

**EFFECTIVE PROCUREMENT PLANNING ON THE EFFICIENCY OF THE  
PROCUREMENT FUNCTION IN PRIVATE ORGANISATIONS.**

**A CASE STUDY OF PHENIX LOGISTICS UGANDA LIMITED.**

**BY**

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## DECLARATION

I Namatovu Mariam declare that this research proposal is my original work and has never been submitted to any university for the award of degree or diploma.


Sign:  .....

Date: 23 / 06 / 2010 .....

## APPROVAL

Name of supervisor: HAJJI KIBIRIGE ALLY RAMATHAN.

Signature:

  
.....

Date:

  
.....

## **DEDICATION**

This book is dedicated to my dear parents Mrs Mariam Nyanzi, Mr. Nyanzi Walakira Asa and my entire family who have been of great support throughout my studies.



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## **LIST OF ABBREVIATIONS AND ACRONYMS;**

<b>AG:</b>	Auditor General.
<b>B:</b>	Billion.
<b>CEO:</b>	Chief Executive Officer.
<b>CHOGM:</b>	Commonwealth Heads of Government Meeting.
<b>CMI:</b>	Chief Military Intelligence.
<b>ESO:</b>	External Security Organization.
<b>IGG:</b>	Inspector General of Government.
<b>ISO:</b>	Internal Security Organization.
<b>KCC:</b>	Kampala City Council.
<b>Km:</b>	Kilometer.
<b>LRA:</b>	Lord's Resistance Army.
<b>Ltd:</b>	Limited.
<b>M:</b>	Million.
<b>MoD:</b>	Minister of Defense.
<b>MP:</b>	Member of Parliament.
<b>No:</b>	Number.
<b>NRM:</b>	National Resistance Movement.
<b>NRMO:</b>	National Resistance Movement organization.
<b>NSSF:</b>	National Social Security Fund.
<b>PAC:</b>	Public Accounts Committee.
<b>PPDA:</b>	Public Procurement and Disposal of Public Assets Authority.
<b>REP:</b>	Resource Enterprise Planning.
<b>Shs:</b>	Shillings.

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

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

### **1.1 BACKGROUND OF THE STUDY.**

According to Lysons (2006) procurement refers to the acquisition of works, services or supplies by purchase, rent, lease hire, purchase, licensee, tenancy and franchise. Procurement planning is basically being strategic in the management of procurement for organizations or an individual in away that significantly adds value and ensures that the procurement objectives are met in a timely, efficient and cost effective manner to the satisfaction of the user and key stakeholders (procurement News 2006)

According to Arians (2000) procurement function is known of having found dimensions commonly categorized into;

- A technical dimension which concerns the functionality, specifications and quality of the procured products.
- A commercial dimension, related to managing the relationships with the suppliers and the contractual conditions, which must be negotiated and arranged.
- A logistics dimension which concerns all activities related to optimizing the incoming materials flow from the supplies up to the point where the materials are needed and actually consumed.
- An administrative dimension, relating to the efficient order handling, expediting, follow up and handling of invoices.

Organizations are always requested to develop procurement plans, which include the annual corporate procurement planning and planning for significant purchase but often than not organization decide to carry out straight rebuy or emergency procurements. This greatly affects the efficiency of the procurement function because of the poor results like low quality goods, high costs and absence of value for money. (Manzi, 2004)

As agreed by the professionals, procurement planning has a big impact on the operational efficiency of the organization but this realization has not yet translated in to recognition of the function at strategic level since 1970's.

A number of organizations for centuries have been purchasing at times when they feel like doing so thus under mining the issue of procurement planning or still having no idea about it.

Research by government presented as (paper on expectorate of government's corruption experiences in regard to public procurement in central government and statutory bodies in Uganda 2004) has shown that many organizations do not indulge themselves in procurement or straight rebuy. This is basically because the procurement function is not recognized as a necessary management function where by it is usually left in the hands of either the finance department, distribution department or the marketing department.

The extent of procurement planning carried out by an organization will usually depend on the size of the organization, complexity of its projects, the expertise and reasons available. However: if planning is not carried out then the organization puts itself at risk and the participating contractors and suppliers as well which result in additional costs and loss of time.

According to Saleem (1997), procurement is highly required in an organization to cope up with the fast changing business environment, changing technology, worldwide rapid inflation, changing political fortunes, and social order, inconsistency in human behavior, more government intervention and complex business problems.

The government of Uganda has made procurement planning mandatory for the government institutions as stipulated in section 58 of the Act and section 96-105 of the regulation.

After the enforcement of the Act and sundries it is now the procurement plans in line with both the finance department and the procurement disposal unit.

These include, multi-annual plans, combined work plans and procurement plans. The department also makes work programmers from which the procurement related activities and plans are derived.

Ordinarily, programmers of the various departments are costed, sources of funds confirmed and approved by the relevant authorities. There after procurement plans based on approved programs or corporate plans are made. For programs which are highly dependant on availability of procured inputs, it is critical to make procurement planning part of the overall strategic planning process or the programs may not be achieved timely and cost effectively. (Procurement news August 2005)

Planning and scheduling of public procurements has been full of irregularities, officials concerned either by design or default fail to plan for emergency procurement where invariably has been over pricing by the single selected supplier. In other cases, procurement plans would be manipulated to suit the selfish interests of some officials to the detriment of the public interests such as where more items then needed are procured.

In yet another case procurement would be split in order to make each lot below the act threshold to a void open competitive procurement (Kangaho, 2004)

Procurement planning as stipulated in the act and regulation is rarely carried out, for instance Phenix Logistics Uganda ltd where due to the absence of effective procurement planning; a lot of rotten cotton was found in store and disposed as waste as a result of over stocking when the cotton was much on the market and cheaply sold by the out-

growers of cotton with limited labor force to process the cotton at that time, this happened because more than what was required had been bought.

If only organizations could recognize the role of effective procurement planning they will be able to carry out their procurement function more effectively.

## **1.2 STATEMENT OF THE PROBLEM.**

The procurement function has not been carried out effectively by various private organizations despite the establishment of procurement process by the public procurement and disposal of public assets Authority that has effective procurement planning as the first step towards a successful procurement.

The absence of effective procurement planning in Phenix Logistics Uganda Limited usually results in emergency procurement, unsatisfied needs of internal departments and unable to manage the risks and costs involved in purchasing.

Therefore inefficiencies in the procurement function in Phenix Logistics Uganda limited has prompted the researcher to find out the impact of effective procurement planning on the efficiency of the procurement function in private organizations.

## **1.3 PURPOSE OF THE STUDY.**

The purpose of this study was to examine the effective procurement planning and the efficiency of the procurement function in Phenix logistics Uganda ltd.

## **1.4 OBJECTIVES OF THE STUDY.**

The researcher sought to meet the following objectives;

### **General objective.**

To examine the role of effective procurement planning on the efficiency of the procurement function in the private organization.

## **Specific Objectives.**

- To identify the actors and their roles in procurement planning.
- To assess whether the procurement plans are effectively implemented.
- To examine the effectiveness of procurement planning on the efficiency of the procurement function
- To find out the challenges faced by Phenix Logistics Uganda Ltd officers when implementing the procurement plans.

## **1.5 RESEARCH QUESTIONS**

- Who are the actors in procurement planning and what are their duties and roles in the preparation of procurement plans?
- How are the procurement plans effectively implemented?
- How effective is procurement planning on the efficiency of the procurement function?
- What are the challenges faced by the procurement officers in Phenix Logistics Uganda Ltd when implementing procurement plans?

## **1.6 SCOPE OF THE STUDY.**

### **1.6.1 Geographical scope;**

The study was confined to Phenix Logistics Uganda Ltd located in Bugolobi in the industrial zone of south-eastern Kampala, on 1.2 hectare plot No.100-102, fifth (5th) street industrial area. The choice of this case study was based on the fact that it is wide enough to allocate a sizable sample for this research and had just better structures in term of rankings of officials.

### **1.6.2 Subject matter scope;**

This study was focused on the effectiveness of procurement planning and achieving the efficiency of the procurement function in an organization and this organization was phenix logistics Uganda limited in particular.

The study specifically covered data on procurement planning as the major element and the first step in the procurement process when carrying out an efficient procurement function.

### **1.6.3 Timeframe;**

This study was conducted in a period of three months starting from May, 30th, 2010. On week days from Monday to Friday and the time was 9:00am to 2:00pm, until June 14th.

## **1.7 SIGNIFICANCE OF THE STUDY.**

The research helped that the results of this study were used to:

- Guide the public procurement and disposal of public assets authority in their policy-making activities.
- Contribute to the body of knowledge to the academia with more information concerning effective procurement planning.
- Guide user department officials realize their role and importance of procurement planning towards activity and efficient procurement function.
- The organizations to know its future and analyze various options open to it.
- Remind the manager and lucidity to define their role in the organization.
- Direct future researchers to asses the importance of procurement planning basing on this information.



