CHALLENGES FACING THE IMPLEMENTATION OF PROCUREMENT PLAN IN PUBLIC ORGANISATIONS. THE CASE OF PWANI REGIONAL COMMISSIONER’S OFFICE
CHALLENGES FACING THE IMPLEMENTATION OF PROCUREMENT PLAN IN PUBLIC ORGANISATIONS. THE CASE OF PWANI REGIONAL COMMISSIONER’S OFFICE

By
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A Dissertation Submitted in Partial Fulfillment of the Requirements for Award of the Degree of Master of Science in Procurement and Supply Chain Management (Msc-PSCM) of Mzumbe University

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Challenges facing the implementation of procurement plan in Public Organizations: The Case of Pwani Regional Commissioner’s Office**, in partial fulfillment of the requirements for award of the degree of Master of Science in Procurement and Supply Chain Management of Mzumbe University.

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ACKNOWLEDGEMENT

A research work is a difficult task to accomplish which requires enough time, Intelligence, corporation from other people and financial resources necessary to compile the research report in the required standard. Therefore I would like to thank the Almighty God for guiding and protecting up to this last moment of completion of this research paper.

I personally, wish to express my sincere appreciation to my supervisor Ms.Norah Msuya who has guided me from the beginning up to the final stage of writing this research paper, She made number corrections wherever necessary in spite of her limited time. Her intellectual guidance, wider research experience, as well as moral and material support helped, not only to accomplish this report but also to reach good standards; sincerely she deserves all kinds of credits.

Finally, the researcher would like to extend his sincere gratitude to different persons and request them to accept sincere thanks and appreciation for their valuable contribution during completion of this research report.
DEDICATION

This work is dedicated to my precious wife Namala Aganyila and my parents Mr & Mrs Gosbert Luhikula for their moral and material support throughout the period of pursuing my studies. I greatly appreciate them for being supportive to me.
**ABBREVIATIONS AND ACRONYMS**

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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>PPA</td>
<td>Public Procurement Act</td>
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<td>PPRA</td>
<td>Public Procurement Regulation Authority</td>
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<tr>
<td>PSPTB</td>
<td>Procurement and Supplies Professionals and Technician Board</td>
</tr>
<tr>
<td>CPSP</td>
<td>Certified Procurement and Supplies Professional</td>
</tr>
<tr>
<td>CAG</td>
<td>Controller and Auditor General</td>
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<td>MSC</td>
<td>Master of Science</td>
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<tr>
<td>NAO</td>
<td>National Audit Office</td>
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<td>NBMM</td>
<td>National Board for materials Management</td>
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<td>PE</td>
<td>Procuring Entity</td>
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<td>PMU</td>
<td>Procurement Management Unit</td>
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<td>PSCM</td>
<td>Procurement and Supply Chain Management</td>
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<tr>
<td>IPP</td>
<td>Implementation of Procurement Plan.</td>
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<td>RC’s O</td>
<td>Regional Commissioners Office</td>
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ABSTRACT

Implementation of Procurement Plan (IPP) is an important aspect in Public Organizations towards attaining Organizational goals and therefore achieving the value for money.

The heart of this paper was to analyze the challenges facing the implementation of procurement plan in Public Organization and to draw attention to associated problems from the recommendations. Information provided by this study expands our understanding of Procurement plan and challenges involved towards its implementations.

The study employed interviews, physical observation and the use of secondary data as the major instruments for gathering data. The data gathered were analyzed qualitatively and quantitatively basing on the research questions. Based and finally conclusion were made.

The findings of the study revealed that there were delay of fund, Inadequate fund, Uncertain time for preparation of APP, and lack of necessary expertise, skills, and enough knowledge on Annual Procurement Plan. It was also revealed to have unclear specifications from user departments, lacking of enough management support and experience for most of members in Regional Tender Board. With all these, it was therefore concluded that the mentioned shortcomings have to be reviewed in order to enable an effective implementation of procurement plan.

Finally, the study was recommended that RC’s O should make sure that the Management teams are fully committed to strengthen their procurement committees, employ required numbers of procurement professionals with the appropriate level of skills and competencies, Annual procurement plan should be prepared as early as possible, It was further recommended that enough fund should be release earlier and training should be provided to all personnel involved in procurement planning and implementation proceedings.
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CHAPTER ONE

INTRODUCTION

1.0 Overview
This chapter covers background information of the study in the organization, statement of the research problem and research objectives which is both the main objective and specific objectives. It indicates research hypothesis, questions, scope of the study and significance of the research study.

1.1 Background to the problem
The Public Procurement Act No 21 of 2004 Section 25 instruct every Procuring entity to prepare an annual procurement plans basing on the approved budget. Regional commissioner’s office in Coast Region as one of the Procuring entity has a responsibility to do so. However the great challenges to this requirement of the Act is that in different reports from Public Procurement Regulatory Authority (PPRA), Controller and Auditor General (CAG) have been reporting that most of the Procuring entities either do not prepare the Annual Procurement Plan or prepare the Annual Procurement Plans which are incorrect to be put into implementations.

For effective transaction of government business, procurement planning plays such an enormous role. First of all, it prevents unplanned procurements and ensures sense and discipline in public financial management. Secondly, robust or vigorous procurement plans provide valuable input for regulatory institutions such as the PPRA to monitor public procurement activities being under-taken in the country to check on compliance and make available accurate statistics and information that could be used to inform government policies and programmes. Thirdly, pragmatic procurement plans also helps players in the private sector who represent the supply side of the procurement process to enjoy timely payment for contracts executed and thereby enable them exert the much needed confidence in the procurement process.

Considering the enormous role that good procurement planning offer and supported by the fact that it is supposed to serve as the basis to the successful implementation of Tanzanian’s public procurement reforms, it is regrettable to note that entities prefer to
keep a blind eye to this all important provision as they continue to ignore it with unreasonableness despite numerous reminders and efforts to encourage them to comply with this provision. Indeed, information available indicates that few to date, only few entities so far submit their plans with the rest living in a state of eccentric oblivion, denying themselves of the inherent benefits that a good procurement plan can afford.

The non compliance to the requirement of the act is an indicator that there must be a problem which cause the non compliance despite the fact that different report from Public procurement regulatory authority and Controller Auditor General query on preparation of procurement plan and adherence to its implementation. The issues like insufficient funds, lack of competent procurement management unit staffs, late release of fund from Treasury have been thought as the things that hinder or affect the preparation and implementation of the Annual Procurement Plan. These challenges in preparing and implementing practically the Annual Procurement Plan are the one that prompt the researcher to make a study in this area.

1.2 Statement of the problem

Procurement Plan is a leading device towards proper procurement procedures in every organization and therefore procurements must be planned and control in order for the organization to achieve the desired objectives. Procuring entities face the problem of preparation and implementation of a procurement plan due to lack of PMU, lack of Procurement Officers, lack of knowledge of applying Public Procurement Act No. 21 of 2004, lack of procurement procedure or principle when procuring entity need to procure goods or services.

Public procurement has become more strategic than a clerical activity in recent times. The perception some people have is that procurement units or sections are reactive rather than proactive and this lead many organizations to pay little or no attention to the planning, execution and monitoring of their procurement process and procedures. Lack of planning, implementing and monitoring procurement actions often result in a total failure of the whole procurement system which eventually leads to undue delays
in delivery, shortages and or excess stocks, poor quality products, and other associated problems. When this happens, procurement is then perceived as non-performing, cumbersome and cost consuming activity of the organization. To forestall such difficulties, Procurement Planning has proven to be the best solution. Indeed it is one of the most effective means for deciding how best to divide or combine goods, works and services into contract packages; what method of procurement is most appropriate for each; and the timing of procurement activities, taking into account the need to coordinate delivery and completion dates.

Many procuring entities do not implement a procurement plan to a great extent and therefore giving a great challenge to procurement professionals, and in a situation where procurement plan is not in place, it is not easy to adhere to procedures laid down in PPA as a result many unplanned procurement are done in rush orders without proper laid down procedures thus subject PEs in paying high prices and it results in high prices, selection of incompetent suppliers and inferior quality goods and services.

The Authority notes with great concern that despite numerous reminders, a number of entities continue to breach the provisions for the preparation and submission of Annual Procurement Plans as per PPA. In view of that, it has been passed for the information of all PEs that, the Governing Board of the PPRA will not consider the applications for the use of Sole Source & Restricted Procurements unless due reference is made to those Packages as captured in their approved procurement plans; Regional Commissioner’s Office in Coast Region as one of the PEs prepare the Annual procurement plan though implementation of it has been a challenge. This situation has inspired the researcher to carry out the study towards the challenge facing its implementations.

1.3 Objectives of the study
The researcher is intending to achieve the following objectives:-
1.3.1 General objective.
The objective of this study is to analyze the challenges facing the implementation of procurement plan in Public Sectors and suggesting possible solutions so as to overcome this situation in the specific organization of the case study.

1.3.2 Specific objectives
i) To find out whether there are challenges on the implementation of Procurement plan in Public sectors.
ii) To find out whether an Annual Procurement plan is prepared and followed for all purchases.
iii) To identify the procedures used during the preparation of procurement plan
iv) To examine on how procurement plan is being implemented in the organization.

1.4 Research questions
The following questions regarding the plan implementations will be used to guide the study.

1.4.1 General question
The general research question is what challenges face the implementation of procurement Plan in the Procuring entity?

1.4.2 Specific questions.
i) Does the organization face challenges on the implementation of Procurement plan?
ii) Does the organization have a well prepared Procurement Plan in place and adhering to it?
iii) How does the organization prepare Annual Procurement Plan?
iv) How procurement plan is being implemented in the organization?

1.5 Scope of the study
The study will base on examining the challenges that Government Sectors face during the implementation of procurement plan. The study will be carried out in a systematic
manner in Regional Commissioner’s office Coast Region as the area of a case study. This area is chosen because is the working environment of the researcher. With this regard the researcher will utilize ample time and efforts to collect relevant information from different departments that will serve the purpose.

