TENDERING PROCEDURES IN PUBLIC SECTOR

THE CASE OF ILALA MUNICIPAL COUNCIL

BY

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A Dissertation submitted in the Partial Fulfillment of the Requirement for the Award of Master of Science in Procurement and Supply Chain Management (Msc. PSCM).

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, *Tendering Procedures in Public Sector: The Case of Ilala Municipal council in Dar es Salaam Region*, in partial/fulfillment of the requirements for award of the Masters Degree of Mzumbe University.

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Finally, Thanks to God, who leads me in triumph in Christ.
DEDICATION

This work is dedicated to my Uncle Mr. Lilya Matanga who invested in me during my Advanced Certificate of Secondary Education and Diploma Studies, thank you indeed.
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>ICC</td>
<td>International Chamber of Commerce</td>
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<td>NGO</td>
<td>Non-Governmental Organizations</td>
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<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<tr>
<td>PPA</td>
<td>Public Procurement Act</td>
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<tr>
<td>PPRA</td>
<td>Public Procurement Regulatory Authority</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
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<tr>
<td>TANESCO</td>
<td>Tanzania Electricity Supply Company</td>
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<td>LGA</td>
<td>Local Government Authority</td>
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<tr>
<td>TOT</td>
<td>Train Operating Company</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UNCITRAL</td>
<td>United Nations Commission of International Trade Law</td>
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<td>VFM</td>
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ABSTRACT

This study looked at the effectiveness and efficiency of Tendering Procedures in Local Government Authority in Tanzania: The Case of Ilala Municipal Council.

The specific objectives of this study were to investigate how corruption hinders tendering procedures in LGA, to assess the level of understanding of procurement practitioners on procurement laws in LGA and to evaluate the level of knowledge /skills of procurement stakeholders on tendering procedures in LGA.

The study further made practical recommendations to Local Government Authority, Municipal Accounting Officer, Municipal Treasury and all the relevant stakeholders relating to the management of tendering procedures.

Data from twenty seven (27) questionnaires completed by respondents and three (3) interviewees, under the Case Study considered, representing other LGA in Tanzania were collected and analyzed and finally revealed the anticipated findings. The research tools used were questionnaires, interviews, documentary reviews and observations.

The most important conclusions drawn from the study are:

To strengthen the level of understanding of procurement practitioners on procurement laws and evaluating the level of knowledge/skills of procurement stakeholders on tendering procedures, management team should ensure that the procurement policies are easily accessed by the staff so that they are appropriately guided through the process.

The procurement policies should be reviewed periodically by independent personnel from those who directly participate in the procurement process. The Municipal Councils should also work with reliable suppliers whose delivery schedules are realistic and within the Municipal’s requirements. This will minimize emergency purchases that are normally expensive and therefore negatively impact on the performance of the Municipal Councils.

Procurement experts to have multiple skills in various fields such as law, business administration, technical, economy and other related skills.
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CHAPTER ONE

1.0 BACKGROUND OF THE PROBLEM

1.1 Introduction
This chapter tries to provide brief preliminary information on the tendering procedures in the public sector, presents the introduction of the study, background and statement of the problem, research setting, statement of the research problem, research questions, research objectives, justification, delimitations of the study and report outline.

1.2 Background and Statement of the Problem
In today’s world, the general public has become more concerned with how their governments are spending funds. Due to that, most governments have been constantly making attempts to promote efficiency in public spending. However, government agencies on one hand have been facing the challenge of budget constraints, and on the other hand, they are facing the growing pressure of the public demand for better quality of services, more transparency in public procurement, more efficiency, fairness and equity (Thai, 2009).

Previously, most of the government tender system was complex, favoring big and already existing business, therefore making it impossible for both new and small businesses to enter into the system. However, recently, the government established a forum on procurement, comprising of representatives from various national and provincial user departments with aim to overcome the problem and investigate the necessary procurement reform measures and processes as well as making the tendering system more easily accessible to all.

The forum highlighted concern on issues such as; value for money, financial management, corruption, tax and service charges and; lack of uniform tendering procedures.

Budget constraints and public demands are exerting pressures in opposite directions. In attempt to promote efficiency, several measures have been taken by different governments, one of which is the use of competitive tendering as an approach in procurement of goods, civil works and services.
Rimmer (1994) reports that, during the 1980’s and early 1990’s, all the governments surveyed had increased their use of competitive tendering. The benefits of competitive tendering are substantial; it has been reported that tendering is capable of reducing unit cost for around twenty percent (20%).

Preston, (2005) reported that Nowadays, private sectors deliver service and goods to public sectors, which used to be produced by the government before the implementation of privatization policy; these are stationery items, construction of roads, cleaning works, goods and so forth. These procurements had been encountered with scandals such as favourism and monopoly in awarding of procurement contracts to some organizations. Due to this adversity, these countries have to find the best procedures that will help them to regulate the mandatory organs for procurements, while enhancing fair competition, transparency and accountability by establishing corporate governance codes.

Bovaird, (2006) argued that there is a huge changes in public purchasing in recent years where the public and private sectors organizations are collaborating, this formulate complex forms of co-ordination in the procurement process whereby larger numbers of players require to be included in assuring these projects and services are successfully procured or implemented, thus each party expects to garner benefits by helping the joint venture to be more successfully.

Kalkota and Robinson (1999) asserted that, the procurement of goods and services in an Organization cost about 50% to 60% of every dollar spent and therefore the control of this cost will help the Organizations to reduce cost of production. Also the government of Tanzania has acknowledged that the public Procurement accounts for about seventy five percent (75%) of the government recurrent budget (PPRA, 2011) which spent on procurement of goods, works, services, and consultancy and non-consultancy services. This is a large amount of money that requires to be effectively monitored to enhance proper financial management and value for money of the procured goods and services. The protection of government expenditure is made by the pressure from donors this is done through monitoring grant funds which are injected to the national budget, their main target is to insure there is integrity and accountability in the use of grants so as to
meet the intended projects, which is one of the tool in eradicating poverty within developing countries. This has led the government of Tanzania to establish (PPA: No. 21 of 2004) so as to ensure that the tendering procedures on public procurement are carried out successful with great care to realize proper financial management. However in the recent days, there have been many scandals which relate to poor governance of procurement, for instance Richmond- Dowans Scandals which has shown that there was lack of transparency and accountability during the procuring process for the emergence power supply contract. However, after investigating the issue, the Parliament Standing Committee found that there were some violations of the Public Procurement Act No.21 of 2004 and instructed Tanzania Electricity Supply Company (TANESCO) to terminate the contract. Furthermore, Dowans Tanzania Limited sued Tanesco for breach of contract in International Chamber of Commerce (ICC) and the ruling was in favor of Dowans. Tanesco has to pay Dowans for a compensation of 65miliion US Dollars for the breach of the contract. But various stakeholders (NGOs, Civil society and lawyers) have asserted to defend Tanesco in the High Court and at present to the Court of Appeal. Researcher hope that, if stakeholders in civil society could have been engaged early in purchasing process then, all these adversity could have been identified and solved and they could be acted as whistleblower to avoid all these costs incurred by the government which is going on incurred due to the accruing charges of interest to the award.

