ACHIEVEMENT OF VALUE FOR MONEY IN LOCAL GOVERNMENT AUTHORITIES: A CASE OF KAHAMA TOWN COUNCIL

By

Semen Kukula Kime

A Dissertation Submitted to the School of Business as Partial Fulfillment for the Award of Master of Science in Procurement and supply Chain Management Degree (MSc PSCM) of Mzumbe University.

2014
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, the dissertation titled *Achievement of Value for Money in Local Government Authorities: A case of Kahama Town Council* in partial fulfillment of the requirements for Degree of Master of Science in Procurement and Supply Chain Management of Mzumbe University.

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Last but not least I feel greatly to the Kahama District Council for their contribution to this study by volunteering information and allowing me to obtain the data which facilitated on the completion of the study on time.
DEDICATION

I would like to dedicate this work to my lovely wives Mary J. Kime and Lydia M. Kime and my dear children for their moral support which enabled me to utilize my time effectively and efficiently aiming at achieving goal on time.
ABSTRACT

Procurement is an important sector in the Tanzania economy at large. Technically, 70% of Government budget expenditure is on procurement of goods, works and services (PPRA, 2011). Value for Money concept is one among the main pillar of public procurement that ensures value is achieved during procurement transactions utilizing public funds.

The main objective was to study the effectiveness of procurement procedures towards ensuring the achievement of value for money in public procurement. In order to accomplish this objective, a set of specific research objective were formulated that included finding out the factors contributing to the achievement of value for money, determining problems hindering the achievement of value for money and identifying challenges encountered during procurement proceedings that may affect achievement of value for money.

Procurement aims to ensure that the right good works or services are delivered to the right place, in the right quantity with the right quality at the right cost [price] in the right time. In fact procurement using the framework contract has been established to ensure that the 5R’s of procurement are obtained.

The sample of the study consisted of 30 respondents drawn from a population that was made with members from PMU, Tender Board members, Other heads of departments and members user departments. The researcher used questionnaire, interview and observation to collect the data.

The researcher used Microsoft excel to make the necessary calculations of the data which helped him to derive the frequencies and percentages which were the presented in diagram. These findings were discussed to arrive at conclusions which included that the Kahama District Council got the Specialised Items in the right quality and at the right time but at a price higher than what was has had been agreed in the initial contract.
## ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>ANAO</td>
<td>Australian National Audit Office</td>
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<td>CAG</td>
<td>Controller and Auditor General</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>MDAs</td>
<td>Ministries, independent Departments and Agencies/Authorities</td>
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<td>NAO</td>
<td>National Audit Office</td>
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<td>OGC</td>
<td>Office of Government Commerce</td>
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<td>PE’s</td>
<td>Procuring Entities</td>
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<td>PMU</td>
<td>Procurement Management Unit</td>
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<td>PPA 2011</td>
<td>Public Procurement Act of 2011</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>PPRA</td>
<td>Public Procurement Regulatory Authority</td>
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<td>SPSS</td>
<td>Statistical Package for Social Science</td>
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<tr>
<td>APP</td>
<td>Annual Procurement Planning</td>
</tr>
<tr>
<td>PSPTB</td>
<td>Procurement and Supplies professional and Technicians and Board</td>
</tr>
<tr>
<td>LPO</td>
<td>Local Purchase Order</td>
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<tr>
<td>GPSA</td>
<td>Government Procurement and services Agency</td>
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<tr>
<td>BOQ</td>
<td>Bill of Quantity</td>
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<tr>
<td>TOR</td>
<td>Terms of Reference</td>
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<td>GN</td>
<td>Government Notice</td>
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<td>DED</td>
<td>District executive Direction</td>
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CHAPTER ONE

OVERVIEW OF THE STUDY

1.0 Introduction
This chapter gives the background of the study area and research problem, statement of the problem, states the main objective of the study, it also shed light on ways of investigating issues in relation to the study and the significance of the study.

1.1 Background to the Problem
Public procurement often constitutes the largest domestic market in most of developing countries such as Tanzania. Depending on how it is managed, the public procurement system can thus contribute to the economic development of these countries. Indeed, public procurement is the principal means through which governments meet developmental needs such as construction of infrastructure and supply of medicines. Also, most governments use public procurement to support the development of domestic industries and support minority or disadvantaged communities (Migai, 2005).

Therefore, public procurement it is a comprehensive process stretching from procurement planning, budget allocation, bids invitation, bids evaluation, contract award and management, performance evaluation, auditing and reporting. It is an activity that must support the delivery of a public body’s strategic objectives at the same time live up to the expectations of the targeted public and taxpayers at large. With procurement accounting for about 20% of government expenditure in most developing countries such as Tanzania proper management of the activity is of paramount importance (Mamiro, 2010). Due to the cost implication embodied at the different stages throughout the process ranging from need identification up to contract management and termination, public procurement must be built on the principles of “Value for Money” and sustainability (Mamiro, 2010).

To ensure public procurement is focused on achievement of value for money, the Public Procurement Act 2013 (PPA 2011) of Tanzania as a legal framework has provided a
legal base for achieving value for money such as section 45 and 58 of the Act and regulation 4, 48, 63 and 122 (1) of 2005 regulations. These provisions require Procuring Entities (PEs) to plan their procurement in order to avoid misuse of public funds while ensuring transparency, competition and fairness in public procurement.

Despite these legal requirements, there are a number of problems and challenges on the ground which hinders the achievement of value for money in public procurement such as lack of proper planning, inadequate specification, wrong selection and application of procurement methods (Shirima, 2008).

The Controller and Auditor General (CAG) of Tanzania (2013) in the report for the financial year 2011/2012 revealed that in six (6) Councils goods worth Tshs.125,681,000/= were ordered and paid for while not delivered by suppliers. The Councils with their respective values include Monduli District Council (2,100,000), Kigoma District Council (3,815,000), Moshi District Council (1,022,000), Mbeya District Council (3,589,000), Nkasi District Council (114,000,000) and Igunga District Council (1,155,000). This is contrary to the legal requirements of regulation 122-(1) of the regulations of 2005 whereby PEs are required to obtain reports on the receipt of goods that have been delivered then authorize payment promptly to the supplier.

Also, Tshs.443,107,149/= were expended by Councils for procurement of works, goods and consultancy services without following proper competitive bidding process contrary to Regulation 63 of the regulations of 2005 which requires PEs to use competitive means procurement in order to benefit from better quality, prices and reasonable delivery schedules. These non-adherences to standard procurement procedures raised doubts as to whether value for money was achieved by the respective Councils.

Therefore, basing on the observed non-compliances and challenges towards achievement of value for money there is a need for procurement reforms to be focused on achieving value for money in delivery of essential public services through an economic, efficient, effective and transparent systems and processes. Also areas bringing serious challenges
to the public procurement system should be properly addressed so that the system can continue to advocate fair competition, transparency and efficiency while delivering value for money.

1.2 Statement of the problem

Public procurement has important economic and political implications because of spending public funds to a large proportion; hence, ensuring that procurement process is economical and efficient is crucial. Unfortunately, for most developing countries, this is not the case. Though several developing countries such as Kenya, Tanzania and Uganda have taken steps to reform their public procurement systems, the process is still shrouded by secrecy, inefficiency and corruption. In all these cases, huge amounts of public resources are wasted and value for money is not achieved (Odhiambo, 2003).

Mlinga (2007a) argued that value for money is the core principle underpinning public procurement by ensuring non-discrimination in procurement and using competitive process that promotes the use of resource in an efficient, effective and ethical manner while making decisions in an accountable and transparent manner. On the contrary, the pursuit for value for money in public spending remains to be a big challenge to governments and their institutions across most of developing countries. Rigid rules regulating public procurement systems have been further pointed out to be complicating the challenge and at some point may render the achievement of value for money a distant goal (Mamiro, 2010).

Taking the case of procurement audits conducted by Public Procurement Regulatory Authority (PPRA) of Tanzania in 2012, it was attested that most of the audited PEs are still limping to comply with the requirement of legal provisions especially on contract management and preparing Annual Procurement Plans (APP). Despite importance of APP in helping PEs to avoid unnecessary emergency procurements, reduce procurement costs and aggregate its requirements wherever possible to obtain value for money still PEs are not preparing them adequately.
The satisfactory level of compliance is 75% and above but the overall average level of compliance on preparation and implementation of APPs was 68% for MDAs (Ministries, Independent Departments and Authorities/Agencies), 57% for Parastatals and 47% for Local Government Authorities respectively (PPRA, 2012). The observed incompliance denied the PEs a chance to save costs and achieve value for money through proper planning and implementation.

Therefore, it seems that the aspect of having effective APP and observing legal requirement in order to achieve value for money in public sector is still a challenge that has to be studied and provide recommendations to the policy makers and other stakeholders. Therefore, this proposed study aims at assessing the contribution of procurement factors towards achievement of value for money in public procurement and give out recommendations on how to deal with the arising challenges.

1.3 Research Objectives

1.3.1 General Objective
To assess procurement factors contributing to the achievement of value for money in public procurement.

1.3.2 Specific Objectives
i. To examine the effectiveness of the implementation of procurement procedures towards achievement of value for money in public procurement.

ii. To find out the role of effective competition towards the achievement of value for money in public procurement.

iii. To determine the sufficiency of the legal framework for promoting the achievement of value for money in public procurement.

iv. To examine the contribution of proper annual procurement planning on the achievement of value for money.
1.4 Research Questions

i. To what extent procurement procedures are effectively implemented to guarantee the achievement of value for money in public procurement?

ii. What is the role of effective competition towards the achievement of value for money in public procurement?

iii. To what extent the legal framework is sufficient to promote the achievement of value for money in public procurement?

iv. What is the contribution of proper annual procurement planning towards the achievement of value for money?