1.6 Significance of the study.
The study will have significance to the researcher, organization, and to the society as well.

a) To the researcher

This research will be the partial fulfillment of the requirements for the Degree of Master of Science in Procurement and Supply Chain Management (MSC-PSCM) awarded by Mzumbe University.

b) To the Organization

The research recommendations made will help the organization to improve quality of service level due to proper implementation of Procurement plan, and will be used as a guideline and useful information in preparing a procurement plan.

c) To the Society

The study will serve as a reference for students and other interested people who will intend to undertake research on similar topic hence increasing the knowledge in forecasting the annual requirements.
CHAPTER TWO

LITERATURE REVIEW

2.0 Overview
This chapter discusses about theoretical based of the related studies, review of empirical studies both within the country and outside the country. It also entails analytical conceptual framework, conceptual definitions and the hypothesis of the study.

2.1 Definition of Concepts
Procurement means buying, purchasing, renting, leasing or otherwise acquiring any goods or works or services by a procuring entity spending public funds on behalf of a ministry department, or regional administration of the Government or public body and includes all function that pertain to the obtaining of any goods or works or services including description of requirements, selection and invitation of tenders and preparation and award of contracts (PPA No. 21 of 2004).

The Oxford Advanced Learner’s Dictionary (2001) defines Procurement as the process of obtaining supplies of something, especially for a government or an organization. Procurement can also be defined as the acquisition of goods, buying or purchase of works, hiring contractors and consultants services (International Bank for Reconstruction and Development Guidelines for Procurement, 2004)

Procurement may be defined as the process, which creates, manages and terminates contract. It is therefore concerned with activities that both precede and follow the signing of a contract. It is a common practice in countries to regulate public sector procurement in a legal framework. This is a manner in which goods, services and works are obtained and the manner in which rights are granted and controlled. However, it is not common practice, particularly in developed countries, to define the resources whether in individuals or businesses, which must participate in the procurement process. Therefore the beneficiaries of the procurement process are not usually considered in conventional procurement system (Gounden, 2000).
Planning is the “act or process of making or carrying out plans; specifically: the establishment of goals, policies, and procedures for a social or economic unit.” (Merriam-Webster’s Collegiate Dictionary, 2001)

Planning for implementation shall involve preparation of a project work plan describing the various project tasks and activities, including how the tasks will be accomplished and managed and identifying the resources necessary to carry out the various project activities. It should also involve reviewing of assets on an annual basis to identify those which are obsolete and should be subject to disposal (PPRA Journal, 2011)

Plan is a process of description of the resources, activities and events necessary to achieve a desired result. An organization that plans effectively has a number of advantages over the organization that plans poorly or do not plan. (Drucker, P 1981)

Procurement planning: It is the process of determining what is needed, how much is needed, where and when. Procurement on other hand describes which product will be acquired by procuring entity as well as when and how they will be acquired (Participants handbook for procurement and contract management-HLF)

Procurement Planning: it is the process of determining what is needed, how much is needed, where and when. Procurement planning on the other hand is a process designed to aid the planning the necessary steps for the implementation of an effective procurement (Kaselema W.2008).

Procurement plan: Is the plan containing specifications for the goods or services being procured, evaluation criteria, with pre and/or post qualification requirement including the evaluation procedures, award of contract, contract management and the selection of procurement methods (21st professionals conference 2006, NBMM)

Procurement planning is the process that identifies what needs to be procured, how project needs can best be met, the scope of the goods, works and services required, what procurement strategies or methods to be deployed, setting the time frames, and
the responsibilities for the full procurement process”. Simply put, it is an integral part of the procurement cycle that guarantees efficient and economical delivery of goods, works and services in an acceptable and timely manner. www.ppaghana.rg dated 22/01/2013

Procurement Plan is a proactive and phased approach to the management of an organization’s procurement process so as to achieve overall objective of agreed procurement policies. (PPA No. 21 of 2004)

Procurement Management Unit (PMU) means a division or department in each procuring entity responsible for execution of the procurement functions (PPA No 21 of 2004)

Budget: A plan quantified in monetary terms, prepared and approved prior to defined period of time, usually showing a planned income to be generated and/or expenditure to be incurred during that period and the capital to be employed to attain a given objective. (Lyson K, 1996)

Budgetary control: The establishment of budget relating the responsibilities of the executive to the requirements of a policy, and the continuous comparison of actual with budget results either to secure by individual action the objective of that policy or to provide a basis for its revision (Lyson K, 1996)

Public body or public authority means a) any ministry department or agency of Government. (b) any body corporate or statutory body authority established for the purposes of the Government. (c) any company registered under the Companies Ordinance being a company in which the government or any agency of Government, whether by the holding of shares or by other financial input, is in the position to influence the policy of the company. (d) any local government authority, (e) any parastatal organization (PPA No.21 of 2004).

Procuring entity means a public body or any other body or unit established and mandated by the government to carry out public functions (PPA No. 21 of 2004).

Value for money: The terms are commonly referred to as the 3E’s meaning Economy, Efficiency and Effectiveness.
The PPA (2004) addresses and insists that every public entity has to achieve value for money in any procurement transaction takes it big or small.

2.2 Compliance with the Act.
Procurement plan are prepared to cover the whole year. The annual work plan covers; detailed breakdown of activities of goods works and services to be required, schedule of procurement requirements in order of priority, a statement of required resources, projected funding and a plan of the likely methods of procurement (Regulation 46(5) – (11) of G.N.97 of PPA).

Procurement planning as part of materials management requires planning, organizing, controlling, coordinating, implementing and reporting. An organization will achieve its objectives through effective and efficient procurement plan. It may be worthwhile to have well formulated policy and procedures regarding procurement plan. A well formulated procurement plan will help the organization to ensure economy and efficient in the use of organization funds, integrity, accountability, fairness and transparency in procurement processes (Regulation 4(2) of G.N. No. 97 of PPA).

The Public Procurement Act No. 21 of 2004 and its Regulations No. 46 G.N 97 &98 of 2005 have become a control system in all procurement transactions and in particular to procurement plan. Section 45 of the Act orders procuring entities to plan their procurement in a rational manner to avoid emergency procurement wherever possible, requires aggregation of requirements whenever possible both within the procuring entity and between procuring entities, to obtain value for money and reduce costs, insists on making use of frame work contract on services or suppliers that are required repeatedly over a set period of time, the section further insists on avoidance of splitting procurement disadvantageously.

Regulation 46(2) of Public Procurement (goods, works, non-consultants services and disposal of public assets by tender) Regulation, G.N No 97 of 2005, states that “procurement planning shall begin at the design stage during the identification and preparation stages of the project cycle”
Public Procurement (goods, works, non consulting services and disposal of public assets by Tender) Regulations, 46(5) – (10) G.N No 97 directs procuring entities to forecast requirements for goods, services and works as accurately as in practicable, with particular reference to activities already programmed in annual work plan and included in annual estimates, the cost of these requirements shall be estimated and compared evaluation report and priorities for procurement, may be determined in accordance with available funds and in compiling plans, Procuring entities are required to establish appropriate methods of procurement, as set out in part vi of the Regulations, to be employed for each requirement. Regulation 46(11) of G.N No. 97 requires time scale for each procurement to be calculated on the basis of the standard processing times prescribed in the third schedule of the regulations, allowing a margin for delay in transmission of documents and clarification of tenders.

Regulation 25 (1) – (4) G.N. No. 98 of PPA also insists on forecasting requirements with regard to availability of voted funds and in compiling plans appropriate methods of procurement should be employed for each requirement and time scale for each requirement should be calculated on the basis of the standard processing times prescribed in the third schedule to these regulations. In the time scale, the start dates and critical points in the procurement process should be set out in the procurement plan.

According to PPA 2004 Sect. 45 (a-e) procurement entities shall plan in rational manner and in particular shall:

a) Avoid emergency procurement whenever possible,

b) Aggregate its requirement wherever possible, both within the procuring entity and between procuring entities, to obtain value for money and reduce procurement costs.

c) Make use of framework contracts wherever appropriate to provide an efficient, cost effective and flexible means to procure works, services or supplies that are required continuously or repeatedly over a rest of time
d) Avoiding splitting of procurement to defeat the use of appropriate procurement methods unless such splitting is to enable wider participation of local consultants, suppliers or contractors in which case the authority shall determine such an undertaking, and e) Integrate its procurement budget with its expenditure program.

Also according to PPA 2004 sect.46 (1-12) and its regulations 2005 Planning for implementation shall involve preparation of a project work plan describing the various project tasks and activities, including how the tasks will be accomplished and managed and identifying the resources necessary to carry out the various project activities. It should also involve reviewing of assets on annual basis to identify those which are obsolete and should be subject to proposal.

2) Procurement planning shall begin at the design stage during the identification and preparation stage of project cycle

3) The procuring entity shall take a strategy decision whether the most economic and efficient procurement can best be achieved by separating contracts for each components

4) Proper planning of procurement of recurrent items shall be based on adequate stock control system.

5) A procuring entity must forecast its requirements of goods, works and services as accurate as is practiced, with particular reference to activities already programmed in its annual work plan and included in its annual estimate.

6) The cost of such requirement shall be estimated and compared with the likely availability of voted or donor funds so that priorities for procurement may be determined in accordance with the available funds

7) The forecast shall include an estimate of the optimum time to the nearest month for receipt of each consignment of goods, provision of services or completion of requirement works.
8) The estimate shall be shown in the tender evaluation report and priorities for procurement may be determined in accordance with available funds.

9) A procurement entity shall draw up a procurement plan for those requirements for which sufficient funds are available in current vote subhead, or if payment will be due in a subsequent financial year, have been budgeted.

10) In compiling such plans a procurement entity shall establish the appropriate methods of procurement, as section in part VI of these regulations, to be employed for each requirement.

11) The time scale for each procurement shall be calculated on the bases of the standard processing times prescribed in the Third Schedule of these regulations, allowing any necessary margin for delays in transmission of document or clarification of tenders. From this time scale, the start dates and critical points in the procurement process shall be set out in procurement plans.

12) A procurement entity may engage the services of consultants to prepare tender documents evaluate tenders and make recommendations to the tender board, where the capability of its in house professional services department is inadequate.

