

**ASSESSMENT OF PROCUREMENT PROCESSES IN LOWER  
LOCAL GOVERNMENT AUTHORITY (LLGAs) EVIDENCES  
FROM KILIMANJARO AND MANYARA (LLGAs)**

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LOCAL GOVERNMENT AUTHORITY (LLGAs) EVIDENCES  
FROM KILIMANJARO AND MANYARA (LLGAs)**

**By**

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**A Dissertation Submitted to the School of Business in Partial/Fulfillment of the  
Requirements for Award of the Master of Procurement and Supply Chain  
Management of Mzumbe University**

**2016**

**CERTIFICATION**

The undersigned certifies that has read and hereby recommends for the acceptance by the Mzumbe University the dissertation entitled “**Assessment of Procurement Processes in Lower Local Government Authority (LLGAs) Evidence from Kilimanjaro and Manyara (LLGAs)**”, in partial/fulfillment of the requirements for award of the degree of Master of Procurement and Supply Chain Management of Mzumbe University.

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## **LIST OF ABBREVIATIONS**

CCM	Chama Cha Mapinduzi
CMT	Council Management Team
CSRP	Civil Service Reform Programme
HDC	Hanang District Council
LGA's	Local Government Authorities
LGRP	Local Government Reform Programme
PMO-RALG	Prime Minister's Office – Regional Administration and Local Government
PORALG	President's Office, Regional Administration and Local Government
PSRP	Public Service Reform Programme
RS	Regional Secretariat
SERVQUAL	Service Quality Model

## **ABSTRACT**

This study aimed at assessing procurement processes in lower local Government authority in Hanang District Council and Moshi Municipal council. From Hanang, It involved Balangadalalu, Gehandu, Nangwa, Dumbeta, Endasak, Endagaw, Galangal, Bassotu, Simbay and Hidet villages. Also Fonga, Matindigani, Majengo-mapya, Bomambuzi, Kanisani, Kilimani, Pasua-Sokoni, Reline, Kaloleni and Msasani mitaa of Moshi Municipal council were involved. The objectives of this study were; to identify organs responsible for the procurement processes in lower local government authorities, to examine procedures followed during procurement processes in lower local government authorities, to identify factors affecting procurement processes in lower local government authorities and to examine effort done to rectify the procurement processes in lower local government authorities

The study used descriptive survey research that allowed the use of both qualitative and quantitative approaches. Data for this study were obtain from both primary and secondary sources whereby interview and questionnaires were used as data collection methods (through the use of Interview and Questionnaires guide) for primary data and documentary review for secondary data. The study comprised of 79 sample size obtain from the population size of 376 through the use of Yamane, (1967) formular. The obtained data were analyzed using Statistical Package for Social Science (SPSS) through the use of descriptive statistics method. The analysis indicated that village committee is the organ responsible for procurement in lower local government authorities. Furthermore the study found that the village committee do not follow the stated procedures for procurement of goods and services, and that there are different factors affecting procurement processes such as lack of procurement knowledge to actors, lack of technical support, political interferences from the leaders, delay of fund, long procurement procedures and corruptions.it is recommended that it is necessary to for the government to provide capacity building and technical support at the lower local government authority to improve procurement skills.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter seeks to explain in detailed on the background to the problem, statement of the problem objectives of the study, research questions, scope, significant and organization of the thesis or dissertation.

#### **1.2 Background of the problem**

The Result of formally two united countries namely Tanganyika and Zanzibar formed the united republic of Tanzania; it is the new nation which was formed in 1964. It is generally the truth that the two independent countries have differences in local government and their authorities. The Tanzania mainland generally is recognized with enough experience in local governments functioning, which originated from the formation of the Native Authority Ordinance in 1926 (Othman and Liviga, 2002).

The ten years' experience since 1972 brought about the local Government existence recognized as the result of the central government rule. The Local Government been introduced and become into operation at the early 1980s, following the establishment and operation of rural councils and authorities. Local Government becomes independent government through its elected leaders in 1983, followed by the establishment of functioning councils in 1984. After several years Tanzania experienced the dramatic change in the political settings such as the establishment of multi-party system of government in 1993, where by the single party system become replaced by the multiparty system (UN-Habitat, 2002). Following the liberalization of political settings, various reforms came into being including Local Government Reform Programme 1(LGRP) of year 2000 that was made up with various components such as political, financial and administrative system of decentralization.

The experience basically attached to local Government that recognized the main land and Zanzibar composed of Rural and urban authorities, originally composed of city, municipal and town councils. The mainland Tanzania being recognized with 25 regions are subdivided into divisions that includes wards, villages, sub-villages/streets. In rural system, sub-village and in urban areas, streets/mitaa are the smallest units in the contest of local governments. All these divisions are what referred as lower local government authorities, (Nkinga, 2003).

There was increase autonomy over the district and urban authority based on the geographic area. The district councils has the responsibility to coordinate the activities of the village council that is accountable to district authority in all matters of revenues to manage the day to day administration. The plans and strategies are formulated at the village and township councils, which are recognized as the implementation area for plans.

Historically, Public procurement become into being and existence early in the colonial era, in such a period the responsibility of purchasing goods and services were granted to anybody under the respective colonial organization. In such historical era procurement decision and its respective process was under colonialists influence and power (Bichler, 2013). In fact, all purchase were highly centralized and owned in single purchase departments that were unprofessional. Following this, poor quality commodities were purchased and procurement encompasses a lot of process from the colonial master, in fact influenced by constrained specifications and inspection during the process of receiving goods (Asker and Cantillon, 2009).

The goods and services were procured without systematic procedures, regulations and acts under the administration of unqualified staffs in the respective organizations of colonial jurisdiction. Furthermore, little emphasis was placed in the procurement plans and its respective process hence organization under colonial supreme suffered stock outs or overstocking (Salha, 2009).

After independence there were changes made in procurement process with respect to time framework where by the Government of Tanzania started to use Exchequer and Audit ordinance of 1961 on procurement of goods and services (Nkinga, 2003). The use of legislation mainly limited the government financial management for respective control of public funds and resources.

Following this, Government introduced PPA No. 3 of 2001 purposely to deals with weakness of the Exchequer and Audit ordinance of 1961. The PPA No 3 of 2001 mainly relied on the efficiency based on the well-established standard, laws and regulations that promote fairness in procurement process while prohibiting favoritism. Yet, the government recognized public procurement in the local government authority being associated with weaknesses similar to central government procurement system. It was usually organized in terms of bidder system that brought about challenges in local government procurement due to limited process and failure to address the requirement of authority concern (Kamala, 2008).

The Local Government Authorities being a component of the Public Service Reform Program (PSRP) was designed specifically to assist the central government to transform its roles and functions in the process of procurement and its performance to the decentralized level which brought about the public participation and involvement. It in fact, based on the requirement of Public Procurement Act, regulations and government policies. The local governments have authorities to undertake public functions on behalf of the Ministries for accomplishment of government core functions, of this concern procurement of goods and services attached to the adherences of Acts, regulations and policies. (PSRP, 2008).

The basis laid on the Local Government Act of 1982 section 111A (2) (a) essentially required the local government Authorities to concentrate on the efficiency service provision based on the cost and requirement of the procurement exercise set to the local government (Local Government Act, 1982).



The goals and operations of Public Service organizations intend to meet the needs and requirement of the respective beneficiaries in terms of well controlled services under procurement process. As a result the bureaucratic behaviors under the Local Government procurement become well managed for the interest of the public at large despite the fact that procedures experience challenges in terms of procurement process (PSRP, 2000).

Due to increasingly challenges in public procurement process Act No.3 of 2001 was repealed by the Act no. 21 of 2004 and its regulation of 2005 which came into existence so as to overcome the entire shortfall encountered in PPA of 2001. One of the major features of PPA No. 21 of 2004 was to abolish the procurement authority and then set a new body that could over and challenges the procurement exercise on the basis of transparency whereby there was introduction of Tender Board and Procurement Management Unit (PMU) (Salha, 2009). Later on, due to several changes made in procurement processes that led to forecast what is in the global government of Tanzania enacted new Act no.7 of 2011 and its regulation of 2013 which are currently in operation. Yet, procurement process in lower Local Government authority is major issue of concern, irrespective of the past efforts and initiative under the decentralization system. The procurement is highly dominated with tireless process, over price, the nature of the procured goods are with lower quality due to poor specifications and inspection as the procurement actors lack enough knowledge on the procurement matters, NAOT (2014)

Also public procurement at lower local government authority has been increasingly faced with challenges of public resources management (REPOA, 2008). It is evident that the procurement exercise invariably lack supportive function and staffs to handle all procurement exercise under the respective body (Hunja, 2001). There is increasingly challenges on the effort implemented, policies and rules designed on the respective procurement system and performance to guide the public funds, for the value of money consideration and quality of procured goods for the lower local government authority (Ross, 2010).

Local government to their lower local government authority (wards, villages, and sub villages/streets) buys works, goods and services through quotations, single source and tendering methods involving different processes (Lameck, 2011). The processes invariably are time-consuming and can even require complex procedures under the umbrella of good governance that indicate efficiency, effectiveness, transparency and accountability (McGee, 2010).

It is generally, the truth that public procurement systems at lower local government authority involves personals(village committees) with lack of procurement knowledge dealing with huge amounts of resources that are spent in the long process during procurement of goods and services(REPOA, 2007). These long and tireless procurement process are the sources of delay, poor quality or lack of value for money and undermined the trust that bring about negative feelings and responses to local community who are the users of the service (Lameck, 2011).It is in this view that, this study essentially seeks to assess procurement processes in lower local Government authority.

