

**SUPPLIER EVALUATION AND ORGANISATION COMPETITIVENESS:
A CASE STUDY OF TORORO CEMENT**

**OPOLOT LODOFIC
1163-05084-06412**

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

This research has never been submitted to any University or institutions of higher learning for any academic qualifications. This research is a result of my own independent research effort and investigations. Where it is indebted to the work of others, the acknowledgment has been made.

Signed: 

Date.....10th 10/2019.....

APPROVAL

This is to certify that this work has been carried out under my supervision and is now ready to be submitted to Kampala International University for examination with my approval.

Signed.....

Date

DEDICATION

I dedicate this book to my lovely parents Oluka Ludofic and Apio Florence, brother Elomuanait David who stood by me morally to accomplish this study passion and patience in my education which has motivated me to reach this far, my parents my for their passion and patience in my education which has motivated me to reach this far. I have to confess that all your efforts have not been wasted and I lastly assure and re-assure that I have reached this wonderful period. Thank you for your kind support.

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I thank the Almighty God for enabling me manoeuvre through all the hardest and difficulty time I have had in life. My dream of this award would not have become true without his guidance, protection and assurance that all things are possible if you believe in him.

I acknowledge the management of Kampala International University especially my supervisor Mr. Ayasi Asadi for all his efforts and consultations during my work. I also acknowledge all respondents for filling in my questionnaires and for their assistance during this study.

There are loyal hearts, there is sprit brave, there are souls that are pure and true; then give the world the best you have, and the best will come back to you. This piece of work could not have been a success without the contribution of several individuals and groups of people here, but mention has been made for view individuals for their special contribution.

I must first express all my sincere appreciation to all lecturers in the college of economics and management of Kampala international University for having guided me through the course units of academic work. Their efforts clarified most of the areas related to my study variables and made the conceptualization of the study problem much easier.

I finally acknowledge the friends Musabende Joanita, Amongin Jackline for the moral and economic support provided to me during my study.

LIST OF ACRONYMS

PPDA	-	Public Procurement and Disposal of Assets act
SAN	-	Storage Area Networks
ICT	-	Information Communication Technology
ASL	-	Approved Supplier List
SEF	-	Supplier evaluation framework
OECD	-	Organisation Economic Committee for Development
TBE	-	Technical Bid evaluation
CIPS	-	Chartered Institute of Purchasing and supply
ISO	-	International Standards Organisations
3PL	-	Third Party Logistics

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ABSTRACT

The purpose of the study was to assess the relationship between supplier evaluation and organisation competitiveness. The objectives were to determine the various supplier evaluations at Tororo cement, to examine the effectiveness of the evaluation and to assess the relationship between supplier evaluation and organization competitiveness at Tororo cement. The study was conducted based on 60 respondents where the data was collected through closed ended questionnaires. The researcher attained information from the respondents by virtue of self administered questionnaires. The study adopted a case study design based on both quantitative approach where the data analysis was done using excel tool to determine the frequency and percentages

The results reveal that supplier evaluation criteria were overall fairly conducted. The study concludes that Tororo cement need to intensify the need for a developed focus on supplier evaluation criteria in the organisation. On the second objective, the degree of effectiveness of the findings reveals that state of the effectiveness of the evaluation at Tororo cement provided for the determination for the means of the competitiveness, the degree for effectiveness provided an adequate value for the resources necessary for attainment of the status of Tororo cement. The study conclude that the state of the relationship was positive and generate cost effectiveness in the means of design and efficiency for the management of the resources for the organisations in design and provided avenues of the attainment of organisation effectiveness.

The researcher recommend that thorough analysis and application of the supplier evaluation effected and done in order to improve the state of the bid evaluation in the organization. Proper technical and financial evaluations are needed to enhance the operation of the procurement process necessary for improved attainment of the financial value of the bids. Secondly there is need for improving the technical skills acquisition of the stakeholders in the procurement process. These stakeholder interests are usually quite diverse.. There is need for proper and adherence to the regulations by the evaluation committees in order to provide value for the procurement processes.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This covers the Background of the study, the Statement of the problem, the Objectives of the study and the Research questions, scope, significance and conceptual framework.

1.1 Background of the Study

Supplier evaluation is a global activity countries such as United States, UK, Japan, China among others have put various strategies of evaluating suppliers and this has improved their quality products. Supplier evaluation is a continual process within purchasing departments and forms part of the pre-qualification step within the purchasing process; although in many organizations for Samsung it includes the participation and input of other departments and stakeholders. Most experts or firms experienced in collecting supplier evaluation information prefer doing so using five-step processes for determining which to approve. Their processes often take the form of either a questionnaire or interview, sometimes even a site visit, and include appraisals of various aspects of the supplier's business including capacity, financials, quality assurance, organizational structure and processes and performance. Based on the information obtained via the evaluation, a supplier is scored and either approved or not approved as one from whom to procure materials or services. In many organizations, there is an approved supplier list (ASL) to which a qualified supplier is then added (Gallego, 2011).

In Africa, Kenya for example, the PPDA Act 2005 and procedure 2006 serves as a guide that provides guidelines and procurement procedure and supplier evaluation for public procurement entities to ensure judicious, economic and efficient use of state resources ensuring that public procurement is carried out in fair, transparent and non-discriminatory manner. Among other criteria, the Act 2005 states that tenderers and other suppliers should possess the necessary professional and technical qualifications and competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience in the procurement object and reputation; and the personnel to perform the procurement contract. In spite of all these, public institutions such as Universities have never realized the objective of supplier evaluation (PPOA, 2009). According to Danese, D. (2013), supplier evaluation and take-on is a continual process within purchasing departments and forms part of the pre-qualification step within the purchasing process, although in many organizations it includes the participation and input of other departments and stakeholders. Most experts or firms experienced in collecting supplier

evaluation information prefer doing so using five-step processes for determining which to approve. Their process often take the form of either a questionnaire or interview, sometimes even a site visit, and includes appraisals of various aspects of the supplier's business including capacity, financials, quality assurance, organizational structure and processes and performance. Based on the information obtained via the evaluation, a supplier is scored and either approved or not approved as one from whom to procure materials or services. In many organizations, there is an approved supplier list (ASL) to which a qualified supplier is then added. If rejected the supplier is generally not made available to the assessing company's procurement team. Once approved, a supplier may be reevaluated on a periodic, often annual, basis. The ongoing process is defined as supplier performance management.

According to Weber (2016) in East Africa there are a number of methodologies which have been developed from researchers and scholars to assist businesses in the evaluation process of suppliers. He identifies three main approaches for evaluation, namely: categorical, weighted point and cost ratio. The categorical method influences the company to initially decide the evaluation parameters of their suppliers. These parameters should then be assigned some form of rating system such as preferred, satisfactory or neutral rating. In the end, the sum of all parameters is calculated and the supplier with the highest score is chosen. This method is easy to implement and for this reason is appropriate for firms with limited resources. However, each parameter is equally weighted, so the results easily become unreliable (Weber, 2016). Kakwezi and Nyeko (2014) associated organisation competitiveness with effectiveness and efficiency procurement operations. On the other hand, Muma et al. (2014) and Osuga et al. (2015) pointed out that organisation competitiveness is associated with reduced procurement costs and improved achievement of organisation competitiveness goals respectively. The concept of organisation competitiveness has emerged strongly in the recent past in Kenyan Public sector (Chemoiywo, 2014). This is due to the malpractices and inefficiencies experienced in the sector in the past. Similarly, the public procurement functions in Kenya have been characterized with inadequate funding from the government (Ikumu, 2014).

