

**THE DETERMINANTS OF VALUE FOR MONEY IN PROCUREMENT OF
WORKS IN TANZANIA'S LOCAL GOVERNMENT AUTHORITIES:
A CASE OF SELECTED LGAs IN DAR ES SALAAM REGION**

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A CASE OF SELECTED LGAs IN DAR ES SALAAM REGION**

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12409017/T.16**

A Dissertation Submitted to Mzumbe University in Partial Fulfillment of the
Requirements for the Award of Master Degree of Science in Procurement and Supply
Chain Management of Mzumbe University.

2018

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommended for acceptance by the Mzumbe University, a dissertation entitled **The Determinants of Value for Money in Procurement of works in Tanzania’s Local Government Authorities: The case of selected Local Government Authorities in Dar es Salaam region**, in partial/fulfilment of the requirements for award of degree of Master of Science in Procurement and Supply Chain Management of Mzumbe University.

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DEDICATION

I dedicate this work to my brother Mr. Sospeter Magambo for his support during the preparation of this work also dedication to my beloved mother Mrs Prisca Magambo for giving me moral support and encouragement during the preparation of this research work.

ABBREVIATIONS AND ACRONYMS

AfDB	-	African Development Bank
AGC	-	Associated General Contractor
AIA	-	American Institute of Architecture
CAG	-	Controller and Auditor General
GDP	-	Gross Domestic Product
ICT	-	Information Communication Technology
KMO	-	Kaiser- Mayer-Olkin
LGAs	-	Local Government Authorities
MC	-	Municipal Council
PE	-	Procuring Entity
PMIS	-	Procurement Management Information System
PMU	-	Procurement Management Unit
PPA	-	Public Procurement Act
PPRA	-	Public Procurement Regulatory Authority
PSCM	-	Procurement and Supply Chain Management
PSPTB	-	Procurement and Supplies Professionals and Technician Board
SPSS	-	Statistical Package for Social Sciences
STDs	-	Standard Tender Documents
TB	-	Tender Board
TCT	-	Transaction Cost Theory
TSH	-	Tanzania Shillings
UN	-	United National
URT	-	United Republic of Tanzania
USA	-	United States of America
USD	-	United States Dollar
VfM	-	Value for Money

ABSTRACT

This study titled “The determinants of Value for Money in Procurement of works in Tanzania’s LGAs” was carried out at Ilala, Kinondoni and Kigamboni Municipal Councils in Dar es Salaam Region. A review of the literature indicated that for several times LGAs in Tanzania has failed to attain VfM when performing procurement activities. In relation to this, this study sought to establish the effect of STDs, impact of ICT in procurement activities, relationship management/collaboration and institutional factors as the determinants of VfM in procurement of works in Tanzania’s LGAs.

To achieve these objectives, this study employed explanatory study to explain the relationship between variables. The study collected both primary and secondary data. Closed-ended questionnaire were used to collect primary data while secondary data was collected from published journals, reports and books. The study constituted fifty nine units sample which comprised members from PMU, engineering department, TB, accounts section, audit section, and ICT department. The study used quantitative method of data collection. In data presentation and analysis descriptive analysis with the help of statistical package for social sciences (SPSS) version 23.0 were used.

Factor analysis and regression analysis was employed for data reduction and assessing relationship between independent and dependent variables. The study found significant relationship between the language used in the STDs, cost of preparing STDs, ICT competence, trust, commitment, respect, political interference and community participation on VfM. However, the study failed to establish a significant relationship between the contents of STDs and ICT knowledge on VfM.

The study therefore recommended that in order for the LGAs and other public institutions to attain VfM in procurement activities they should make sure that they use simple and clear language to prepare STDs, also competent personnel should be used to prepare STDs in order to minimize unnecessary cost. Also the government should provide ICT knowledge building capacity to LGAs staff. Furthermore, first priorities should be given to the local contractors in works contract activities as the study revealed that it is easier to enter into relational governance with the local contractors rather than foreigners.

Lastly, procurement activities should be conducted in accordance with the existing rules and procedures, and that the function should be free from political or other interferences.

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CHAPTER ONE

OVERVIEW OF THE STUDY

1.1 Introduction of the Study

This chapter presents components of the dissertation that provide the context for the study. It includes background to the study, statement of the problem, research objectives and hypotheses, scope, significance and limitation of the study.

1.2 Background of the Study

Procurement is progressively recognized as a professional that plays a critical role in good governance as well as nation socio-economic development. This is because a large portion of the government budget spends in procurement process (Waniani, Namsonge & Lagat, 2016; Azanlerigu & Akay, 2015; Nurmand & Kim, 2015). It is projected that public procurement spent 70% and above of government budgets across Africa (World Bank, 2015). Wambui (2013) asserts that public procurement represents 18.42% of the world GDP. These figures stipulate that procurement is a crucial aspect in the economies for both developed and developing countries.

Today's governments all over the world have played an important role in reducing costs, time, and increasing quality of works by adopting modern procurement systems and increasing efficiency in procurement activities. This is because policy makers, managers, professionals, academicians and other stakeholders have recognized the role of public procurement in facilitating government operations towards economic growth, poverty reduction, improved health, infrastructure, education and other services (Bhabeshi & Pratap, 2017; World Bank, 2015; & Badaso, 2014). Because a very large amount of fund is spent in procurement process, the effective management is needed in order to ensure value for money (VfM) in government expenditure (Bathale, 2017; & Musanzikwa, 2013).

In recent years, the issue of VfM in procurement has received increased attention by both developed and developing countries as an essential aspect for economic development especially in works contract (McKevitt, 2015; De Mariz, Menard, & Abbaile, 2014;

Chekol & Tehul, 2014; Gigih & Duffied, 2014; AfDB, 2013). However, several studies revealed that VfM has not been attained in the public sector (Bathale, 2017; Amari & Boussabine, 2017; Kumar, Nair & Piecha, 2015; Watermeyer, 2013).

Value for money in public procurement addresses issues like inefficiency, corruption and other waste (Amarri & Boussabine, 2017; Sarmiento & Renneboog, 2016; Mwemezi, 2013). It is viewed as a crucial element for a good governance (Hazarika & Ranjan, 2017; McKevitt & Davis, 2016). The qualities of Standard Tender Documents (STDs) has been played a greater role in achieving VfM in many countries for instance in the United State of America (USA) the American Institute of Architecture (AIA) and the Associated General Contractors (AGC) has been prepared STDs for works to facilitate the achievement of VfM in procurement (Ameyaw, Adjei-Kumi, & Owusu-Manu, 2015).

This situation enhanced the Public entities (PEs) to recognize the concept of VfM because it is closely linked to economic growth and poverty eradication (Nsiah-Asare & Prempeh, 2016; & World Bank, 2015). Several governments across the global has been increasingly accepted the importance of VfM through better contracting, resource management, modern technologies and collaborative partnerships (Ameyaw *et al*, 2015; McCann *et al*, 2015).

According to World Bank (2015) and Zhen, Chen & Zhang (2014) in a global view, VfM in public sector is important because it facilitates economic growth through effective use of tax payer's money. Mohsin and Zhang (2013) establish that numerous projects in the United Kingdom and the Netherlands did not achieve their VfM. Furthermore, Amari & Boussabine (2017) argued that poor relationship among partners in works contract seems to be an obstacle for the achievement of VfM. Also Bathale (2017) added that several projects have not resulted VfM due to the time and cost overruns, quality issues and costly litigation.

Many developing countries have faced problems in works contract management which hinder the attainment of VfM. Most of areas of public procurement process have been

dominated with inefficiencies. For instance, the Kenyan government has lost hundreds of millions of tax payer's money through cancellation of contracts, unfinished projects, and poor relationship with the contractors/suppliers, corruptions and extended contract periods which also hinder the achievements of VfM in public procurement (Kibago & Mwangagi, 2014).

Also the government of Ghana, in consultation with its development partners, has identified the public procurement system as an area which required much attention in order to overcome problems such as contract variations, cost overruns, payment of uncompleted projects, failure to adhere to PPA guideline which also hinder the achievement of VfM (Nsiah-Asare & Prempeh, 2016; & Asakya, 2014).

Several studies and experience have shown that many African countries suffers from wastage of public resources due to weakness in public sector governance, high transaction costs, high prices, poor relationship management, lack of competition, inappropriate use of STDs and that these adversely affect economic growth and development (PPRA, 2017).

In Tanzania, efforts have been undertaken to ensure VfM in public institutions. The Public Procurement (Amendment) Act, 2016 provided that PEs shall, increase efficiency in public procurement by minimizing procurement transaction costs and processing time, procuring goods and services reflecting prevailing market prices, enjoy benefits such as bulk procurement accruing from use of standardized requirements, minimize corruption loopholes and increase accountability in procurement and to include special groups in procurement undertaking (URT, 2016).

Despite the efforts undertaken by several governments on procurement practices. The efficient handling of procurement of works contract in public procurement is still a challenge to many developing countries like Tanzania. For example, studies and audit reports by the PPRA and CAG respectively, show that several projects such as road construction, water projects and buildings project in Tanzania's Local Government Authorities (LGAs) is not performed to the extent that leads to non- attainment of VfM (CAG report, 2016; & PPRA, 2015).

According to the World Bank (2017) among the constraints to the achievement of VfM in many buying organizations are poor drafted contract, corruption, poor supervision, poor relationship management and lack of technology. Also the Public Procurement Regulatory Authority (PPRA) admits that many PEs are not managing their contracts properly and for many PEs the procurement process virtually “ends” upon award of contract. A lot of good efforts are spent up to the point of select a contractor/supplier without further questioning whether what is being delivered/performed is actually what is paid for (PPRA, 2015).

Procurement of works is an issue of strategic importance in the performance of LGAs as well as nation growth because it involves a lot of funds in the execution process. For instance, more than 60% of the total value of procurement done in the country used in the procurement of works (Aluonzi, Oluka, & Nduhura, 2016; Shirima, 2013& Daudi 2012). In this circumstances VfM is important in order to safeguard the public fund. Ameyaw *et al*, (2015) suggested that there is a need to investigate on the determinants of VfM. This study intends to assess the determinants of VfM in procurement of works based on the effect of STDs, the effect of Information Communication Technology (ICT), relationship management and the effect of institutional factors in the LGAs.

1.3 Statement of the Problem

Value for money refers to the optimum combination of “whole life cost” and “quality” to meet the customer or the end-users requirement of the procured goods, works or service under consideration and usually reflected in the price of the item procured (Nsiah-Asare & Prempeh, 2016). Ensuring VfM in public procurement is paramount because the sector attract corruption and other malpractices due to the huge sum of the funds that are spent in various procurement activities.

According to Mchopa (2015) several reports from PPRA show that funds have been wasted due to poor contract management practices which hinder the achievements of VfM in public institutions. For example the CAG report for the financial year ended 2014/15 the most barriers and challenges found utmost to all LGAs were poor information

dissemination, poor relationship management, poor record keeping, inappropriate use of standard tender documents, delay in payment of works executed by contractors and challenges with the law itself, lack of technical expertise involved in procurement activities, lack of enough competent and committed contractors and suppliers, lack of inadequacy fund due to highly dependency from donors (URT, 2015).

Nditi (2014) argued that most of PEs in Tanzania do not achieve VfM in their procurement process due to political interference with procurement duties specifically in LGAs, which also results to the selection of unqualified contractors/suppliers, poor documentations, irregularities, inappropriate use of bidding documents, late delivery/completion of the contract, fraud and other malpractices. Furthermore, Tukamuhabwa (2012) added that procurement processes in most of developing countries intervened with politics.

According to the CAG report on LGAs for the financial year ended 2015/2016, the failure to use appropriate STDs in procurement contracts results the inadequate competition in the procurement of works and services, which denied the LGAs to benefit from the most economic prices available in the market and at the same time affect the attainment of VfM in public procurement (URT, 2017). Also the annual performance evaluation report of 2016/2017, PPRA revealed that VfM in LGAs did not achieved in water projects funded by World Bank, total of 29 water projects worth 21.53 billion/- were reviewed (URT, 2016).

Rasheli (2016) argued that lack of simple Swahili-standardized tender documents and guidelines for procurement contract management in lower level LGAs (village and wards) is among the challenges for the attainment of VfM in local government authorities, it is also associated with poor accountability and a lack of competition, transparency and efficiency throughout public procurement chains.

In view of the above, this study intended to determine factors influencing attainment of value for money in procurement of works in Tanzania's Local Government Authorities based in selected LGAs in Dar es Salaam.

1.4 Research Objectives

1.4.1 General Objective

The general objective of this study was to determine the key factors influencing value for money in procurement of works in Tanzania's LGAs.

1.4.2 Specific Objectives

- i. To assess the effect of standard tender documents on value for money in procurement process in the LGAs.
- ii. To investigate the effect of information communication technology in procurement activities on value for money in the LGAs.
- iii. To determine if relationship management/collaboration in works contract promotes value for money in the LGAs.
- iv. To find out the effect of institutional factors on value for money in LGAs.

1.5 Research hypotheses

The study hypotheses was formulated based on the four (4) specific objectives with the assumption that;

H1: There is a significant relationship between the STD and value for money in Procurement process

H2: There is a relationship between ICT and value for money in procurement activities

H3: There is a positive significant relationship between relationship management and value for money

H4: There is a significant relationship between institutional factor and VfM.

1.6 Significance of the study

Good management of procurement of works helps the LGAs to increase efficiency and to improve performance. Also helps the Local government authorities to achieve all the

benefits that it expected to achieve in procurement contract for better performance. Therefore, the study is very useful in the following groups;

1.6.1 Government and Local Government Authorities

The study will help the government of Tanzania and policy makers to apply the suggested recommendations in order to increase VfM in LGAs projects as it is stated in the Public Procurement (Amendment) Act, 2016 “that the PEs shall, in their execution of their duties undertake to achieve the highest standards of equity, taking into account the need to obtain the best VfM in terms of price, quality and delivery. The study also improves understanding of the determinants of VfM in procurement of works in Tanzania’s LGAs based on the effect of STDs, the effect of ICT, relationship management/collaboration and institutional factors on VfM.

1.6.2 Non-government Organizations

The study provides the general understanding of the determinants of VfM in the procurement of works hence, it is very useful to the decision makers and other stakeholders in private sector as it enables to learn about the effect of standard tender documents, the use of information communication technology, relationship management and institutional factors on value for money.

1.6.3 Academicians

The study broadens the understanding of researchers, academicians, scholars and other interested parties mostly on the concept of VfM in the procurement of works. And lastly the study assists other scholars interesting in this field to carry out further researches in the same topic.