### **1.3 Statement of the problem**

The procurement process needs to be on the side of achieving the political, economic and social goals of the public sectors. (Lameck, 2011). This has placed much emphasize on the important of procurement process and procedures for the control of government fund in efficiency and effectiveness ways (REPOA, 2008). The local government authority basically is attached on the responsibilities of regulating public procurement process especially at the lower local government authority by securing public resources and promoting socio-economic development (Bichler, 2013) because most of lower local government workers and leaders almost have low experience and knowledge over the procurement process and matter pertaining to it, as a result wastage of government funds and corruption commitment during the procurement process (Ki-moon, 2012).

most of the Local Government authorities are noted to encourage delay on the payment of suppliers, in such a perspective suppliers perceived a risk for delivering goods or services in local government, (Ngugi and Mungu, 2013). As a result many projects in education and infrastructure have delayed in output delivery due to long process and procedures in the procurement system.

Tanzania as one of the victims little emphasizes has been placed on the procurement process and its respective control organ on the lower local government authority, (Nkinga, 2003). Such a tendency provides a room for wasteful spending and corruption by the Departments and Agencies (DAs) under the umbrella of existing procurement process and procedures at the local government (URT, 2011). Several authors have discussed the issues of administration/governance, political and finance in lower local government authority but very little of them discussed matters about procurement process and its respective procedures despite the fact of the highest expenditure in the local governments in Tanzania, ranging between 41% and 70% based on the total budget For these reasons this study seeks to assess procurement processes in lower local Governments authority.

## **1.4 Objectives of the study**

### **1.4.1 General objective**

The main objective of the study was to assess procurement processes in lower local Governments authority.

### **1.4.2 Specific objectives**

- i. To identify the organs responsible for procurement processes in the lower local government authorities.
- ii. To examine the procedures followed during procurement processes in lower local government authorities.
- iii. To assess the factors affecting procurement processes in the lower local government authorities.
- iv. To examine efforts done to rectify the procurement process in lower local government authority

## **1.5 Research questions**

- i. Which are the organs responsible for procurement processes in the lower local government authorities.
- ii. What are the procedures followed during procurement processes at the lower local government?
- iii. What are the factors affecting procurement processes in lower local government authority?
- iv. Are there any efforts done to rectify the procurement process in lower local government authority

## **1.6 Research hypothesis**

- i Procurement processes in the lower local government are done by various organs.
- ii There are different procedures followed during procurement processes at the lower local government's authority.
- iii Procurement processes in the lower local government authority is influenced by a number of factors.

## **1.7 Significance of the study**

The significance of this study lied in the fact upon pointing out organs responsible for procurement processes in lower local government, procedures followed in procurement k factors affecting the Procurement processes and efforts to rectify the situation in the lower local government in Hanang District and Moshi Municipal Councils, the study ended up on suggesting appropriate measures to address the problem for the better performance of procurement matters.

However, the results achieved from the study are expected to contribute to the Hanang District and Moshi Municipal Councils management and staff on how to support the lower levels as they are facing a lot of challenges for the achievement of value for money procurement.

## **1.7 Limitations of the study**

The study covered only Hanang District and Moshi Municipal Councils where by the data obtained cannot be generalized to both LGAs. With similar reasons, the respondents were drawn from the selected Wards Executive officers, Village Executives Officers, members of village governments and streets chairperson based within the Hanang District, Moshi Municipal and the staff of the Procurement Management Units for both councils that may hinder obtainment of other information from other sources.

Another area of limitation in the study was on the side of the respondents as the questionnaires were not filled on time as expected by the researcher, and some being returned completely unfilled due to some shortcomings from respondents such as time constraints, lack of incentive or motivation, and interest on the subject matter, and some simply where unwillingness to collaborate.

To lessen the limitations of respondents, the study was ensured those kinds of shortcomings kept at a minimal level by locating appropriate time for visiting respondents and explaining into details the questions and the significance of the study to the public.

### **1.8 Generalization of Results**

Due to the mentioned limitations on the study, the opinions on the study results was not generalized to all local government authorities nor to the whole of the public service organization, but specifically be to the Hanang District and Moshi Municipal Councils. This is because; the nature of HDC and MMC services might be different from other local government authorities.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section reviewed the related literature from previous scholars both in published and unpublished documents to establish practical reasoning of the problem and acquisition of knowledge to the researcher.

#### **2.2 Definition of key terms**

##### **2.2.1 Lower Local Government**

Lower Local Government, it mainly involve the smallest unit of the local government, in that respective the implementation of various project are conducted; in procurement process the lower local government authority includes the wards, villages/street and hamlets. In fact, the procurement process typically are implemented into the lower local government authority, basing to this study various projects of procurement of goods and services held at Hanang district Council that typically involve Balangadalalu, Gehandu, Nangwa, Dumbeta, Endasak, Endagaw, Galangal, Bassotu, Simbay and Hidet. Moshi Municipal Council various procurement project involve fonga, matindigani, majengo- mapya, bomambuzi, kanisani, kilimani, pasua-sokoni, reline, kaloleni and msasani.

##### **2.2.2 Procurement**

URT (2011) come up with the definition of procurement as the process of buying, purchasing or acquiring goods and services that are generally consumed the public funds through the respective ministry and authority concern on behalf of the public. It includes the respective duties and functions purposely to provide goods and services. With that experience the procurement generally composed of the requirement based on the tenders and invitation process for the contract offering to all bids submitted.

### **2.2.3 Public Procurement**

Public procurement entails the whole process of acquiring goods and services from an independent entity through the use of public funds (Ngwalo, 2004). It entails the procurement process that conducted by the public sectors purposely to obtain goods and services from independent entity. Basically, uses the public resources to acquire goods or services in various dimensions such as stationery and office furniture. From these grounds it further develops to a more spending of fund in the various heavy projects such as construction and aircraft purchase to accomplish the major goods and target of the public. The various services recognized in the respective area of health and education services provision to meet the respective public target and goals. In fact, public sectors are responsible to offer services to the entire public provided the procurement process under well-handled procurement mechanisms are in place. The public organization also allowed bidding in a competitive with private sectors for the aim of supplying the quality goods and services.

### **2.2.4 Procurement Process in the Local Government**

Section 3 of the PPA (2011) basically explained the procurement process to involve stages that are thoroughly indicated in the procurement cycle to compose procedures such as planning, respective procedures and choice, the measures to solicit offers from the suppliers, evaluation process on the offers and award of contract.

The procurement entity mainly is the initial organ under the government that if well-handled has ability to influence the local economies positively, this is in press especially when the appropriate process and mechanism are well handled with high degree of integrity. Under the local government procurement, it basically originates at the from the user department to procurement management unit, then to the district treasurer and to the district executive director for approval. Procurement Management Unit is full of professional staffs that hold responsible to gauge the procurement matters in the professional and expert manners to support other departments.



Generally, contribution of the local government on the procurement process under the lower levels is associated with the process on the bidding over the procured good and to the fund above 130millions purchase. All local enterprises are required to purchase the bidding document with full guide line and procedures required to be followed for the performance of procurement process. The bidders are mostly required to fill clearly all the document provided and return them to the PMU before or on the date of opening of tender. However the successful bidder and all participated bidders the evaluation they always receive the notification for the award of the contract they are being explained why the winner won (Bichler, 2013).

In the context of Tanzania local government, the only required process during the procurement activities is the purchase of bidding document, after those bidders get instructions to be followed purposely to win the tender based on the procurement quality and standard as indicated in the bidding documents. Not only has that but the whole requirement of the local government authority procurement matters need to be included in the basis of quality and integrity criteria. The bidder especially focuses on the legal aspects over the business and evidence of the copies for the company or business legal operation as required by the certified commissioner of oath (Nkinga, 2003). All those process is accomplished by the winning bidder over the public at the open public discussion. In fact, the notification form granted to the successful bidder for the validity of the contract to supply goods or services based on the demand of the respective local government authority.

The central government system mainly associated with procurement processes that mainly are required to be implemented on the use of the following entities; the availability of government stores department that based on the works such as stationary, office supplies, fuels, medical stores and water stores department on the water supplies. The utilization of all these process and procedures in the procurement department require availability of all these entities (Nkinga,2003).

## **2.3 Factors for local government procurement of goods**

The procurement process basically intends to meet the value for money to satisfy the lower local government authority such as wards and villages/streets in the basis of requirement and existing procurement process. These factors lies on the following criterion;

### **2.3.1 The buyer-seller relationship**

There is increasingly attention on the management of the relationship between buyer and sellers of goods or services. It require a transparent process organized in ethical under the procurement requirements, the buyers is required to receive the goods at described quality and indicated price. From this experience the bidder during the procurement process are required to fill the price schedule of activities intended to supply (Burnett, 2003). The price schedule indicate the knowledge of buyer and experience related to the actual market, it essentially organized in the transparency and ethical to ensure effective and clear procurement process over the local government lower namely wards, village or Mitaa.

### **2.3.2 Right goods and quantity**

There is a need to consider the Procurement process in the local government authority in terms of the right goods in the right quantities and quality. The procured goods should be at maximizing utility over the Local Government. The fulfillment of the local government that represents the general public brings ultimate satisfaction. The aspect of transparency and accountability over the public procurement it basically reflect the public satisfaction, rather individual gain.

The procurement entity stands on behalf of the public after signing the contract to supply goods or services. The goods required to be supplied on the basis of quality and ability to meet its demand for such as consumption.

### **2.3.3 The lowest practical purchase price**

The procurement entity under the local government authority generally seeks the lowest practical purchase price. This invariably connected with the competition of bidders until the procurement entity obtain the lowest possible price. The process of selecting the lower price bidder generally solicited local government procurement stakeholders especially at the wards and village levels. All these procurement actors are ultimately the focus point of goods or related supply (Arrowsmith and Trybus, 2003).

