. Corruption has been an intractable problem in many developing countries; especially where it has become systematic to the point where many in government have a stake. It diverts decision-making and the provision of services from those who need them to those who can afford them (Van Weele, A. J. (2006).

Lawal, (2000) further asserts that corruption has been rampant among the senior civil bureaucrats to whom the public funds meant for developmental purposes are entrusted.

Generally, wide-scale embezzlement by officials of the grassroots has made the needed development of the grassroots a tall dream and has rendered them financially incapable to discharge their constitutionally assigned responsibilities hence compromising service delivery.

Level of transparency

Consequently, some users may be discouraged and choose not to seek a service needed because of the higher price imposed by the bribery "tax" (Kanufmann and Montoriol, 2005). According to U4 & Transparency International (2008), routines to reduce new opportunities for corruption by using the internet should be created and included in the procurement rules. When seeking services, users may be required to pay in bribes significantly more than the official price. For example during the bidding process, rotation of public officials responsible for procurement within a certain area should be considered in countries with high levels of corruption. Consequently, some users may be discouraged and choose not to seek a service due to the higher price imposed by the bribery "tax". Econometric results suggest that corruption reduces the supply of services, while voice mechanisms and clarity of the public agency's mission increase it (Ogachi, 2008).

Degree of competition

According to Benon (2008), competition is usually efficient to curb corruption in procurement. Bakunzi, (2008) argued that the Authority had established prescribed requirements for fair competitive bidding, explicit measures against specifications that favor particular brands and business, a defined process for bid protests, and measures for public procurement losses or cost savings.

Public support

Public attitudes toward aid will determine whether or not donor governments can generate support from tax payers for more aid. With weak support aid agencies are likely to be risk averse in their choice of projects.

2.6 Application of fair, competitive, transparent, non discriminatory and value for money procurement and disposal standards and practices

In most developed countries, tendering process takes place within a framework of international obligations, such as the World Trade Organization's Agreement on Government Procurement or the Procurement Directives made under regional agreements such as the European Union or the North America Free Trade Agreement. Agaba & Shipman (2004) argue that tendering process in most developing countries does not have to meet these international requirements. Consequently, the pressure to reform may not have been as strong and some developing countries retained a tendering process that differed little from that which was in place during colonial times.

Part VI of the PPDA Act (2003), indicates that all public procurement and disposal shall be conducted in accordance with the basic principles set out in sections 44 to 54 of the PPDA Act (2006). The PPDA Act, Uganda (2003) and the Public Procurement Act 2007, Nigeria (PPA 2007) all indicate that such principles as; fairness, transparency, non discrimination, economy, efficiency and effectiveness must be upheld during tendering. This therefore calls for opening bids in presence of bidders or their representatives, opening bids on the stipulated date, rejection of late

bids, allowing all interested bidders regardless of their race, sex and or religion to compete fairly for tender opportunities.

Arrowsmith (1986:72) upholds that the essence of public procurement legislation is to define, and enforce, those procedures that are most likely to produce an economic and efficient result, while respecting the public nature of the process and the duty of fairness to the suppliers. Economy in public procurement is not subject to a test similar to that of purchasing in the private sector: namely, good procurement contributes to profits and poor purchasing creates the risk of going bankrupt. Instead, the best way government entities demonstrate that they obtained the best terms available under the circumstances is to make use of competition between all those interested in, and qualified for, supplying the goods or services in question.

Roylance (2006) upholds that tendering procedures must therefore be designed to generate maximum competition. This explains the preference for open tendering in most national and international procurement systems. This preference is subject; however, to the need for eliminating competitors who are not qualified and the goal of keeping the procurement process efficient in the sense of adapting procedures to the size and complexity of the contract. Benon (2005) upholds that in Uganda, a wave of procurement reforms that begun in 1997, culminated into the enactment of the Public Procurement and Disposal of Public Assets (PPDA) Act 2003, and regulations 2003. Agaba & Shipman (2007) advanced that unfortunately; many Central Government, Ministries and agencies have since then not followed prescribed practices. The procurement audits carried out by the PPDA have revealed that out of 322 contracts audited at the end of 2005, only 7 (2%) were assessed as compliant.

Other successive audit checks reveal that compliance in public procurement in Uganda is still inadequate (PPDA compliance Report, 2009; PPDA Baseline survey report, 2010; PPDA Capacity Building Strategy Report, 2011-2014; World Bank Country Procurement Assessment Report, 2001). This is also supported by the African Peer Review Mechanism Country Review (APRM) Report (2009), which indicates that non – compliance with the regulations is very high in Uganda. Eyaa and Oluka, 2011 advance that despite this evidently low public procurement

compliance, not much focus has been placed on explaining non-compliance with public procurement regulations in Uganda.

In the PPDA news letter (March 2012), it is noted that it is now a decade since the comprehensive reform of the public procurement system was completed in Uganda. The reform culminated in the enactment of the PPDA Act in 2003 that overhauled the public procurement system under the tender board system. With the enactment of the Act, the function of public procurement was decentralized up to entity level and a regulatory body, the PPDA was formed to set standards and enforce the application of those standards at Entity level. The PPDA has been in operation for nearly nine years and has registered a number of successes, several challenges and shortcomings that were intended to be addressed by the PPDA are believed to still be in existence.....

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2.7 Service delivery at local government levels

Service delivery is defined by the International Standards Organization (ISO 9000), as a customer-oriented activity. Service delivery activities are carried out by organizations and are oriented towards meeting customer needs and expectations. However according to Fatrell (2002) service delivery quality, is the extent to which expectations, of the public served are met. The more these expectations are seen to be met, the more the services delivered are seen to be of better quality and vice versa.

There are numerous historical examples that demonstrate the potential of public technology procurement as a 'demand side' instrument for innovation policy. Sweden

in particular offers many examples of innovative procurement collaboration occurring through the interaction between public agencies and private firms (Fridlund, 1999). In the 1980's, studies were carried out to explore the phenomenon of technology procurement and assess its potential as an industrial policy instrument in the telecom sector in four countries (Denmark, Finland, Norway and Sweden). On a general level it was concluded that "although there are several indications that private and public technology procurement is an efficient means of generating economically viable innovations, it does not follow that government policies to stimulate public and/ or private technology procurement are easily implemented" (Granstrand & Sigurdsson, 1985). In the context of this project which aims at developing guidelines for attracting innovative procurement offers, one lessons to be drawn from these authors' work is that this task is indeed not completely straight-forward. One may also take into consideration e.g. supply-side measures such as R&D subsidies and/ or tax concessions or combinations of supply-side measures and demand-side measures. It may also be important to take into consideration the present and desired industrial development when designing policies (Hommen, 1985).

2.8 Relationship between tendering process and service delivery

The processes ensure value for money for the services delivered. This is because it encourages indiscriminate application of fair, competitive, transparent, non-discriminatory practices. Therefore the service company that is chosen must be competent enough. Through the use of PPD act, procurement officer is entitled to monitor and investigate the capacity of the contracting firms. This therefore enhances better service delivery GoU manual report (2003). Tendering process has a direct effect on service delivery; this is seen in managing upstream and downstream value added flow of materials, final goods and related information among suppliers, the company, and the end user Philip Kotler (2003). Through report solicitation, a stage at which buying centre qualified suppliers to submit in reports (s) the best supplier is awarded the contract.