## **1.8 JUSTIFICATION OF THE STUDY.**

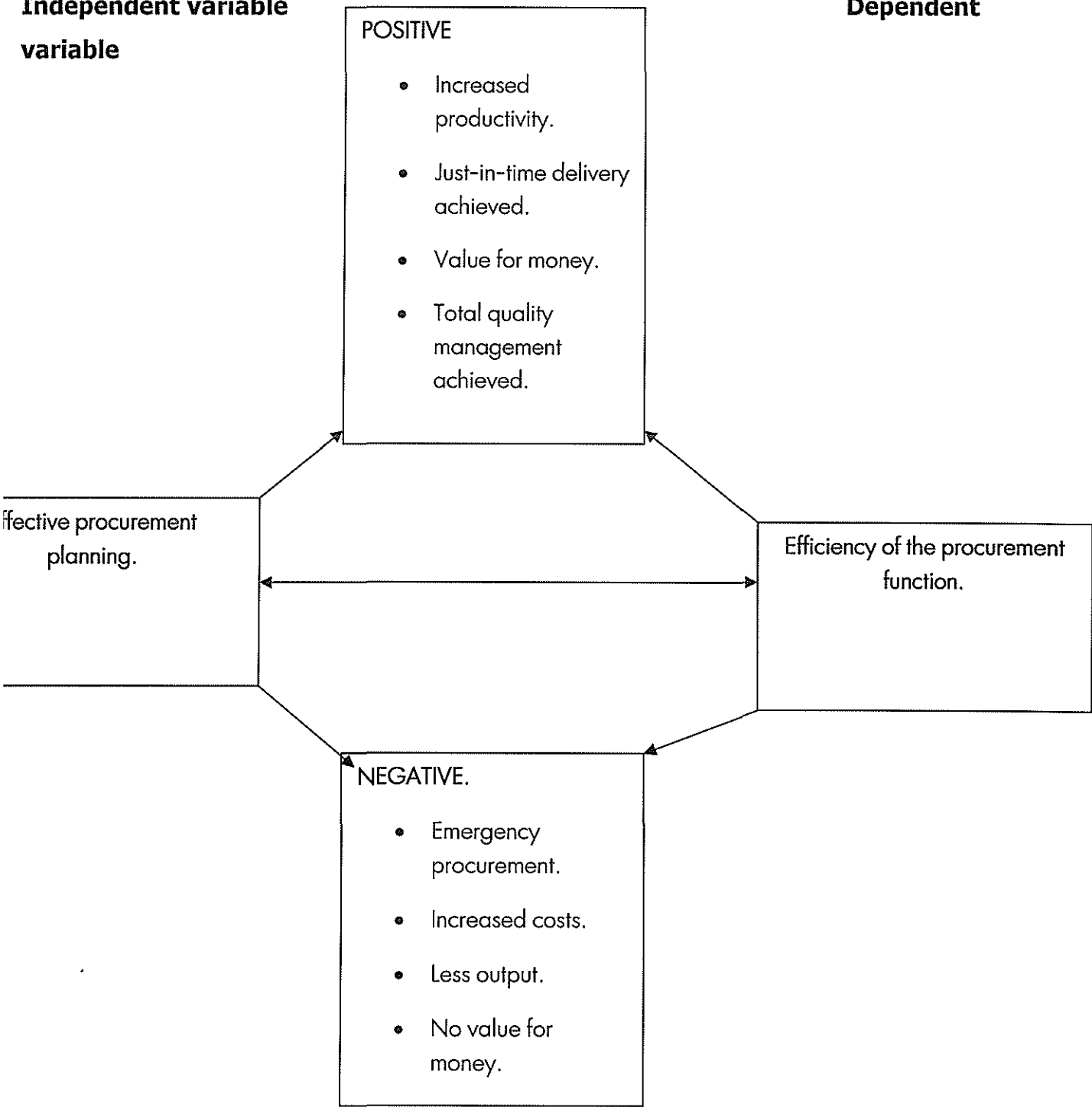
In today's organizations, there seems to be an increase in the need to achieve the goals and objectives of procurement function due to the increase in procurement needs by the public organizations and private organizations. The public procurement and disposal of public assets Act is responsible for formulating the policies and operational guidelines for the procurement department to ensure that the organizations are not led to emergency procurement, no value for money, putting procurement planning as the major consideration in order to achieve the efficiency of the procurement function of the organization and to be able to survive in today's competitive environment.

Therefore the researcher will justify on how the procurement procedures would be used to enhance proper performance and to ensure achievement of objectives and goals of effective procurement planning on the efficiency of the organization.

1.9 Conceptual Framework.

Independent variable  
variable

Dependent



## **CHAPTER TWO**

### **LITERATURE REVIEW.**

#### **2.1 INTRODUCTION.**

This chapter covered the review of literature on the effective procurement planning and the efficiency of the procurement function in organizations in both developing and developed countries with the objective of revealing contributions and weaknesses. It was arranged according to the major study theme in line with the objectives of the study that was to examine the effective procurement planning on the efficiency of the procurement function in organizations.

#### **2.2 ACTORS OR PERSONS INVOLVED IN PROCUREMENT PLANNING AND THEIR ROLES.**

Effective procurement planning depends on timely and thorough information that is typically integrated with a financial management system. The new institutional frame work consists of two key bodies.

- The authority (procurement and disposal of public assets authority)
- The procuring and disposing entities

Recognized actors or persons in the procurement and disposal entity are, an accounting officer, the contracts committee. Procurement and disposal unit involves the user department, the evaluation committee.

According to the procurement act (2003, section 58) a procuring and disposing entity shall plan its procurement and disposals in a rational manner and in particular shall:

- Avoid emergency procurement and disposal whenever possible.

- Aggregate its requirement whenever possible both within the procuring and disposing entity and between procuring and disposing to obtain for money and reduce procurement costs.
- Make use of framework contracts whenever appropriate to provide an efficient cost.
- Provide effective and flexible means to procure works services or supplies that one required continuously or repeatedly over a given period of time.
- Avoid splitting of procurement or disposals to defeat the use of appropriate procurement or disposal methods integrate its procurement budget with its expenditure programmer, and integrate assets both and unlisted in its register as well as in its income and expenditure budget

Among the actors the following are responsible for procurement planning and these include;

## **USER DEPARTMENTS**

Procurement planning is purely the responsibility of the user department; however the user department shall work closely with both the finance department and the procurement and disposal unit in doing so.

The user department has the role of preparing three types of plans including;

A multi-annual, rolling work plan for procurement based on the approved budget is submitted to the procurement and disposal unit. The purpose is to facilitate orderly execution of the annual procurement activities. A multi-annual, rolling work plan normally covers three to five years.

A procurement plan is integrated into the annual and multi-annual sector expenditure programmer; the purpose of this plan is to enhance financial predictability accounting and control over procurement budgets. This plan also has to be sent to the financial year.

A combined work plan is to be used by the procurement and disposal unit to plan originations forecast and schedule for entire procuring and disposing entities procurement activities for the financial year.

This plan includes;

- A detailed break down of activities of work service or supplies to be procured.
- A schedule of procurement requirement in order of priority supported by a schedule of the projected funding.
- A plan of the liking method of procurement details of measures to be taken to prevent problems related to the use of direct procurement.
- The user department has to send the plan to the beginning of the financial year to allow the procurement and disposal unit to consolidate with other plans and to communication with the finance department.
- In case of ethics the user department has to ensure procurement transparency competition fairness, non-discrimination, efficiency and best value for money.

## **PROCUREMENT AND DISPOSAL UNIT,**

Manage, execute all the procurement and disposal activities up to point of contract award.

The unit advises user departments on individual procurements and best disposal methods and practice.

A procurement and disposal units uses the combined work plan to plan, organize, forecast and schedule the procuring and disposing entity's procurement activities for the financial year (regulations section 96)

## **FINANCE DEPARTMENT**

This is entirely responsible for the financial planning, which incorporates procurement planning, and their major role here is to deal with the costing in relation to available funds as stated in the financial budget.

### **2.3 EFFECTIVENESS OF PROCUREMENT PLANNING**

According to Manzi (2004) some people have criticized the idea of planning in the procurement process as being too academic, rigid and too formal. These critics argue that, managers are faced with difficulties of short term pressures that require immediate results that can't adequately be addressed by the planning process.

As for Basheka (2005) in the procurement cycle, planning assumes the (majority) role to the extent that a procurement strategy without a clear documented plan is a useless one. Procurement plans often provide the direction to be taken by the procurement function. This plan must be made after a careful consideration of a number of issues and involvement of stakeholders is now a strategic function and one of the perspectives of understanding strategy is to consider it as a plan.

Ogachi (2005) "the delays are not necessarily due to many payment procedure since sometimes payments could be effected in a day, especially where a fee has been paid to lubricate the machinery for payment but sometimes it is due to lack of funds", says the Royati Kayan, the world bank senior procurement specialist. The problem could be substantially reduced, with proper procurement planning "he says".

The recommendation is that suppliers should be paid within 30 days or otherwise the purchasing entity incurs interest on over due accounts. Payment strictly has to be on first come first serve basis and that accounting officers should be held accountable for violation of this procedure. There was a general feeling among executive that procurement systems and procedure are too long and enforce service delivery. Evaluation of contracts is also not timely and shrouded in mystery or is it? "it takes five

to nine months to buy an item in the public sector, this is not clearly accepted', says Eddie Njoroge, CEO at Kengen. George CEO at KENYA says. "There is need to link your corporation's procurement plan to the strategic plan, that way you will not only plan early but would get value for money in the process a part from avoiding rush decision". He continues to say that lack of advance planning has been the major problem in procurement of essential commodities. This often leads to justification for emergency purchases, mostly too late and using single sourced supplies' so as to avoid dying of hunger".

According to SIMON (1998) the organizations to ensure that these actions result into improvements in the procurement process to correct the inefficient and ineffective procurement processes as identified, it was found that organizations did not have an efficient and effective procurement function because the procurement processes were always mishandled. It was specifically found that the organization;

- Had no central procurement office to monitor procurement activities.
- Performed limited procurement planning and procurement efforts, which were not coordinated among offices.
- Did not adequately monitor or control sole procurement, as a result, they were subjected to the following risks; administrative offices followed inconsistent procurement policies and procedure. Cost reductions associated with a centralized approach, monitored by an oversight entity. Full and open competitions for procured items may not have been achieved.

Items may have been purchased in excess of marked or competitive price. Purchases may not have been made at arms length. Goods and services may have been procured that were below expectations set forth in specifications or vendor agreements. These deficiencies were due to the lack of systematic procurement planning process. The conclusion of this issue remains unsolved, insufficient planning preparation and review during the (REP) process created in this situation.

According to lenders and Fearon (2000) the procurement process model is a construct, an abstract from reality and in the real world, organizational procuring process deviate from this model because they are poorly handled and managed. Observations of numerous organizations and institutions over many years have demonstrated that the procuring process can be obstructed by many issues, one procurement planning.

Another case in point concerns the manipulation of procurement plans.

Procurement of sanitary towels by the ministry of health in 1989 for example. They procured so many of them that both the stores at national medical stores and in the hospital could not accommodate them yet at that time the hospital and other units lacked basic essentials particularly drugs (Kangaho, 2004)

According to Garry (2004) an organization's profit is thus, to a large extent, determined by how effectively it procures and manages these materials, purchasing is a managerial process that goes far beyond simply buying materials. It includes planning and policy procedures that cover a wide range of related activities, including research and development as required for the proper selection of materials and sources, ascertainment of delivery, inspection of documents on incoming shipments to ensure quantity and quality compliances, development of procedures to implement buying policies, coordination of purchasing activities with other internal divisions of the concern such as engineering production, accounting and development of effective communication with top management in order to ensure a complete appraisal of the performance of the purchasing function.

According to the New Vision, Uganda's' leading News paper, inefficiencies are seen in the procurement plans by the self-centered, greedy government officials, for instance the latest Auditor General's report on the management of the National Social Security Fund has resurrected the ghosts of Temangalo, Nsimbe Housing estates and Lumumba project, where workers are said to have lost billions of shillings in dubious deals.



In a four-page report to the Speaker of Parliament, the Auditor General, Mr. John Muwanga has called for a new parliamentary inquest into the alleged mismanagement of the NSSF money. "My findings indicate that a lot was wrong with the management of NSSF," the AG report reads in part. It adds: "It's imperative that Parliament performs its constitutional role to improve the management of NSSF."

The AG wants NSSF managers re-investigated for the financial and procurement irregularities found in the procurement of a Shs11 billion piece of land at Temangalo, in a controversial deal involving the Security Minister Amama Mbabazi and businessman Amos Nzeyi.