### **2.3.4 Procured goods meet recognized standards of quality**

Ensure that all goods procured meet recognized standards of quality based on the requirement set on the value for money aspect of the local government. The quality normally achieved through the past goods supply of the sellers. The lower local government authority generally meets the needs at the wards and respective village where the goods or services are consumed.

### **2.3.5 Timely delivery of goods**

The supply to satisfy the lower local government authority in the procurement of goods or services needs to arrange timely delivery to avoid shortages and stock outs. The delivery of goods is well connected with proper arrangement of goods to avoid shortage. The shortage of goods in the procurement brings adverse effects on the wards and villages as the lower local government authority. In fact, the arrangement of goods to be supplied to the lower local government is essentially to time supply and efficiency manner.

### **2.3.6 Supplier reliability**

Supplier reliability with respect to lower local government authority such as villages and wards government the procurement process are mostly ended at wards or villages with the authority of procurement management team, the reliability of supplier at the local

government is very important to meet the procurement standards set for the public. The reliability of the supplier are well accomplished with the standard facilitates procurement exercise (Ombaka, 2009).

Generally, the clear need of procurement under the lower local government authority almost grounded to the target of the purchasing schedule, formulas for order quantities and safety stock levels. It generally required achieving the lowest total cost of purchasing at each local government authority procurement of goods. The schedule and formula most clearly brings direction in the requirement of local government. This is important factor for adequate goods supply at the local government especially its lower local government authority demand (Shalev and Asbjornsen, 2010).

#### **2.4 Importance of value for money in local government procurement**

The government has increasingly with the limited resources that basically attached to the value of money under the procurement process. The scarce resources need optimal utilization based on the budget requirement. The value for money is highly indispensable for effective procurement process of the local government talking about the village and wards. In most case the value for money is the essential drivers on the procurement process, which seek to purchase the products or services at low cost while maintaining the quality criteria in the requirement and specification of goods and services. With clear emphasis the local government procures goods intentionally to meet a certain quality and specification and the general public appreciation.

The supplies valuation generally based on the criteria set under the local government authority. Such criteria have been increasingly in the position of attaining value for money under the lower local government authority such as wards and village. The value of money generally based on the affordability criteria. It need appropriate plan and mechanism to facilitate the procurement process of goods and services.

The process need to be well established under the respective procurement requirement and regulation based on the local authority guidelines. This more ideally need the basis of change in the procurement strategies to cope in the requirement of value for money principle. This specifically, should be considered under the competitive process of procurement of goods.

The strong competition pressed on the value for money principle, expected to improve the procurement process in the lower local government authority. It is acceptable that through recognizing the value for money therefore a greater possibility for improvement on the respective procurement process in the wards and villages to affect all stakeholders. The local government stakeholders involving in procurement of goods need intentionally to clearly focus on the money value in relation to a particular goods supply.

VFM should always be assessed over the whole procurement process at the wards and villages in the local government authority. The value for money also considered the disposal cost and process, in fact, even the benefits generated to the society are also considered to the performance of procurement process at lower local government authority.

## **2.5 Competition on local government procurement of goods**

Competition is mainly required in the improvement of goods quality purchased for the lower local government procurement and complies with the value for money. That best value for money ensures quality of respective goods. There are avenues for competition that brings about the remarkable effects in the procurement market. Competition is the means for sharpening the free entry principle over the market and essentially reduces the possibility of marginal cost over the procurement process. Such cost increases the chance of selecting appropriate supplier for improvement of the lower local government authority procurement process.

The supplies tend to be in high possibility of generating more incentive to handle production capacity of goods and services as well over the specified period of time. The competition brings challenges towards the suppliers' ability to handle challenges and then supply goods at improved quality (Ki-moon, 2012).

## **2.6 Factors Affecting the Selection of Optimal Suppliers**

Li (2006) from his experience provided about three factors to consider in supplier selection that are important . The procurement process in the local government authority mainly seeks to affect the actors in the lower local government such as village and wards. The supplier ability to handle goods required in the lower local government authority to guide and enhance performance of procurement process. Every process in procurement of goods and services need to be implemented in the basis of supplier selection to handle and increase the chance of procurement exercise performance.

The analytical procedures that indicate the integrated model that thoroughly combining the process in hierarchy fashion for the evaluation model are well handled all procurement process and approach to attain quality goods. It is possible to effectively integrate the specialized knowledge and experience of each goods evaluation and the quantitative data to select the best supplier for cooperation. The process for selecting the suppliers almost tend to be time consuming and very cost in terms of production, raw materials, quality and organizational goal. This become in that sense to promote and handle the procurement exercise in the lower local government authority.

For this reason the selection of suppliers is complicated process several ways need to be considered in the aspect of procurement decision making. This criterion is considered to increase the chance of selection of the best supplier for supplying quality goods (Tan et al, 1998).

It is clear that the lower local government authority consideration is the time to accomplish the procurement process under the public concern; in fact the public are the main users of goods and services. The procurement process over the public are dominated more in the supplier selection. The procurement actors mostly are influenced with the cost that of goods in measuring the quality of the goods, supplier with low cost of production at the point where quality of the goods is highly hampered by the supplier with low cost of production.

Increasingly, information on the public procurement process in relation with the technical capability of the supplier needs indication in the context of local government. Suppliers' data regarding quality over the goods should be well indicated to cope with the requirement and standards for procurement exercise performance, on the other side should basically relate to the needs of suppliers and ability to handle the lower local government requirements.

## **2.7 Theoretical review**

This study is supported by some different theories and principles. Some of these are as follows;

### **2.7.1 System theory**

This essentially seek to study the whole systems, it was introduced by Ludwig Von Bertalanffy, Anatol, Kennedy, William Ross, Ashby and others between 1940s to 1970s,.the theory originated from physics, biology and engineering disciplines. With time and experience it expanded to other fields such as philosophy, sociology, organizational theory and the aspect of management, in various dimension of economics and firm management process. It generally assumed on the existence of many systems that form a network, the system are existing because of the strong network in its components.

This is the same as in the case of the supply chain as it know that supply chain is the system of organization, people, activities, information and resources involved in moving a product or service from supplier to the consumer should be an open and connected to the network to essentially manage the goods supply. The aspects of the system should be well understood from the basis of consideration of separate parties and output expected from such system (Ngware, 2005).

The systems are highly related or connected with the business network in an open ways and approach to reach the focal point of the system. Generally based on the integrated SCM approach to generate the focal network or the power perspective on the supply network for goods or services the entirely closed and open manageable system are an avoidable. The system need to recognize the material flows from one point to another, this also means the flow of information from the original source to the respective destination. Also, it could be interpreted as the flow of information from the suppliers to the client and the client to the supplier.

The theory explains on the uses of systems and its respective information flows from one point to another to facilitate the system operation. It important for sharing information based on the means of signaling commitment to drive ongoing collaborative behavior. Supply of goods or services need to be managed for its respective improvement and cost efficiency and effectiveness manner to meet the desire of local government authority.

It is recognized that the public procurement processes are almost concerned with the organs that govern the procurement at each level in a collaborative flow of information. In order to bring out procurement system and processes the efficient and effective way in procurement are required for the achievement of value for money in procuring for Public benefits.



### **2.7.2 Transactional cost theory**

This theory relied on accounting for the actual costs of outsourcing production of goods and services including transaction cost, contracting costs coordination costs and searching costs. It illustrates the make versus the buy decision for companies. It was propounded by Ronald Coase in 1937. The transaction theory is one of the important aspects in the strategic and organizational issues. The firm utilizes the theory to thoroughly present the requirement of the management over the authority accomplishment (Williamson, 1994). The theory has been specifically studying the firms and its boundaries, vertical integration decision and the rationale for conducting the acquisition over the various forms of governance. It widely extends the coverage of strategic management and international business coverage.

The main purpose being regarded to the internalization of the firm activities and its transaction process, generally evidence was being increasingly drawn to the management business success (Williamson, 1996).

In fact, being essentially recognized that the transaction theory remain as an important theory towards the organizational and management studies. The theory attempted to ensure wide range of coverage in outsourcing cost.

Tisdell, (2004) pointed out on the increase of cost based on the decision made, that almost tend to change the market price and requirement. The theory brings about the impact of decision over the lower level of local government authority during procurement of goods, works and service where by buying decision should first considers all costs involved in contacting rather than just relying on the market price. Public organizations should consider the application of this theory to make buying decision. The transaction cost in most instances tends to be ignored based on the stage of structural adjustment policy implementation.

The structural adjustment policy promoted by international organization such as the famous World Bank and Asia development bank, in most instance these institutions almost favour government that complies with their structural policies and requirement. Among others, emphasize on the use of market mechanism. The policies under this structural adjustment mainly emphasize to achieve the broad issues of formation of public sectors procurement. The attention mainly emphasized on the increase purchasing goods and services and the related other supplies under the influence of market mechanism. The supplies of goods and services should basically be based on the cost saving approach and quality governance of the supplied goods and services at lower local government authority (Hunja, 2003).

Costs of contracting with local government in various goods supply under the local government should basically consider the cost that could be incurred in search of the best suppliers.