2.3 Theoretical bases of the study.
Burt, Dobler and Hill (2003) in the book of the key to supply chain Management says development of strategic sourcing plan is driven by the recognition that sourcing is driven by the recognition that tactical sourcing will not succeed in developing a supply base that will yield the benefits of collaborative relationship and eventually world class supply management requires concerted strategic planning. Strategic planning is the continuous process of taking decision systematically and with greatest knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the result on the decision against the expectations through organized system feedback. The first function of management is the development of series of plans that establish the framework within which future activities will be conducted. In this context the writer explains that future activities are conducted depending on the developed plans. However, does not show the way forward to implement these plans.
In the book titled Purchasing Materials Management, Planning is the most neglected area in the purchasing activity. A major weakness is the materials management system of developing countries like India, is the lack of proper materials planning and coordination. The lack of coordination has led to fragmentation, which in some cases has prevented the development and maintenance of uniform standards. Over ordering and under ordering materials are consequences of lack of planning in supply Management and are commonly visible in many organizations. Over ordering is marked by over investment and unproductive use of costly working capital. Under ordering characterized by equipments and material shortages that cause unnecessary delays and costly interruptions in unwarranted emergency orders, usually processed by air at high cost. Thus a material planning is the most important function that distinguishes the buyer as a manager and segregates him from other categories of staff. To spend money is easy, but planning enables the buyer to spend the money better in an optimum manner. With this situation the importance of planning is established which relates to the study without stipulating plans for implementations. Apart from that the writer Dobler and Burt did not state clearly steps involved during planning for implementation.

According to P. Gopalakrishnan 1990, Material planning is scientific way of determining the requirements of raw materials, components, spares and other items that go into meeting the production needs within economic investment policies. As the definition needs planning within economic investments we need a system which involves methodology to plan the purchase requirements in a scientific fashion. It is related to the user departments activities and hence to the investment policy of the individual organization. Material planning activity raises the level of the buyer from an order place to a purchase manager. Efficiency cannot be visualized without sensible or effective planning. Purchase Planning aims at motivating people and serves as an effective control device.

Likewise, materials planning can be used to assess the firm requirements for different planning horizons. As the planning horizons exceeds one year, the forecast becomes less reliable. Normally planning is done on quarterly bases. This is because the materials planner, at the beginning of every quarter, will find that, some materials are
in short supply and some in excess, owing to errors in forecasting. Thus operating on a quarterly basis helps to rectify these errors. At the same time, since quarterly periods are sufficiently long enough in most cases, realistic ordering can be done with suppliers. This technique is ideally suited for engineering industries. To ensure all of these are complied, planning for implementation is very necessary to organizations. Apart from explaining planning for implementation as the study states the writer did not consider the aggregation of materials into lots.

In the book titled Logical Management by Donald J. Bowersox and David J. Closs. The development of targeted performance goal is typically based on combination of strategic plans, forecasts and managerial inputs regarding future business activities. The develop goals and realistic performance plans, considerable cross functional coordination is required. For logic goals to be realistic and relevant they must integrate marketing plans with manufacturing capabilities. Without effective coordination, the potential benefits of intergraded logistical performance will not be achieved unless there is an execution of plans. In addition to this the writer did not interpolate on how targeted performance could also be based on time.

P. Gopalakrishnan, 1990 explain budget as a coordinated financial forecast of the income and expenditure of an organization and the purpose of the budget are to plan and control the activities of various departments, in order to achieve the corporate goal. Purchase budget is a plan showing how much of the various resources will be spent on buying. It is known that, purchase department accounts for a bulk of cash out flows. For a purchase budget, the sales forecast is the starting point and aspects such as the product mix, the seasonal fluctuations in manufacture, packing sizes schedules of production and a bill of materials are obtained. We will have to work backwards from the sales targets, break them into assemblies, sub assemblies and so on; after allowing for rejection at all stages. Besides giving the timing of purchases and estimated cost of raw materials, this will give us the material requirements that will have to be procured from outside the organization. In this aspect the writer related to the study by explaining the time and budget as elements of procurement plans. However Gopalakrishnan did not include the procurement procedures that could be involved in buying items.
From the book titled Purchasing Materials Management by P. Gopalakrishnan, 1990, The purchase executive must then formulate his purchase plan, taking into account the procurement lead time. He must compute the fund required and monthly cash out flows. The quantity, specification and time schedule of the requirements are available from the material plans. The purchase division will have to give the price data and a multiplication and summation exercise will give the fund needed for a procurement actions. Needless to say, forecasting the price is tough task and the last purchase price can be the starting point for estimations. The computer can be useful for latest price by holding the supplier data file. The purchase budget covers capital items, tools, raw materials, production materials, spares and miscellaneous items. It is also possible to have it class wise; department’s wise and work centre wise brought in for compiling the budget. Periodic reviews and regular feedback enable the purchase measure in consultation with the user department, on factors such as genuine price increase page.

According to Donald J. Bowersox and David J. Closs in the book titled Logical Management, Budgeting is considered as a rationalization process in the sense that management authorizes resources expenditures that support desired performances. The budgeting process is typically initiated by requesting managers to identify the resources required to achieve operating plan goals. Thus line management first details the work to be performed and then formulates a desired funding request.

Budgets thus constitute a manager’s estimate of the resources necessary to achieve specific goals. To a significant degree budgeting is a management process in which senior and operating or line managers negotiate the level and timing of expenditures. Therefore budgeting process goes simultaneously with plan preparations and implementing it comes after.

From the book Purchasing Materials Management it is clearly stated that for a purchase budget, planning for capital requirements is very necessary. This includes the main construction items likely to pore problems in buying and storing are brick, sand, wood, lime, gravel, steel for reinforcement concrete works and structural sections as flat, angles and plates. Some of the items are brought through permits and
canalized agencies. A decision to be taken whether cement can be bought from the open market as and when acquired or got through a permit under the levy system.

The buyer is expected to know the difference between different kinds of cement and also the spots of usage of them. The minimum and maximum quantities can be decided depending in the requirements to prevent chances of air setting, deterioration in strength or dogging. It is preferable not to stock in large quantities.

Structural steel items are to be identified and the forecast of requirements made sufficiently in advance, so that sufficient time is available for the inclusion of these estimates in the quarterly plans of the rolling mills of the steel plants. If the joint plant committee can not assure of the quality of certain items, arrangement for import through canalized agencies must be made.

In procurement of steel and cement, the buyer has to deposit money in advance of the actual suppliers. Light structural; reinforce steel bars, for steel can be obtained from re rollers.

Before procuring plant and machinery, the buyer should clearly be aware of the product process, input, auxiliary requirements, site location, accessibility, availability of raw materials, water, labor, electricity, weather conditions, disposal of the waste product, quality of desired output. This can be achieved through the advertisement, trade journal or the detailed project report prepared by the company.

For the roles of users in planning; the consuming departments are responsible for planning the materials requirements and communicating it to the headquarters material set up and the finance department for inclusion in the over all materials budget for operating items. The indents are re used by the users when items are required by them. Simultaneously, financial sections are accorded for each and every indent is raised, subject to the budget provisions. In view of the delayed experienced in receiving the indent from the field, the headquarters try to estimate the requirements based on certain material norms for projects, as well as for other activities. Unlike in the projects, where materials are procured specific to a project,
the materials in the distribution wing are such as required stocking and so purchased in bulk.

The stores department, after scrutinizing the indents and corresponding sanctions, send them for the headquarter, purchase department, attached to the executive director’s office. The procurement action is initiated only when an item is needed and not available in the stores. The average internal lead time of converting an indent into the placing of a purchase order is about 100 days and the total lead time may go up to one year for imported items. In case of imported items, it has been noticed from the previous records that a considerable delay was involved due to lack of coordination between the validity of the import license and the quotations of the suppliers.

In this aspect the writer entails more about procurement procedures relating to the study. However these procurement procedures need qualified personnel and allocated fund to carry out these procurement proceedings though they were not considered by the writer in this context.

2.4 Empirical Studies
Review of empirical studies determines clearly studies that have been done by other researchers and see their recommendations for further research or with the view to making adjustment of the research topic to be studied.

According to the study done by Basheka (2008) in Uganda, It was observed that, the necessity of a well functioning public procurement system is critical for the improved delivery of decentralized services. The procurement system that is envisioned to contribute to effective service delivery is expected to be accountable and transparent. Accountability of the local government procurement system as derived from the results of the study should entail having a liberalized press intended to increase awareness of citizens on how well the local governments are utilizing public resources, a deliberate effort to address corrupt tendencies as they pertain and occur during the various stages of procurement, various stakeholders recognizing efforts of improved accountability as a motivator for others to follow as examples, establishing clear public resource management systems that are transparent to a
variety of stakeholders and a policy emphasis on making all public officials accountable for whatever they do during the process of procuring for their local governments. To achieve all these features of an accountable procurement system the study argued that, procurement planning plays a significant role. The contribution of the proper planning processes, the consideration of appropriate planning practices, the involvement of the ‘right’ departments in planning and a realization of the value of procurement planning are critical parameters of ensuring accountability.

From the Materials Management Journal of 1995 to 2000, it is clearly stated that Procurement planning must proceed in a logical manner. It is suggested that if the materials required are for constructional, Engineering or manufacturing project, the following steps are worth nothing

(a) Identifying what is to be purchased or constructed for (Identification of the objective to be achieved or constructed for)
(b) Expressing of the objective in terms of time, i.e., delivery (completion) period
(c) Assessment of the resources both available and required.
(d) Establishment of the most, economic method by which the objective can be achieved by the time required taking into account the resources available.
(e) From the method selected then the location of responsibilities.

The Management must appoint a planning team just after it is decided to initiate a procurement investment. It is advised that initially the team should be internal to the Company and specifically should not include any outside consultants or contractors. By all means the team should get ideas from consultants or contractors as to what they could do, how long it would take, what it could cost and what responsibilities they would accept. It is common that the participation of the Procurement planning team for a successful appraisal should involve the following team.

(a) A representative of the Department or functional for which the Procurement investment is to be commissioned.
(b) The Procurement officer who will be responsible for writing and receiving tenders and placing of the contract.
(c) An accountant or finance analyst.
(d) A representative of the Company’s Chief executive.

However it is obvious that unless the objective of the procurement is defined from the outset, difficulties may be encountered at a later stage of implementation. Any factor having a fundamental effect on cost time or resources should be specified.

According to Tanzania Procurement Journal Vol. 1 No. 01, 29 February 2008,

Lack of reliability of finding often keeps the procuring entities on a difficult position. The major problem is that by the time approvals are obtained, delay in carrying out the procurement, expiry of the tender validity period may necessitate re-tendering. Sometimes, when the funding is made available towards the end of the fiscal year, procuring entities are tempted to use impractical time frames that may lead to inadequate responses from bidders, reduced competition or deliveries which are questionable. There is a need for improving skills in relation to forecasting, planning and work processes. The funding mechanism should also be revisited, to identify the reasons for delays in disbursement.

