EFFECTIVENESS OF PROCUREMENT PLANNING ON SERVICES DELIVERY IN PUBLIC SECTOR

A Case Study of Tanga City Council
EFFECTIVENESS OF PROCUREMENT PLANNING ON SERVICES DELIVERY IN PUBLIC SECTOR
A Case Study of Tanga City Council

By
Juliana Alfred Mdemu

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

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend that for acceptance by the Mzumbe University, a dissertation entitled **Effectiveness of Procurement Planning on Service delivery in Public Sector : A case study of Tanga City Council** in partial/fulfillment of the requirements for the award of degree of masters of Science in Human Resource management of Mzumbe University.

.............................................
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DEDICATION

The research is dedicated to the might God, my parents: Alfred Mdemu and Cecilia Mdemu, my husband Mr. Martin Kauzeni and two sons: Florian and Alvin.
<table>
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<td>CBOs</td>
<td>Community Based Organization</td>
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<td>NGOs</td>
<td>Non Governmental Organization</td>
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<td>PPA</td>
<td>Public Procurement Act</td>
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<td>PSPTB</td>
<td>Procurement and Supplies Professional and Technicians Board</td>
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<td>UDSM</td>
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ABSTRACT

With the increased demand for annual procurement planning in the ministry department agencies (MDA) and local government offices, the need of preparing annual procurement planning cannot be emphaes. However, despite large amount of public funds allocated to procure goods in these institutions, still the government finds itself incapable of achieving its developmental objectives due to various reasons, one of which is non-compliance of the need for preparation of annual procurement plan in most of public institution including local government offices. For this reason, the study was conducted in Local government office, the case of Tanga city Council situated in Tanga City to assess the efficiency and effectiveness of annual procurement plan in public sector.

Data were collected through interview, questionnaires as well as reviewing other secondary sources including reports, memos and charters. Findings were processed through Ms Excel for their interpretation and analysis so as to answer three specific research questions: (i) the roles undertaken by the different stakeholders during Procurement Planning (ii) the factors affecting procurement planning on Service Delivery and finally the relationship between Procurement Planning and Service Delivery.

The main causes for preparing procurement plan include Value for money achievement, to meet customer expectation on time, to get competent supplier, to avoid rush orders, to meet budget requirements and minimize cost.

The most used approach to prepare procurement plan is the participatory approach which gives room to user departments to initiate needs. For the cause of this research, the researcher assessed the efficiency and effectiveness in Tanga city council.
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CHAPTER ONE

PROBLEM SETTING

1.1 Introduction

Procurement planning plays a significant role in ensuring the institutions achieves precisely what it aims at in the procurement process. The essence of this research is to establish the extent to which the procurement planning in the public institutions is linked with the delivery of the services and hence the value for money.

1.2 Background of the Study

In the local government authorities in Tanzania, procurement planning is part and parcel of their traditional planning function namely; development planning and budgeting. The mandate for planning in local governments is derived from public procurement Act, 2004 and its regulations of 2005. User department prepare an annual work plan for procurement based on the approved budget, which shall be submitted to the procurement unit to facilitate orderly execution of annual procurement activities. It is also states that a procurement plan should be integrated into the annual sector expenditure program to enhance financial predictability, accounting and control over procurement budgets. The combined work plan for the procuring entity will include details of activities of works, services or supplies to be procured.

Procurement plan includes Procurement requirements in order of priority, a statement of required resources supported by a schedule of the projected funding. As part of the efforts to adopt a long term and strategic view of their procurement needs and management, public institutions are required to adopt the view that their annual procurement plans as a possible ‘problem-solver.’ According to Public Procurement Act, 2004), the public procuring entities has an obligation to provide services to its citizens and to steer economic growth and development through the provision of public services. Local government authorities, being among the public service institutions, have the responsibility for ensure that procurement planning achieves
what it intends for national development programmes and specifically, the procurement activities. It is therefore important for the public organizations to approach the procurement planning as critical success factor for the organizations to approach the procurement planning as critical success factor for the organizational success and for the value for money in the whole procurement process. Despite such sensitivity for adhering to the procurement planning as well as having in place the policy and legal framework guiding it in Tanzania, still most of the public institutions, particularly the local government authorities fail to abide to the prerequisites of the procurement plans seem to be hindered by internal operations of the public organizations. Given this background, therefore, this study aims at understanding the factors for effective procurement planning on service delivery in public sector.

1.3 Statement of the Problem
Government of Tanzania has put in place provisions to ensure the realization of her long term objective of improving the quality of life of its citizens. Substantial resources have been committed towards improving service delivery in areas such as infrastructure development and maintenance, rural development, human development and governance, among others. In particular, it is noted that households do not only need income but also require adequate community infrastructure such as schools, health facilities, clean water, roads, energy, security, law and order. The implementation of these interventions would be incomplete without proper procurement planning and timely service delivery.

1.4 Objectives of the Study
1.4.1 Main Objective
To look into effectiveness of procurement planning and service delivery in Tanga city council

1.4.2 Specific Objectives
(i). To examine the roles under taken by the different stakeholders during Procurement Planning in Tanga City Council.
(ii). To establish the factors affecting procurement planning on service delivery in Tanga City Council.

(iii). To understand the relationship between Procurement Planning and Service Delivery.

1.5 Research Questions

1.5.1 Main Research Question

How does procurement plan contribute to efficiency and effectiveness in Procurement functions in Tanga city council?

1.5.2 Specific Research Questions

(i). What are the roles undertaken by the different stakeholders during Procurement Planning in Tanga City Council?

(ii). What are the factors affecting procurement planning on Service Delivery in Tanga City Council?

(iii). What are the relationship between Procurement Planning and Service Delivery?

1.6 Significance of the Study

The rationale for conducting this study it is that, the study intended to assess the efficiency and effectiveness of procurement planning and service delivery, Tanga city council being the case. It besides provides useful information to other stakeholders spending public funds on how to take working measures to eradicate those factors affecting procurement plan and service delivery. Also, the findings through this study contributes to the knowledge base that are helpful for further researches by scholars and professionals of the field in Tanzania and for future references. Finally, since this study was a partial academic requirement for the program of Masters Degree, successful results contributed to the award of Master of Science Degree in Procurement and Supply Chain Management (Msc - PSCM) offered at Mzumbe University.
1.7. **Scope of the Study**

The study looked on the factors for effective procurement planning on service delivery in Tanga City Council.

1.8 **Constraints/ Limitation**

When conducting this study, the researcher encountered some of circumstances including time constraints and late delivery of questionnaires. This has made the generalization of the problem under study to be difficulty. Also, since the study was undertaken in one of local government institution (i.e. Tanga city council), respondent seemed to be too much busy with their routine work rather than concentrate on the problem under study when interviewed. The availability of most targeted people was also difficulty.

1.8.1 **Financial Constraints**

There has been an unprecedented increase of life cost almost in every aspect of life, this is perceived as a great obstacle to this research, although resources has never been enough to many activities which has financial implication, therefore the deficit amount dictated the coverage area, however the extent the research covered represented the real picture of the issue under study.

1.8.2 **Personal Biases**

Since the study focuses Tanga city council within which different respondent differ much in education, age, awareness to the study and altitude the analysis might be biased, however, this would be minimized by adopting both qualitative as well as quantitative methods in responses, closed open ended as well as free responses in form of comments would add the rich imputes at the level of analysis.

1.8.3 **Time**

Research is a very demanding academic task, it require great anticipation of its activities, however there is never enough time to do all the works seems to be essential in order to do a thorough job, thus somehow the work come to be complicated to end in the specified time. With this regard the researcher attempted to
device a schedule guided by supervisor to check the progress periodically and if necessary moved from one stage to another so that the study ended within recommended time
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter discusses the opinions, findings from different authors, publications, magazines, websites, and all possible sources as a basis of foundation for this research study. It is divided into definition of the key variables and other parts according to the research questions as seen below;

2.2 Conceptual Definition
According to Agaba & Shipman, (2007), procurement planning is the process used by companies or public institutions to plan purchasing activities for a specific period of time. This is commonly completed during the budgeting process. Each year, departments are required to budget for staff expenses and purchases. This is the basic step in the procurement planning process. Economic commission of Africa (2003) defines procurement planning as the purchasing function through which organizations obtain products and services from external suppliers. A good procurement plan will go one step further by describing the process the organization management will go through to appoint the suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the same. Firstly, define the items you need to procure. Secondly, define the process of acquiring required items and finally, schedule the timeframes for delivery.

Thus, Procurement is one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract. Sometimes it is more appropriate for a public body to fund a service through the provision of a grant, but then it will have less control over the precise outcomes to be delivered.

Oboth (2001) noted that in as far as the Local Government Act, the constitution and any other statutes that are studied, there is no definition of the phrase (service delivery) either deliberately or ignorantly. However he said, Service is a system or
arrangement that supplies public needs. Whereas delivery is periodical performance of a service. Therefore service delivery is a system or arrangement of periodical performance of supplying public needs. Helmsing (1995) in his study defines service delivery as a deliberate obligatory decision by the elected or appointed officials to serve or deliver goods and services to the recipients. Heskett (1987) defines service delivery as an attitudinal or dispositional sense, referring to the internationalization of even service values and norms.

2.3 Theoretical Review
There is now very limited doubt among policy makers, managers, professionals and academicians about the role of public procurement planning in facilitating government operations in both developed and developing countries (Goh, Lau & Neo, 1999). Public procurement is increasingly recognized as a profession that plays a significant role in the successful management of public resources. According to PPA (2004), the following should be undertaken during Procurement Planning in local government in Tanzania:

2.4 Preparing a Multi Annual Work Plan
Each user department should prepare a multi-annual rolling work plan for procurement based on the approved budget, which is submitted to the procurement unit to facilitate orderly execution of annual procurement activities. A procurement plan is integrated into the annual and multi-annual sector expenditure programme to enhance financial predictability, accounting and control over procurement budgets. A procurement unit uses the combined work plan to plan, organize, forecast and schedule the procuring entity's procurement activities for the financial year.