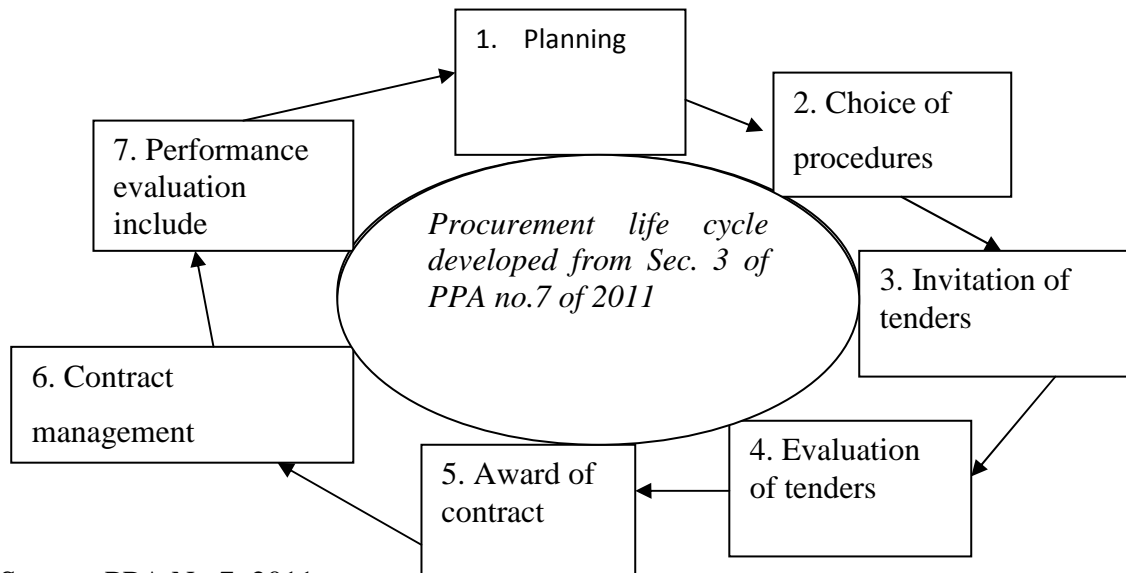
- The difficult in attainment of the performance requirement based on the previous local government due to poor designed supplies contract.
- Failure of suppliers under the local government to perform a contract based on the agreed bidding documents policy and procedures on the respective specification;
- Cost in making follow up
- The waste of knowledge under the public bodies that hinders the competence in follow and products specification
- The existence of corrupt officials in public procurement, this almost associated to those public servants from private companies especially in the selection of suppliers for favoritism in the award of public contract to supply a certain goods or services for the lower local government authority;
- Low ability to meet supply guide in timely basis as specified in the contract

The local government experience difficult especially on fulfillment of the contractual agreement, in most case the cost of legal action tend to be higher than the expected benefits. The loss in most instances contributed to the public body engaged in the procurement process. The public body remains responsible on whether to take legal action to fulfill the interest of the public or to remain silence to meet the interest of few corrupt politician and decision makers. This expected to balance based on the respective interest force and ability of the powerful decision.

## **2.8 Procurement Life Cycle**

Generally the procurement life cycle is very important element in businesses for the respective performance under the procurement process. In fact, it is grounded to the lower local government authority. Under the local government it is involved in every matter of procurement including the aspect of gathering and contacting supplier, background review, negotiation, fulfillment, consumption, maintenance and disposal, renewal of the contract if pleases. Section 3 of PPA no.7 of 2011 defines the procurement cycle as the procurement process which includes the stages of planning over the resources usage, choice of procedures, measures to solicit offers from tenderers, examination and evaluation of those offers, award of contract, contract management and lastly the performance evaluation and audit (PPA,2011). Procurement life cycle can be presented in diagram as shown in figure 2.1 below.

**Figure 2.1: Procurement life cycle**



Source; PPA No.7, 2011

Procurement decisions need under the local government especially for the interest of the lower local government authority is well improved for analysis and selection of appropriate suppliers. All these are done on the basis of price, quality, punctuality and reliability. It is the responsibility of procurement department and procurement committee to select proper supplier or service provider to perform supply activities in different situations (Othman and Liviga, 2002).The good public procurement must be underpinned by five pillars which aim at ensuring the value for money is achieved in the procurement process. Those pillars are as follows.

### **2.8.1 Value for money itself**

Generally, for and any procuring Entity (PE) it is important to indicate a clear view on the related procurement outcome. The price alone tend to be inefficient indicators over the procurement process and PE will not necessarily obtain the best VFM by accepting the lowest price offer that meets mandatory requirements as stipulated by the local

government. Best VFM means the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

### **2.8.2 Open and Effective Competition**

It is one of the elements of good public procurement for the lower local government authority. It basically attached to the legal framework that emphasizes on the policies and procedures in a manner that effective and transparent in the lower local government.

### **2.8.3 Ethics and fair dealing**

This is also a pillar used to govern the public funds to easy the lower local government procurement process. Ethics are essentially rooted on the more behavior among the procurement staffs and officers. This exactly related to the promotion of the fair and transparent procurement exercise that accounts for value of money. This regarded as the solution towards eliminating of conflict of interest among the staffs and officers of lower local government authority. In most instances tend to limit the interest over the procurement process and bidding selection, it emphasizes all parties to comply with ethical standard and guideline to increase the degree of fairness on the procurement process.

### **2.8.4 Accountability and Transparent**

This are the major important aspect in the procurement process at the lower local government authority, in most case the exercise need to be fully of clear and well understood procedures, the funds are basically related to handle of public image and resources. The officers are responsible to handle and control the procurement exercise in fair manners and well implemented transparent procedures. The procurement policies and guideline of the public authority need to be well respected based on the country legislation.

### **2.8.5 Equity**

It basically means the application of the government intervention in firms operation for the interest of public. The firms should operate for the purpose of bring about economic development, the equity advocated on the improvement of procurement exercise that is well fair and advanced to widen the chance of local firm participation.

## **2.9 Principle of public procurement**

Public procurement principles generally addressed the important policy and rules towards controlling procurement process. These principles set general guideline and framework that govern all mater pertaining the public procurement. The officials are generally controlled with procurement principles in any respective process. These public procurement principle guide day to day procurement process in terms of decision making, the fundamental public procurement principle are essentially discussed here under;

### **2.9.1 Transparency**

The transparency are essentially important on the control of procurement activity, all matter pertaining the procurement need to be clearly known, all relevant Information regarding to public procurement and its process need to be available and accessible to all procurement stakeholders: contractors, suppliers, service providers, and the public at large, unless there are valid and legal reasons for keeping certain information confidential.

The announcement made either electronically through press release, the internet, and other venues, the announcement must include sufficient details for interested contractors, suppliers and service providers to determine if they are qualified to compete. The procurement actors are responsible to determine the nature and its scope over the procurement, the respective submission of offers, the selection criteria, the

place for offers submission, the numbers of copies to be submitted, the deadline for submission of queries and the schedule of pre-bid meetings.

It is clear that upon any changes on the solicitation documents, all stakeholders should be notified using the same publications, clear notification should be well stipulated for interested contractors, suppliers or service providers can take necessary and timely actions to comply with change.

### **2.9.2 Integrity**

The integrity in public procurement mainly divided into two aspects, first the integrity of the procurement process, and that of public procurement practitioners. It essentially important to observe the integrity of the public procurement process, it provides a room for bidders to rely on any information provided or disseminated by procurement entity. The information provided basically informal or formal provided are subjected to decision making on public procurement. It increases the degree of confidence over the procurement system under public, also the information provided are well stipulated for the public use. In that respective information generated are free from person bias or prejudices regarding to procurement matters. Essentially need the existence of prospective bidders with relevant qualification to thoroughly under take the assignment; in connection to this the need for other bidders is paramount provided meet the required qualification on the respective procurement exercise.

The process of bidders evaluation should specifically indicated on the documents and clear stated in the solicitation documents, the bidders' selection criteria should be rigid with no change unless the requirement of agent change requirement. All relevant requirements should be clear stated to all prospective bidders, with submission change that allow bidders to meet the deadline.

Another aspect of the integrity of public procurement practitioners, the practitioners working in the public procurement entity are required to thoroughly demonstrate the person and profession integrity, at all-time these public servants who are closely involved in procurement process need to be perceived honest, trustworthy, responsible and reliable. This public servant should exercise the requirement of procurement process with full hearty of integrity.

### **2.9.3 Economy**

It emphasizes appropriate management of public funds with care and due diligence so that price paid in goods or services are with respective value and reflect the appropriate management of public funds. It emphasizes anyone who fully or partly participates in any way or another in public procurement should thoroughly avoid fraud, waste and abuse of public fund. The misuses of this fund generally involve paying higher price for substandard goods.

### **2.9.4 Openness**

Public procurement requirements need to be practiced as open to all qualified organizations and individuals. The public should also have relevant information on the respective procurement process and public procurement requirement. The Access to public procurement information is generally important for the successful procurement process. Confidential and proprietary information that are owned in the organizations and individuals mainly no need to be available publicly and the extent of their disclosure should be detailed in the procurement rules or other relevant regulation.

The openness should also affect the utilization of the procurement approach based on the bidding selection. However, major emphasize should strictly related to selection of the local firms that comply with the standard and requirement.



The request sent indicate the relevant quotation that basically rooted to the improvement of procurement exercise on the basis of competition. The bidders are require to submit the request and in a manners that allow completion of various firms. The evaluation of the offers are kept confidential initially until the panels make review and attain the final conclusion, this indicated in the procurement rule. The result of the procurement process should be clearly public and all stakeholders should be clearly accessible to information regarding the procurement in the websites.

### **2.9.5 Fairness**

The fairness are well interpreted in public procurement and depend on the perception of bidders, that the need to treat all bidders equally with no difference, this is achieved through the following steps under the lower local government authority procurement process.

- Decision–making and actions must be unbiased for the interest of local government procurement and no preferential treatment should be extended to lower local government authority who are responsible to pay for the procured goods
- All offers should need a clear comply with indicated procedures and laws owned and designed under the lower local government authority
- The suppliers are responsible to sign the contract with the lower local government authority in this side recognized as the client. The agreement is based on the indicated standard and guide line as agreed on the contract.
- The suppliers and client have the right to challenge and even set improvement in the procurement process. Especially on the required standards and procedures as indicated in the procurement laws and standards and public rules that advocate the openness and fairness of procurement exercise.
- Competition

The public procurement process is highly implemented for the benefit of the entire public and not individual alone or organization. The requirement should basically be those set by the public for allowing the procurement exercise over the public interest. It is important so because the money used are collected from tax payers who are citizens and not otherwise. The organization with respective quality and ability to supply goods for the government obligated to send the offers to the lower local government authority.