In Uganda, more especially the buying firms for example Tororo cement Roofing's, Crown beverages, Mukwano Group of Companies, Kakira Sugar Works, Master industries among others use variety of activities to develop and evaluate their suppliers. For example through bidding, screening among others. Organizations hold workshops for supplier personnel direct investment supplier's operation by the buying forms (Monezka and Tent 2013). Suppliers

evaluation is seen important because it prequalifies their suppliers in order to encourage transparency, competitiveness and fairness (Kenneth Lyson (2011). The organization's ability to offer consistent quality and compete largely depends on its access to quality products and services (CIPS, 2013). As market factors change, organizations also need to change. This is particularly true in competitive and globalized markets. Organizations are constantly under pressure to find ways to cut material and production costs through engaging in strategic supplier selection process and evaluation (Weber, 2008). According to Nadir (2012) supplier evaluation is perceived as a tool which provides the buying firm with a better understanding of "which suppliers are performing well and which suppliers are not performing well" but studies reveal that even after having carried out an in-depth supplier evaluation plus appraisal coupled with the enactment of Public Procurement and Disposals Act (PPDA) of 2005 and other policies on supplier evaluation, inefficiencies still exist ranging from supplies being made halfway or even termination of contracts before conclusion.

Uganda despite having a low contract performance in both private and public entities has registered a reasonable and considerable value in supplier evaluation. The manufacturing organizations including organisations that undertake a serious supplier evaluation before the contract is awarded to the supplier. The operations of the organization are aligned to public procurement evaluation regulations that mandate and provide a guideline sufficient for the management of the supplier selection process (Price Waterhouse Coopers, 2010). The supplier evaluation consist of several steps that start with recognizing the need for supplier selection, identifying key sourcing requirements, determining a sourcing strategy, identifying potential supply sources, limiting suppliers in a selection pool, determining a method of supplier evaluation and selection, and finally selecting a supplier and reaching an agreement (Steel, 2013). Supplier evaluation confirmed that the considered suppliers fulfil certain entry requirements, such as financial strength, appropriate business strategy, strong supportive management, proven manufacturing capability and design capability.

1.2 Statement of the Problem

Suppliers are important stakeholders whose operations can impact the overall performance of a given procurement function. The choice of an organization's supplier should be guided by an elaborate evaluation of the potential suppliers since the suppliers can impact the performance of any procurement function or process (Blemans and Brand, 2015).

Delayed deliveries, poor quality products or services, non-completion of orders and even threats of litigation due to delayed payments is a common scenario experienced by public institutions. Report by PPDA indicates that up to 30% of procurement inefficiencies in the public sector in Uganda are attributed to supplier's performance issues (Chemoiywo, 2014). There is therefore concern as to what can be done to reduce supplier related procurement issues (Kakwezi and Nyeko, 2014). Supplier evaluation is arguably one of the popularly used approaches of ensuring the right suppliers for a competitive organization. It was for this reason that this study focused on the role of supplier evaluation on organization competitiveness.

1.3 Purpose of the study

The purpose of the study was to assess the relationship between supplier evaluation and organisation competitiveness.

1.4 Specific Objective

- i. To determine the various supplier evaluation criteria at Tororo cement.
- ii. To examine the effectiveness of the evaluation criteria at Tororo cement.
- iii. To assess the relationship between supplier evaluation and organization competitiveness at Tororo cement.

1.5 Research Questions

- i. What is the various supplier evaluation criteria at Tororo cement?
- ii. What is the effectiveness of the evaluation at Tororo cement?
- iii. What is the relationship between supplier evaluation and organization competitiveness at Tororo cement?

1.6 Scope of the Study

The study covered the following areas

1.6.1 Content Scope

The study was confined to examining the effect of supplier evaluation on organization competitiveness. The focus was on determining the various supplier evaluation criteria, to

examine the effectiveness of evaluation criteria and establish the relationship between supplier evaluation and organization competitiveness.

1.6.2 Geographical Scope

The study was conducted in Tororo cement located in Tororo; Tororo cement is located in Tororo approximately 127 kilometres by road east of Kampala. This is approximately 13 Kilometres west of boarder of Mabala. The coordinates are 0039'36.0N, 34⁰ 09'18.0E Latitudes: Longitude 34:1550).The area was chosen because it handles a high range of activities of supplier evaluations in the organisation.

1.6.3 Time Scope

The study covered organization data for a period of 2 years (2016-2018).The researcher conducted the study for a period of 3 months that is from March to May, 2019. It was hoped that the period is sufficient enough to obtain the required data on the topic under investigation.

1.7 Significance of the Study

The research study may serve the e following significance;

Academia:-The study may add to the available knowledge and provide an existing source of literature on the influence of supplier evaluation on contract performance.

Manufacturing companies:-The study may enable various organizations to review their policies and procedures of supplier evaluation and hence improving in their productivity.

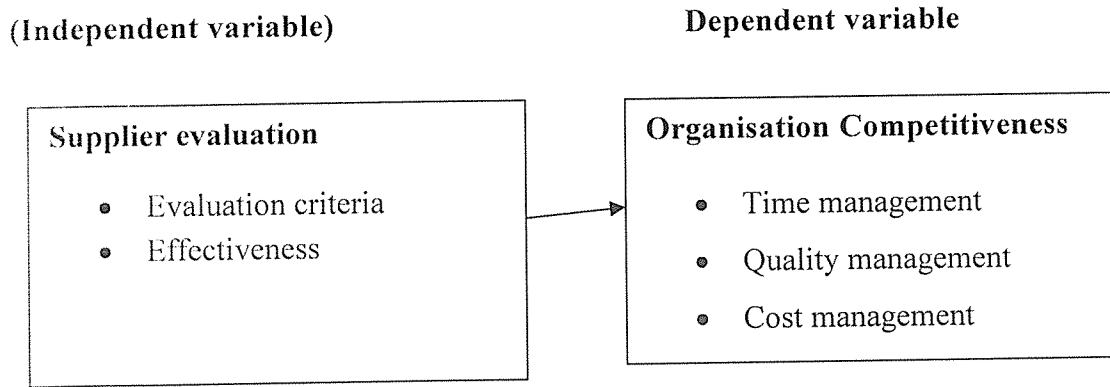
Future Researchers:-The study may help future researchers who might be interested in conducting further studies on the topic under investigation. It will act as a source of references and literature for further researchers.

Government:-The study will explore the avenues through which government can provide an effective regulation for enhancing supplier evaluations

1.8 Conceptual framework

This explains the relationship between variables (dependent and independent variables)

Figure 1: Framework shows the relationship between supplier evaluation and organisation competitiveness.



Source: Ellram 2015).

The framework shows the relationship between supplier evaluation and organisation competitiveness. The supplier evaluation is measured in the form of evaluation criteria and effectiveness while organisation competitiveness is determined through time management, quality management and cost management. The framework assumes that a positive supplier evaluation can lead to organisation competitiveness while the limited level of supplier evaluation hinders competitiveness for the organisation.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is mainly reviews the literature on the variables under investigation. The literature is based on the research objectives by reviewing the other authors and researchers in order to understand and investigate the research problem, sources such as books, magazines, journals, internet and dissertations are analyzed to deepen the theoretical foundation of the research.

2.1 Supplier Evaluation

Supplier evaluation of current suppliers is the process that is used to assess supplier performance on a set of criteria over a period of time (Salam 2011). Over decades researchers and practitioners have paid supplier selection a great deal of attention. In literature supplier evaluation and selection theories can be divided into three different categories: process related theories, supplier evaluation criteria models, and supplier selection methodologies and techniques. Supplier Evaluation is one of the fundamental steps to evaluate a supplier on the adaptability towards one's organization. The Supplier evaluation framework (SEF) is a generic framework to achieve the objective of a customer organization in establishing a supplier's credentials and capabilities in supplying specific goods/services to the customer organization. Specific company personnel earmarked for Evaluation need to carry out evaluations in cross-functional teams (Supplier quality assurance, design, logistics, After-market etc.). A Supplier Evaluation Framework's-lead auditor normally located in the purchasing organization should manage the team. Evaluations can be performed for existing as well as new suppliers.