Knudsen, (1999) suggested that procurement performance starts from purchasing efficiency and effectiveness in the procurement function in order to change from

being reactive to being proactive to attain set performance levels in an entity. According to Van Weele (2006) purchasing performance is considered to be the result of two elements: purchasing effectiveness and purchasing efficiency. Performance provides the basis for an organisation to assess how well it is progressing towards its predetermined objectives, identifies areas of strengths and weaknesses and decides on future initiatives with the goal of how to initiate performance improvements. This means that purchasing performance is not an end in itself but a means to effective and efficient control and monitoring of the purchasing function (Lardenoije, Van Raaij, & Van Weele, 2005). Purchasing efficiency and purchasing effectiveness represent different competencies and capabilities for the purchasing function. CIPS Australia (2005) presents the differences between efficiency and effectiveness. Efficiency reflects that the organisation is "doing things right" whereas effectiveness relates to the organisation "doing the right thing".

This means an organisation can be effective and fail to be efficient, the challenge being to balance between the two. For any organisation to change its focus and become more competitive. Amaratunga & Baldry (2002) suggest that performance is a key driver to improving quality of services while its absence or use of inappropriate means can act as a barrier to change and may lead to deterioration of the purchasing function. Organisations which do not have performance means in their processes, procedures, and plans experience lower performance and higher customer dissatisfaction and employee turnover (Artley & Stroh, 2001, Amaratunga & Baldry, 2002 and CIPS Australia, 2005). Measuring the performance of the purchasing function yields benefits to organisations such as cost reduction, enhanced profitability, assured supplies, quality improvements and competitive advantage as was noted by Batenburg & Versendaal (2006). Until an organisation measures purchasing performance they will never know how well they are performing and why they should measure purchasing performance.

The available literature indicates that there is a relationship between the two study variables. In fact increased company performance has got to follow most if not all

the tendering processes. It further leads to creation of a long term relationship that is beneficial to the company and the contracting firm.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

Under this section, the process of the research was presented. It included; the research design, where the study was carried out, study population of the study, research instruments, the research methods, how data was analyzed and the limitations which were met.

3.1 Research design

The study used a cross-sectional research design in assessing respondents' views towards procurement process influences service delivery in local government. This type of research design utilizes different groups of people who differ in the variable of interest, but share other characteristics such as socioeconomic status, educational. Cross-sectional research design is designed to look at a variable at a particular point in time and focuses on finding relationships between variables at a specific point in time.

3.2 Study population

The study used a total of 70 respondents. The study population comprised of stakeholders from Arua district involved in handling procurement at the district. This included; Chief Administrative Officer, Contracts Committee, User Departments, Procurement and Disposal unit, sub county chiefs and Arua district Council, who manage the strategic, tactical and operation procurement activities in the local governments.

3.3 sample size

Sekaran (2004:236), assert that a sample size larger than 30 but less than 500 is appropriate for most studies. Therefore, this study used a sample size of 40 respondents. The researcher distributed a total of 40 questionnaires to the district employees, politicians and other stakeholders who are the stakeholders in procurement function. All data collected was recorded using percentage and

frequency distribution tables. The sample size was determined using Slovin's formula as shown below;

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

Whereby; n=Sample Size

N=Population

e=level of significance or reliability.= $0.05^2 = (0.05)(0.05) = 0.0025$

Table 1: Showing the sample size

S/N	Type of Respondents	Number of Respondent
1	Chief Administrative Officer	01
2	Procurement and Disposal Unit	04
3	User Departments	11
4	Contracts Committee	05
5	Council members	05
6	Donors	03
7	Oversight bodies	06
9	Others (Contractors)	05
	TOTAL	40

Source: Primary data, 2014

3.4 Sampling Procedure

Data gathering is crucial in research, as the data is meant to contribute to a better understanding of a theoretical framework (Bernard, 2002). It then becomes imperative that selecting the manner of obtaining data and from whom the data was acquired be done with sound judgment, especially since no amount of analysis can make up for improperly collected data (Bernard *et al.*, 1986). The study used a combination of sampling techniques (convenience and purposive sampling) to find out more facts on the topic under the study. The purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities the informant possesses. It is a non random technique that does not need underlying theories or a set number of informants. Simply put, the researcher

decides what needs to be known and sets out to find people who can and are willing to provide the information by virtue of knowledge or experience (Bernard 2002; Lewis & Sheppard, 2006).

3.4 Data collection methods

To obtain data about the research variables, primary and secondary data sources were used as elaborated below;

3.4.1 Primary Source

This involved the use of firsthand information that was obtained from the field using interviews and questionnaires. The type of data included the social- demographic characteristics of the respondents (age, gender, level of education etc), perceptions of human rights in relation to child abuse.

3.4.2 Secondary Source

This included the already existing literature about the role of foreign investment on economic development. This information was collected from reports, circulars, newspapers, magazines and internet.

3.5 Research instruments/tools

In order to obtain adequate data to solve the research problem, the following data collection instruments/methods were used:

3.5.1 Questionnaire Method

A comprehensive questionnaire covering all the aspects of the study variables was designed. The first section of the questionnaire covered general information (gender, age, education, marital status). The questionnaires pre-tested before being administered on the respondents. The questionnaires were self-administered to ease data collection. The questions were both open and close ended. This enabled the respondents to express their opinion about the variables under study.

3.5.2 Interview method

Interviews with the target respondents were conducted to interviews all the categories of respondents shown in study population. A separate interview was used for officials to assess in-depth information. This involved first making an appointment with the target respondents after which an interview meeting between the researcher and respondents.

3.6 Data collection procedure

After the approval of the report by the responsible authority at the School of Business and Management, the researcher got an introductory letter to progress to the field for data collection. The researcher presented the letter to the concerned officials of Arua District local government, who later introduced him to different officials who assisted her to make sampling frames with the help of other relevant respondents. The researcher made appointments with respondents on when to meet them. The interviews were conducted in the offices. The structured interviews were about 30 minutes. The in-depth interviews were for about an hour.

3.7 Data Analysis

Data analysis, it included editing the findings, coding and tabulation in the computer Statistical Package for Social Scientists (SPSS) for analysis. Main ideas in qualitative data were clearly recorded. The data filled in the questionnaires were copied and analyzed by tallying it and tabling it in frequency tables identifying how often certain responses occurred and later evaluation was done. This yielded the primary data which was raw in nature. The recorded data was later edited and interpreted which ensured uniformity, legibility and consistence. Also, interview results was coded in frequency tables which was calculated in terms of percentages and presented in this study.

3.8 Ethical considerations

It is important during the process of research for the researcher to make respondents to understand that participation is voluntary and that participants are free to refuse to answer any question and to withdraw from participation any time

they are chosen. Another important consideration, involves getting the informed consent of those going to be met during the research process, which involved interviews and observations on issues that may be delicate to some respondents. The researcher undertakes to bear this seriously in mind. Accuracy and honesty during the research process is very important for academic research to proceed. A researcher should treat a research project with utmost care, in that there should be no temptation to cheat and generate research results, since it jeopardizes the conception of the research. Personal confidentiality and privacy are very important since the thesis was public. If individuals have been used to provide information, it is important for their privacy to be respected. If private information has been accessed then confidentiality has to be maintained (Stephen, P. 2002). All respondents were therefore, be re-assured of this before being involved.

3.9 Limitations of the study

There are various limitations to this study that threatened the research validity. There was attrition/mortality in that not all questionnaires were not returned completely answered yet some even failed to be retrieved back due to circumstances on the part of the respondents such as travels, sickness, hospitalization and refusal/withdrawal to participate. In this case, the researcher reserved more respondents by exceeding the minimum sample size. The respondents were also be reminded not to leave any item in the questionnaires unanswered and were be closely followed up as to the date of retrieval.