On the other side during Procurement transaction, there are procurement transactions or administrative costs arising from a particular procurement activity. A quick survey of procuring entities and consultation with various officials working in public procurement show that procurement transaction costs consists of process, materials and communication cost elements. Most of these are not considered when preparing procurement plans or budgets. The following is a brief elaboration of some of the cost elements.

Process Costs is one of the elements that arise from a particular procurement activity. When the time for administrative particular procurement is long, one can associate it with low efficiency and poor communications. The longer it takes the more costly it becomes. If internal needs are not properly asessed, procurement workflow may not well designed and again contribute to delays and corresponding costs.

Most of the activities relating to process to process may be done more efficiently by using the potential the Information Communication Technology (ICT) expertise
provides. Unfortunately, not many Procuring Entities are doing enough to promote the use of ICT in carrying out the function, even within individual PE boundaries.

Significant duplication and errors due to poor document management system or control is a common challenge which nearly every procurement review or audit has pointed out. Overall document and record management is an area that requires immediate attention in all procuring entities. In recognition of the scale of the problem, PPRA established a system for checking and monitoring of procurement activities, a system for management of procurement information and also designed procedural forms that would greatly enhance the keeping of procurement records.

From Tanzania Procurement Journal Vol. 1 No. 01, 29 February 2010, Procurement Management Units could still be proactive by establishing the ability of reusing workflows and standard organization information across different tenders and quotations. The Units need to do self assessment of their operations to determine how they could improve their techniques.

Material and communication cost is another procurement transaction cost that arises from a particular procurement activity. There is a lot of paper work in the country procurement operations, which is also very costly, not in terms of stationary materials, but also the time spent on completing the paper work. The physical cost of producing the tender in a paper form, advertising in the media, postage costs and compilation of reports may not be underestimated. Occasionally, unnecessary rework of documents aggravates the situation.

Poor communication between procuring entities and bidders may contribute to significant transaction costs in that request for information or clarification costs both time and money. When the need for pre bid conference arises, both the procuring entity and bidders are likely to incur additional costs. Experience has shown stakeholders, especially potential bidders, might contribute to the following:

- Improve coordination and synchronization of activities and actors in the procurement process will reduce the time and cost of the procurement process.
Increasing the quality of the solicitation documents issued, in terms of clarity, completeness and understandability, will reduce the costs for the management of the procurement process (e.g. reducing the needs for meeting with bidders, reducing phone calls and letters placed by bidders to ask for details and explanations, reducing eventually the need for extension of bid submission, etc.

Increasing the quality of the bids prepared, hence, the reliability, clarity and completeness of bids and increasing bidders’ responsiveness and chances of success.

Increasing the reliability of the estimation of cost and delivery time, therefore reducing the deviations of actual from planned cost and time

Just like in the previous section, this is a capacity issue that needs to be addressed through improving skills in document management, better communication and workflow planning.

(www.ppaghana.org:) gives details about Public Procurement Authority (PPA) in Ghana that PPA is one of the procuring entities in Ghana. Its procurements are audited in the same manner as other procuring entities. PPA has a Directorates Board for ensuring the performance and compliance of procurement functions. One of the overview of the function of PPA Directorates includes Management Information System (MIS) Directorate.

This directorate facilitates the use of ICT for ensuring that public procurement is carried out in a fair, transparent and non discriminatory manner. The following systems have been developed to enhance and facilitate the monitoring functions as spelt out in the law: Web based Procurement Planning Software; and they are currently in the process of preparing an average price list of goods and services being procured by public bodies.

www.ppра.org.tz accessed on 21st February, Web-based Procurement Planning Software allows Procuring Entities to submit to PPA their procurement plans and progress report on various tenders. It compares very well with the Tanzania
Procurement Management System developed by PPRA and currently introduced to about 50 PEs. Through the software, PPA is able to provide the Ministry of Finance and Economic Planning important information on contracts to awarded and their estimated values for it to prepare the necessary funds required to finance them.

According to Working paper no.208-public procurement: Lesson from Kenya, Tanzania and Uganda by Walter Odiambo and Paul Kamau March 2003, a study was conducted by SGS consultants to evaluate the public procurement planning system. The major findings were that public procurement was not operating efficiently and that the state was loosing a lot of money through shoddy procurements. The report strongly indicated the needs for reforming the public procurement system. The World Bank supported the study through the public procurement planning system and capacity reform project. This study identified the need for comprehensive review and implementation of a reform process in the procurement system.

The study revealed that the public procurement planning system in Kenya lacked integrity, professional ethics, and accountability, policy, guidelines and procedures. Lack of a professional body that would oversee and instill discipline among procurement officers made them vulnerable to corruption. One of the major recommendations from these two studies was that reforms in public procurement system were paramount if the government was to save resources otherwise lost through exorbitant procurement. The World Bank study argues that improvement in procurement planning system had a direct and beneficial effect on the overall economical situation in the country.

The World Bank, the African Development Bank and ITC, in conjunction with the Government of Kenya, initiate the public procurement reform process in the rate 1990s. This reform, process was meant to create system that allowed, among other things, a proper delegation of authority, planning, incentives, procurement thresholds and development of supplies manuals.

The public procurement reforms also aimed at ensuring the procurement policy, procedures and laws were streamlined to conform the international procurement laws
and standards. The paper related to a great extent in these aspects of beneficial effect of procurement planning system. However the issue of training to adopt the technological changes was not taken into consideration.

According to www.ppaghana.rg accessed on 22nd January 2013, Section 21 of the Public Procurement Act, 2003 (Act 663) provides that public entities plan their procurements in conformity with approved budgets as given by Ministry of Finance and Economic Planning and their institutional strategic plans. These plans must include essential information such as: Contract packages, Estimated cost for each package, the procurement method to used and the processing steps and lead times.

Ideally, procurement plans are expected to be pre-pared as part of the annual budgeting process, preferably during the last quarter of each year. The Procurement Unit of each entity is required to initiate the process by collecting individual user departments’ requirements to be procured in the ensuing year and it is these information that are fed into the procurement plan and then reviewed and approved by the Entity Tender Committee of the procurement entity for on-ward submission to the Ministry of Finance & Economic planning with copies to the PPA.

Agripina J. 2007, in her study, a case study of Ministry of Agriculture and Food cooperatives commented that a communication plan between various parties involved in procurement is necessary for the procurement to be successful; a need exists of a good workload planning and risk analysis in order to avoid the potentially risky procurement. A clear understanding of what is being procured through clear specifications is necessary. Above all procurements should be carried out by qualified personnel.

Kaselema W. 2008, in his paper it was argued that the concept of Planning focuses on the question of where are we right now, where do we want to be in the future, what strategies will we need to implement to get there, and what internal and external forces are operating that will hinder or help us to achieve our long term goals.
It was added that procurement planning is essential for timely solicitation of quotations, bids or proposals; cost efficiency; the awards of contracts, and delivery of inputs. Procurement planning entails more than the selection of procurement methods for various goods, civil works services and when to schedule activities, but combines the legal and institutional framework in which procurement must be carried out.

In this paper the writer related the study by explaining the focuses that are needed want a plan to be effected. However the researcher in his paper did not consider qualified personnel that will be responsible to put these into actions.

According to PPRA Journal, 2011, Procurement Planning is critical if you want to get the most out of supplier relationships. By using Procurement Plan template, you can quickly and easily define procurement requirements, the method of procurement and the timeframes for delivery. A Procurement plan defines the products and services that will be obtained from external suppliers. A good Procurement Plan will go one step further by describing the process through appointing those suppliers contractually. Whether embarking on a project procurement or organizational procurement planning exercise, the steps will be the same as follows. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery It is advisable to create a Procurement Plan whenever there are purchase items from suppliers. Using the Procurement Plan template, you can define the procurement requirements, identify potential suppliers, contract those suppliers and manage them to ensure delivery. Procurement Planning is critical to the success delivery.

From this Journal the writer explained clearly the steps involved during preparation of annual procurement plan. Apart from relating to the study being carried out the writer did not point out procurement planning team in the organization which includes a representative of the department, the procurement officer, accountant or finance analyst and a representative of the company’s Chief executive officer who are to be involved during preparation of the plan.

2.5 Conceptual framework
The major element which may contribute to the implementation of procurement plan include budget, identification of specific needs, time, knowledge, organization structure, forecasting methods, and knowledge. These independent variables facilitate the plan implementation which results into achieving the value for money.

**Figure 1: Conceptual Framework**

**Illustration of the conceptual model:**
A conceptual framework in the figure above links the elements of procurement planning (independent variables) that should get involved in procurement plans. The implementation of procurement plans depends on these variables. In this relation, when these variables are adhered during plan preparation and executions, this obviously results into implementation of plan and the value for money achievement.

**2.6 Hypothesis of the study**
i) The higher the level of top management support the higher the implementation of annual procurement plan.
ii) Proper execution of the annual procurement plan is facilitated by the well qualified procurement personnel.

iii) The higher the transparency of procurement procedures the higher the implementation of annual procurement plan.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Over view.
This chapter gives a detailed description of the methods and techniques used in the study, for the collection, analysis and presentation of data.

3.1 Research Paradigm (Philosophy)
The researcher in this context used positivism as the philosophical approach in conducting the study. With this phenomenon the only positive requirements towards the responders on the challenges facing the implementation of Procurement plan as the study, were considered. In Positivism process the reality about the study was obtained from the observable situation within the Organisation. Researcher decided to use positivism because it led the researcher to use deductive reasoning as the research process and reality of implementation of Procurement plan had to be obtained due to positivism approach.

3.2 Research design (Strategy)
This study was undertaken by using case study design, because this design provides much time to concentrate on the problem in a particular organization. A case study was conducted at a single area, it enabled a researcher to focus on particular problem at hand and provide solution of the problem. The researcher used a case study design due to the following elaborated reasons.

A case study is flexible in data collection methods since researcher will be confined in a single area of which the use of research instruments becomes easier compared to survey.
There is a possibility of a much focused study since a unit under the study is intensively studied.

The fact that, researcher would be able to verify information on the spot through observation and interview, since the researcher becomes part of the unit of study, there is a possibility of having an accurate information.
Case study design provides the basis for generalization for the unit under the study is true representative of the population and also the design use both time and cost efficient.

**3.3 Types of measurements**
The researcher used both the parametric and non parametric approach to interpret the data. Therefore the use of numbers and drawings were used in this process.