Without delving into the specifics of the findings, the AG says Temangalo land deal was marred by "violation of procurement laws, disregard for procurement processes and lack of competitive bidding." The report further indicates that investments in fixed deposits of up to Shs17 billion worth of workers money were made without mandatory authorization and payment documentation. The AG has also questioned the NSSF's investment in a Shs10 billion joint venture with Victoria Properties, (where Mr. Jamwa, the suspended NSSF boss was a deputy managing director) and the infamous Nsimbe Holdings deal worth shs 130 billion.

In respect to the construction of a multi-storey Pension Towers on Lumumba Avenue, the reports cited irregularities including the appointment of a senior architect Henry Ssentongo, failure to follow terms of reference and changes in the original design by the former Mr. Jamwa —causing the initial price to more than double.

This year will be remembered as the year of the Temangalo-gate. This scandal that began in February 2008 involved Security Minister Amama Mbabazi, Finance Minister Ezra Suruma, businessman Amos Nzeyi and the National Social Security Fund (NSSF) top executives among others. Nzeyi and Mbabazi sold 411.44 acres (the real size may never be known) of their land to the pension fund at a cost of Shs 11.2 billion (Shs 24 million per acre). According to NSSF Managing Director David Chandi Jamwa (since sacked), ministers Mbabazi and Suruma exerted pressure on him to purchase this land

at an inflated value compared to the market value of land in the Temangalo area. He had earlier claimed that NSSF had purchased the land to build 5,000 low-cost houses. Another prospective seller, Brig. Henry Tumukunde, who was selling 1,000 acres of land in the same area at a lower value, was barred from dealing with NSSF.

Jamwa, introduced the purchase idea to the NSSF board of directors – which has business associates to minister Suruma, Jamwa's immediate boss. The board advised Mbabazi to give powers of attorney to Nzeyi for purposes of conducting business with NSSF to avoid a conflict of interest since Nzeyi, unlike Mbabazi, was not a government official.

A cross section of MPs including Buyaga County MP Barnabas Tinkasimire petitioned the president and parliament to investigate the dealings between the two ministers and a government entity. Tinkasimire was later, after a change of mind, to blame the scandal on political opportunist who wanted to destroy Mbabazi because he was a Protestant and a Mukiga by tribe.

Subsequently, the Parliamentary Committee on Commissions, Statutory bodies and State Enterprises conducted a three-month investigation. The committee which at first was led by Erute County South MP John Odit (he was later fired from this position in absentia while on an overseas trip with the president and replaced by his deputy Kapelebyong County MP Johnson Malinga) interviewed 17 witnesses. The MPs on the committee also visited the land where it was discovered that the land had several encumbrances contrary to the sales agreement.

The scandal saw the emergence of factions and divisions within the NRM and the opposition. Claims from either sides ranging from attempted bribery, extortion, murder threats and even bank robbery graced the media for these three dramatic months. Security personnel from the CMI, ESO and ISO were dragged into the scandal as information changed hands and prominent security chief Charles Rwomushana lost his job.

In the end, Parliament declared Mbabazi and Suruma innocent to the dismay of Ugandans, prompting the opposition to walk out of Parliament in protest. But in a dramatic twist, the NSSF managing director

David Chandi and his deputy Mondo Kagonyera were sacked in November for mismanaging workers' funds!

As a result of the changes in design, workers could pay an extra \$35 million (Shs70b) for the construction of the Pension Towers after the Fund's new board reportedly approved a revised construction cost from \$75 million (Shs150 billion) to \$110 million (Shs220 billion).

The report adds: "NSSF didn't adhere to various rules and regulations of the PPDA during the procurement (deals)... Irregular salary advances, allowances and loans were advanced to officials and staff in manner contrary to the loan policy of NSSF and financial regulations."

Due to inefficiencies in the procurement plans by the procurement corrupt officials who are self centered officials in the procurement department of the government, the wall of the National Social Security Fund (NSSF) Towers on Lumumba Avenue has collapsed killing several people. The site is adjacent to Twed Plaza, the home of Uganda Investment Authority. The wall collapsed on Tuesday around midday forcing debris. According to witnesses there was a woman washing clothes who is likely to have been swallowed by the debris. Beds, Iron sheets and Mattresses could be seen scattered within the wreckage.

At the time of filing this report five people had been killed and some three rushed to the neighboring hospitals. Red Cross vehicles and staff which by default are in the same vicinity were at the site, fire brigade and traffic control were all at the site ensuring that all was safe. The police spokesman, Simeon Nsubuga and the police publicist, Judith Nabakooba were on the site assessing the situation.

The construction of the pension towers is by Roko Construction which by far is a company that has gained reputation not only in Uganda but also neighboring Sudan, Congo and Rwanda. Roko had done some projects before for NSSF like the workers house, one of the latest additions to Kampala's skies. Construction of the building commenced in April 2008 and it was expected to take 18 months. The National Social Security Fund (NSSF) has cancelled the call for bids to provide project management services for low-cost houses in Temangalo, Wakiso.

The fund had invited bidders to provide the service for a planned estate of about 5,000 houses before the deal stirred a political controversy.

"This is to notify potential bidders that this procurement process has been cancelled. Fresh procurement will be initiated in the near future," an advertisement signed by management said.

The Public Procurement and Disposal of Public Assets Authority (PPDA) said procurement procedures were flouted.

Lack of the procurement knowledge and procedures by nonprofessional procurement personnel, Amama Mbabazi, one of the people who sold the land, argued that according to the NSSF Act, the purchase was an investment and not procurement and should therefore, not fall under the PPDA Act.

In 2005, another NSSF project that involved the buying of land at Nsimbe on Masaka Road worth billions of shillings led to the sacking of the managing director, Leonard Mpuuma, while Minister Bakoko Bakoru left the country.

Hopefully, questionable processes will not become the norm for NSSF as that would tarnish its image in the public eyes. There have already been persistent calls for pension reform to allow private companies hold funds for retirees but the matter has dragged on.

As a result of ignorance of the procured products by the inefficient procurement officials with conflicting self interests, Millions of pounds are being frittered away on operating inadequate helicopters in Iraq and Afghanistan, when more capable helicopters are available at a fraction of the cost. The Army is paying £2.3 million per hundred hours of flying operations, on one helicopter type, when it could be paying £200,000.

This has emerged from a series of Parliamentary questions asked by Tory MP, Ann Winter ton, who tabled questions on the operating costs of Army Lynx tactical helicopters compared with Bell 212 (Huey) helicopters, which are also operated by the Army. According to defense minister Adam Ingram, the baseline costs per hour of operating Lynx Mk7s are a staggering £23,000. This includes both fixed and marginal costs incurred in using the aircraft, comprising servicing costs, fuel costs, crew capitation and training costs, support costs and charges for capital and depreciation.

In addition to that, costs are incurred as a result of the operational use and particular climatic conditions experienced in theatre. These costs cover additional wear and tear, additional spares and additional equipment and are paid for by the Conflict Prevention Fund. A total of £11 million has been claimed against the fund in financial year 2006-07 for additional operating and capital costs for Lynx Mk7's operating in Iraq, of which six of them are believed to be in service.

By contrast, the cost per hour of operating the Bell 212 helicopter, which the Army uses in Belize and Brunei, is a mere £2,000. Furthermore, this is the total cost, as the machines are provided through lease contracts and are not owned by the MoD.

The price is based on firm monthly charges which are inclusive of all costs (less fuel) associated with the provision of serviceable helicopters. The monthly charge payable by the MoD includes leasing and operating costs. Approximately one third of this monthly charge is attributable to operating costs.

As to performance, although the Bell 412 is based on the Vietnam era Huey, it has been substantially upgraded and was selected specifically by the Army because of its - according to the Army Air Corps's own website - "unique abilities include flying in hot and often humid conditions whilst also being able to carry considerable loads." That includes the ability to lift up to 13 troops.

By contrast, the Lynx is an aircraft optimized for high speed anti-tank operations in temperate Northern Europe. While it once held the world speed record for helicopters, it performs poorly in hot and high conditions – either or both of which are found in Iraq and Afghanistan. In both theatres, there are times when it has been unable to operate between dawn and dusk, leaving troops without air cover. Additionally, as opposed to the 13 troops that the Bell 212 can carry, the Lynx is limited to nine.

Overall, the cost differentials are staggering. For a typical flying profile of 100 hours per month for Lynx Mk7s, the Army is paying £2,300,000 for each machine, when it could be paying £200,000 to operate a Bell 212. Annualized, this works out at £27.6 million for each Lynx, equating to £25 million more than operating a Bell 212. With a fleet of six Lynx helicopters in theatre, this works out £150 million in unnecessary costs, on top of which there is the £11 million Conflict Prevention Fund payment for the Iraqi fleet alone. Potentially, the Army could save over £160 million a year by leasing Bell 212s in Iraq or, more importantly, could operate 100 of these aircraft and still have change.

According to the new vision on 12 November 2009 Uganda's leading news paper, The purchase of faulty ambulances for CHOGM has put Ministry of Health officials in spotlight after they admitted that they could not tell whether the vehicles were new or used.

Led by Permanent Secretary Sam Zaramba, the officials endured hours of grilling over spending Shs2.8 billion on purchase of 23 ambulances said to be faulty." We have found out that all the 23 ambulances used during Chogm were defective and couldn't be used for the intended purpose," the Public Accounts Committee (PAC) Chairperson, Mr. Nandala Mafabi, said. "We spent billions to acquire fake ambulances and these

officials in the Ministry of Health were part of this mess because they accepted the vehicles with defects." For instance, the committee heard that some ambulances lacked refillable oxygen cylinders, hooks, tongue puller and mouth opener yet the supplier (Toyota) offered air conditioned for the front instead of the back. According to the Auditor General's findings, the cars had defective lights, resuscitators and cabinets.

However, Dr Zaramba said: "Mr. Chairman, we were not the ones to blame. We received these ambulances [already in bad shape] and we couldn't tell whether they were new or not. The people to answer should be people in the Ministry of Works." Dr Zaramba told MPs that after rectifying the faults, the 23 ambulances were distributed among referral hospitals including State House. However, NRM MPs led by Tom Kazibwe (Ntenjeru South) Frank Tumwebaze (Kibaale) and Alex Byarugaba (Isingiro South) criticised the decision to give State House an ambulance when other facilities are wanting. But Dr Zaramba defended the decision, saying State House's ambulance was old.

The committee directed the Criminal Investigations Department to investigate whether the faults on the ambulances offered to referral hospitals were rectified after Dr Zaramba said they had been rectified by the supplier.

Meanwhile, the committee ruled to hold Mulago Hospital's Executive Director, Dr Edward Ddumba, personally liable for illegally spending Shs1.7 billion meant for Chogm activities. The committee has also questioned deals worth Shs5.7 billion which were awarded to Spencon (U) Ltd to construct a modern casualty wing at Entebbe Hospital and Rhino Investments to give a face lift to Mulago Hospital. Dr Zaramba failed to explain why there are two different figures of Mulago's Chogm budget: Shs3.3 billion and Shs5.7 billion.