The research instruments on the study were not standardized. Therefore there was validity and reliability test done to produce a credible measurement of the research variables of the study.

CHAPTER FOUR

PRESENTATION, DISCUSSION AND ANALYSIS OF FINDINGS

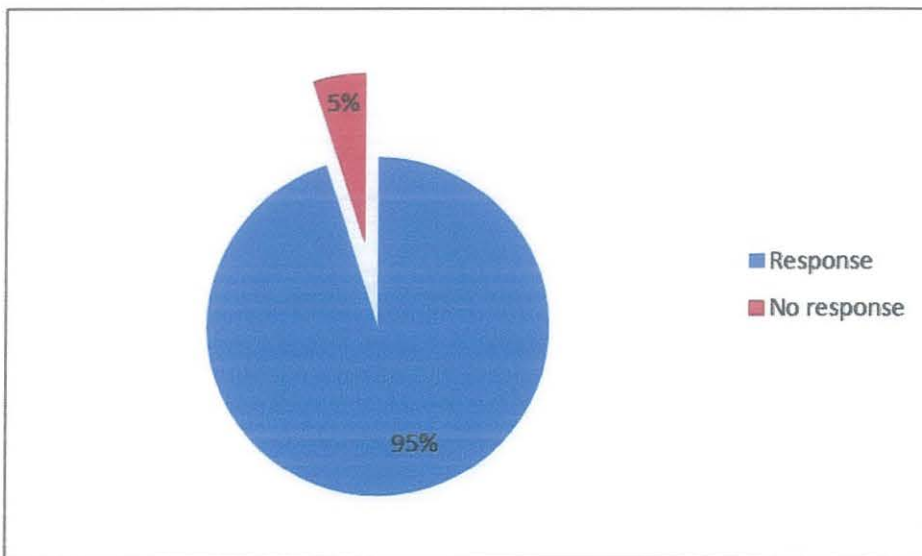
4.0 Introduction

This chapter includes data presentation, discussion and analysis of the research findings of the study on the topic "Tendering process and service delivery in local government." The findings are based on the data collected using interview, questionnaires and observation.

4.1 Response rate

The researcher sampled 40 respondents while finding out the relationship between tendering process and service delivery using the different methods of collecting data like interviews and questionnaires. The researcher issued out 40 questionnaires and was able to get back 38 questionnaires and there was no response got from only 2 respondents. Below is a summary of the response rate;

Figure 2: Showing the response rate



Source: Primary data, 2014

From the figure above, it is indicated that there was a response rate of 95% and non response rate of only 5%. Therefore, the 95% response rate was reliable to draw conclusions of the study.

4.2 Background information

The background information that the study addressed was gender, age category, level of education, department of the respondent, and duration spent working for an organization. The responses in the background information are summarized below:-

4.2.1 Gender of the respondents

Table 2: Showing the gender of respondents

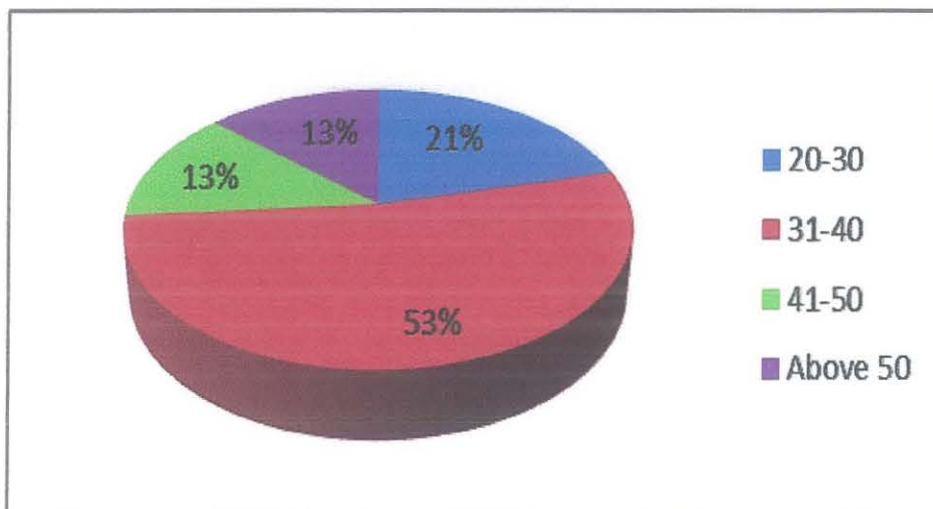
Gender	No. of respondents	Valid Percent
Male	30	79%
Female	8	21%
Total	38	100%

Source: Primary data, 2014

From table 4.1 above, it is indicated that out of the 38 responses received; 30 (79%) respondents were male while only 8(21%) were female. This indicates that more male respondents participated in this study than female.

4.2.2 Age of respondents

Figure 3: Showing the age of respondents



Source: Primary data, 2014

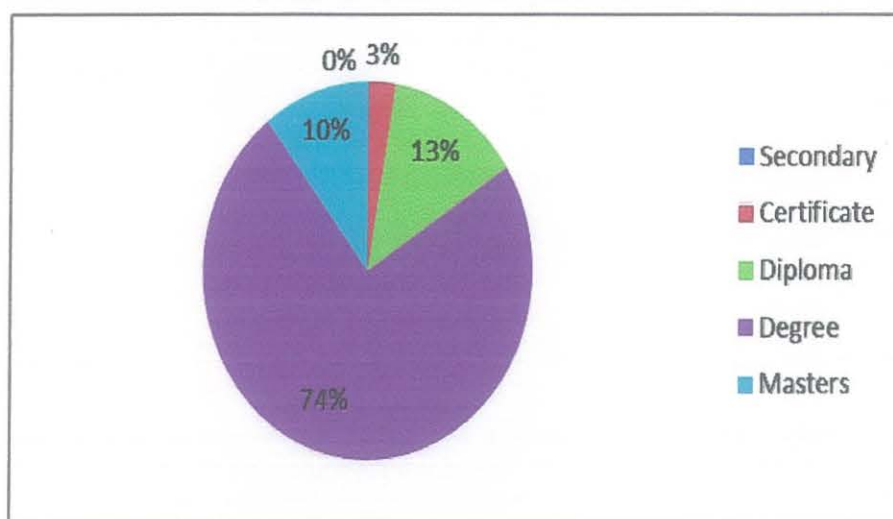
The aspect of age was important to the main area of study because it helped to find out the age of the respondents and with their related ideas. This is vital because people have different reasoning capacities at different age brackets and also the

level of skills and knowledge about a given subject also varies. From the figure above, it is observed that the findings of the study indicate that most of the respondents were of the age bracket (31-40) at a percentage of 53%, followed by (20-30) with a percentage of 21%. 13% of the respondents were of the age bracket (41-50) and this equaled to those who were above 50.

4.2.3 Level of education attained

The study examined the level of education the respondents so as to assess the level of understanding on the topic of study.