Supplier evaluation is a term used in business and refers to the process of evaluating and approving potential suppliers by quantitative assessment. The purpose of supplier evaluation is to ensure a portfolio of best in class suppliers is available for use. Supplier evaluation is also a process applied to current suppliers in order to measure and monitor their performance for the purposes of reducing costs, mitigating risk and driving continuous improvement (Lysons & Farrington 2006).

2.2 Organization Competitiveness

Organisation competitiveness is the state where the organisation attains the fulfilment or accomplishment of a promise, contract or any other obligation according to the terms and conditions agreed upon (Lysons & Farrington 2006). It is the situation when an organisation has an upper hand in performance in comparison to the industry.

Organization competitiveness is the degree to which the organization performance enhancements are attained in order to generate value and relevance for the management of the organization schemes of work. Competitiveness is aimed at ensuring that the organization provides value in the management strategy aimed at cost reduction and time management efficiency in the organization.

Specific performance is deemed an extraordinary remedy, awarded at the court's discretion (Danese, 2013). According to Gallego (2011), all contracts should have a nominated contract manager (a project manager fulfils this role in the case of construction contracts), whose responsibility it is to ensure full compliance with the contract. He/she is also responsible for ensuring value for money for the taxpayer who is paying for these services.

Organization competitiveness in Uganda in manufacturing organizations like Tororo manufacturing firms has been an issue, contracts in both government and non government entities fall short of several standards, a review by the manufacturing organizations in Uganda cite the lack of adherence to contract regulations to poor contract performance (Agaba & Shipman, 2007). The stakes in contract performance for the organizations is reasonably low with low degree of focus regarding the means of enhancing the operations effectiveness for the organization of manufacturing nature. The management of the contracts in the manufacturing organizations is affiliated with poor workmanship that provides an avenue of low contract expediting hence poor performance. Contract performance in Tororo manufacturing firm provides an oversight assessment of the status quo in manufacturing organizations point to the lack of focus as a key impediment to service efficiency in the organization (Basheka, 2000).

2.3 Various supplier evaluation criteria

Supplier Evaluation Criteria Supplier evaluation refers to the process by which organizations assess and appraise potential suppliers using quantitative methods, such as through the use of a questionnaire. This process is done to make sure that a best in class portfolio of suppliers is selected for the organization to use. Supplier selection is a stage during the process of procuring for products and services during which the organization(s) choose the preferred and most qualified supplier (s) from the group that has been evaluated and deemed to meet the requirements in the evaluation process, according to Gordon (2008). According to Monczka, Trent and Handfield (2008), evaluation of suppliers is a process that leads companies to select their desired suppliers. This process has two main aims, which are to reduce all costs of purchasing and to increase the overall value of the purchasing. Regarding to the costs of evaluating the suppliers (such as time and travel budget), companies basically evaluate those suppliers that have a good chance of qualifying for purchasing from them. In this process, formally, companies send expert teams to the supplier site, and with evaluating different criteria and factors, they will do an in-depth evaluation. For supplier evaluation to be an objective and transparent process, it needs to be conducted using set criteria so as to ensure standardization in the evaluation. The use of appropriate criteria that captures the interests of the buyer is one of the indicators of procurement performance (Nair, Jayaram& Das, 2015).

2.3.1 Preliminary bid evaluation

Milgrom (2007) contend that preliminary examination is conducted to: Determine whether the bidders are eligible & to determine the responsiveness of bids to the terms of reference. The purpose of Preliminary examination is to identify and reject bids that are incomplete, invalid, or substantially non responsive to the bidding documents and therefore are not to be considered further. This involves Verification, Eligibility, Bid Security, Completeness of Bid, among others. The evaluation process should begin immediately after bid opening. The purpose of preliminary examination is to identify and reject bids that are incomplete, invalid, or substantially nonresponsive to the bidding documents and therefore are not to be considered further. The following checks should be applied (OECD, 2005).

Verification, under this attention should be directed toward deficiencies that, if accepted, would provide unfair advantages to the bidder. Sound judgment must be used: for example, simple omissions or mistakes arguably occasioned by human error should not be grounds for rejection of the bid. Rarely is a bid perfect in all respects. However, the validity of the bid

itself, for example, its signatures, must not be in question. If the bidder is a joint venture, the joint venture agreement must be submitted; if the bidder is an agent, an authorization from the supplier or manufacturer must be provided in addition to any documentation required of the supplier or manufacturer itself. All copies of the bid should be compared with the original and corrected accordingly, if necessary. Thereafter, the original should be kept in a safe location, and only copies should be used in evaluation (Obermann & Kostal, 2003)

Mullins (2007) contends that eligibility of the bidder must be a national or a juridic entity from an eligible source country as defined in the Guidelines. All partners to a joint venture shall be from an eligible source country, and the joint venture shall be registered in an eligible source country. All goods and services shall originate from eligible source countries. In the case of plant and equipment, this eligibility test is applied only to the finished product offered in the bid and to its major and clearly identifiable components. If prequalification has taken place, only bids from prequalified bidders can be considered. The bidder (including all members of a joint venture and subcontractors) may be disqualified if affiliated with a firm that has provided related consulting services on the project, or if the bidder is a publicly owned enterprise from the Borrower's country, lacking legal and financial autonomy (Maloney, 2003)

Bid Security: The bidding document may require submission of a bid security. If so, the bid security must conform to the requirements of the ITB, and it must accompany the bid unless the bidding documents have specifically allowed partial bids permitting bidders to quote for only select items or for only partial quantities of a particular item bids not offering all of the required items should ordinarily be considered nonresponsive (McCruden, 2004). However, under works contracts, missing prices for occasional work items are considered to be included in prices for closely related items elsewhere. If any erasures, interlineations, additions, or other changes have been made, they should be initialed by the bidder. They may be acceptable if they are corrective, editorial, or explanatory (Nickell, 2006),

Substantial Responsiveness: Major deviations to the commercial requirements and technical specifications are a basis for the rejection of bids. As a general rule, major deviations are those that, if accepted, would not fulfill the purposes for which the bid is requested, or would prevent a fair comparison with bids that are properly compliant with the bidding documents (Jones and Wicks, 1999)

2.3.2 Financial bid evaluation

Financial bid evaluation refers to the evaluation of the bids by the procurement department on the verge of the commercial or financial values; it also deals with the evaluation of currency changes, arithmetic errors and computation of the financial evaluations to attain a financial bid.

Corrections for Errors. The methodology for correction of computational errors is described in the ITB. The read-out bid prices and their corrections should be noted in Table 6, column d. The corrections are considered binding on the bidder. Unusual or large corrections that could affect the comparative ranking of bids should be explained in footnotes (Chimia, 2013)

Corrections for Provisional Sums: Bids may contain provisional sums set by the Borrower for contingencies or for nominated subcontractors, etc. As these sums are the same for all bids, they should be subtracted from the read-out prices for a proper comparison of bids in subsequent steps. However, those provisional sums set aside for Day work, where priced competitively, should not be included in the deductions (Donaldson and Preston, 2005).

Modifications and Discounts: In accordance with the ITB, bidders are allowed to submit, prior to bid opening, modifications to their original bid. The impact of modifications should be fully reflected in the examination and evaluation of the bids. These modifications may include either increases or discounts to the bid amounts that reflect last-minute business decisions. These modifications may include either increases or discounts to the bid amounts that reflect last-minute business decisions. Accordingly, the original bid prices should be modified at this point in the evaluation. Discounts offered in accordance with the ITB that are conditional on the simultaneous award of other contracts or lots of the contract package (cross-discounts) shall not be incorporated until the completion of all other evaluation steps. The effect of unconditional discounts (or alternatively, increases) should be shown in discount expressed in percent must be applied to the appropriate base specified in the bid (Gelderman, Ghijsen & Brugman, 2006)

Evaluation Currency: The remaining bids as corrected for computational errors and as adjusted for discounts should be converted to a common evaluation currency, as described in the ITB. The exchange rates to be used in the calculations. If multiple exchange rates exist for a particular currency (for commercial, government transactions, etc.), indicate which applies, with reasons for the choice. Where exchange rates for a particular currency are not

available from the specified authority or publication, identify the secondary source, as well as any necessary conversion calculations (McCruden, 2004)

Adjustments: The ITB specifies which, if any, performance or service factors will be taken into account in the bid evaluation. The methodology used in evaluation of these factors should be precisely described in the bid evaluation report and should be fully consistent with the ITB provisions. Bonuses or additional credits that reduce the evaluated bid price will not be given in the bid evaluation for features that exceed the requirements stated in the bidding documents.