1.2.1 Research Setting

Effectiveness of finance management in public procurement is mainly laid in the statutory procurement framework, therein, all tendering procedures are provided. However, for quite a long time since legal reforms in public procurement have been underway to ensure effectiveness in public financial management, still there are reported frauds on mismanaged funds of the public procurement, despite having the laws stipulating tendering procedures to spend the same in public procurement. Tanzania financial management in public procurement starts from the tendering procedures. But most of the tendering procedures in seem to be confined to price and value for money which by themselves cannot effectively manage finance in public procurement. The researcher will spend much time to identify other indicators for financial management in public procurement.
1.2.2 Statement of the Problem

Regardless of the effort by the government of Tanzania and development partners like World Bank (2009), African Development Bank (2009) and the United Nations Commission for International Trade Law (2007) to improve performance of the procurement function, public procurement is still flawed by substandard works, poor quality goods and services, spending a lot of public funds every financial year for the goods, works and services which were bought even a previous financial year. This leads to stagnation of national development. Although the laws governing public procurement are in place still some procurement practices are neither effective nor efficient to award the intended goal of national development. Failure to implement or delayed implementation of standard performance in tendering procedures has resulted in loss of a lot of public funds, substandard goods and works for detriment of national growth.

Mamiro (2009) have discussed on the procurement process and observed that; reforms have embraced the regulatory aspects of public procurement giving little attention to realization of value for money. He added that there is a tendency by enforcers of public procurement laws and some sections from the public to forget that procurement is a strategic activity which requires managerial skills and competence so that it contributes fully towards delivery of strategic national objectives. Accounting Officers of public bodies end up frustrated in their pursuit for value for money and attainment of strategic organization’s goals due to the rigidity of the existing legal provisions on public procurement.

Myowela et al, (2011) argued that, there is a need for procurement experts to have multiple skills in various fields such as law, business administration, and technical
issues. This can be done through in service training to various academics, attending short courses that can expand their knowledge and skills to handle various procurement such as construction works and consultancy; furthermore, they stated that amendment of the PPA, 2004 No. 21 Cap. 410 will increase transparency in reaching tender awarding decisions.

The authors have disregarded other factors for ineffective and inefficient of tendering procedures in public sector like; corruption practices in public procurement, procurement practitioners are ignorant in procurement laws, implementation of procurement process in many emergency procurement. However, keeping on believing on the factors raised by other researchers and disregarding the new factors by the researcher, may lead to poor implementation of tendering process towards achieving value for money and national development.

1.2.3 Research Questions

1.2.3.1 General Research Question

What are the factors affecting tendering procedures in public procurement in Tanzania Local Government Authority (LGA)?

1.2.3.2 Specific Research Questions

i. How does corruption hinder effective and efficient tendering procedures in LGA?

ii. Do procurement practitioners understand well procurement laws?

iii. Do procurement stakeholders have enough knowledge on tendering procedures?
1.2.4 Research Objectives

1.2.4.1 General Research Objective

The main objective of the study will be to make an assessment of the effectiveness and efficiency of tendering procedures in the LGA.

1.2.4.2 Specific Research Objectives

i. To investigate how corruption hinder tendering procedures in Tanzania Local Government Authority LGA.

ii. To assess the level of understanding of procurement practitioners on procurement laws in LGA.

iii. To evaluate the level of knowledge/skills of procurement stakeholders on tendering procedures in LGA.

1.2.5 Justification

This Sub-section intends to justify why we should spend our time, efforts and resources on carrying out this research. Mosha (2000) notes that: “Research serves as a springboard for innovation and subsequent development. It is an instrument in the pursuit of truth and provides a clear basis for action”.

This study will add knowledge to the existing literature as it will evaluate the factors influencing the effectiveness of tendering process in the LGA. The research findings will help the researcher to have better understanding of the factors influencing the effectiveness of tendering procedures in the Public sector especially in Local Government Authority.
The study will ultimately benefit academicians who will make the resultant findings as part of their reference. To the policy makers and respective institutions the research findings will help to make reviews in the Public Procurement Act, 2004 and see any possibility of building the capacity of LGA members of Council Tender Boards; Heads of departments, Accounting Officers and councilors in order to enhance their knowledge about the procurement law and their responsibilities as far as public procurement is concerned.

The findings of this study could shed light on how to achieve very good tendering procedures in public offices in Tanzania. The study might provide insight into the problems whose solution might help to inform specific actions to be taken to effectively address the poor tendering procedures in LGA.

It is also significant to the researcher since it is has fulfilled the University of Mzumbe requirement for the completion of the Master of Science in Procurement and Supply Chain Management (Msc.PSCM).

1.2.6 Delimitations of the study

According to Kimeme (2012), delimitations of the study is not writing about weaknesses of the study which naturally biases the reader against the quality of the report. Rather it means defining the boundaries of the study and aspect which would caution readers against making unwarranted generalizations on the basis of the research findings.
Thus the study was confined to LGA, and Ilala LGA is considered out as the sample of the study representing other LGA. Data will be collected from staffs involved in tender management process and tender execution, Finance and Accounting unit, Planning, Legal department and Procurement Management Unit. The data that will be collected are those relating to effective tendering procedures to ensure proper financial management in terms of delivery time, quality of goods and services and citizen satisfaction basing on corruption, procurement laws, and knowledge on tendering procedures.
CHAPTER TWO

2.0 LITERATURE REVIEWS

2.1 Introduction

This chapter deals with the revision and consultation of other researchers’ work in order to understand and investigate the research problem. It is commonly divided into two minor sub-headings being the theoretical and empirical literature. Ndunguru (2007) indicates clearly that theoretical literature deals with the scientific definitions of the major concepts describing the phenomenon being studied, while the empirical literature involves the reviews of what have been done to resolve or address the illogical or contradictory relationship of the phenomenon.

2.2 Theoretical Literature Review

This part describes the theories that are very crucial to the research questions and they provide insight knowledge for answering the research questions introduced. Furthermore, they give a clear guidance for analyzing empirical review which will be used to find the gap between theories and empirical on analysis stage.

2.2.1 Definitions of key Terms

2.2.1.1 Tendering

Woods (2008) defines tendering is the process of making an offer, bid or proposal, or expressing interest in response to an invitation or request for tender.

Organizations will seek other businesses to respond to a particular need, such as the supply of goods and services, and will select an offer or tender that meets their needs and provides the best value for money.
Tender request documents (Invitations to tender) such as Requests for Tender (RTF), Requests for Proposal (RFP) outline what is required, that is, what the requesting organization’s needs are. These documents also outline the particular requirements, criteria, and instructions that are to be followed.

Future tenders are generally widely advertised to offer opportunities to a number of suppliers encourage competition and provide a greater pool of offers to select from. Interested suppliers will then prepare a tender; the documents that outline the offer that they are making, and will include pricing, schedules as well as their eligibility for the project or procurement. They will outline their advantage over competitors; provide information on qualifications, competencies and experience. Further they have to demonstrate how their bid offers the best value for money.

The submitted tenders are then evaluated with regard to defined criteria. In a normal tendering situation, this process should be conducted fairly and honestly, and in a manner that is free from bias or favour. The offer that best meets all of the requirements outlined in the request, and provides value for money should win the contract.

The tendering procedures are generally utilized for procurements or contracts involving substantial amounts of money. Tendering is utilized by; government departments, offices and agencies, private sector companies and businesses, overseas markets and businesses.
2.2.1.2 Corruption.

Transparency International (2006) defined corruption as any abuse of a position of trust in order to gain an undue advantage. This involves the conduct of both sides: that of the person who abuses his position of trust as well as that of the person who seeks to gain an undue advantage by this abuse.

Corruption can occur in relation to officials as well as between private persons. It is particularly prevalent in certain kinds of transactions (for example, when awarding public contracts), in certain economic sectors (for example, in extractive industries), and in certain countries. Corrupt practices can range from small favours in anticipation of a future advantage to the payment of large sums of money to senior members of governments.

2.2.1.3 Procurement

Procurement is a major part of supply chain management and the study focus mainly on procurement and specifically on tendering process in national government. According to Waters (2002) procurement is responsible for acquiring the materials needed by an organization and it consists of all the related activities that get goods, services and any other materials from suppliers into the organization.