Figure 4: Showing the level of education



Source: Primary data, 2014

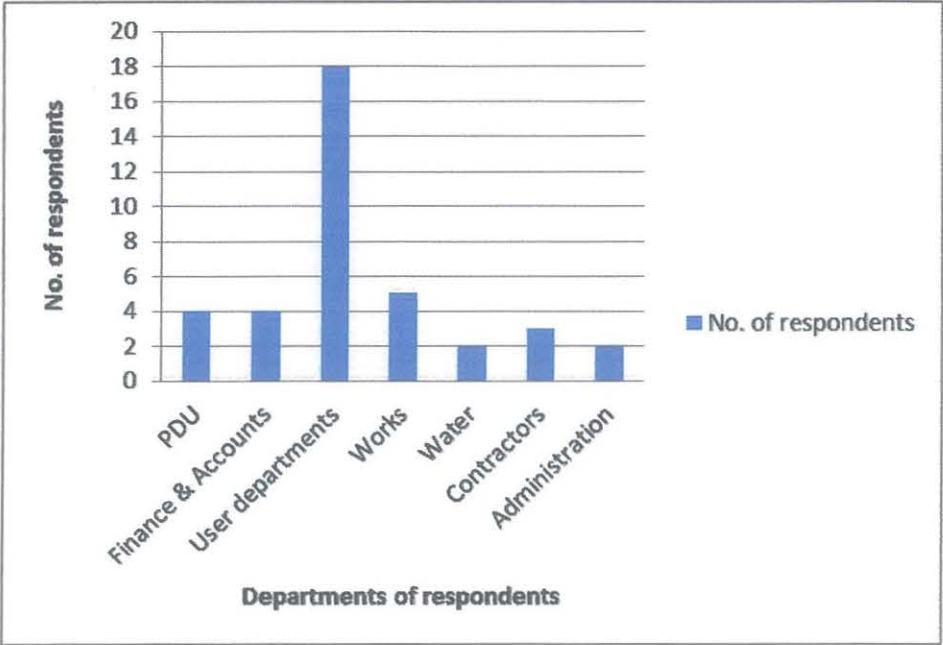
From the figure above, it is observed that majority of the respondents (74%) were bachelors degree holders, 13% of the respondents had Diploma and this was followed by 10% who had Masters. Only 3% of the respondents had a certificate. None of the respondents (0%) had stopped in secondary. This level of education was important because it helped the researcher to utilize the skills and knowledge acquired at the different levels of education attained by the respondents to get information about the topic under study.

4.2.4 Departments of the respondents

From figure 5 below, it is indicated that majority (18) of the respondents were from the user departments (sub counties). This was followed by works department which had 5 respondents. Both the PDU and Finance and Accounts departments had the

same number; each had 4 respondents. Contractors (prequalified providers) were 3. Administration had only 2 respondents and this equals to the number of respondents who work in the Water department.

Figure 5: Showing departments of the respondents

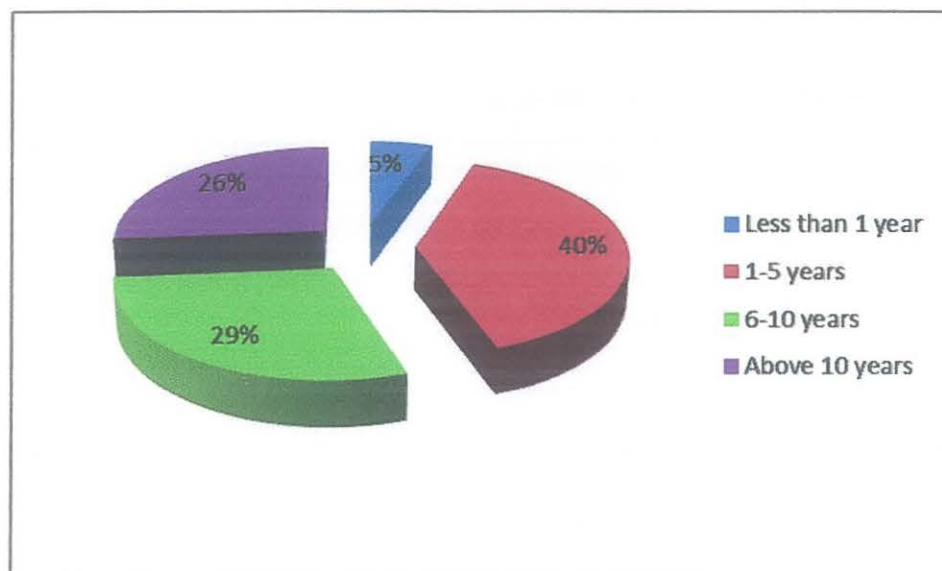


Source: Primary data, 2014

4.2.5 Duration that employees had worked for Arua district local government

The study looked at the period respondents had worked for Arua district local government. This was basically to enable the researcher assess the seniority of the respondents. Below is summary of the findings;

Figure 6: A pie chart showing the period the respondents have worked for Arua district local government



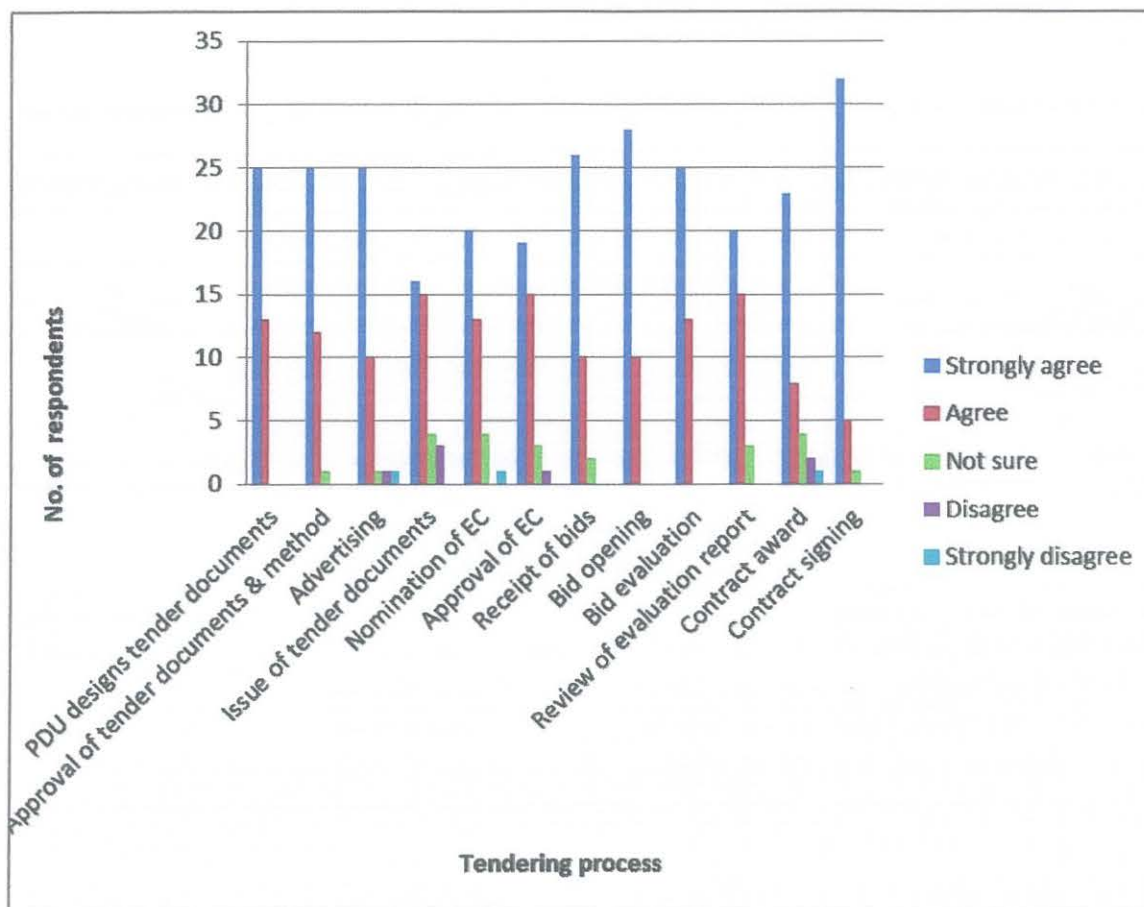
Source: Primary data, 2014

From Figure 6 above, it is observed that majority of the respondents (40%) had spent 1-5 years working for Arua district local government. 29%, 26% and 5% of the respondents had spent (6-10) years, above 10 years and less than one (1) year respectively working for Arua district local government. Generally the majority of the respondents had spent more than one (1) year working for Arua district local government.