Priced Deviations: As discussed under para. 5(e), bids with minor deviations may be considered substantially responsive if their further consideration assigns a monetary cost or penalty to the bid for the purpose of bid comparison. Requests for deviations that are expressed by the bidder in vague terms, such as “we would like an increase in the amount of mobilization advance” or “we wish to discuss changes in the completion schedule” should ordinarily be ignored in bid evaluation Obermann & Kostal (2003).

2.3.3 Technical bid evaluation

Hernon & Whitman (2001) contend that technical Bid Evaluation is an evaluation and examination of bidders or subcontractors’ technical bid document or proposals. The TBE includes technical capability including quality, compliance with specifications, operating cost, and performance penalties to meet the project requirement as well as execution capability.

Following the completion of the technical evaluation, the client department must provide a report to the contracting officer detailing the results of the evaluation, including details on all non-responsive bids and the reasons for declaring them non-responsive. Each person who participated in the technical evaluation as an evaluator must sign the report. Only bids that meet the mandatory criteria will be subject to point rating, as applicable. Rated criteria are used to assess various elements of the technical bid so that the relative merits of each bid can be determined. The maximum points that can be achieved for each rated criterion must be specified in the bid solicitation (Maloney, 2003)

When point rating is used, bids may have to achieve a minimum number of points overall to be considered responsive, and often they must also achieve a minimum number of points for

certain individual criteria. Bid solicitations must clearly identify any mandatory minimum thresholds.

Over the years, there have been numerous complaints to the alleging that the scoring against individual criteria was unfair. In the majority of cases however, the has said that it cannot undertake a re-weighting of the points assigned unless the treatment of the bid under review amounts to a denial of fair treatment. In the absence of evidence that the evaluation was not conducted in a fair manner that will generally defer to the judgment of the evaluators who are best qualified to assess the merits of the bids. The provision will intervene however if it feels that the evaluators improperly applied the evaluation criteria and methodology set out in the bid solicitation.

Maintain the bid evaluation process strictly confidential. Reject any attempts or pressures to distort the outcome of the evaluation, including fraud and corruption. Strictly apply only and all of the evaluation and qualification criteria specified in the bidding documents to determine the bids which proceed to the financial evaluation and subsequently the best evaluated Bidder and to make a recommendation for award of contract to the contracts committee. (The Financial Evaluation Report may recommend also that post qualification and/or negotiations be held with the recommended Bidder). Conduct any post qualification or negotiations recommended in the financial evaluation report. It is important to note that the contracts committee's contract award decision is not a contract, but a decision to award a contract to the best evaluated bidder. Substantially responsive to the minimum standard required. The responsiveness may include but is not limited to understanding of the assignment as documented by comments on the terms of reference, supervisory/ management capacity and qualifications of supervisory or management staff (PPDA, Act Bid evaluation methodology, 2014).

2.4 Effectiveness of the evaluation criteria

Evaluation criteria refer to rules and regulations that are set in contracting and procurement to guide the choice of evaluation of the suppliers for a contract. The evaluation policies are set by the organization guided by the procurement and disposal department to enable the management of the procurement process (Krause, 2002).

According to report produced by EU (2008) in their survey on supplier evaluation criteria should be carried out in an open, objective and transparent manner can achieve best value for money in public procurement. Essential principles that should be observed in conducting the procurement function include supplier financial capacity, capability and readiness to embrace new technology among other factors. In addition to the above indicators, the findings of study conducted by Mwikali & Kavale (2012) revealed that cost factors, technical capability, quality assessment, organizational profile, service levels and risk factors, in that order of relative importance, are key factors affecting supplier selection in procurement management. The findings further indicated that supplier selection should be done by experts who are knowledgeable and have expertise to conduct the exercise professionally since supplier selection is a process vulnerable to personal and political interference especially in the public sector.

Effectiveness of the supplier evaluation criteria allow the firm to pursue price competition strategies in downstream markets and sustain growth throughout the entire supply chain stream (Pontious, 2008). Supplier evaluation is a management activity whose primary aim is acquiring information to analyze and to manage supplier relationships and supply situations (Li et al., 2006). The process entails the simultaneous consideration of a number of critical supplier performance features that include price, delivery lead-times, and quality. The importance of supplier evaluation is evident from its impact on firm performance and more specifically on final product attributes such as cost, design, manufacturability, quality, and so forth (Sarkis & Talluri, 2002).

Effectiveness of managers require keen analytical and intuitive skills to identify high-impact and cumulative impact stakeholders and work with them to understand their expectations to influence project success. This facilitates managing a process that maximizes stakeholder positive input and minimizes any potential detrimental impact. The authors argue that project managers need to be able to engage more effectively with the hidden reservoirs of power that are exercised by project stakeholders in the interaction between individuals in their social networks (Knudsen Danies, 2003)

2.5 Relationship between supplier evaluation and organization competitiveness

There are a number of ways to conduct an evaluation of your suppliers. To begin with, many organizations create a survey in which they outline various questions pertaining to quality systems. Some companies consider ISO 9001 certification to be the best representation of control over production and quality, and therefore will evaluate the supplier based on their certification to this standard. Another common method is to place a few trial orders to make an assessment. If the supplier is deemed critical to the manufacturing process, the initial qualification of a supplier will typically consist of an on-site assessment, along with the survey. On-site audits of the supplier are recommended for your critical suppliers, at minimum, if not all suppliers that contribute to your finished product. The frequency of these audits should be based on the compliance history of the supplier. The financial criteria of supplier appraisal can give an important insight into supplier performance and supplier business practices which help reduce business risk, especially given firms' increasing dependence on its key suppliers. Some of the supplier risks that appraisal can mitigate on include: financial, operational, increased geographic distance and the performance of sub-tier suppliers whom the prime supplier has no contact with or knowledge of Gordon (2006).

The quality evaluation helps the supplier in performance improvement (Gordon, 2006). Supplier appraisal is an effective motivation tool when it leads to continuous improvement activities and real supplier performance improvement. A buyer that appraises its suppliers helps them motivated to improve on quality, delivery, and costs especially if these are used as yardsticks to reward performing suppliers (CIPS, 2012). As Gordon, (2006) posits, supplier evaluation can: unearth the causes of performance difficulties; improve understanding of business operations; cultural factors and the leadership at the supplier which lead to follow-up activities, such as supplier training and development, and corrective actions that deal with supplier evaluation findings hence coming up with the best ways to obtain measurable and positive results which will at the end improve profitability and quality performance of buying firm.

According Pamela (2013) in her study on the determinants of supplier selection and evaluation in Pakistan Telecom industry, supplier financial capacity expertise is one of the key factors which determine the eventual performance of both the supplier and procurement performance, the study depicted high correlation between the financial capacity of supplier and ability of supplier to deliver which in turn enhances procurement

performance indicating a need for a strategic alliances for improved performance of the parties. Similarly, a study on the evaluation of procurement process in public institutions of Uganda, conducted in Makerere University established that reduction in purchasing cost through effective supplier evaluations is one of the most significant purposes of procurement. Firms in Uganda have improved their performance and this is partly attributed to supplier evaluation, companies like Century bottling companies, Mukwano group of companies have widely developed and their production has greatly improved. Supplier evaluation has brought about quality in the products and consistent supply within the market.