**3.4 Data collection methods and approach Primary Data.**
This part covers nature and type of data required, measurement and data collection methods and sampling procedures. Primary data were obtained through, observation, questionnaire and personal interview, while secondary data were obtained through organization manual, Journals, internet, newspapers and reading relevant books.

**3.4.1. Primary data**
The researcher directly used this approach to collect original data which were not been previously collected. The following are the collection methods that were used.

**3.4.1.1 Observation**
The type of observation that was used by researcher is participatory observation since the observer was involved in the situation being observed.

The Researcher used direct observation by just observing how things were done in respect to procurement implementation at Regional Commissioner's office. This enabled the researcher to note whichever was taking place at the Organisation, hence the researcher acquired the true picture without any biasness.
3.4.1.2 Questionnaires

Questionnaires were distributed to different departments, sections or units and individuals involved in procurement proceedings in one way or another. The closed and open questions were used by researcher and enhance easily analysis of data and suitable for the study due to available time. List of questionnaires that guided the study are attached at appendices page 39

3.4.2 Secondary data

Under secondary data the researcher visited various literatures from professional journals, conference papers and publication, public procurement acts and regulations etc. These were obtained from PPRA and PSPTB libraries.

The researcher used internet in collecting information which involved visiting the different websites to search different information from both inside and outside the countries. The researcher used this information because of wide chance of getting proved and authorized data from recognized sources. Also being economical in term of time, and that there was no need of traveling from one place to another to collect the data.

3.5 Sample Size and Sample Techniques

Out of Ninety six people seventy five staff representing the study population were selected as sample size. Thirty eight people from the four department including Engineering, Planning, Local Government and Accounting department were given questionnaires, whilst five officers who are all members of the procurement members were given questionnaires and interviewed as well. The remaining thirty two were questioned from the other departments including Economics, Education, Health and Legal sector.

A simple purposive sampling technique was used in selecting the respondents for data collection. Since the study ascertained the extent of the implementation of the Annual Procurement plan in the Organization, officers in the management positions were interviewed. The other workers who are not directly involved in purchases were
also interviewed to know if they have any idea on the whole issue about procurement plan implementation.

Table 1: Sample size.

<table>
<thead>
<tr>
<th>S/N</th>
<th>DEPARTMENT</th>
<th>TARGETED RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Engineering</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Planning and Coordination</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Local Government</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>Accounting and Finance</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Procurement Management</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Economics</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>Education</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Health sector</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Legal sector.</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>75</td>
</tr>
</tbody>
</table>

3.6 Reliability of data
The researcher ensured the reliability of data by the use of quality instruments in repeated measurements. This provided consistency results obtained at different times.

3.6.1 Validity of data.
To obtain better results from the collected data, the researcher ensured that data are tested and are also from reliable personnel.

3.7 Data Management
The researcher used both qualitative (word based data) and quantitative method of data in analyzing and interpreting of data, and ultimately making necessary recommendation and conclusion in order to determine the magnitude of the problem.
Therefore, this involved editing, coding, classification and tabulation so that they can be amenable to analysis. Editing process was in a position to identity errors of omission. This method saved space and easy making of comparison; it facilitated the summation of items and detection of errors and missions. Also it provided a basis for various statistically computation.

3.7.1 Data analysis
Collected data were analyzed qualitatively and quantitatively basing on the research questions. Quantitative models were established to suit the data to be collected, to be analyzed in a proper manner through the use of computerized program like SPSS. Also tabulation and percentage techniques were used for easy analysis.

3.7.2 Data editing
The data collected by researcher from the observation and questionnaires were checked to ensure their accuracy, uniformity and completeness.

3.7.3 Data coding
This involved assigning of numerical value that represent a specific response to specific questions along with column position, the designed code symbol would occupy on data record.

3.8 Expected results
This study was expected to generate an understanding of the implementation of procurement plan in public sectors. It also expected to give the results of implementing procurement plan in procuring entity
CHAPTER FOUR

PRESENTATION AND DISCUSSION OF FINDINGS

4.0 Overview
This chapter gives description of research findings which were obtained from respondents. Therefore their responses were tabulated and analyzed both qualitatively and quantitatively through the use of SPSS computerized program. The work in this chapter is organized around specific topical issues derived from the research questions to answer the specific research questions posed in chapter one. However, the findings and analysis presented in this chapter shall be discussed clearly in this chapter and recommended in the chapter five.

4.1 Presentation of the findings
The presented data hereunder are based on primary type whereby returned questionnaires, interview conducted and personal observation of the researcher during the study were considered. Secondary type of data were also used through documentary literature review to enhance the study.

Nine departments of Coast Regional Commissioners Office were selected by the researcher for coverage of the research study. However the researcher would analyze the obtained data through figures, tabulation showing frequencies and percentages.

4.2 Profile of the sample, Analysis and Discussion of findings.
Among 75 of the expected respondents from nine departments, it is only 41 respondents who managed to return all questionnaires. Procurement management unit managed to return all questionnaires while other departments apart from not returning all questionnaires but each attempted. The sample profile is here narrated below.
Table 2: Response Statistics

<table>
<thead>
<tr>
<th>Department</th>
<th>Expected response</th>
<th>Usable Respondents</th>
<th>Non responses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Respondents</td>
<td>%</td>
<td>Respondents</td>
</tr>
<tr>
<td>Engineering</td>
<td>10</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Planning &amp; Coordination</td>
<td>10</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Local Government</td>
<td>8</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Accounting and Finance</td>
<td>10</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Procurement</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Economics</td>
<td>10</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Education</td>
<td>8</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Heath</td>
<td>8</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Legal</td>
<td>6</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>75</strong></td>
<td><strong>41</strong></td>
<td><strong>34</strong></td>
</tr>
</tbody>
</table>

**Source:** Researcher’s manipulation (2013)

Table 2 above shows the statistics of the responses at RCs office. However it is only Procurement department that all staffs could respond accordingly by answering the questions asked. It is therefore generally that 41 respondents which is equivalent to 54.7% answered the questionnaire and the remaining 34 staffs which is equivalent to 45.3% did not respond at all.

From the above analysis, the respondents were found to be more than 50% of the expected responses and therefore this was helpfully to the researcher to go further for research undertakings.

**4.2.1 Working experience of the respondents.**

On determining the challenges facing the implementation of procurement plan at the organization, the researcher included the question demanding working experience of the respondents to all departments. It was with an intention of getting clear picture of the respondents towards their existence and familiar with the work. By doing so those
with enough experience would give clear information on implementation of procurement plan rather than those who are not familiar with the procuring entity.

Figure. No.2: Response on the working experience.

**How long have you been working at your organisation?**

![Pie chart showing percentages of working experience]

- **26.83%** responded that have been working in the organization from one year to three years
- **29.27%** were from three to five years
- **43.90%** respondents responded to have an experience of more than five years at Regional Commissioners Office – Pwani. Respondents having more than five years experience at the entity were greater than those from one to three years and those from three to five years.

**Source:** Questionnaire
From this analysis it shows that the researcher distributed questionnaires to respondents who are very much familiar with the organization and who gave genuine information. On the other hand the respondents had enough experience with the work at the organization and therefore the intended reason was mate by the researcher.

4.2.2 Academic qualifications of respondents.
Qualifications of respondents is an important aspect in determining the clarity of the information required. Therefore the researcher distributed questionnaires to different respondents hoping to obtain relevant information that would be helpfully for the study. Below is the figure showing responses.

Figure No.3: Responses on academic qualifications.
From the figure above it shows that 90.49% respondents have Bachelor degree and above while the remaining 09.51% have diploma. In this analysis those who responded that have bachelor degree are greater than those who responded that they possess diploma. Therefore relevant information to the study were obtained from the respondents who answered the questionnaires.

4.2.3 Annual Procurement Plan
Annual Procurement Plan serves as a guide to procuring entities who are engaged in procurement practices. It is one of the requirements of the Public Procurement Act, 2004 and its regulation 2005 which enjoins every entity especially those that rely on state funds to prepare procurement plans for every year and make submission of copies to their various authority. With this aspect the researcher was intending get clear information from respondents who understand clearly about the questions asked on the annual procurement plan.

Table No. 3: Responses on knowledge about APP

<table>
<thead>
<tr>
<th>Valid</th>
<th>Yes</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>37</td>
<td>90.2</td>
<td>90.2</td>
<td>90.2</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td></td>
<td>2.4</td>
<td>2.4</td>
<td>92.7</td>
</tr>
<tr>
<td>Not sure</td>
<td>3</td>
<td></td>
<td>7.3</td>
<td>7.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaires

From the above table, the analysis shows that 90.2% have a knowledge about annual procurement plan at the organization while 2.4% responded that they understand nothing about it and the remaining 7.3% were not sure. The analysis shows that most of the respondents at the entity have a knowledge about Annual Procurement Plan.

The researcher went further by making comparison to question two above and found that most of the respondents who said to understand anything about the annual
procurement plan are the ones who have bachelor degree and above. It is with this fact that the researcher obtained genuine data from the respondents.

Apart from understanding an annual procurement plan, it was observed that most of the respondents at the procuring entity were seem to have little knowledge about its implementation.

4.2.4 Implementing an Annual Procurement Plan.
Implementing an annual procurement plan is an important aspects towards achieving value for money in different procuring entities. It was with this regard that different respondents at the organization were questioned aiming at understanding if the organization face challenges on implementing an annual procurement plan. Below were the responses regarding to the question asked.

Table No.4. Responses on implementing an APP

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid yes</td>
<td>28</td>
<td>68.3</td>
<td>68.3</td>
<td>68.3</td>
</tr>
<tr>
<td>Not sure</td>
<td>13</td>
<td>31.7</td>
<td>31.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: questionnaire

According to the analysis found in the table above, 68.3% responded that the organization face challenges on implementing annual procurement plan. 31.7% responded that they were not sure if the organization face challenges or not. However there were no respondents who replied that the organization does not face challenges on implementing annual procurement plan.

The inconsistent implementation of the existing annual procurement plans at all times by the facilities was one of the problems in the organization where prepared plan were usually set aside especially when funds came and new ideas arose for implementation. It could also be possible that unforeseen circumstances may occur which was not in the original plan but required immediate attention.
For instance, if a rainstorm got rid of roof of RC’s building, immediate action would be required to address the problem else operations in the facility could come to a standstill. If this was the case then the existing annual procurement plans were not flexible to be adapted to changes as in the case of the World Bank financed projects where annual plans were regularly updated to cater for contingencies.