Lyson and Farrington (2006) defined procurement as the process of obtaining goods or services in any way, including borrowing, leasing and even force or pillage, or in a narrow view of procurement is just activities that involving buying of goods, works and services.
According to Public Procurement Act (PPA No. 21, 2004), procurement is buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity spending public funds on behalf of a ministry, department or regional administration of the Government or public body and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation and award of contracts.

2.2.1.4 Public Procurement

Mamiro (2009) defined Public Procurement as a comprehensive process stretching from procurement planning, budget allocation, bids invitation, bids evaluation, contract award, contract management, performance evaluation, auditing and reporting.

2.2.1.5 Procurement Process

PPA (No. 21, 2004) defined procurement process as the successive stages in the Procurement cycle, including planning, choice of procedures, measures to solicit offers from renderers, examination and evaluation of those offers, award of contract and contract management.
(i) **Needs assessment phase (Demand determination)**

Need of goods or services must be defined carefully according to user and should be specific, avoid ambiguous terminology or statement and should not be defined according to certain supplier product to avoid favourism. It is important to ensure that needs match with the budget, and also avoids overestimate to favor a particular provider and should be approved by User before go to next stage (Transparency International, 2006).

However, transparency International (2006) has mentioned some indicators of potential manipulation during this stage as presence of non transparent procedures and decision-making which can’t be monitored and controlled by the public, provisional of inadequate access of the public at large to information about government procurements, processes and decisions, and lastly absence of opportunity for public discussion of government procurement programmes and decision making.
(ii) **Process design and bid documents preparation phase**

The PMU should prepare bidding documents or terms of reference that will not favor a particular service provider to hinder competition or restrict some of potential bidders. Therefore, terms and conditional, specification should be fair, unambiguity and allow competition among prosperity bidders and the bid document should be approved by Tender Board fair competition and Transparency. Also clarifications should be distributed to all bidders at right time and submission deadline date, time and place for delivering bid document should be stated clearly.

(iii) **Selection of Bidder and award of Contract**

The bid document should be immediately opened after the deadline time for submission at presence of stakeholders and each submitted bid must readout its name of bidder, Bid price and if they have met other important criteria that they normal cause the bidder to be drop out at primary stage of evaluation. The bid evaluation should be carried out correctly and fairly, and according criteria set in. Evaluation report should be reviewed by impartial authority to check the reasonableness of the evaluators actions and the results of the evaluation and decision making process should be publicly disclosed, and allows bidders to raise their objections in advance if they consider the criteria not to be appropriate and this will avoid the cost associated with awarding contract to wrong contractor/supplier when it become revealed later while they have already stated implementing it.

(iv) **Contract Implementation phase**

Negotiation of the contract should reflect term and conditions of contract set in the bid document and should be fair and transparency. Change of the contract must be avoided
unless otherwise must receive proper approval and should not be substantial changes that render the bidding process useless. There should be an independent monitoring system that will check contract implementation as for compliance with agreed specifications including quality and quantity.

(v) Auditing and Closing the Contract phase

The payment must be made according to work carried out and attached with certificates which certify the work which has been carried and also should be audited before final payment. Performance auditing should be conducted to review the original cost estimate and benefit projections, compare them with the actual final cost of the project and the actual benefits and assess whether the original justification of the project proposal have been achieved. However, if there are major discrepancies discovered in the process, the reasons and the responsible officials should be investigated and held accountable.

2.2.1.6 Value for Money (VFM)

Heald (2010) states that (VFM) may be referred as the maximum benefit that organization obtaining from the goods and services it acquires and/or provides, within the resources available to it. This can be possible by achieving the optimum balance between economy, efficiency and effectiveness. Good value constitutes quality of goods or services, resource use, fitness for purpose and timeliness. This concept associates deployment of resources against realization of some expected output values or association of the value that user department or consumer receives from uses of products or services in comparison with resources expended. However, the objective of public procurement is to provide high quality public services that represent value for money for the taxpayers.
2.2.1.7 Economy
Improvement Network (2011) defined the term economy as doing something with fewer resources which enable the organization to make some savings in term cost, using the right method that can enable to obtain the economies of scale.

2.2.1.8 Efficiency
According to Improvement Network (2011); Efficiency may be defined as doing the same as it was before but with fewer resources including time range and it can be measured in terms of productivity, how much is earned considering the relation to the inputs that have been imposed, numerous complaint have been raised by customer for unsatisfied services that are delivered by procurement management units at different.

2.2.1.9 Effectiveness
Improvement Network (2011) states that effectiveness may be referred to doing more than before with the same resources which measures the impact that has been achieved that can be expressed either quantitatively or qualitatively. For instance, number of many people who were prevented from participating in procurement process (quantitative) which is caused by biasness criteria. However, the outcomes should be equitable across communities, and hence effectiveness measures should be fair and transparency (qualitative).
2.2.1.9 Transparency

Transparency International (2006) states transparency as the laws, regulations, institutions, processes, plans and decisions that are made accessible to the public at large or at least to “representatives” of the public so that processes and decisions can be monitored, reviewed, commented upon and influenced by the stakeholders, and decision makers can be held accountable for them.

Transparency also means that all the stakeholders of a major investment are fully informed and consulted about all aspects of the project for instance, on road construction projects it is essential that the affected population at large be allowed and indeed encouraged to participate in the process and thus, transparency requires that the government or project agency (the “principal”) voluntarily and proactively provide full public information through the print and electronic media about the potential options, plans, designs and programmes.

2.2.2 The Auction Theory

Auctions have been a common phenomenon in our lives. It was reported by a Greek historian, Herodotus that auctions were used during the closing of the Roman Empire as early as 500 B.C. (Milgrom and Weber (1982)). Today, auctions can involve a case where the seller (auctioneer) is looking for the highest price possible or, a case, as in government procurement, where the buyer (auctioneer) is looking for the lowest price possible. Formally, economic theory defines an auction as a market institution with an explicit set of rules that determine resource allocation and prices on the basis of bids from the market participants (McAfee and McMillan 1987).

There are four common forms of auctions; The English auction, the Dutch auction, the sealed-bid first-price auction and the sealed-bid second-price auction (Krishna 2002). In the English auction, the price ascends openly and the auction stops when there is only one interested bidder (the highest bidder). In the Dutch auction, opposite to the English auction, the seller begins by pronouncing a price high enough such that no bidder is interested of buying at that price and thus the price is lowered gradually until some bidders indicate interest of buying the object. The sealed-bid first-price auction involves
bidders submitting bids in sealed envelopes and the person submitting the highest bid wins the object and pays what he bids. As its name suggests, in the sealed-bid second-price auction the bidders submit bids in sealed envelopes; the person submitting the highest bid wins the object but pays not what he bids, but the second highest bid. Auctions can also be categorized as forward auctions and reverse auctions. The forward auctions are the ordinary auctions in which the buyers compete to obtain a good or service and the winner is the one with the highest price. In reverse auctions, sellers compete to obtain business and the winner is the one with the lowest selling price.

### 2.2.3 Competitive Tendering as an Auction

Competitive tendering applied in procurement is a typical example of a reverse auction. Hervik and Sunde (2000) note that, competitive tendering is in effect an auction where a public agency awards a monopoly franchise to the company that offers to supply the product on best terms. However, there has always been an emphasis on the selection of the lowest price bidder, that is, the company which can produce a pre-specified output at the lowest possible cost is appointed as the winner of the tender. It is this kind of competitive tendering that has been implemented in the Norwegian ferry sector. According to Demsetz (1968) the selection of the lowest price bidder should induce both internal and a locative efficiency. Nevertheless, Hervik and Sunde (2000) argue that in practice, tender competitions have usually been limited to induce internal efficiency only. Along all these scientific contentions, it is widely accepted that competitive bidding is a method which can best achieve efficiency, quality improvement, equal treatment and transparency (Soudry 2004).