1.7 Scope of the Study

This study focused on the determinants of VfM in the procurement of works within the Local Government Authorities, specifically at Ilala, Kinondoni and Kigamboni Municipal councils based on the effect of STDs, the effect of ICT, relationship management and the effect institutional factors on VfM.

1.8 Organization of the Study

This study is organized into six chapters, chapter one introduced an overview of the study that includes details about the background of the study, statement of the problem, general objective of the study, specific objective of the study, significance of the study, scope of the study and organization of the study; Chapter two presents detailed literature review of the study, it includes; theoretical review empirical review, conceptual framework and hypotheses of the study; Chapter three concentrates on Research Methodology of the study in which all information related to the research design, area of the study, sample size, data collection methods, variable measurements and data analysis were presented. Chapter four presents' data findings and its analysis, chapter five presents discussion of the findings. The last chapter indicates the summary, conclusions and recommendations of the study.

1.9 Limitation of the study

The major limitation of this study was that some of the respondents did not bring the questionnaire on time and some of them did not bring back the questionnaire at all that is why the intended respondents did not attained. Only 89% respondents revealed a significant contribution to the study, these affect the generalization of the results to all Municipal councils studied.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews some of the available literature on the concept. The literature review aims to gather views from various authors on the issue related to the determinants of VfM in procurement of works. Sources like journals, books, reports and other relevant articles were reviewed. The part includes definition of key terms, theoretical review, empirical analysis, research gap and the conceptual framework.

2.2 Definition of Concept and Terms

2.2.1 Value for Money

The concept of VfM can be traced back since previous centuries before the advent of money as a medium of exchange. Several authors' defined VfM in number of ways; -

According to Nsiah-Asare & Prempeh (2016) VfM defined as the primary driver for procurement, it typically means obtaining an item or procuring of works, goods or services which reflect the value of the purchase costs that is "fit for the purpose" and meets specification.

Moralos & Amekudzi (2008) defined VfM as the best available outcome for the cost savings, benefits and appropriate risks allocation through a project lifetime which focusing on quality and competency to meet the public requirements.

Generally, for the purpose of this study VfM can be defined as the attainment of 5Rs in procurement (right quantity, right quality, right price, right place and right time) when undertaking procurement activities through a project lifetime to meet the public requirements.

2.2.2 Information Communication Technology

Information communication technology (ICT) is defined as a set of interconnected components that collect, process, store and distribute information to support decision making and control in an organization (Laudon & Laudon, 2014).

2.2.3 Procurement

Refers to the process of buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a PE and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation, award and management of contracts (URT, 2016).

2.2.4 Procurement of works

Means all activities associated with the construction, reconstruction, demolition, repair or renovation of a building, structure, road or airfield and any other civil works, such as site preparation, excavation, building, installation of equipment or materials, decoration and finishing (URT, 2016).

2.2.5 Procurement Contract

The Public Procurement Regulations (URT 2013) defined contract as an agreement made between a PE and a tenderer as a result of procuring proceedings. Procurement contract refers to any license, permit, or other concession or authority issued by a public body or entered into between a public body and a supplier, contractor or consultant, resulting from procurement proceedings for carrying out construction or other related works or for the supply of any goods or services (URT, 2011).

2.2.6 Public Procurement

Public procurement can be defined as the process by which an organization acquire goods, works or services using public funds. It includes planning, choices of procedures, solicitation of offers, examination and evaluation, award of contract and contract management (Nsiah-Asare & Prempeh, 2016; World Bank, 2015).

2.3 Theoretical Review

This section reviews theories that was guided the research study. Four theories namely; Transaction Cost Theory, the Resource Based Theory, Relational Contract Theory and the Institutional theory was discussed.

2.3.1 Transaction Cost Theory

The term Transaction Costs was first mentioned by Commons and then developed and extended to public awareness by Coase (1937) he summarizes that Transaction cost are those costs incurred by the company during an economic exchange. The theory adopted in this study with the aim of showing how the LGAs can attain VfM through the application TCT. The TCT can monitor costs in contract management so as to improve organization performance (Rindfleisch *et al.*, 2010).

Transaction cost can be viewed internally or externally. Withrelevance to this study, internal transaction cost includes all cost incurred by the PE in the pre-award of contract phase, itmay include not limited all costs associated with need identification, specification of the requirement, potential source identificationand selection. Externally Transaction costs are those cost incurred by the PE when dealing with the external party, in the

procurement of works this kind of cost can be seen during contracting phase and post award contract phase, it includes not limited all costs associated with exchange rate, supervision costs, variation costs, performance measurement costs, cost of reviewing whether each part fulfill its obligation, rework costs, and poor quality costs (Bremen *et al*, 2010).

According to Mchopa (2015) VfM can be achieved when the organization minimizes Transaction costs. Transaction cost arises every time when a new set of technological capability, maintenance and repair are required in order to adopt changes and to improve performance (Mkunga & Karanja, 2017). Also Otieno *et al*, (2013) argued that in the implementation process the organization may also incur Transaction costs while trying to achieve VfM for instance when the organization training their employees and improving of IT infrastructure for better performance.

In order to achieve VfM in procurement the government of Tanzania through the Public Procurement (Amendment) Act, 2016 emphasized on minimizing Transaction cost by requesting all PEs to increase efficiency in public procurement through employing bulk procurement, reducing processing time and procuring reflecting market price.

The determinants of VfM goes parallel with the use of Transaction cost theory, this is because the application of ICT in procurement activities results to the minimization of several costs such as transportation costs related to collecting information about numerous contractors/suppliers which can be done electronically.

2.3.2 Relational Contract Theory

This theory was mainly developed by MacNeil in 1980, it is based on the relationship between the parties involved in the contract. The theory contrasts legal formalism (Contractual governance) to a certain extent and is based on the assumption that all the contracts can fall along a relational range from discrete mere transaction to highly relational, although no contract can be totally separated from relational elements, the isolation of contract from relational context may affect the contract performance (Diathesopoulos, 2010).

According to Relational Contracts Theory, relations are governed by a set of common characteristics (norms) that play an important role in contract management such characteristics are trust, commitment, confidence, respect and values. The parties involved in the contract must be guided with such norms which will be developed by both parties. These norms may change over time, but are believed to occur as long as their continuance is valued. Trust in procurement contracts can be seen as an important source for the achievement of VfM because through trust each party in the contract will be able to perform his/her responsibility on time as indicated in the contract which resulted to organizational performance (Kumar & Markset, 2007 & Wong et al., 2005).

The practice of relational elements in the procurement of works may facilitate the achievement of VfM. For instance, the current President of the United Republic of Tanzania, Dr. John Pombe Joseph Magufuli said that in recent years the foreign firms' contractors did not aided growth of the country's economy, and that they contained many loopholes that led to lose of public funds. This is because such contract is based more on contractual governance rather than relational governance, based on this fact the President restated his long held view that local contractors should be given priority whenever opportunities become available because it is easy to enter into relational contract with them (PPRA, 2017).

Relational Contract Theory is connected to the study specifically to support the objective whether relationship management/collaboration in procurement activities promote the achievement of VfM. Mutual trust, commitment, and respect are among the measures to determine whether the relationship management/collaboration between the LGAs and their contractors/suppliers results to the achievement of VfM in the government.

2.3.3 Resource Based Theory

The Resource Based Theory founded by Penrose 1959 based on how firm can obtain competitive advantage through utilization of available resources that are unique. Beth *et al.*, (2003) suggested that internal resources plays a greater role to the successes and

performance of most organizations both private and public organizations. Resources such as financial, physical, human, technological, reputation and compatibilities-the combination of two or more resources play a significant role on the achievement of VfMin procurement and supply chain management(Pearcy & Giunipero, 2008).

Based on this theory,organizational internal resourcesinclude employee's skills, ICT competencies, administrative knowledge, good organization structure and policy.VfM can be obtained through the application of internal resources of the organization. For example the availability of financial resources may leads the PEs to pay their contractors on time, and better salary to their employees which have a greater impact on the performance of the organization(Kakwezi & Nyeko, 2010).Also the availability of human resources (like employee skills, experiences, judgments and relationships among them) and technological infrastructure (hardware and software) facilitate the achievement of VfMin the sense that the right people will manage and supervise contract effectively with the assistance of technological infrastructure(Puschmann & Rainer, 2005).

2.3.4 Institutional Theory

The Institutional theory was suggested by DiMaggio & Powell in 1983 with their views that organizations are not isolated with meaning that does not exist in a vacuum but they interact with surrounding social systems to achieve its mission and objectives. It states that organizations together with their strategies are influenced by institutional settings in which they operate and shaped to reflect the culture and policy of the particular authority or society (Doy & Guay, 2006). The institutional theory tried to emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance (Carter, 2006).

An institutions are the organizations that set up formal laws, regulations and standards in which other organizations and individuals should follow. According Deegan (2014) and Lisa (2010) an institution encompasses regulative, normative and cultural cognitive elements that together with the associated activities and resources provides a meaningful social life. The normative refers to the norms and values that gives ethics to the individual,

cultural cognitive refers to the shared understanding such as beliefs and symbols (Nguyen & Watanabe, 2017) and on the other hand of regulative refers to the rules, laws and other associated sanctions. In Tanzania, Public procurement is guided by the PPA of 2011 and PPR of 2013, which reviewed time to time depending on the circumstances. For instance currently the PPA 2011 amended to PPA 2016 (URT, 2016).

The determinants of VfM goes parallel with the application of institutional theory in the following ways; first contractors/suppliers should comply with the procurement laws, regulation and guidelines to ensure efficiency. Second the institution is normally surrounded by social systems such as political, economic, technological and other social activities, this social systems tends to impact the performance of the organization in one way or another for instance Nditi (2014) described that many public institutions failed to achieve VfM due to the interference of political activities in LGAs. Therefore, the theory is appropriate to identify institutional factors and its impact on the achievement of VfM in the LGAs.

2.4 Review of Variables

This section reviews what other scholars have been said on the determinants of value for money. The study aimed to determine factors influencing attainment of VfM in works contract in the LGAs.

2.4 1 Value for Money in LGAs

The LGAs finances the development projects and activities by using its own resources revenue and grants from government and donors. Regulation 4(1), (2) (a) & (b) and (5) (1) of PPR, 2013 requires PEs to ensure the best use of public funds with honesty and fairness whilst conducting procurements for the achievements of VfM. For instance during the financial year 2015/2016 the LGAs executed various development activities and projects which was financed by Local development capital funds, Urban Local Government, Development for International Development, Tanzania Social Action funds, Water Sector Development program and road fund (URT,2016).

The CAG report for the financial year ended 2015/2016 revealed that the implementation of development projects worth TZS 15,048,767,538 in 14 lower level LGAs (villages and wards) did not start though the funds had already been received by the respective LGAs. Delay in implementation and completion of projects may lead to the increase of implementation cost due to rise of construction materials and other associated costs hence non-attainment of VfM in LGAs.

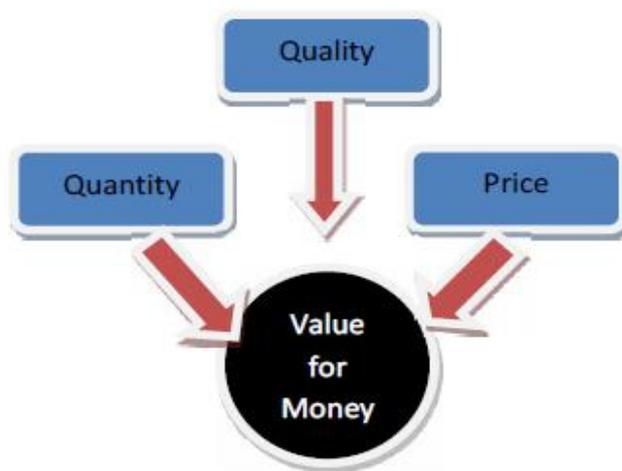
Also it found that more than 20 Municipal Councils including Ilala and Kinondoni MC did not manage and monitor development projects to the required extent contrary to the laws, regulations and specified standards in Bill of Materials (BOM) which results in the non-attainment of VfM (URT, 2016). Mamiro (2010) proposed that, lack of appropriate procurement skills and incompetence among managers and staff entrusted with public procurement activities including contract management have been pointed out as some of the impeding factors, rigid rules regulating public procurement systems further complicate the challenge and may render the achievement of VfM in public procurement.

The PPRA (2017) provided that PEs are responsible for ensuring the highest possible quality of works, goods and services to the public on the basis of best VfM. Also the regulation 243 of Tanzania PPA No.7 of 2011 requires PEs to be responsible for effective management of any procurement of works contract which is undertaken in accordance with the terms of each contract. A good procurement contract helps the PEs to achieve all the benefits that is expected to achieve when contracting (Daudi, 2012).

Value for money in public procurement is attained through pursuing the lowest whole of life cost, awarding contract to the right contractor, managing relationship, clearly describing the relevant benefits and delivering on time, utilizing public funds effectively, increasing transparency and accountability in procurement process (Nsiah-Asare & Prempeh, 2016). Mchopa (2015) and Shiwa (2014) specified that ensuring the right people to the right place, feedback and communication mechanisms, payment and incentives are among the determinants factors for the achievement of VfM. Zhenget al, (2014) added that timely preparation and completion of public works are the key determinants of VfM.

Value for money means the best available outcome when all available benefits (such as quality, cost and time) are considered over the procurement cycle. The Public Procurement (Amendment) Act, 2016 defined VfM as the basic principle underlying Public Procurement, obtained by balancing the quantity, quality, price and time delivery when performing procurement activities as shown in figure 2.1 below (URT, 2016).

Figure 2. 1 Value for money



Source: Mlinga, (2007).

Cost saving, timely completion of works and quality improvement are the indicators of VfM in procurement of works. In order for the organization to achieve VfM these indicators should be attained as well as social economic development and national economic growth (Sarmiento & Renneboog, 2016); (Hazarika & Ranjan, 2017). It is the

responsibility of each PEs to perform procurement of works to the required quality, at the right time and with the right cost/price (URT, 2016).

2.4.2 Standard Tender Documents and Value for Money

The standard tender documents (STDs) are the documents containing information relevant to the contract. Laryea (2011) defined tender document as all the relevant information about the proposed contract includes instructions, rules, conditions and other of same supplied to the bidders which will enable them to price the work as accurately as possible, by taking into account all the requirements of the proposed contract.

The purpose of STDs is to provide PEs with one common standard draft containing basic contractual provision and safeguard which are required by the government of Tanzania in the execution of public procurement in the use of public funds for the achievement of best VfM. According to the PPR S. 184 (3) a PE shall use appropriate STDs issued by the authorized body (PPRA) to address specific issue of a project in accordance with guidelines issued by the authority (URT, 2013).