2.4.1 Defining Procurement Requirements for an Entity
It is the role of each entity in the local government to define its procurement requirements and identifying all items they need to procure (Agaba & Shipman, 2007). Creating a sound financial justification for procuring them, listing all the tasks involved in procuring their services, scheduling those tasks by allocating timeframes and resources. Through a Procurement Plan template, the procuring entity can
quickly and easily define its procurement requirements, the method of procurement and the timeframes for delivery (Basheka, 2008).

2.5 Aggregation of Requirements for the Procuring Entity
The aggregation of requirements takes into account, the market structure for the items required, items which are of a similar nature and which are likely to attract the same potential bidders, the optimum size and type of contract to attract the greatest and most responsive competition or the best prices, items which are subject to the same method of procurement and bidding conditions, items which shall be ready for bidding at the same time, items which shall be subject to the same conditions of contract, potential savings in time or transaction costs, the appropriate size of contract to facilitate the application of any preference and reservation schemes, and the optimum number and size of contracts to facilitate management and administration of contracts by the procuring entity.

2.6 Dividing Requirements Allocated to a Single Procurement Process
According to PPA, (2004) it is the role of the procuring entity to divide requirements allocated to a single procurement process into separate lots if it is anticipated that the award of several separate contracts would result in the best overall value for the procuring and disposing entity. Where a number of lots are to be procured under the same procurement process, the solicitation documents shall clearly state; the number of lots included in the procurement process, the nature and size of each lot, the minimum and maximum number of lots, if any, for which a bidder may bid, the proportion of each lot for which a bidder may bid, or whether a bid shall be for complete lot and the method of evaluating multiple lots.

2.7 Integration of Diverse Decisions
(Mawhood, 1983) contends that during procurement planning, the procuring unit brings about effective integration of the diverse decisions and activities of members on the technical planning committee not only at a point of time but also over a period of time. It is by reference to the framework provided by planning that members on
the technical planning committee make major decisions on local government activities, in an internally consistent manner.

2.7.1 Estimating the Value of the Works, Services or Supplies Required
In estimating the value of the works, services or supplies required and confirming the availability of funds, a procuring entity shall ensure that the estimate is realistic and that the estimate is based on up-to-date information, technical advice is sought, where required, and the confirmation of availability of funding takes into account the total acquisition cost in accordance with PPA, (2004).

2.7.2 Specific Role of the Accounting Officer
During procurement planning the accounting officer ensures that the public entity establishes a procurement unit, appoints members of the tender committee, procurement committee and other, structures in accordance with Act and the Regulations. Appointing members of the tender committee, appointing members of tender evaluation committees, Ensuring procurement plans are prepared, Ensuring proper documentation of procurement proceedings.

2.7.3 Ensuring Availability of Sufficient Fund
Where payment to a service provider is anticipated to last more than one financial year, it is the role of the accounting officer to ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years. The accounting officer also ensures that sufficient funds are budgeted for framework contracts every financial year, to cover the full cumulative cost of call off orders anticipated for each year for a framework contract.

Product forecasting is often considered to be the most critical element of the procurement and supply management process. It can also be the most challenging for a number of reasons: available information for product quantification is often inadequate; procurement planners are not aware of the different quantification methods available, and how each method should be applied; a systematic approach to product forecasting is rarely implemented; and the quantification process is often
executed by one person without consulting other professionals or persons experienced in the process. Poor communication and inadequate procedures guiding the product forecasting process will produce incorrect forecast estimates which in turn will result in either product stock-outs or surplus, and the irrational use of limited resources.

To achieve optimum stock levels throughout the system, professionals responsible for product forecasting should have an understanding of when different quantification methods should be applied, what information is required for forecasting, and how frequently product forecasts should be adjusted.

The procurement planning team must also review product and supplier specifications as well as administrative procedures for procurement. A review of product / supplier specifications at this stage can avert problems later in the process that may affect lead times and availability of product (due to for example, suppliers not having the capacity to meet demand, or suppliers not being able to provide required documentation etc). In addition it is important to define timelines within the forecasting model, to account for delays that otherwise may render the product forecast inaccurate. Product forecasting must take into consideration the organizational structure of the health system, and security stock levels that will be required at each institutional level. Such parameters should be identified and reviewed by the procurement planning team to ensure an accurate product forecast that will yield timely availability of product in accordance with the needs of the system.

At this stage of the planning process, it is important that the procurement planning team assess the in-country patent status of each product as the result of this assessment will determine whether the product can be purchased in generic form. This is not an easy task as information on patent status of a product is either often difficult to obtain or erroneous.
2.8 Role of Citizens in Procurement Planning

Citizens and their organizations also have very important roles to play in the procurement planning for their local governments and some of them are as follows:

2.8.1 Assisting the City Council to Accurately Decision

Assisting the City council to accurately decide on which services are to be expanded and improved, particularly during the planning stages and insisting that the council consults citizens during decision-making (Basheka, 2008).

2.8.2 Developing Proposals

Chuan & Leu (2009) noted that Residents also work with Non Governmental Organizations (NGOs), Community Based Organizations (CBOs) and political parties to develop proposals for the City councils to consider during planning. Communities can also request the City council to appoint a committee of community representatives to monitor processes as well as to advise the City council on priorities for service extension and improvement.

2.8.3 Evaluation of Potential Service Providers

Communities or their representatives can also play some role in the evaluation of potential service providers, the involvement of communities in service provision and monitoring of the performance of service providers is vital in planning. This kind of involvement of citizens ensures that procurement planning and decision-making process reflect their needs and priorities and lead to the types of decisions that will make an effective services delivered in an open, fair and democratic local government (Livingstone & Charlton, 2001)

2.9 Factors Affecting Service Delivery

Poor service delivery and governance remains an overwhelming challenge in most African countries and factors attributed to be affecting local governments include the following among other:
2.9.1 Poor Infrastructures
In Tanzania, the provision of better infrastructures has lagged being over years. There are poor roads and inadequate electricity supply and hence Tanzania still stands in need of better infrastructures (PSPTB annual conference, 2012).

2.9.2 Corruption
Public procurement, at the local government level, is believed to be one of the principle areas where corruption in Tanzania takes place ("Public Procurement Regulatory Authority Survey," 2006). Corruption is disastrous to the sound functioning of any government department. Corruption has been an intractable problem in many developing countries; especially where it has become systematic to the point where many in government have a stake. It diverts decision-making and the provision of services from those who need them to those who can afford them (Langseth, Kato, Kisubi & Pope, 1997). Lawal (2000) further asserts that corruption has been rampant among the senior civil bureaucrats to whom the public funds meant for developmental purposes are entrusted. Generally, wide-scale embezzlement by officials of the grassroots has made the needed development of the grassroots a tall dream and has rendered them financially incapable to discharge their constitutionally assigned responsibilities hence compromising service delivery.

2.9.3 Risk of Integrity
At every stage of public procurement, there are risks of integrity. During the pre-bidding period; starting from needs assessment, common risks include lack of adequate needs assessment, planning and budgeting of public procurement, requirements that are not adequately or objectively defined, an inadequate or irregular choice of the procedure and a timeframe for the preparation of the bid that is insufficient or not consistently applied across bidders (OECD, 2007). All these concern the function of procurement planning. Should local government's procurement system fail to manage these risks, accountability and eventual service delivery is seriously threatened.
2.9.4 Lack of enough Finance

Despite the increase in the total amount of funds available to local government in Tanzania, its economic and financial profile is still poor as compared to the development programme it is expected to carry out. This situation is not unconnected to the mismanagement and embezzlement of these funds by the local councils (Bailey, 1998).

Ahmed (2005) further noted that many local governments in developing countries, however, are unable to deliver services to residents. He said this might be because of lack of finances or lack of capacity to provide a good service at an affordable price. So local governments should find other ways to ensure that the services are improved and reach the people most in need of them.

2.9.5 Challenge of Getting the Right Service Provider

In the provision of public services, it is a challenge to get the actual providers to be accountable for quality and efficiency as well as to have the resources and management authority to do the job well. The general feeling in the hotspots is that political leadership lacks responsiveness to issues raised by communities, incompetent, prone to corruption and with high degree of disregard for the communities which also compromises the delivery of services in local governments.

2.9.6 Poor Communication with Communities

The other contributing factor is that local ward committees are not fully operational, resulting in poor communication with communities. Ward committees have been the focus of considerable attention by government as well civil society, with substantial investment already made in an attempt to ensure that these structures have the necessary capacity and resources required for them to fulfill their envisaged roles as the voices of communities (Langseth, 1997). At the same time, questions that are often asked are how effective are these institutions; whether they are useful conduits for community involvement in local governance; whether, as created space for public participation, they are inherently capable of playing the critical role expected of them towards service delivery.
2.9.7 Financial Mismanagement and Non-Compliance with Financial Legislation

The local government Act requires all local governments to “take reasonable steps to ensure that their resources are used effectively, efficiently and economically”. Good financial management is the key to local delivery. It is quite disturbing to note that most local governments are generally associated with the worst form of financial management. Corruption, financial mismanagement and non-compliance with financial legislation are common. Consequently, this result to poor performance thus the delivery of social services is compromised.