4.3 Tendering process used in Arua district local government

As one of the objectives of the study, the study sought to find out the tendering procedures used and their effects in ensuring quality service delivery in Arua district local government. Below is a summary of the findings;

Figure 7: Showing the tendering process used in Arua district local government



Source: Primary data, 2014

4.3.1 PDU designs tender documents

From figure 7 above, it is indicated that; 25 respondents strongly agreed while 13 respondents agreed that PDU designs tender documents. None of the respondents disagreed or strongly disagreed with the opinion that PDU designs tender documents during the tendering process. Generally the study findings indicated that the PDU designs tender documents. This is in line with the PPDA Act (2003) Sec 31(i). Mullins (2003) also concurs with the study findings; he argues that the procurement function prepares bid documents with respect to the method of bidding to be used.

4.3.5 Nomination of evaluation committee (EC)

From figure 7 above, it was indicated that; 20 respondents strongly agreed while 13 respondents agreed that evaluation committee is nominated as part of tendering process. 4 respondents were not sure whether nomination of EC is a stage of tendering process while only one (1) strongly disagreed. Generally, the study findings revealed that nomination of EC is a stage of tendering process.

4.3.6 Approval of evaluation committee (EC)

Furthermore figure 7 above, indicates that; 19 respondents strongly agreed while 15 respondents agreed that approval of evaluation committee by the contracts committee is a stage of tendering process. 3 out of the 38 respondents were not sure while only one (1) respondent disagreed with the opinion that approval of evaluation committee is also a stage of tendering process. Conclusively; the study findings revealed that approval of evaluation committee is part of tendering process. PPDA Act (2003) concurs with the study findings; it is noted that the contracts committee approves the Evaluation committee during the tendering process.

4.3.7 Receipt of bids

From figure 7 above, the study indicated that; 26 respondents strongly agreed while 10 respondents agreed that receipt of bids is a stage in tendering. 2 respondents were not sure whether receipt of bids is part of the tendering process. None of the respondents disagreed or strongly disagreed with the opinion that receipt of bids is a stage during tendering process. Conclusively, the study findings revealed that receipt of bids is a stage in tendering.

4.3.8 Bid opening

Also figure 7 above indicates that out of the 38 respondents; 28 strongly agreed while 10 agreed that bid opening is done during tendering. Generally, the study findings revealed that bid opening is a stage of tendering process.

4.3.9 Bid evaluation

Furthermore figure 7 above indicates that out of the 38 respondents; 25 strongly agreed while 13 agreed that bid evaluation is a stage in tendering. None of the respondents disagreed or strongly disagreed that bid evaluation is a stage of tendering process. Generally, the study revealed that in Arua district local government bids are evaluated. Lysons & Farrington (2006) concur with the study findings; they argue that for an organization to determine the best bidder, bidders must be evaluated depending on a predetermined criterion.

4.3.10 Review of evaluation report

From figure 7 above, it is indicated that; 20 respondents strongly agreed while 15 respondents agreed that review of evaluation report is part of the tendering procedures. Of the 38 respondents, only 03 were not sure whether review of evaluation report by contracts committee is part of the tendering procedures in Arua district local government. Conversely; the study revealed that evaluation report is reviewed during tendering.

4.3.11 Contract award

Also from the figure 7 above, it is indicated that out of the 38 respondents; 23 strongly agreed while 8 agreed that contract award is part of the tendering procedures. 04 respondents were not sure whether contract is awarded during tendering process. Only 01 respondent strongly disagreed while 2 disagreed with the opinion that contract award is part of the tendering procedures. Generally, the study revealed that contract award is part of the tendering procedures used in Arua district local government.

4.3.12 Contract signing

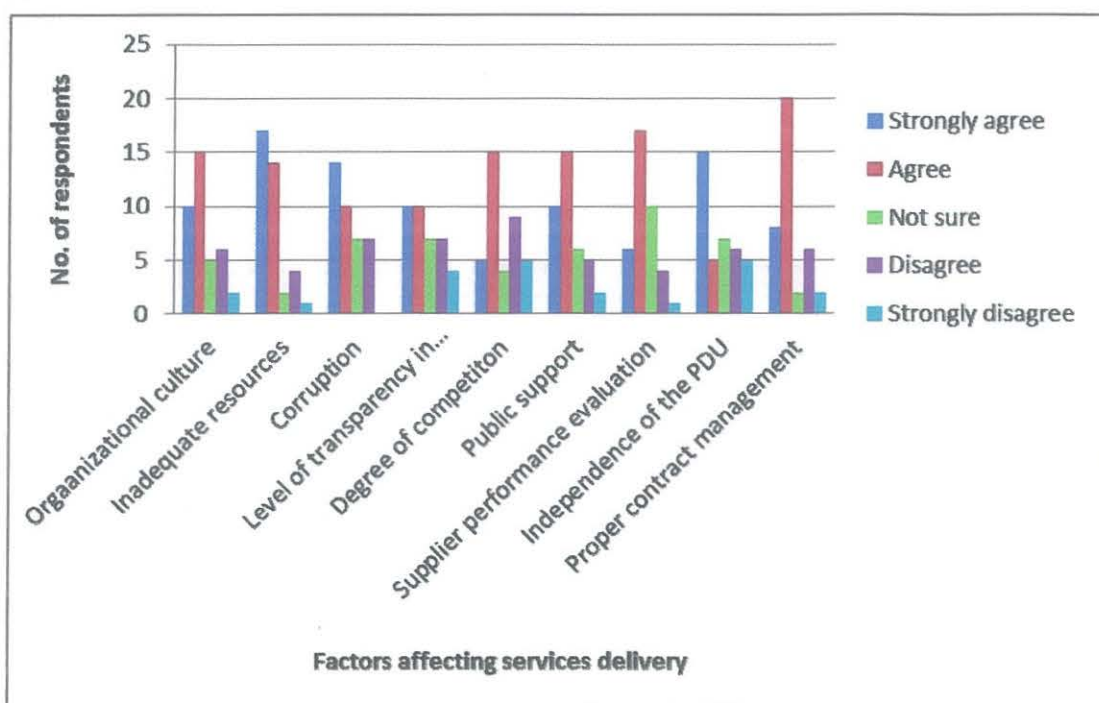
Furthermore from figure 7 above, it is indicated that out of the 38 respondents; 32 strongly agreed while 05 agreed that contract is signed during tendering. Only one (1) respondent was not sure whether contract award is part of the tendering procedures.

Conversely; the study reveals that tendering process in local government organizations takes these steps; PDU designing tender documents, approval of tender documents and tendering documents, advertising, issue of tender documents, nomination of Evaluation committee members, approval of EC, receipt of bids, bid opening, bid evaluation, review of evaluation report, contract award, and contract signing.