1.4 Significances of the study

i. It will enable the government through its regulatory bodies such as PPRA to design an effective mechanism for checking PEs compliance with the legal framework in order to enhance the achievement of value for money.

ii. The findings of the study may serve as inputs to public procurement policy makers to formulate value for money policy that will serve as a guideline to PEs. Not only that but also it can contribute ideas to the public procurement policy.

iii. Basing on the findings and recommendations, the study will help the Councils to determine what efforts can be undertaken to enhance the achievement of value for money during their procurement proceedings.

iv. The study also will provide additional knowledge that may serve as a reference or guide to procurement experts, students and other interested stakeholders who want to learn more about value for money or conduct research on related topic.

1.5 Scope of the Study

Because of the limited of time and financial resources available to the researcher, the study focused only on assessment of procurement factors contributing to the achievement of value for money in public procurement. The study is a case study which involved PMU, Tender Board members, other heads of departments and members of user department.
1.6 Limitations of the Study

Carrying out research is often inundated with some constraints. Therefore, the researcher expected to encounter the following constraints:

1) **Financial Constraint**

The researcher was not sponsored in his postgraduate studies; nor was the research exercise funded by any organization. As a result, the researcher had pay for all expenses from his salary.

2) **Time Constraint**

The researcher undertook the study as a part time assignment alongside the course work part of his studies. This made him carry out his scheduled duties at his place of work without any exception.

3) **Uncooperative Attitude of Some Potential Respondents**

As is usual for researchers, some of the potential respondents were likely not to be cooperative when asked to fill the questionnaire forms or when interviewed.

4) **Confidentiality of Information**

It is likely that some of the information the researcher is going to seek is going to be classified, (or claimed to be classified) as confidential. This is likely to deny the researcher some access to it.

All the constraints mentioned above might have had some negative effect on data collection and the final research report. All the same, the researcher made sure he used his funds as carefully as possible so as to obtain as much of the required data as possible. He also scheduled his study activities well so that they were as much as possible not interfered with his office routines. Lastly, he tried hard to persuade the potential respondents to be cooperative and deny his access only to those types of information that were truly classified as confidential.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
This chapter contains Literature review with respect to the research problem. It contains three major parts which are theoretical literature review, empirical literature review and Conceptual framework.

2.1 Value for money concept
Value for money is an essential test against which a PE must justify a procurement outcome. Price alone in often not a reliable indicator and PE will not necessarily obtain the best Value for money by accepting the lowest price offer that meets mandatory requirements. Value for money means the best available outcome when all relevant costs and benefits over the procurement cycle are considered, (NAO, 2001). Thus, value for money can be enhanced by encouraging competition, ensuring non-discrimination, using competitive procurement processes, promoting efficient and effective use of resources, observing ethics and making decisions in an accountable and transparent manner.

In case of goods and services having a working life over many years there is a need to ensure they are cost effective over their whole working life. This means taking a long term view and not focusing on the lowest purchase price at the expense of long term value for money. Long term commitments also need to be able to deal with changes such as changes in technology (Mlinga, 2007b).

On the other view, value for money is the term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it acquires and/ or provides, within the resources available to it. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, and resource use, fitness for purpose, timeliness and convenience to judge whether or not, when taken together, they constitute good value. Achieving value for money may be described in terms of the 'three Es'-economy, efficiency and effectiveness (UK Secretariat, 2001).
Effectiveness is sometimes expressed as ‘doing the right things’. It is a measure of the extent to which objectives have been achieved.

Efficiency is sometimes expressed as ‘doing things right’. It is a comparison of output with the input required to produce it.

Economy is concerned with obtaining the same goods or services more cheaply.

2.2 Value for Money as a pillar of public procurement

There are five pillars in public procurement which are the key to achieving public procurement objectives. These include value for money, open and effective competition, Annual procurement plan implementation, accountability, transparency and Legal framework. These pillars encompass core principles and behaviours expected of those entrusted with procurement responsibilities. As pillars, the absence of one makes the entire procurement system tumble.

Figure 2.1: Conceptual framework

Source: Developed by the Researcher
**Value for money.** It is an essential test against which PEs must justify a procurement outcome as price alone is often not a reliable indicator and procuring entities will not necessarily obtain the best value for money by accepting the lowest price offer that meets mandatory requirements (Mamiro, 2010). Hence, the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

It is the major pillar of public procurement that highly depends on the other pillars such as effective competition, transparency, fairness and ethical dealings during procurement proceedings for it to be achieved effectively in public procurement.

**Open and effective competition** is an important pillar of good public procurement that requires a framework of procurement laws, policies, practices and procedures with the aim of encouraging effective competition through procurement methods suited to market circumstances and potential suppliers and service providers are having reasonable access to procurement opportunities while bias and favouritism are eliminated (Mlinga, 2007b).

**Transparency** encourages the efficient, effective and ethical use of public resources. A PE and its officials have the responsibility of ensuring that any procurement process is open and transparent and that decisions are justified (UK Secretariat, 2001). Hence, they need to have procedures in place to ensure that procurement processes are conducted soundly and that procurement related actions are documented, defensible and substantiated in accordance with the PPA 2004. Also, potential suppliers and service providers are having reasonable access to procurement opportunities and that available opportunities and contracts awarded are notified at widely circulated papers or any other accepted media.

**Accountability** is primary consideration throughout the procurement process from the initial identification of need through to the final disposal of any property. Accountability means that officials are responsible for the actions and decisions that they take in relation to procurement and for the resulting outcomes. Further they are answerable for...
such activity through established lines of accountability (Mlinga, 2007a). It shows how the procurement responsibilities are separated between the User Departments, the Evaluation Committee, the Procurement Management Units, the Tender Board and the Head of the Institution.

**Annual Procurement Planning.** PEs are required to plan their forthcoming annual procurement and must publish its annual procurement plan (APP) to draw businesses early attention to potential procurement opportunities. The APP is to contain a short strategic procurement outlook for the PE supported by details of any planned procurement. The detail should include the subject matter of any planned procurement and the estimated date of the publication of the request for tender.

Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of government operations and improves service delivery to public. By mid 2005 it was evident that increased resources without better procurement planning resulted in poor management of resources, leading to problem such as stock out that called for expensive emergency procurements. Furthermore, the multiplicity of funders and procurement modalities required coordination to minimize potential for wastage as result of duplication (MeTA, 2008)

**Legal Framework**

Generally the essence behind using Legal framework is to provide an efficient, cost effective and flexible means in procurement of the CUIS. In other words this will enable a procuring entity to obtain value for money and reducing procurement cost. Therefore in this work the researcher wants to know whether introducing this framework contracts has enabled procuring entities in achieving value for money. According to PPRA report Value for money has not been evident to a number of procuring entities, hence the government decided to introduce framework agreements for procurement of common used items and service (CUIS).
In general, where framework agreements are put in place, they should provide an economic and efficient means of purchasing and supply. Their use should be generally advantageous and more beneficial to authorities than carrying out standard tendering procedure for individual requirements.

2.3 Assessment of value for money
Value for money assessment should not only focus on economy and cost i.e. reduction in expenditure and savings in resources. This is, certainly the easiest ending at which to start. Effectiveness, on the other hand raises the most difficult problems particularly in terms of defining objectives and measuring performance results. Hence, the assessment should be holistic and cover the issues of Economy, Efficiency and Effectiveness respectively (Awidi, 2008).

Value assessment techniques are complicated and require quality data and should be used after careful reflection. However, since it is always a primary objective in public procurement the methods are worth exploring. The following is a proposed method of assessment of value for money in public procurement based on a model proposed for Public Private Partnership (PPP) in European Union (EU) member Countries. It contains two key elements; monetary and non-monetary assessments, (Awidi, 2008).

2.3.1 Monetary Assessment
This involves comparison of the costs of the available bid options expressed in terms of discounted cash flows over the life of the goods/work/services. The assessment can take one of the 4 forms depending on the characteristics of the project as summarised below:

a) Financial comparator. It involves a comparison of the cost of the preferred bid with the cost of the delivering the project as per engineer’s estimates or the estimates available to the public body.

b) Best available alternative. For projects whose costs are difficult to determine, either due to lack of expertise or non-availability of cost databases, the cost of the preferred bid should be compared with the best available alternative costing.
c) **Price benchmarks.** This involves a comparison of the preferred bid with reliable, comparable and independent price benchmarks or unit costs such as standard cost per unit.

d) **Comparable/Similar procurements.** It involves a comparison of the preferred bid/proposal with the cost of other comparable projects successfully completed.

2.3.2 **Non-monetary Assessment**

It involves comparison of all the factors that are difficult to quantify in monetary terms but their value to the Government and public is significant. Procurement must comply with other Government policies that interact with it. Therefore there is a need to balance procurement objectives with the need to create jobs, to harness the benefits of poverty alleviation and community empowerment against the need to deliver goods, works and services in the most cost effective manner.

2.4 **Principles for the best achievement of value for money in public procurement**

Bailie (2011) argued that in order for public institutions to achieve the best value for money there are 12 principles that should be observed when performing procurement activities. These include the following:

**Principle 1: Transparency**

Transparency refers to the clarity and openness to scrutiny of the various procurement processes used by the PEs. Transparency is concerned with the procurement processes and not what is being procured or who is supplying it. In order to enhance transparency procurement processes should clearly define requirements or outputs, tender documents should state the evaluation criteria which will be used to identify best value for money, ensure publication of contract award and instituting internal systems to deal with tender queries and complaints.