2.9.8 The Availability and Shortage of the Required Skills

Parasuraman et al (1996) points that skills deficit within local governments remains a major challenge. A significant number of local governments do not have the managerial, administrative, financial and institutional capacity to meet the rising needs of local people. This situation is exacerbated by the decline of municipal professional and poor linkages between local government and tertiary education sector. As a result these local governments cannot meet their required performance standards hence impacting adversely on the delivery of services.

2.9.9 General Indiscipline

Indiscipline is rampantly perceived and well pronounced among the workers in local government (Hernon & Whitman, 2001). They further said that senior officers who travel to their families away from their offices on Friday return very late the following Monday or may decide to stay back till Tuesday; and the junior members of staff who directly or indirectly observe this more often than not are in the habit of playing truant with their jobs. Little or no commitment to duty has become a rule rather than an exception.

2.9.10 Misplaced Priority

Hard-earned and limited resources accrued to and raised by local government are always mismanaged. Priorities are misplaced; projects are done not according to or
as demanded by the people but regrettably in tune with the selfish end and aggrandizement of the political leadership in collaboration with the senior bureaucrats at the local government level of administration (Johan, 2006).

2.10 Indicators of Quality Service Delivery
Parasuram et al (1985) gave the indicators of service delivery to include reliability, tangibility, responsiveness, accessibility, and empathy as discussed below:

2.10.1 Accessibility
Failure to have access to the use of facilities will render some limited services since they are not used optimally and yet services depends on the use of the facilities (Ssemayengo, 2005). Services that are not accessible are regarded as being of poor quality and those that can be easily accessible are regarded as high quality services.

2.10.2 Reliability
This is the probability of a service failing within a specified time period. Among the common measures of reliability are the average time to first failure, the average time between failures, and the failure rate per unit time (Balunywa, 1998). For example if a battery is to give 1.5 volts either in the mornings or evenings. This voltage should be 1.5 volts, if it varies, the battery will be unreliable and considered poor by not delivering the required services (Kakuru, 2004).

2.10.3 Completeness
For a service to be perceived as service, it should contain all the features that satisfy the customers’ expectation (kakuru, 2004). It should have all its primary operating characteristics with all the measurable attributes so as to be ranked as high service (Balunywa, 1998).

2.10.4 Timeliness
Delay in service delivery will make the services to lose the meaning and hence a service should be offered in time before it becomes irritating to the consumer (Ssemayengo, 2005).
Services which are delivered in time are said to of good service and those that are not delivered in time are said to have poor service.

2.10.5 Conformance
This is the degree to which a service design and operating characteristics meet established standards. Good service is therefore equated with operation within a tolerance degree (Balunywa, 1998). The question here is that can the service achieve the core purpose for which it is intended? If the service performs as expected and intended it will be considered good service offered.

2.10.6 Safety
How safe is it to use the service? Does it protect users before, during and after use? Certain services like roads may be a problem when being used. Some services are also not very safe when being used as they easily cause harm to the users. Services that are not safe to use are considered poor services and those that are safe to use are looked at as expected services (kakuru, 2004).

2.10.7 Relationship between Procurement Planning and Service Delivery
Johan (2006) further came up with some important service delivery improvement slogans. He said he who fails to plan for service delivery, plans to fail delivering services to the public. And if it cannot be measured, it cannot be improved. If we only plan to comply with regulations, we are not managers, we are robots. What we plan we must implement. What we implement, we must monitor. We should not be afraid to ask the customer (citizens). They really do know best what they need and what they get. It is not always the same thing. Basheka (2004) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in local governments.
Mullins (2003) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management. His findings revealed a significant positive relationship between procurement planning and service delivery in local government procurement systems in Uganda. These results are compared to international research findings, and suggestions are offered for management, policy making, and future research. Procurement Policy Manual (2009), procurement planning drives different expected results which are different from business as usual such as: reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy), data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to improved service delivery Mawhood (1983) further adds that effective procurement planning is an important route towards securing the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

In a developed or developing country, public procurement practitioners have and will face always many challenges. Each country has its own economic, social, cultural and political environment, and each country’s public procurement practitioners face different types of challenges or the same types of challenges but at different levels from their counterparts in other countries. This chapter will present six common challenges, identify external factors that public procurement practitioners have to deal with, and finally provide a summary of chapters grouped under common themes.
Public procurement is an important function of government for several reasons. First, the sheer magnitude of procurement outlays has a great impact on the economy and needs to be well managed. Indeed, in all countries in the world, estimates of the financial activities of government procurement managers are believed to be in the order of 10% – 30% of GNP (Callender & Mathews, 2000). Efficiently handling this size of procurement outlays has been a policy and management concern as well as a challenge for public procurement practitioners.

Second, public procurement has been utilized as an important tool for achieving economic, social and other objectives (Arrowsmith, 1998; Thai, 2001). In its report to the Congress, the Commission on Government Procurement states: “[T]he magnitude of the Government’s outlays for procurement and grants creates opportunities for implementing selected national policies” (Federal Acquisition Institute, 1999, p. 1.8). The World Bank’s Procurement Under IBRD Loans and IBRD Credits specifies following four major concerns or objectives of public procurement for projects funded by its loans:

(i). Ensuring that the loan is used to buy only those goods and services needed for the project;
(ii). Ensuring fair competition for all qualified bidders from the World Bank’s eligible countries;
(iii). Promoting transparency or integrity; and
(iv). Encouraging development of indigenous contractors and manufacturers by allowing local buyers to build in a margin of preference for local contractors and manufacturers (Tucker, 1998).

Third, due to many reasons (including greater scrutiny of taxpayers and competing vendors), public procurement has been perceived as an area of waste and corruption. The District of Columbia, USA government wasted hundreds of thousands of dollars in revenue by selling used emergency vehicles for “bargain basement prices” in auctions run by untrained staffers (Nakamura, 2004). In a 2 1/2-year period studied by the city’s Inspector General’s Office, the city sold 11 fire trucks for a total of $3,125 while similar vehicles in make and model had been sold on the Internet for a
total of $360,875. Corruptions and bribes are widespread in government contracts (International Transparency, undated; and see www.transparency.org). In the United States, corruptions in government contracts have been regularly reported in newspapers; and the first week of September 2004 witnessed the reporting of a flurry of criminal prosecutions against state officials for violations of state procurement laws. Separate newspapers reported on bidding scandals from Illinois, Connecticut, Wisconsin, and Maryland (see www.aba.org). Similar newspaper reports can be found in many countries. Overcoming the negative perception -- and the objective reality, to a certain extent -- is one of the biggest challenges in public procurement.

Fourth, as many countries have moved to a regional and or global economy, public procurement practitioners face another challenge, that is, how to comply with their government’s procurement regulations and social and economic procurement goals without violating regional and/or international trade agreements. For example, how to comply with national economic policies (in nurturing domestic firms), without dealing unfairly with foreign firms as provided in regional trade agreements and/or the World Trade Organization (WTO) agreements is not easy, which requires a careful study of trade agreements in order to take advantages of special provisions. The WTO Agreement on Government Procurement (GPA) Article XVI provides: “Entities shall not, in the qualification and selection of suppliers, products or services, or in the evaluation of tenders and award of contracts, impose, seek or consider offsets.” Without careful examination of GPA provisions, procurement practitioners in developing countries may not use an exception: However, GPA Article XVI.2 “expressly allows for the use of offsets by developing countries” (Arrowsmith, 2003, p.165). Properly using ‘offsets’ is a major challenge for public procurement practitioners. Similarly, the World Trade Organization's general rule requiring that contracts be advertised for a period of no less than 40 days from the date of publication of the notice to the tender submission deadline. The 40-day requirement would hinder a speedy procurement. The 40-day standard period, however, may be reduced in certain cases to 24 days or 10 days, as set out in GPA Article XI.3.
Fifth, in developed as well as developing countries, disregarding their economic, social, and political environment, a sound procurement system has accomplish two sets of requirements: management requirements and policy requirements. The procurement management requirements normally include quality, timeliness, cost (more than just the price), minimizing business, financial and technical risks, maximizing competition, and maintaining integrity. The procurement policy requirements normally include economic goals (preferring domestic or local firms), environment protection or green procurement (promoting the use of recycled goods), social goals (assisting minority and woman-owned business concerns), and international trade agreements. It is very difficult for policy makers and public procurement practitioners to make an optimal decision, as there are always tradeoffs among these goals (Federal Acquisition Institute, 1999; Thai, 2001).

Finally, facing the challenges above and others, including rapid developments in technology (which have led to new procurement methods), public procurement cannot be perceived as mere a ‘clerical routine,’ as procurement practitioners are and should be involved in strategic procurement planning (Office of Management and Budget, 1997; Hinson & McCue, 2004). In recent years, public procurement practitioners have forcefully challenged the perceived clerical task of public procurement. According to a recent unscientific survey of 704 members at the National Institute of Governmental Purchasing, Inc., 83% of respondents contended that the major role of current purchasing is tactical (www.nigp.org). Thus, making public procurement a recognized profession is another challenge. Building a body of public procurement knowledge, one of attributes of a profession, is very critical. The National Institute of Governmental Purchasing, Inc. (NIGP), a national professional association of the United States and Canada signed a partnership agreement with Florida Atlantic University (“Memorandum of Understanding,”1999) “in order to ensure continuity within NIGP’s research and educational endeavors.” As a result, the Public Procurement Research Center (PPRC) was created effective August 1, 1999. Different from other centers which focus mainly on public procurement laws and regulations, PPRC was expected to, among other things:
(i). Develop research tools which evaluate contemporary trends, strategies, tactics, and techniques evolving within the public procurement profession;

(ii). Develop and sponsor publications which communicate research results and technical information to the public procurement and public administration profession;

(iii). Develop a comprehensive curriculum for the NIGP members and the public procurement practitioners that are consistent with information generated through the Center’s research program;

(iv). Develop training programs which align with the curriculum and embrace academic standards established for adult education programs;

(v). Evaluate and develop progressive systems for delivering training programs to the NIGP members and the public procurement practitioners to include, but not be limited to, a variety of approaches for distance learning; and

(vi). Evaluate and develop continuing education programs leading to academic degrees and credentials (“Memorandum of Understanding,” 1999).