According to monitor news papers on Tuesday, 27th April, 2010. The cost for hosting CHOGM went up from sh370b to over sh500b. According to the Auditor General's



report, billions of shillings were lost in irregular procurement of the CHOGM cars, road construction and repairs, and the renovation of Entebbe Airport.

After interviewing a number of permanent secretaries, who are key witnesses in the scandal that CHOGM has turned out to be, it is clear that a lot of money that could have been used to prevent babies from dying of malaria and diarrhoea was stolen. Ugandans paid inflated prices either for incomplete, poor quality projects or indeed 'air'.

For example, the Ministry of Local Government was allocated Shs 6.3 billion to beautify the Kampala-Entebbe road that included the Clock Tower-Nsambya-Gaba-Munyonyo Road, Kibuye-Salaama-Munyonyo Road, and Queen's Way-Entebbe.

The works included clearing bushes and the removal of sign boards, bill boards and kiosks, landscaping and greening the road reserves. However, by the time of audit, the work had not been completed.

PAC heard that in awarding the contract, a syndicated deal was done by the Cabinet sub-committee to replace Zzimwe Construction Company that had won the tender.

Instead, Omega Construction Company got the contract. MPs told Police to investigate the sub-committee's motive. Rental car services were just as problematic. Government paid Shs 3.5 billion to companies like Swift Link Tours, Simba Tours and Travel Ltd, BMK and Scandinavian Express (U) Ltd to transport delegates, but many delegates ended up using ordinary taxis. Moreover, the companies did not pay withholding tax worth Shs.166.5 million.

Who can forget the Shs 2.4 billion paid to the Bwebajja-based J&M Airport Hotel for rooms that were never used? Or the Shs 4 billion released by government to revamp Mulago Hospital and Entebbe casualty units? The money, MPs say, did not do much to improve the hospitals. Part of it was spent on items such as spares for lifts. PAC has also obtained information that some CHOGM deals were directly influenced by State



House and some government ministers, although permanent secretaries had been evasive on matters of influence peddling.

New evidence before PAC now indicates that State House had a hand in the decision to award Saatchi & Saatchi and Terp Group a Shs 2.4 billion media deal to publicise the event. This is contrary to earlier assertions by the former Permanent Secretary in the Prime Minister's Office, Martin Odwedo, who swore that "there was no conflict of interest."

Terp Group is owned by Odrek Rwabogo, a son-in-law to President Museveni, while Saatchi & Saatchi belongs to businessman Patrick Quarcoo. The information linking State House to the media deal is another indicator of how politicians influenced the technical processes to determine who got what, when and how.

On closer scrutiny, it is clear that many politicians and top civil servants saw CHOGM as an opportunity to line their pockets. In some cases, service providers were handed contract documents and told to sign for so much money on condition that they would accept a smaller amount.

The Ministry of Tourism contracted a company to train hotel staff in operations, housekeeping, food and beverage preparations at Shs 1.3 billion, but a close look at expenditure reveals that the ministry paid the firm Shs 293 million that was not supported by requisite accountability. Government contracts are supposed to be subjected to open bidding, although the rules permit restricted bidding under special circumstances. However, all CHOGM procurement deals ended up going for restricted bidding. PAC members have discovered that in the procurement of services, officials employed delaying tactics to ensure that at the eleventh hour, restricted bidding became the only option in the interest of time.

For example, Moses Zikusooka, the former Managing Director of Saatchi & Saatchi, admitted before PAC that Saatchi& Saatchi and Terp Group flouted procurement rules to win the Shs 2.4 billion CHOGM publicity deal.

"I admit that the Shs 5 million bid security didn't accompany the bids," Zikusooka said. Yet an addendum from the Office of the Prime Minister, which invited bidders for the CHOGM publicity deal, indicated at that time that: "All bids must be accompanied by a bid security of Shs 5 million."

Global Integrity's Salim R. Biryetega reports from Kampala. Since assuming his current third term in office in 2006, Museveni has often talked about tackling corruption, both inside his government and in the ruling National Resistance Movement Organization (NRMO) party.

However, many Ugandans have come to realize that the tough talk is a smoke screen to distract members of the public from the true story of rampant corruption in all sectors of the government and the ruling party.

Both overt and covert corruption seems to have become entrenched in recent years. Uganda loses 510 billion shillings (US\$258.6 million) a year through corruption and procurement malfeasance, according to the 2007 African Peer Review Mechanism Report.

The report reveals that if Uganda can eliminate corruption in public procurement, it would be able to save 30 billion shillings (US\$15.2 million) a year. In the assessment of the country's auditor general, procurement accounts for 70 percent of public spending, of which 20 percent is lost via corruption fueled by weak laws and dishonest practices of government officials responsible for public funds.

What's more, many high-profile corruption cases resulting in the loss of taxpayer money have involved those with connections to president's office. Unknown Company Almost Lands High-Profile Contract.



The political violence that followed the disputed elections in Kenya in 2007 made transportation of fuel and other goods to Uganda very difficult. This led to severe a fuel shortage across the country. Many Ugandans, who had hoped that their government would release some of the fuel in its purportedly huge reserves in the city of Jinja, were shocked to learn that the reserves were empty, except for a small amount of fuel that belonged to private oil companies.

In an attempt to quickly quell public outrage, the government circumvented established procurement procedures and contracted an unknown company, Kenlloyd-Logistics, for 44 billion shillings (US\$22.3 million) to replenish the reserves.

The Public Procurement and Disposal of Public Assets Authority (PPDA), which is mandated to ensure that official procurement guidelines are complied with, did halt the contract. However, many Ugandans continued to wonder how Kenlloyd-Logistics' bid had initially beaten more established oil companies such as Caltex, Shell, Gapco or Total, among others.

It later emerged that Kenlloyd-Logistics was being run by a son-in-law of powerful Foreign Minister Sam Kutesa, who is also an in-law of the president. One of Kutesa's daughters, Elizabeth Kyomugisha Kutesa, was also linked to Kenlloyd. Bad Value for Taxpayer Dollar As the 20-year conflicts in northern Uganda between the rebel Lord's Resistance Army (LRA) and the government quiet down; there are efforts to resettle more than 3 million people who have lived in camps for internally displaced persons.

One program includes supplying people with seeds and farming tools to enable them to grow food and stop depending on food aid or handouts from the government or other relief agencies. Gulu District Chairman Norbet Mao, a member of the opposition Democratic Party, blew the whistle on the lax oversight of this program and said people were supplied with rotten seeds and substandard farming tools. "People were given seeds that could not germinate, machetes that could not cut, and hoes that could not till the ground.

Millions of government funds were spent on procuring these products, but it seems there were no procurement checks and balances in this government. Nobody cares whether or not what has been supplied is value for money," Mao said. Misuse of Meeting Funds Reports on the November 2007 Commonwealth Heads of Government Meeting (CHOGM) held in Kampala indicate that billions were lost through corruption. Semujju Nganda, political editor of the Weekly Observer Newspaper and one of the leading journalists in Uganda, has previously exposed corruption in government and discovered that CHOGM spending practices were no exception.

More than 53 billion shillings (US\$26.9 million) was budgeted for CHOGM purchases, including vehicles, hotels, security equipment and road repairs. In digging through such procurements for the meeting, Nganda was stunned by what he discovered.

"Can you imagine? During the last CHOGM 2007 summit, top government and ruling party officials went to Europe to collect about 200 rejected junk BMW vehicles that were to be used by delegates for three days at a hiring price of 50 million shillings (US\$25,355) per day?" Nganda said.

He added that the vehicles bought by government officials did not measure up to required standards, as some were not roadworthy and others were manual, even though the contract clearly specified that new automatic vehicles be provided. Nganda describes CHOGM 2007 as an opportunity for those in power to pocket government funds.

Two months after the meeting, everything that had been put in place in preparation for the meeting had disappeared — even the street lighting vanished. He says that corruption in Uganda is on the increase and that the only thing government officials are doing is finding new methods of concealing it. One tactic he points out: people lobbying Parliament for a ministerial appointment in order to have access to and pilfer from government coffers.



A recent survey by the Steadman Group, a market research and media monitoring company, found that Parliament was perceived to be the fourth most corrupt institution in Uganda. This revelation was a blow to those seeking to promote integrity, accountability and good governance in Uganda through legislative reform.

**A Distracted Watchdog** A senior investigator in the Inspectorate of Government, who requested anonymity due to fear of reprisal, said that the Inspector General of Government, Justice Faith Mwendha, has let the country down even though the inspectorate is arguably one of the most powerful anticorruption governmental institutions in Africa.

He said Mwendha is preoccupied with fighting everyone, from her staff to police, the courts, legislators, civil society, and cabinet ministers. She is also opposed to new anticorruption legislation, saying the inspectorate should be the only agency to fight corruption. "She is so emotional and has allowed emotions and rumors to compromise her judgment," the source said. "She is always in the news, accusing everyone of fighting her.

We all work in fear because it's either she wins or you lose. Many of our colleagues have been dismissed just because they have not done or said what pleases her.

"He added that IGG Mwendha cannot succeed if she is fighting institutions that should be her partners in the fight against corruption. According to Charlotte Mwesigye, organizing secretary of Interfaith-based Action for Ethics and Integrity (INFOC-Uganda) and a long-time anticorruption activist, corruption is systemic, which makes it harder to detect. Although civil society organizations have contributed to awareness of the dangers of corruption, they are not strong enough to prevent it.

**Extended Term Limit, Entrenched Corruption** Robert Lugolobi, executive director of Transparency International's Uganda Chapter, said Ugandans talk of corruption but focus on small-time dealings instead of wrongdoing on a national scale. Most Ugandans see small bribes given to policemen, nurses, doctors and teachers as the key corruption

issue. But, he said, the governmental corruption that involves billions of shillings should be the primary focus of concern.

"Money stolen through grand corruption by government officials and employees affects the welfare of the policemen, nurses, doctors and teachers, leaving no funds to improve their pay and living standards. It affects the development of infrastructure, health provisions, etc.," Lugolobi said.

He is concerned that citizens do not scrutinize or vet candidates' track records before entrusting them with public office. Lugolobi also said that members of Parliament, who voted in 2005 to remove the presidential term limit from Uganda's constitution, are responsible for the country's current challenges.

If the presidential term limit had remained in place and forced Museveni out of office, he said, Uganda would be looking forward to new leadership that would put things right. Instead, the status quo keeps corruption entrenched in the country." Uganda has one of the best legal frameworks to tackle corruption, but the problem remains implementation and changing people's attitudes," he added.

"To tackle corruption in this country, we need a revolution that will change people's attitudes [and will introduce] a culture of vetting the track records [of those] seeking public office."

Inefficiencies in the procurement plans were viewed as seen below due to the greedy and self-centered procurement and government officials;

AS Parliament has started scrutinizing the expenditure for the 2007 Commonwealth Heads of Government Meeting (CHOGM), The New Vision looks into the procurement process and cost of road works.