The clear the STDs the more unnecessary cost will be minimized in tendering process (World Bank, 2014). By considering this the PPRA prepared a format of STDs to all PEs instead of each PE to prepare its STDs (URT, 2016). PPRA have been already prepared uniformly STDs as a means of minimizing cost in procurement, apart from that the STDs provide each bidder with common data in sufficient details to suit the circumstances of the contract which leads to increase competition in public procurement.

According to the Word Bank (2015) the major problems in procurement of works are poor drawings, poor specification and bill of quantity, inappropriate information impracticable design, poorly arranged and uncoordinated information which hinder the achievement of VfM in one way or another. All this may lead to inaccurate estimation, high cost and rise of disputes (Laryea, 2011). According to Adema (2014) the STDs should be stated in simple language in order to avoid wrong interpretations by the other parties interested to undertake procurement processes which also may become an obstacle for the achievement

of VfM in procurement process. Without a precise preparation of STDs it would be difficult to obtain VfM in LGAs (Laryea, 2011).

The study done by Rashel (2016) on contract management in Tanzania local government authorities. She collected data from five LGAs in two Region namely Tanga and Kigoma and found that lack of simple Swahili-standardized Tender Documents, poor accountability, lack of competition, transparency and efficiency are among the challenges facing LGAs in the process of achieving VfM. The inadequate documentation in works contract impact the attainment of VfM. The financial year ended June 2016 revealed that more than 21 LGAs lacked some important information/documents in their contracts which also affect the achievement of VfM in the LGAs (CAG report, 2016).

Mchopa (2014) suggested that in order to ensure the best VfM in works contract all the necessary contents must be prepared by the competent personnel. Based on that the World Bank (2014) and the International Federation of Consulting Engineers (FIDC) provided that some of the general and specific terms and condition in works contract includes payment, applicable law, bid security, performance security dispute settlement, statement of requirement, standards, and mode of delivery, liquidated damages, contract termination. The main aim of this contents is to achieve VfM.

The PPR of 2013 identified the structure of STDs for works that divided into separate sections of which PEs are required to use all sections in the procurement process in order to achieve the best VfM in public procurement. Such sections include invitation to tender, instruction to tender, tender data sheet, general condition contract, special condition contracts, specifications and statement of the requirements, drawings, bill of quantity, security forms and integrity.

Figure 2. 2Structure of STDs for procurement of works issued by PPRA.

SECTIONS	DESCRIPTIONS
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Section I: Invitation to Tender (IT)	The section provides relevant information (official communication) that enable the contractors to decide whether to participate or not. It include specific work/ project, deadline for submission and how STDs should be obtained.
Section II: Instruction to Tender (IT)	The section provides relevant information to help tenders prepare their responsive tenders in accordance with the requirement of the PE. It includes scope of the work, source of funds, eligibility, cost of tendering, information about STDs and evaluation.
Section III: Tender DataSheet	Consist of provisions that is specific for procurement and that supplement the information included in section II.
Section IV: General Condition of Contract	The section contains the general process to be applied to all contract. It includes definition of the key terms, interpretation of terms, method and channel of communication during contract execution and language to be used in the contract
Section V: SpecialCondition of Contract	The section contains clauses specific to each contract that modify or supplement section IV.
Section VI: Specifications & StatementofRequirement	The section contains the specification required for the specific works which must be provided/prepared by user department in cooperation with PMU.
SectionVII: Drawings	The major part of specification in procurement of works. Its purpose is to specify location and materials to be used, and it is prepared by the architecture.
Section VIII: Bill ofQuantity	The section specify the quantity of materials and labor's to use in a particular works/projects and it is prepared by the quantity surveyor.
Section IX: Activity Schedule	The section shows the various activities to be performed together with starting date and completion. In woks contract some activities can run parallel while other start after the accomplishment of other activities.
Section X: Forms	The section provide the forms of tender which must be filled out by each tenderers and their qualification information.
Section X: Integrity	This section contain code of conduct and compliance programme which should be submitted by each tenderers. Failure to conform to this section leads to disqualification.

Source: PPRA(2016).

In order to attain the first objective of this study as presented in chapter one thefollowing hypotheses was formulated based on the assumption that;-

H1a: There is a significant relationship between the language used in STDs and VfM

H1b: There is a significant relationship between the costs of preparing STDs and VfM

H1c: There is a significant relationship between the contents of STDs and VfM

2.4.3 The effect of ICT Infrastructure on VfM in Procurement Process

The use of ICT in procurement process have received a great deal of attention and this is because the use e-procurement has shown several advantages in public sector such as reduced cycle time, cost savings, improved transparency and improved efficiency (Baldi & Vannoni, 2017; Waigwa & Njeru, 2016; Okello& Rotch, 2015; Svidrono & tomas, 2015). Now days there is no organization can compete in the market without adopting ICT. This is because the use of ICT improves organizations performance as well as economic growth and VfM (UN, 2015). Bedaso (2014) added that ICT cannot be ignored in the process of facilitating successful and efficient management of the procurement of works.

The Government of Tanzania has not realized VfM sufficiently in various procurement contracts due to lack of efficiency, integrity and transparency and explained that embracing the use of ICT system in procurement could go a long way in addressing attributed to the manual procurement system (PPRA, 2017).

According to Omwenga and Rehan (2017) electronic procurement is faced with several challenges which prevents organization performance, such challenges includes deficiency in employee commitment, inadequate organization resources including insufficient funds and shortage of technical knowhow, unsupportive legal framework, incapable suppliers, shortage of technical support, security of data transaction, poor network infrastructure and unstable power supply.

In this matter, the government of Tanzanian through PPA of 2011 and its Regulation of 2013 provide a loop to public institutions to implement e-procurement in the country. PPR of 2013, S. 340-368 provide a procedures or steps for conducting e-procurement that includes e-advertisement, online uploading tender document, clarification, online tender opening, e-evaluation and award. In making this more effective the government of Tanzania play a greater role to embrace modern systems in procurement as to tool for the achievement of VfM (URT, 2013).

Also, PPRA has introduced Procurement Management Information System (PMIS) to all PEs in order to share different information's relating to procurement matters (Sijaona, 2010). PPRA website act as the main indicator of e-procurement implementation, where contractors can view all tender available, access to information concerning the award of contracts from different PEs and PMIS, the system enables e-checking and e-monitoring of procurement processes through PPRA tender portal.

The application of ICT in procurement process particularly in the LGAs may improve performance in the use of public funds. The question is that employees are they competent to handle PMIS? Apart from the ability to reduce the costs, paper work, and cycle times the use of ICT can enhance the integration both within the firm and across the entire supply chain; (Muriithi, Waiganjo, & Chepngetch, 2016).

Masiyioi (2016) argued that the application of ICT needs skilled and knowledgeable personnel to operate and most buying organizations failed to apply e-procurement because employees are not familiar with the ICT knowledge. Also Mohamad & Christian (2017) argued that poor technological infrastructure affect the application of e-procurement which also impact the achievement of VfM. In order to investigate the effect of ICT in procurement activities as presented in chapter one the hypotheses was formulated on the assumption that;

H2a: There is a significant relationship between ICT competency and value for money

H2b: There is a significant relationship between ICT knowledge and value for money

2.4.4 Relationship management/collaboration and value for money

A relationship is a connection or association between one party and another¹. Relationship exist when individuals, groups, organizations within and outside to an enterprise interact. The kind of relationship that exist between the parties has impact on the way a contract can be managed (Eom, Kim, & Jang, 2015). The main aim of forming a relationship is to secure mutual benefit and add value to both part in a contract. Now days there is no

¹<https://ist.ualberta.ca/sites/default/files/Definition-of-Relationships-at-the-University-of-Alberta.pdf> Accessed at November 2, 2017.

community can exist without interacting with neighbors (Mwai, 2013). Effective contract is the one that deal with the relationship between the two parties in the contract, and must be viewed with a professional eye (PPRA, 2018).

In the process of managing procurement of works, it is important to establish effective working relationship between the parties. Collaboration is expected to offer VfM at lower cost to PEs (Ameyaw, Adjei-Kumi, & Owusu-Manu, 2015). The reason for collaboration has shifted from borrowing to the achievement of VfM (Manguire & Malinovitch, 2004). Meng (2012) identified different kind of relationship that can exist between the client and contractor depending on the nature of contract which include adversarial (short term) relationship and collaborative (cooperative) relationship.

The study done by Basheka & Byaruhanga (2017) on the Contractor monitoring and performance of road infrastructure projects in Uganda revealed that lack of commitment, awarding of contract to the incompetent contractors, unable to complete work in time, unexplained delays in processing contractors payment are among the factors which continue to lost the billions of tax payers' money which also hinder the achievement of VfM in public institutions, also it is associated with the lack of commitment among the parties.

According to McCord & Gunderson (2014) trust is a central aspect for relationship continuity. Trust in works contract is an important aspect in order for the parties to attain what was expected to achieve. Several researcher and scholars argued that the nature of relationship between the client and contractor have a negative/positive impact on the organization performance depending on the kind of relationship (Aluonzi *et al*, 2016; Okunlola, 2015; & Rotch, 2014).

Ross and Goulding (2007) argued that relationship management between client and contractor must support the attainment of mutual interests especially the parties must agree to behave responsively rather than seeking individual gains. Trust between the organization and contractor had a substantial effect on works contract (Pross & Benon, 2014).

Kibago and Mwangagi (2014) argued that not every relationship can facilitate the performance of the organization and achievement of VfM, only mutual trust between the parties may influence the success. They continued that failure to formulate contract management team, and to define the role and responsibilities of the parties in works contract are among the indicator that there is no mutual trust among the parties in the contract.

Sharing of knowledge and information among the parties in works contract may influence success in works contract (Wieteska, 2016). Based on that some scholars identified commitment as one among the key element to the success of works contract which also results to VfM (Rahman *et al*, 2015).

Hasson and Longiva (2014) suggested that commitment can influence other criteria such trust, openness, accountability, and effective communication to build collaborative relationship among the individuals in works contract. Lack of commitment among the parties involved in works contract may affect firm performance (Barasa et al, 2015).

Loice (2015), carried the study with the objective to establish the effect of buyer-supplier/contractor relations on procurement performance in public sector. The findings revealed that commitment, communication, cooperation and trust has a positive and significant effect on procurement performance. Hence high level of commitment, trust, communication and cooperation between the parties in a contract enhance the attainment of VfM. The study therefore recommends that there is a need for the public sector to have a collaborative relationship with their contractors in order to improve performance.

The collaborative relationships take time and effort to develop and are associated with more strategic procurements. However, the parties involved in contract management, forms collaborative relationships in order to seek the way to add value for the ultimate benefit among them, also they usually look for improvements and innovations, secure knowledge, jointly set targets for improvements in cost and quality (Eom *et al*, 2015; Biraori & Nyamasenge, 2015). In order to determine if relationship

management/collaboration promoted value for money in the LGAs the following hypotheses was formulated on the assumption that;

H3a: There is a positive significant relationship between trust and value for money

H3b: There is a positive significant relationship between commitment and value for money

H3c: There is a positive significant relationship between respect and value for money

2.4.5 The effect of Institutional Factors and VfM

The institution is the organizations that prepare formal laws, regulations, policies and guidelines in which other organizations and individuals should follow. The organization comprises of cultural cognitive, and regulative cognitive (Chan & Kumar, 2010).

According to Schapper, Malta, & Gilbert (2006) public procurement interfered with politics for several times, which affect its performance and the overall achievement of VfM. This is also supported by Pillary (2004) who argued that most of the senior officials and political leaders interferes public procurement for private gaining such as facilitating the award of contract to their fellows or to their own companies which results to the unavailability of transparency and fairness.

The development project worth 32, 592, 949, 271 TSH in 29 LGAs delayed due to various reasons such as inadequate supervision, late release of funds and inadequate community participation (URT, 2017). Based on this the government addressed the use community participation to implement various projects in order to ensure cost effectiveness and VfM in works (PPRA, 2018). To find out the effect of institutional factors on VfM the following hypotheses was formulated on the assumption tha;

H4a: There is a significant relationship between political interference and value for money

H4b: There is a significant relationship between community involvement and value for money

2.5 Research gap

Despite the initiatives of the government to achieve VfM in public procurement, still a big challenge in the procurement of works although several studies has been done concerned with VfM, no study has been conducted to assess the effect of standard tender documents on value for money in procurement process, also very little has been done on the impact of

ICT, relationship management/collaboration and institutional factors on VfM in procurement process (Suleiman, 2015; Mchopa, 2015; Kasembe, 2014; Shiwa, 2014; & Daudi, 2012. The study will uncover this knowledge gap by assessing VfM in Tanzania's LGAs.

2.6 Conceptual Framework

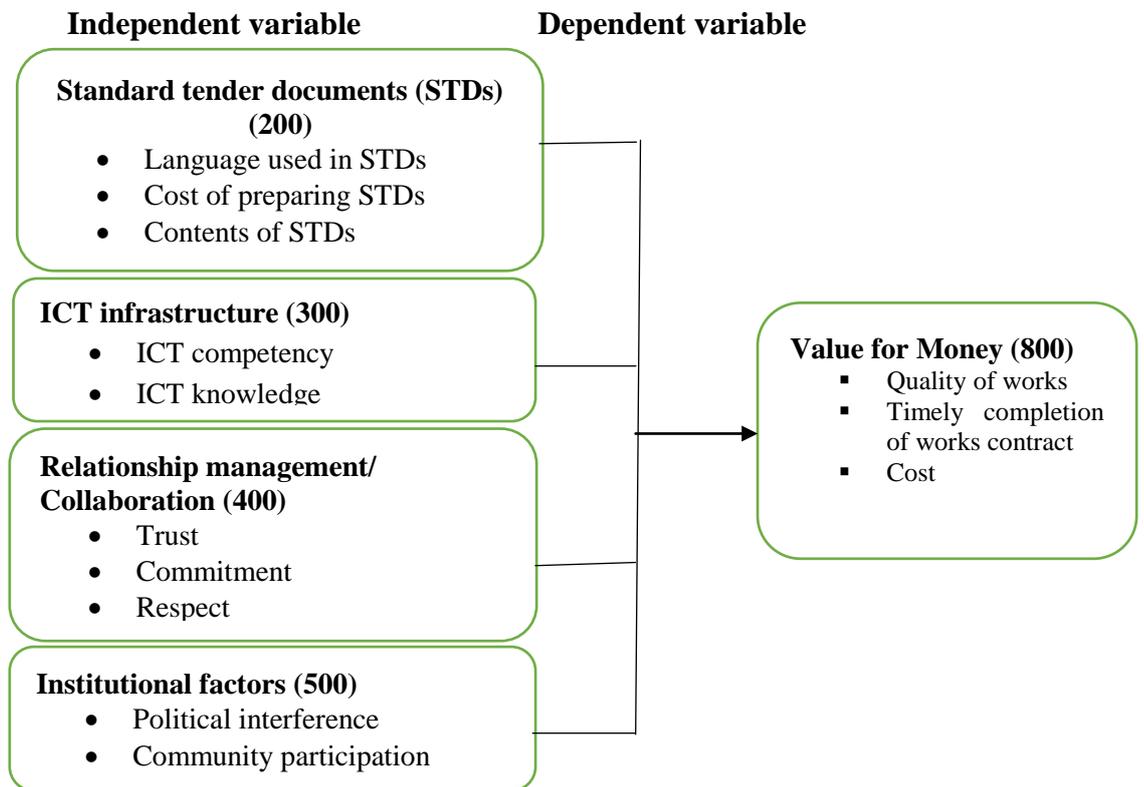
The conceptual framework explains the relationship between the independent variables and the dependent variables. Young (2014) a conceptual framework is a diagrammatic on the representation that shows the relationship between dependent variable and independent variables of a study. In this study, the framework is based on variables that influence value for money in Tanzania LGAs.