Public procurement requirements should be widely disseminated to increase the chances of a good market response, leading to the award of competitively-priced contracts and increases the efficiency and effectiveness of goods supplied for the local government.

The contract implemented should be awarded using the completion approach to remove worries and doubt with majority tax payers. The suppliers should comply with the specification for competition procedures.

The use of non-competitive procurement methods under the local government procurement, although justified under certain conditions are well equipped to ensure best goods are supplied, should be kept to a minimum. Examples of non-competitive procurement methods are: shopping (also called request for quotations or invitation to quote for the interest of the company and desire to contract with the local government) and direct contracting (single/sole sourcing). Each of these non-competitive procurement methods have their purpose and should not be misused in the public procurement goods and services for the local government lower local government authority procurement.

### **2.9.6 Accountability**

The involved offers are respective to any decision made and the awareness should made to everyone on the process of goods procurement. Similarly, the lower local government in are required to be awareness on the whole process and even understanding in every aspects of the procurement to increase their degreed of accountability in any problem regarding the procurement.

The various parties and officers are involved remain accountable such as local government staffs, procurement officers and lower local government authority decision makers. The accountability means all staffs and officers in procurement exercise need to be accountable for any decision regarding the utilization of public funds.

## **2.10 Empirical review**

The empirical reviews formulated on the contribution offered by others researchers towards the improvement of procurement exercise, all these studies are found to be related with the procurement process especially at lower local government authority.

Mhina, et al, 2010 explained that, the lower local government authority procurement exercise need to be developed on the basis of principles designed at the villages. The procurement board is lacking at the lower local government authority matters are almost undertaken with the committees composed village chairperson as a chairperson of the committee, village executive officers and other selected members of the committee. This brings weakness towards the implementation of procurement exercise at the respective supplies and procurement services for the local government. The lower local government is increasingly experienced with the problems of awarding the contract before funds availability. These results to delay in payment and the respective goods and service supply. This always triggered by the tendency of local government to expect the contract will use own fund to supply goods or services before the payment accomplishes. This happens on the implementation of local government road projects in Korogwe district. It was clear that the contract was signed and the funds were never provided to the suppliers, this resulted to court action by the contractors. Local government found to be liable and warned on the provision of contract before assurance of the funds. The contractors were not sanctioned for delay of goods because were not paid. Implementation of contract must highly consider on the reception of funds. The funds provide a means on the activity execution and not otherwise, the contract starts on the reception of the initial payments for contracts start up.

The accomplishment of the whole process in terms of legal and relevant procedures are important to the performance of contract, any delay brings about the effect to the contract execution. The funds that are provided with donors always demand the report on the progress of the projects.

The local governments in other way around run from the monitoring and progress checkup of projects due to delay in funds payment to suppliers.

Also Mhina et al, (2010) founds that the procurement process should basically relied on the action plan of the local government council followed by after the approval of budget. The number of factors found to be contributed in the poor performance of the procurement exercise at the lower local government authority. In fact, the political decision interferences highly contributed to lower the procurement exercise in Kinondoni district.

The other problems that found to affect the procurement exercise were the challenges on the procurement regulation and some instances to make purchase that are progressive in the basis of law and regulation requirement. For example in Korogwe and Kinondoni district, there was occurrence of decentralization of funds to primary schools for classes' construction. The funds again were centralized to the regional commissioners due to poor classes constructed. The procurement plan essentially affected by the late of fund transfer and delay of funds to the project areas.

Nditi, (2014) observed that, the value for money in procurement exercise is the critical aspects in the performance of procurement process under the lower local government authority. The processes towards attaining the value for money are almost connected to various challenges such as;

- The political leader's interferences. The political leaders tend to interfere on the procurement processes due to completion based in personal interest or gain that are not on public concern especially in the lower local government authority.

- Late delivery of the contract due to inappropriate tenders provisions and documentation, this basically attached to the long procedures that are required to be performed in the contract approval.
- The poor planning, the plans on the implementation of procurement matters for the local government always are poor and lack full cost estimation for the procurement exercise. It almost affects the procurement implementation and even outcomes

The procurement need to be organized with the formal contract rooted on the acceptance of tender and the value for money, and should consider the interest of the public.

The Shekifu (2014) explained that, act of giving attorney general 21 working days of vetting the contract almost brings about bureaucratic hence delays that lead to the failure of the contract to meet its contractual obligation.

According to NAOT (2014), poor plan and implementation of procurement contract always brings about the problems on the performance of procurement process to meet the criteria for the value of money and even minimization of the challenges for the procurement exercise as the government and its plan operate in the basis of cash budget that aim to fulfill the annual plan.

The procurement process essentially must aim at improving the economic and public spending on the goods and services that contribute to welfare improvement of the general public and not individual basis.

The developing countries procurement process are not well regulated to the perception of public interest rather than the reverse of individual gain. Through the corruption and inefficiency towards fulfillment of the political leaders interest and in most case decision makers are in the respective involvement of poor procurement performance (Odhiambo, 2003)

There is a need to implement the value for money principle that advocate the transparency and fairness procedures while holding the staffs accountable (Hunja, 2003). This directly related to the achievement of value for money principle in the lower local government authority that being claimed to waste funds and poor performance of procurement exercise. In most case such behavior is highly connected to poor dissemination of procurement laws and regulation for the public interest (Azeem, 2003). The training of all staffs involved in procurement process also observed to be the problem in the respective procurement performance (Forgor, 2007).

The political leaders almost tend to affect the procurement exercise for their political interest and corrupt mind for individual gain rather than the public advantages. From this case the political advantage is really important in the technical aspects of procurement (World Bank, 2004b).

Mlinga, (2006) generally presented the problems on the procurement especially on the selection of appropriate goods and techniques to be used in the management of procurement exercise.

### **2.10.1 Global cases**

#### **In UK**

The procurement processes almost follow the life cycle that start at the identification to the last stage of implementation well-grounded with laws and procedures on behalf of the local government authority. The contract selection basically follows procedures on the goods and services procurement. The procurement process performance almost judged or measured at the product or services quality and not on the political decision. The process for procurement are strong and efficiency in the performance of the whole exercise of goods and services procurement (OCG, 2008).

## **In Uganda**

Historically, public procurement in Uganda have been known for their poor performance and corruption, resulting from non-adherence to processes and procedures as stipulated in the lower local government authority, poor resource utilization, poor personnel management and training, inadequate payment and benefits. It is on this basis that the government of Uganda, in 1989, set up the Public Service Review and Reorganization Commission (PSRRC), under the Ministry of Public Service, it was basically established for recommendations on public service improvement and elimination of the problems noted in public procurement (PPRA, 2008).

The ultimate goal was to improve the general service delivery to the public, create efficiency and effectiveness based on transparency in processes and procedures, performance evaluation systems and clear organizational goals and objectives. The results of the commission led to the establishment of government agencies by law one among of them is Public Procurement and Disposal of Public Assets Authority that generally ensure the transparence and accountability in all process of public procurement under the lower government authority (World Bank, 2004).

Particularly, the PPDA Act of 2003 in Uganda essentially indicates the public procurement cycle. The roles and responsibilities of public entities are limited to the procurement cycle. Regardless of the effort by the policy and procedures that government the local government lowers local government authority procurement. The acknowledgement for the procurement department is mainly hold responsible for the performance of procurement process in the organization for the matter of controlling the public resources for the lower local government authority and the control of responsible public procurement committee (UN-Habitat, 2002).

The several reasons noted on the poor operation of public procurement that ground the existing performance. It was basically to be rooted on the procurement cycle to encourage competition among suppliers, professionalism, good business ethics and nondiscrimination among others (World Bank, 2004b).