Being high percent for those who responded that an entity face challenges on APP implementation is an indication that there must be challenges existing. It is therefore the researcher went further to establish those challenges.

### 4.2.5 Challenges involved during implementation of APP

Apart from implementing an annual procurement plan there are some challenges expected at place in the stated procuring entity. Delay of fund, Identification needs, inadequate fund release, conflict of interest and inadequate number of Procurement management unit staffs were the stated to be the challenges. Below is the summarized table showing the mentioned challenges.

**Table No. 5: Responses to challenges during implementing an APP**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid delay of fund and identification of needs</td>
<td>26</td>
<td>63.4</td>
<td>65.0</td>
<td>65.0</td>
</tr>
<tr>
<td>Inadequate fund release and conflict of interest</td>
<td>9</td>
<td>22.0</td>
<td>22.5</td>
<td>87.5</td>
</tr>
<tr>
<td>Conflicts of interest, Inadequate number of PMU staffs</td>
<td>5</td>
<td>12.2</td>
<td>12.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>97.6</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>1</td>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the findings analysis above, 26 respondents equivalent to 63.4% attempted that delay of fund and identification of needs to be the major challenges involved in the implementation of procurement plan. 22% responded that inadequate
fund release and conflict of interest while 12.2% added that inadequate number of Procurement Management Unit staffs to be the challenge. However one respondent equivalent to 2.4% did not respond anything about the challenges involved.

From the researcher’s observations, it was observed that lack of knowledge on APP, analyzing requirements or needs from user department, inadequate release of fund and lack of cooperation with the user department were the challenges stated by the respondents when they were asked to give their view on what might be the challenges on the implementation of procurement plan at the organization. It was added that even preparation of Annual procurement plan wasn’t at the required moment hence becoming a challenge.

4.2.6 Cross Tabulation between Qtn N0. 7 and Qtn N0.1
The researcher further compared question seven above and question one in order to find the relationship between respondents to challenges involved in Plan implementation and the respondents who have enough experience at the organization. The cross tabulated results are hereby below presented.
Table No. 6 Cross tabulation results

<table>
<thead>
<tr>
<th>Count</th>
<th>How long have you been working at your organization?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 to 3 years</td>
</tr>
<tr>
<td>1 to 3 years</td>
<td>7</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>3</td>
</tr>
<tr>
<td>5 to above years</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Questionnaire

From the above analysis, the researcher was able to find that the 14 respondents having an experience of more than five years at work were the ones who responded that delay of fund and identification of needs were the challenges involved in the implementation of annual procurement plan. This shows that the needs to be aggregated during the preparation of procurement plan were not well identified by the user departments. However this shows that there was delay fund that had to be released as early as possible when implementing annual procurement plan.

Inadequate fund release and conflicts of interest were further seem to be challenges involved in the implementation of procurement plan. In this case, the same number of three respondents who responded to this were the ones having more than five years at work. However there were no respondents having more than five years who
responded on the challenges especially conflicts of interest and inadequate number of Procurement Management Unit.

Therefore, the analysis showed that delay of fund and identification of needs were the main challenges observed. This is because, large number of 14 respondents who responded to this, were the ones having more than five years of experience in the organization.

According to Tanzania Procurement Journal Vol. 1 No. 01, 29 February 2008, Lack of reliability of funding often keeps the procuring entities on a difficult position. The major problem is that by the time approvals are obtained, delay in carrying out the procurement, expiry of the tender validity period may necessitate re-tendering. Sometimes, when the funding is made available towards the end of the fiscal year, procuring entities are tempted to use impractical time frames that may lead to inadequate responses from bidders, reduced competition or deliveries which are questionable.

4.2.7 Members involved during APP preparation

It is a mandatory for every procuring entity to prepare an annual procurement plan at the end of each financial year. To ensure this, enough skills are required from qualified personnel to be involved during an APP preparation. Therefore it was an important to know members who are involved to prepare the plan at the procuring entity.

<table>
<thead>
<tr>
<th>Table No.7: Responses on members who are involved during APP preparation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Valid Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Not sure</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Questionnaire
According to the analysis above, it was found that 39% responded that were involved during preparation of procurement plan while 53.7% said they were not involve and 7.3% responded that they were not sure whether they are involved or not. Due to this view it shows that there were few group members who were involved in the preparation of procurement plan. A said small group includes those respondents with 39% who responded that they were involved.

However according to researcher’s views it is not all those who said were involved in procurement plan preparation might have been involved. The fact is that they might have been involved during preparation of requirements and submitting them to Procurement Management Unit for further actions.

According to Material Management Journal 1995 – 2000 PP,” there should be a procurement planning team in the organization which includes a representative of the department, the procurement officer, accountant or finance analyst and a representative of the company’s Chief Executive Officer. On the other side Section 45 of the PPA requires every Procuring Entities to plan its procurement in rational manner to avoid unnecessary emergency procurements and be able to aggregate its requirements so as to obtain the value for money, reduce procurement costs and make effective contracts arrangements.

On the other hand from Training workshop on the system for checking and monitoring procurement by public bodies, 2007 by PPRA. The preparation and processing annual procurement plans should be guided by the following steps; Identifying items of budget which require procurement, Split the items into categories of procurement of goods, work, non-consultant services, consultant services etc., Aggregating requirements of same categories into lots where possible, Decide on the method of procurement (usually National or International Competitive Bidding) Deciding the dates on which the procurement should be concluded or Date of signing the Contract, Submit the Annual Procurement plan for approval by the Accounting officer, Commence implementation of the Annual Procurement.
According to the analysis above, it was found that 39% responded that were involved during preparation of procurement plan while 53.7% said they were not involve and 7.3% responded that they were not sure whether they are involved or not. Due to this view it shows that there were few group members who were involved in the preparation of procurement plan. A said small group includes those respondents with 39% who responded that they were involved.

However according to researcher’s views it is not all those who said were involved in procurement plan preparation might have been involved. The fact is that they might have been involved during preparation of requirements and submitting them to Procurement Management Unit for further actions.

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4.2.8 Problems during preparation of an Annual procurement plan.

It is obvious that many organizations prepare an annual procurement plan though there might be problems when preparing an APP. With this regard, question ten aimed at knowing if there problems during preparation of an annual procurement plan.

Table No 8: Responses to problems encountered on APP preparation

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>11</td>
<td>26.8</td>
<td>26.8</td>
<td>26.8</td>
</tr>
<tr>
<td>Valid No</td>
<td>18</td>
<td>43.9</td>
<td>43.9</td>
<td>70.7</td>
</tr>
<tr>
<td>Not sure</td>
<td>12</td>
<td>29.3</td>
<td>29.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire

The analysis above interpreted that 26.8% responded that they encounter problems during the preparation of procurement plan. 43.9% responded that they don’t encounter problems whereby 29.3% responded that they were not sure either they encounter problems or not during the preparation of procurement plan.

From these views it shows that almost all respondents who said they encounter problems with 26.8% are the ones who responded that they are involved during the preparation of procurement plan with 39% in question seven. Therefore with this finding it shows there were problems during APP preparation which included getting wrong specifications and collecting requirements from user departments it was observed.

To avoid those problems Tanzania Procurement Journal Vol. 1 No.08 of 16 June 2008, guidelines and templates for preparation of annual procurement plan have been given out to assist procuring Entities to prepare annual procurement plan as required by law. Three kinds of APP Templates are introduced in this guideline as shown below:
Template of APP for Internal use: This Template is contained in a worksheet designated as APP-GN 97 – IU. It gives detailed information about each procurement to be carried out by a PE including key dates for which certain actions must be completed by its staff to ensure that there is no delay in the procurement process, for each tender, two rows are provided: one for recording the planned dates for various actions and one for filling in actual dates when the actions were implemented.

Template of APP for External use: This Template is contained in a worksheet designated as APP – GN 97 – EU. It gives detailed information about each procurement to be carried out by a PE through open competition and it forms part of the GPN to be made available to potential bidders of procurement opportunities available in PE. In this template information regarding particulars of tender, dates for advertisement and notification of bidders are given.

Template of APP for Submission to PPRA: This Template is contained in a worksheet designated as APP – GN 97 – PPRA. It gives detailed information about each procurement to be carried out by a PE including key dates for notifying potential bidders of the tender proceedings and results of the tender process. This is required to be submitted to PPRA at the start of the financial year to enable PPRA be aware of the procurement volume for that particular year and enable it plan its monitoring activities accordingly.

4.2.9. Identification of requirements.
Requirements to be included in the annual procurement plan are identified by user department in any organization. It is with this aspect that the researcher in the question wanted to know if users identify their requirements.
Table No.9: Responses on identification of requirements.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>27</td>
<td>65.9</td>
<td>65.9</td>
<td>65.9</td>
</tr>
<tr>
<td>Not sure</td>
<td>14</td>
<td>34.1</td>
<td>34.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Questionnaire

From the above table of results 65.9% of respondents said that user identify their requirements to be included in the annual procurement plan while 34.1% of respondents were not sure if they identify their requirements or not. There were no respondents who said that users do not identify their requirements.

From the researcher’s view it was noted apart from those who responded positively that they identify requirements, it had been difficult to identify them accurately. This poses problems to Procurement Management Unit at the time of aggregating requirements.

According to GN. No.97 Sect 46 (5-7). A procuring entity must forecast its requirements of goods, works and services as accurate as is practiced with particular reference to activities already programmed in its annual work plan and included in its annual estimates. The cost of such requirement shall be estimated and compared with the likely available of voted or donor funds so that priorities for procurement may be determined in accordance with the available funds.

For the roles of users in planning, P. Gopalakrishnan 1990 added by stating that; the consuming departments are responsible for planning the materials requirements and communicating it to the headquarters material set up and the finance department for inclusion in the over all materials budget for operating item.
4.2.10. Aggregation of requirements.

User departments had been responsible for identification of needs or requirements without aggregating them. Therefore the question aimed at establishing the responsible department for aggregating the requirements.

**Table No. 10: Responses with regard to aggregation of the requirements**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>5</td>
<td>12.2</td>
<td>12.2</td>
<td>12.2</td>
</tr>
<tr>
<td>Accounts</td>
<td>3</td>
<td>7.3</td>
<td>7.3</td>
<td>19.5</td>
</tr>
<tr>
<td>Procurement</td>
<td>33</td>
<td>80.5</td>
<td>80.5</td>
<td>100.0</td>
</tr>
<tr>
<td>management unit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire.