This partnership has resulted in the publication of the Journal of Public Procurement, the first and only academic journal that covers the whole field of public procurement (not to only procurement laws). Moreover, under the NIGP’s LEAP (a ‘Learning and Education to Advance Procurement’ project), a series of 14 books covering basic procurement knowledge have been and will be published. Not until public procurement establishes a body of common knowledge, can public procurement be recognized as a true profession.
2.10.8 Public Procurement Challenges: External Factors

Public procurement practitioners have always faced challenges imposed upon by a variety of environment factors including market, legal environment, political environment, organizational environment, and socio-economic and other environmental factors.

Market Environment

Market conditions have a great influence on public procurement practitioners’ effort to maximize competition. Moreover, the market determines whether or not socio-economic objectives of procurement are accomplished, whether or not a governmental entity can fulfill its needs; the timeliness of fulfillment; and the quality and costs of purchased goods, services and capital assets. As there are different levels of economic growth among countries in the world, market conditions are very favorable in industrialized countries, while they may be unfavorable in developing countries.

Even under a perfectly competitive condition like that in the United States, some supplies and services are required only by the government (particularly for weapons systems) and are available in the market. This is a captive market, which is limited in scope and competition.

Also as markets become more and more globalized through regional and international trade agreements and treaties, public procurement practitioners face a greater challenge. In addition to compliance with their governments’ procurement laws and policies and international trade requirements as mentioned above, they face additional challenges including communication, currency exchange rates and payment, customs regulations, lead-time, transportation, foreign government regulations, trade agreements, and transportation. Thus, “before embarking on a foreign purchasing program, public procurement practitioners must carefully assess the total cost implications and compare them to domestic costs” (National Institute of Governmental Purchasing, Inc., 1999, p. 34). Public procurement practitioners are torn between free trade agreements and their countries’ economic
development/stabilization policies when they face a hard choice between selecting domestic or foreign firms.

**Legal Environment**

Apart from public procurement regulations and rules, the legal environment refers to a broad legal framework that governs all business activities including research and development (regulations dealing with safety and health of new products), manufacturing (safety and health regulations at workplace and pollution control), finance (regulations dealing with disclosure of information), marketing (regulations dealing with deceptive advertising, disclosure of product characteristics), personnel (regulations dealing with equal opportunity for women and minorities), and contracts. Indeed, most aspects of contracts--public or private--such as contract requirements, disputes, and breach of contract are governed under the same contract law. In developing and particularly transitional countries, where legal systems are not comprehensive, government contracts may need detailed provisions.

**Political Environment**

In a democracy many individuals, groups, and organizations in the private sector including trade associations, professional associations, and business firms or companies (commonly known as interest groups) are actively involved in all aspects of the public procurement system. Having various interests, objectives and beliefs, interest groups are involved in the public procurement system in several ways such as lobbying legislative bodies to pass or alter procurement statutes, influencing implementation of these statutes, and influencing budget authorization and appropriations processes. Normally, a government program that is eventually adopted is a compromise among different views of interest groups, policy makers and management. In this democratic environment, there are cases of a strong coalition of policy makers, bureaucrats and interest groups in their effort to get their programs adopted. This coalition has led to the concept of the ‘iron triangle,’ which is very popular in the area of defense procurement Thai [2001].
However, the iron triangle shifts immediately after the procurement program authorization and appropriations stages to move to the procurement stage. As failure or success in winning large defense contracts has a great impact on a company, defense specialized companies compete against each other for these contracts. Public procurement practitioners have choices as they face various political pressures as well as sound economic decisions. For example, should they be concerned with maintaining future business competition by keeping some relatively weak companies in business or should they let these small weak firms go out of business and leave a few defense-specialized firms to compete for contracts? This issue is more common in developing countries where perfect competition hardly exists. Large firms are more willing to make a small profit margin or even to take business losses by offering best bids. After small and weak firms are out of business, they will enjoy an imperfect competitive market.

**Social, Economic, and other Environment Forces**

While some countries impose social policies on their public procurement practices (such as a policy placing a fair proportion of government acquisitions with woman/minority-owned small business, or economically disadvantaged areas), most governmental entities--be it a developed or developing country or federal, state, and local governments--use their large procurement outlays for economic stabilization or development purposes by preferring national or local firms over firms from other countries or other geographic locations. Public procurement practitioners may be in a favorable economic environment or market (with many competing tenderers in their country or local areas) or an unfavorable economic environment (where competition hardly exists). This environment would have a great impact on their practices as they may face an imperfect competitive market.

In addition to social and economic environment, public procurement practitioners are under other external pressures such as an environment protection movement, and foreign policy commitments.
Foreign Policy
Many countries have used public procurement as a tool to achieve specific foreign policies. For example, in the 1980s, the Pakistani government bought 28 F-16 fighter jets, but the United States government withheld the contract because Pakistan was pursuing, against American wishes, the development of nuclear weapons. Public procurement practitioners in poor and weak countries are frequently facing the problem of having to deal with the foreign policy of other nations in their procurement decisions.

Other Environmental Forces
The public procurement system is also influenced by culture and technology. In a culture where giving gifts is a common public relation practice, it is difficult to distinguish between gifts and bribes. Moreover, rapidly advanced technology has forced public procurement to
(i). adopt new procurement methods, such as the use of e-signature and purchase cards; and;
(ii). be knowledgeable in many aspects and considerations of how to procure information technology.

Interactions of Environment Forces
Various pressures on the public procurement system, as described above, are not constant variables, but they interact with each other and become conflicting forces that public procurement practitioners have to deal with. There are tradeoffs between the environment forces, and these practitioners have to seek an optimum solution. These tradeoffs in many cases are the most challenging decisions that public procurement practitioners are facing.

As mentioned earlier, each country has its own economic, social, cultural and political environment, and each country’s public procurement practitioners face different types of challenges, or the same types of challenges but at different levels compared to their counterparts in other countries. This book does not intend to cover all areas of challenges that public procurement practitioners in the world are facing.
Papers published in this book were selected, through a rigorous peer-review process, from a total of 46 papers presented at the 2004 International Public Procurement Conference. They can be grouped under some two major themes: procurement reforms and lessons learned.

2.10.9 Public Procurement Challenges: An International Perspective

According to Arrowsmith and Trybus (2003, p. ix), “the last decade of the twentieth century had witnessed the start of a ‘global revolution’ in the regulation of public procurement.” Actually, challenges in procurement reforms are beyond procurement regulations to include procurement process, methods, procurement organizational structure, and workforce. Procurement reforms occur constantly in all countries, developed as well as developing countries. The scope of reforms varies, from reforming the whole procurement system if the system is completely dysfunctional such as the on-going procurement in Sierra Leone after a long civil war (Elliott, 2004) and the successful reform in Gambia (see Chapter 2), or fixing some narrow areas in a well-developed procurement system in developed countries.

In “Challenges in Public Procurement: Comparative Views of Public Procurement Reform in Gambia,” Wayne A. Wittig and Habib Jeng describe how procurement reform was implemented in The Gambia. Through a joint effort of the World Bank, Government of The Gambia and the International Trade Centre WTO/UNCTAD (ITC), a team of procurement experts developed a comprehensive approach to modernize the public procurement system of The Gambia in a model combining elements of a Central Tender Board with a Procurement Policy Office. Local capacity is being developed in the Gambia Public Procurement Authority and in the Procuring Organizations to support transparent public procurement systems. Positive and objective changes lie in the new legal, regulatory and organizational framework as demonstrated by a survey of Procurement Organizations. Nevertheless, challenges remain in extending and sustaining the reforms.

Maria Kristina Villanueva Pimentel, in “Procurement Watch, Inc: The Role of Civil Society in Public Procurement Reforms in the Philippines,” highlights the role of
Procurement Watch Inc. (PWI), a civil society organization, which was at the forefront of the advocacy for the Government Procurement Reform Act (GPRA). Prior to the passage of the GPRA, there were over a hundred guidelines governing public procurement. The GPRA sought to standardize and institutionalize procurement reforms and address the lack of transparency and accountability that have long plagued the Philippine government in its procurement. To steer the process of change, support from the highest levels of leadership in the government and the private sector were found to be essential. PWI became the cog that linked different branches of government, and garnered support from the private sector.

In “Reforming Public Procurement Sector in Turkey,” Kadir Akin Gözel provides basic information about the public procurement reform in Turkey and to evaluate the results of it for the last two years. Turkey underwent a major public procurement reform two years ago. In Turkey, the government spends around U.S. $25 billion on purchased goods, services and construction works each year. It can be easily understood how vital it is to have a transparent and competitive public procurement system for the country. This essay presents both a comparison of the public procurement legislation before and after the reform and a comparison of some aspects of a newly introduced system with some developed countries’ public procurement systems.