The independent variables under this study is categorized into four categories namely; the effect of standard tender documents, the impact of ICT infrastructure, the relationship management/collaboration of parties in the contract and the impact of institutional factors. This category together with their elements in one way or another may or not influence the achievement of VfM in the LGAs.

Under the effect of standard tender documents category the research presents cost of STDs, language used in STDs and contents of STDs as a variables; for the impact of ICT infrastructure category the researcher presents ICT competency and ICT knowledge as a variables and for the relationship management/collaboration category the researcher introduces trust, commitment and respect as the variables whether they influence VfM or not and lastly, for the impact of institutional factors the researcher presents political interference and community participation as the variables.

On the other hand, VfM stand for dependent variable which also includes quality, cost and time as the indicators for the VfM which also depends on the effect of standard tender documents, the impact of ICT infrastructure, relationship management/collaboration between the parties involved in a contract and the impact of institutional factors. The illustration of the variables for this study is shown in figure 2.2

Figure 2. 3: Conceptual framework



Source: Researcher, (2018).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describe how the research was done. The research methodology provides the logic behind the methods that the researcher used in the study together with the explanation of the particular techniques (Kothari 2004). It includes some explanation concerning the study design, area of the study and the reasons for selection, study population, units of analysis, sample size and sampling techniques, types and sources of data, data collection methods, data validity, data reliability, variables and their measurements, and data analysis methods.

3.2 Research Design

Research design is a roadmap which determines the best way to reach the destination, it is needed because enable to facilitate research operations (Kothari 2004).It is compared with an architect designing a building (Hakim, 2000). A research design provides a procedures necessary for getting the required information to solve the existing research problems (Malhotra, 2004).Sounders *et al*, (2009) classified research design into three types based in terms of purpose of the study; exploratory, explanatory (causal) and descriptive.

- i. Exploratory - that are in the form of initial study conducted to clarify and define the nature of a problem that can be used as a basis for formulating questions that are more specific and does not provide conclusive evidence.
- ii. Explanatory (causal) - aimed to describe the situation regardless what happens by explaining the relationship between variables through testing whether one variable causes another.
- iii. Descriptive - provides what is going on through the use of theory generation and means for initiating change.

In this study explanatory research design was employed, since the purpose of explanatory study is to explain the relationship between variables. Explanatory study is emphasized when it became necessary to indicate that one variable causes or determines the value of other variables (Sounders *et al.*, 2009). The major concern of explanatory research is to know how one variable affect another variable (Jamal & Kamuzora, 2008). The intention of this study was to determine the factors influencing attainment of VfM in procurement of works in Tanzania's LGAs based in Dar es Salaam region.

3.3 Study Area

The study was conducted at Ilala MC, Kinondoni MC and Kigamboni MC, in Dar es Salam region. The areas of study have been selected due to the fact that for several time the audit report conducted by CAG and PPRA, and procurement journals showed that

many LGAs failed to attain VfM when performing procurement activities especially in the procurement of works. For instance, on the financial year ended 2015/2016 fifty (50) LGAs equivalent to 29% did not comply with the requirement of PPA on the process of managing works contracts (URT, 2016). Therefore, Ilala MC, Kinondoni MC and Kigamboni MC, is selected as a study area because it is among the LGAs that struggle to achieve VfM in the use of public fund for the public procurement in works contract. Thus, it was easy to access data on the assessment of VfM.

3.4 Study Population

The population is the entire group of organizations, people, events, or things of interest that the researcher wishes to investigate. Kombo & Tromp (2006) defined population as a group of individuals, objects or items from which samples are taken for measurements. The targeted population for this study was 219 employees from procurement department, engineering department, ICT department, accounting department, internal audit section and other relative sections from Ilala MC, Kinondoni MC and Kigamboni MC. This is because the mentioned departments are the main stakeholders involved directly in the procurement of works in the respective councils. Their involvements assist them to provide potential information on the determinants of VfM in LGAs.

3.5 Units of Analysis

The unit of analysis represents the objects about which generalizations are made based on analysis. Based on this fact, theories were also used as a unit of analysis in this study. The unit of analysis can be individuals, groups, organizations and geographical area. The unit analysis of this study is the institutions (LGAs) and since the researcher collected data from the selected LGAs which were provided by the respondents, the unit analysis was the individuals in the particular LGAs.

3.6 Sample Size

Kothari (2004) define Sample size as the number of items selected from the population to represent the population studied. It is drawn from a population with the aim of estimating characteristics of the population. The size of the sample should neither be excessively large nor should too small, it be optimum. An optimum sample should be one which fulfils the requirements of efficiency, representativeness, reliability and flexibility. Stutely (2003) advised that for a statistical analysis research a minimum number of 30 as a sample size is suitable. Statisticians have also shown that a sample size of 30 or more are normally result in a sampling distribution for the mean that is very close to a normal distribution(Sounders *et al*, 2009;Mugenda & Mugenda, 2008). Borg& Gall(2003)suggested that 30% of the targeted population is enough for the sample size.

Also, other conditions that influenced the researcher to opt sample instead of the whole population are budget constraints, time availability, and access to data where only individuals with key information were selected (Sounders et al, 2009 & Malhotra, 2004).Therefore, based on this the researcher selected 66 respondents from target population comprised employees from Ilala MC, Kinondoni MC and Kigamboni MC located in Dar es Salaam region.

Table 3. 1Target population and Sample size

Section	Target Population	Sample Percentage	Sample size
Procurement Management Unit	57	30%	17
Engineering	48	30%	14
Tender board	17	30%	5
ICT	25	30%	8
Accounting	29	30%	9
Auditing	20	30%	6
Other department users	23	30%	7
Total	219	30%	66

Source: Researcher, (2018).

3.7 Sampling Technique

According to Kothari (2004) there are basically two types of sampling techniques; namely Probability and non-probability sampling. The purpose of sampling technique is to minimize the possibilities of bias. Probability sampling it is also known as ‘random sampling’. Under this kind of sampling every items in the population have equal chance of being selected in the sample, while non-probability sampling there is no guarantee that every element in the population has a chance of being selected.

For the purpose of this study, both probability and non-probability sampling techniques were used for those selected Municipal councils. Random sampling technique employed in order to obtain information from those departments which its activities had intervening with the procurement of works, while under non-probability sampling, purposive sampling employed in order to acquire information from relevant personnel with respect to the objective of the study, the process was handpicked due to the fact that they are informative and possess the required characteristics (Sounders *et al*, 2009).

3.8 Types and Sources of Data

Both primary and secondary data were used in this study. Primary data were collected through the use of questionnaires. The secondary data were collected through documentary review, including both published and unpublished documents, such as procurement journals, report, books, papers and dissertations.

3.9 Data Collection Methods

Data collection process requires the systematic techniques in order to gather the required information depends on the study. The use of data collection methods in a research depends with several factors. Such factors may be nature of the study, and types of data needed (primary/secondary) (Kothari, 2004 & Malhotra, 2004). The collected data must be able to answer the research study, namely assessing the determinants of VfM in

procurement of works in Tanzania's LGAs. The questions formulated based on the literature review and previous questions of the same/related studies. The commonly used methods in data collection includes questionnaire, interview, observation, experiments and documentary review. In this study, questionnaire method was employed.

3.9.1 Questionnaire Method

The choice of questionnaire determined or influenced by a variety of factors related to the research question(s) and objectives as described by (Sounders *et al*, 2009; Lacobucci & Churchill, 2009) such factors includes;

- Characteristics of respondents from which the researcher wants to collect data.
- Size of sample the researcher wishes to study.
- Type of question the researcher need to ask to collect data
- The contents of each question
- The importance of reaching a particular person as a respondent

In this study, closed-ended questionnaire were employed. Closed-ended questions provide a number of alternative answers by which a respondents are required to choose, this kind of questions is quicker and easier to answer as they required minimal writing also its response are easier to compare (Dillman, 2007).The researcher decided to use this method because it is cheap, simple, and free from bias, and it gives responds enough time to reflect on the questions and provide an efficient way for collecting responses from a large sample (Kothari 2004). The sample questions attached on appendix I.

3.10 Data Reliability and Validity

The most effectively techniques used in data collection gives the relevant and correct information to the study. Validity and reliability has a greater importance within the research methodology also it is an important measurement for obtaining meaningful results (Kothari 2004).

3.10.1 Data Reliability

The term reliability refers to the extent to which the data collection techniques or analysis procedures produces the consistent results each time under the same condition with the same subjects (Easter-Smith *et al*, 2008 & Creswell, 2003). The goal of reliability in the study is to minimize errors and biases (Yin, 1994). There are three ways of assessing reliability;

- Test-retest – the same instruments is given to the respondents at two different time. The result from the first time are compared to the second time to determine how well the instrument consistently produce the same result.
- Alternate form reliability – different worded forms used to measure the same attribute (the researcher may decide to change the word but the same meaning to see if yield the same results).
- Internal consistency–applied when several questions used to measure one concept. For example, when the question is asked on a scale from strongly disagreed to strongly agree.

In this study, in order to ensure reliability, the correlation coefficient (r) or Cronbach's Alpha (α) were employed to measure the reliability as shown in chapter four that the reliability test results for each the four (4) independent variables are all above .70. The higher the coefficient, the more reliable the instruments. The general rule is that α above .70 considered reliably, α above .60 is probably reliable and α below .60 considered not reliable (Sounders *et al*, 2007; George & Mallery, 2003).

3.10.2 Data Validity

A good measure must not only be reliable, must also be valid. Blumberg, Cooper, & Schindler, (2005) defines validity as the extent to which an instrument is measured what is supposed to measure. In this study, it is also important to examine whether the instruments measured what is supposed to measure on the determinants of VfM. Kothari (2004) described three types of validity;

- Criterion validity–these refers to the extent to which a measure “appears” to measure what is supposed to measure. This kind of validity cannot tell how well the measurement procedure measures what is supposed to measure, it is subjective.

- Content validity – assessed to determine whether the study covers the full range of dimensions related to a concept. Experienced people or expert can be consented to judge the questions on how they well cover the range of dimension related to a concept in order to determine the validity.
- Construct validity – assessed by studying the relationship between the measure of a construct and score on measures of other constructs, its purpose is to determine whether the data fit well with other measures of similar theoretical concept.

In this study, in order to ensure validity content validity was adopted in order to cover full range of dimensions related to the determinants of VfM in procurement of works. This type of validity adopted through discussion by experienced people/experts in research which resulted to professional questionnaire, also clear extraction from the existing theory and modification of previous questionnaire were performed to ensure validity.

3.11 Variables and their Measurements

This study includes both dependent and independent variables. Dependent variable depends on the variability of independent variables. VfM is the dependent variable, while the independent variables include language used in STDs, cost of preparation STDs, contents of STDs, availability of ICT infrastructure, and availability of skilled personnel on ICT, trust, commitment, respect, political interference and community participation. This variables (independent) will be used to ascertain whether they influence the VfM in the procurement of work in Tanzania’s LGAs.

Table 3. 2 Variables and their Measurements

Research objectives	Variable	Measurement of Scale
i. To assess the effect of standard tender documents on VfM in procurement process in the LGAs.	<ul style="list-style-type: none"> • Language used in STDs • Cost of preparation STDs • Contents of STDs 	Likert Scale

ii. To assess the impact of ICT on VfM in procurement activities in the LGAs.	<ul style="list-style-type: none"> • ICT competency • ICT knowledge 	Likert Scale
iii. To determine if relationship management/Collaboration in procurement activities promotes VfM in the LGAs.	<ul style="list-style-type: none"> • Trust • Commitment • Respect 	Likert Scale
iv. To assess the impact of institutional factor on VfM in the LGAs.	<ul style="list-style-type: none"> • Political interference • Community participation 	Likert Scale

Source: Researcher, (2018).

On the measurement of scale, likert scale was used to represent people’s attitudes on the determinants of VfM in procurement of works. Where 1 stands for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree.

3.12 Data Analysis Methods

Kothari (2004) defined data analysis as the computation of certain measures along with searching for patterns of relationship that exist among data groups. This study employed quantitative method of analysis. The quantitative applied when data collected and processed analytically (Creswell, 2003). In additional the quantitative method is suitable to use when the sample data used to generalize the population by finding patterns (Sounders *et al*, 2009).

The data were collected and analyzed using quantitative data analysis. Descriptive analysis was used to analyze qualitative data especially for the background information data. Data collected were coded and analyzed through the use of Statistical Package for Social Science (SPSS) version 23 software.

On testing hypotheses, the researcher used regression analysis to examine whether there is existence of association between the two variables “independent and dependent”. However, prior to perform regression analysis, factor analysis performed first in order to reduce data from large group into small interrelated data for further analysis as was acknowledged by (Sounders *et al*, 2007). Also correlation analysis was performed to

describe the strength of relationship between variables of the study (Ndeto *et al*, 2016). According to Pallant (2010) the value of coefficient correlation range from -1 to 1 implies that coefficient correlation of 0 indicate no relationship at all, coefficient correlation of 1.0 indicate a perfect positive correlation and -1.0 indicate a perfect negative.