From the above findings it was found that 12.2% of the respondents said that Administration department is responsible for aggregating the requirements while 7.3% of the respondents said that Accounts department is responsible for aggregating the requirements. The remaining 80.5% responded that Procurement Management Unit is responsible for aggregating the requirements. This is the greatest percent compared to all indicating that most of the respondents are aware about Procurement management unit responsibilities.

According to the Researcher’s view, RC’s staff seem to know that Procurement Management Unit is responsible for aggregating the requirements by consolidating like categories of goods, works or services that were to be procured though proper identification and specification of items from user departments have been a problem. Section 36 (c) propose technical inputs to statements of requirements for procurement requirements to the Procurement Management Unit. In addition to this, Section 45 of the PPA requires every Procuring Entities to plan its procurement in rational manner to avoid unnecessary emergency procurements and be able to aggregate its requirements so as to obtain the value for money and reduce procurement costs.
4.2.11 Extraction of user requirements.

The Procuring Entity’s Budget embodies the entity’s thrusts and the resources needed to produce the key services it delivers to the public. Procurement planning should be done within this budgetary context, reflecting the Procuring Entity’s priorities and objectives for the budget period. It is with these reasons user requirement have to be carefully extracted enhance the plan. The table below illustrates where these user requirements can be obtained from.

Table No.11: Responses on extraction of user requirements.

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Procuring entity’s budget?</td>
<td>14</td>
<td>34.1</td>
<td>34.1</td>
<td>34.1</td>
</tr>
<tr>
<td>Individual users</td>
<td>13</td>
<td>31.7</td>
<td>31.7</td>
<td>65.9</td>
</tr>
<tr>
<td>Procurement management unit</td>
<td>14</td>
<td>34.1</td>
<td>34.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

From the table above 31.7% of the respondents said that user requirements are obtained from individual users. 34.1% of the respondents said that are obtained from Procuring entity’s budget. This is the same percentage to those who said that user requirements are obtained from Procurement management Unit. Due to these results it was uncertain to know exactly where are these requirement extracted from.

However according to [www.ppaghana.rg](http://www.ppaghana.rg), Entities procurement plans are drawn from the budget. However this is done once the budget is approved to capture all goods, works and consultancy services needed for the next year. All items are grouped into pack-ages – thus all like items which are likely to attract particular market (supplier, contractor or consultant) are consolidated into one lot.

Nevertheless prior to the development of the budget, the procurement unit or section should circulate memorandum to all the departments or units within the organization asking them to provide their needs for the following year. At this point, it is very necessary that departments or units attempt to give a detailed list of all their
procurement requirements for the following year. These detailed procurement needs then forms the basis for the Entity’s budget.

According to Donald J. Bowersox and David J. Closs in the book titled Logical Management, Budgeting is considered as a rationalization process in the sense that management authorizes resources expenditures that support desired performances. Budgets thus constitute a manager’s estimate of the resources necessary to achieve specific goals. To a significant degree budgeting is a management process in which senior and operating or line managers negotiate the level and timing of expenditures.

4.2.12 Difference between prepared and actual plan.

During preparation of procurement plan for the new financial, two aspects including prepared and actual plans are always considered. It was an important to the researcher to establish the difference that exist between them.

Table No.12: Responses regarding to their difference

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>23</td>
<td>56.1</td>
<td>56.1</td>
<td>56.1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>4.9</td>
<td>4.9</td>
<td>61.0</td>
</tr>
<tr>
<td>Not sure</td>
<td>16</td>
<td>39.0</td>
<td>39.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire.

From the analysis above 56.1% of the respondents said that there is a difference between prepared plan and actual procurement plan. 4.9% of the respondents said that there is no difference while the remaining 39% of the respondents were not sure whether there is or no difference between prepared procurement plan and actual procurement plan on the construction projects.

According to Researcher’s views both plan and actual are incorporated together within a template of an annual procurement plan. The prepared plan includes estimated dates over which projects have to take place and actual plan includes exactly dates over which projects have been implemented.
4.2.13 Extent variation between prepared and actual plan

Both prepared plan and actual plan are always incorporated together into the annual procurement plan templates. However question 15 wanted to address the extent to which they do vary.

Table No. 13: Responses towards extent variation between the two.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Large</td>
<td>5</td>
<td>12.2</td>
<td>18.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Minor</td>
<td>20</td>
<td>48.8</td>
<td>74.1</td>
<td>92.6</td>
</tr>
<tr>
<td>Extreme large</td>
<td>2</td>
<td>4.9</td>
<td>7.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>65.9</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>14</td>
<td>34.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: questionnaire

From the table, 12.2% of the respondents responded that a large variation exist, 4.9% responded that there is an extreme large difference while 34.1% could not respond anything. 48.8% of the respondents said that there is a minor difference between prepared procurement plan and an actual procurement plan. However the researcher through an interview was able to get different views that the difference is resulted due to the reason that actual plan is the one that reveals the exactly date on which projects were effected unlike the prepared procurement plan with the estimated date.

According to researcher’s view, it was noted that there is slight or minor variation between prepared and actual plan. The slightly variation is resulted due to time of preparation whereby forecasting dates are used in the templates and actual dates which reflects proper moment an activity or projects has to be effected comes afterwards.

4.2.14. Goods, services and works done out of the procurement plan.

Public procurement is an important function of any government. The magnitude of procurement outlays has a great impact on the economy and needs to be well
managed. The process of procuring starts with the definition of what is to be procured. It can be goods, services and/or works. Below is the summary of responses regarding to goods, services or works constructed out of procurement plan at the organization.

**Table No.14: Responses to question No.16.**

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25</td>
<td>61.0</td>
<td>61.0</td>
<td>61.0</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>9.8</td>
<td>9.8</td>
<td>70.7</td>
</tr>
<tr>
<td>Not sure</td>
<td>12</td>
<td>29.3</td>
<td>29.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source** Questionnaire

From the table of results above, 29.3% of the respondents were not sure whereby 9.8% responded that there are no goods, services or works done out of procurement plan. 61% of the respondents were able to say that there are goods, services or works done out of the procurement plan.

According to Researcher’s view, responding to this it seems that there are challenges which cause some of the goods, services or works to be done out of the procurement plan. However from observation most of these construction works or services that are out of procurement plan are due to emergency procurement and others are the ones which were not included at the time of preparing requirements.

The fact that 61% of the facilities found to be constructed out of the annual procurement plan in place meant that they were not adhering to the provisions in the Procurement Act (2004). Section 45 of the Public Procurement Act says that every procurement entity should prepare a procurement plan and shall avoid emergency procurement wherever possible, aggregate its requirements wherever possible, both within the procuring entity and between procuring entities, to obtain value for money and reduce procurement costs.
4.2.15 Adhering to Annual Procurement Plan.

Annual procurement plan is always prepared by the procuring entities at each new financial year. It is an important that an organization has to adhere to it for procurement proceedings. In this regard the researcher posed a question with an intention to know if the goods or services are delivered according to the prepared annual procurement plan.

Table No. 15: Responses regarding services or goods adhering to APP

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>15</td>
<td>36.6</td>
<td>36.6</td>
<td>36.6</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>26.8</td>
<td>26.8</td>
<td>63.4</td>
</tr>
<tr>
<td>Not sure</td>
<td>15</td>
<td>36.6</td>
<td>36.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire

From the above table of results 26.8% of the respondents said that goods or services are not delivered according to the prepared annual procurement plan. Both respondents who were not sure and those who responded that goods or services are delivered according to the prepared annual procurement plan had 36.6% of the respondents.

Furthermore, the researcher compared this question with question No.16 above and observed that 61% of the respondents who said that there are some goods, services or works done out of the procurement plan in question No.16 is bigger than 36.6% of those who responded that there goods or services delivered according to the prepared annual procurement plan. From view indicates the presence of challenges as discussed in question seven.

With this aspects analysis of APP revealed unplanned procurements implemented, implying that the plan was not directly linked to the budget as stipulated under sect 45(e) of PPA 2004 that a procuring entity shall plan its procurement in a rational manner and in particular shall integrate its procurement budget with its expenditure programme.
4.2.16 The organization’s views about procurement.
The acquisition of Goods, Consulting Services, and contracting for infrastructure projects by the Procuring Entity are the said activities of procurement. It includes also the lease of goods and real estate. Many respondents at the procuring entity have different perceptions on procurement. Hence the researcher wanted to examine on the organization view it as the whole.

Table No. 16: Response on how the Organization view procurement.

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A mere reactive buying activity</td>
<td>9</td>
<td>22.0</td>
<td>22.0</td>
<td>22.0</td>
</tr>
<tr>
<td>A highly professional activity aiming at the best value</td>
<td>17</td>
<td>41.5</td>
<td>41.5</td>
<td>63.4</td>
</tr>
<tr>
<td>A formality</td>
<td>15</td>
<td>36.6</td>
<td>36.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source Questionnaire

According to the findings above, 22% of the respondents said that procurement is a mere reactive buying activity. 36.6% of the respondents responded that they view procurement as a formality while 41.5% responded that they view procurement as a highly professional activity aiming at the best value.

From the above findings, it shows most of the respondents with 41.5% know the importance of procurement at the entity. On the other side they value it as a highly professional activity aiming at the best value. However this does not imply to implementation of plan at the organization.

4.2.17 Different views about challenges on plan implementations

Different views were provided by the respondents regarding challenges on plan implementations. These were summarized in terms of knowledge about the Procurement act, challenges towards implementation of the plan and compliance of the Act.
4.2.17.1 Knowledge of the procurement Act

Majority had heard of the enactment of the Public Procurement Act, 2004 and its regulations 2005. This indicates that staff of Regional Commissioner’s Office knew that a regulatory policy had been put in place, to direct the affairs of all procurement issues in the country. It was learnt that they heard about the act through the media like newspapers, radio, Journals’ television and others.

Though they considered the Act as an important document, they again viewed it as one of the policies the government brought up but not taken very serious. There were no enough copies of the act which personnel could refer to guide them in their daily activities in procurement processes. This showed that both staff and management of the RC’s office did not know the details of the Public Procurement Act, which would guide them on purchases to implement it.