In December 2003 the Canadian Prime Minister initiated a comprehensive review of Canada’s federal procurement, to ensure a “best of breed” approach with demonstrated high value for Canadian taxpayers, and created the Canada Parliamentary Secretary’s Task Force on Government-Wide Review of Procurement for this purpose. In “Government-Wide Review of Procurement: Redesigning Canadian Procurement,” the Task Force on Government-Wide Review of Procurement reported on the work of the Task Force to date (mid-way to its planned December 2004 report and recommendations), and set out its initial conclusions. This government-wide review had examined all aspects of procurement, from fundamental concepts such as fairness and open competition, through procurement processes and organization, to management oversight and public accountability.
U. S. Federal procurement agencies have many socioeconomic, and in particular, small business goals, but these goals are currently measured on a single metric: the percentage of total agency dollars that are awarded to small business. Finding the balance between the benefits of public procurement reform and benefits derived from small business participation is a public policy challenge. In “Balancing Socioeconomic and Public Procurement Reform Goals: Effective Metrics for Measuring Small Business Participation in Public Procurement,” Timothy S. Reed, Patricia G. Luna, William C. Pike support the argument that in order to accurately measure small business participation in a ‘trans-procurement transformation’ environment, more effective metrics are required. In the chapter, the authors examined the effectiveness of the existing metrics and evaluated the effectiveness of two new proposed metrics. They found that the existing metrics are ineffective and that the new metrics measure small business participation with greater efficacy.

Lessons Learned: Understanding Current Public Procurement
The evolution of procurement, from a bureaucratic, manual process to an IT systems-based approach has not obviated the apparent need to continue the search for a perfect public procurement system. In “A Tale of Two Cities in the Search for the Perfect Procurement System,” Guy Callender and Jim McGuire examine the way in which two state-based jurisdictions in Australia have sought to develop their unique versions of a perfect procurement system. Apart from the classic management choices between centralized or decentralized procurement platforms, the procurement policy choices, represented by lowest purchase price or value-for-money, also have to be resolved. Conflicting demands include the need to enhance government management of procurement within the constraints of a tender-driven contracting policy framework, while assuring high levels of probity, accountability and transparency, whilst also satisfying the diverse governance expectations of stakeholders.

Public/private partnerships have become more and more popular in public procurement, according to Alexander Batran, Michael Essig, and Berthold Schefer,
in “Public-Private Partnerships As an Element of Public Procurement Reform in Germany.” Just like in other countries, public/private partnerships (PPPs) are becoming increasingly more popular in Germany. At the moment, there are several cases which give deep insights into the success factors of PPPs. As a result, PPPs are also seen as one key element for reforming the public sector in Germany, and leading towards many challenges for public procurement. In this chapter, the authors provide a conceptual and theoretical overview of PPPs, and examine comprehensively a PPP case, the German Aerospace Center (Deutches Zentrum Fur Luft- Und Raumfahrt E.V./DLR).

According to Wendell C. Lawther and Lawrence L. Martin, in “Public Procurement Partnerships,” recent experience with public procurement efforts in the U.S. suggests dissatisfaction with both governmental deliveries of services and resulting efforts to privatize or outsource these services. There is increasing recognition that both approaches should be combined to acquire increasingly complex goods and services, relying upon public procurement partnerships. Various trends have impacted public acquisition in recent years, further supporting the need for partnerships. These include a declining public procurement workforce, an expanded role for procurement practitioners, the complexity of acquiring information technology systems, the need for flexibility in negotiating contracts and partnership arrangements, as well as the increasing visibility of risks and the need to manage them effectively. In light of these trends, four examples illustrating a range of partnerships are discussed in more detail, illustrating innovative responses from a variety of local, state and federal partnerships.

In “An Exploratory Analysis of Public Procurement Practices in Europe,” Gustavo Piga and Matteo Zanza present some preliminary results of an exploratory analysis of public procurement practices in Europe. The analysis is realized by collecting and processing data and information provided by detailed questionnaires sent to a selected group of organizations representing twenty-four European countries. The organizations selected are
members of the European Public Procurement Learning Lab, a laboratory launched by the Italian Department of Public Administration, jointly linked with the Italian Ministry of Economy and Finance. The chapter provides a summary of the European institutions’ of practices, tendencies and policies, which the authors consider as a first indicative benchmark for public procurement agencies.

In “Developing the Concept of Supply Strategy in the English National Health Service: Longitudinal Empirical Research,” Helen Walker, Christine Harland and Louise Knight critically examine the ongoing development of supply strategies in the English National Health Service (NHS), in the context of what it means to manage supply in the public sector. This nine year collaborative research partnership with the NHS Purchasing and Supply Agency (NHS PASA), an executive agency of the UK Government’s Department of Health, provides a policy lead to the English NHS on matters relating to purchasing and supply. The content, process and context for developing supply strategies have evolved, as have roles and interventions. Supply strategies have been developed for different parts of the product/service portfolio such as prosthetics, cardiology, wound closure, enteral feeds, and pathology. The tools and techniques developed for supply strategy work have changed over this period, as has the context; and there has been a move towards considering strategic interventions in supply markets in recent years.

According to Giancarlo Spagnolo and Federico Dini “Reputation Mechanisms and Electronic Markets: Economic Issues and Proposals for Public Procurement,” online ‘feedback mechanisms,’ also known as ‘reputation systems,’ have been successfully implemented in the most important private e-markets, such as Yahoo, Amazon and eBay. These appear very effective in fostering trust and cooperation among anonymous trading partners. In this chapter, the authors survey major issues such as the optimal design of such mechanisms in private e-markets found in the economic literature, and raise some previously unnoticed issues. Then they discuss how public procurement practices differ for public electronic markets and supply contracts systems, providing some simple “rules of thumb” for public (and private) procurement agencies that plan to set up a feedback mechanism.
In the United States, a new procurement approach, which was recently initiated, is explored by Ken Buck in “Overcoming Resistance to a Paradigm Shifting Change in the Federal Sector: Share-in-Savings Contracting: From to Concept to Application.” Kenneth J. Buck reviews the evolution of the share-in-savings (SiS) concept, characterized as the ultimate performance-based contract. While the concept has been codified in federal statute and used successfully by many state governments, its adoption at the federal sector, until recently, has been limited. Even with policy emphasis at the highest levels in government on increasing the number of performance-based contracts, there has still been resistance from both the public and private sectors. Using data driven, participatory action research, the author addresses some of the reasons for the slow rate of acceptance; and then analyzes the impact of strategic initiatives aimed at increasing acceptance and ultimately greater utilization of the concept.

In “The Challenge of Bringing Industry Best Practices to Public Procurement: Strategic Sourcing and Commodity Councils,” Timothy S. Reed, Dan E. Bowman, and Michael E. Knipper discover a ubiquitous trend of looking to industry for practices by which public agencies might transform procurement processes in the United States. Notwithstanding the great potential that industry best practices hold for government acquisition, a careful analysis of the differences between public and industry procurement, and the different experiences in implementing strategic purchasing initiatives is essential before attempting to transform public procurement processes. An analysis of ten recent attempts to establish purchasing commodity councils in both public and private sectors resulted in three areas of findings. These results include significant differences in employee skills, personnel system constraints and the complexity of multiple stakeholder interests.

In “The Impact of Product Liability Legislation on the Procurement of Pharmaceuticals Within HPSS Trusts in Northern Ireland,” Ruth Fee and Jill Mairs review current U.K. and European product liability legislation and case law and assess the implications for the purchasing and supply of pharmaceutical products within National Health Service Trusts in NI. They map the actors and agents in
the present pharmaceutical procurement process, and highlight the complex nature of the process and the significant number of actors and agents which pharmacists need to be aware of, and comply with, when procuring pharmaceuticals. The authors then assess the need for subsequent changes in these pharmaceutical procurement processes to address issues of product liability with connection to procurement planning and service delivery. The need for an effective risk assessment strategy is stressed, and findings can be transferred to other jurisdictions.

According to Nigel Caldwell, Helen Walker, Christine Harland, Louise Knight, and Jurong Zheng in “Promoting Competitive Markets: The Role of Public Procurement,” it is in the public interest that public purchasing entities (PPEs) should have access to competitive markets of suppliers to provide the goods and services required for the effective delivery of public services. There are, however, many cases of PPEs making purchasing decisions that, taken together and over time, lead to undesirable market structures. The area of procurement influence on markets is under researched, and the paper therefore draws upon a variety of primary and secondary data from several research studies. The authors frame the issues, recognizing parties’ divergent interests, priorities and timescales, and discuss how public procurement agencies might develop their role and capabilities to address them.

In the United Kingdom, public procurement policy may be categorized in terms of their regulatory, commercial and socio-economic focus, according to Andrew Erridge. In “U.K. Public Procurement Policy and the Delivery of Public Value,” the author analyzes U.K public procurement policy in terms of a framework of values culminating in the concept of ‘public value’ reflecting not only government goals but also broader societal values. The author found that there has been partial delivery of commercial improvements. The improvements, however, have been uneven across departments as there has been an overemphasis on regulatory requirements at the expense of socio-economic development. While procurement’s contribution to wider government policy is increasing, its full potential will only be realized when it is delivering on socio-economic policies and thereby contributing across the full
range of values. This argument will be illustrated with particular reference to a pilot project on increasing employment through public service and construction projects in Northern Ireland.

In “Benchmarking Municipal Public Procurement Activities in Finland,” Timo Kivistö and Veli-Matti Virolainen compare and analyse different kinds of procurement and logistics activities in municipalities and hospital districts. Their research is based on a larger research project, called ‘Lighthouse Project.’ The authors examine whether there were differences in procurement between the municipal public organisations in Finland; (2) and how the Finnish municipal public entities differ from benchmarking information in other countries. Finally, they try to identify best practices in different parts of municipal public procurement.