**Principle 2: Integrity**

The highest standards of integrity are expected from PEs and their agents in all procurement activities. Integrity requires that business is conducted in a reasonable
manner with all suppliers and tenderers treated fairly, equal and honestly. Achieving best value for money must not compromise ethical standards of conduct. Also there should be procedures covering treatment of gifts and hospitality, disclosure of interest, confidentiality of information and anti-fraud policy statement.

**Principle 3: Competition**

Procurement always should be driven by the objective procuring competitively unless there are convincing reasons to the contrary. Procurement through competition remains the best way of achieving best value for money and under normal circumstances will assist in demonstrating transparency and integrity. Where competition is not possible the PE must demonstrate that negotiation represents the best value that can be achieved in the circumstances.

**Principle 4: Effectiveness**

Best value for money is “the most advantageous combination of whole life costs, quality and sustainability to meet the customer requirements” and PEs should rarely rely on price alone to make buying decisions. Whole life costs take into consideration the full cost to the client of a solution to a specific requirement over the full period that the requirement will exist. Whole life costs include running costs, maintenance and major repair requirements and staff resources, as well as the initial capital cost.

**Principle 5: Efficiency**

The PE has to ensure that procurement processes are carried out as cost effectively as possible. PEs should regularly monitor and evaluate their procurement systems to ensure they are efficient, effective, appropriate and continue to represent best value for money.

**Principle 6: Fair-dealing**

Suppliers, consultants and contractors should be treated fairly and without unfair discrimination and without imposing unnecessary burdens or constraints on bidders.
**Principle 7: Responsiveness**
The objective should base on meeting the aspirations, expectations and needs of the community to be served by the procurement. The basic requirement is to meet the need, at the right time and at best value for money.

**Principle 8: Informed decision making**
Decisions should base on accurate information and monitoring to ensure that requirements are being met. Every procurement process involves a number of key decisions such as determining the requirement, selecting effective procurement strategy, supplier evaluation, approving bids offering the best value for money and determining the extent that the supplier, consultant or contractor has delivered best value for money. All these decisions have to be supported with accurate information or evidence.

**Principle 9: Consistency**
The objective is to ensure that consultants, contractors and suppliers are treated equally basing on the same procurement policies and procedures applied consistently in different PEs across the country. For example the use of standardized bidding documents, application of the same tendering procedures and the use of common procurement laws and regulations.

**Principle 10: Legality**
Conformance with the procurement rules and other legal requirements is important to harmonise and regulate procurement. Where required, PEs are responsible for ensuring that they comply with their legal obligations including procurement rules, corruption laws, contract and commercial laws in general.

**Principle 11: Integration**
Procurement proceedings should co-operate and support other Government policies, laws and regulations, where possible. Procurement activities are very extensive in such a way that it is subject not only to procurement related legislations but also other government laws, policies and regulations on areas of public finance and corruption.
**Principle 12: Accountability**

PEs should ensure that there is adequate separation duties between key organs involved in making procurement decisions in order to minimise the risk, conflict of interest, minimise the likelihood of unethical behaviour, fraud or corruption.

**2.5 Legal framework fostering the achievement of Value for Money**

The PPA 2011 and its Regulations 2013 as a legal framework in public procurement has come out with the following provisions fostering the achievement of value for money:

**2.5.1 Proper procurement Planning**

Every PE is responsible for planning its procurement requirement in each financial year in order to foresee their yearly requirement and determine the procurement costs to be incurred which in return will help them to link their budget against expenditure while spending public funds.

Section 45 of the PPA 2011 compels PEs to aggregate their requirements wherever possible in order to obtain value for money, avoid emergency procurement wherever possible, make use of framework contracts in the procurement of commonly used items and services for efficiency and flexibility and cost effectiveness in procurement process, avoid splitting of procurement which aims at defeating competitive method and integrating its procurement with its expenditure programme.

Public procurement audits in Tanzania are singling out absence of annual procurement plans in most procuring entities as one of the major factors fueling procurement costs and thus rendering achievement of value for money a distant dream (Mamiro, 2012). Hence, adherence of section 45 through aggregation of procurement requirements will enable the PEs to determine its transaction costs, choose the appropriate procurement method and delivery dates where by items will be delivered in bulky to reduce transport costs and avoid un-planned procurements which are costly. These plans when properly implemented they will prevent un-justifiable/maverick procurement while in return
promote the best use of public funds and at the same time ensure the achievement of value for money.

2.5.2 Using competitive procurement method(s)

Section 58 (2) states that all procurement and disposal shall be conducted in a manner to maximize competition and achieve economy, efficiency, transparency and value for money.

While Section 59 states that a PE engaging in the procurement of goods, works or services shall apply competitive tendering and in any case, the successful tender shall be the tender offering the lowest evaluated cost. Strong competition between suppliers generally pushes down prices and provides variety in the types of solutions that can match to the identified needs of the PE.

This in return will help the PE to achieve value for money. These provisions are made to remind the members of PMU and Tender Board that when it comes to selecting a procurement method to be used, they should always be cautious to check the adequacy of the proposed method in terms of its efficiency, transparency, economy and level of competition in order to guarantee the achievement of value for money.

2.5.3 Proper bids Evaluation

Bids are said to be under evaluation throughout the period covering submission deadline and award of contract. If not properly managed, the process can be quite costly. According to the guidelines issued by PPRA on this exercise, PEs are required to exercise proper planning of procurement in which for example opening and evaluation of several tenders can be scheduled on one date and also adjudication of several tenders to be done in a single tender board meeting. The guidelines also advocates approving of contract award using circular resolutions as allowed by Regulation 41 (6) G.N 97.

This is where value for money is at stake and the potentialities for appeals and litigation are found. Incompetence of the team increases the frequency of the tender board rejecting the evaluation reports. Hence, the members of evaluation committee should be
selected basing on appropriate level of seniority, qualifications and experience depending on the value and complexity of the procurement requirement as per Section 37 (4) of PPA 2011.

When these provisions are abided, evaluation will be consistent with the terms and conditions set forth in the tender documents, it will be done on common base in order to determine the cost or price to the PE of each tender in a manner that permits a comparison to be made between the tenders in order to determine the lowest evaluated cost for procurement of goods, works or services or the highest evaluated price for disposal of asset by tender as per Reg. 90 (4)-(5) of GN 97 which in return will guarantee the achievement of value for money.

2.5.4 Proper contract management.
Contract management covers all the activities performed by both the procuring entity and the suppliers/contractors/service provider upon signing of the contract up to full discharge of the obligations of each party. Reg. 121(1) (a)-(c) of GN 97 requires PEs to be responsible for the effective management of any procurement contract for goods, services or works which is undertaking. Specifically they have to monitor the timely delivery of goods and services in the correct quantities and quality specified in the contract and to monitor the progress and timely completion of works in accordance with the terms of each contract. The regulation further requires each PE to take or initiate steps to correct or discipline deviations from observance of contract conditions and to ensure that the responsibilities imposed on it by the contract are fully discharged. When all these procedures are adhered properly value for money can be achieved.

2.5.5 Fairness and Transparency
It is essential that procurement is conducted in a way that is fair and open. Information needs to be available to all interested parties within the same time frame and each tenderer need to have access to the same information within the process for it to remain fair. Each bid also needs to be considered in a fair and impartial manner, with no conflicts of interest or bias towards or against certain bidders. The most appropriate
manner should be selected according to what is being communicated, to whom, and the urgency of the communication.

Reg. 9 of GN 97 states, to ensure the widest possible publication by suppliers, contractors, service providers or buyers on equal terms in invitations to tender. Also PEs shall take the necessary measures to ensure publication of invitations to tender in newspapers of wide circulation, eliminate discriminatory practices, ensure that all the selection criteria are specified in the tender document and the tender selected conform to the requirements of the tender documents.

Also, Section 62 (2) requires all prospective tenderers to be provided with the same information, and be assured of equal opportunities to obtain additional information. Therefore, through adhering to the named provisions PE will be fostering equality, fairness and transparency which in return will create conducive grounds for achieving value for money.

2.5.7 Probity and Ethical behavior
Probity is the evidence of ethical behavior in a particular process. Probity is defined as complete and confirmed integrity, uprightness and honesty. It contributes to sound procurement processes that accord equal opportunities for all participants. Procurement must be conducted with probity in mind to enable purchasers and suppliers to deal with each other on the basis of mutual trust and respect.

Good probity management aims to minimize conflicts/problems and the potential for litigation, avoid the potential for corrupt practices to occur, produce better outcomes against stated objectives and maintain public sector integrity. Reg. 8 (1)-(2) of GN 97 requires members of tender boards to be scrupulously honest in all their dealings with suppliers, contractors, service providers, buyers, members of the public but also conduct procurement and disposal by tender proceedings with complete probity and in such a manner that public authority is respected and trusted as a client or a customer whilst
maintaining good reputation with contractors, suppliers, service providers and buyers. Hence, creating win-win grounds for mutual trust and value for money achievement.

2.5.8 Economy
Regulation 5 of GN 97 states public officer and members of the tender boards when undertaking or approving procurement or disposal of public assets by tender shall choose appropriate procedures and cause the procurement or disposal of assets to be carried out diligently and efficiently, so that the price paid or received by the procuring entity represent the best value or net outcome that can be reasonably be obtained for the funds applied or for the assets disposed. Therefore, once public officers and members of the tender boards observe this regulation and consider price adjustment as stipulated in the Reg. 23(1) compels in the event of inflation, a price adjustment formula shall apply in order to arrive at a reasonable price, and hence value for money can be achieved.