Since auctions promise some benefits (efficiency, effectiveness, etc.), it makes a lot of sense to undertake evaluations and assess their performance. There are two main grounds commonly used to evaluate auctions; these are the revenue basis and the efficiency basis (Krishna 2002). Under the revenue basis, the auctioneer is more concerned about the auction format that will yield the possible maximum revenue for the object, whereas, under the efficiency basis, an auction is successful if the bidder that ex-post values the item most, actually gets it. In the case of procurement of services, efficiency means that the contract is won by the lowest possible price bidder and the
service is delivered at a high level. It is the efficiency criterion that has been the unit of analysis in several studies undertaken on the competitive tendering in the Norwegian ferry sector.

2.2.4 Auctions and the number of Bidders
The general proposition presented in the auction theory is that, the larger the number of bidders, the higher the competition and therefore, the more it benefits the buyer (Gomez-Lobo and Szymanski 2001). That is to say, there will be lower selling winning bids (or higher buying winning bids) as the number of bidders increases and, vice-versa is true Brannman et al. (1987). Mathisen and Solvoll (2008) note that, when competitive tendering is applied, a profit increasing strategy for a company is to reduce the number of actual competitors in order to capture market power (example, through cross-ownership or mergers) so that bids can be raised and increase producer surplus. In the case of third generation auctions (3G auctions) in Europe, it happened that after the first successful auction in 2000 by the UK government, the next auction was held in Netherlands, due to formation of alliances between the incumbents and the potential new entrants, competition was poor and the Dutch government collected only €2.7 billion far less than £22.5 billion that was collected by UK government Douma and Schreuder (2005). In their study, Gomez-Lobo and Szymanski (2001), have established that a higher number of bids is associated with the lower cost of service. Therefore, the auction theory proclaims that the benefits from an auction, among other things, can also depend on the number of participating bidders. Specifically it is argued that, the higher the number of bidders in an auction, the more likelihood that the buyer will receive lower quoted prices (bids) Waterson (1988); Hensher and Stanley (2008)).

2.3 EMPIRICAL LITERATURE REVIEWS
2.3.1 Studies on Tendering Procedures
Ngobeni (2011) analyzed on tender process in national government in South Africa, according to him, Tendering process is central to national government in South Africa. The goods and services bought by national government in South Africa represent a large amount of public money, and it is very important that national government put in place measure to manage how these goods and services are acquired. The main government acquires goods and services through tender system and the focus of the study was
tendering process in national government in South Africa. The amount of public resources that national government uses in the tendering process is huge and is approximately over 20% of GDP, which has direct implication for service delivery and job creation as well as redressing past discrimination by empowering designated groups of peoples to receive preference in tendering. South Africa is one of the countries with the highest level of corruption rate in the world, of which tender fraud and corruption play a major part. Considering that, the reform of tendering process in national government is therefore inevitable and has to take place. The primary objective of this study is to analyze national government tender system, and identify the tendering problems facing South African national departments. The study further made practical recommendations to National Government, National Treasury, and all the relevant stakeholders relating to the management of tendering process. Data from 355 questionnaires completed by participants, represented 45 national department was collected and analyzed. This study found that national government is facing major challenges in managing of tendering process, and these challenges relate to implementation and adoption of the code of best practice. The most important conclusions drawn from the study are: The department complies with all the above legislation and keep the rules as stipulated in the legislation; There is a need to issue a single national legislative framework in order to enhance uniformity in tendering process; The tendering legislations and its associated regulations are complex and may make it difficult to implement correctly; The department follow all tendering process generic steps at all times; The current evaluation system is not a good system and is biased towards the lowest price bidders; The current tendering practices in government are outdated and inefficient; Tender practitioners are not adequately trained in the application of the tender process and its associated regulations; The departments did not keep a detailed and consistent documentation of all events of the whole tendering procedure at all times; The current tendering practices do not conform to internationally accepted best practices; The department’s tendering function is not carried out in a cost-effective way; and the current tendering system is fair, encourages competition, and has integrity. Practical recommendations are suggested to ensure the effective management of tendering process in national government.
Mwesiumo (2011) argued that, the application of competitive tendering is widely advocated as a means for achieving efficiency and effectiveness in public procurement. Among other things, the success of competitive tendering depends on the structure of the market in which it is implemented. However, since buyers purchasing strategy can influence supplier’s behavior, then, the implementation of competitive tendering is likely to trigger strategic conduct among suppliers. This thesis is devoted to the assessment of the counteractive effect between competitive tendering and structural changes in the Norwegian ferry sector. The study adopted exploratory research design to establish its empirical evidence; and in addition to that, evidence from other scholarly works has been extensively used to supplement our findings. Based on the work done, we conclude that; competitive tendering led to mergers and acquisitions in the Norwegian ferry sector; factors such as market power, economies of scale, creation of synergies and risk diversification were the motives behind mergers and acquisitions in the Norwegian ferry sector; and finally, competitive tendering has led to the reduction in the number of publicly owned companies in the Norwegian ferry sector. Implications of the findings to the theoretical realms, managerial practice and policy making, have been discussed categorically and where appropriate, recommendations have been given to the relevant stakeholders in the sector.

OECD (2007) revealed that virtually all British passenger train services were franchised out over the period 1995-7, and many have now been franchised for a second time, Britain should provide an excellent opportunity to study the impact of franchising passenger rail services. Moreover, since several different franchising models have been tried, there should also be some useful evidence on how best to go about franchising. In practice, however, the turbulent history of the British rail industry over this period makes drawing firm conclusions difficult. At the start, it appeared that franchising was very successful with strong competition for franchises, rapidly rising traffic, rising productivity and falling subsidies. Whilst most of the increase in traffic was due to external factors, the growth appears somewhat faster than would be explained by these factors alone. Despite this, a number of train operating companies got into financial difficulties, particularly in the Regional sector, where franchisees were relying on reduced costs rather than increased revenues to achieve subsidy reductions, and in the short term franchises were renegotiated or replaced with cost-plus contracts pending
refranchising. After the bankruptcy of Rail track not only have the costs and performance of the infrastructure manager severely deteriorated, but there has also been a large rise in the costs of train operating companies. Without a better understanding of the causes of this rise it is hard to form firm conclusions on the success of franchising. One argument is that one of the reasons franchisees found it difficult to achieve the anticipated cost reductions was the degree to which costs had already been driven down in the 1980s. However, costs did start to rise again in the early 1990s and in the early years of franchising substantial savings in costs per train kilometer were achieved, with cost increases only following later. A second suggested explanation for the cost increase is the temporary placing of many Train Operating Companies on management contracts or renegotiation of franchises around 2001. We have found some support for this hypothesis, with our analysis showing that the affected TOCs experienced higher cost growth than other TOCs. A third argument is that the increase in costs in the last few years may have been driven by factors unrelated to the franchising process, and in particular, other aspects of policy such as health and safety legislation, disability discrimination legislation and a general requirement for higher standards. It is hard to be definitive on which of these three effects dominates, but we do have evidence which suggests that the way in which problem franchises were managed may have contributed substantially to the rise in costs after 1999-2000. Our overall conclusion is that passenger rail franchising in Britain may be regarded as a moderate success on the demand side, but that it has failed to achieve its objectives on the cost side. However, it should be noted that the rise in train operating costs in recent years has occurred at a time of considerable disruption, during which many other factors unrelated to franchising policy were changing at the same time. It remains to be seen what the refranchising process will achieve in terms of cost reduction in a more stable environment.