4.4 Factors affecting services delivery in Arua district local government

The study examined the factors affecting services delivery in Arua district local government and below is a summary of the findings;

Figure 8: Showing factors affecting services delivery in Arua district local government



Source: Primary data, 2014

4.4.1 Organizational culture

From figure 8 above, it is indicated that out of the 38 respondents; 10 strongly agreed and 15 agreed that organizational culture affects services delivery in Arua district local government. 5 respondents were not sure whether organizational

culture affects delivery of services in Arua district local government. 6 respondents disagreed while 2 strongly disagreed with the opinion that organizational culture affects delivery of services in Arua district local government. Generally the study findings reveal that organizational culture affects delivery of services. Stoner J. *et al.*, (2004) concur with the study findings; they argue that the culture of an organization determines how it sets its priorities in terms of delivery of services.

4.4.2 Inadequate resources

From figure 8 above, it is indicated that majority (17) of the respondents strongly agreed that one of the factors that affect service delivery is inadequate resources. 14 respondents agreed that inadequate resources affect service delivery while 02 respondents are not sure. Furthermore the figure above shows that 04 respondents disagreed while only one (1) respondent strongly disagreed with the opinion that inadequate resources affect services delivery. Generally, the study revealed that inadequate resources affect service delivery. Zenz (1994), Aviv (2001) and Dahel (2003) all concur with the study findings; they advance that many local governments in Uganda, however, are unable to deliver services to residents and attribute that this might be because of lack of finances or lack of capacity to provide a good service at an affordable price.

4.4.3 Corruption

Figure 8 above indicates that out of the 38 respondents; 14 strongly agreed while 10 agreed that corruption affects delivery of services in Arua district local government. 07 respondents disagreed with the opinion that corruption affects delivery of services and this equaled to the number of respondents who were not sure whether corruption affects services delivery. Generally the study revealed that corruption affects services delivery in local government organizations. Thai (2004) concurs with the findings of the study; he argues that corruption diverts the attention of civil servants and political leaders from public to private interests. Langseth. Kato. Kisubi & Pope, (1997) also concur with the findings of the study; they argue that corruption diverts decision-making and the provision of services from those who need them to those who can afford them.

4.4.4 Level of transparency

Figure 8 above, it is indicated that out of the 38 respondents; 10 strongly agreed that level of transparency during the tendering process affects services delivery. This equals to the number of respondents who agreed that level of transparency during tendering affects services delivery in Arua district local government. 07 respondents disagreed with the opinion that level of transparency during the tendering process affects services delivery and this equaled to the number of respondents who were not sure whether level of transparency during the tendering process affect service delivery in Arua district local government. 04 respondents strongly disagreed with the statement that level of transparency during the tendering process affect services delivery. Conclusively, the study revealed that level of transparency during the tendering process affects service delivery.

4.4.5 Degree of competition

From figure 8 above, it is indicated that out of the 38 respondents; 05 strongly agreed while 15 agreed that degree of competition affects services delivery in Arua district local government. 04 respondents were not sure whether degree of competition affects services delivery. 09 respondents disagreed while 05 strongly disagreed that degree of competition affects service delivery. Generally the study revealed that degree of competition affects service delivery in local government organizations. Benon (2009) concurs with the study findings; he argues competition is usually efficient to curb corruption in procurement and this leads to delivery of quality services at a low cost.

4.4.6 Public support

From figure 8 above, it is indicated that out of the 38 respondents; 10 respondents strongly agreed while 15 agreed that public support affects services delivery. 06 respondents were not sure whether public support affects service delivery. However, 05 respondents agreed and 02 respondents strongly disagreed with the opinion that public support affects service delivery in Arua district local government. Generally the study revealed that public support affects services delivery in local government organizations.

4.4.7 Supplier performance evaluation

From figure 8 above, it is indicated that out of the 38 respondents; 06 strongly agreed while 17 agreed that supplier performance evaluation affects services delivery. 04 respondents disagreed with the statement that supplier performance evaluation affect services delivery while 10 respondents were not sure. Only 01 respondent strongly disagreed with the opinion that supplier performance evaluation affects services delivery in Arua district local government. Generally, the study revealed that supplier performance evaluation affects service delivery. Lysons & Farrington (2006) concur with the findings of the study; they argue that evaluating performance of a supplier motivates him or her to work better so as to create a good reputation with the buyer.

4.10 Independence of the procurement department

From figure 8 above, it is indicated that out of the 38 respondents; 15 strongly agreed while 05 agreed that the independence of procurement department affects services delivery. Furthermore, the figure above shows that 06 respondents disagreed while 05 strongly disagreed with the opinion that independence of procurement department affects services delivery. 07 respondents were not sure whether independence of procurement department affects services delivery in Arua district local government. Generally, the study indicated that independence of procurement department affects service delivery.

4.4.9 Proper contract management

From figure 8 above, it is indicated that out of the 38 respondents; 08 strongly agreed while 20 agreed that proper contract management affects service delivery. 06 respondents disagreed while 02 respondents strongly disagreed with the opinion that proper contract management affects services delivery in Arua district local government. 02 respondents were not sure whether proper contract management affects services delivery. Generally, majority of the respondents agreed that proper contract management affects service delivery. Mulinde (2009) concurs with the study findings; he argues that this is because public contracts are prone to abuse at the expense of public need and therefore need to be properly managed.

4.4.10 Other factors affecting services delivery in Arua district local government

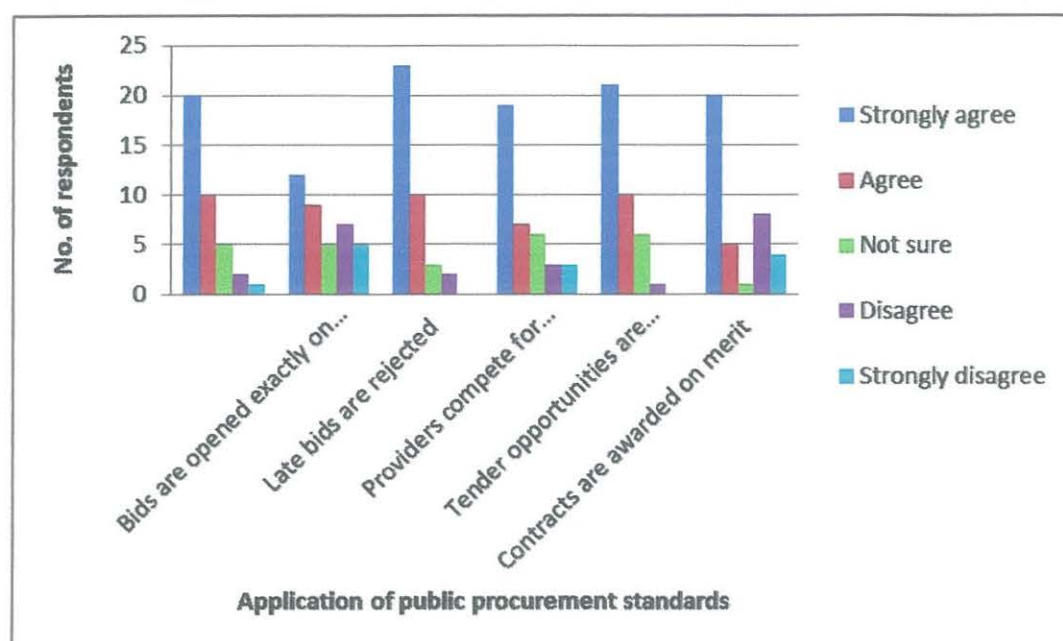
Other factors that affect services delivery as revealed by the include; long tendering procedures, taking long to pay contractors, under staffing the PDU, little knowledge about service providers, conflicts of interest and delay of release of funds. Suggested solutions to the above include; training service providers, adherence to the ethical code of conduct, shortening tendering process, releasing of funds early, paying contractors in time and awarding contracts on merit.