Of the sh370b CHOGM expenses, about sh100b went to road works, according to the Auditor General's office. These included emergency road repairs, road improvement and road maintenance.



Investigations carried out by both the Auditor General and the procurement body, PPDA, found "gross mismanagement" in the procurement process of the emergency repairs.

Contracts worth over sh10b were awarded without any competitive bidding, moreover to companies which did not meet the basic criteria. In the case of road improvement, where there was restrictive bidding, variations for additional works were approved, in some cases hiking the original contract sum to over 100%, without PPDA clearance.

The auditors further found that contract sums were well above the engineer's estimate for most road projects. At times, double the amount was paid of what the engineer of the works ministry had estimated. Rates per kilometer for the same works also varied considerably, both in terms of road works executed and consultancy services, with some being paid the double of others.

From the reports, it further emerged that the same roads were worked on two and even three times in the course of one year.

Pothole filling was done under emergency repairs in early 2007, followed by resealing under the road improvement program and pothole filling again under the maintenance program in late 2007. The quality of the works in many cases was doubtful, the auditors of COWI, a private firm hired by the Auditor General, found.

On the few roads where a physical audit was done, they found that the quantity of several materials was less than what was certified by the consultant and paid for. In addition, a number of CHOGM roads which were designed by the consultants were never worked on, while other roads that were not part of the original CHOGM plan were worked on.

Moreover, many works were not completed by the time CHOGM started, and road works continued long after the summit ended. The works ministry engaged consultants

to carry out design works on a number of roads that were identified as critical for CHOGM.

However, a number of roads which were designed by the consultants, and paid for, were never worked on. These included the Makindye-Nsambya road and the Najjanankumbi- Makindye road, which were designed by MBW Consulting Engineers. They also concluded Nakiwogo-Nsamizi road, Manyago road and State House Gate-Nakiwogo, designed by Multiplan. Also designed but not worked on were the landing sites for Ngamba and Bulago Islands. The designs were undertaken by Prome Consultants.

On the other hand, roads were worked on that did not feature on the original list. These included Hill Lane, Bulime Road, Golf Course parking, Serunkama Road in Mbuya residential area and Kiwafu drainage in Entebbe.

Apart from the money wasted on the design of roads that were not worked on, the Auditor General noted that "some of the additions, like Serunkuma Road and Golf Course parking, were servicing private property and were even completed after CHOGM." Emergency road repairs due to the worsening situation of Kampala's roads and KCC's seeming inability to handle the problem, the works minister at the end of 2006 decided to intervene and carry out emergency repairs. The works involved filling of potholes and drainage works on initially 45 roads, and were to be completed in three months.

To speed up things, the restricted procurement method was used. Four companies were approved by the contracts committee to bid for the repairs. They were Dott Services, Cementers, Spencon Services and Stirling Civil Engineering.

Since the companies are mostly owned by Asians, PPDA queried why local companies were not included. "It is not clear why the (local) firms were not included given that the work was simply filling potholes," said the PPDA report.



PPDA also questioned why the four companies were selected for emergency repairs “irrespective of the contracts committee’s indication that all the contacted firms were already having too much work”. Direct procurement.

The invitations to the selected companies were sent on December 23, 2006, yet approval to begin procurement and confirmation of funds came only 10 days later.

The bidding document provided for two lots of roads to be repaired, with lot one covering the eastern and northern parts of Kampala and lot two covering the central and western parts. However, the cost estimates were general and the companies were asked to give pseudo estimates. “The contractors could have given more competitive rates if they had known the quantities involved in advance. In practice, rates become lower for larger quantities of work,” noted the COWI report.

PPDA also found that none of the bidders met the qualification criteria set out in the solicitation document, such as the company’s track record and financial capacity. “None of the bidders satisfied the requirements in the solicitation documents, meaning that they were all non-responsive.” Nevertheless, the evaluation team went ahead and recommended that the two lots be split into four and directly distributed to the bidders. This, PPDA observed, amounted to direct procurement, contravening all procurement laws.

Their contracts were only signed on March 23, 2007, a week before they were supposed to complete the works. The consultant hired to supervise the works was only invited to bid when the works were already underway and his contract was signed at the end of March, when the works were almost finished. “This implies that the firms did not have time to conduct pre-construction supervision activities and they were not involved in the development of the bills of quantities and identification of the repair works.” In addition, the works ministry failed to provide PPDA with evidence that the contracts committee had approved the bidding documents and the evaluation report for the consultant. “This made it difficult to ascertain how Kagga and Partners was

selected." It concluded that the procurement process for the emergency repairs was marred with irregularities. "The authority finds gross mismanagement in the procurement process and award of tenders for emergency repair of Kampala city roads," said the PPDA report.

It recommended sanctions against the Permanent Secretary of the works ministry, Charles Muganzi. "The accounting officer is held responsible for flouting the law and procurement rules and he should be subjected to disciplinary action by the head of Public Service." Execution of works Except for Stirling, all companies increased the original contract sum, exceeding the ceiling that had been put by the works ministry.

Spenco revised the contract sum by almost sh1b, an increase of 38%, while Dott Services claimed an additional amount of almost sh200m for variations. Remarkable is that the rates per kilometer varied considerably in the original contract sums. While an amount of sh111m per km was approved for Cementers, Dott Services got almost double – sh216m per km.

Although these were supposed to be emergency repairs, none of the four companies completed their roads within the stipulated time frame of three months. Spenco had not completed 42% of the works by the end of March 2007, the works spokesperson told The New Vision at the time. Stirling had not completed one-quarter, said the consultant, Cementers had another 21% to do, while Dott Services had only fully completed one out of 12 roads. Nevertheless, all four companies were given additional road works under the road improvement and maintenance programmes. The auditors of COWI carried out a physical audit of only two of the 45 roads – Saddley Way, worked on by Spenco; and Kyandondo, worked on by Dott Services.

For Saddley Way, it found 310 cubic metre less gravel base course material than was certified by the consultant and paid for, amounting to overpayment of sh8.4m. It also found 2,640 cubic square metres less surface dressing than paid for, amounting to sh22m.



For Kyadondo Road, there was 550 square metres less asphalt concrete than paid for, amounting to sh30m.

Tests on the quality of the asphalt concrete also found that the binder content was 2.87%, below the specified 5%. Several roads that had been worked on under the emergency programme were worked on again the same year under the subsequent programmes. "The auditors feel that better planning could have avoided works being done on the same roads many times in such a short period," said the COWI report.

Despite the different interventions, the auditors in their August 2008 report show pictures of new potholes on roads that had been worked on. Contractor paid for no work. The committee is investigating if there was value for money in the 2007 Chogm expenditure.

## **2.4 IMPLEMENTATION OF PROCUREMENT PLANS**

Simon (1995) says that each administrative office develops its own internal procurement tracking system and did its limited planning activities without a coordinated planning process or adequate system capabilities, the house and aggregate what has been bought, in what quantities, how often and from which vendors for instance, the house was unable to evaluate the costs of individual verse consolidated procurements, saving from eliminating repetitive bids and quotations or the overall costs of procurement made there in.

The actual planning process starts with information derived from the annual forecasted services, supplies and works. The forecasted estimates are then related to the price trend and availability forecasts for the material under consideration, a procurement plan is then developed. It is one thing to recognize the need for performance appraisal and quite a different situation to develop meaningful methods for measuring performance. A major problem in many organizations has been the purchasing department and its personnel (Sherman 1987)

As for Arjan (2000) in practice most procurement transactions invoice more or less straight rebuys due to the absence of effective procurement planning. The problem here is that in many organizations combining the different type of knowledge, skills and expertise in such a way efficiently is difficult. Compared to other management areas, relatively little academic research has been under taken in the area of purchasing and supply management.

This explains why procurement plans are not effectively implemented and why there is quite a gap in development of a solid body of knowledge compared to other discipline in business administration. As a result, it's far from simple to disseminate knowledge across organization concerning these disciplines. The case of delivery problem of purchased material is often related to late requisitioning by other being user department often due to time pressure. In practice this leads not only to a higher price being paid (as a result of extra works, speed, delivery, buying from stock-keeping wholesalers) but also case to higher organizational costs operational problems.

Kangaho (2004) says, in procurement, economic considerations are always put a side thus causing loss of funds through over pricing by the selected supplier. A case in point is a year in advance of an impending visit by the United States of America, head of state, failed to plan a head for the procurement of the motorcycle required for use during the state visit. They instead opted for direct procurement as an "emergency" which in reality it was not.

While Robinson et al (1967) states that there are relatively few situations in which all steps in the procurement process are passed through including procurement planning.

This not only happens in the case of a first time purchase of a product or service.

Normally most purchasing transactions are more or less straight rebuys, which is not good business.



## **2.5 CHALLENGES IN IMPLEMENTING PROCUREMENT PLANS**

Mhinga (2004) states that as well as we all know that without professionalism, function can never be managed efficiently so is the procurement function, many people speak about corruption in procurement because there is a lot of money involved; it is an area prone to corruption. He continues to say that a big number of people doing procurement come from the supply engineering. All in there is a problem of inadequate capacity to handle the procurement function efficiently.

In east Africa many organizations have tended to behave in a bully manner to their suppliers because the procurement manager or director holds that pay cheque or threatens to go sourcing from somewhere else, suppliers on the other hand are quietly forced to either bribe the officials in the procuring organization in either bribe the officials in the procuring organization in order to win the tender (procurement analyst,2004) this strongly touches and effects the implementation of procurement plans and thus commercial dimensions of the procurement function which deals with managing the buyer-supplier relationships.

Bialy (1987) states that when organizations, whether small or large, are restructured in a way such that the organizational role of the procuring department is stepped up, a considerable anti-procuring feeling may be generated some reasons for this are pride a feeling that may change implies a criticism of the way things have been done in the past; inertia, the tendency to continue in a state of rest or uniform motion in a straight line unit force is applied, fear, that price-chiseling and substation of inferior materials will interfere with the flow of materials or otherwise hamper operations.

There is nothing more annoying for an executive than to take the appointment of a procurement clerk to take some of the redoes paper work off his desk, only to find later that the man is insisting on procedures which are even more redoes than the original paper work, and is getting the backing of top management because of some drifting savings he has been able to make, such savings are soon converted to losses when customers with defective products insist on having their faulty cut price components put

right at your expense. In his books "up the organization", Robert town send sums up the anticipating case in the swing ring style which made the work a best seller for the whole purchasing department.

As the government in the east African region begun to promote public procurement reforms one of the common challenges to both procurement practitioners and administrators were the identification and understanding of the procurement cycle. Procurement practitioners have also confessed that sometimes they do not know which activities form part of the procurement cycle, of course if such confusion persists, then procurement practitioners also runs the risk of failure to adhere to establish law and procedure and may also leave some loop holes to be exploited to some unscrupulous people in the organization (Manzi 2004)

Manzi (2005) says that the implementers of the procurement plans usually face the following challenges;

- Lack of tools to use in implementing plans
- Timeliness
- Poorly drafted requirements

According to Bialy (1987) organizational purchasing can be a complex function; many people may take part at various levels in the management hierarchy and in several functional department.