2.5.9 Adherence to procurement policy
The public procurement policies are based on the need to make the best possible use of public funds, whilst conducting all procurement with honesty and fairness. Hence, all public officers and members of tender boards who are undertaking or approving procurement shall be guided by the following basic considerations of the public procurement policy: -

a) The need for economy and efficiency in the use of public funds and in the implementation of projects including the provision of related goods and services;

b) The best interests of a public authority, in giving all eligible suppliers, contractors and service providers equal opportunities to compete in providing goods or executing works or providing services;

c) The importance of integrity, accountability, fairness and transparency in the procurement process.
The regulation put more emphasis on PE’s to have procurement policies that will guide them towards effective and proper utilisation of public funds for the interests of the general public.

Also, it directs the members of Tender Boards to observe the pillars/principles of the public procurement (integrity, accountability, fairness and transparency) during their conducts which are the main variables on which value for money depends mostly for it to be achieved.

2.5.10 Decent conducts by the members of Tender Boards

Tender board is an important organ in the PE that has the mandate of checking, monitoring and approving procurement transactions. Section 43 requires the members of the tender board in the execution of their duties to achieve the highest standards of equity, taking into account:

(a) Equality of opportunity to all prospective suppliers, contractors or consultants;
(b) Fairness of treatment to all parties; and
(c) The need to obtain the best value for money in terms of price, quality and delivery having regarded to set specifications and criteria.

The section emphasises more on the members of Tender Board to act ethically or decently during executing their duties especially when overseeing procurement proceeding and making decisions towards approval of various procurement issues and awarding procurement contracts. They are suppose to be objective, diligent, fair and acting in a rational manner while promoting the best interest of the public which in return guarantees the achievement of value for money in public procurement.

2.6 Management of value for money in Tanzania

Following the decentralisation of procurement to PE’s, they are responsible for determining the goods and services which they need and how they acquire them. The need to acquire value for money is one of country’s most procurement principles and therefore, all procurement of goods, works and services must be based on having due regard to proprietary and regularity.
This creates the need for criteria which will ensure that they get value for money spent. One of the earliest methods devised as a means for promoting value for money is the award of contracts based on fair competition between suppliers/contractors/consultants whether local or international. Aside from this, PPA 2011 has in-built mechanisms to ensure achievement of value for money, (Awiri, 2008). These include:

a) Promoting the use of resources in an efficient, effective and ethical manner. Public Officers have to make sure that financial and physical resources of the PE are used efficiently and effectively to promote the interest of the public. Also they should act ethically when dealing with suppliers, service providers or contractors.

b) Making decisions in an accountable and transparent manner. Decisions involving spending public funds should be made in a transparent manner in order for the public to judge if the proceedings are correct. However, those making decisions should be accountable and responsible for their decisions.

c) Mandatory procurement audits. There should be procurement audits carried out regularly in order to evaluate if what has been done is in line with the applicable laws and regulations but also to enforce good practice in case there were malpractices during execution of procurement proceedings.

d) The monitoring function of PPRA. The PPRA as a watchdog it has to monitor the compliance of public bodies with the PPA 2011 and take corrective measures where there are elements of poor performance.

e) The aggregating of requirements to reduce the costs of procurement. User department requirements should be aggregated in a timely manner and included in the Annual Procurement Plan. This will avoid splitting of procurement transactions and un-planned procurement which are costly to the PE.

f) Use of framework contracts through utilising suppliers and service providers under GPSA.
The PPRA has gone a long way in creating an atmosphere in PE’s in which value for money procurement can be achieved. One of the efforts is the introduction of checking and monitoring system, a system that ensures that the whole procurement process is screened by the PPRA itself right from the preparation of the procurement plans through to the very end of the contract. The system acts as a sieve for value for money and allows chaotic situations to be easily identified and dealt with when still in the bud stage.

Another marked effort is the ongoing procurement audits which are conducted to check the compliance of PE’s with the PPA 2011 at the end of which proposals are made on how to deal with non-compliance. This will set a stage for future efficiency and effectiveness in the system which can then be translated to value for money procurement.

However, it should be appreciated that procurement is becoming more and more complex. The complexity of procurement needs can make it more difficult to measure whether value for money is being achieved. Services such as the development of information technology related services and professional advice, some complex construction works may be difficult to define precisely or many require considerable feasibility work before a reliable specification can be drawn up; the work may be specialized with only one or two potential suppliers making competition impracticable; and if the service is delivered over a long term there is a need for regular monitoring of the quality.

2.7 Problems hindering the achievement of value for money

There are number of problems on the ground which hinders the achievement of value for money in Tanzania public procurement. The problems enumerated have mainly been identified by Mlinga (2007a) basing on his experience. Notable problems include, but not limited to the following:

a) **Defective Tender Documents.** Experience shows that PEs provides for the purchase cost alone and do not take into consideration other factors like completion/delivery period, cost of spare parts, after sales services, operating and
maintenance costs as well as productivity. Failure to take into account these factors is to a large extent attributed to the fact that PEs do not keep a proper data base of costs of operating and maintaining of equipments.

b) **Unethical behaviour among PEs officials.** Ethics and fair dealing has been discussed in the previous sections to play an important role to achieve value for money. However, there are examples of unethical behaviour among the PEs staff which include awarding contracts to companies belonging to themselves or their relatives, obtaining tenders through quotations from a single supplier, soliciting bribes in order to influence tender award decision, approval of variations to suppliers and acceptance of low quality goods or services.

c) **Failure to clearly specify the required product or services.** Some PEs fail to clearly articulate the goods or services to meet their requirements thus making it difficult at a later date to implement the contract. This may also involve overstating the requirements of the product or services thus leading to unnecessary storage costs and pilferages.

d) **Poor contract administration.** All efforts put in carrying out procurement process may be negated if contract management is poorly carried out. Notable shortfalls in contract management include failure to give the necessary approvals, acceptance of poor quality goods or services and delayed payment to suppliers or service providers. Also poor or wrong actions taken during contract implementation lead to a situation in which PEs are regarded as risky business partners in which suppliers or service providers cushion themselves by quoting high prices compared to average market prices.
CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction
This chapter contains Research methodology which is a systematic approach which research is undertaken. Specifically the chapter consist of research paradigms, research design, description of the study area, types of measurement, data collection methods, types of data, sampling techniques, reliability and validity of data and data management and analysis technique.

3.1 Research Design
The study was undertaken by using a case study design. The design is particularly useful to the study since it seeks to describe the problem in more detail, to look at it as a whole and through it conclusions can be made. It involves the intensive study of a phenomenon in its natural habit, in such a way that the mutual relationship of relevant factors remains intact, (Yin, 2003). Since the design is flexible in the use of data collection techniques brought deeper insight and better understanding of the problem in the selected two case areas.

3.2 Description of the study areas
The study was conducted at Kahama town council-Shinyanga Region because of existence of public PEs with the vision of achieving value for money and proximity to study area during data collection. Data will be collected at both Kahama town council and Ushetu Council in order to understand the problem in more details. The area is a public institutions in the category of the Local Government Authorities engaging in the procurement of goods, works, services and management of the subsequent contracts as required by the PPA 2011 and its Regulations of 2013. Hence, it is going to be rich in information concerning procurement transactions and achievement of value for money which will enable the researcher to make comparisons and conclusion.
3.3 Sampling Techniques

3.3.1 Sample Frame
The sample population constituted all staff of Kahama town council and Ushetu Council which includes members of PMU, members of the tender board, heads of departments and staff from user departments such as Accounting, Human Resource, Education, Works and Health.

3.3.2 Sample size
The inquiry is likely to focus on members of Kahama town council and Ushetu Council whose tasks in one way or another are related to procurement activities. For qualitative studies a sample of 25 respondents is adequate as proposed by Charmaz (2006). Hence, basing on this principle, a sample of 30 respondents was depicted from the sampling frame because of nature of the study. Therefore, the sample was composed of those with expertise, experience, awareness and knowledge about public procurement proceedings and value for money issues.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Unit</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>PMU</td>
<td>6</td>
</tr>
<tr>
<td>2.</td>
<td>Tender Board members</td>
<td>10</td>
</tr>
<tr>
<td>3.</td>
<td>Other Heads of Departments</td>
<td>7</td>
</tr>
<tr>
<td>4.</td>
<td>Members user Departments</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

3.3.3 Sampling Technique
The sample was drawn by using purposive or judgmental sampling technique and random sampling technique. Under purposive/judgmental sampling technique, the researcher selected those elements which he believes are knowledgeable and are able to deliver the required data. The researcher deliberately chooses the ones with necessary, reliable and relevant information that suits the purpose of the study. These included PMU staff and members of tender board from both Councils.

Random sampling technique was used to select members of user departments and heads of departments (i.e., those who are not members of tender board) whereby respondents
was selected randomly from the list of employees in the respective departments and each respondent had equal chance of being selected.

3.4 Data collection Methods

The study made use of multiple approaches in gathering data. The use of multiple methods (triangulation) was used the researcher to collect different types of data and provide cross-data validity checks. Specifically, the following methods was used:

3.4.1 Questionnaire

Open ended and closed ended questions in the questionnaire was prepared and distributed to the selected sample. Questionnaires were used because they are easy to administer and enable the researcher collect qualitative information within a short period of time. The questions was pre-coded in order to save time, cover a large number of respondents and minimise bias on the side of the researcher as well as on the respondents. Questionnaires were distributed to PMU staff, member of Tender Board, heads of department and members of user departments. Every question in a questionnaire was either asks for nominal or ordinal data that enabled the researcher to simplify data coding and entry. However, the developed questionnaires were pre-tested before actual data collection in order to determine its suitability and make the necessary changes so as to collect reliable data.