2.3.2 Conceptual Framework

Kombo and Tromp, (2006:49) conceptualize the term conceptual framework as “a tool to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this” (p.49). It should be clearly articulated so as to assist the researcher to come up with meaningful findings. The conceptual framework drawn below depicts that, the effectiveness and efficiency of tendering procedures are the dependent variables whereby corruption, violation of procurement laws and lack of
knowledge on tendering procedures are the independent variables. Therefore the researcher aims at assessing the relationship between the independent variables and the dependent variable in order to enhance effectiveness and efficiency of tendering procedures.

**Figure 2.3 Conceptual Framework**

![Conceptual Framework Diagram]

Source: Researcher’s Designing, 2013
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This section provides the study design, area of study, study population, sampling procedures, and research instruments and discusses data analysis tools. Detailed information on data collection and analysis procedures are provided.

3.2 Research Design.

The research design in this investigation was a case study of one selected district in Dar es Salaam (Ilala Municipal Council). According to Smith (2008), a case study is an intensive, holistic description and analysis of a single instance, phenomena or social unit. It will judge appropriately to gather data from workers, accountants, procurements officers and others personnel in Ilala Municipal Council by means of a quantitative approach and a qualitative approach. The study employed questionnaires, documentary reviews, observation and interviews to gather data. A case study aims at providing an in-depth description of one or a number of cases. Questions in a case study are explanatory and descriptive.

According to Gillham (2000), a case is a unit of human activity embedded in the real world, which can only be studied or understood in the context, which exists in there and now. A case which was used in this study is Ilala district. In this study a researcher explored one entity (one selected district) and collects detailed information by using a variety of data collection procedures such as questionnaires during a sustained period of time.
Also Kothari (2009) defined research design as the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure; it is a conceptual structure within which the research is conducted. In this case study the researcher targeted one selected district. The rationale is to see how the municipal director and other staffs issues tendering in the municipal.

3.3 Research Approach.

A mixed methodology approach was used in this study, comprising qualitative and quantitative research with the qualitative paradigm being dominant.

(Gay & Airasian, 2000) argued that despite the differences between quantitative and qualitative research, the two paradigms should not be considered as oppositional but rather as complementary components of scientific and disciplined inquiry. Sandelowski (2000) contends that, “mixed method research is a dynamic option for expanding scope and improving the analytic power of studies.” Therefore, a mixed methodology research strategy was employed and because the researchers wanted to capture the different facets of the study, which would not have been possible if only one strategy were used.

Babbie (2007) argued that in social science research, triangulation is used to employ the complementary diversity thesis which entails adopting one dominant methodology and borrowing from other methodologies especially at data collection and analysis stage in order to yield the best results. In the best of all worlds, therefore, the selected research design should bring more than one research method to bear on the topic. The qualitative research approach is chosen because it enables accessing an insider’s perspective and
capture social action in fullness in its natural context. The quantitative method was used to convert data into numerical form in order to subject it to statistical analysis. Therefore the researcher of this study decided to use both qualitative and quantitative approach techniques.

3.4 Selection of Sample/Sampling Techniques

The researcher in this study used purposive sampling and random sampling in the selection of respondents in order to get accurate representative samples. Krishna (2002) defines sampling techniques as the process of drawing a sample from a large population. Therefore it is the process of obtaining the number of elements about which one would wish to make inferences. The selection criterion of the sample and the area is due to: Magnitude of the problems. The selected case has attracted attentions of the community as well as other stake holders, parents, governments.

3.5 Sampling of Respondents

3.5.1 Purposive Sampling:

Were employed to select the municipal director, treasury officers and planners for in-depth interviews. A purposive sample is a rich case sample where a researcher chooses a few individuals who he/she considers to be knowledgeable about the issues under study. Meterns (1997) argued that, if used properly, purposive sampling can be powerful tools in research to obtain an in-depth knowledge of the problems. For this study the researcher chooses purposive sampling techniques because he is sure that the participants will be easily reached and also they will willingly participate in the study.
3.5.2 Random Sampling:
In this study random sampling was employed for selection of sample of the municipal, the municipal random sampling will be used to select the number of workers in Ilala municipal, this is because the population of workers, is so large which require random sampling in order to get a representative sample. Random sampling is the sampling in which every item in the universe has an equal chance of inclusion in the sample. Random sampling ensures the law of statistical regularity which states that if on an average the sample chosen is the random one, the sample will have the same composition and characteristics as the universe (Creswell, 2003).

3.5.3 Sample Size:
This involved the selection of respondents who represented the population under study. Sample size involves the selection of a representative unit from a population Cohen and Manion (1995) contended that the researcher endeavors to collect information from a smaller group or subset of the population in such a way that the knowledge gained is representative of the total population under study. Krishna (2002) asserts that a population sample of 30% as being representative enough of the entire population. From that observation the researcher decided to use only ten percent (10%) of the survey population starting with district in the municipals, number of workers in the district.

3.6 Data Collection Methods
3.6.1 Interviews
Kothari (2004) defined Interview as a method of gathering information that involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses.
Interviews help the researcher to collect information that is relevant to the research questions and objectives.

At this stage the researcher started with the municipal director to conduct a semi-structured interview that involved face to face conversations where information were noted down on a notes book, at the same time the information will be recorded in a tape recorder. The researcher was guided with semi-structured interviews in which this part was laid down. The next part of this stage was interviews with the municipal treasury and internal municipal auditor in the selected Municipal Council; the information was recorded through tape recorder and noted in a note book. Interviews were only administered to the municipal director, municipal treasury, internal municipal auditor, the part which the researcher thought to get deeper information through conversations.

The researcher has decided to use these techniques since the methods allow greater depth than in the case with questionnaires, that is, there is direct interaction between the researcher and the respondent. The technique reduces the risk of misinterpretation by respondents, since the researcher have the chance of explaining the purpose of the study and to clarify any queries raised during the interview. The technique also permits the establishments of rapport, confidence and co-operation between the researcher and respondents. This makes it easy for the interviewer to get the information required.

3.6.2 Questionnaires

In this study the questionnaire was used as main instrument for data collection. Saunders et al. (2009) suggests that, the researcher would adopt the questionnaire because it is fast, cheap; it gave the respondents enough time to reflect on the questions. Since each respondent was asked to respond to the same set of questions, it provides an efficient
way of collecting responses from a large sample prior to quantitative analysis. According to Churchill (2004) the questionnaire comprise open-ended questions which allow the interviewees to respond freely to the subject in their own words rather than being limited to choosing from a set of alternatives.

First of all the researcher started with the workers in the municipal in which the questionnaire were distributed and administered, the target groups of workers in the municipal include planners, accountants, human resource officers, lawyers, procurement specialists, economists, engineers and other professionals. The researcher has decided to use open and closed ended questionnaire because this methodology is very wide and informative which allow the researcher to collect appropriate and enough data.

3.6.3 Documentary Reviews

Saunders et al (2009) explained that documents are secondary form of data collected and stored by organizations or governments so as to be used by externals who are interested with those data to use in any relevant area to which can fit, these includes articles, income statements of the organizations, government manuals, reports. Basing on this method, the documents of the company such as Local Purchase Order was utilized.

In this part the documents were reviewed from the municipal where an arrangement were made to visit the municipal director, planners, municipal treasury and other departments. The target documents are meeting minutes, Tendering minutes, this were requested to the municipal director. The researcher has decided to use this methodology since they can be secured quickly and easily, they may cover wider geographical area
and longer references period without much cost, it may broaden the data from which scientific generalization can be made.

3.6.4 Observations

Observational research techniques solely involved the researcher making observations; these were usually flexible and not necessarily need to be structured around a hypothesis. The researcher conducted observation to the area of study to gain an understanding of the activities involved in tender preparation and management. This enabled the researcher to compare the collected data through observation and with that from the respondents through the use of questionnaires, interviews and documentary review.