4.2.17.2 Challenges towards implementation of the plan

High prices of goods or services supplied were stated as the challenges towards implementation of procurement plan. However late submission of user requirements of their procurement needs was a case in the organization. Unplanned activities and Government Budget which did not accommodate real situation to facilitate the requirements were also viewed as the challenge.

Procurement plan implementation was seem to be mostly influenced by politicians who tend to put aside technical implementations for the benefits of their own and not for National benefits. Unstable and release of fund availability was a problem. Some of the users had no capacity and knowledge to identify their actual needs it was addressed.

4.2.17.3 Compliance with the Public Procurement Act

Non adherence of public procurement Act was said by one of the respondents that hinder the implementation of plan. Price fluctuation and high market price which are not realistic with the budget funds were added. Implementation of procurement plan was not accordingly to procurement Act. This was due to personal interest from other authorities it was further stated.
The main problems outlined to be affecting smooth administration of the purchasing were lack of enough personnel in PMU department, inadequate funding and lack of authorities’ spirit to implement the act. These problems might hinder the process of following the laid down procurement procedures since proper management of procurement was a full time job and required a trained professional to perform these functions. In some of the activities, there was no storekeeper, instead all function are performed from Procurement Management Unit. Most of the facilities also lacked the necessary funds to make regular purchases for their units.

4.2.18 Comments on the Implementation of Procurement Plan.
Hereunder are the comments that were given by respondents when they were asked by the researcher to give general comments on the implementation of annual procurement plan at the organization.

Different comments on the implementation of procurement plan at the Organization in question 20 were addressed by the respondents that all staffs at the organization should be oriented and enough knowledge concerning procurement plan should to be provided.

Procurement Management Unit does not have motor vehicle to assist them in implementing some of the duties patterning to procurement projects. With this reason it was commented to have its own vehicle to smoothening their proceedings in the implementation of plan.

During annual procurement plan preparation user department should be involved in one way or another it was added. Fund release always came late or sometimes was not released at all and therefore it had been difficult to abide with procurement plan.

4.3 Conclusion of the findings.
Considering the empirical findings, it is concluded that the procuring entity has an annual procurement at place. However it is not that all purchases adhere to prepared plan due to numerous challenges caused by various factors. It is with these reasons that the entity is an average standard at implementing an annual procurement plan. This study addresses some of these challenges. There are many others that have not
been touched. Moreover, public sectors will never get bored as they continue to face contradictory and distinct procurement requirements. There are many ways to help public organizations cope with the numerous challenges they must face. They include increased efforts in research, knowledge advancement, and experience exchanges.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Overview

This last chapter of the study provides the summary, conclusions and recommendations on the study. Since the aim of this study was to examine the challenges facing the implementation of procurement plan, therefore the researcher came out with different conclusions and recommendations made after the results of the research findings and analysis in chapter four.

5.1 Summary of the findings.

The summary considers the findings that have been observed and analyzed in chapter four. In examining the challenges facing the implementation of procurement plan in public sectors, the study revealed that there are several elements which contribute to an effective implementation of procurement plan in public organizations. These include Inadequate fund, Time for preparation, knowledge on Annual Procurement plan, Lack of necessary expertise, skills, knowledge, Lack of enough management support and experience for most of members in Regional Tender Board.

It was noted to have some delays for delivery of some goods or services. In order to avoid these delays, procurement plans for the coming financial year should be prepared and submitted to the Entity Tender Board not later than one month to the end of the current financial year. It is to be based on the approved budget that the procurement plan is drawn.

With regard to this, it was revealed an important aspect that APP be prepared early as required, using the templates available in the PPRA’s website, and be ready for submission using PMIS or by other means. PMIS would be continuously improved to accommodate comments from users and others for future needs.
On the other side user departments could not establish exactly what they wanted therefore, various user departments in collaboration with the procurement department were supposed to appropriately forecast procurement demand for the next year. Of course, it may happen that some products may be in need of certain items in the course of the year which might not be captured in the procurement plan. It for this reason that annual procurement plans have to be reviewed every quarterly. By doing so the entity would be in position to implement annual procurement plan as well as achieving the value for money.

5.2 Conclusions.
The intention of this report was to enable readers to appreciate what is required when preparing annual procurement plan. Important decisions needs to be made upon conclusion of the first phase and some of them may have to be reviewed due to the changing environment during the procurement period. This will enable procurement to be implemented.

5.2.1 Knowledge about the Procurement Plan.
The study showed that the Organisation did not have full knowledge about the procurement plan as such its implementation could not be without problems. Details of template document were however not known since no training programme had been organized to sensitize them. In view of this, it was not all officers in management position who were abreast with plan.

5.2.2 Preparation and implementation of Annual Procurement Plan.
It was found out that procurement plans were prepared for the organisation Preparation of the plan was usually done by the procurement officers and occasionally supported by some of staff from user department. Another issue that came up was that the plans were not followed in all purchases, since some of the estimates in the plans either fell short or over estimated. Inadequate funding was a cause for the inability to adhere to the procurement plan. Inadequate funding also served as a problem to hinder proper implementation of Procurement plan in the
organization. For instance, if funds were not available, though the need might be there, the right quantity of goods required could not be procured.

5.2.3 Compliance with the Act.
Regional tender board existed at the organization. The Regional Commissioner’s office had a functioning Procurement management as well, Periodic meetings were held by the committees to consider and approve for type of items to be bought and their quantities required.

As far as the competence of personnel who handled procurement matters were concerned, there was no separation between stores and purchases functions where professional procurement officer doubled in performing the functions of storekeeping and purchases at the same time.

5.3 Recommendations.
This section seeks to address issues cropped up in the study. They are suggestions being brought up as means to improve the situation, as far as proper procurement procedures for implementation were concerned, as spelt out in the act.

The RCs office should organize both in-service and external training sessions for staffs, especially those officers who were involved in procurement procedures. This is because the Public Procurement Act 2004 and its regulation 2005 contains so many processes. Officers in procurement have to be given thorough training on the subject so that its implementation will not be a problem. With in-service training, short courses within weeks or more could be held to enable officers have in depth knowledge of the Act.

As far as external training was concerned, the Ministry of Finance could liaise with the PPRA, PSPTB and other training institutions to hold training sessions for personnel in the service in the procedures in procurement. This could even be included in the training curriculum of the training institutions to introduce and train RCs personnel to enhance their capacity in the procurement processes.
In order to improve the internal capacity of any procuring entity, PPRA should train procurement officers on how to prepare and use procurement plan for implementation and put emphasis about the value of the tool of the effective management of procurement process.

As financial year approaches, all the procuring entities should prepare APP as earlier as required using the templates and be ready for submission using PMIS or other means.

There should be a good relationship between PMU Department and the other user department in the organization. This situation will give a great support to the PMU members towards the implementation of procurement plan.

For implementation of procurement plan, Preparation of Annual Procurement plans should be done with high degree of ethics and integrity to ensure efficiency and effectiveness in using public fund and realization of value for money. Also procurement undertaking should be done professionally.

An Annual Procurement Plan (APP) should list all planned major and strategic procurements for the forthcoming financial year. Organizations have discretion in deciding which procurements to include and how much information to provide in each entry. Establishing clear principles to be applied by officials in deciding which planned procurements to include in the APP will promote a consistent approach across the organization.

The management teams of the Regional commissioner’s office Pwani should be committed to strengthening their procurement committees. This could be done by holding regular meetings to discuss and give recommendations on items that are required for purchases for a period of time.

Procurement professionals should be employed. This will not only solve the problem of inadequate personnel but to a large extent give way for separating stores functions
from purchases, which have become a big issue for a very long time in the basis of transparency since the current situation combine the two functions.
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Dear respondent,

I am Alto G. Luhikula, a Masters student at Mzumbe University. I am conducting a study on Challenges facing the implementation of Procurement Plan in Regional Commissioner’s office, Coast Region. The general objective of this study is to analyze the challenges facing the implementation of procurement plan at RC’s Office. The researcher thanks in advance for the time that you will spend to respond to these questionnaires and make a study success. Below are the questions that will guide the study so please tick or state where applicable.

1. How long have you been working at your organization?
   (a) 1 to 3 years
   (b) 3 to 5 years
   (c) 5 to above years

2. What academic qualification do you have?
   (a) Certificate
   (b) Diploma
   (c) Degree and above

3. Do you understand anything about Annual Procurement Plan?
   (a) Yes
   (b) No
   (c) Not sure

4. If yes to what extent do you understand about Annual Procurement Plan?
   (a) Little
   (b) Average
   (c) Average and above
5. Does the organization face challenges on implementation of procurement Plan?
   (a) Yes
   (b) No
   (c) Not sure

6. To what extent Annual Procurement Plan is being implemented at the organization?
   (a) Average
   (b) Above average
   (c) Not sure

7. What are the challenges involved in the implementation of Procurement Plan?
   (a) Delay of fund and identification of needs
   (b) Inadequate fund release and conflict of interests
   (c) Conflicts of interest, Inadequate number of PMU staffs.

8. Does the organization have an annual procurement plan at place?
   (a) Yes
   (b) No
   (c) Not Sure.

9. Are you involved during the preparation of procurement plan?
   (a) Yes
   (b) No
   (c) Not sure

10. Do you encounter problems during preparation of a procurement plan?
    (a) Yes
    (b) No
    (c) Not sure
11. Does the user identify their requirements to be included in the annual procurement plan?
   (a) Yes
   (b) No.
   (c) Not sure.

12. Which department is responsible for aggregating the requirements?
   (a) Administration.
   (b) Accounts
   (c) Procurement management Unit.

13. Where are the user requirements obtained from?
   (a) Procuring entity’s budget
   (b) Individual users
   (c) Procurement management Unit.

14. Is there any difference between prepared plan and actual procurement plan on the construction projects.
   (a) Yes
   (b) No
   (c) Not sure

15. If yes to what extent do they vary?
   (a) Large
   (b) Minor
   (d) Extreme large.

16. Is there any good, services or work done out of the procurement plan?
   (a) Yes
   (b) No
   (c) Not Sure.
17. Are the goods or services delivered according to the prepared annual procurement plan?
   (a) Yes
   (b) No
   (c) Not sure.

18. How does your organization view procurement?
   (a) A mere reactive buying activity
   (b) A highly professional activity aiming at the best value
   (c) A formality

19. In your view what do you think might be challenges towards implementation of procurement plan?

20. Give general comments on the implementation of procurement plan at your organization.