Further study indicates that, after the prequalification of suppliers' based on supplier competence, public institutions expect a lot from their suppliers because they are confident that they have filtered their suppliers on very efficient basis but still they are uncertain about the quality of the items to be delivered, on time delivery, commitment to quality, technology leverage, and overall performance of suppliers (Masceko, 2013). These findings concur with findings of CIPS (2013) in their report on monitoring the performance of suppliers pointed that strategic monitoring of competence of suppliers is critical in management of performance operations and most importantly, management of supplier-buyer relationship. In Uganda organizations of manufacturing nature like Mukwano that employee procurement and supplies professional have the required skills in supplier relationship competence determination so as to be in a position to develop appropriate performance criteria both for suppliers and the entire procurement function. The report further indicates that performance management criteria should be well communicated to all stakeholders who are directly involved in procurement operations so as to enhance their contribution towards achievement of the desired standards.

2.6 Related studies

Mullins (2003) asserts that the contribution of procurement process evaluation in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management. His findings revealed a significant positive relationship between procurement planning and service delivery in local government procurement systems in Uganda. These results are compared to international research findings, and suggestions are offered for management, policy making, and future research.

Procurement Policy Manual (2009), procurement planning drives different expected results which are different from business as usual such as: reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy) , data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to improved service delivery.

Bashcka (2004) argued that many governments and employers claim that procurement process will deliver cheaper, more cost-efficient service. Competition between private contractors and the public sector employees keeps downward pressure on public service costs, especially wages and benefits these kinds of measures are attractive to many public sector decision makers, at a time when public service delivery is suffering from downloading and funding cuts, Contractors usually reduce the wage bill by cutting the number of employees through attrition and layoffs. These kinds of measures are attractive to many public sector decision-makers.

Waugh and Luke (2011) conducted a study on supplier evaluation and contract evaluation in the South African manufacturers, the findings with regard to the expected benefits and listed reasons for their procurement process showed that 77 per cent of the respondents of the procurement to a large or moderate extent due to the need to focus on core competencies. Those that are due to geographical coverage followed closely at 76 percent with those who outsourced due to customer service pressure closely at 73 per cent. Other reasons for outsourcing which carried below average weight were cost cutting pressures, lack of internal capacity and labor relations pressures. From this study we can infer that one of the main drivers for outsourcing strategy today is the need to focus on core competencies

Kiongera (2014) studied the effect of supplier evaluation on contract performance in manufacturing organizations in Kenya. The focus was in the sugar manufacturing firms in Western Kenya focusing on the employees of two manufacturing organizations in western Kenya. Their study found out that those sugar manufacturers that handed over their logistics functions to third party logistics (3PL) service providers in order to concentrate on their core competencies experienced improved organizational performance. The researchers therefore concluded that focus driven outsourcing has a positive effect on organizational performance

of sugar manufacturers. Could this be the case in a manufacturer of fast moving consumer goods.

2.7 Chapter Summary

The literature review gives a review of the previous scholars and authors on supplier evaluation and organisation competitiveness. The literature also gives a hint on the supplier evaluation and organisation competitiveness, evaluation criteria, evaluation methods and evaluation policies and their relevance to organisation competitiveness. The literature is reviewed basing on the study objectives.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This section discussed the methodology that was used in the study. This included research design, study population, sample population, sampling techniques, sampling method collection instruments, data collection methods, data processing and analysis, and limitations of the study.

3.1 Research design

The study adopted a case study design on both qualitative and quantitative aspects. This method is preferred because it is an ideal method that eases the collection of information from the respondents at both individual and group levels. The researcher may also use a correlation and cross sectional design.

3.2 Study Population

A study population is a complete collection of all elements that are of interest to the researcher. It was therefore the totality of objects or individuals having one or more characteristics in common that are of interest to the researcher for the purposes of collecting information. The total research population is the employees of Tororo cement who included an estimated 70 people. This included procurement department 10, finance 35, marketing 15 and management 10 from Tororo cement. The study population consisted of 70 employees of Tororo cement from management supporting services.

3.3 Sample Size

A sample of 60 respondents was chosen from the employee using the slovene's method of calculating the sample size. The sample is restricted to the information required and the purpose of the study a sample of 60 respondents was chosen for the purpose of the study using Slovene's Formula states that, given a population, the minimum Sample size is given by:

$$n = \frac{N}{1 + N\alpha^2}$$

Where; n = the sample size

N = total population of respondents, that is 70.

α = the level of significance, that is 0.05

$$n = \frac{N}{1 + N\alpha^2}$$

$$n = \frac{70}{1 + 70 (0.05)}$$

$$n = \frac{70}{1 + 70 * 0.0025}$$

$$n = \frac{70}{1.175}$$

$$N = 59.57$$

$$n = 60$$

A sample size of 60 respondents were selected to participate in the study.

Table 3.3: Distribution of respondents and Sample size

Department	Population to be surveyed	Actual respondents	Sampling method
Procurement department	10	9	Random
Finance	35	30	Random
Marketing	15	12	Random
Management	10	9	Purposive
Total	70	60	

Source: Human resource Manual Tororo Cement's, 2018

3.4 Sampling techniques

The study employed sampling designs that is both probability and non probability sampling. According to Sekaran (2003) in probability sampling the elements in the population have some known chance or probability of being selected as sample subjects in non probability sampling the elements do not have a known predetermined chance of being selected as subject. The researcher used simple random sampling and purposive sampling to select the

respondents. Random sampling techniques were used for probability sampling. It involves selection of respondents by chance. Simple random sampling was employed in form of rotary, without replacement till the number of respondents is got. Listing and sampling of the study population. The list of the primary sampling unit comprised of operational level employees.

The study used purposive techniques for non probability sampling. Purposive sampling was used to identify responses from the most top management staff of Tororo cement. This group is believed to be the decision making body and thus has vital information on outsourcing there by solving the current study problem.

3.5 Sources of data

In this study two types of data was used by the researcher, in the secondary and primary data was used. In recognition to this, the researcher collected data that is relevant to the research problem.

3.5.1 Primary Data

Primary data is that data collected afresh and for the first time, have not been processed. While the secondary data is one which have been already collected by someone else for other purposes and can be used to compile data or raw data. Questionnaires were the research tool used to collect data. This is aimed at collecting primary data from Tororo cement in order to know the current status of rewards in the company.

3.5.2 Secondary Data

The secondary data was obtained through notes, correspondences and minutes of meetings, project plan journals. In this study the researcher used documents and other records that are already published to access information on supplier evaluation and organisation competitiveness.

3.6 Data Collection Instruments

During the process of data collection, the study employed a variety of methods and these questionnaires.

3.6.1 Questionnaire

These are inter-related questions designed by the researcher and given to the respondents in order to fill in data/information. Here, self-administered questionnaires were employed

containing both open and close-ended questions. This reduced costs of movement and also because the researcher is dealing with literate people who have the capacity of filling the forms. This enabled the researcher to get more information in greater depth, reduce resistance and also obtain personal information and views concerning the supplier evaluation and organisation competitiveness.

3.7 Data collection procedure

The researcher obtained a letter of introduction from Kampala International University to help him with introductions to various respondents in Tororo Cement. Before the administration of questionnaire, a letter requesting permission to conduct the research was requested from the supplier evaluation and organisation competitiveness under study. Upon the approval the researcher attached a covering letter to the questionnaire and requests the respondents to participate in this study. The letters for participation from respondents were received by the researcher before distribution of questionnaires. The questionnaires were distributed them personally. The researcher asked all respondents to return the completed questionnaires after a week after two weeks the researcher personally collected most of the questionnaires from the participants.

3.8 Validity and Reliability of the study

3.8.1 Validity

Validity refers to the degree to which evidence and theory support the interpretation of test scores entitled by use of tests. The validity of the instrument is the extent to which it does measure what is supposed to measure. To ensure validity and reliability, the questionnaires were subjected to a pre-test before going to the field. The researcher used triangulation methodology to collect data this increased the accuracy of the information elicited from the respondents.