Although the provision of basic public services has historically been considered a core state function, during the last decade governments have been increasingly moving toward the various options of private participation in a constant quest to improve the quality of services in a cost-effective manner. There appear to be considerable advantages in “contracting out” services using performance-based schemes that delegate service to providers under legally binding agreements tying payments to measurable outputs delivered at a predefined quality level. In “Performance-Based Procurement: The Key to Effective Basic Services Provision in Developing Countries,” Patricia I. Baquero presents how the World Bank has been and is assisting its borrowers in developing countries so they may obtain the benefits of applying, when deemed appropriate, these schemes to the provision of infrastructure and social services under Bank-financed projects.

According to PPA 2004 Public procurement facilitates the following:

(i). Governance. A successful procurement project requires an operative governance framework in place that assures appropriate stakeholder participation; a clear definition of roles, responsibilities and decision-making authority; initial and sustaining funding conditions; appropriate performance evaluation and accountability criteria; periodic reporting and audit
requirements; and the definition of on-going business management processes for risk and relationship management. Without these elements properly defined, even a well-scoped project will fail.

(ii). Compliance. A successful procurement project must adhere to all applicable public policy objectives and standards as embodied in legislation/regulations, management directives and operating policies, as well as guidelines for ethical behavior and standards of conduct.

(iii). Value-for-Money. Successful procurement initiatives and project delivery demonstrate value-for-money. Value for money (VFM) is not only based on acquisition costs but on the efficiency and effectiveness of the outcomes. Effective procurement management assures that projects are scoped and defined in a manner that maintains focus on the desired business outcome; maximizes qualitative competitive tension in soliciting responses from suppliers; minimizes risk to the proponent; and provides for effective contract and relationship management.

2.11 Empirical Review

2.11.1 Review of Studies from Abroad
Challenges in procurement planning and services delivery in public sector are currently an issue not only in Tanzania but also in other part of the world. According to Mullins, (2003) the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management. His findings revealed a significant positive relationship between procurement planning and service delivery in local government procurement system.

2.11.2 Review of studies in Tanzania
According to PPRA’s chief Executive Officer speech during PSPTB’s annual conference conducted from 3rd to 5th December 2012, surveys conducted by PPRA
shows that many public organizations in Tanzania realize the important of procurement planning and services delivery for the aim of improving procurement functions and value for many procurement. According to Lema (2009) in the study towards implementing procurement planning in parastatal organizations argued that preparation of procurement planning is very important to many organization and it need close cooperation between PMU, users departments and management in general as its acts as a road map to procurement of organization which later assure availability of goods and services.

### 2.12 Conceptual Model

Good planning in procurement function, Good participation of customer, supplier and citizen in decision making and good management involvement lead to good performance of procurement entity – Tanga city council hence the more level of user satisfaction and value for money realization.

**Source:** Researcher 2013
2.13 Description of Variables

(a) Good planning in Procurement
This was done by checking if Tanga city council plans future procurement according to the PPA, 2004 so as to examine the roles under taken by the different stakeholders during Procurement Planning.

(b) Participation of Customers, Suppliers and Citizen in Decision Making
The researcher checked to what extent customers, suppliers and citizen are involved during procurement functions decisions in order to establish the factors affecting procurement planning on service delivery.

(c) Management Involvement
Notably proper management involvement and administration include management to give the necessary approval in the implementation of procurement plan, acceptance of the good quality of services and payment done on time to service providers tend to improve service level. This was done so as to understand the relationship between Procurement Planning and Service Delivery. The good management involvement tend to improve the relationship between procurement planning and service delivery.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter shows a description of research design, study population, sampling design which includes the sampling method, sampling procedure and sample size, sources of data collection, data collection methods, data processing, analysis, and presentation, and the limitations encountered by the researcher.

3.2 Research Paradigm (Philosophy)
The researcher in this context used positivism as the philosophical approach in conducting the study. With this phenomenon the only positive requirements towards the responders on efficiency and effectiveness in procurement planning as the study, was considered. In Positivism process the reality about the study obtained from the observable situation within the Organisation. Researcher decided to use positivism because it leads the researcher to use deductive reasoning as the research process and reality of procurement planning and service delivery should be obtained due to positivism approach.

3.3 Research Design (strategy)
The researcher used a case study design. This design used by the researcher because it is economic in terms of times and financial resources as is focusing a particular case as a unit under investigation. It was the expectation of researcher that it would help her to get deeper knowledge of the problem with limited resources.

3.4 Study Area
This study was conducted at Tanga city council. It is the Local government institution that manages the overall revenue, expenditure and financing of the local government projects of Tanga city council and provides the city with advice on the broad financial and economic affairs of Tanga city council in support of the Government’s economic and social objectives. The reason for choosing Tanga city
council as the study area is that it is local government institution where the researcher could get relevant information as far as the study was concerned.

3.5 Study Population
The study population was Tanga city council employees. It involved senior administration officers, senior officers in the procurement management unit, head of departments, senior officers from finance department as well as grassroots employees of which a researcher received real picture of the problem under study. Population in research refers to the number of units from which a sample is derived. The target population comprised of 100 employees which 28 employees were senior personnel officers (Kothari, 2004)

3.6 Unit of Analysis
Unit of analysis refers to what or whom you want to study (Babies, 1986) in this case the unit of analysis in this study was individual employees across section or units are concerned.

3.6.1 Sample Size and Sampling
Sampling frame was utilized as a list of elements that has closely approximated all the elements in the population Chrishnaswami (2007). As such, it is why a sample size of 50 respondents was selected and utilized to gather data from the field. The specified sample size was met by only including employees from Procurement and supply Management Unit, Finance Management department, Administration department and head of departments.

3.6.2 Sampling Technique
In data collection the researcher selects the sample to represent the general picture of population in the study area. Sampling techniques refer to the procedure adopted in selecting items (respondents) for the study. It is a process that constitutes the selected respondents (Kothari, 2003). Thus, purposive and simple random sampling techniques were used for data collection. In so considering, purposive sampling
technique was selected which has helped the researcher to select only those respondents he believed could be capable of delivering the required information. Whereas the reason for choosing simple random sampling technique lied on the fact that all employees had equal chances to be selected as sample.

3.6.3 Sample Size
The sample size involved 50 employees of Tanga city council including ex-employees across all functional departments and units. The sample size can be statistically estimated by deciding the required level of accuracy. (Chrishnaswami and Rananatham, 2007). The sample size of 50 personnel officers selected as a purposively sampling including procurement and supply management, head of departments, administration officers and finance department officers

<table>
<thead>
<tr>
<th>Category of respondents</th>
<th>Study Population</th>
<th>Sample size</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of departments</td>
<td>10</td>
<td>5</td>
<td>10.0</td>
</tr>
<tr>
<td>Budget committee Members (Finance Department)</td>
<td>5</td>
<td>3</td>
<td>6.0</td>
</tr>
<tr>
<td>PMU staff</td>
<td>10</td>
<td>5</td>
<td>10.0</td>
</tr>
<tr>
<td>Administration and other employees from different units</td>
<td>75</td>
<td>37</td>
<td>74.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Researcher, 2013

3.6.4 Reliability and Validity
According to (Kothari 2004), simply defined reliability as providing consistent results. (Kothari 2004), defined validity is the most critical criteria and indicates the degree to which an instrument measures which it is supposed to measure. To ensure these a careful operationalization of research instruments were employed, these included employing multi methods in data collection, Although each aspect has been described below
On the issue of reliability the researcher ensured that the measurable data are reviewed only from reliable authoritative source documents. Researcher was improve reliability by standardizing the conditions under which the measurement takes place, thus external sources of variation such as boredom, fatigue etc was minimized. Not only that but also the researcher designed direction for measurement with no variation from group to group, and by asking similar questions to sampled respondents.

On the issue of Validity i.e, content validity, Construct validity, and criterion-related validity. The researcher ensured that the data which was collected through interview, observation and questionnaires are collected from authoritative personnel in order to maintain validity of data in this research.

Data collected through questionnaires was cross-checked against collected through interview and document review was also done.

3.6.5 Measurement of Variables
The study used a 5-point linkert scale to measure the variables which are procurement planning and service delivery and come up with findings. This ranged from strongly agree to strongly disagree (strongly agree, agree, not sure, disagree, and strongly disagree).
3.6.6 Data Collection
This study was optimally designed to use both primary as well as secondary data.

3.6.7 Primary Data
Primary data or information is the type of information which is collected afresh and for the first time and thus happens to be original in character. (Kothari 2004).

To deal with this self administered questionnaire used to collect primary data and complimented by interview as a means of purposive discussion especially in some aspect not covered in questionnaire.

3.6.8 Questionnaires Method
This data collection instrument was used to collect needed data from some staff from Procurement Management Unit, Finance department, head of departments and Administration department as selected. The reason for using this instrument was to collect different views from different staffs in relation to Procurement scams. Also, Self-administered questionnaires were used to allow the researcher sometimes ask questions and fill in the answers by herself.

3.6.9 Interview Method
This involved the use of predetermined questions for conducting personal interview depending on the nature and availability of the respondent, especially for those who were selected purposively. Besides, in order to fill the gap of questionnaire data collection instrument, open-ended questions were also used from a number of respondents so as to allow respondent to provide what he/she thinks could the problem and possible measures to the handle matter.

Personal interview method used to collect data where different staffs according to the sample were interviewed. Therefore in this method of data collection face-to-face dialogue was conducted in various sections or departments according to sample taken from the population. Both structured and unstructured interview were conducted depending on the information required by the researcher.
3.6.10 Secondary Data

These are data which has been already collected by someone else (BELL, 1999) in this case the researcher utilized books, journals, internet search and organization records as well as personnel reports such as CAG reports and 2011/2012 Tanga council reports to seek information related to the topic under study. Secondary data was useful in discovering about the subject under study and establish the focus of the study before going to the relevant primary source. Through document and records of the organization, the researcher discovered the strengths and weakness of the system of preparing Procurement plan.