It can be a lengthy process major 'one off' decision may take years to finalize.

Even routine repeat orders that are placed immediately without consultation may be place in accordance with policies previously laid down after consultation and experience over a lengthy period.

## **CHAPTER THREE**

### **METHODOLOGY.**

#### **3.1 INTRODUCTION.**

This chapter covered the research design, study area, study population, sample size, research instruments, documentary study, research procedure and data processing.

#### **3.2 RESEARCH DESIGN.**

The research design that was used in this study was mainly analytical and descriptive type of research. This also included the use of qualitative and quantitative methods which were used.

#### **3.3 GEOGRAPHICAL AREA OF STUDY.**

This study was conducted in Kampala District, Bugolobi in the industrial zone of South-Eastern Kampala. Located on a 1.2 hectare plot No. 100-102, fifth (5<sup>th</sup>) street industrial area. The staff members who were included were from the procurement department unit, finance department and the user department. It was from this section that the researcher was able to get a good number of respondents.

#### **3.4 STUDY POPULATION.**

The study population focused on was the procurement department, finance and user department involving officers at all levels. These three categories included the known department, which participated in the preparation of the procurement plans. The total number of all respondents were attained from finance, user and procurement departments.

### **3.5 SAMPLING TECHNIQUES AND PROCEDURES.**

The researcher used a simple random technique to avoid biased selection. A correlation technique was used to find out whether effective procurement planning and the efficient procurement function were related. Surveys were used so as to describe the characteristics of the respondents.

### **3.6 DATA COLLECTION METHODS**

The research instruments that was used when collecting primary data was grouped into qualitative and quantitative instruments. Under qualitative the researcher used documentary study method while under the quantitative the researcher used questionnaires and interview guide.

#### **3.6.1 Questionnaires.**

These were designed by the researcher with the help of her supervisor. It constituted both open ended and closed ended question. Open-ended questions were used to capture individual opinions while closed questions were used to acquire short and direct responses. The researcher also used market survey for only open ended for wider views from respondent

#### **3.6.2 Documentary study.**

The researcher analyzed information from public and private report, speeches, manuals, newspapers and others relevant document of the institution as permitted by the official. This helped the researcher to add data that was got from the questionnaires answered.

#### **3.6.3 Interview guide.**

This was used basing on the population sample of some respondents from the three departments.



### **3.6.4 Measurement of variables,**

The variables in the study are effective procurement planning which is an independent variable and efficiency on procurement function, which is a dependent variable. The researcher measured the variables ascertaining the level of return on investment in line with the performance of the procurement department.

### **3.7. INVESTIGATIVE PROCEDURE.**

The researcher got permission from the department of procurement then proceeded to the respective departments where the data was collected with the use of questionnaire. The questionnaires were distributed to different officers. After a period of time, the researcher collected the answered questionnaires back for data processing, presentation and analysis to justify the significance of the study.

### **3.8. DATA ANALYSIS TECHNIQUES, DATA PROCESSING AND PRESENTATION.**

The data was investigated using statistical tools like tables, and statistical components like average mean and range. Through tables, the researcher was able to ascertain the relationship between the variables.

After collecting data the results from the raw data collected were compiled, typed and edited to reduce tendencies of errors occurring. Data processing included editing and coding. Editing ensured accuracy and consistency, while coding ensured proper data arrangement.

### **3.9 ETHICAL CONSIDERATIONS**

Phenix logistics Uganda Limited consistently provides high quality textile apparel for the needs of their customers while maintaining a pure environment due to the high quality organic cotton products to improve personal lives by taking them away from chemically contaminated garment and protect the environment. Thus managing reasonable growth

with the conscious of their responsibility to protect the environment, health of workers while providing employment and laying emphasis on customer satisfaction.

Phenix Logistics Uganda Limited was certified by:

- ISO 9001- 2000 Quality management system
- ISO 14001 – 2004 Environmental Management System
- Ecocert SAS- BP 47 – 32600 Organic Textile Standards

Phenix Logistics Uganda Limited offers a variety of high quality textile Apparels under the famous brand names of "Crocodile", "Phenix", and "Zenbury" high quality garments at affordable prices, the products are readily available or accessible with a variety of outlets across the country. Phenix Logistics Uganda Limited is so organized as to give its customers and other stakeholders a complete range of services from a advice on textiles, dress designs and style, colour among others. The close contact and communication with the end customer and Phenix ensures that the customer receives the best required attention at all times.

### **3.10. LIMITATION OF THE METHODOLOGY.**

There were few people who performed work inline with procurement.

There were few text documents like text books or journals which were inline with procurement.

Designing questionnaires and interview guides that respondents understood properly was yet another challenge.

The organization in question was secretive to reveal confidential information, which was mostly required for the research.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRITATION OF THE FINDINGS.

#### 4.0 OVERVIEW

This chapter involves comprehensive findings of the study, which is in line with research objectives. These include actors and their roles in procurement planning, effectiveness of procurement planning, implementation of the procurement plans and challenges faced by implementers of the procurement plans. Respondents were selected from various sections including the procurement and disposal unit of Phenix Logistics Uganda Limited, user department, and finance department. This chapter also involves data interpretation and analysis of the information for clear discussion, conclusions and recommendations.

#### 4.1 ACTORS AND THEIR ROLES IN PROCUREMENT

##### 4:1:1 Department classification.

*Table (1),* showing the classification of respondents.

Department	Frequency	Percentage (%)
Procurement	7	35
Finance	5	25
User	8	40
Total	20	100

*Source; primary Data*

From the table (1) above 35% of the respondents belong to the procurement and disposal unit, 25% belonged to the finance department and 40% belonged to the user department.

From the sample above it is derived that the procurement and disposal unit is the most important department when carrying out procurement planning.

As shown also, the sample was a fair representation because all the data provided was believed to be valid. This best explains the role of the procurement and disposal unit as quoted in regulations 96 explained in the literature review above.

#### 4:1:2 Training in procurement planning.

*Table (2) showing training in procurement planning.*

Responses	Frequency	Percentage (%)
Yes	8	40
No but hard of it	12	60
No	0	0
Total	20	100

*Source: primary data*

According to the table (2) above 40% of the respondent had training in procurement Planning, 60% of the respondents had no training but ever heard of it and 0% had never had training or even heard of it.

This supports the research report by the government presented as shown in the chapter one above.

#### 4:1:3 Actors in procurement planning;

Table (3) showing the actor in procurement planning;

1) Procurement and disposal unit, 2) user department. 3) Finance department.

Actors	Frequency	Percentage%
1	4	20
2	10	50
3	0	0
1&2	3	15
1&3	0	0
2&3	0	0
1,2&3	3	15
Total	20	100

*Source; primary data*

According to table (3), 15% of the respondents chose the user department and the procurement unit as actors in procurement planning, 50% chose user department as the only actor in procurement planning, 20% chose the procurement and disposal unit as the only actor in procurement planning and 15% chose all departments, procurement unit and finance department and the user as the actors in procurement planning.

This implies that, since the aim is a good procurement plan, the user department has enough knowledge about what is actually required thus know the principles of procurement, procedures and planning requirements. This is related to the procurement act 2003, section 58.

#### **4:1:4 Roles of the Actors in procurement planning.**

In relation to the above, the 50% who chose the user department as the only actor in procurement gave the following roles.

Users initiate the procurement process through requisition, provide feedback about any purchases made, identify their needs and source, do the plan and submit to the procurement unit, allowance cost estimates and when to buy, identify time to procure and costs, place requisitions and months specifications and quality of cotton to be procured.

The 20% of the respondents who chose the procurement and disposal unit as the only stakeholder in procurement planning gave the following roles.

Most users need goods at the right time, identify suppliers, equipment and materials relevant to user department, cater for certain cash inflows, prepare and review procurement plans especially in line with the strategic plans, ascertain procurement needs for other departments, find out lowest prices of the items and also identify quality cotton.

The 15% of the respondents who chose the user department and procurement unit as the stakeholders in procurement planning gave the following roles for the departments.

Identify the costs and items required. Needs for the year, identify available suppliers.

The 15% of the respondents who chose the user department, procurement unit and finance department as the stakeholders in procurement planning gave the following roles.

Identify their needs for the year, cost estimating and indicate the time items needed.

## 4.2 EFFECTIVENESS OF PROCUREMENT PLANNING.

This sub chapter presents the findings on the effectiveness of procurement planning on the efficiency of the procurement function at Phenix Logistics Uganda Limited.

### 4:2:1 Practice of procurement planning.

*Table (4), showing practice of procurement planning.*

Response	Frequency	Percentage (%)
Yes	20	100
No	0	0
Total	20	100

*Source: primary data.*

From table (4) above, 100% of the respondents do practice procurement planning thus have some knowledge about it although it is important for them to get more so as to achieve the best. This supports Bashekas' argument who says it's the procurement direction as written in the literature review.

### 4:2:2 Times of practice.

*Table (5) showing times of procurement practice.*

Response	Frequency	Percentage (%)
Regularly	2	10
Just started	6	30
Rarely	12	60
Total	20	100

*Source: primary data.*

Form table (5) 60% of the respondents practice procurement planning rarely, 10% regularly practice procurement planning and 30% of the respondents have just started practicing procurement planning.

This implies that the company requires adding in effort of making its employees learn more about procurement planning by more than practicing it regularly.

#### 4:2:3 Rating of the procurement planning Activity.

Table(6) showing the rating of the procurement planning.

Response	Frequency	Percentage (%)
Not effective	12	60
Fairly effective	8	40
Effective	0	0
Total	20	100

*Source: primary data*

From the table (6) above 60% of the respondent's rate the procurement planning activity as not effective, 40% of the respondent's rate it as fairly effective.

This implies that more efforts should be put in so as to enable procurement planning of the company to be effective.

#### 4:2:4.Reason for not practicing effective procurement planning activity.

In relation with table (6), 60% of the respondents who rated procurement planning in Phenix Logistics Uganda Ltd as not effective realized that while the users and all actors involved do not practice fully the procured plans, they also did not have enough knowledge about it.



This system cause a lot of delays due to bureaucracy as formerly some items could be bought by cash thus no delays experienced.

One respondent quoted that it is not effective because the plans drawn are not followed or referred to by the responsible people.

#### 4:2:5.Reasons for fairly effective procurement planning activity.

According to table above the 40% of the respondents who rated the procurement planning activity in Phenix Logistics Uganda Ltd as fairly effective realized that the procurement planning activity has created clear path for carrying out procurement and also cost reduction have been realized.