3.6.5 Ethical consideration

Confidentiality was observed and unauthorized person did not have access to the data collected. Data will only be accessed by the researcher and respondents should participate in the research voluntarily no one will be forced into participation. “Respondents should be protected by keeping the information’s given confidential, especially if confidentiality has been promised” Mugenda & Mugenda (1999).

3.7 Types and Sources of Data.

3.7.1 Types of data.

Data are information, often in the form of facts or figures obtained from experiments or surveys, used as basis for drawing conclusions or making conclusions.
i. Primary data: These are data collected by the researcher himself/herself or by researcher assistants from the field for the purpose of answering a research question/issue.

ii. Secondary data: These are data obtained from literature sources, internet or data provided by other people for some other purpose

3.7.2 Sources of Data.

Both primary and secondary sources of data were employed in this research. The sources for primary data are observation, questionnaire and interview. While secondary sources of data are primary materials/literature sources (information/data which are new at the date of publication), secondary literature sources (data which are not new and original at the date of publication, they belong to someone else rather than the current author), and tertiary literature sources (these sources help the researcher to locate both primary and secondary sources of literature). They are sometimes called literature aids. They include indexes, abstract, catalogues, bibliographies, references, table of contents and various search engines.

3.7.3 Data Processing.

Data processing is the process of preparing the raw data obtained from the field before analysis takes place. The key activities in data processing will be coding, editing, classifying and tabulating the data.

**Editing** is the process of examining the collected data (raw data) to identify errors and omission and to make necessary correction.
**Coding** is the process of assigning numerals or symbols to classes. The classes should be appropriate to the research problem under consideration.

**Classification** is a process of putting responses of the same characteristics into the same group or class.

**Tabulation** is the process of summarizing collected raw data in a table to facilitate computation of various measures during data analysis.

### 3.7.4 Data analysis techniques.

Data analysis refers to the computation of certain measures along with searching of certain relationship that exist among data group. There are both qualitative and quantitative techniques for data analysis. Quantitative techniques are statistical tests which are divided into descriptive statistics and inferential statistics. Descriptive statistics are concerned with developing of certain indices from raw data, while inferential statistics are concerned with processing generalization by running various tests of significance for testing hypotheses in order to draw inferences. Qualitative technique for data analysis is based on the researcher’s impression.

For the purpose of this research, Microsoft Excel and Statistical Package for Social Science (SPSS) computer program was used to analyze the data. Quantitative data collected will be summarized to ensure that they could be in the form suitable for addressing both research questions and the method of analysis used. This will be done while ensuring that original meanings of the statements made by respondents were maintained. The summarized data were then be coded and used for subsequent statistical
analysis. Descriptive statistics was used to summarize the data in frequency tables and percentages. Inferential statistics was used to establish some relationship between customer satisfaction as dependent variable and independent variables like; accessibility of services, reliability, tangibles, communication, competence, security, responsiveness, and response time.
CHAPTER FOUR

4.0 PRESENTATION OF RESEARCH FINDINGS AND DATA ANALYSIS

4.1 Introduction

This chapter presents and interprets the findings that were obtained using questionnaires, interviews, observations and documentary reviews of the case study described in Chapter 3 above. The corresponding interpretations follow each presentation. The results of the study are presented according to the objectives and research questions. The findings in this chapter were also arrived at by analyzing and interpreting the available data using SPSS. All the responses are presented in terms of frequencies and percentages which are displayed in tables. Each question was treated separately. The statistical data from the quantitative part of the questionnaire was then supported by the qualitative data of the study from the questionnaire. The qualitative data was analyzed basing on “Yes, No and Not aware”. A total of thirty (30) questionnaires were distributed to Ilala Municipal Council staff of which twenty seven (27) questionnaires were returned. The response rate for the distributed questionnaires was therefore ninety percent (90%). The chapter starts by presenting the respondents’ profiles of the sample populations focusing on gender, age, educational background and work experience, followed by research objectives. The aim was to reveal the type of population that is affected by tendering procedures in public organizations in Tanzania.

4.2 Respondents’ profile.

The background information of the respondents was considered necessary because the ability of the respondents to give satisfactory information on the study variables may be
affected by their background. This information was about the respondents’ gender, age, educational background, and work experience.

4.2.1 Respondents’ Gender.

Table 4.1, below indicates that 63.3% of the respondents were male and only 36.7% were female. This shows that male were more than female in the field of tendering and procurements in Tanzania.

Table 4.1: Respondents’ Gender.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>19</td>
<td>63.3</td>
<td>63.3</td>
<td>63.3</td>
</tr>
<tr>
<td>Female</td>
<td>11</td>
<td>36.7</td>
<td>36.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: field data 2013

4.2.2 Respondents’ Age.

The ages of the respondents were used in order to establish how the respondents of different age-groups and experiences know tendering procedures and procurement in Ilala Municipal Council. As indicated in Table 4.2 below, sixty seven percent (67.0%) of the respondents in the Municipal Council ranged from 41 to 50 years, followed by sixteen percent (16%) of the respondents who were within the age range of 31 - 40 years. Thirteen percent (13.%) of the respondents were 35 to 40 years of age and seven percent (7.0%) of the respondents were between 20 and 30 years and ten percent (10%) which it was 51 to 60 years of the respondents.
Table 4.2: Respondents’ Age.

<table>
<thead>
<tr>
<th>Number of years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>2</td>
<td>6.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>31-40</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>23.3</td>
</tr>
<tr>
<td>41-50</td>
<td>20</td>
<td>66.7</td>
<td>66.7</td>
<td>90.0</td>
</tr>
<tr>
<td>51-60</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.2.3 Educational background of the respondents

The researcher regarded qualifications of the respondents as important for the study of tendering procedures in Ilala Municipal Council. It was indicated that 10% of the respondents had advanced diploma and doctorate, 53.3% of respondents had University degree and 26.7% of the respondents had master qualification. The researcher tried to make the sample as diverse as possible regarding age and qualifications, in which the researcher tried to expand from advanced diploma, University degree, master and Doctorate (PhD) as indicated in Table 4.3 below. This shows that most of the respondents have University degree in various disciplines. Knowing the respondent’s level of education is important factor in measuring the respondent’s capacity and skills within the organization and his understanding to the study of tendering procedures. The findings implied that, the organization had staffs that are trained and qualified in the area of this study. These results are normal and have been attained in most of the researches conducted in the study of tendering procedures.
Table 4.3 Educational background of the respondents

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Diploma</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Degree</td>
<td>16</td>
<td>53.3</td>
<td>53.3</td>
<td>63.3</td>
</tr>
<tr>
<td>Master</td>
<td>8</td>
<td>26.7</td>
<td>26.7</td>
<td>90.0</td>
</tr>
<tr>
<td>Doctorate (PhD.)</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.2.4 Work experience of the Respondents

Table 4.4, below indicates that a total of 50% of respondents were between 1 and 10 years of experience with the LGA, 23% were between 11 and 20 years of experience, 26.7% were between 21-30 years and above with the national Government in terms of experience. It is clear that about half of the 30 participants have been with the national government for the period of more than 10 years (50%). This indicates that they have got high experiences of dealing with tendering procedures in publics sectors. This implies that majority of respondents have long work experience in procurement using tender processes. From the findings, the researcher could be sure that the respondents are experienced in tendering procedures and provide relevant information required for this study.

According to Nantege (2011), she considered duration at work in current employment as one of the characteristics so as to ascertain the respondents’ experience with the bank operations. From the study, she found out that at large 54.5% of the respondents had worked with the bank for over two years; 27.3% for over a year but less than two years; while 18.2% had worked with the bank for less than a year. On the whole, 81.8% of the
respondents had worked with the bank for more than a year and this provided responses based on a wider knowledge base of the bank operations.