3.4.2 Interviews

Both structured and un-structured interviews were organized and conducted with heads of department and tender board members. This method has been selected because it enabled the researcher to get deeper views for issues that were not well clarified in the questionnaires. These interviews were used to collect primary data because they are flexible, less time consuming and allows the researcher to be responsive to situational issues. This method was structured in such a way that it avoided much repetition with questions in the questionnaire. Hence, some of the respondents who have already being given questionnaires might not be interviewed and some questions were twisted in order to avoid pre-defined answers.
4.3.3 Document Review
The researcher used this method to review various non-confidential documents relating procurement proceedings and legislations were reviewed to gather adequate information relating to the study. Documents such as procurement circulars, monthly procurement reports, inspection reports, tender documents, PPRA and GPSA directives was used for finding secondary data.

3.5 Types of Data

3.5.1 Primary data
These are data that were collected afresh directly from respondents, thus, they happen to be original in character. These data were gathered through interviews and questionnaires that the researcher was administer.

3.5.2 Secondary data
These are data that have already been collected by someone else and have already been passed through statistical process. Thus, they refer to the data which have already been collected and analyzed by other researchers. Data was collected through reviewing procurement documents and publications relevant to the study.

3.6 Reliability and Validity
Reliability refers to the extent to which data collection techniques and analysis was yield consistent findings (Sounders, 2009). In order to ensure reliability to the study, Cronbach's alpha as a measure of internal consistency (i.e. coefficient of reliability) was be used. It is an estimate of the reliability based on the correlations between different items on the same test. On the other side, validity means measuring the right things (Sounders, 2009). Hence, the study was carried out in such a way that there is consistency between theory and practice. This also was achieved through careful design of directions for measurements with no variation from group to group.

3.8 Data analysis
The study is basically a qualitative study that makes use of case study research design to study the problem. Hence, most of the collected data was qualitative. However, a little bit of qualitative data is expected to be collected also. Basing on the data to be collected,
the researcher used both qualitative and quantitative approaches to analyse data. None the less, more of qualitative approaches were used.

Qualitative data analysis involved the use of "interpretive" and "reflexive" approaches. Interpretive approach is concerned with making sense of research participants' descriptions/explanations, so that the researcher can attempt to interpret their meaning. On the other side, reflexive approach attempts to focus attention on the researcher and his or her contribution to the data creation and analysis process. Hence, these approaches were used jointly in order to describe, summarise and interpret the data through logical reasoning. On the other side the use of quantitative techniques involved utilisation of Descriptive statistics and other non-parametric methods to analyse and present data while determining the level of statistical significance and correlations between variables.
CHAPTER FOUR

FACTS FINDINGS, ANALYSIS AND DISCUSSIONS

4.0 Introduction

This chapter presents the findings collected by the researcher from the respondents through the use of questionnaires; interviews, documentary sources visited and observations are presented and thoroughly analyzed and are thoroughly discussed in relation to research questions in order to prove the existence of the problem. In the course of this study, illustrations and elaborations to justify certain outcomes are there by provided in form of tables, chart percentages and appendices to enhance clarity.

The chapter intends to provide a general discussion of the research findings in an organized manner, that is, according to the research questions and other employed instruments as discussed in chapter three with intention of drawing up the real situation of the problem prevailing in the public sector taking the case of Kahama District Council.

4.1. Presentation of Findings

The procuring entity is doing its procurement of goods, works and services as per Public Procurement Act 2011 and its Regulations 2013. However, this does not always guarantee the achievement of value for money in every procurement. Personal observation, interview, questionnaire and review of documents was considered very important in this part because it assisted the researcher to observe what was happening in the institution especially in the PMU and how procurement proceedings are performed in the organization.
4.1.1 Establishment, Composition and Functioning of Procurement Supervisory Organs (Tender Board, Procurement Management Unit)

In order for procurement activities to be executed effectively in the PE it is important to have appropriate and competent decision making or supervisory units/organisms in the PE. This is due to the fact that these are the organs that will make important decisions concerning the use of public funds to procure goods, works and services and to ensure that the procurement proceeding are appropriate in order to achieve value for money.

The District has the appropriate tender board that whose members have been appointed by the District Executive Director basing on their technical competence and skills required for the discharge of the functions of the tender board and it has eight members as required.

Hence, technically its establishment and composition is in accordance with section 28 (1) and second schedule of PPA 2011 and it is capable of approving procurement and disposal by tender procedures, ensuring that best practices in relation to procurement and disposal by tender are strictly adhered by the PE and ensuring there is compliance with the PPA 2011.

Apart from that, there is a PMU that reports directly to the DED. It is established in accordance with section 34 of PPA 2011, whereby it is headed by a person with sufficient academic qualifications and experience in procurement functions but also consists of other three (3) procurement specialists who are graduates in procurement field.

Therefore, the PMU is competent to perform its functions effectively including managing all procurement and disposal by tender activities, planning procurement and
disposal by tender activities, preparing advertisements of tender opportunities tendering documents, contract documents and monthly procurement reports.

On the part independence of functions of each organ/unit, it seems that sometimes there are interferences where by one organ/unit interfere the functioning of the other especially when it comes to minor value procurement.

4.1.2 Procurement Proceedings

The PPA 2011 requires that all public procurement proceedings should be in line with the provisions made in the Act. Therefore, the procedures to be followed must adhere to those stipulated in the PPA 2011 and its Regulations 2013 and other directives/guidelines issued from time to time by the PPRA or GPSA.

The PE made use of the procedures stipulated in the PPA 2004 and its Regulations 2013 and those issued by PPRA or GPSA from time to time. Thus, there is adherence to the directives during procurement proceedings.

Basically, it all starts from the initiation of Annual Procurement Plan (APP) whereby the PMU prepared APP for the financial year 2012/2013 by using appropriate templates prepared and issued by PPRA. However, it was observed that APP did not aggregate properly categories of goods, works and services that were to be procured by the PE. Also it was observed that there was no evidence of updating the plan at each stage of implementation so as to measure the performance of the PE in managing the procurement process.

Specifically, after the plan approval the proceedings for each procurement differ in each transaction depending on the nature of procurement and the procurement methods opted by the PMU and approved by the Tender Board.

The proceedings in the commonly used procurement methods are well narrated below in each method:
**Minor Value Procurement**

The PE uses this method in the procurement of goods (such as stationeries, tools, books, computer accessories etc), works (such as minor repairs and maintenance) and services. Under this method the District Council make use of framework contracts with suppliers and service providers listed under GSPA.

The procedure starts with need identification by the user department whereby they prepare Purchase Requisition Note (PRN) stating their requirement in terms of quantities of goods required and their corresponding specification. There after the approved PRN is submitted to PMU whereby they source for quotations from at least three (3) suppliers and sort out the best alternative source of supply.

Then PMU prepares a Local Purchase Order (LPO) and after being approved it will be sent to the supplier offering the best deal in terms of conformance to provided specification and price. The suppliers after receiving the LPO will make delivery within seven (7) days supported with the necessary documents (e.g. Delivery Note and Invoice) and after inspection and receiving the supplier will be paid for the consignment.

**Restricted Tendering**

Under this method there is limited number of bidders who are invited to submit their tenders. However, prior to the use of this method the District Council make use of pre-qualification procedures to shortlist potential bidders who are capable to participate in the respective tender. After pre-qualifying the bidders, those who have been short listed are the ones being invited to submit their bids.

Normally, three (3) to five (5) bidders are invited to submit their bids. Thereafter, the bids are evaluated by the appointed evaluation committee and the lowest evaluated bidder will be awarded the contract.

**Competitive Quotations**
This is a method of procurement where by the PE obtains three (3) or more quotations from potential suppliers, service providers or contractors in order to make them compete against each other and the District Council to get the best deal of procurement out of it (competition). Normally, this method is used where the value of procurement has exceeded the limit for minor value procurement but within the limit of competitive quotation.

The method was used mainly for procurement of works for rehabilitation of infrastructure such as renovation of staff quarters, extension of buildings etc. It was observed that the proceedings follow the necessary procedures as stipulated in the PPA 2011 although some quotations value seems to have exceeded the threshold for competitive quotation contrary to the second schedule of GN 97 of 2005.

National Competitive Tendering

This is a procurement method whereby potential suppliers are invited to make a firm and unequivocal offer of the price and terms which on acceptance shall be the basis of the subsequent contract.

The PE makes use of the tendering procedures stipulated in the PPA 2011 and its Regulations 2013. The PMU normally prepares definitive specifications and conditions of goods, terms of reference for consultancy services, bill of quantity and drawings for the works required. Thereafter, it prepares tender documents by using standard tender documents issued by PPRA as required by Regulation 83(3) of GN 97 of 2005.

The tender notice is then prepared to invite suppliers or contractors to submit priced offers for the supply of the goods or for undertaking the works required. Once prepared is submitted to the Tender Board to be approved, then once approved it is advertised publicly normally in Daily News and Mwananchi Newspapers. This is done to ensure the widest reach of potential suppliers or contractors in accordance with Regulation
80(5) of GN 97 of 2005 with a purpose of widening participation in order to obtain the best quality at the best price. However, from time to time tender opportunities have not been submitted to PPRA to be published in the journal or its website.