3.8.2 Reliability of the research instrument

Reliability is concerned with consistency, dependability or stability of a test. The researcher measured the reliability of the questionnaire to determine its consistency in testing what they are intended to measure. The test re-test techniques were used to determine the reliability of the instrument. This involved administering the same test twice to the same group of respondents who had been identified for this purpose. The test retest method ensured reliability of the research instrument.

3.9 Data Processing

In this section the researcher ensured that responses and data collected is processed into logical, consistent and relevant information. The researcher classified answers to the questions into categories as a process which involves editing, copying and tabulating the research findings as presented in chapter four of this research study. Once the researcher had obtained the necessary data from the field, the researcher analyzed, and interpreted it in relation to the objectives of the study. The researcher presented the findings in form of tables, graphs and pie charts. Analysis and presentation of the findings in this way form enhanced the easy understanding of the interface made thereby improving reliability and validity.

3.10 Limitations of the study

The major setbacks that the researcher is likely to experience during the data collection include

Lack of co-operation by some respondents is a possible constraint to this study. In Uganda it is common that researchers are viewed in a negative way, usually staff thinks it is a problem of finding exercise that rendered most of the jobless at the end of the exercise. This study however emphasized to the respondents that the study is purely for academic purposes also were people feel redundant to participate in spite of the assurance the study resorted to willing and available respondents.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter deals with analysis interpretation and presentation of the research findings. The analysis and research findings were interpreted and analyzed basing on the research questions. The purpose of the study is to assess the relationship between supplier evaluation and organization competitiveness. The presentations are made based on 60 questionnaires distributed to the respondents of Tororo cement. Presentation and interpretation of data is done through the use of tables to attain frequency, percentages and personal analysis and interpretation presented generated.

4.1 Demographic aspects of respondents

4.1.1 Gender of Respondents

Table 4.1: Showing Gender respondents

Respondents	Frequency	Percentage
Male	36	60
Female	24	40
Total	60	100

Source: Primary data, 2019

From table 4.1, it can be seen that the majority of respondents are male that is (36) representing 60% of the total number of respondents, 24 respondents are female representing 36.7% of the respondents. This is an indication that gender sensitivity was taken care off so the findings therefore cannot be doubted on gender grounds; they can be relied for decision making. It further indicates that the researcher sought for information from both genders that means that the aspect of private organizations is done by both genders, contributions to development is for all gender.

4.1.2 Age distribution of respondents

Table 4.2: Showing age distribution of respondents

Respondents	Frequency	Percentage
20 –29	8	13.3
30 – 39	27	45
40 – 49	15	25
50+	10	16.7
Total	60	100

Source: Primary data, 2019

Table 4.2 above shows that, majority of respondents were aged between 30–39 years 27(45%) respondents followed, by 40-49 years represented by 15(25) respondents, followed by 51+ represented by 10 (16.7%) respondents and 20-29 represented by 8 (13.3%). From the above analysis, it can be construed that majority of the respondents are mature hence the information obtained from them can be trusted and looked at as true and good representation of the information the researcher was looking.

4.1.3 Academic Qualifications of respondents

Table 4.3: Showing academic qualifications of the respondents

Academic qualifications	Frequency	Percentage
Certificate	17	28
Diploma	8	13.
Degree	27	45.0
Others	8	13.3
Total	60	100

Source: Primary data, 2019

Results in table 4.3 indicate that majority of the respondents were 27 for degree level representing 45% followed by certificate level with 17 respondents representing 28.3% , diploma followed with 8 respondents representing 13.3% and others with the same with 13.3%. This implies that the respondents are well educated and therefore the information obtained from them can be relied on for the purpose of this study. The higher rate of secondary leavers was attained from the local population whose education levels were low. It

is of no doubt therefore that information is attained from highly educated respondents. Information can therefore be relied on for decision making in this topic.

4.1.4 Marital Status of respondents

Table 4.4: Showing Responses on marital status

Marital Status	Frequency (f)	Percentage (%)
Single	15	25
Married	35	58.3
Separated/ Divorced	10	16.7
Total	60	100

Source: Primary Data, 2019

The results in table 4.4 show that 58.3 percent of the respondents were married, and 25 percent were single and 16.7 percent divorced or separated. The presentation indicates that most respondents involved are married. This is perhaps because of the high responsibility therefore information attained from them can be trusted for decision making.

4.1.5 For how long have you been in this organization

He the researcher was set to find out the duration respondent's stay in the organization

Table 4.5: Show the duration respondent's stay in the organization

Position	Frequency	Percentage
1-4 years	10	16.7
5-9 years	15	25.0
10-14 years	16	26.7
15 years above	19	31.6
Total	60	100

Source: Primary Data, 2019

The results in table 4.5 on the duration respondent's stay in the organization were that majority respondents (employed had been there for 15 years above (31.6%), 1-4year had (16.7%) of the respondents 5-9 years had (25%) of the respondents while 10-14years had (26.7%) of the respondents. This implies that many respondents have respondents had operated for at least one year; they therefore have an appropriate information on the data collected.

4.2 Various supplier evaluations at Tororo cement

The first research objective was to determine the various supplier evaluations at Tororo cement. The data collected based on this objective is presented for analysis in the following tables and interpretations.

Table 4.6: Various supplier evaluations at Tororo cement

Effect	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Supplier preliminary evaluation to determine responsive bids	12	20	35	58.3	3	5	10	16.7	0	0	60	100
Evaluation under confirmation through pre-visits to establish eligibility of the suppliers	30	50	12	20	7	11.7	5	8.3	6	10	60	100
Technical evaluation under technical personnel establishes compliance	28	46.7	12	20	11	18.3	4	6	0	0	60	100
Supplier technical evaluation to establish compliance to specifications	32	53.3	10	16.7	3	5	8	13.3	10	16.7	60	100
Effective supplier arithmetic computation during financial evaluation of bids	15	25	23	38.3	8	13.3	5	8.3	9	15	60	100
Evaluation of bids based on financial scores and any other criteria determined by evaluation committee	18	30	21	35	13	21.6	4	6.7	4	6.7	60	100

Source: Primary Data, 2019

The data collected from table 4.6 shows that in relation to the various supplier evaluations at Tororo cement the research was based on the agreement parameters of strongly agreed, agreed, not sure, disagree and strongly disagreed.

Supplier preliminary evaluation to determine responsive bids 20% of the respondents who strongly agreed, 58.3% agreed, 5% of the respondents were not sure and 16.7% disagreed and none strongly disagreed.

Evaluation under confirmation through pre-visits to establish eligibility of the suppliers had 50% of the respondents strongly agreed, 20% agreed, 8% disagreed, 11.7% of the respondents were not sure, 8.3% disagreed and 10% strongly disagreed.

Technical evaluation under technical personnel establishes compliance had 46.7% of the respondents who strongly agreed, 20 agreed, 18.3% were not sure, 6% disagreed and none strongly disagreed.

Supplier technical evaluation to establish compliance to specifications had 53.3% of the respondents who strongly agreed, 16.7% agreed, 5% were not sure 13.3% disagreed and 16.7% strongly disagreed

Effective supplier arithmetic computation during financial evaluation of bids had 25% of the respondents who strongly agreed, 38.3% agreed, 13.3 % of the respondents were not sure 8.3% disagreed, and 15% strongly disagreed.

30% of the respondents strongly agreed with evaluation of bids based on financial scores and any other criteria determined by evaluation committee, 35% agreed, 21.6 % were not sure, 6.7% disagreed and 6.7% strongly disagreed.