The following regression model was performed based on the four (4) independent variables.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4;$$

Where;

Y = VfM

β_0 = Constant factor

X_1 = STD

X_2 = ICT

X_3 = Relationship management

X_4 = Institutional factors

$\beta_1 - \beta_4$ = Coefficients of the model

CHAPTER FOUR

PRESENTATION OF FINDINGS AND ANALYSIS

4.1 Introduction

This chapter presents the findings and its analysis. These findings were collected through questionnaire method from Ilala, Kinondoni and Kigamboni Municipal Councils. The data presented in relation to the objective of the study through the use of Statistical Package for Social Science (SPSS) version 23.

The general objective of the study was to determine the key factors influencing VfM in the procurement of works in Tanzania's LGAs. To attain this objective, the specific objectives was formulated; the first objective was to assess the effect of STDs on VfM in procurement process, the second objective to investigate the effect of ICT in procurement activities, the third objective to determine if relationship management/collaboration in works contract promotes VfM in the LGAs and the last objective to find out the effect of institutional factors on VfM in LGAs.

4.2 The Respondents Rate

The study comprised 59 respondents from three Municipal Councils (Ilala, Kinondoni and Kigamboni) in Dar es Salaam Region in order to fill the study gap on the determinants of VfM in procurement of work in Tanzania's LGAs. The respondents' rate revealed significant contribution to the study and the field as well. Although, some of them did not bring back the questionnaire completely this resulted a total number of 59 respondents out of 66 respondents from all three Municipal Councils. The general information of the respondents' comprised variables such as gender, age, education levels, capacity level of involving in procurement of works and their work experience. Those respondents returned the questionnaires from all the above Municipal Councils implied a good response as indicated in Table 4.1

Table 4. 1 Respondents rate

Section	Sample size	Response	Percentage (%)
Procurement Management Unit	17	16	24

Engineering	14	14	21
Tender board	5	3	5
ICT	8	8	12
Accounting	9	8	12
Auditing	6	4	6
Other department users	7	6	9
Total	66	59	89

Source: Research (2018)

The Table 4.2 presents the respondents profile including the general information of all respondents participated in this study.

Table 4. 2 Respondents profile

Gender	Frequency	Percentages (%)
Male	35	59.3
Female	24	40.7
Age (Years)		
20 – 40	31	52.5
41 – 60	28	47.5
Education level		
Certificate/diploma	16	27.1
Bachelor degree/Advanced diploma	33	54.2
Master’s degree	11	18.6
Experience		
Less than 5 years	10	16.9
6 - 10 years	22	37.3
11 - 15 years	13	20.3
16 - 20 years	11	16.9
Above 20 years	5	8.5
Position		
Head of department	9	15.3
Accountant	6	10.2
Procurement/Supplies officer	19	32.2
Engineer	15	8.5
IT officer	7	11.9
Auditor	4	22.0
Capacity of involving in works contract		
Contract manager	4	6.8
Contract management team member	25	44.1
Member of evaluation committee	31	49.2
Total	59	100

Source: Research data (2018)

4.2.1 Gender

Table 4.2 respondents profile showed that 59.3% of the respondents are male and 40.7% female. This implies that practitioners in LGAs can be anyone regardless of the gender differences since the operations and tasks can be performed by anyone provided that the concerned individual is able to deliver as per the requirements and expectations.

4.2.2 Age

Respondents profile indicates that 52.5% were between 20 and 40 years and 47.5% were between 41 and 60 years. This implying that majority of the workforce in Tanzania LGAs, were young and energetic. However, the adults and or elderly are few because once they are above 50 most of them leave the organization due to several reasons such as illness and voluntary retirement.

4.2.3 Education Level

Moreover, facts on the level of education of the respondents indicates that 27.1% had certificate/diploma, 54.2% had bachelor degree/advanced diploma and 18.6% had master's degree. This implies that most practitioners in local government still have limited level of education in a great scale. However, there are changes which are taking place very fast as graduates are increasing as time goes on. The possible effect of the current educational level is that the number of LGAs not complied with the requirements of PPA on the process of managing works contract are decreased for instance for the financial year ended 2015/2016 only 29% LGAs not complied (URT, 2016).

4.2.4 Working Experience

The respondents profile in the Table 4.2 indicates that 16.9% of the respondents have been in LGAs for less than five years while 37.3% they had been there for 6 to 10 years. 20.3%, 16.9% and 8.5% of the respondents they have worked for 11 to 16 years, 16 to 20 years and above 20 years respectively. This implies that the respondents have better response in regards to the determinants of VfM in Tanzania's LGAs because they have sufficient working experience.

4.2.5 Position held by Respondents

The Table 4.2 showed that 13% of the respondents were heads of departments, 7% were from accounts department, and 35% were from procurement department, 30% from engineering department, 5% from audit section and 6% from ICT department. This implies that different levels of management were represented and majority of the respondents were from middle level of management.

4.2.6 Capacity of involving in Procurement of Works

The Table showed that many respondents has been involved in contract management at different levels where by6.8% of the respondents has been involved in contract management as contract manager/supervisor, 44.1% as contract management team member,and 49.2% as members of evaluation committee. This implies that most of the respondents have ability and knowledge in understanding contract management and it's important to the performance of the organization.

4.3 Data Analysis

The researcher performed factor analysis, regression analysis and correlation analysis to obtain the results. Firstly,factor analysis performed to reduce large number of data into small number of interrelated prior to perform other analyses. Regression analysis was applied purposively to test the hypotheses as was presented early in chapter two of this study. Lastly, a simple bivariate correlation analysis was employedto describe the strength of a relationship resulted after performing regression analysis

4.3.1 Factor Analysis

Factor analysis technics included in this study purposefully for data reduction. The technics takes a larger number of variables and summarized them using a smaller set of factors/components. Both the independent and dependent variable was performed using factor analysisto measure the sampling adequacy through testing the Kaisser-Mayer-Olkin and Bartlett's test of sphericity testin order to determine the appropriateness of data for

further analysis. The extraction performed using Principle Component Analysis (CPA) and the VARIMAX used as the rotation method. All factors with factor loadings lower than 0.60 was eliminated as suggested by Pallant (2010) as the cut-off point/acceptable limit which also adopted in this study for factor analysis.

4.3.1.1 Value for Money

Value for Money as the dependent factor was analyzed using factor analysis statistical method to determine whether could be used to draw conclusion to this study. The variables within VfM for this study are quality, time and cost. The results shows that KMO has .719 value (Chi-square = 428.707, df = 66) and the Bartlett's of Sphericity was significant at p value = .000 as presented in Table 4.3 therefore, this imply that the factor analysis is appropriate and permit to continue with other factor analysis process.

Table 4. 3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.719
Bartlett's Test of Sphericity	Approx. Chi-Square	328.707
	Df	66
	Sig.	.000

Source: Research Data (2018)

After running a factor analysis, item 801d, 802a, 802d and 803d were removed due to poor loading problem. The cut-off limit/acceptable limit were 0.6 as suggested by Pallant (2010). The total variance explained (65%) to represent three variables for VfM. The Reliability analysis was also performed statistically using Cronbach's Alpha as was discussed in chapter three. The study showed that variable code 801 and 802 was above 0.7 as presented in Table 4.4

Table 4. 4 Rotated Component Matrix and Scale Analysis

Variable code	Variable	Cronbach's Alpha	Question code	Components		
				1	2	3

801	Quality	0.921	V801c	.924		
			V801b	.923		
			V801a	.873		
			V801e	.827		
802	Time	0.849	V802b		.880	
			V802c		.879	
			V802a		.819	
803	Cost	0.489	V803c			.738
			V803b			.706

Source: Researcher (2018)

From the Table 4.4 above variable code number 803 was removed due to unacceptable Cronbach's Alpha which is below 0.70 as discussed in chapter three that α below 0.70 considered as not reliable (Sounders et al, 2007). Under this scenario this may be caused by low number of items (only two items remained after performed factor analysis) as indicated above. The remained data was computed as $(v801c + v801b + v801a + v801e)/4$ and $(v802b + v802c + v802a)/3$ to form Value for money.

4.3.1.2 The Effect of STDs on VfM

The effect of STDs as an independent objective was analyzed using factor analysis to determine whether could be used to draw the conclusion to this study. The variables within the independent objective are the language used in the STDs, cost of preparing STDs and content of STDs. The results show that Kaiser-Meyer-Olkin Measure of Sampling Adequacy is .758 value which is close to 1 (Chi-square = 427.933, df = 91) and Bartlett's Test of Sphericity was significant at p value = .000, as presented in Table 4.5 therefore, this indicate that factor analysis is appropriate for further analysis.

Table 4. 5 Table 4. 5KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.758
Bartlett's Test of	Approx. Chi-Square	427.933
Sphericity	Df	91
	Sig.	.000

Source: Research Data (2018)

However, Item 203a and 203b were removed due to poor loading problem, the cut-off limit was 0.6 and the total variance explained were 65.9%. Also the reliability performed to

determine the consistency of variables the results shows that all the study variables are reliable and consistent since the value of the Cronbach's Alpha are all above 0.70 which implies that the collected data are reliable as presented in the Table 4.6

Table 4. 6Rotated Component Matrix and Scale Analysis

Variable code	Variable	Cronbach's Alpha	Question code	Components		
				1	2	3
201	Language used in the STDs	0.916	V201d	.885		
			V201a	.879		
			V201b	.868		
			V201e	.836		
			V201c	.812		
202	Cost of preparing STDs	0.864	V202d		.852	
			V202c		.850	
			V202a		.839	
			V202b		.827	
203	Content of STDs	0.751	V203c			.804
			V203d			.783
			V203e			.781

Source:
Research
Data
(2018)

The remained/accepted variable was computed as $(v201d + v201a + v201b + v201c + v201e)/5$, $(v202d + v202b + v202c + v202a)/4$ and $(v203b + v203c + v203a)/3$ to form language used in the STDs, cost of preparing STDs and contents of STDs variables.

4.3.1.3 The impact of ICT in procurement activities on Value for Money

The specific objective as stated “assessing the impact of ICT in procurement activities on VfM” was analyzed using factor analysis. The independent variables under this specific objective are ICT competence and ICT knowledge; the results show that Kaiser-Meyer-Olkin Measure of Sampling Adequacy is .790 which is high value close to 1 and the Bartlett's Test of Sphericity was significant at .000 statistically as presented in Table 4.7 this indicate that factor analysis is appropriate for further analysis.

Table 4. 7KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.790
Bartlett's Test of Approx. Chi-Square	275.694

Sphericity	Df	45
	Sig.	.000

Source: Research Data (2018).

Item 301d, 301e, and 302e were removed due to poor loading problem. The final factor loadings were 0.6 and above, the total variance explained were 61%. All the accepted items were computed as $(v302c + v302b + v302a + v302d)/4$ and $(v301a + v301b + v301c)/3$ and named ICT knowledge and ICT competence variables. Also the Cronbach's Alpha are all reliable due to the fact that are above 0.70 as presented in the rotated component matrix and scale analysis Table 4.8 below;

Table 4. 8 Rotated Component Matrix and Scale Analysis

Variable code	Variable	Cronbach's Alpha	Question code	Components	
				1	2
302	ICT knowledge	0.886	V302c	.876	
			V302b	.864	
			V302d	.845	
			V302a	.834	
301	ICT competence	0.900	V301a		.932
			V301b		.911
			V301c		.891

Source: Research Data (2018)

4.3.1.4 Relationship Management/Collaboration if promotes VFM in LGAs

The relationship management/collaboration as the independent objective was analyzed using factor analysis statistical method to determine if could be used to draw the conclusions on this study. The objective included three variables which are trust, commitment and respect. The results show that Kaiser-Meyer-Olkin Measure of Sampling Adequacy is .756 value and Bartlett's Test of Sphericity was significant at .000 statistically as presented in Table 4.9

Table 4. 9 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.756
--	------

Bartlett's Test of Sphericity	Approx. Chi-Square	628.120
	Df	91
	Sig.	.000

Source: Research Data (2018)

However, after running factor analysis Item 401c, 402d, 402e, and 403d were removed due to poor loading problem or below the acceptable point with reference to Pallant (2010). The total variance explained (72%) to represent three variables for relationship management/collaboration. The reliability analysis was also performed to determine whether they are within the rules and guidelines on reliability as discussed in chapter three. The results show that all variables presents Cronbach's Alpha above 0.70 as indicated in the Table 4.10

Table 4. 10Rotated Component Matrix and Scale Analysis

Variable code	Variable	Cronbach's Alpha	Question code	Components		
				1	2	3
402	Commitment	0.947	V402c	.943		
			V402d	.922		
			V402b	.893		
			V402a	.881		
401	Trust	0.905	V401a		.914	
			V01b		.913	
			V401d		.830	
			V401e		.802	
403	Respect	0.927	V403c			.951
			V403a			.929
			V403d			.867

Source: Research Data (2018).

All the accepted items were computed as $(v401a + v401b + v401d + v401e)/4$, $(v403c + v403a + v403d)/3$ and $(v402c + v402a + v402b + v402d)/3$ to form trust, respect and commitment variable.

4.3.1.5 Impact of Institutional Factors on Value for Money in LGAs

The impact of institutional factors as the independent objective was firstly analyzed using factor analysis method. The objective comprises two variables which are political interference and community participation. The results show that Kaiser-Meyer-Olkin Measure of Sampling Adequacy is .779 value and Bartlett's Test of Sphericity was significant at .000 statistically. The total variance explained (68%) to represent two variables which are political interference and community participation.

Table 4. 11KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.779
Bartlett's Test of Sphericity Approx. Chi-Square	242.676
Df	36
Sig.	.000

Source: Research Data (2018).

Item 501c, 502d, and 502e were removed due to poor loading problem after running factor analysis. The final loading/cut-off point were 0.6, the total variance explained (68%) to represent two variables. All the accepted Items was computed as $(v501d + v501a + v501b)/3$ and $(v502b + v502a + v502c)/3$ and named as political interference and community participation. The reliability analysis included and presented in the Table 4.12

Table 4. 12Rotated Component Matrix and Scale Analysis

Variable Code	Variable	Cronbach's Alpha	Question code	Components	
				1	2
501	Political interference	0.894	V501c	.905	
			V501a	.867	
			V501d	.863	
			V501b	.848	
502	Community participation	0.860	V502a		.985
			V502b		.874
			V502c		.775

Source: Research Data (2018)

4.3.2 Regression Analysis

Regression analysis was employed to test the hypothesis. The researcher conducted multiple regression analysis so as to test the relationship among variables (independent) on Value for Money. Regression analysis was applied purposively to test the hypotheses as was presented early in chapter two of this study.