Since bidding documents are ready even before the advertisement of tender, issuing of tender documents is done respectively to bidders who have shown interests. Bidders were required to pay a non-refundable fee mostly of Tshs 50,000/= (of which a receipt is provided to evidence payment) before being provided with tender documents. There is adequate time of thirty (30) days from tender advertisement up to submission of tender document by the Bidders in accordance with the second schedule of GN 97 of 2005.

Soon after the expiry of deadline time and date, all bids received before the expiry of the deadline are opened. The secretary of the tender board convenes a tender opening meeting where by the tender documents are opened in public, in the presence of the bidders or their representatives. The names of all those present at the opening and the organizations they represent are usually recorded and the minutes for the opening meeting are prepared and kept by the secretary of the tender board. This is done in order to ensure transparency and openness in public institutions tendering activities.

On the part of evaluations of tender, it starts with PMU recommendation to the Accounting Officer (for approval) concerning members of the evaluation committee normally made up of a minimum of 3 members and a maximum of 5 members as per regulation 90(1) of GN 97 of 2005.

In its recommendations, PMU states the reasons for recommending those members and mainly they have been based on professional qualifications, skills and experience in evaluation activities.
In some cases where there is a shortage of internal experts with the necessary skills relating to the subject of procurement, the PE has been utilizing the skills of external experts in the evaluation of tenders in order to ensure that evaluation is done professionally.

PMU regularly prepares evaluation guidelines for the committee and once the committee has been approved (by the Accounting Officer), they are provided with the guidelines in order for them to evaluate tenders on a common basis in a manner that permits comparison to be made using the criteria explicitly stated in the tender documents.

It was noted that evaluation committees after evaluation, they prepared detailed reports on the evaluation and comparison of tenders, setting out the specific reasons on which their recommendations for the award of each contract were based and submitted them to the PMU, then tender board for approval.

The researcher observed that PMU after receiving evaluation report they have a tendency of reviewing them and preparing a summary to be presented to the tender board for further approval. The researcher was made aware that the members of tender board are critical when reviewing the reports and there are some cases where the recommendations of evaluation committee have been rejected simply because they were not sufficient or justified enough to warrant the approval of tender board.

However, if the recommendations have been approved, the PMU will be instructed to prepare the procurement contract with the assistance of Legal Officer since the unit lacks its own lawyer.

The contract will be signed by the parties and thereafter contract management procedures begin with the appointment of Contract Manager and Contract Management Team (for the case of large contract) by the Accounting Officer.
Contract implementation is monitored closely by the contract manager or the team through making regular site visit and inspection to measure contractor progress. When the team is satisfied they write a report and recommend interim certificated to be issues to the contractor and payments to be made respectively.

However, it was observed that ongoing inspection after handover were not done and defect works were not prepared which would have been rectified during Defect Liability Period as stated in the respective tender document and contract. This is a weakness that hinders the achievement of value for money to a great extent and appropriate measures have to be taken.

4.2 Analysis of Data
The analysis of data is done basing on the research questions in relation to the findings obtained by the researcher through the use of questionnaires, interviews and observations.

4.2.1 The effectiveness of procurement procedures towards achieving value for money.
The objective was to determine how effective the procurement procedures Utilized by the District Council can guarantee the achievement of value for money. As mentioned earlier, the PE makes use of the procedures stipulated in the PPA 2011 and its Regulations 2013 and those issued by PPRA or GPSA from time to time. Thus, proper procedures are utilized and there is adherence to the directives during procurement proceedings.

On the part of determining their effectiveness, the researcher made observations, reviewed some documents but also question number 2 (a) & (b) in the questionnaire were designed in order to get opinions from the respondents. Twenty two (22) questionnaires were distributed and 17 (77%) were returned. Out of 17 respondents only 15 indicated that they are aware of the public procurement
proceedings and responded positively to the questions 2 (a) & (b) about the effectiveness of procedures, their responses to the question are presented in the table below:

Table 4.1: Effectiveness of Procurement Procedures

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>12</td>
<td>80</td>
</tr>
<tr>
<td>Moderate</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher data analysis (April, 2013)

Figure 4.1: Level of effectiveness of Procurement Procedures

Source: Researcher data analysis (April, 2013)

It can be seen that there is excellent performance of 80% where by most of the respondents pointed out that procurement procedures are effective because most of them have witnessed some procedures being followed or are involved in one way or another when procedures are executed.
Also some respondents were interviewed and said that the procedures are effective because they follow the guidelines and involves those who are concerned especially user department as some of them have participated in the tender opening, evaluation committees and they are highly involved in minor value procurement because they are the ones preparing PRN and submits it to PMU and once LPO have been prepared before given to suppliers their heads of Department have their part for signing to approve the proceedings.

However, on the aspect of the procurement procedures contribution to the achievement of value for money they argued that some products are delivered a little bit late and sometimes they get sub-standard products from suppliers and this makes them to question if the value for the money paid has been achieved basing mostly on quality. The researcher noted that there are some procurement transactions which have not delivered the quality/value that was required or expected by the respective user who requested them; hence value for money was impaired.

4.2.2 Factors contributing to the achievement of value for money
The objective was designed with intention of determining the factors contributing to the achievement of value for money and how is it achieved in public procurement. Question number 4 in the questionnaire was meant to get opinions or comments from respondents on the factors contributing to the achievement of value for money and during interviews respondents were asked about the same.

Generally, for those who responded to the question their comments were relating to each other. The following are the contributing factors to the achievement of value for money given out by the respondents:
**Competition**

There should be open and effective competition all the time during procurement transactions as this will enable the PE to benefit from it and get the best deal of procurement in terms of quality and reasonable costs.

Respondents believed that through having open competition, potential bidders will give out their best (including lowering their profit margin) in order to win the contract, and from it the PE will be in a position to evaluate their offers effectively and select the one which is technically and commercially responsive, hence achievement of value for money.

**Quality assurance policy**

Respondents argued that if there is a quality assurance policy in every PE it will be like a framework towards obtaining goods, works or services of the best quality from suppliers/service providers or contractors that meets the requirements and fulfill the quality objectives or expected results of the user and in return it will assure the achievement of value for money. The policy however, should go deep in stating how inspections are to be done and how sub-standard or poor quality goods, works or services should be dealt with.

**Transparency**

This was identified as an important element contributing highly in the achievement of value for money from the grass roots of procurement procedures. Respondents commented that it is important for procurement procedures to be open or transparent in order to allow those concerned to see the appropriateness and effectiveness of the procedures and take proper measures in case there are deviations or wrong doings.

It ensures that procurement activities are conducted in a sound manner, decisions and actions are documented, defensible and substantiated in accordance with the applicable guidelines or regulations.
Adherence to APP
It was mentioned that plans should not only be prepared but also they should be effectively implemented and adhered by those formulated them. Having APP in the PE contributes very little to the achievement of value for money but sticking/adhering to the APP contributes highly on the achievement of value for money simply because there will be no room for malpractices, splitting of requirement to defeat the use of proper procurement method and favoring suppliers/service providers or contractors with the habit of delivering late goods, services or works.

Ethical conducts
Respondents judged that, if those participating in procurement proceedings act ethically when dealing with suppliers/service providers or contractors there is possibility of guaranteeing value for money because they will be accountable for their decisions and actions but also act fairly though giving bidders equal chance of participation without favoritism.

Consolidation of procurement transaction
Some considered that value for money can only be achieved if requirements of several user departments are consolidated and procured together. The reason behind is that when there are bulky purchases it will enable the PE to have assurance of material supply, take advantage of price discounts from the suppliers and enjoy economies of transport since all items will be delivered once and sometimes supplier may volunteer to deliver the consignment using their own trucks. Hence, value for money will be achieved in this way since some costs have been saved.

Effective contract management
When contracts are effectively implemented through monitoring and evaluating contractor or service providers’ progress against expectations, respondents trust that value for money will be achieved.
Respondents said that when contracts are effectively managed, inspection are regularly carried; there will be no room for non-conformance to quality or specification, late delivery of goods or services or late completion of works by the contractors which in return assures value for money is realized.

4.2.3 Problems hindering the achievement of value for money
Incomplete/insufficient specifications of procurement requirements from user departments as they sometimes fail to provide proper specification of commodities and they end up giving brand names of products which is contrary to law because it limits competition. This is not fair because there are some producers or suppliers who do not offer such brands and had it been that specifications were in terms of functional specification, performance specification, technical specification and physical or chemical composition it could have been fair and increased varieties and alternatives.

- Availability of fake products in the market which are difficult to detect. The market these days are full of fake products which are hard to detect or differentiate from the original. This really affects the achievement of value for money in the PE because some items such as stationeries and computer accessories have been purchased from suppliers and they turn out to be fake or sub-standard items during usage simply because it was hard to detect them during delivery and before acceptance. It is apparent that value for money has not been achieved when such items (fake or sub-standard) have been purchased unintentionally.

- Poor cooperation from user departments as they sometimes source for quotations (largely for stationeries and computer accessories) and committing suppliers to provide/deliver goods and services without the endorsement of PMU.
• Submission of non-responsive bids by Suppliers/Contractors/Consultants/ Service providers this lead to some bidders to be dropped out of competition in the early stage of evaluation which in return it defeats the whole objective of competition in the bidding process.