It's a new initiative that is just gaining roots thus it is at a growth stage, the user department is also involved. Emergencies during the financial year are catered for, it depends on probabilities, plans respondent and user departments fail to consult the plans.

### 4:3 IMPLEMENTATION OF THE PROCUREMENT PLANS.

#### 4:3:1 Effective implementation of procurement plans.

*Table (7), showing responses on effective implementation of procurement plans.*

Response	Frequency	Percentage (%)
Yes	4	20
No	16	80
Total	20	100

*Source, primary data*

From table (7) above 20% of the respondents agree on effective implementation of the procurement plans while 80% of the respondents disagree on the effective

implementation of procurement plans. This supports Arjan (2000) suggestions as written in the literature review.

#### **4:3:2 Reasons why procurement plans are not effectively implemented.**

According to the respondents the following are the reasons why procurement plan are not effectively implemented.

Some purchases are not planned yet they are required. There is bias about the plans implementation. Instant quotations, suppliers need to be involved. Over estimations from the user department, it is new idea to many people, it is not viable in case of changes in an organization, and some items come in as emergencies.

#### **4:3:3 Overall procurement planning.**

*Table (8) showing overall procurement planning.*

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Yes	0	0
No	4	80
Sometimes	1	20
Total	5	100

*Source, primary data*

From table (8) above 20% of the respondent agree that overall procurement planning is sometimes sufficiently detailed while 80% of the respondents disagree that procurement planning is not sufficiently detailed. Robinson's argument supports the above argument as written in the literature.

#### **4:3:4 Allowance of sufficient time.**

*Table (9), showing responses to the allowance of sufficient time for external review.*

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Yes	0	0
No	4	80
Sometimes	1	20
Total	5	100

*Source, primary data*

According to table (9) above, 20% of the respondents say that sometimes sufficient time is allowed for external review or clearance while 80% of the respondents say sufficient time is not allowed for external review or clearance. It is clearly shown that sufficient is not allowed carrying out external reviews or clearance.

#### 4.4 MAJOR CHALLENGES FACED BY THE PROCUREMENT PLANNING.

##### 4:4:1 Procurement plan consideration of Technical, Financial and implementation constraints.

*Table (10)* showing whether procurement plans consider the technical, financial and implementation constraints.

Responses	Frequency	Percentage (%)
Yes	4	20
No	12	60
Sometimes	4	20
Total	20	100

*Source, primary data*

From the table (10) above, it is shown that the organization considered when carrying out procurement plans considers the technical, financial and implementation constraints rarely because 20% supported sometimes and only 20% admitted that they consider it. Also 60% of the respondents say that these constraints are not considered. This may be as a result of Simon (1995) argument.

#### **4:4:2 Early coordination of the technical, financial planning.**

*Table (11)* showing whether technical and financial planning is well coordinated.

Response	Frequency	Percentage (%)
Yes	2	10
No	16	80
Sometimes	2	10
Total	20	100

*Source, primary data*

From table (11) above 10% of the respondents support the well coordinated of the technical and financial planning, 80% do not support it while 10% say sometimes it is. This argument is supported by Kangaho (2004).

#### **4:4:3 Contractual terms for product specifications.**

*Table (12)*, showing responses on contractual terms for products specifications.

Response	Frequency	Percentage (%)
Yes	1	20
No	2	40
Sometimes	2	40
Total	5	100

*Source, primary data*

According to table (12) above, 20% of the respondents say contractual terms are generally met, 40% say contractual terms are not yet generally met while the other 40% of the respondents say contractual terms are sometimes met. It is established that

the contractual terms for products specifications are not generally met though 40% conceited that they are sometimes met. This may be due to Simon (1995) argument.

#### 4:4:4 Challenges facing the implementers of the procurement plans.

Table (13) showing the major challenges faced by the implementers of procurement planning.

Response	Frequency	Percentage (%)
Yes	18	80
No	2	20
Total	20	100

*Source, primary data*

From the table (13) above, 80% of the respondents agree that there are challenges faced by the implementers of the procurement plans and 20% disagree.

This implies that there are challenges faced and these include,

Continuous delays, users are not appreciating the need to plan as it is in procurement regulations and Act 2003. Fighting the use of emergency procurements which are brought about due to the absence of proper planning in user department. Carrying out the procurement plans is also hard. Rebuilding the communication between the user departments and the procurement unit. The users involved do not participate or make plans. Since it was new, people find it hard to implement.

#### 4.5 CONDUCTING MARKET SURVEYS.

The respondents had different views concerning the regularity of conducting market surveys to update their knowledge, some said it is regularly conducted while one respondent quoted that it is done once a year. Another said it is done when necessary while others said that is done once in a while.

#### **4.6 INTERVIEW GUIDE RESPONSES.**

##### **Reasons for procurement planning.**

To utilize the available funds well, avoid conflicts among departments, follow the law in line with procurement like the act, address all organization requirements, avoid fraud and theft, provide effective and efficient procurement.

##### **Reasons why actors are involved.**

To address every department's views, provide effective planning, eliminate conflicts, and avoid frauds.

##### **Causes of challenges in implementing the procurement plans.**

Lack of coordination among the departments, lack of enough funds, delay in payments, lack of enough trained staff.

##### **Reasons why procurement planning should be carried out efficiently.**

To account for the available funds well, carry out the procurement function effectively, address all department requests thus gain satisfaction. Satisfy the stakeholders.

## **CHAPTER FIVE**

### **DISCUSSION, SUMMARY, CONCLUSION, RECOMMENDATIONS AND SUGESTIONS**

#### **5.0 INTRODUCTION.**

This chapter presents the discussion, summary and conclusions of the findings in line with the study objectives, it then presents the viable recommendations and suggestions to certain areas of further research.

#### **5.1 DISCUSSION OF FINDIND AND SUMMARY.**

##### **5.1.1 Actors and their roles in procurement planning.**

Based on the findings, it was discovered that the majority of 40% respondents who had training in procurement planning chose the user department, procurement and disposal unit and finance department as the actors in procurement planning which was represented by only 15% as seen in table (3) and table (2) above. This shows that some of those trained officers still don't know who the actors and most likely their roles in procurement planning.

It was also discovered that the majority of 20% and 50% who did know all the actors in procurement planning belonged to the 70% of the respondents who had no training on procurement planning but had heard of it and the majority of these were from the user departments.

In relation to the actors, it was discovered that the 15% of the respondents who chose the 3 actors seemed to know the basic roles of the actors but this is minority as it was only half of 40% who had training on procurement planning.

The respondents who belonged to 20% of those who chose the user department seemed to know the roles of the user department involved in procurement planning.



It also discovered that the majority of all the respondents according to the tables shown above had a wrong view on how the real actors in procurement planning were saved from the 15% who knew the three actors.

In summary, it is identified that Phenix Logistics Uganda Ltd has actors in procurement planning though many do not seem to know that they are part of that team that carries out procurement planning saved from the 15% in table (3) knew that procurement planning is carried out by the three parties. Similarly the majority did not know all their roles in procurement planning as most of them thought that this activity is for the other parties and that they were less concerned.

### **5.1.2 EFFECTIVENESS OF PROCUREMENT PLANNING.**

The adaptation of procurement planning in Phenix Logistics Uganda Ltd was worth while due to its recognition role in achieving efficient procurement function, however based on the findings, it was discovered that though all the respondents agreed on practicing procurement planning 10% practiced procurement planning regularly, some of the respondents had just started practicing procurement planning which shows they were not in a good position to evaluate the effectiveness of procurement planning on attaining procurement functions thus the chances of carrying out non-effective procurement planning were high. This greatly supported by respondents who were part of the 60% table (5) agreed that procurement planning is not effectively carried out and thus leading to inefficiency in procurement functions.

In favor of non-effectiveness of procurement planning arguments such as, users and all the actors involved do not participate fully nor do they make procurement plans.

The users who are number one in making procurement plans do not have enough knowledge about procurement planning, it is also believed that it's surely not effective since things are seen to be going wrong.

It was also discovered that the majority who are represented by 60% that practice procurement planning rarely also contribute to the 60% of the respondents who agree

that procurement planning is not effectively carried out while 10% agree that it is regularly carried out are part of the 40% who agreed that procurement planning is fairly effective since the activity is seen to be creating a positive change though can not really be compared with the historical way of carrying out procurements. It was also established that the activity is fairly effective since it has led to reduction in costs and brought about clear path of carrying out procurements.

### **5.1.3 IMPLEMENTATION OF PROCUREMENT PLANS.**

According to the findings it was established that only 20% of the respondents agreed on effective implementation and that it is so because the effective implementation had brought clarity in carrying out procurements and that more time and costs are surely saved. However it was discovered that Phenix Logistics Uganda Ltd agreed that the implementation causes a lot of delays due to beauracracy yet formerly some items could be bought by cash and no delays were experienced.

In summary, procurement plans are not effectively implemented and this is due to poor procurement planning being carried out and usually when the planning is poor the implementation cannot be effective.

### **5.1.4 CHALLENGES FACED BY IMPEMETORS OF PROCUREMENT PLANS.**

With the facts that procurement planning is not carried out effectively the procurement staffs that are the implementers of procurement plans do face certain challenges. Based on the findings, overall procurement planning is not all sufficiently detailed posing a challenge of implementing the right plans, which can yield good results.

It was also discovered that technical, financial, managerial and implementation constraints are usually not considered in procurement plans as supported by the 60% of the respondents, in table (10), who at the same time are part of the 80% respondents in table (12) who agreed that there is no sufficient detailing in overall procurement planning. It has been discovered that rarely are the technical, managerial and implementation constraints considered.

In summary, the above poses a challenge of carrying out procurement with the required technical expertise or requirements, financial estimates and managerial requirements.

While technical and financial constraints are said to be regularly considered in procurement plans, it was also discovered that there was lack of coordination between the early technical and financial planning; this is greatly supported by the 60% of the respondents in table (10).

As for the contractual terms, it was discovered that they are relatively met though 40% of the respondents refused to agree on that which shows that there is a possibility of these contractual terms not being met. This is related to the absence of market surveys or rarely conducted markets surveys since some respondents think that it's carried out once in a while or may be when deemed necessary which makes it difficult to get the right sources or supplies. The challenge is ensuring that the contractual terms are met.

As regards the finding, it was also discovered that there is lack of adequate training in user departments though 20% of the respondents agreed that there is adequate training to be able to draw clear work plans that will not create complications at the time of implementation. This relates to the absence of sufficient time for external reviews or clearance as the implementers are trying to beat the time in which the requirements are expected thus facing a challenge of carrying out timely activities.

It was also discovered that since it is a new law, people find it hard to implement while the users are not appreciating the need to plan as stated in the procurement Act and Regulations 2003, they don't even get involved in making plans. There is a challenge of rebuilding the communication between the user departments and procurement unit.