3.6.11 Data Processing, Analysis and Presentation

All data collected have been organised and checked before they are presented and analysed to ensure completeness, accuracy, and validity. By completeness, it means all questionnaires were checked to see whether all questions have been answered and handed-over. Either, questions were checked if they are complete and the meaning corresponds to the data needed. By clarity, it means data were checked if they are correct and correspond to the question’s requirements. By validity, data were checked in terms of time reported and if they conform to the objectives of the study. This has facilitated proper presentation in terms of tabulation, charts and graphs generation and computation of percentage and frequencies through Microsoft Excel. Discussion and Analysis were done in accordance with percentage and frequencies generated and interpreted accordingly. By so doing, the researcher was able to discover whether data collected or information provided has been in alignment with the stated research objectives and questions. The method of data analysis was descriptive in most cases.

Two methods of Data Analysis Were Used

Data analyzed both qualitatively and quantitatively, since the study collected both qualitative and quantitative data. For the case of qualitative data, there was no standardized approach to its analysis. The act of analyzing qualitative data is very
likely to occur at the same time as the researcher collects them. However the same may also be analyzed afterwards (Kothari, 1990).

The quantitative data that generated quantified so that frequencies of response and percentages may be calculated and tabulated for easy interpretations and analysis. It involved the use of frequency tables, graphs and chart.

3.6.12 Data Editing
Data that obtained from questionnaire, observation and documentary was carefully checked to ensure completeness, accuracy and uniformity.

3.6.13 Data Coding
This involved assignment of numerical value to represent a specific response to specific questions along with the column position the designed code symbol that occupied on data records.

3.6.14 Anticipated Problems to the Study
While carrying out the study the researcher faced the following problems;

(i). Financial problems in terms of photocopying, secretarial services and transport costs. However the researcher received funds from relative and friends.

(ii). The researcher also faced problems of unresponsive respondents in conducting the research. This was solved by giving them ample time to fill the questionnaires during their free time.

(iii). Time frame in which the researcher required to produce a final report was not enough. This was solved by using the project schedule accurately.
## 3.8 Research Project

### Schedule Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Week(s) From February – June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Topic selection</td>
<td>1</td>
</tr>
<tr>
<td>2. Proposal writing</td>
<td>1-2</td>
</tr>
<tr>
<td>3. Distribution of questionnaires and interview guide (data collection)</td>
<td>3-4</td>
</tr>
<tr>
<td>4. Editing and coding</td>
<td>5</td>
</tr>
<tr>
<td>5. Data entry</td>
<td>6-7</td>
</tr>
<tr>
<td>6. Data presentation and data interpretation of findings</td>
<td>8-9</td>
</tr>
<tr>
<td>7. Presentation of first draft of dissertation</td>
<td>10-11</td>
</tr>
<tr>
<td>8. Correction of the draft dissertation</td>
<td>12-13</td>
</tr>
<tr>
<td>9. Submission of final report</td>
<td>14-16</td>
</tr>
</tbody>
</table>

### Key:

1. Topic selection
2. Proposal writing
3. Distribution of questionnaires and interview guide (data collection)
4. Editing and coding
5. Data entry
6. Data presentation and data interpretation of findings
7. Presentation of first draft of dissertation
8. Correction of the draft dissertation
9. Submission of final report
CHAPTER FOUR

FACT FINDINGS, ANALYSIS AND DISCUSSIONS

4.1 Introduction
This chapter presents facts findings, analysis and discussions which were obtained from questionnaires, observations and interview given to the respondents between the research and staff of Tanga City Council to influence the effectiveness of the procurement planning and service delivery for procuring entities in public sector.

The analysis and study findings as been presented in two categories; the first part presents the demographic analysis of collected data which includes the characteristics of the respondents, education level and work experience in procurement planning obtained at Tanga City Council. The second part presents knowledge, how training is conducted concerning with how to prepare and implement a procurement plan and service delivery at Tanga City Council. The researcher considered that respondents were summarized, tabulated and analyzed by qualitative and quantitative data.

4.2 Data Analysis and Interpretation
The questionnaires were distributed to the respective departments (Administration, Procurement and Supply Management, head of departments and Finance department). The questionnaires were prepared by researcher reflecting the research questions and objectives. The table of results and interpretations of the effectiveness of the procurement planning and service delivery according to the findings and analysis were listed below;
**Procurement planning improves much efficiency and effectiveness in procurement functions in Tanga City Council**

The researcher wanted to know if the employee knows the significance of procurement plan in their working places by assessing the contributions of procurement plan to efficiency and effectiveness. The findings have been described in the table below;

**Table 4.1: Shows How Procurement Planning Improves Procurement Function**

<table>
<thead>
<tr>
<th>Department</th>
<th>Significance of good procurement planning and service delivery</th>
<th>Positive Responses from staff / Respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>Reduce cost of procurement</td>
<td>12</td>
<td>48</td>
</tr>
<tr>
<td>Procurement and Supply Management</td>
<td>Reduce lead time</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Head of departments</td>
<td>Improve quality of goods procured</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Finance</td>
<td>Increase customer satisfaction</td>
<td>3</td>
<td>12</td>
</tr>
</tbody>
</table>

**Total** 25 100


From the above table showed that there was enough level of awareness on significances of good procurement plan and service delivery at Tanga City Council. Thus due to the level of awareness on significance of procurement plan the preparation and implementation of procurement planning can be easily adhered to as per Public procurement Act No. 21 of 2004 however the level of awareness of significance of procurement plan and service delivery need to be more than the level shown in table 4.1 above especially for finance, Administration and head of department respondents so that the full cooperation may be given to the
The roles undertaken by the different stakeholders during procurement planning in Tanga city council

The researcher needed to know the roles undertaken by the different stakeholders during procurement planning in Tanga City Council. The table below shows the findings obtained,

Table 4.2: Shows the Roles of Stakeholders during Procurement Planning

<table>
<thead>
<tr>
<th>Department</th>
<th>Roles undertaken by different stakeholders during preparation of procurement planning</th>
<th>Positive Responses from staff / Respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>Managing working policies and people including procurement related policies.</td>
<td>15</td>
<td>60</td>
</tr>
<tr>
<td>Procurement and Supply</td>
<td>Performing procurement functions including preparation of procurement plan</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head of departments</td>
<td>Giving descriptions and quantity of items needed</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Managing accounts activities with connection to procurement activities</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>25</td>
</tr>
</tbody>
</table>


From the above table showed that there were number of roles undertaken by different stakeholders including managing working policies and people including procurement related policies as under laid in public procurement Act, No 21 of 2004, in the Act, the Chief executive office should oversee all procurement proceedings in the organization. The head of procurement unit in the given organization need to report all procurement proceedings including procurement plan to the chief executive
office. The 60% shown above shows those respondents from administration department have roles to play during preparation of procurement planning. Likewise, table 4.2 shows the responses of 12% from head of departments agreed that they have roles to undertake with connection to preparation of procurement planning and service delivery at Tanga City Council, the 8% responses was from finance department respondent and 20% from procurement and supply management. These results shows that procurement planning and service delivery touches all department, therefore the Tanga City Council Management need to give room to the procurement professionals employees to sensitize all workers of tanga city council so as to give fully cooperation during preparation of procurement plan in order to improve performance of procurement functions at Tanga City Council.

There are several factors affecting procurement planning on service delivery in Tanga City Council and some have been analyzed in the table of findings below

The researcher was very interested in knowing the factors affecting procurement planning on service delivery at Tanga City Council
Table 4.3: Shows the Factors Affecting Procurement Planning on Service Delivery

<table>
<thead>
<tr>
<th>Department</th>
<th>Factors affecting procurement planning on service delivery at Tanga City Council</th>
<th>Positive Responses from staff / Respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>Not approving procurement planning requests on time and Managing working policies and people including procurement related policies accordingly.</td>
<td>14</td>
<td>56</td>
</tr>
<tr>
<td>Procurement and Supply Management</td>
<td>preparation of procurement plan and implementation but not monitored accordingly</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Head of departments</td>
<td>Not Giving descriptions and quantity of items needed to the procurement officers on time</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Finance</td>
<td>Not paying vendors/suppliers on time.</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>


From the above table showed that there are numbers of factors affecting procurement planning on service delivery at Tanga City Council including delays in approving procurement planning requests on time. The 56% of responses from administration respondents shows that there are factors affecting procurement planning on service delivery. 20% responses from procurement and supply respondents agreed that monitoring of procurement plan and implementation need to be improved for the Tanga City Council to perform better in procurement and supply related functions, also head of departments respondents responded by 12% that in order for the procurement planning and service delivery to contribute well in economy the full definitive descriptions of items needed and the right quantity required need to be well disclosed to the procurement and supply officers at the time of preparing procurement plan. Responses from finance department respondents were at 12% that
the delays in paying vendors/suppliers affect the issue of service delivery at Tanga City Council.

All of the above mentioned factors need to be improved in order for the Tanga City Council to perform better and realize value for money procurement.

Johan (2006) further came up with some important service delivery improvement slogans. He said he who fails to plan for service delivery, plans to fail delivering services to the public. And if it cannot be measured, it cannot be improved. If we only plan to comply with regulations, we are not managers, we are robots. What we plan we must implement. What we implement, we must monitor.

We should not be afraid to ask the customer (citizens). They really do know best what they need and what they get. It is not always the same thing. Basheka (2004) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in local governments.

The effective and efficient service delivery depends much on good and effective procurement planning.