The overall results on the various supplier evaluation criteria in Tororo cement based on the level of agreement was that supplier preliminary evaluation to determine responsive bids 78%, evaluation under confirmation through pre-visits to establish eligibility of the suppliers 70%, technical evaluation under technical personnel establishes compliance 67%, supplier technical evaluation to establish compliance to specifications 70%, effective supplier arithmetic computation during financial evaluation of bids 62% and evaluation of bids based on financial scores and any other criteria determined by evaluation committee had 65% respondents. The study results imply that there are various supplier evaluation criteria used in the organizations, in the Tororo cement.

4.3 Effectiveness of Supplier evaluation Criteria in Tororo cement

The second research objective was to determine the effectiveness of supplier evaluation criteria, the data collected in regard to this objective is presented as follows.

Table 4.7: Effectiveness of Supplier evaluation Criteria in Tororo cement

Effect	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	F	%	F	%	f	%	F	%	F	%	F	%
Proper preliminary evaluation leads to selection of a legally compliant supplier	30	50	9	15	11	18.3	6	10	4	6.7	50	10
Preliminary evaluation leads to attainment of supplier profile necessary for expertise	36	60	3	5	10	16.7	2	3.3	0	0	60	100
Technical evaluation generates customers with flexibility necessary to support evaluation process	20	33.3	19	31.7	6	10	8	13.3	7	11.7	60	100
The technical evaluation enables is done properly to enable choice financial stability	15	25	24	40	5	8.3	6	10	10	16.7	60	100
Proper financial evaluation enables attainment of value for money suppliers	17	28.3	13	21.7	15	25	5	8.3	10	16.7	60	100
	20	33.3	19	31.7	6	10	8	13.3	7	11.7	60	100

Source: Primary Data, 2019

In reference to the table responses in table 4.7 on the effectiveness of Supplier evaluation Criteria in Tororo cement. The study findings will be presented and interpreted as provided.

Proper preliminary evaluation leads to selection of a legally compliant supplier had 50% of the respondents who strongly agreed, 15% agreed, 18.3% were not sure, 10% disagreed and 6.7% strongly disagreed

Preliminary evaluation leads to attainment of supplier profile necessary for expertise had 60% of the respondents strongly agreed, 5% agreed 16.7% were not sure, 3.3% disagreed and 15% of the respondents strongly disagreed.

Technical evaluation generates customers with flexibility necessary to support evaluation process 33.3% of the respondents who strongly agreed, 31.7% agreed, 10% were not sure, 13.3% disagreed and 11.7% strongly disagreed.

The technical evaluation enables is done properly to enable choice financial stability had 25% of the respondents who strongly agreed, 40% agreed, 8.3% were not sure, 10% disagreed and 16.7% strongly disagreed.

Proper financial evaluation enables attainment of value for money suppliers had 28.3% of the respondents who strongly agreed, 21.7 % agreed, 25% were not sure, 8.3% disagreed and disagreed 6.7% strongly.

The study results from the field reveal effectiveness of supplier evaluation criteria in Tororo cement. Proper preliminary evaluation leads to selection of a legally compliant supplier 65%, preliminary evaluation leads to attainment of supplier profile necessary for expertise 65%, technical evaluation generates customers with flexibility necessary to support evaluation process 65%, technical evaluation enables is done properly to enable choice financial stability 65%, proper financial evaluation enables attainment of value for money suppliers 50% of the respondents. The study results indicate that the degree of effectiveness of the supplier evaluation is quite low and limited.

4.4 Relationship between supplier evaluation and organization competitiveness at Tororo cement

The third research objective was to assess the relationship between supplier evaluation and organization competitiveness at Tororo cement. The data collected from the respondents based on the topic is provided in the assessment provided below.

Table 4.8: Relationship between supplier evaluation and organization competitiveness at Tororo cement

Weight	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	f	%	f	%	F	%	f	%	F	%	F	%
Supplier evaluation has enabled attainment of cost effective suppliers	33	55	13	21.6	4	6.7	4	6.7	6	10	60	100
The supplier evaluation has led to attainment of timely supplies	28	46.7	17	28.3	14	23.4	1	1.7	0	0	60	100
The supplier evaluations generates effectiveness in organization capacity of work	39	65	2	3.3	7	11.7	4	6.7	8	13.3	60	100
The evaluation leads to attainment of quality products from suppliers	20	33.3	19	31.7	6	10	10	16.7	5	8.3	60	100
Supplier evaluations determine supplier attainment of flexible suppliers	45	75	4	6.7	1	1.7	8	13.3	2	3.3	60	100
Supplier evaluation enhances the development of organization assets base	17	28.3	13	21.7	15	25	5	8.3	10	16.7	60	100

Source: Primary Data, 2019

The table 4.8 illustrates field data collected on the relationship between supplier evaluation and organization competitiveness at Tororo cement the responses were captured in form of those who strongly agree, agree, not sure, disagree and strongly disagree. The following was collected.

Supplier evaluation has enabled attainment of cost effective suppliers had 55% of the respondents who strongly agreed, 21.6% agreed, 6.7% were not sure, 6.7 disagreed and 10% strongly disagreed.

The supplier evaluation has led to attainment of timely supplies had 46.7% of the respondents who strongly agreed, 28.3% agreed, 23.4% were not sure, none of the respondents strongly disagreed and 1.7% of the respondents disagreed.

The supplier evaluations generates effectiveness in organization capacity of work had 65% of the respondents who strongly agreed, 3.3 agreed, 11.7% were not sure, 6.7% disagreed and 13.3% strongly disagreed.

The evaluation leads to attainment of quality products from suppliers had 33.3% of the respondents who strongly agreed, 31.7% agreed, 10% were not sure, 16.7% disagreed and 8.3% strongly disagreed.

Supplier evaluations determine supplier attainment of flexible suppliers had 75% of the respondents who strongly agreed, 6.7% agreed, 1.7% were not sure, 13.3% disagreed and 3.3 strongly disagreed. This was the cause that had the largest number of respondents who strongly agreed and agreed.

Supplier evaluation enhances the development of organization assets base had 28.3% of the respondents who strongly agreed, 21.7 % agreed, 25% were not sure, 8.3% disagreed and disagreed 6.7% strongly

Supplier evaluation has enabled attainment of cost effective suppliers 77%, while that of the supplier evaluation has led to attainment of timely supplies had 75%, the supplier evaluations generates effectiveness in organization capacity of work had 68%, The evaluation leads to attainment of quality products from suppliers had 65% respondents, Supplier evaluations determine supplier attainment of flexible suppliers had 81.6% and Supplier evaluation enhances the development of organization assets base had 50% respondents. The study results indicate that the state of the respondents are provided in an assessment provided that the results are in agreement that a relationship exist between the supplier evaluation and competitiveness of Tororo cement meaning that the relationship exist between the variables and the state of the relationship is moderately high.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter contains a summary, conclusion and recommendations of the findings to the variables therein with the objective of assessing the impact of supplier evaluation on organisation competitiveness in Tororo cement.