4.3.2.1 Effect of STDs on VfM

The effect of STDs factor was presented into sub variables which are language used in the STDs, cost of preparing STDs and contents of STDs while the dependent variable is VfM. The Cronbach's Alpha of the variables under the effect of STDs are all above 0.70 as presented in Table 4.6. Multiple regression was performed under the effect of STDs to test the hypothesis as they were presented in chapter two. All the hypothesis under the effect of STDs was designed to determine whether there is a significant relationship between *H1a*: language used in the STDs, *H1b*: cost of preparing STDs and *H1c*: contents of STDs on VfM.

However, prior to perform multiple regression analysis; the model summary precedes the analysis to indicate the overall contribution of the predictors to the dependent variable as shown in Table 4.13

Table 4. 13 Model Summary

Model	R	R Square	Adjusted R square	Std error of estimate
1	.871	.759	.746	.526

Source: Research Data (2018)

The results shows the entire contribution of the hypotheses as independent variables in the data set on the dependent variable. However, the study using the value of R^2 shows that VfM in Tanzania's LGAs on the STDs concerns are motivated by the language used in the STDs and cost of preparing STDs by 75%. This entails the fact that the hypotheses as assumptions are positive relevant for further analytical concerns. Also, a two fisher's Analysis of Variance (ANOVA) included in this study to determine the "goodness of fit test" the results gave F value of 57.868 at significant level p of $.000 < 0.005$ which indicated that the model fit the data as the predictor shows effect on VfM as presented in Table 4.14

Table 4. 14 ANOVA (F-test) Analysis for the Effect of STDs on VfM

Model	Sum of Squares	df	Mean of Square	F	Sig
1. Regression	48.029	3	16.010	57.868	.000
Residual	15.216	55	.277		
Total	63.246	58			

Source: Research Data (2018)

Table 4. 15 Multiple Regression Analysis for STDs and VfM

Model	Hypothesis	Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
(constant)		.113	.351		322	.749
Language used in the STDs	<i>H1a</i>	.849	.078	.785	10.919	.000
Cost of preparing STDs	<i>H1b</i>	.195	.072	.190	2.725	.009
Content of STDs	<i>H1c</i>	-.054	.082	-.045	-.656	.515

Source: Research Data (2018).

Results indicates the fact that the language used in the STDs and cost of preparing STDs as the independent variables have positive and significant relationship on the VfM on procurement activities pertaining to the STDs as $p = .000$ and $.009$ respectively which is below 0.05, while the contents of STDs shows insignificant relationship on VfM as $p > 0.05$ as presented in Table 4.15.

4.3.2.2 The effect of ICT in Procurement activities on VfM

The impact of ICT on VfM in procurement activities was among the specific objective in this study. The independent variables under this objective are ICT competence and ICT knowledge while dependent variable is VfM. The Cronbach's Alpha of the variables are all above 0.70 as presented in Table 4.7. The objective presented using multiple regression analysis, the main purpose was to determine whether there is a significant relationship between *H2a*: ICT competence and *H2b*: ICT knowledge on VfM.

However, prior the performance of multiple regression the overall contribution of the independent variables on dependent variable was performed first through model summary approach presented in Table 4.16.

Table 4. 16 Model Summary

Model	R	R Square	Adjusted R square	Std error of estimate
1	.848	.718	.708	.564

Source: Research Data (2018)

Results in the Table 4.16 above shows the total influence of the independent variables on the dependent variable through the significant value of R^2 . The outcome of the study is that VfM on procurement activities through the use and application of ICT is determined by ICT competence by 71%. This is the fact that the assumptions as study hypotheses are positive and have been attained for relevant conduct and performance of further inferential analysis.

Analysis of variance (ANOVA) was also included in this study to determine the “goodness of fit test” the results indicate that the predictor have effect on VfM as the result gave F value 71.434 at significant level p of .000. This implies that ICT activities statistically significantly predicated the VfM in LGAs in Tanzania, $F(2, 56) = 71.434$, $p < 0.05$ as presented in Table 4.17.

Table 4. 17 ANOVA(F-test) Analysis for the Effect of ICT activities on VfM

Model	Sum of Squares	Df	Mean of Square	F	Sig
1. Regression	45.436	2	22.718	71.434	.000
Residual	17.810	56	.318		
Total	63.246	58			

Source: Research Data (2018)

Table 4. 18 Multiple Regression Analysis for the effect of ICT and VfM

Model	Hypothesis	Unstandardized		Standardized	T	Sig
		Coefficients		Coefficients		
		B	Std. Error	Beta		
(constant)		.245	.334		.735	.465
ICT Competence	<i>H2a</i>	.911	.076	.847	11.940	.000
ICT Knowledge	<i>H2b</i>	.050	.069	.052	.729	.469

Source: Research Data (2018)

Results indicates that ICT competence as the independent variable have positive and significant relationship on the value for money as $p < 0.05$, while ICT knowledge failed to establish a significant relationship on the value for money as $p > 0.05$ shown in Table 4.18.

4.3.2.3 Relationship Management/collaboration on VfM in LGA's

The relationship management/collaboration factor was presented based on three sub variables which are trust, commitment and respect. Multiple regression analysis performed to test the hypothesis as they presented in chapter two. The hypothesis formulated to test if relationship management/collaboration promotes VfM through *H3a*: trust, *H3b*: commitment and *H3c*: respect on VfM. All the variables presented Cronbach's Alpha above 0.70 as presented in Table 4.10.

Though, prior to perform multiple regression analysis; the model summary precedes the analysis to indicate the overall contribution of the predictors to the dependent variable as shown in Table 4.19

Table 4. 19 Model Summary

Model	R	R Square	Adjusted R square	Std error of estimate
1	.978	.956	.953	.628

Source: Research Data (2018)

Results on the model shows the entire contribution of the predictors with the respective value of R^2 that value for money in LGAs through the relationship management in works

contract is determined by trust, commitment and respect by 95%. This is the measure that all hypotheses as assumptions to the dependent variable are positive and have been attained. This entails the performance of further analysis.

The analysis of variance (ANOVA) was also performed in order to determine whether the model fits the data or if the predictors have effect on the VfM and its results indicated that the relation management statistically significantly predicated the VfM in LGAs in Tanzania $F(3, 55) = 395.964, p < 0.05$ as presented in table 4.20

Table 4. 20 ANOVA (F-test) analysis for Relationship Management and VfM

Model	Sum of Squares	df	Mean of Square	F	Sig
1. Regression	60.447	3	20.149	395.964	.000
Residual	2.799	55	.051		
Total	63.246	58			

Source: Research Data (2018)

Table 4. 21 Multiple Regression Analysis for Relationship Management and VfM

Model	Hypothesis	Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
(constant)		-.126	.104		-1.209	.232
Commitment	<i>H3a</i>	.111	.045	.115	2.456	.017
Trust	<i>H3b</i>	.816	.052	.816	15.575	.000
Respect	<i>H3c</i>	.104	.031	.117	3.372	.001

Source: Research Data (2018)

The Table 4.21 shows the contribution of each predictor on the dependent variable. Therefore, results are evident that all three variables as predictors are positive and significant statistically on dependent variable as $p < 0.05$. This is the fact that VfM on procurement of works in Tanzania's LGAs is influenced by trust, commitment and respect among the parties involved in contract management.

4.3.2.4 The effect of Institutional factors on Value for Money in LGAs

The institutional factors as an independent objective was presented using two sub variables which are political interference and community participation. Multiple regression analysis was used to test the hypothesis as presented in chapter two. The hypothesis designed to test the existed relationship between *H4a*: political interference and *H4b*: community participation on VfM.

However, prior to the performance of multiple regression analysis; the overall contribution of the independent variables on dependent variable was performed first through model summary approach presented in Table 4.22.

Table 4. 22 Model Summary

Model	R	R Square	Adjusted R square	Std error of estimate
1	.837	.700	.689	.582

Source: Research Data (2018)

The results show the entire contribution of the hypotheses as independent variables in the data set on the dependent variable. However, the study using the value of R^2 shows that VfM in Tanzania's LGAs on institutional concerns are motivated by political interference and community participation by 70%. This entails the fact the hypotheses as assumptions are positive relevant for further inferential analysis.

Also, the analysis of variance (ANOVA) was also included in this study to determine the "goodness of fit test" the results indicated that the institutional factors on VfM in LGAs in Tanzania statistically significantly predicated VfM $F(2, 56) = 65.325, p < 0.05$ which implies that the model fitted the data. This means that is a statistically significant test as presented in Table 4.23.

Table 4. 23 ANOVA (F-test) Analysis for the effect of Institutional factors and VfM

Model	Sum of Squares	df	Mean of Square	F	Sig
1. Regression	44.270	2	22.135	65.325	.000
Residual	18.975	56	.339		
Total	63.246	58			

Source: Research Data (2018)

Table 4. 24 Multiple Regression Analysis for the Effect of Institutional factor and Value for Money

Model	Hypothesis	Unstandardized		Standardized	t	Sig
		Coefficients		Coefficients		
		B	Std. Error	Beta		
(constant)		.317	.274		1.157	.252
Political interference	<i>H4a</i>	.210	.078	.226	2.281	.010
Community participation	<i>H4b</i>	.729	.088	.701	8.302	.000

Source: Research Data (2018)

The Table 4.24 above shows the contribution of each predictor on the dependent variable. The results are evident that all the predictor variable are positive and significant statistically on dependent variable as $p < 0.05$.

4.3.3 Correlation Analysis

A simple bivariate correlation analysis was performed in order to describe the strength of the relationship between the variables of the study as was identified early in chapter three (Ndeto *et al*, 2016). Correlation analysis was determined by Pearson's correlation coefficient r values. Where r range from -1 to 1 implies that negative sign indicates only the direction of the relationship while positive sign indicate the strength of relationship as discussed in chapter three. Generally, the tests employed to verify the strength of relationship between the independent and dependent variables

4.3.3.1 Effect of STDs on VfM

The correlation analysis was performed to determine the variables with the highest influence among all independent ones on dependent variable as shown in Table 4.25

Table 4. 25Correlation results between the Effect of STDs and VfM

		Value for Money	Language used in STDs	Cost of preparing STDs	Contents of STDs
Value for Money	Pearson Correlation	1			
	Sig. (1-tailed)				
	N	59			
Language used in STDs	Pearson Correlation	.852**	1		
	Sig. (1-tailed)	.000			
	N	59	59		
Cost of preparing STDs	Pearson Correlation	.420**	.295*	1	
	Sig. (1-tailed)	.000	.012		
	N	59	59	59	
Contents of STDs	Pearson Correlation	-.230*	-.246*	.044	1
	Sig. (1-tailed)	.040	.030	.371	
	N	59	59	59	59

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

Table 4.25 shows values of correlation among all study variables that the highest correlation is on language used in the STDs with a Pearson's Correlation of 0.852** on value for money, followed by cost of preparing STDs with a Pearson's Correlation of 0.420** on VfM. This implies that language used in the STDs influence perfect the dependent variable with a strong positive relationship. Though, the result indicates a negative relationship between the content of STDs and VfM by a Pearson's correlation of -.230* this implies that the content of STDs influence VfM negatively.

4.3.3.2 The impact of ICT in procurement activities on VfM

Correlation analysis was performed to determine the strength of a relationship between the variables of the study, the results are shown in the Table 4.26

Table 4. 26Correlations result between the effect of ICT and VfM

		Value for Money	ICT competence	ICT knowledge
Value for Money	Pearson Correlation	1		
	Sig. (1-tailed)			
	N	59		
ICT competence	Pearson Correlation	.846**	1	
	Sig. (1-tailed)	.000		
	N	59	59	
ICT knowledge	Pearson Correlation	.039	-.016	1
	Sig. (1-tailed)	.386	.453	
	N	59	59	59

** . Correlation is significant at the 0.01 level (1-tailed).

Table 4.26 shows the values of correlation among all study variables (ICT Competency and ICT Knowledge), the highest correlation is ICT competence on the value for money in procurement activities. This entails the fact that ICT competence influence best the dependent variable in the data set which implies that VfM on procurement activities in the use and application of ICT is most influenced by ICT competence.

4.3.3.3 Relationship management/Collaboration on VfM in LGAs

Correlation analysis was performed to determine the strength of the relationships between the variables of the study, the results are shown in the Table 4.27

Table 4. 27Correlations result between Relationship Management and VfM

		Value for Money	Trust	Commitment	Respect
Value for Money	Pearson Correlation	1			
	Sig. (1-tailed)				
	N	59			
Trust	Pearson Correlation	.971**	1		
	Sig. (1-tailed)	.000			
	N	59	59		
Commitment	Pearson Correlation	.800**	.789**	1	
	Sig. (1-tailed)	.000	.000		
	N	59	59	59	
Respect	Pearson Correlation	.614**	.559**	.364**	1
	Sig. (1-tailed)	.000	.000	.002	
	N	59	59	59	59

** . Correlation is significant at the 0.01 level (1-tailed).

The results show the correlation values on all study variables as predictors and dependent variable. However, results are certain that trust constitutes highest influence than all others

since it has the highest value more than all others in the data set with a Pearson's correlation coefficient of .971^{**}. This implies that VfM on procurement of works in LGAs pertaining to the relationship management is strongly determined by trust. However, other two variables (commitment and respect) presents perfect strong relationship on the dependent variable with a Pearson's correlation coefficient of .800^{**} and .614^{**} respectively. This implies that all the study variables under relationship management have a perfect relationship on value for money in the local government authorities.

4.3.3.4 The effect of Institutional factors on VfM

Correlation analysis was performed to determine the strength of the relationships between the variables of the study, the results are shown in the Table 4.28

Table 4. 28Correlations result between the effect of Institutional factors and Value for Money

		Value for Money	Political interference	Community participation
Value for Money	Pearson Correlation	1		
	Sig. (1-tailed)			
	N	59		
Political interference	Pearson Correlation	.575 ^{**}	1	
	Sig. (1-tailed)	.000		
	N	59	59	
Community participation	Pearson Correlation	.813 ^{**}	.498 ^{**}	1
	Sig. (1-tailed)	.000	.000	
	N	59	59	59

^{**}. Correlation is significant at the 0.01 level (1-tailed).

The results in Table 4.28 shows values of correlation among all study variables that the highest correlation is on community participation on the VfM on procurement activities. This entails the fact that community participation influence best the dependent variable in the data set which implies that VfM in procurement of works in Tanzania's LGAs on institutional concerns is most influenced by community participation.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter gives a comprehensive discussion of the study findings by connecting them to the research objectives, theories, and views from other researchers and the study hypotheses as was presented in chapter two.

5.2 Effect of Standard Tender Documents and VfM

The effect of STDs on VfM was measured through the language used in the STDs, cost of preparing STDs and contents of STDs as the independent variables. Multiple regression and correlation analysis was performed to determine the association relationship and its strength between the effects of STDs and VfM in Tanzania's LGAs.