This is contributed by lack of skills by the bidders how to use standard bidding documents but also experience shows that most bidders spend a lot of time on the Schedule of Requirements, Technical Specification, BOQ and TOR section since this is where they are able to see what is exactly required but forget about other section or spend little time and end up submitting non-responsive bids

4.2.4 Challenges encountered during procurement proceedings that affects the achievement of value for money

Most PEs are facing various challenges in their daily procurement activities and some of these challenges have been the obstacle for them (PEs) not to achieve value for money in most cases when they are engaged in procurement of goods, work or services. The Council in particular is facing both internal and external challenges as they have been pointed out by respondents interviewed, those who responded to question number 9 in the questionnaire, but also some challenges were observed by the researcher himself and worth to be discussed.

The following are the internal challenges encountered mostly by the PMU:

• User departments’ un-awareness of proper procurement proceedings as they sometimes delays to bring their requirements while expecting goods/works/services to be delivered immediately or they should be treated as emergency which is contrary to the law since their needs were foreseen already. It’s a challenge which affects the achievement of value for money
since users try influence members of PMU to revoke the proper procurement proceedings simply because they take long time to be followed until the goods or services are delivered contrary to their wishes. But, despite this challenge the PMU has been always adhering to the proper procurement procedures as required by the PPA 2011.

- Bureaucracies when it comes to obtaining the necessary approvals. Sometimes it takes long time for simple proceedings to be approved such as signing Local Purchase Order (LPO) it could even take 2-3 days while it can be done within a single day. It is a non-value adding activity that takes longer time than expected and in return it increases the internal lead time as well as extends the time to which the goods were suppose to be delivered.

Due to this there are times when goods or services are not delivered in a timely manner which also affects the achievement of value for money from time to time.

- Also there is a challenge on ensuring that user departments put in place their requirement priorities strategically to enable PMU consolidate timely the APP after aggregating requirements from all user departments. Because of this sometimes user departments submit their requirements out of the plan which results into procurements which are out of the plan and they are costly due to splitting of transactions.

The following are External Challenges:

- Bidders’ poor knowledge on procurement procedures and regulations. This is a challenge where by some suppliers/contractors or service providers are not fully aware of the procurement procedures and because of this, there are times when they have been going contrary to the procedures such as providing quotations (proforma invoices) to user
departments instead of PMU, delivering goods to user departments (stationeries and computer accessories) without the endorsement of PMU.

- Frequent changes of market prices for the product which force bidders to seek for price changes after tenders/contracts have been awarded. This cause delays in the procurement process especially during final delivery of goods/works/services. This impairs the efforts undertaken to ensure that value for money is achieved.

4.2.5 Measures that can be undertaken to enhance the achievement of value for money

In order to obtain comments from respondents regarding what measures should be undertaken to enhance the achievement of value for money; question number 12 in the questionnaire was designed to suit the purpose. The following were their comments:

- Trainings on the procurement procedures
- Maintaining close collaboration between PMU and user departments
- GPSA should make adequate examination and evaluation of suppliers before entering into contract with them and including them in their list
- Elimination of non-value adding administrative activities that delays procurement procedures
- User departments to prepare and submit their requirement as early as possible to PMU in order to aggregate those requirements and prepare APP in a timely manner
- Extensive inspections should be done regularly before acceptance in order to avoid acceptance of sub-standard items which becomes a liability to the Kahama District Council
- Effective measures should be taken to fight against counterfeited supplies
4.3 Discussion of the Findings

Procurement proceedings which have been put in place are in accordance with the PPA 2011 and its Regulations 2013. As it has been commented by respondents, most of them agree that they are effectively implemented by the PMU, tender board and user departments. However, having proper procedures does not guarantee that value for money will be achieved but it is the efforts and commitments by those concerned to ensure that they are followed from the beginning till the end of every procurement transaction regardless of its value.

Despite having effective procedures, it was observed that not all the time the procedures have been followed as there are occasions where the tender board had recommended award to competitive quotations without even the quotations being evaluated by the evaluation committee contrary to Section 68 of PPA 2011. It occurred that the PMU using circular resolutions attached quotations from 3 to 4 contractors and submitted them to 3 member of the tender board to seek their approval on which contractor should be awarded the contract and the members of tender board in return approved the contractor with the lower price.

In this matter, the tender board has performed the functions of evaluation committee and tender board at the same time. This was done by both the tender board and PMU unknowingly and they defeated proper procurement procedures which are expected to deliver value for money.

Also there are circumstances where minor value procurement of stationeries and computer accessories were done by using LPO by the PMU without the endorsement of at least two members of tender board contrary to the Paragraph (b) of the First Schedule of GN 97 of 2005. In all these occasions the achievement of value for money can be questioned as the procedures to guarantee the same were messed up mistakenly.
There are various factors contributing to the achievement of value for money at the College and their combination is the one that results into the realisation of value for money. There is no single factor that can guarantee the achievement of value for money but it is a result of a blend of several factors. For the case of transactions made by using national competitive tendering value for money has been achieved to a certain percent because the procedures were effectively followed such that:

- Bidding documents were prepared adequately using standard bidding documents issued by PPRA. They were prepared properly by the PMU or Consultants and were submitted to the tender board to be reviewed and approved. Good enough there was no tender document that was issued to the bidders without the approval of tender documents.

- There was open competition where by tender notices were advertised properly to notify potential bidders throughout the country. This also increased the level of competition and transparency in the procurement proceedings and bidders invited had shown interest to compete by preparing competitive offers.

- All tenders advertised under national competitive tendering method had adequate tendering period of 30 days in accordance with Third Schedule and Regulation 84 (1) of GN 97 of 2005 and luckily enough there was no tender which its time was extended after deadline date and time.

- Tenders were opened publicly in the presence of bidders or their representatives and those invited (some members of user departments) to witness the opening. Before opening, present bidders or their representatives normally choose one representative among themselves to check if all documents are sealed and have not been tampered. This ensures openness and fairness.
• Evaluation committees were appointed basing on the skill, technical knowledge and experience on evaluation of tenders. They carried out their evaluation fairly basing on the criteria set in the tender documents and made out their recommendation for award.

• All necessary approvals were obtained from the Tender Board and Accounting Officer in the right time such as approvals for finalising tender documents, advertising tender notice, composition of evaluation and negotiation committee, awarding contracts etc.

However, there are some things especially during contract management that caused value for money not to be achieved 100% in those transactions. There are several weaknesses when it comes to contract management. Some variation and claims purported had no evidence provided for valuation and approval by tender board, regular inspections and defects works were not prepared which should be rectified during Defects Liability Period and no evidence for liquidated were provided to for damages to enforce late completion and delivery.

Although efforts appear to have been undertaken to ensure procedures deliver value for money, there are problems on the ground that cannot be ignored as they will become intensive and make matters worse in the future. It seems that there is no good working relationship between some user departments and PMU and this has resulted into those user departments to perform duties of PMU such as sourcing for quotations (proforma invoices) from suppliers and even sometimes committing suppliers to deliver goods (especially stationeries or computer accessories e.g. printer ink) before proper procedures being completed by PMU. The problem of sub-standard products in the market is very serious as it affects highly the good practice of procuring right quality products. At the District Council the problem has occurred mostly in the procurement of printer inks, electronic appliances, pipes and fittings.
The researcher himself was shown some of these sub-standard printer inks and realised that it is very difficult to detect them during inspection while they are in the package and sealed unless opened and used that is when it will be detected during usage. Some suppliers have been confronted by the PMU and agreed that they were the ones supplied those items but they provided evidence that they did not tempered the goods as themselves imported them and delivered them as they are.

Basically, this is a country wise problem and suppliers are not the ones to be blamed for this shortfall since there are foreign suppliers who make sub-standard/fake products using brand names of trusted companies in order to convince customers that they are supplying genuine products. Hence, our local suppliers have been importing sub-standard/fake products from foreign suppliers unknowingly and supply them the way they are to public institutions. This has been affecting the operation of many public institutions (Kahama District Council inclusive) and hindering them from achieving effectiveness in their operations and value for money in procurement.

Challenges encountered during executing procurement procedures seem to be inevitable as some of them come from external environment. The District has the jurisdiction on addressing internal challenges such as ensuring that user departments are fully aware of the proper procurement proceedings and they follow them effectively. Procedures are meant to be followed within acceptable and reasonable time range, once there are unnecessary bureaucracies along the way procedures become meaningless because they take more time than required and delays other value adding activities.

User department requirements are suppose to be submitted as early as possible to PMU in order to integrate them strategically and in a timely manner. Because there is failure to this, some requirements were not integrated in the APP and as a result they are several procurements done outside the plan which is not a good practice s far as realisation of value for money is concerned.
It is evident that our economy has not been stable all the time and because of this there has been regular price fluctuations in the market which affect suppliers prices in the market. It’s a challenge to procurement of goods or services when price changes after contract prices have been agreed between the PE and Supplier/Contractor.

If such a case occurs, PMU after receiving claims from suppliers should make a research in the market to see to what extent the prices have fluctuated and pay the Supplier/Contractor respectively basing on prevailing market prices to ensure that they are not over-paid or under-paid and value for money is realized by the PE.

Therefore, it remains a challenge to all those involved in public procurement to take reasonable measures within their jurisdiction to ensure that value for money is achieved in all procurements undertaken by public PEs.
CHAPTER FIVE
CONCLUSION AND POLICY MPLICATION

5.0 Introduction
The chapter presents summary of the study, conclusion and recommendations of the researcher basing on the findings, analysis of data and discussions towards the research findings. In that respect, a summary has been extracted from data collected through review of documents, interviews conducted and the questionnaires distributed and administered by the researcher.

Thereafter, the researcher was in the position to make conclusions to the study and recommendations on what should be done in the future to ensure better achievement of value for money.