Table 4.4 Work experience of the Respondents

<table>
<thead>
<tr>
<th>Number of years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10</td>
<td>15</td>
<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>11-20</td>
<td>7</td>
<td>23.3</td>
<td>23.3</td>
<td>73.3</td>
</tr>
<tr>
<td>21-30/above</td>
<td>8</td>
<td>26.7</td>
<td>26.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.3 Analysis of Findings.

This section of the study deals with the verification, presentation, analysis and discussion of the research questions of the study. Each question was considered separately. The statistical data from the questionnaire was then supported by the qualitative data of the study from the interviews.

4.3.1: Analysis of general questions of the questionnaire.

4.3.1.1: Procurement Plan in the Organization.

Table 4.5: Response of the Respondents on Procurement Plan in the Organization

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>24</td>
<td>88.9</td>
<td>88.9</td>
<td>88.9</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data 2013
The respondents were asked if they have procurement plan in their organizations and the findings were recorded in table 4.5 above; 88.9% of them indicated that they have procurements plan in their organization while 11.1% of them said they have not had procurements plan in their organization. This implies that most of the organization and institutions have procurements plan in Tanzania. The researcher sees that the problem which mostly affect is on how to implement the procurement plan in many public organization in Tanzania.

Also, the respondents during interview revealed that, most of the organizations have procurements plan, the problems which faces most of the time is the shortage of budget to meet their requirements. This implies that shortage of budget in public organization enforce the worker to involve themselves in corruption scandal. However, the respondents revealed that government procurement processes and decisions have procedures to follow that are enacted in the procurement laws. The Procurement Management Unit do prepare bidding documents or terms of reference that do not favor a particular service provider or supplier/ contractor/ consultant so as intending to hinder competition or restrict some of potential bidders. Therefore, terms and conditions, specifications are fairly prepared and are ambiguity free and allow competition among prosperity bidders and the bid document are approved by the respective Tender Board, or stakeholder representative to ensure that there is fair competition and transparency. Where there are need for clarifications they are distributed to all bidders at right time, time and place for delivering bid document are stated clearly. However, the officers commented that, there were problems but not related to corruption that were being reported which are absence of or non-compliance with the procurement plan, problem in contracts for similar goods that are not packaged but split and the procurement officer do not provide justification for direct contracting or provide fake ones which deviate from standard bidding documents. Also the respondents argued that some technical specifications were weak and do not allow for evaluators to evaluate the contractors quality of performance, bid specifications are narrow or appear tailored; there is restricted advertising or insufficient notice given; the officers provide vague or unclear pre-qualification requirements or insufficiently advertisement.
4.3.1.2: Technical Specialist in Procurement Management Unit.

The response of the respondent on technical specialist as shown in table 4.6 below, revealed that, sixty three percent (63%) of them said that there is no specialist, thirty seven percent (37%) pointed out there is technical specialist in procurement management unit. This indicates that there very few technical specialist in the procurement unit.

Similar responses from the interviews, the respondents revealed that, there very few technical specialist in Ilala Municipal Council as this most of the time affect the Municipal because some time they were forced to use persons who are not specialized in procurement to perform procurements activities. The researcher noted that, most of the workers in Ilala Municipal Council who are dealing with procurements were not procurement specialists some of them were seemed to be accountants and other with low level of education qualification in procurements program.

One of the respondent from Internal Audit Unit during interview reported that: “We don’t have any technical specialist in our procurement unit but in handling procurement of technical items; we normally consult user department and sometimes outside the organization depending on the nature of such technical item”.

According to Myowela et al (2011) extract, she argued that there is a need for procurement experts to have multiple skills in various fields such as law, business administration and technical issues. This can be done through in service training to various academics, attending short courses that can expand their knowledge and skills to handle various procurement such as construction works and consultancy. Furthermore, they stated that amendment of the PPA, 2004 No. 21 Cap. 410 will increase transparency in reaching tender awarding decisions.
Table 4.6 Response of the Respondents on Technical Specialist in Procurement Management Unit

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>10</td>
<td>37.0</td>
<td>37.0</td>
<td>37.0</td>
</tr>
<tr>
<td>No</td>
<td>17</td>
<td>63.0</td>
<td>63.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013.

4.3.1.3: Presence of Tender Board in the Organization.

Table 4.7 Response of the Respondents on the Presence of Tender Board

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>24</td>
<td>88.9</td>
<td>88.9</td>
<td>88.9</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

When the respondents were asked about the presence of tender board in their working place 88.9% of them revealed that there is tender board in their working place while 11.1% of them said there is no tender board in their working place as indicated in table 4.7 above. These indicate that, many public offices have tendering board. The researcher observed that there tender board in Ilala Municipal Council; however it was found that presence of tender board itself does no ensure efficient rather the personnel involved if they were well trained in procurements.
During interviews with the respondents the researcher noted that despite the presence of tender board in Ilala Municipal Council problem of efficiencies and effectiveness remain constant, they were not effective and efficiencies in general. The researcher recommends that the government should ensure that, tender board are well equipped and have trained man power.

One of the respondents from Public Relation Unit during interview reported: “We do have tender Board in our Municipal Council but they are not efficient in general though there are people with different qualifications, most of them are not efficient and they are corrupt, we need specialized personnel’s instead of appointing people according to their positions”.

PPA No.21 of 2004 section 33 states that “Chief Executive of a procurement entity has overall responsibility for the execution of the tendering procedures in the procurement entity” such as establishing a tender board, appointing a member of tender board, establishing PMU staffs, appointing the evaluation team, investigating complaints and ensuring of the implementation of the contract. According to second schedule of composition and appointment of a tender board member, stated that “Chief Executive will appoint a Tender Board Chairman who shall be one of the heads of department or a person of similar standing and he/she will also appoint six members who are heads of department or persons of similar standing within the same procurement entity”.

Public Relations Officer during interview said that there are nine (9) departments which are being served by PMU, among those heads of departments, seven (7) heads of
departments have been appointed by the Chief Executive Officer to be member of Tender Board and chairperson as according to PPA No. 21 as stated.

Malin (2010) Chief Executive Officer has been given overall responsibility for the execution of the tender process in the organization. Chief Executive Officer, occasionally may misuse his/her power and appoint all tender board members or a chairman who serve his/ her interest and cause a big harm to the association. This kind of power given to him/her permits great authority of procurement judgment on which tender should be given to which company or which criterion should be put to favour his /her company or his/her friend firm.

4.3.2: Analysis of the first research objective.

4.3.2.1: Corruption and Tendering Procedure

<table>
<thead>
<tr>
<th>Table 4.8 Response of the Respondents on Corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Not aware</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

As indicated in table 4.8 above; It shows that, about fifty six percent (56.0%) of the respondents said that there is corruption in issuing tender in Ilala Municipal Council, thirty three percent (33.0%) of the respondents said there is no corruption in issuing tender in Ilala Municipal Council the remaining eleven percent (11%) of them said that,
they were not aware of what was been taking place in Ilala Municipal Council. This implies that corruption has grown deep roots in our society.

The same response from the interviewed respondents on the issues of corruption, they indicated that there is serious corruption in procurements and tendering issues in Ilala Municipal Council, this most of the time affected the Municipal which led to the buying of low values goods.

One respondents from Finance and Trade during interviews reported: “We had procurements of furniture last year in our Municipal, what has been bought here is very amazing, the furniture which were brought were of low quality in comparing with the money used to buy. This is the results of corruption and disciplinary actions were taken against those who committed offences.”

The researcher observed that, corruption has been affected Ilala Municipal Council in which most of the procurements officers do claim payment in order to give favor for certain companies.

Thai (2009) argued that, public procurement practitioners have always faced challenges imposed on them by a variety of environment factors including market, legal environment, political environment, organizational environment, socio-economic and other environmental factors.
Public procurement, at the local government level is believed to be one of the principle areas where corruption takes place Baseline Survey (2006). Corruption is disastrous to the proper 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 those Langseth et al (1997).