5.1 Discussion of results.

Objective one assessed the various supplier evaluations at Tororo cement; the data collected revealed that Tororo cement employed various supplier evaluations in the organisation. These included supplier preliminary evaluation to determine responsive bids, technical evaluation under technical personnel establishes compliance, supplier arithmetic computation during financial evaluation of bids, evaluation under confirmation through pre-visits to establish eligibility and financial scores and any other criteria determined by evaluation committee. The results provided are in agreement with the previous authors such as Milgrom (2007) contend that preliminary examination is conducted to: Determine whether the bidders are eligible & to determine the responsiveness of bids to the terms of reference. The purpose of Preliminary examination is to identify and reject bids that are incomplete, invalid, or substantially non responsive to the bidding documents and therefore are not to be considered further. Even for Jones and Wicks (1999) contend that major deviations to the commercial requirements and technical specifications are a basis for the rejection of bids. As a general rule, major deviations are those that, if accepted, would not fulfill the purposes for which the bid is requested, or would prevent a fair comparison with bids that are properly compliant with the bidding documents and finally Chimia (2013) contend that the methodology for correction of computational errors is described in the ITB. The read-out bid prices and their corrections should be noted in Table 6, column d. The corrections are considered binding on the bidder. Unusual or large corrections that could affect the comparative ranking of bids should be explained in footnotes

The second objective of the study was to examine the effectiveness of the evaluation at Tororo cement. The data collected based on this reveal that the degree of effectiveness with majorly proper preliminary evaluation leads to selection of a legally compliant, technical evaluation generates customers with flexibility necessary to support evaluation and

proper financial evaluation enables attainment of value for money suppliers. The results are in agreement with those of According to report produced by EU (2008) in their survey on supplier evaluation criteria should be carried out in an open, objective and transparent manner can achieve best value for money in public procurement. Essential principles that should be observed in conducting the procurement function include supplier financial capacity, capability and readiness to embrace new technology among other factors. The results further are in agreement with those of Mwikali & Kavale (2012) revealed that cost factors, technical capability, quality assessment, organizational profile, service levels and risk factors, in that order of relative importance, are key factors affecting supplier selection in procurement management further more Pontious (2008) argued that the effectiveness of the supplier evaluation criteria allow the firm to pursue price competition strategies in downstream markets and sustain growth throughout the entire supply chain stream and the results were in line with those of Knudsen Danies (2003) who argued that effectiveness of managers require keen analytical and intuitive skills to identify high-impact and cumulative impact stakeholders and work with them to understand their expectations to influence project success. This facilitates managing a process that maximizes stakeholder positive input and minimizes any potential detrimental impact.

The study findings on the third objective reveal that there was a positive moderate relationship between supplier evaluation and organization competitiveness for Tororo cement in the organizations. The relationship was measured through the attainment of cost effective suppliers, led to attainment of timely supplies, evaluations determine supplier attainment of flexible suppliers, and evaluation leads to attainment of quality products from suppliers and generates effectiveness in organization capacity of work. The results are in agreement with the previous authors such as Gordon (2006) contends that supplier appraisal is an effective motivation tool when it leads to continuous improvement activities and real supplier performance improvement. A buyer that appraises its suppliers helps them motivated to improve on quality, delivery, and costs especially if these are used as yardsticks to reward performing supplier. Even Pamela (2013) in her study on the determinants of supplier selection and evaluation in Pakistan Telecom industry, supplier financial capacity expertise is one of the key factors which determine the eventual performance of both the supplier and procurement performance, the study depicted high correlation between the financial capacity of supplier and ability of supplier to deliver which in turn enhances procurement performance indicating a need for a strategic alliances for improved

performance of the parties Masceko (2013) indicates that, after the prequalification of suppliers' based on supplier competence, public institutions expect a lot from their suppliers because they are confident that they have filtered their suppliers on very efficient basis.

5.2 Conclusion

The purpose of the study was to assess the relationship between supplier evaluation and organisation competitiveness. The results based on the objectives reveal that supplier evaluation criteria was overall conducted the preliminary, financial and technical evaluations operated fairly and needed enhancement. The study concludes that Tororo cement need to intensify the need for a developed focus on supplier evaluation criteria in the organisation. On the second objective, the degree of effectiveness of the findings reveals that state of the effectiveness of the evaluation at Tororo cement provided for the determination for the means of the competitiveness, the degree for effectiveness provided an adequate value for the resources necessary for attainment of the status of Tororo cement. On the objective three, the study conclude that the state of the relationship was positive and generate cost effectiveness in the means of design and efficiency for the management of the resources for the organisations in design and provided avenues of the attainment of organisation effectiveness.

5.3 Recommendations

On the first research objective, the researcher recommend that thorough analysis and application of the supplier evaluation effected and done in order to improve the state of the bid evaluation in the organization. Proper technical and financial evaluations are needed to enhance the operation of the procurement process necessary for improved attainment of the financial value of the bids.

On the second objective:- There is need for improving the technical skills acquisition of the stakeholders in the procurement process. These stakeholder interests are usually quite diverse. They include the actual or potential future users of the site and the resources linked to operation they include all sectors who stand to gain, or to lose, as a function of decisions about site remediation and they include the various agencies presumed to have competence for managing the site and the activities contributing to contamination and to remediation.

On the third research objective, it is fundamental to improve the performance terms of the stakeholders in order to improve the bid evaluation. There is need for proper and adherence to the regulations by the evaluation committees in order to provide value for the procurement processes.

5.4 Area s of further research

The results presented in this thesis may not be conclusive and should be treated as being preliminary. Further analysis of the survey data on supplier evaluation and organisation effectiveness can be done to comprehend the findings and provide wider justification on explaining the function of supplier evaluation and organisation effectiveness.

- An assessment of the records management in organisation effectiveness
- An assessment of the impact of supplier evaluation on customer satisfaction.
- Role of supplier evaluation in procurement efficiency

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APPENDICES

APPENDIX I: QUESTIONNAIRES FOR THE RESPONDENTS

Dear respondents,

I, a student of KIU Uganda pursuing bachelor's degree of supplies and Procurement management conducting a research on 'supplier evaluation and organisation competitiveness: a Case study of Tororo cement'. You are among the respondents randomly selected will provide me with the appropriate information. The information you will provide here will be treated with utmost confidentiality and used for academic purposes only.

In this section, you are kindly requested to tick that alternative response that fits your opinion.

SECTION (A)-DEMOGRAPHIC ASPECTS

1. Gender

Male

☐

Female

☐

2. Age

20 – 29

☐

40-49

☐

30 – 39

☐

50+

☐

3. Qualification academically

Certificate

☐

Degree

☐

Diploma

☐

Masters

☐

4. Marital status

Single

☐

Married

☐

Separated/divorced

5. Time period

1-4 years

☐

10-14 year

☐

5-9 years

☐

15 years above

☐

SECTION B: Supplier evaluation criteria

6. The following are the supplier evaluation criteria?

Instructions Use of likert scale of 1-5 to rank the following alternatives were 1= strongly disagree (SD), 2= Disagree (D), 3= Not sure (NS), 4= Agree (A), 5= Strongly Agree (SA).

	Statement	Rankings				
		1	2	3	4	5
a)	Supplier preliminary evaluation to determine responsive bids					
b)	Evaluation under confirmation through pre-visits to establish eligibility of the suppliers					
c)	Technical evaluation under technical personnel establishes compliance					
d)	Supplier technical evaluation to establish compliance to specifications					
e)	Effective supplier arithmetic computation during financial evaluation of bids					
f)	Evaluation of bids based on financial scores and any other criteria determined by evaluation committee					

7. Effectiveness of Supplier evaluation Criteria

Instructions Use of likert scale of 1-5 to rank the following alternatives were 1= strongly disagree (SD), 2= Disagree (D), 3= Not sure (NS), 4= Agree (A), 5= Strongly Agree (SA).

	Statement	Rankings				
		1	2	3	4	5
a)	Proper preliminary evaluation leads to selection of a legally compliant supplier					
b)	Preliminary evaluation leads to attainment of supplier profile necessary for expertise					
c)	Technical evaluation generates customers with flexibility necessary to support evaluation process					

d)	The technical evaluation enables is done properly to enable choice financial stability					
e)	Proper financial evaluation enables attainment of value for money suppliers					

8. Relationship between supplier evaluation and organization competitiveness

Instructions Use of likert scale of 1-5 to rank the following alternatives were 1= strongly disagree (SD), 2= Disagree (D), 3= Not sure (NS), 4= Agree (A), 5= Strongly Agree (SA).

	Statement	Rankings				
		1	2	3	4	5
a)	Supplier evaluation has enabled attainment of cost effective suppliers					
b)	The supplier evaluation has led to attainment of timely supplies					
c)	The supplier evaluations generates effectiveness in organization capacity of work					
d)	The evaluation leads to attainment of quality products from suppliers					
e)	Supplier evaluations determine supplier attainment of flexible suppliers					
f)	Supplier evaluation enhances the development of organization assets base					