Conversely; from the findings in figure 9above, it indicates that the majority of the respondents considered inadequate resources, corruption, level of transparency in tendering process, degree of competition, public support, supplier performance evaluation, independence of the PDU, proper contract management, delay in paying the contractors, understaffed PDU as factors affecting services delivery in Arua district local government.

4.5 Application of public procurement principles

The study also examined the application of such public procurement principles as; fair, competitive, transparent, non discriminatory and value for money procurement and disposal standards and practices in Arua district local government. Below is a summary of the findings.

Figure 9: Application of public procurement principles during tendering



Source: Primary data, 2014

4.5.1 Bids are opened in presence of suppliers and their representatives

From the Fig 9 above, the study indicated that; 20 out of the 38 respondents strongly agreed, 10 agreed, and 05 were not sure whether bids are opened in presence of suppliers and their representatives. 02 disagreed and only 01 respondent strongly disagreed with the opinion that bids are opened in presence of bidders or their representatives. Generally most of the respondents (30 out of 38) agree that bids are opened in presence of suppliers and their representatives Arua district local government.

4.5.2 Bids are opened exactly on the day of opening

It is also observed that; 12 respondents out 38 strongly agreed, 09 agreed that bids are opened exactly on the day of bid opening. 05 respondents were not sure whether bids are opened exactly on the day of bid opening in Arua district local government. This equals to the number of respondents who strongly disagreed with the opinion that bids are opened exactly on the day of bid opening. 07 respondents disagreed. Generally, the study revealed that bids are opened exactly on the day of opening.

4.5.3 Late bids are rejected

From figure 9 above, the study indicates that, of the 38 respondents, 23 strongly agreed, 10 agreed and 03 were not sure if late bids are rejected in Arua district local government. 03 respondents were not sure whether in Arua late bids are rejected. Only 02 respondents disagreed with the opinion that late bids are rejected in Arua district local government. Generally the study findings indicate that late bids are rejected. This is in line with the PPDA Act (2003) and PPDA Reg. No. 70 of 2003.

4.5.4 Providers compete for procurement opportunities regardless of their religion, sex, country of origin (non discrimination)

Figure 9 above indicates that; 19 respondents strongly agreed while 07 agreed that potential suppliers are allowed to compete for procurement opportunities in Arua district local government regardless of their religion, sex, country of origin or race depending on the method of procurement use. 06 respondents were not sure whether interested providers are allowed to compete fairly for procurement opportunities regardless of their religion, sex, country of origin. 03 respondents disagreed with the opinion that providers compete for procurement opportunities regardless of their religion, sex, country of origin. This equals to the number of those who strongly disagreed

Generally the study reveals that majority the respondents agreed that Potential suppliers are allowed to compete for procurement opportunities in Arua district local government regardless of their religion, sex, country of origin or race depending on the method of procurement used. PPDA Act (2003) concurs with the study findings; sec 50(1) of the PPDA Act (2003) states that A procuring and disposing entity shall permit providers to participate in the procuring process without regard to nationality, except in cases in which the procuring and disposing entity decides to limit the participation on the basis of nationality on grounds specified either in regulations made under this Act or by any other competent authority.

4.5.5 Tender opportunities in Arua district local government are advertised in nationally read news papers

Figure 9 above indicates that out of the 38 respondents; 21 strongly agreed, 10 agreed while 6 were not sure whether tender opportunities in Arua district local government are advertised in nationally read news papers. Only 3 respondents disagreed with the opinion that tender opportunities in Arua district local government are advertised in nationally read and accessed news papers. Generally the study indicates that tender opportunities are advertised in nationally read news papers. PPDA Act (2003) concurs with the study findings. Sec 51 of the PPDA Act (2003) notes that a procuring and disposing entity shall use open bidding as the preferred method of procurement and disposal.

4.5.6 Contracts in Arua district local government are awarded on merit

From Figure 9 above, the researcher observed that 20 respondents strongly agreed while 05 agreed that contracts in Arua district local government are awarded on merit. Only 01 respondent was not sure whether contracts in Arua district local government are awarded. 08 respondents disagreed with the opinion that contracts in Arua district local government are awarded on merit. Generally the study revealed that contracts are awarded on merit.

4.5.7 Presentation, discussion and analysis of findings from the interview

The data collected from the interview (interaction between the researcher and procurement officer) revealed that Arua district local government as a PDE uses tendering procedures prescribed in the PPDA Act (2003). The study also revealed that the procurement department is understaffed. However this was attributed to inadequate finance. Furthermore the study revealed that tendering for construction of roads in Ntenjeru, Kyampisi and Nama sub counties was done successfully and now they are under construction.

The study also revealed that such public procurement principles as; fairness, accountability, fairness, transparency, open competition, economy, efficiency and effectiveness are upheld during tendering. For example in order to reach out to

almost every interested provider, the district runs its procurement advertisements in the New vision and Daily monitor which are nationally read. On the impact of tendering procedures on quality of services delivered; the study revealed that through ethical and compliant tendering, competitive providers are awarded contracts. These do good quality work. Also the study revealed that tendering process especially in the case of prequalified providers enables timely delivery of services.

On the factors affecting services delivery in Arua district local government, the study revealed that sub county chiefs are sometimes reluctant to supervise the works of the providers and this affects the quality of services delivered. Other factors affecting services delivery in Arua district local government as revealed by the study include; inadequate finance to meet the wants of the community in terms of classrooms, roads and health centres; long tendering procedures that delay work.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the findings, conclusions and recommendations from the study.

5.1 Summary of the findings

The study indicated that of the 38 responses received, 30 (79%) were male and 8(21%) were female. The major aim of the study was to examine the relationship between tendering process and services delivery in local government organizations. The study found out that tendering process enhances services delivery. The study observed that that proper application of procurement principles is the key in order to realize value for money service delivery to beneficiaries. If the stages in the public procurement process are properly adhered to, services would be delivered to beneficiaries effectively and efficiently.

5.1.1 Tendering procedures and quality of service delivery

Basing on objective one of the study; that is to find out the tendering procedures used and their effects in ensuring quality service delivery in Arua district local government local government, the study indicated that such tendering procedures as designing of tender documents, approval of tender document and method, advertising of tender opportunities, issue of tender document, nomination and approval of evaluation committee members, receipt and opening of bids, bids evaluation, review of evaluation report, award and signing of contract used in ensuring quality services delivery in Arua district local government.

The study revealed that through ethical and compliant tendering procedures, competitive providers are awarded contracts. These do good quality work. Also the study revealed that tendering process especially in the case of prequalified providers enables timely delivery of services.

5.1.2 Factors affecting service delivery

The study indicated that such factors as; inadequate resources, corruption, level of transparency in tendering process, degree of competition, public support, supplier performance evaluation, independence of the PDU and proper contract management during tendering process affect service delivery in Arua district local government. The study revealed that factors like; long tendering procedures, taking long to pay contractors, under staffing the PDU, little knowledge about service providers, conflicts of interest and delay of release of funds also affect services delivery in Arua district local government. Suggested solutions to the above include; training service providers, adherence to the ethical code of conduct, shortening tendering process, releasing of funds early, paying contractors in time and awarding contracts on merit.