5.1 Summary of the Study
The main objective of this study was to analyse the factors contributing to the achievement o value for money and the challenges encountered during procurement proceedings that may affect its achievement. In order to accomplishing this objective, a set of specific research objective were formulated that included finding out the factors contributing to the achievement of value for money, determining problems hindering the achievement of value for money, identifying potential challenges encountered during procurement proceedings that may affect achievement of value for money. Basing on these objectives, their respective research questions were designed to address them effectively during data collection and analysis.

The research design adopted was the case study where by purposive sampling and simple random were used as sampling procedures.

Data collection techniques used included questionnaires, interview, observation and review of documents mainly relating to procurement proceedings. The targeted groups were the staff (both academic and administrative staff) and potential suppliers. The researcher aimed at a sample of 30 respondents who were either interviewed or given
questionnaire to fill. A total of 22 questionnaires were distributed to potential respondents and only 17 questionnaires were returned which is 77%.

Finding from the study showed that there are several factors contributing to the achievement of value for money that includes; effective contract management, open and effective competition, adherence to APP, transparency, presence of quality assurance policy, ethical conducts and consolidation of procurement transactions.

However, there are various problems on the ground which has been hindering the achievement of value for money to some procurement. These include; insufficient specification of requirements from user department, poor cooperation from some user department, availability of sub-standard products in the market and submission of non-responsive bids from potential bidders.

Also, there are internal and external challenges that have been encountered by PMU during procurement proceedings that certainly if not dealt with they may obstruct the effectiveness of procedures made to guarantee value for money. Generally, it include; bureaucracies, unawareness of proper procurement procedures by some user departments, timely consolidation of APP, bidders poor knowledge on procurement proceedings and frequent changes of market prices.

It’s obvious that value for money in some procurement has been achieved by the PE during their procurement proceeding and sometimes things do not proceed the way are expected to be and as a results value for money is not achieved all the time.
5.2 Conclusion

Value for money procurement is based on life cycle costing, those factors contributing to the achievement of value for money discussed in the above previous chapters may be applied to ensure that value for money is ultimately achieved, however, sometimes at the end of the life time of services or goods it may be necessary to quantify if value for money was really achieved. This may be especially useful in the case of conducting value for money procurement audits.

Theoretically, there are several factors contributing to its achievement such as getting an increased level or quality of service at the same cost, avoiding unnecessary purchases, ensuring that user needs are met but not exceeded, reducing the level of stocks held, specifying the procurement requirement in output terms so that suppliers can recommend cost-effective and innovative solutions to meet that need, reducing the cost of buying goods or services by streamlining procurement and finance processes, collaborating with other departments to obtain the best prices and secure better discounts from bulk buying and sharpening the approach to negotiations to ensure PEs get a good deal from suppliers.

During data collection, the researcher realised that practically value for money is achieved through effective contract management, open and effective competition, adherence to APP, transparency, presence of quality assurance policy, ethical conducts and consolidation of procurement transactions

Generally, it is believed that for PE to realise value for money, procurement functions should be done professionally with higher degree of integrity and ethics while encouraging fair competition to ensure efficiency and effectiveness in spending public funds.

The research revealed that the PE has established and utilise proper procurement procedures as per PPA 2011 and it’s Regulations of 2005, guidelines issued by
PPRA and GPSA. The procedures have been followed with the objective of achieving value for money although there are some challenges and problems on the ground that were identified by the researcher and they do affect the achievement of value for money in some procurement transactions.

The findings from the research also points out that with wide diversity in the value and type of goods and services which departments procure means that no single procurement method or factor is appropriate to promote value for money. Thus, its hard to judge that only one factor on procurement method can guarantee value for money.

Hence, by looking at the vivid evidences presented by research findings and from perspective observations, the researcher concludes that the Council has been achieving value for money in most of its procurement apart from the problems and challenges addressed on the study. It cannot be judged that value for money is achieved 100% but to some extent it is achieved by the Council. Despite achieving value for money, the problems and challenges identified should not be over looked or ignored as they will affect the efforts in the near future.

Nonetheless, it should be appreciated that procurement is becoming more complex and the complexity of procurement needs make it more difficult to measure whether value for money has been achieved in each procurement transaction. General wise, the researcher noted that services such as the development of IT related services, complex construction works may be difficult to define precisely or many require considerable feasibility work before a reliable specification can be drawn up or the work may be specialized with only one or two potential suppliers making competition impracticable; and if the service is delivered over a long term there is a need for regular monitoring of the quality.

Therefore, it’s a challenge and PSPTB has a duty of ensuring that all procurement professionals understand well the concept of value for money in procurement both in
theory and practice. This would include not only understanding the process but ensuring ethical practices as well because better practices without ethics are meaningless. While PPRA, on the other hand, has a duty of making sure that all procedures put in place to conduct and monitor public procurement enables the government to achieve value for money in public procurement.

5.3 Recommendations

Increasingly value for money depends on combining competition with innovative way of procurement while managing the risks effectively. The wide diversity in the value and types of goods, works and services which PE’s procure mean that no single procurement method can ensure 100% value for money.

For this reason and basing on the vivid evidence presented by research findings and observations made by the researcher, the following should be done to enhance the achievement of value for money in public procurement:

- Workshops should be done to enable members of Tender Board, PMU and user departments to focus more effectively on achieving value for money taking into consideration the overall life cycle costing.

The workshop may focus on procurement procedures, compliance with the PPA 2011 and its Regulations of 2013, formulating value for money objectives, effective contract management etc and can either be done by experts from PPRA, or PSPTB who are experts/experienced on public procurement principles and practices.

This will ensure that all those who are concerned are fully aware of the procedures to be followed and there should be no excuse of unawareness of procedures in case value for money is not achieved.
• Reducing the costs of procurement and the time it takes for example the administrative effort in preparing specifications in the PRN, obtaining the necessary approvals, preparation and issuing of LPO, making delivery etc. These increase un-necessary consumption of time and procurement overheads as percentage to the total of costs of particular procurement transaction.

• Having clearly defined value for money objectives and measures to be instituted as early as possible before the beginning of procurement proceedings. This will enable the PE to check and measure if the intended objectives have been achieved during final delivery or at the end of the work. The objectives should be stated clearly during identification of requirement by the user department whereby they should explain what they expect at the end of transaction in terms of quality, costs and delivery in relation to achievement of value for money.

Also it is imperative to establish measures to be undertaken when the objectives have not been achieved with intention of enforcing better procurement practices and ensuring that there is effective utilisation of public funds.

• There should be close monitoring of procurement contracts that have been awarded to see if they deliver what is expected from them and if possible to revise them when they stop to provide expected benefits. Defect liability period clause in the contract should be utilised to make contractors liable for defects arising during the period stated, liability damages should be charged to all suppliers and service providers delivering goods or services late or contractor completing works late and there should be no extension of time without feasible or evident reasons.
Inspections should not end only after successful completion and hand over but should continue to be undertaken regularly to monitor the performance of completed projects to see if they continue to deliver what is expected from them. It should be understood that lack of complaints from both parties (client and supplier, service provider or contractor) does not amount to good contract implementation for goods, works and services.

- Studies should be done regularly to identify time consuming and non-value adding activities which should be eliminated and the system to be re-engineered to ensure continuous improvement in the efficiency of internal procurement system in delivering value for money.

- Harmonisation of internal procurement system and be computerised which in return will increase efficiency and transparency, minimise time consumption, reduce paper work and other administrative activities (such as signing of LPO, Circular Resolution, Approval of Procurement Funds etc) and improve interdepartmental working relationships.

- The Council should make use of its website and notice boards to advertise its tender opportunities and procurement contracts awarded in order to inform the public. This will increase the level of transparency in its procurement activities and reduce advertisement cost to the Council.

- The Council should try to consolidate, advertise and evaluate its tenders together according to their respective lots in order to minimise the overall costs and time spent on procurement proceedings. However, this can only be done effectively if there is a system in place for ensuring that there is early/timely aggregation of user requirements.
• Lastly, the researcher recommends that in the case of goods or services having a working life over many years are procured, there is a need to ensure that they are cost effective over their whole working life. This means taking a long term view and not focusing on the lowest procurement price at the expense of long term value for money. Long term procurement commitments also need to be able to deal with change, for example, a PE may wish to take advantage of changes in technology.

Nevertheless, buying goods and services through competition remains the best way of ensuring that the best combination of whole life costs and quality is achieved. But it is not always appropriate or cost-effective for low value items, or sufficient on its own for complex goods and services.

5.4 Areas for Further Studies
In this study more focus and efforts were devoted on identifying the factors contributing to the achievement of value for money and the challenges arising that may hinder its achievement in public procurement. Therefore the researcher recommends that further studies should be undertaken on qualitative measurement of value for money, value for money approaches and policies, also on how value for money objectives can be formulated in each sector and strategies put in place to guarantee the same
REFERENCES


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APPENDIX

SECTION THREE: THE CONTRIBUTION OF PROPER ANNUAL PROCUREMENT PLANNING

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<td>Proper procurement methods are selected in order to minimise transaction costs and guarantee value for money</td>
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SECTION FOUR: SUFFICIENCY OF THE LEGAL FRAMEWORK FOR ACHIEVEMENT OF VALUE FOR MONEY

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<td>There is fairness throughout procurement proceedings as required by the law</td>
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<td>Invitations to tender and contract awards are published as required by the law</td>
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<td>Tender board, PMU, Evaluation committees are independent</td>
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SECTION FIVE: THE ROLE OF EFFECTIVE COMPETITION TOWARDS

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In your opinion, what measures do you suggest that can be undertaken to enhance the achievement of value for money in public procurement?

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