5.2.1 Language used in the STDs and VfM

The study hypothesizes that, there is a significance relationship between the language used in the STDs and VfM. The results indicate that the language used in the STDs found to have a positive and significant relationship on VfM with t value of 10.919 at .000 level of significance when performed multiple regression. Also the correlation analysis result indicates that the language used in the STDs found with a Pearson's correlation coefficient of .852** which is the highest value or a perfect strong relationship on the VfM. This implies that VfM in LGAs is determined by simple and clear language used in the STDs. This finding supports the study of Adema (2014) and Rashel (2016) that a simple and clear language used in the STDs facilitates the achievements of VfM in procurement process.

Furthermore, majority of the respondents agreed that the use of simple, accuracy and clear language in the STDs facilitates the achievements of VfM in the LGAs due to the fact that it help to avoid wrong interpretation which also result to the reduction of unnecessary costs hence achievements of VfM as presented by the (World Bank, 2014)

5.2.2 Cost of preparing STDs and VfM

The study hypothesizes that there is a significance relation between the cost of preparing STDs and VfM. The result indicates that the cost of preparing STDs found positive and significant relationship on VfM with t value of 2.725 at .009 level of significance by multiple regression. Also a perfect positive relationship between the cost of preparing STDs and VfM by Pearson's correlation coefficient of .420** as indicated in chapter four. This implies that VfM in Tanzania's LGAs is determined by the cost of preparing STDs. The view is in line with the PPR S. (3) which requires all PE to use appropriate standard tender documents issued by PPRA to address specific issue of a project. Furthermore, the use of appropriate STDs minimizes cost in procurement process as indicated in chapter two that appropriate use of STDs facilitates the achievements of VfM (World Bank, 2014).

Also as majority of the respondents (58%) agreed that the use of STDs prepared by PPRA increases efficiency in public procurement. This also addressed in chapter two that the use of approved STDs minimizes unnecessary costs in procurement process which also facilitate the achievements of VfM PPRA (PPRA, 2016).

The study findings revealed that the bill of quantity in relation to the particular works must be prepared by the right person in order to reduce costs as majority of the respondents agreed that BOQ are usually prepared by the municipal Engineers. Failure to comply with this results to non-achievements of VfM as the literature acknowledged that most of problems in procurement of works caused by poor drawings, specification and BOQ (World Bank, 2015). The clear description of the requirements helps LGAs to reduce unnecessary cost as the Transaction Cost Theory requires.

Therefore, the study results related with Transaction Cost Theory as discussed in chapter two that Transaction costs in procurement includes but not limited specification of the requirement, need identification and potential source identification (Mchopa, 2015; & Rindfleisch, 2010). Moreover, majority of the respondents (47%) agreed that the clear the

STDs the more unnecessary cost will be minimized hence attainment of VfM. This support the study done by the World Bank (2014) on the types of contracts and important provisions.

5.2.3 Content of STDs and VfM

The study hypothesises that there is a significance relationship between the contents of STDs and VfM. However, findings of the study failed to establish the existing relationship between the contents of STDs and VfM by multiple regression as $p > 0.05$ additionally, a Pearson's correlation coefficient was .040** which implies that there is no existence of relationship between the variables. Therefore, the study failed to establish a significant relationship between the content of STDs and VfM. This implies that there was no existing relationship between the content of STDs and VfM.

The researcher concluded that, failure to establish relationship between the contents of STDs and VfM in procurement of works may be due to the fact that the issue is not contents (sections) but what is included in the STDs and who prepared those contents. This is supported by Mchopa (2014) who suggested that in order to ensure the best VfM in procurement of works the STDs must be prepared by the competent personnel. Additionally, the literature provides that poor specifications prevents the achievement of VfM (World Bank, 2015). So the issue is not content but the important thing is that the right personnel should be used to prepare standard tender documents. The document may contain all the required sections of the STDs but not prepared clearly if those responsible for preparing the STDs are not competent.

5.3 The effect of ICT in Procurement Activities on Value for Money

The effect of ICT was measured through ICT competency and ICT knowledge as independent variables on the dependent variable which is value for money. The impact of ICT on VfM in procurement activities was measured through multiple regression and correlation analysis.

5.3.1 ICT Competence and Value for Money

The study hypothesises that, there is a significance relationship between the ICT competency and VfM. The analysis indicates positive and highly significant between ICT competency and VfM on procurement of works in Tanzania's LGAs as the study predictor with t value of 11.940 at .000 level of significance under multiple regression analysis. Also correlation analysis indicates a Pearson's correlation coefficient of .846** which is the highest value close to 1. This implies that VfM on procurement activities on the application of ICT in LGAs is determined by ICT competence. The application of ICT in procurement activities reduces cost in procurement (Baldi & Vannoni, 2017; Waigwa & Njeru, 2016; Okello& Rotch, 2015).

The application of ICT in procurement activities reduces costs as the Transaction Cost theory suggested that costs incurred by the PE during the pre-award contract phase, contracting phase and post ward phase are among the Transaction costs (Bremen *et al*, 2010). Therefore, the application of Transaction Cost theory is relevant to the study as majority of the respondents strongly agreed to a large extent that the application of ICT simplifies procurement operations and reduces procurement costs. This are in line with the literature that the application of ICT in procurement activities improve organization performance as well as economic growth and the achievements of VfM (UN, 2015).

Furthermore, the Resource based theory is also relevant to the study as (41%) of the respondents agreed that the application of ICT in procurement activities simplifies procurement operations. This was due to the fact that the theory already specified that ICT competence is one among the internal organization resources which facilitates organization performance (Kakwezi & Nyeko, 2010).

The view also corresponds with Masiyoi (2016) that the use and application of ICT in procurement in public organizations in both local and central governments all over the world in both developed and developing countries including Tanzania requires practitioners to have adequate and reliable competence of ICT operations and applications.

Despite the fact that ICT competence found positively and highly significant on VfM, e-procurement and staff competency is highly emphasized in LGAs for the better performance. The perception is well acknowledged by Kasembe (2014) that ICT in Tanzania's LGAs is still very poor to the extent that the entities must be heavily supported to achieve the goals as stipulated as positive outcomes in the study. This is one among the obstacles that hinder the achievements of VfM in Tanzania's LGAs. As are in line with Lumbanga PPRA Board chairman(2017) who advised that the use ICT system in procurement may addresses some of the obstacles which prevent the achievement of VfM.

5.3.2 ICT knowledge and Value for Money

The study hypothesises that there is a significance relationship between ICT knowledge and value for money. However, the analysis as indicated in chapter four failed to establish the existing relationship between ICT knowledge and VfM as was predicted early in chapter two as $p > 0.05$ under multiple regression analysis. Also the study findings indicate a Pearson's correlation coefficient of .039** which implies that there is no existing relationship between variables. Therefore, the findings failed to establish the existing relationship between ICT knowledge and VfM contrary with the study prediction in chapter two. This is due to the fact that majority of the respondents disagreed that most of the organization staffs have appropriate knowledge on the use of ICT.

The application of ICT in procurement faced with several challenges as was already identified in the literature review, among the challenges that face ICT in procurement are shortage of technical knowhow, shortage of technical support and insufficient funds (Mwenga and Rehan, 2017). This also is among the reason that leads to insignificant relationship between ICT knowledge and VfM as the analysis revealed.

Furthermore, the application of ICT needs skilled and knowledgeable personnel to operate and most PEs failed to apply electronic procurement due to the fact that most of employees are not familiar with the ICT knowledge (Masiyoi 2016). This also may be another reason for insignificant relationship between ICT knowledge and VfM in LGAs.

Despite the fact that ICT knowledge found insignificant relationship on VfM there is a need for a PE's to take into consideration ICT knowledge as the literature suggested that procurement practices involving the use and applications of ICT in its activities facilitates the achievements of VfM through reduced cycle time and cost saving (Okello & Rotch, 2015; UN, 2015; &Badaso, 2014).

Additionally, the Transaction Cost Theory viewed ICT application as a starting point of minimizing internal and external cost. By internal cost means all costs incurred by the PE in the pre-award phase, while external cost means all the cost incurred by the PE during the contracting and post award phase (Mkunga & Karanja, 2017; Otieno, Muthon & Simon, 2013). So in order for the LGAs to achieve VfM through the application of ICT the application of Transaction Cost theory is important.

5.4 Relationship Management/collaboration and VfM in LGAs.

Relationship management/collaboration included to measure if promotes VfM in procurement of works in Tanzania's LGAs. The relationship management/collaboration was measured through trust, commitment and respect on value for money. Multipleregression and correlation analysis was performed to determine the existence of relationship and its strength among the study variables with the main aim of understanding if relationship management/collaboration promotes VfM in procurement of works in Tanzania's LGAs.

5.4.1 Trust and Value for Money

The study hypothesises that there is a positivesignificant relationship between trust and VfM. The analysis indicates that trust as independent variable has been found found positive and significant relationship between trust and VfM on procurement activities in Tanzania's LGAs with t value of 15.575 at .000level of significance under multiple regression analysis. Also a positive relationship with VfM by a Pearson's correlation coefficient of .971^{**} value which is the highest value close to 1. This implies that there is a relationship between trust and VfM in the procurement of works in Tanzania's LGAs. The findings supported by the study carried by Loice on the effect of buyer-supplier/contractor

relations on procurement performance in public sector that trust influence procurement performance positively and significant.

Additionally, the literature provides that the Relational Contract Theory suggested that trust in procurement contracts seen as an important element in the process of achieving VfM because through trust each part in the contract perform their responsibilities on time (Kumar & Markset, 2007; Wong et al., 2005). Even the current President of Tanzania Dr. John Pombe Joseph Magufuli encourage the PE to give local contractors first priority whenever the opportunity become available due to the fact that it is easy to enter into relational contract with them (PPRA, 2017).

This implies that VfM on procurement activities on the relationship management in works contract in LGAs is determined by trust. The perception is also acknowledged by Baldi and Vannoni (2017) that the practice to be conducted well and smooth in a manner that is ethical in line with integrity, trust is very important to be observed in the entire process and procedures from the beginning to the end for performance outcomes and results.

5.4.2 Commitment and Value for Money

The study hypothesises that there is a positive significant relationship between commitment and VfM. The analysis under multiple regression shows that commitment as independent variable for the study indicates positive and significance statistically at .017 with t value of 2.456 on VfM in procurement activities pertaining to the relationship management. Also the analysis indicates a Pearson's correlation coefficient of .800** value which also is the highest value. This implies that VfM in procurement activities in LGAs on relationship management is determined by commitment among the parties in the contract

The findings support those of Barasa *et al* (2015) who found that commitment has a positive relationship on works contract in the performance of firms. Also Aluonzi, Oluka, & Nduhura (2016) found that commitment has a positive and significant relationship on the relationship management of works contract on the performance of public institutions.

In addition of that, the Relational contract theory mention commitment as one of the important element in the procurement of works for the achievements of VfM as majority of the respondents agreed. This is because commitment can influence other elements such as trust, respect, openness and accountability (Hasson and Longiva, 2014). This endure that the theory is relevant to the study.

The assertion also corresponds with Mkunga and Karanja (2017) that commitment as well as adherence to the rules, procedures and regulations is a practice which ensures VfM in procurement activities in local government settings and others on relationship management since it assures efficiency and effectiveness.

5.4.3 Respect and Value for Money

The study hypothesises that there is a positive significant relationship between respect and Value for money. The analysis presents positive and statistically significant at .001 with t value of 3.372 on value for money as shown in Table 4.20 of multiple regression analysis. Also a positive relationship of Pearson's correlation coefficient .614** value. This implies that VfM is influenced by respect between the parties in the contract. The findings are in line with those of Rahman *et al* (2015) that respect among the parties in contract influence positively the success of works contract. The relational contract theory also provided that respect has a greater influence on the success of works contract (Kumar & Markset, 2007 & Wong et al., 2005).

Therefore, the theory is relevant to the study as the findings indicates that there is a significant relationship between respect and VfM. This entails the fact that value for money on LGAs in relationship management is influenced by respect within practitioners and individuals at work that the view corresponds with Waigwa and Njeru (2016) that respect to ethics in relationship management as well as all that constitutes morality and values guarantees value for money since it promotes efficiency and effectiveness.

5.5 The effect of Institutional Factors on Value for Money in LGAs

The study variable as they hypothesises is being measured using two main determinants which are political interference and community participation in procurement of works which are well elaborated in the discussion as follows;

5.5.1 Political interference and Value for Money

The study hypothesises that there is a significant relationship between Political interference and VfM. The analysis indicates significant relationship by multiple regression statistically at .010 with t of 2.281 on the VfM on procurement activities in Tanzania's LGAs pertaining to institutional arrangements. Also a Pearson's correlation coefficient of .575** value. This implies that political interference affects VfM in Tanzania's LGAs. The findings support those of Tukamuhabwa (2012) and Pillary (2004) that most of the senior official and political leaders interfere public procurement for personal gaining such as facilitating the award of contract to their fellows/own companies contrary to the public ethical.

Also majority of the respondents (60%) agreed that political leaders and most of the senior officials interferes procurement operations. This is one among the obstacles which hinder the achievements of VfM in public institutions including LGAs as was identified in chapter two that LGAs failed to achieve VfM due to interference of political leaders and senior official (Nditi 2014).

The perception also is in line with Kakwezi and Nyeko (2010) that procurement activities have been conducted in the government including the LGAs in a manner that is contrary to the adherence on VfM since procurement operations intervened with non-procurement professionals.

5.5.2 Community participation and Value for Money

The study hypothesises that there is a significant relationship between community participation and VfM. The analysis indicates that community participation as independent variable found positive and statistically significant at .000 with t value of 8.302 on VfM in procurement activities based on institutional arrangement. Also indicates a Pearson's correlation coefficient of .813** value which is the highest value. This implies that VfM in LGAs is influenced by community participation in procurement activities. The findings reflect those of PPRA (2018) that the use of community participation to implement various projects in public institutions facilitate the achievements of VfM.

Also majority of the respondents agreed that community participation in public procurement activities bring benefits to both individual and national economy. This variable reflects the advice of President Magufuli to the public institutions on giving priorities to the local contractors (PPRA, 2017). Also the view corresponds with Kasembe (2014) that community participation may serve important ensuring VfM in procurement activities in LGAs since may serve as a good remedy on accountability.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter presents the summary of the study findings, conclusions and recommendations from the start all the way to the final remarks on the inquired subject. Despite that, the concluding remarks are well stated as well as the recommendations to foster the entire completion of the study. With that, the chapter entails the following;

6.2 Summary

The study assessed the determinants of VfM in procurement works in Tanzania's LGAs. It was guided by four specific objectives each with significant hypotheses as determinants on procurement of works on value for money which were standard tender documents, application of ICT, relationship management and institutional arrangements.