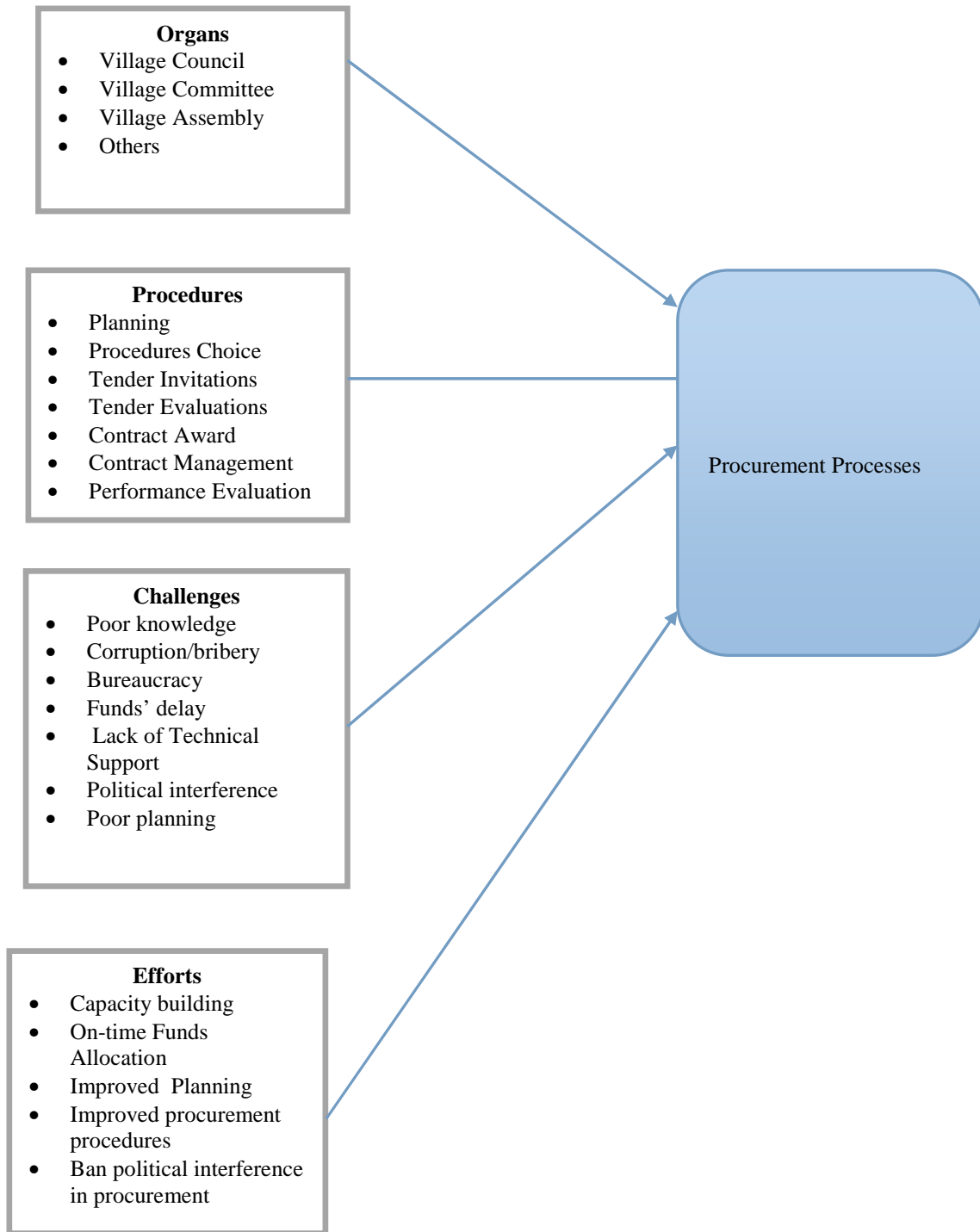
Also the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results and are therefore unable to determine their efficiency and effectiveness.

### **2.11 Conceptual Framework**

The variables of the study and its relationship are clarified in the figure no.3 below as follows;



**Figure 2.2 Conceptual Framework**



**Source;** researcher, 2016

This conceptual framework is grounded from theoretical and empirical reviews plus researchers own constructions. It is clearly understood that the conceptual frame work is a set of coherent ideas or concepts organized in a manner that makes them easy to communicate to others (Schwartz, 2006).The variables provides a clear understanding on procurement processes in lower local government authority, as the model shows the relationship between the dependent variable (procurement processes) and independent variables which are organs, procedures, challenges and efforts done to rectify procurement process in the lower local government authority.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter explains the research targeted areas, research design, population to be covered, techniques, methods and resources that were used in data collection, the various sources of data, types of data to be collected as well as description of the technique that were used in data analysis.

#### **3.2 Research Paradigms (Philosophy)**

The research paradigm can be defined as an approach through which the research is undertaken. There are two paradigms of doing research; these include positivism and Interpretivism.

The positivism paradigm of exploring social reality is based on the philosophical ideas as a means of generating knowledge. It is mostly used under quantitative research, for example understanding relationship between variables, attitude towards respondents and the like.

Interpretivism emphasizes that social reality is viewed and interpreted by the individual herself according to the ideological positions she possesses. Therefore, knowledge is personally experienced rather than acquired from or imposed from outside. The interpretivists believe that reality is multi-layered and complex and a single phenomenon have multiple interpretations. In this study both quantitative and qualitative approach were adopted in collecting data, analyzing and interpreting data.

### **3.3 Research area**

The research was conducted in two different regions that are Manyara and Kilimanjaro. In Manyara researcher took Hanang District Council because the researcher is the employee of the Council. Ten villages of Hanang District Council were involved which were Balangadalalu, Gehandu, Nangwa, Dumbeta, Endasak, Endagaw, Galangal, Bassotu, Simbay and Hidet. For Kilimanjaro region, Moshi Municipal Council was selected because the researcher is residing in vicinity of municipality. A total number of ten Streets were involved as well which where, fonga, matindigani, majengo- mapya, bomambuzi, kanisani, kilimani, pasua-sokoni, reline, kaloleni, msasani,. The selection is based in reducing the cost to researcher. Also, the researcher wanted to compare the findings between the urban area and rural as well as due to the differences in geographical position, education level of the residents and economic status.

#### **3.3.1 Hanang District Council (HDC)**

Hanang' is one of the five District found in Manyara Region. The district is located in the Northern part of Tanzania and it lies in high altitudes between 1000m and 2000m above sea level. Mount Hanang' peak is the highest point in the district at about 3418m above sea level. It covers 3,639 square kilometers. According to the 2012 population census, the district has a population of 275,990 people. The area is the centre of one of Tanzania's major wheat growing areas. However there has been a sharp decline in revenues from wheat in recent years due to bank rapt of Hanang Wheat Farms ([http://www.manyara.go.tz/wilaya.php? Page hannang Main](http://www.manyara.go.tz/wilaya.php?Page_hannang_Main)).

Hanang District Council (HDC) was selected among other Local Government Authorities as a case study to assess the procurement processes in lower local government authority.

The HDC was established in July 1986, replacing the former Barbaig Division in Babati District Council. HDC's responsibilities include among other things to formulate, coordinate and supervise the implementation of plans for the economic, commercial, industrial and social development (Local Government Act, 1982).

### **3.3.2 Moshi Municipal Council (MMC)**

Moshi town originally was established as a military camp at Kolila at present Old Moshi Division of Moshi District Council in 1892. It attained the status of a town in 1956. In 1988 it became a Municipal Council. MMC is located in Kilimanjaro Region and is bordered by Hai and Moshi Rural Districts

(<http://www.moshimc.go.tz/Old%20Website/index.php/2012-02-16-20-10-58>).

The Municipal Council covers about 59 square kilometers. Administratively it is divided into 21 Wards with 60 streets. MMC remains the smallest Municipal Council in terms of area coverage in the country. According to the 2012 population census the Municipal has a population of 156,959 people. The economy of the council, once a robust economy from the coffee industry in the periphery in the 1970s and 1980s has plummeted due to both low prices in the 1990s and low production in 2000s.

(<http://www.moshimc.go.tz/Old%20Website/index.php/2012-02-16-20-10-58>).

### **3.4 Research Design**

Research Design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure (Kothari, 2004). In this study, the type of research design that was used is the descriptive survey research to obtain a breadth type of data from a broad spectrum of the respondents and both qualitative and quantitative approaches were used due to the fact of being high representativeness, convenient data gathering and good statistical significance.

### **3.5 Types of data**

This research study used both the primary and secondary data for theoretical perspectives.

#### **3.5.1 Primary data**

Primary data are those data which are collected afresh and for the first time and thus happen to be original in character. Primary data involves direct experience and observation and thus distortion by other observer are avoided and therefore are reliable. These data were obtained through interviews and questioners that the researcher prepared the guides for the respondents.

#### **3.5.2 Secondary data**

These are those data which have already been collected by someone else and which have already passed through statistical process. It included all data obtained from the institution-documented records, institution reports and journal, institution, academicians surveys and government surveys. They also need fewer resources (expenses) because they have already been prepared.

Specifically for this study, the researcher was used much data from the review of PPRA audit reports, national audit reports, Procurement Journals and few of government surveys and other written document from other agencies. It was enabled the researcher to analyze the organs responsible for procurement procedures being used and the challenges facing the lower local governments authority on the procurement processes.

### **3.6 Data collection methods and approach**

Primary data were collected from the field using questionnaires and personal Interview. Structured and questions were included in the questionnaires and the researcher visited the respondents personally for clarification of questions where necessary and possible.

### **3.6.1 Interview**

This was involved presentation of oral verbal stimuli and reply in terms of oral verbal responses. Interview is important for collection of primary data; it is also found that procurement management officers are more likely to agree to be interviewed than to complete questionnaires.

### **3.6.2 Questionnaires**

This consist of number of questions printed or typed in a definite order on a form or set of forms. The questionnaires were sent to the respondents who were expected to read and write down reply on their own understanding. The researcher used the structured questionnaire during the study in which questions are specified and all responses were replied in accordance of the designed questions. Researcher used questionnaire because it is reliable, simple, needs minimum costs and the required data are collected with minimum number of errors.

Two categories of questionnaires were prepared in order to collect data from respondents. The first category of questionnaire was used to collect data from the lower local government authority whereas the second categories were used to collect data from staff of selected local authorities targeting PMU staff. The questionnaires which originally were in English was translated into Swahili because Swahili is the language spoken by almost everybody in Tanzania.

## **3.7 Population, sample and sample size**

Population and sample size for this study were as follows:

### **3.7.1 Population of the study**

The target population enquired in this study was 376 which covered all WEOs and VEOs from both LGAs, village chairpersons who are the leaders in the village

committees and PMU members from each LGA. A research has taken the above population so as to acquire the most reliable data.

### **3.7.2 Sample frame**

The sample frame of this research included Ward Executive Officers (WEOs), Village Executive Officers (VEOs), Streets/village chairpersons who are also the members of the committees and Council's Procurement Management Unit staffs.

### **3.7.3 Sample and Sample size**

A sample of 79 respondents was involved in the study. The number has been preferred due to convenience purposes, time and financial constraint of the researcher and the fact that it is only a small part of the entire population that were interviewed to get the information that was required. Most typically, the sample elements are selected because it is believed that they are representative of the population of the interest, (Gilbert A. Churchill, Jr & Dawns Lacobucci).