5.1.3 Application of public procurement principles

The study revealed that such public procurement principles as: fairness, open competition, transparency, non discrimination, efficiency and value for money in are adhered to in Arua district local government through advertising tender opportunities in nationally read (accessed) newspapers such as New vision and Daily Monitor, rejection late bids, awarding contracts on merit, opening bids in presence of suppliers or their representatives, opening bids exactly on the date and time of bid opening and allowing potential providers to compete for tender opportunities regardless of gender, race, sex, nationality or religion.

5.2 Conclusion

From the findings of the study, it indicates that there is a significant relationship between tendering process and service delivery. Also from the findings of the study, it is indicated that tendering process improves on quality of service delivery. The study indicates that proper application of procurement principles; fairness, competitive, transparency, non- discrimination and value for money, proper follow up of procurement policies, systems, and practices in Arua district local government will lead to enhanced services delivery. This therefore should be taken seriously in order for the district to achieve value for money that is public funds and services

have to reach all the beneficiaries so that such services like medicines, roads and other public resources are efficiently and effectively utilized.

5.3 Recommendations

From the findings of the study, the following recommendations are advanced;

The study recommends that the district service commission fully staff the procurement and disposal unit to the level required by the law.

The study recommends that the government of Uganda increase funding for local government organizations.

Also the study recommends that contracts should be awarded on merit, contractors paid on time and a consistent monitoring team be created.

The study also recommends that the PPDA Authority should revise the tendering process and have it shortened.

The Public Procurement and Disposal of Public Assets Authority (PPDA) should use its full authority, mandate and powers to prosecute and penalize the offenders who promote ineffective services delivery by not properly following the procurement procedures set in the public procurement process.

Also the PPDA should establish a list of all qualified public suppliers in Uganda and constantly monitor their dealings in order to make them observe the procurement principles and ethics for better services delivery to the beneficiaries.

The management of Arua district local government should regularly train its staff so as to equip them with knowledge of applying the PPDA Act 2003 and regulations in order to advance services rendered to beneficiaries hence ensuring economical development and growth.

Furthermore, the PPDA Authority must sanction those cited in massive improper management of public procurement processes that lead to the under utilization of public resources. The civil servants who are involved in improper management should be treated with an "iron hand" these include the PDU staff, accounting officers, contracts committees and the evaluation committees because they are key players in the public procurement process and can influence contracts in one way or the other and so have "a big role" about who will be awarded the contract.

The government should also get on the program of promoting procurement in the country which can be done through opening up many institutions in the country that will train and teach procurement professionals through organizing procurement seminars especially in public procurement and capacity building programs so as to increase and advance good procurement practice.

The management of the district should secure a grantee or a security fee or funds from suppliers in case of poor services delivered. This fund can be used to complete the delivery of services as required initially.

5.4 Suggested areas for further Research

The study particularly focused on Arua district local government and therefore further research should be carried out on other local government organizations.

Further study should be carried out on employee professionalism and efficiency of services delivery in local government organization

The study particularly focused on tendering process and therefore further research should be carried out on disposal of the entity's assets.

The study also suggests that studies be carried out on the changing role of procurement in local government environment.

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APPENDIX I: QUESTIONNAIRE TO THE RESPONDENTS

I am a student of Kampala International University carrying out a study on the topic; "Tendering process and service delivery in Local government". The outcome of this study will be for academic purpose only. All the information disclosed to me shall remain confidential. Please spare some time to fill in this questionnaire. Thank you.

SECTION A: DEMOGRAPHIC INFORMATION: (Tick as appropriate)

1. Gender

- a) Male ☐
b) Female ☐

2. Age bracket of the respondent

- a) 20- 30 ☐ b) 31- 40 ☐
c) 41- 50 ☐ d) Above 50 ☐

3. Level of Education.

- a) Secondary ☐
b) Certificate ☐
c) Diploma ☐
d) Degree ☐

If other; please specify.....

5. Which department do you work in?

.....

6. How long have you worked for Arua district local government?

.....

7. Have you had any training in procurement?

- a) Yes ☐ b) No ☐

SECTION B: TENDERING PROCEDURES USED IN LOCAL GOVERNMENT

Please tick where options are given and give precise answers for the open ended questions.

(Tick where appropriate basing on the following)

SA =strongly agree. **A** =Agree. **NS**=Not sure. **D** =Disagree. **SD**=strongly disagree

	Tendering process	SA	A	NS	D	SD
1	PDU designs tender documents					
2	Contracts committee approves tender documents and tendering method					
3	PDU advertises for tender					
4	Issue and or sale of the tender documents by the PDU					
5	PDU nominates the evaluation committee					
6	Contracts committee approves the Evaluation Committee					
7	PDU receives bids from the bidders before deadline of the tendering period					
8	PDU opens bids in presence of suppliers or their representatives					
9	Evaluation committee evaluates the bids.					
10	Contracts committee reviews evaluation report					
11	Contracts committee awards a contract to the best evaluated bidder.					
12	Accounting officer (CAO) communicates award of the contract to the winner of the tender					
13	Accounting officer signs contract on behalf of the District with the winner of the tender.					

SECTION C: FACTORS AFFECTING SERVICES DELIVERY

(Tick where appropriate basing on the following)

SA =strongly agree. **A** =Agree. **NS**=Not sure. **D** =Disagree. **SD**=strongly disagree

	Factors affecting services delivery	SA	A	NS	D	SD
1	Lack of enough resources					
2	Corruption					
3	Level Transparency during the tendering process					
4	Degree of competition					
5	Public support					
6	Supplier performance evaluation					
7	Independence of the procurement department					
8	Proper Contract management					
9	Efficiency and effectiveness of the organization during tendering					

(b) In your own opinion, mention other factors affecting services delivery in Arua district.

.....

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**SECTION D: APPLICATION OF PUBLIC PROCUREMENT PRINCIPLES
DURING TENDERING IN ARUA DISTRICT LOCAL GOVERNMENT**

(Tick where appropriate basing on the following)

SA= Strongly Agree, A= Agree, NS= Not sure, D= Disagree, SD= Strongly disagree

Issues of opinions	SA	A	NS	D	SD
Bids are opened in presence of suppliers and their representatives					
Bids are opened exactly on the day of opening					
Bids are not received past dead line of submission					
Potential suppliers are allowed to compete for procurement opportunities in Arua district regardless of their religion, sex, country of origin or race depending on the method of procurement used					
Tendering opportunities in Arua district are advertised in the nationally read news papers					
Contracts in Arua district are awarded on merit					

(b) In your own opinion comment on the procurement and disposal standards and practices used in Arua District local government?

.....

.....

.....

.....

(c) Suggest ways to improve on the procurement and disposal standards and practices in Arua district local government.

.....

.....

.....

.....

Thank you for your cooperation

APPENDIX II: INTERVIEW GUIDE

1. How does the district deliver services to the citizens?
2. Which law do you refer to during tendering?
3. Which tendering procedures does the district use to deliver services to the citizens?
4. How does tendering procedures enhance services delivery in Arua district?
5. In your opinion what are the factors affecting services delivery?
6. How does Arua district ensure that there is application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices?
7. Suggest ways to improve on services delivery in Arua district.
8. Do you see any relationship between tendering process and service delivery in Arua district local government?