#### **5.1.5 EFFICIENCY OF THE PROCUREMENT FUNCTIONS.**

Based on the findings, it was discovered that the procurement function is inefficient though 40% agreed that it is fairly efficient. In relation to the effectiveness of procurement planning it was discovered that the procurement function cannot be

efficient when the planning is not effective, it is only when procurement planning is worked upon to become effective that efficient results of procurement functions will be achieved. This is proved with tables that show the relationship between the effectiveness of procurement planning and efficiency of procurement function.

Usually the work plans drafted by the user department staff are the ones merged into master work plans by the implementers (procurement staff) for all procurements thus when the work plans are poorly drafted the master work plans are also poor and the end results is inefficiency in the procurement functions. As the saying goes garbage in is garbage out.

## **5.2 CONCLUSIONS.**

Based on the study, the following conclusions were made;

Concerning the actors and their roles in procurement planning. The majority of the Phenix Logistics Uganda Ltd officers mostly those from the user departments do not know that they are part of the procurement planning activity and neither do they know all roles in procurement planning that is why many of them strongly thought that it was entirely the responsibility of the procurement and disposal unit.

Concerning the effectiveness of procurement planning on the efficiency of the procurement function, it was concluded that the procurement function was not efficient because of the poor influence from the non-effective procurement planning as reflected in the findings. Procurement planning in Phenix Logistics Uganda Ltd is surely not effective thus inefficient procurement functions.

Concerning implementation of procurement plans, 90% of the respondents in support of the non-effective implementation of the procurement plans who also contribute to 60% of the respondents in support of the non-effectiveness of procurement planning it was concluded that in Phenix Logistics Uganda Ltd procurement plans are not effectively implemented.

Concerning the challenges faced by the implementers of procurement plans, Phenix Logistics Uganda Ltd is currently undergoing different transformations, it is therefore hopeful that as time goes by procurement planning is expected to be more effective and procurement functions will be arriving for the peak of efficiency. Its right to conclude that effective procurement planning has a great role to play if the procurement function is to be efficient that is effective procurement planning ensures efficiency in the procurement function.

### **5.3 RECOMMENDATIONS.**

The researcher recommends that;

Design and implement a well coordinated procurement planning process, the staff of the user departments, procurement unit and finance department of Phenix Logistics Uganda Ltd should all undergo training on procurement planning to be able to carry out effective procurement planning which does not only help to boost cash function and the entire organizational units and activities.

Learn to conclude definitional requirements for the information needed to integrate a procurement budgeting and planning process in new financial management system.

### **5.4 AREAS FOR FURTHER RESEARCH.**

This research was carried out in an organization where matters to do with procurement which include; the procurement law, procurement planning and many more had just been introduced let alone the few officials who heard about these matters. It therefore did not bring out a very good picture of the role of effective procurement planning on the efficiency of the procurement function in private organizations. Thus further research should be carried out in organizations where these issues have been dealt with for some good time to be able to establish the role of effective procurement planning on the efficiency of the procurement function in private organizations.

## APPENDICES

### APPENDIX A: THE WORK PLAN.

MONTH				
TASKS	MAY	JUNE	JULY	AUGUST
Literature review.				
Questionnaire distribution.				
Conducting interviews.				
Data analysis.				
Final Report.				

## **APPENDIX B:**

### **THE BUDGET.**

<b>STATIONARY.</b>	<b>UGX</b>
<ul style="list-style-type: none"><li>• 4 Reams of printing paper @10,000</li><li>• Typing and printing</li><li>• Binding</li></ul>	40,000 shs.  120,000 shs. 20,000 shs.
<b>COMMUNICATION EXPENSES.</b>	
<ul style="list-style-type: none"><li>• Internet time</li><li>• Telephone airtime</li></ul>	50,000 shs. 50,000 shs.
<b>HARDWARE</b>	
<ul style="list-style-type: none"><li>• 2 flash Disks.</li></ul>	80,000 shs.
<b>TOTAL</b>	<b>360,000 shs.</b>
	<b>(Three hundred and sixty thousand shillings only)</b>



## **APPENDIX C;**

### **QUESTIONNAIRE.**

Dear Respondents,

This Questionnaire is extensively for academic purpose thus your response will be treated with maximum confidentiality. Please kindly spare some minutes of your time to fill the blanks provided or tick the option which best answers the questions where applicable.

#### **1. ACTORS AND THEIR ROLES IN PROCUREMENT PLANNING.**

QN 1. To which of the following department do you belong?

(a) User department. ☐

(b) Procurement unit. ☐

(c) Finance department. ☐

QN 2. Have you ever had training in procurement?

(a) Yes. ☐

(b) No. ☐

(c) No but I heard of it. ☐

QN 3. Which actors is / are responsible for preparing procurement plans?

(a) User department. ☐

(b) Procurement unit. ☐

(c) Finance department. ☐

QN 4. What are their roles (from above) in carrying out procurement planning?

.....

.....

.....

QN5. Do you practice procurement planning?

(a) Yes. ☐

(b) No. ☐

QN6. If yes, how often?

(a) Regularly. ☐

(b) Just started. ☐

(c) Rarely. ☐

## 2. EFFECTIVENESS OF PROCUREMENT PLANNING.

QN7. How do you rate the procurement planning activity in this section?

(a) Not effective. ☐

(b) Effective. ☐

(c) Fairly effective. ☐

If not effective please give reasons.

(a).....

(b).....

.....

If fairly effective please give reasons.

(a).....

.....

(b).....

.....

### 3. IMPLEMENTATION OF PROCUREMENT PLANS.

QN 8. Are procurement plans effectively implemented in this organization?

(a) Yes. ☐

(b) No. ☐

QN 9. If no, please give reasons.

(a).....

(b).....

QN 10. Is the overall planning for this organization requirement done in sufficient detail to produce realistic qualification of needs quality products, achievable lead times for delivery and accurate cost estimates?

(a) Yes. ☐

(b) No. ☐

(c) Sometimes. ☐

QN 11. Do procurement plans properly consider technical, financial and implementation constraints?

(a) Yes.

☐

(b) No.

☐

(c) Sometimes.

☐

QN 12. Are contractual terms for product specifications including quality, quantity, price and terms of delivery generally met?

(a) Yes.

☐

(b) No.

☐

(c) Sometimes.

☐

Give reasons for your response.

(a).....

.....

(b).....

.....

QN 13. Is sufficient time generally allowed for external reviews like quality control systems?

(a) Yes.

☐

(b) No.

☐

(c) Sometimes.

☐

QN 14. Does the procurement unit regularly conduct market survey to update their knowledge of prevailing sources and prices for the organization requirements?

.....

.....

.....

QN 15. Generally how do you rate your functions as a procurement officer in the organization?

(a) Insufficient.

(b) Effective.

(c) Fairly efficient.

#### **4. CHALLENGES.**

QN 16. Do you think there are some challenges faced when implementing procurement plans?

(a) Yes.

(b) No.

QN 17. If yes mention a few.

(a).....

.....

(b).....

.....

(c).....

.....

**THANKS FOR YOUR COOPERATION.**

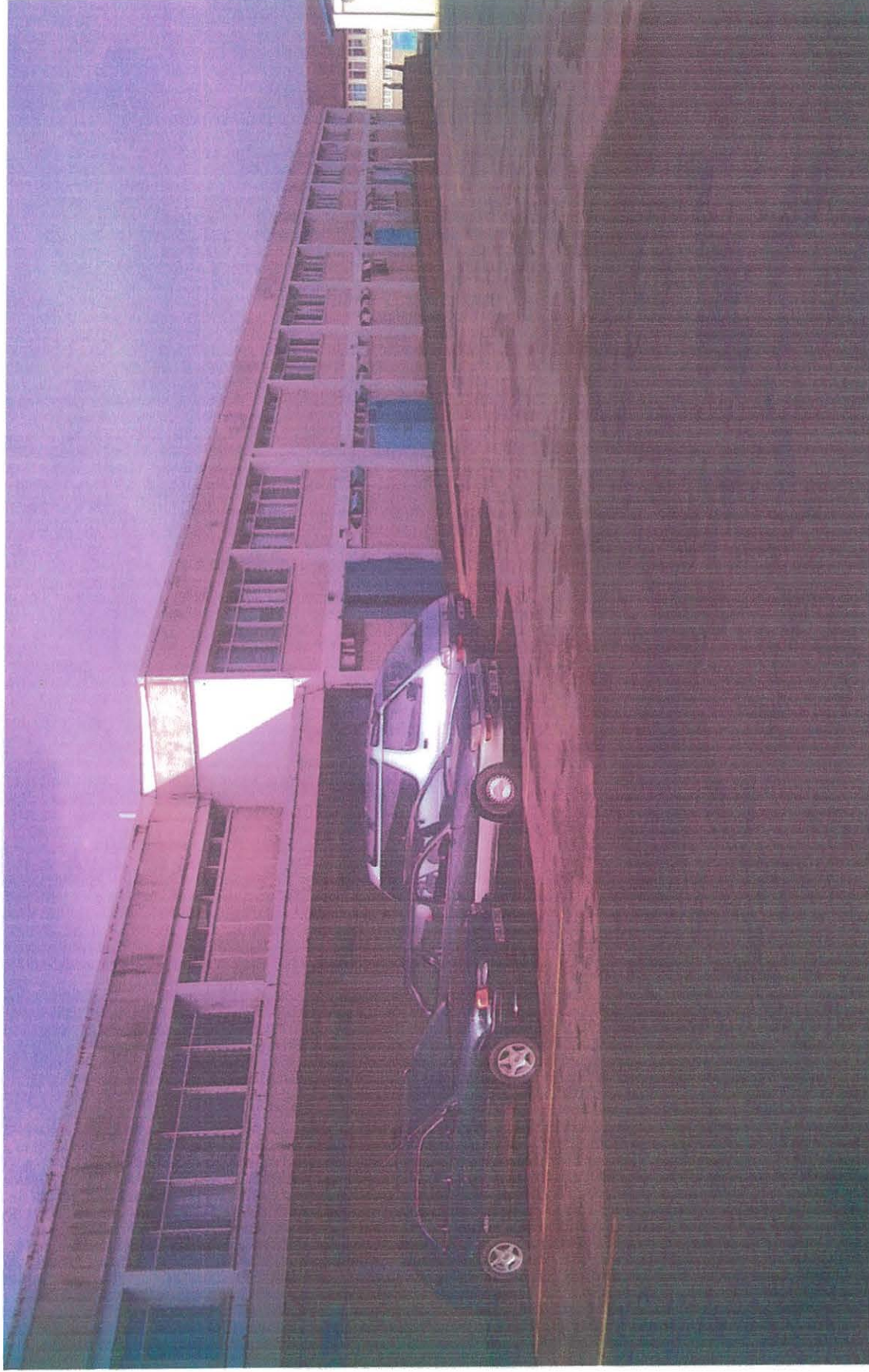




Plate 4: Google map showing location of Phenix plant and neighbouring establishments



**APPENDIX E: PICTURE**





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