The study findings revealed that most of the respondents from all the studied Municipal Councils (Ilala, Kinondoni and Kigamboni) agreed that the accuracy, simple and clear language used in the STDs facilitates the achievements of VfM in the LGAs at the same time reduces unnecessary cost in procurement process. Also agreed that the use of STDs in the LGAs increases competition in procurement activities. There was a significant relationship between the effect of STDs and VfM therefore; STDs based on the language used in the STDs and cost of preparing STDs has effects on the VfM in procurement activities.

Also, it was revealed that majority of the respondents from all the Municipal Councils agreed that the application of ICT in procurement activities facilitate the achievements of VfM. The relationship between ICT competence and VfM was tested through multiple regression which revealed that there was a positive and significant relationship. Hence ICT competence has impact on VfM. Despite of significant relationship of the ICT competence on VfM the study found that there is no significant relationship between ICT knowledge and VfM as majority of the respondents disagreed that the organization provides knowledge building capacity on ICT.

Furthermore, the study revealed that majority of the respondents agreed that trust, commitment and respect has impact on VfM in Tanzania's LGAs. The relationship between relationship management and VfM was tested through multiple regression analysis which revealed that there was a significant relationship between the variables. Therefore, relationship management/collaboration has an impact on VfM.

Finally, the study revealed that majority of the respondents agreed that political leaders and senior officials interfered procurement operations. This also is another obstacle that hinder the achievements of VfM in Tanzania's LGAs, also on the other hand the respondents agreed that community participation in undertaking public projects facilitate the achievement of VfM. multiple regression performed and revealed that there was a positive and significant relationship between the two variables on VfM.

6.3 Conclusion

The reality on the ground is that procurement activities and practices in Tanzania's LGAs are essential in ensuring the growth of national development. The LGAs can accomplish this by ensuring that VfM is attained in every works contract. The study was assessed VfM through four objectives where the first objective assessed the effect of STDs on VfM, the second assessed the impact of ICT on VfM, the third objective determined if relationship management promote VfM and the last objective was measured the impact of institutional factor on VfM.

Based on the study findings, the result revealed that STDs specifically based on the language used in the STDs and cost of preparing STDs as the independent variables were significantly associated with VfM. Also the application of ICT in procurement based on ICT competence found to have a significant relationship on VfM. Furthermore, on the relationship management the study revealed that there is a significant relationship on VfM, lastly, the study also indicates that there is a significant relationship between political interference, community participation on VfM.

Therefore, most of the independent variables in all study objectives studied were found positive and significant statistically with VfM. Despite the fact that some of the independent variables which are contents of STDs and ICT knowledge found insignificant relationship on VfM. However, right personnel in preparing STDs and capacity building on ICT knowledge is important for the better performance of LGAs in Tanzania this was due to the fact that majority of the respondents respectively disagreed that always the STDs prepared by the competent personnel, and the LGAs has highly knowledgeable personnel and always computerized procurement activities performed.

6.4 Recommendations

Since that the key determinants of VfM on procurement of works in Tanzania's LGAs is determined by standard tender document outcomes, application and use of ICT, relationship management and institutional factors, the study recommendations divided into two aspect namely policy and managerial as follows;

6.4.1 Policy

The study recommends that the government must make sure that it equips well LGAs on adequate practitioners who are well knowledgeable and undertaking frequent trainings to enable them fitting and complying with the standards in their practices, so as to attain VfM as already determined that some of the practitioners in LGAs are less skilled and knowledgeable on ICT which affect the procurement process and VfM concerns.

Despite the fact that ICT competence has been proven to be positive and significant on ensuring VfM. Indeed, it is better for the government to make sure that trainings on ICT to the procurement practitioners in the LGAs performed frequently in order to provides knowledge building capacity on ICT, also to focus on computerized procurement system because the word now are in modern technology as compared to previous. This is an important because ICT practitioners in local government are highly minute and in most settings do not exist.

Furthermore, the study recommends that the government through LGAs and other public institutions should give priorities to the local contractors in works contract activities rather than foreign contractors who preferred contractual governance rather than relational contract. Because it is easier to enter into relational contract with them as the study proven that trust, commitment and respect had been found positive and significant relationship with VfM in procurement of works.

Moreover, the study recommends that the government should keep on being strict to make sure that procurement activities should not been interfered with politics because procurement are professionals with its ethical and code of conduct once interfered with politics it affect the whole performance of LGAs or any other public institutions as we have already seen in the previous chapter, that more than 70% of the national budget used in procurement activities. Apart from that the government of Tanzania should support community participation in undertaking procurement activities as the study proven that had significant relationship with VfM.

6.4.2 Managerial

Since, the STDs specifically language used and cost of preparing STDs was significantly associated with VfM in all three Municipal Councils studied (Ilala, Kinondoni and Kigamboni), other LGAs should make sure that they use simple and clear language to prepare STDs, also competent personnel should be used to prepare STDs in order to minimize unnecessary cost. Also all the sections in the STDs must be prepared with the right person so as to facilitate the achievement of VfM in LGAs.

Despite the fact that STDs found significant on VfM, still there is several challenges that affect the achievement of VfM in public sector of which LGAs is among. This are in line with the World Bank (2015) that the major challenges in procurement of works is poor preparation of drawings, specification, bill of quantity, and uncoordinated information. So the study advised the managerial in LGAs and other public institutions to prepare the STDs in the way that it facilitate the achievement of VfM.

Finally, the study recommends that because the public procurement involves different steps such as need identification, preparation of STDs, tender advertising, evaluation, signing of contract and contract management. Because all this steps are important, the management should make sure that all the steps should be adhered to and administered appropriately in accordance with the law, regulations and guidelines for public procurement to obtain VfM.

6.5 Study implications

The findings of the study provide implications to other public institutions including central government, public agencies and other stakeholders that are struggle to achieve VfM to apply the suggested recommendation for better performance and attainment of VfM in general. For instance, the study recommends first priority should be given to the local contractors whenever opportunity become available as the study revealed that it is easy to enter into relational contract with them.

6.6 Area for further research

As the study revealed that community participation in procurement activities has a significant relationship on VfM. The researcher recommended that future study could assess the contribution of community participation in procurement activities towards industrialization growth. As the country's policy is currently emphasizing on industrial growth.

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APPENDICES

QUESTIONNAIRE

Investigating the determinants of value for money in procurement of works in Tanzania's LGAs

Dear Respondents

I'm Mbiji Nyaonge undertaking this research as a partial fulfilment to the requirements for the award of Master's degree of Science in Procurement and Supply Chain Management of Mzumbe University. The questionnaire has been designed to obtain information concerning the determinants of value for money in procurement of works in Tanzania's LGAs. The information provided will be used for academic purpose only. The questionnaire will take you twenty minutes. Please, I request your support by responding to the questions below;

PART I: GENERAL BACKGROUND INFORMATION (100)

The questions asked in this section will be used for classification only. Please Tick [] the most appropriate alternative (s) or fill in the blanks.

(101) What is your gender?

- Male
- Female

(102) Which of the following categories best describe your age?

- Below 20 years
- 20 – 40 years
- 41 – 60 years
- Above 60 years

(103) What is your highest education level?

- Secondary/High school
- Certificate/diploma
- Bachelor degree/Advanced diploma
- Master's degree
- Other level (specify).....

(104) For how long have you been participating in procurement process in your organization?

- Less than 5 years
- 6 - 10 years
- 11 - 15 years
- 15 - 20 years
- More than 20 years

(105)What is your current position?

- Managing director
- Head of department
- Accountant
- Procurement/Supplies officer
- Engineer
- Auditor
- Other (specify).....

(106)In what capacity have you been involved in procurement contract management?

- Contract manager
- Contract management team member
- Consultants
- Evaluation committee
- Other (specify)

(107)Who describe the quality standard of works contract?

- No standard established
- Contractor
- Municipal engineer
- PMU
- Consultants

PART II: STANDARD TENDER DOCUMENTS (STDs)

In this part, the questions asked reflect the aspect of STDs on value for money in works contract in the LGAs. Please, put a tick mark [√] to indicate your level of agreement or disagreement which best describes your opinion

<i>Effect of Standard Tender Documents on VfM(200)</i>	<i>Strongly disagree (1)</i>	<i>Disagree (2)</i>	<i>Neutral (3)</i>	<i>Agree (4)</i>	<i>Strongly agree (5)</i>
<i>(201) <u>Language used in standard tender document</u></i>					
(201a)The accuracy of the language used in the standard tender documents leads to the achievement of the best value in public organization					
(201b)The use of simple language in the standard tender documents help to reduce unnecessary costs					
(201c)Clear language used in the standard tender document increase competition in procurement process					
(201d)The clear definition of terms and condition used in the standard tender documents is the source of achieving value for money					
(201e)A simple language used in the STDs help to avoid wrong interpretation					

<i>(202) <u>Cost of preparing STDs</u></i>					
(202a)The bill of quantity (BOQ) in relation to the particular works/project usually are prepared by the engineers					
(202b)The use of standard tender documents which prepared by the PPRA increase efficiencies in public procurement					
(202c)Unclear definition of terms and condition of the STDs leads to increase cost					
(202d)The clear the standard tender documents the more the unnecessary cost will be minimized					
<i>(203) <u>Content of the STDs</u></i>					
(203a) All the time the organization use STDs with all content as it is stipulated in the PPA of 2011					
(203b)All procurement staff in the organization understand well to fill the STDs					
(203c)The use of standard tender documents increase competition in procurement					

(203d)The clear definition of terms and condition used in the standard tender documents is the source of achieving VfM					
(203e)Always the STDs prepared by the competent Personnel					

PART III: ICT INFRASTRUCTURE

For each statement below please put a tick mark [✓] to indicate your level of agreement or disagreement which best describes your opinion on ICT infrastructure

<i>Impact of ICT infrastructure (300)</i>	<i>Strongly disagree (1)</i>	<i>Disagree (2)</i>	<i>Neutral (3)</i>	<i>Agree (4)</i>	<i>Strongly agree (5)</i>
<i>(301)ICT competency</i>					
(301a)Most of the organization staff are competent in the use of ICT					
(301b)ICT simplifies procurement operations in the organization					
(301c)Always electronic procurement process performed in our organization					
(301d)The organization has highly qualified ICT Personnel					
(301e)The current public procurement act favour the application of ICT in procurement activities					
<i>(302)ICT knowledge</i>					
(302a)The organization provides knowledge building capacity on ICT					
(302b)Most of the organization staffs have appropriate knowledge on the use ICT.					
(302c)Always the activities performed by the procurement management unit are computerized					
(302d) The use of ICT is highly recognized by the Government					
(302e)The organization has highly knowledgeable personnel in ICT					

PART IV: RELATIONSHIP MANAGEMENT/COLLABORATION

For each statement below please put a tick mark [√] to indicate your level of agreement or disagreement which best describes your opinion on relationship management/collaboration

<i>Relationship management/collaboration in procurement activities (400)</i>	<i>Strongly disagree</i> <i>(1)</i>	<i>Disagree</i> <i>(2)</i>	<i>Neutral</i> <i>(3)</i>	<i>Agree</i> <i>(4)</i>	<i>Strongly agree</i> <i>(5)</i>
<i>(401) Trust</i>					
(401a) There is a high level of mutual trust shared between the parties of the contract					
(401b) The organization creates a positive relationship with the contractors					
(401c) There is a high level of trust in defining roles of team members in procurement of works					
(401d) There is regular mutual communication between The parties of a contract					
(401e) There is mutual understanding between the parties of the contract					
<i>(402) Commitment</i>					
(402a) The parties in contract shared a high degree of commitment with regard the quality					
(402b) The parties in contract shared a highly degree of commitment with regard to cost					
(402c) There is precise definition of roles between the parties involved in managing woks contract					
(402d) There is timely management of possible problems in the contract when occurred					
(402e) There is a high degree of commitment with regard to the information sharing					
<i>(403) Respect</i>					
(403a) There is mutual respect in managing procurement of works					
(403b) There is precise definition of responsibilities between the parties involved in managing procurement of works.					
(403c) There is a mutual respect of roles between the parties of the contract					
(403d) There is a mutual respect in sharing information					

PART V: INSTITUTIONAL FACTORS

For each statement below please put a tick mark [✓] to indicate your level of agreement or disagreement which best describes your opinion on institutional factors

<i>Institutional factors (500)</i>	<i>Strongly disagree (1)</i>	<i>Disagree (2)</i>	<i>Neutral (3)</i>	<i>Agree (4)</i>	<i>Strongly agree (5)</i>
<i>(501) <u>Political interference</u></i>					
(501a) Political leaders interferes procurement operations					
(501b) Senior officials interferes procurement operations					
(501c) Political intervention in procurement functions leads to prevent the achievement of value for money					
(501d) Senior officials are not required to interfere procurement function in order to ensure the best value for money					
<i>(502) <u>Community involvement</u></i>					
(502a) The organization considers the importance of community participation in procurement activities to the achievement of value for money					
(502b) Community involvement in public procurement activities brings benefit such as cost savings					
(502c) The government promotes community participation in procurement activities.					
(502d) The public procurement act support community participation in procurement activities					
(502e) There is inadequate community participation in procurement activities					

PART VII: VALUE FOR MONEY

Please indicate your level of agreement or disagreement that describes best of your opinion by put a tick mark [√] on the following statement;

<i>Value for money (800)</i>	<i>Strongly disagree (1)</i>	<i>Disagree (2)</i>	<i>Neutral (3)</i>	<i>Agree (4)</i>	<i>Strongly agree (5)</i>
<i>(801) <u>Quality of works</u></i>					
(801a)The quality of works in public projects such as water projects, roads construction and buildings has increased significantly					
(801b)The provision of penalties section in works contract for non-standard works has helped the increase of quality of works in LGAs					
(801c)All the time construction works has been of great Quality					
(801d)Performing of high quality works in public projects has been increased					
(801e)Site visiting has increased the quality of works in construction projects					
<i>(802) <u>Timely completion of works contract</u></i>					
(802a)Timely completion for public project in LGAs has increased					
(802b)Timely completion rate for development projects suchas water projects, buildings and roads construction has increased significantly					
(802c)The ability to handle emerging differences during contract implementation has increased					
<i>(803) <u>Cost aspect</u></i>					
(803a)The level of contractors working on the contract price has increased					
(803b)The amount of money planned for development projects in the LGAs has increased					
(803c)Variations in procurement contracts has reduced					
(803d)Mutual agreement between the parties of the contract has reduced unnecessary costs significantly					

Thank you for your response