The researcher wanted to learn how procurement planning and service delivery relate.
Table 4.4: Relationship between Procurement Planning and Service Delivery

<table>
<thead>
<tr>
<th></th>
<th>The good procurement plan of procurement activities</th>
<th>The good service delivery to users</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The good participation of customers, suppliers and citizen in procurement planning</td>
<td>The more chance to get good quality of goods, hence good service delivery</td>
</tr>
<tr>
<td>2</td>
<td>The proper management involvement in procurement planning</td>
<td>The more level of value for money realization and good service delivery.</td>
</tr>
<tr>
<td>3</td>
<td>The proper fund allocation during procurement planning</td>
<td>The more chance to get all required items on time which is the good service delivery to users</td>
</tr>
<tr>
<td>4</td>
<td>The proper methods of procurement planned during procurement planning</td>
<td>The value for money realization in procurement, hence good service delivery.</td>
</tr>
<tr>
<td>5</td>
<td>The timely payment as per plan schedule</td>
<td>The good service delivery from vendors/suppliers.</td>
</tr>
</tbody>
</table>

Source: Researcher, 2013

Procurement plan includes Procurement requirements in order of priority, a statement of required resources supported by a schedule of the projected funding. As part of the efforts to adopt a long term and strategic view of their procurement needs and management, public institutions are required to adopt the view that their annual procurement plans as a possible ‘problem-solver. Therefore, according to researcher service delivery is the result of what has been planned before. We plan so that we may follow our plan to achieve our objectives. The implementation of procurement planning needs a close monitoring and evaluation so that we may lead to the good service delivery to the users. For a service to be perceived as service, it should contain all the features that satisfy the customers’ expectation. It should have all its primary operating characteristics with all the measurable attributes so as to be ranked as high service and all of the characteristics come from planned schedule.
CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Overview
This is the last chapter which aims at summarizing the overall research. Findings through the effectiveness of procurement planning and service delivery for procuring entities in public sectors Tanga City Council being the case are summarized in the chapter.

5.2 Summary of the Study
The findings and conclusion through the effectiveness of procurement planning and service delivery for procuring entities in public sectors Tanga City Council being the case, shows that procurement planning and service delivered if well managed the value for money procurement may be realized.

Sample size of 50 employees including senior officers from administration, procurement and supply management, head of departments and finance department employees in their responses shows that procurement planning and service delivery if well managed may lead to value for money procurement and save public money from the tendency of mismanagement of money being realized in public procurement which is happening day after day in our country.

Public procurement Act No.21 of 2004 and its Regulations of 2005 insisted and made it mandatory for every public procuring entities to prepare a procurement plan annually and to implement for its all procurement proceedings, Tanga City Council being one of public procuring entity prepare procurement plan annually but failed to implement it fully and accordingly due to lack of less fund actually used compared to fund allocated in the procurement plan, delays in approving procurement planning and service delivery requests, less cooperation from head of user departments as well as users themselves in terms of definitive descriptions and quantities of items required to meet intended purposes and delay of payments to vendors/ suppliers. The
conclusion derived from 50 respondents selected by the researcher and purposively sampling procedures were used in order to interview and questionnaires senior officers and other staff and judgmental sampling technique was used to pick the useful employees in data collection and research findings that influences the implementation and preparation of procurement planning and service delivery.

5.3 Conclusion

The need for procurement planning and service delivery is very important for every procuring entity because it will contribute to;

(i). Avoid rush orders which can be cost full
(ii). Timely delivery of requirements
(iii). Proper selection of procurement method which is adherence of regulations
(iv). Procure the right quality of items, right quantity, from the right vendor/supplier at the right time and cost due to proper analysis and specifications.

Therefore the researcher concluded to advice Tanga City Council Management to allow the 5 (Five) qualified Procurement and Supply officers to conduct seminars on significance’s of procurement planning and service delivery to user departments employees so as to get full cooperation in terms of descriptions and quantity of requirements during preparation of procurement planning and service delivery. The informations gathered during the research, form the sound for the effectiveness of procurement planning and service delivery at Tanga City Council to realize value for money procurement.
REFERENCES


APPENDICES

Appendix i: Questionnaire 1 (For middle and operational staff)

Gender:
(i). Male (  )
(ii). Female (  )

How long have you been in your position ………………………………………

Instruction: Choose the most appropriate answer and fill its letter to the box provided in each question

1. Is the cost of the procurement function reduced through procurement planning and services delivery at Tanga city council?
   (i). Highly reduced
   (ii). Reduced
   (iii). Fairly reduced
   (iv). Not reduced at all

2. Is the quality of service in regard to procurement function improved due to procurement planning strategy?
   (i). Highly improved
   (ii). Improved
   (iii). Fairly improved
   (iv). Not improved at all

3. Is the time for getting goods from suppliers reduced because of procurement plan at Tanga city council?
   (i). Highly reduced
   (ii). Reduced
   (iii). Fairly reduced
(iv). Not reduced at all

4. Is the overall performance of the procurement function improved because of Procurement planning at Tanga city council?

(i). Highly improved

(ii). Improved

(iii). Fairly improved

(iv). Not improved at all

5. To what extent Tanga city council staffs are satisfied with procurement plan and services delivery in Procurement function?

(i). Highly satisfied

(ii). Satisfied

(iii). Fairly satisfied

(iv). Not satisfied at all
Appendix ii; Questioner 2 (for senior staff)

Gender:
Male (   )
Female (   )
How long have you been in your position …………………………………………..

Instruction: multiple choice questions (circle the letter you think is most appropriate)

1. Do you know the procurement proceedings undertaken in your institution?
   (i). Yes
   (ii). No
   (iii). Some how
   (iv). None of the above

2. What are the benefits obtained from procurement planning strategy at Tanga city council?
   (i). Reduce procurement cost
   (ii). Reduce lead time
   (iii). Maximize customer satisfaction
   (iv). All of the above

3. Are you satisfied by the services provided by procurement unit (PMU) in your organization?
   (i). Highly satisfied
   (ii). Satisfactory
   (iii). Fairly satisfied
   (iv). Not satisfied at all

4. Are the objectives of procurement plan achieved in your organization?
   (i). Highly achieved
(ii). Achieved
(iii). Fairly achieved
(iv). Not achieved at all

5. How do you determine the level of performance and benefits in your organization?
   (i). By user’s comments
   (ii). by supplier’s comment
   (iii). By staff colleague comments
   (iv). By departmental heads comments
   (v). All above

6. Is the staff in your organization aware of the concept of procurement planning and services delivery in procurement function?
   (i). Highly aware
   (ii). Aware
   (iii). Fairly aware
   (iv). Not aware at all
Appendix iii: Questioner 3 (For Department Heads)

Gender:
(i). Male (   )
(ii). Female (   )

How long have you been in your position …………………………………………

Instruction: multiple choice questions (Tick \( \checkmark \) the letter you think is most appropriate)

1. Are you aware of the concept of procurement planning in Tanga city council?
   (i). Highly aware
   (ii). Aware
   (iii). Fairly aware
   (iv). Not aware at all

2. What are the benefits of procurement planning strategy in procurement processes?
   (i). Cost reduction
   (ii). Time saving
   (iii). Quality improvement
   (iv). All above

3. What is your opinion on procurement planning and services delivery at Tanga city council?
   (i). Very good
   (ii). Good
   (iii). Bad, it should be improved
   (iv). Very bad, it should be stopped
4. Are you involved in the early stages in respect of giving views regarding procurement planning for procurement function at Tanga city council for the aim of improving quality, time delivery and reducing cost?
   (i). Highly involved
   (ii). Involved
   (iii). Fairly involved
   (iv). Not involved at all

5. Are the objectives of procurement planning and services delivery at Tanga city council achieved?
   (i). Highly achieved
   (ii). Achieved
   (iii). Fairly achieved
   (iv). Not achieved at all
Appendix iv: Interview Guide (For PMU Staff)

Gender:
(i). Male (   )
(ii). Female (   )

How long have you been in your position …………………………………………..

1. What do you understand about procurement planning and services delivery at Tanga city council?
.............................................................................................................................
.............................................................................................................................

Are these decided by the management or left to procurement management unit or department heads?
.............................................................................................................................
.............................................................................................................................

2. Are there any regular problems encountered during the preparation of procurement planning at Tanga city council?
.............................................................................................................................
.............................................................................................................................

How do you manage to solve the problems?
.............................................................................................................................
.............................................................................................................................

3. Is there any support from Tanga city council top management during preparation and execution of procurement plan?
.............................................................................................................................
.............................................................................................................................
If not so, what is your effort to let them support on the strategy?
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

4. Are the objectives of preparation of procurement plan strategy achieved as per procurement function concerned at Tanga city council?
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

If the answer is yes, how do you determine those achievement, if the answer is no, what is your suggestion
........................................................................................................................................
........................................................................................................................................
<table>
<thead>
<tr>
<th>S/N</th>
<th>Research activities / items</th>
<th>Cost (Tsh.)</th>
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<tbody>
<tr>
<td>1</td>
<td>Stationaries:</td>
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<td>Paper reams</td>
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<td>Copies</td>
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<tr>
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<td>Pen</td>
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<tr>
<td>2</td>
<td>Data collection:</td>
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<td></td>
<td>Library cost</td>
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<tr>
<td></td>
<td>Journals, articles and references</td>
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<td></td>
<td>Food</td>
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<tr>
<td>3</td>
<td>Supervision cost</td>
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<td>4</td>
<td>Computer typing and printing</td>
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<td>Internet cost</td>
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<td>Transport cost</td>
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<td>Binding cost</td>
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<td>8</td>
<td>Contingency</td>
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<td></td>
<td><strong>Total</strong></td>
<td><strong>2,260,000.00</strong></td>
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