The sample size has been determined through the use of Yamane 1967 Formula which is;

$n = N / (1 + N(e)^2)$  whereby;

n=sample size, N=Population size, e= is the margin of the error

Hence;  $n = 376 / (1 + 376(10\%)^2)$

$n = 376 / 4.76 = 78.99$

Therefore sample size  $n = 78.99 \sim 79$

### **3.8 Sampling techniques**

Researcher used non-probability (purposive/judgmental) sampling technique to all LGAs as it helps picking only sample that bring the best information that satisfies the intention of the questions and it enables the better choosing of samples believed to the



best representation of the targeted population. Also as the research area is an organization, researcher is expecting to collect information to the leaders in each local government authority who was acted on behalf of the organization

### **3.9 Data analysis**

Data obtained were analyzed through the use of SPSS software through the use of descriptive statistics method. The analysis indicated that village/streets committee is the organ responsible for procurement in lower local government authorities. Furthermore the study found that the village committee do not follow the stated procedures for procurement of goods and services, and that there are different factors affecting procurement processes such as lack of procurement knowledge to actors, lack of technical support, political interferences from the leaders, delay of fund, long procurement procedures and corruptions. it is recommended that it is necessary to for the government to provide capacity building and technical support at the lower local government authority to improve procurement skills. The quantitative data were analyzed in tabulations form, using frequencies and percentages. For the purpose of getting insight into various aspects, the qualitative method involved documentation and focus group discussions. Qualitative data were analyzed using explanation building, data synthesis, comparisons of data and information.

## **CHAPTER FOUR**

### **PRESENTATION OF FINDINGS**

#### **4.1 Introduction**

This chapter presents the findings and discussion of the research results which is organized into four main sections based on the main objectives of the study, these are

- i. To identify the organs responsible for procurement processes in the lower local government authorities.
- ii. To examine the procedures followed during procurement processes in lower local government authorities.
- iii. To assess the problems affecting procurement processes in the lower local government authorities.
- iv. To examine efforts done to rectify the procurement process

The study used the sample size of 79 respondents for collecting information using questionnaires and interview to obtain information concerning the procurement processes in lower local Governments in Hanang District and Moshi Municipal Councils. The information collected were analyzed using statistical package for social science (SPSS).

#### **4.2 Profile of the Respondents**

This section describes social and economic characteristics of the respondents who participated on providing information. It is demanded for reliability and validity of the information concerning the procurement processes in lower local Governments in Hanang District and Moshi Municipal Councils.

#### 4.2.1 Gender and Age of Respondents

The findings on Table 4.1, that male were 59% and female 7.6% in the age group between 26 and 35 years, followed by 17.7% of male and 8.9% of female were in the age group between 36-45 years. Also, in the age group between 46 and 55 years appeared with about 3.8% of male and the age group of 56 and above years accounted for 2.5% of male respondents. These findings show that majority of male with active age group at the lower local government authority deals with procurement process than female. The employment sector partly are dominated with male than female, this partly contributed to education provision in the social ground and past experience.

**Table 4.1: Gender and Age of respondents**

Sex	Age of Respondents				Total
	26-35	36-45	46-55	56 and above	
Male	47 (59%)	14 (17.7%)	3 (3.8%)	2 (2.5%)	66 (83.5%)
Female	6 (7.6%)	7 (8.9%)	0	0	13 (16.4%)
<b>Total</b>	<b>53(67%)</b>	<b>21(26.5%)</b>	<b>3(3.8%)</b>	<b>2(2.5%)</b>	<b>79 (100%)</b>

Source: Field Data (2016)

#### 4.2.2 Gender of respondents and experience with the lower local government authority

The findings on Table 4.2, shows that 46.8% of male had 3 to 5 years work experience in procurement matter at the lower local government authority, while 3.8% of the respondents with such experience were female. About 26.6% of male and 10% of female had 6 to 10 years work experience in lower local government authority procurement process. A small proportional 2.5% of female had experience of 6 to 10 years and 5% of male had above 10 years' experience with procurement process at the lower local

government authority. These findings indicate that low experience on procurement process at lower local government authority among workers is an obstacle in the procurement process development.

**Table 4.2: Gender of respondents and experience with the lower local government authority**

Gender	Experience with the Lower Local Government Authority					Total
	1-12 Months	1-2 Years	3-5 Years	6 - 10 Years	Above 10 Years	
Male	4 (5%)	37(46.8%)	21(26.6%)	0	4 (5%)	66(83.5%)
Female	0	3(3.8%)	8(10%)	2(2.5%)	0	13(16.4%)
<b>Total</b>	<b>4(5%)</b>	<b>40(50.6%)</b>	<b>29(36.7%)</b>	<b>2(2.5%)</b>	<b>4(5%)</b>	<b>79 (100%)</b>

Source: Field Data (2016)

### 4.2.3 Position of Respondents

A large proportional 53.1% of the respondents were Ward Executive Officers (WEO) and Village Executive Office (VEO), compared to Village leaders/committee members 24.1% and Supply officers 22.8% respectively. This indicates that procurement process over the local government authority is the matter of process in the system and its respective procurement process guided by the lower local government procurement staffs, in one way and another are implementing procurement at the low local government authority (Table 4.3).

**Table 4.3: Position of respondents**

<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
WEO/VEO	41	53.1
Supply officers	18	22.8
Village leaders/committee members	21	24.1
<b>Total</b>	<b>79</b>	<b>100.0</b>

Source: Field Data (2016)

### 4.3 Organs Responsible for Procurement Processes

Referring to Table 4.4, it was found that village committee was responsible by 87.3% (n=69) in procurement processes at the lower local government authorities while village council was by 6.3% (n=5), others by 5.1% (n=4) and village assembly by 1.3% (n=1). Generally, the majority (i.e. more than 50.0%) of the respondents noted the village committee being mainly responsible for the procurement process in the lower local government in Tanzania.

**Table 4.4: Organs Responsible for Procurement Processes**

<b>Organ</b>	<b>Frequency</b>	<b>Percent</b>
Village council	5	6.3
Village Committee	69	87.3
Village Assembly	1	1.3
Others	4	5.1
<b>Total</b>	<b>79</b>	<b>100.0</b>

Source: Field Data Survey, 2016

One of the procurement officers, in the local government during interview responded that” *in lower local government authorities the organ responsible for procurement processes is village/street council. it is the organ that open, evaluate and award the tenders to the suppliers*”.

#### 4.4 Procedures Followed in Procurement Processes

In evaluating the procedures followed in procurement process in lower local government authorities, two aspects were considered including knowledge on the procedures and the identification of the procedures themselves.

##### 4.4.1 Knowledge on the Procedures of Procurement Processes

In the process of evaluating whether the official procedures of procurement process were known or not in the lower local government authorities, it was found that 82.3% (n=65) of the surveyed responded no while 17.7% (n=14) of them responded yes. From these results, it was found that the majority (i.e. more than 50%) of the surveyed respondents did not have the knowledge on the procedures of procurement processes.

**Table 4.5. Knowledge on the Procedures of Procurement Processes**

<b>Knowledge</b>	<b>Frequency</b>	<b>Percent</b>
Yes	14	17.7
No	65	82.3
<b>Total</b>	<b>79</b>	<b>100.0</b>

**Source: Field Data Survey, 2016**

##### 4.4.2 Procedures of Procurement Processes

In exploring the procedures followed in the procurement processes in the lower local government, it was observed that evaluation of tenders was done by 20.3% (n=19), invitation of tenders by 20.3% (n=16), award of contracts by 13.9% (n=11), contract management by 13.9% (n=11), planning by 10.1% (n=8), choice of procedures by 8.9% (n=7), and performance evaluation by 8.9% (n=7). From these results, it was inferred that almost all procedures were observed but evaluation and invitation of tenders are done higher compare to other procedures (**Table 4.6**).

**Table 4.6: Procedures of Procurement Processes**

<b>Procedures</b>	<b>Frequency</b>	<b>Percent</b>
Planning	8	10.1
Choice of procedures	7	8.9
Invitation of tenders	16	20.3
Evaluation of tenders	19	24.1
Award of contracts	11	13.9
Contract Management	11	13.9
Performance Evaluation	7	8.9
<b>Total</b>	<b>79</b>	<b>100.0</b>

**Source: Field Data Survey, 2016**

One of the procurement officers, in the local government during interview responded that” *in passing through the bid document always the lower bidder considered first in the perspective of cost, time and budget efficiency in the low levels and that there problems with contract management and performance evaluation of contracts.*”

#### **4.4.3 Follow-up on the Procedures of Procurement Processes**

Assessing the follow-up and implementation of procedures of procurement process in lower local government authorities in Tanzania, it was found that they were not implemented by 75.9% (n=60) while were implemented only by 24.1% (n=19).

**Table 4.7: Follow-up on the Procedures of Procurement Processes**

<b>Follow-up</b>	<b>Frequency</b>	<b>Percent</b>
Yes	19	24.1
No	60	75.9
<b>Total</b>	<b>79</b>	<b>100.0</b>

**Source: Field Data Survey, 2016**

#### 4.5 Challenges Facing Procurement Processes

Identifying the challenges facing the procurement process in the lower local government authorities in Tanzania, it was found that poor knowledge was facing the process by 46.8% (n=37), corruption and bribery by 17.7% (n=14), delay of funds by 10.1% (n=8), bureaucracy by 8.9% (n=7), technical support by 8.9% (n=7), political interference by 3.8% (n=3) and poor planning by 3.8% (n=3). From these results, it can be deduced that poor knowledge was the principal challenge facing the procedures of procurement processes in the lower local government authorities in Tanzania (**Table 4.8**).

**Table 4.8: Challenges Facing Procurement Processes**

<b>Procedures</b>	<b>Frequency</b>	<b>Percent</b>
Poor knowledge	37	46.8
Corruption and Bribery	14	17.7
Bureaucracy	7	8.9
Delay of funds	8	10.1
Technical support	7	8.9
Political interference	3	3.8
Poor planning	3	3.8
<b>Total</b>	<b>79</b>	<b>100.0</b>

**Source: Field Data Survey, 2016**

During interview with district procurement officer, “*the procurement responsibilities in the lower local government authority always become difficult due to low levels of education among the political leaders, with the perspective of political gain that tend to interfere the procurement technical issues, hence create the delay and make the process time consuming.*”



#### 4.6 Need for Rectifying the Procurement Procedures

After realizing that there were various challenges facing the procurement processes in the lower local government authorities, it was very important to explore if there was the need of rectifying the current procedures of such processes. In so doing, it was noted that 82.3% (n=65) of the surveyed respondents responded yes while 17.7% (n=14) of them responded no. There was mainly a need of rectifying the procedures of procurement processes in the lower local government authorities in Tanzania (**Table 4.9**)

**Table 4.9: Rectifying the Procurement Procedures**

Rectifying	Frequency	Percent
Yes	65	82.3
No	14	17.7
Total	79	100.0

**Source: Field Data Survey, 2016**

The interview with one of the district staffs within procurement management unit responded that, *“in the improvement of the procurement activities at the local government particularly the lower local government authority, the capacity building programs is inevitable to the local leaders and political people and even all the committee for procurement activity in order to reduce of to eradicate all unnecessary factors that interferes achievement of value for money and other pillars that guide good public procurement .”*

## CHAPTER SIX

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 6.1 Summary of the main findings

It was found that village committee was responsible by 87.3% (n=69) in procurement processes at the lower local government authorities while village council was by 6.3% (n=50, others by 5.1% (n=4) and village assembly by 1.3% (n=1). Generally, the majority (i.e. more than 50.0%) of the respondents noted the village committee being mainly responsible for the procurement process in the lower local government in Tanzania.

The in examining the procedures follower during procurement processes in lower local government authority the study found that In the process of evaluating whether the official procedures of procurement process were known or not in the lower local government authorities, it was found that 82.3% (n=65) of the surveyed responded no while 17.7% (n=14) of them responded yes. From these results, it was found that the majority (i.e. more than 50%) of the surveyed respondents did not have the knowledge on the procedures of procurement processes. More ever during exploration of the procedures followed in the procurement processes in the lower local government, it was observed that evaluation of tenders was done by 20.3% (n=19), invitation of tenders by 20.3% (n=16), award of contracts by 13.9% (n=11), contract management by 13.9% (n=11), planning by 10.1% (n=8), choice of procedures by 8.9% (n=7), and performance evaluation by 8.9% (n=7). From these results, it was inferred that almost all procedures were observed but evaluation and invitation of tenders are done higher compare to other procedures. Also researcher intended to find out whether there was the follow up on procurement procedures where it was found that they were not implemented by 75.9% (n=60) while were implemented only by 24.1% (n=19).

In identifying the challenges facing the procurement process in the lower local government authorities in Tanzania, it was found that poor knowledge was facing the process by 46.8% (n=37), corruption and bribery by 17.7% (n=14), delay of funds by 10.1% (n=8), bureaucracy by 8.9% (n=7), technical support by 8.9% (n=7), political interference by 3.8% (n=3) and poor planning by 3.8% (n=3). From these results, it can be deduced that poor knowledge was the principal challenge facing the procedures of procurement processes in the lower local government authorities in Tanzania

## **6.2 Conclusion and Recommendations**

Due to the different results obtained from different objectives of this study, researcher is viable to conclude that procurement processes in lower local government in Tanzania is engulfed with a lot of problems and challenges despite the presence of the organ responsible for the procurement in lower local government authorities as seen in the findings. Every challenge observed is essential to be rectified as it can destruct the whole system as it is known that procurement is a system comprising a network of dependent activities. To rectify this situation the government of Tanzania should put forward the best ways to encounter the challenges like introduction of capacity building, timely delivery of funds, to emphasize technical support from the district council or to recruit one procurement personnel in each ward who can control and organize procurement to other levels. Corruption prevention board has to prevent and keenly watch for corrupt leaders during the procurement process in lower LGA, this will help to prevent corruption during the procurement of goods in LGA, thus reduced process over the procurement of goods and services.

## **6.3 Area for further research**

This study aimed at assessing the procurement processes in lower local Governments in the Hanang District and Moshi Municipal Councils. In this study there were factors that were taken into consideration but were not studied fully. Consequently, the same study should be conducted to other municipal councils as to investigate the same findings and

researcher should deal with variables which were not studied intensively in order to come up with clear explanation on the procurement processes in lower local Government authority.

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## APPENDICES

### APPENDIX 1: LOWER LOCAL GOVERNMENT AUTHORITY QUESTIONNAIRE

MZUMBE UNIVERSITY  
SCHOOL OF BUSINESS

#### PROCUREMENT PROCESSES ASSESSMENT INSTRUMENT:

##### Introduction:

Dear respondent, you are kindly requested to participate by filling the needed information in this study questionnaire administered under the Mzumbe University by the MSc student as a part of the requirements for award of the degree of Masters of Science of Procurement and Supply Chain Management. The purpose of this questionnaire is to assess the factors affecting procurement processes in lower local government authority. The information you provide will only be used for the purpose of this study and not for any other purpose.

1. Gender of Respondent: Male ( ) Female ( )

2. Age of respondents

a) 26-35

b) 36-45

c) 46-55 .....

d) 56 and above

3. Position

- a) WEO/VEO
- b) Supply officers
- c) Village leaders/committee members
- d) Clerical officers .....

4. How long have you been in lower local government authority ?

(Tick where applicable)

1-12 Months	1-2 Years	3-5 Years	6 - 10 Years	Above 10 Years

5. Please rate your overall level of satisfaction with Procurement Processes in the lower local government authority (Please Tick one)

Very satisfied ( ) Satisfied ( ) somewhat satisfied ( ) neutral ( ) Dissatisfied ( )  
 Very dissatisfied ( )

6. Have you ever been in procurement process? Yes ( ) No ( )

(Tick where applicable)

7. If Yes/No provide reasons.....

.....

8. Are procurement actors effectively involved in the procurement process?

- a) Agree
- b) Strongly agree

- c) Indifference
- d) Disagree
- e) Strong disagree

9. The transparency procurement process is an effective strategy for local government procurement performance?

- a) Agree
- b) Strongly agree
- c) Indifference
- d) Disagree
- e) Strong disagree

10. What are the organs responsible for procurement processes at your level?

- a. ....
- b. ....
- c. ....
- d. ....

11. What are the procedures followed during procurement processes at the lower level?

- a. ....
- b. ....
- c. ....
- d. ....

12. What factors do you think affects procurement processes in lower local government authority?

a. ....

b. ....

c. ....

13. What are your recommendations for the improvement of procurement processes in lower local government Authority

a. ....

b. ....

c. ....

d. ....

***Thank you very much for your cooperation***

**APPENDIX 2: PMU QUESTIONNAIRE**

**MZUMBE UNIVERSITY**

**SCHOOL OF BUSINESS**

**PROCUREMENT PROCESSES ASSESSMENT INSTRUMENT:**

**Introduction:**

Dear respondent, you are kindly requested to participate by filling the needed information in this study questionnaire administered under the Mzumbe University by the MSc student as a part of the requirements for award of the degree of Masters of Science of Procurement and Supply Chain Management. The purpose of this questionnaire is to assess the factors affecting procurement processes in lower local government authority. The information you provide will only be used for the purpose of this study and not for any other purpose.

1. Gender of Respondent: Male ( ) Female ( )

2. How long have you been in PMU? (Tick where applicable)

1-12 Months	1-2 Years	3-5 Years	6 - 10 Years	Above 10 Years

3. Please rate your overall level of satisfaction with Procurement Processes in lower local government Authority (Please Tick one)

Very satisfied ( ) Satisfied ( ) somewhat satisfied ( ) neutral ( ) Dissatisfied ( )

Very

Dissatisfied ( )

4. Have you ever been in procurement process of lower local government authority ?

Yes ( ) No ( ) (Tick where applicable)

5. For your opinion, what are the organs responsible for procurement processes at lower local government Authority ?

- i) .....
- ii) .....
- iii) .....
- iv) .....
- v) .....
- vi) .....

6. What are the procedures followed during procurement processes at the lower level?

- i) .....
- ii) .....
- iii) .....
- iv) .....
- v) .....
- vi) .....

7. What factors do you think affects procurement processes in lower local government authority?

- i) .....
- ii) .....
- iii) .....
- iv) .....
- v) .....
- vi) .....

8.Does the increase of awareness among the lower local government authority procurement actors will reduce procurement process

i. Agree ii. Strongly agree iii. Indifference iv. Disagree v. Strongly disagree

9.What are your recommendations for the improvement of procurement processes in lower local government Authority

- i) .....
- ii) .....
- iii) .....
- iv) .....
- v) .....
- vi) .....

***Thank you very much for your cooperation***

## **INTERVIEW GUIDE**

1. What are the organs responsible in the procurement processes in your mtaa/village/ward?
2. Do the wananchi really know the procedures followed in the procurement processes in their mtaa/villages/wards?
3. What are the procedures followed in the procurement processes in their mtaa/villages/wards?
4. What are the challenges and problems facing the procurement processes in the mtaa/villages/wards?
5. Is there a need of rectifying the current procedures of procurement processes in the mtaa/villages/wards?
6. What are the efforts taken to rectify the current procedures of procurement processes in the mtaa/villages/wards?