4.3.2.2: Challenges Respondents Facing in Fighting Corruption.

Table 4.9 Response of Respondents on Challenges of Corruption in Tendering Procedures.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
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<td>77.8</td>
<td>77.8</td>
<td>77.8</td>
</tr>
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<td>No</td>
<td>4</td>
<td>14.8</td>
<td>14.8</td>
<td>92.6</td>
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<tr>
<td>Not aware</td>
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<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2013

When the respondents were asked on the challenges they face on fighting with corruption, 77.8 % of them agreed that they face challenges in fighting with corruption, 14.8 % of them said they do not face any challenges in fighting against corruption and the remaining 7.4 % of them said they were not aware as indicated in 4.9 above.
The response of the respondents on this aspect during interviews indicates that there is serious corruption on issuing tender in public organization.

One respondent from Administration and Personnel department during interview reported that: “It is very difficult to combat corruption in public organization, sometimes they use very advance techniques to bribes, you also need a specialized internal auditor to capture them unless otherwise we will always be crying without capturing them”

The researcher further discovered that, corruption has been grown into deeper roots amongst the stakeholders and workers in Ilala Municipal Council, without corruption and bribery you cannot be given tender to perform any task in the Municipal Council.

OECD, (2007) established similar conclusion that, the phase of contract implementation is less susceptible to regulation if proper tendering procedures are not observed. This is because it can lead to changing of orders, using inferior quality resources, than specified in the procurement contract. Flaws in the technical and managerial administration of the services and goods to be procured can be oppressed. Certification of the execution of the tender may not match with the real services and goods to be procured. The whole procedure in procurement is awfully susceptible to corruption from classification of requirements and plan of tender in which the public officer can make a decision to rule out some important information for a future planned corruption treaty.

Gustavo at el (2009) argued that corruption may also be a major component generating deformed and detrimental competitive tendering outcomes for the purchaser. The basic problem induced by corruption that may lead to awarded a contract to ineffective
organization due to misuse of proper tendering procedures, possibly at a high price in substitute for a bribe. The authors observed that bid preparation, bid orchestration and deformation of quality grading are the three major instruments of corruption in competitive tendering procedures.

4.3.3: Analysis of the second research objective.

4.3.3.1: Understanding of Procurement laws.

The respondents were asked on the presence of procurement laws, the findings were indicated in table 4.10 below and it was revealed that, 66.7% of them said there are procurement laws in public organizations including Ilala Municipal Council, 18.5% of them said there is no procurements law in public organization while 14.8 % of them were not aware of what was been taking place.

The researcher discovered that the law on tendering and procurements are well known to most of the respondents but the problem is on how to implement the law. It is clearly revealed from the respondents during interviews that the laws are clearly known by most of the workers but some of them were doing deliberately to misuse the laws and regulation on their own interest for personal gain.

The Public Procurement Regulatory Authority (PPRA) in Tanzania admits in an EOCD evaluation of the country’s procurement structure in 2006 that, there were no definite skills and knowledge profile on tendering procedures for particular procurement practice (EOCD, 2007).

The EOCD study also discovered failure by several procurement entities to examine simple issues similar to bid validity periods consequently rendering various secured
tenders unacceptable. Several tenders were awarded ahead of the legally acceptable maximum period whereas others had their bid period slashed to less than the legally permissible minimum time.

Table 4.10 Response of Respondents on procurement laws

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>18</td>
<td>66.7</td>
<td>66.7</td>
<td>66.7</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>18.5</td>
<td>18.5</td>
<td>85.2</td>
</tr>
<tr>
<td>Not aware</td>
<td>4</td>
<td>14.8</td>
<td>14.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: field data, 2013

4.3.3.2: Cases Filed at the Court of Law.

When the respondents were asked about cases filed at the court of law, it was found that 55.6% of them said there cases filed at the court of law, 25.9% of them said there is no case filed at the court of law and the remaining 18.5% of them said that they were not aware as it is shown in table 4.11 below. This indicates that, due to the presence of corruption scandal in public procurements that is why there cases filed at the court of law.

Table 4.11 Response of Respondents on Cases Filed at the Court of Law

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
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<td>Yes</td>
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<td>55.6</td>
<td>55.6</td>
<td>55.6</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>25.9</td>
<td>25.9</td>
<td>81.5</td>
</tr>
<tr>
<td>Not aware</td>
<td>5</td>
<td>18.5</td>
<td>18.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: field data, 2013
4.3.4: Analysis of the third research objective.

4.3.4.1: Knowledge on Tendering Procedures.

Table 4.12 Knowledge on Tendering Procedures

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>5</td>
<td>18.5</td>
<td>18.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Not</td>
<td>19</td>
<td>70.4</td>
<td>70.4</td>
<td>88.9</td>
</tr>
<tr>
<td>Not aware</td>
<td>3</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2013

The respondents were asked on the knowledge they have on tendering issues, as indicated in table 4.12 above the results were as; 18.5% of them said they have knowledge on tendering issues while 70.4% of them said that they have no knowledge on tendering issue and 11% of them were seemed to be not aware. This implies that most of the stakeholders were seemed to have little knowledge of tendering and procurements procedures.

The respondents during interviews revealed that the stakeholders do not have enough knowledge on tendering and procurements procedures, they further pointed out that there is little knowledge on procurements issues among the stakeholders that is why most municipal are faced with poor procurements activities and corruption scandal.

One of the respondents from Finance and Trade during interview reported that;

“There is the problem in understanding of procurement procedures in Ilala Municipal Council among the stakeholders this is justified by presence of misuses of law and regulations though sometimes they are doing deliberately”.

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The researcher noted that there is little knowledge among the stake holders in the law and regulation regarding tendering and procurements procedures though sometimes they misuse the law deliberately for personal gains.

Ngobeni (2011) on his study on tender process in national government in South Africa also observed that majority of the participants totally agree that those current tendering practices in government are outdated and inefficient. There is a need to replace the outdated and inefficient tendering practices in government. The current practices have been in existence since 1995. However, he concluded by insisting on all procurement practitioners to be trained so as to have enough knowledge on tendering procedures that enhance effective and efficient procurement of services and goods.

4.3.4.2: Procurement Plan and Cost Estimation.

Table 4.13 below shows that 66.7% of the respondents agreed that there is procurement plan and cost estimation in public organization, 22.2% of the respondents said there is no procurements plan and cost estimation in public organization the remaining 11.1% of the respondents were seemed to be not aware of what was been taking place. The response of the respondents during interviews revealed that procurement plans and cost estimations are there, one thing noted by the respondents was the implementation of the plans and cost estimations.

The researcher observed that, the procurement plan and cost have been estimated but some time there is low implementation of the plan due to the shortage of budget provided by the government.
Ngobeni, (2011) obtained similar results on procurement plan and cost estimation on his study about analysis of the tender process in national government in South Africa. He found out department’s tendering function is carried out in a cost-effective way but the problem is on the implementation of the plans.

Myowela et al (2011) on his study ,observed poor cost estimation which caused by lack of enough knowledge of some budget officer and lack of cost data base, this lead to cancellation of some tender before awarding contract due lack of enough funds to meet the contract price of the project. However, Organization has already incurred cost of paying evaluators, preparation documents, sitting allowance for tender board members, PMU staffs that could be saved when such costs of project could be known before initiating the procurement process.

According to PPA No.21 of 2004 section 34 requires the PMU staff to consist of Procurement specialists and other technical specialists together with the necessary supporting and administrative staff.

Also Myowela et al (2011) observed that most of workers in PMU were procurement specialists which have enormous knowledge on procurement but they lack technical knowledge of other fields like information technology, building works, electrical works .He observed that PMU usually hire staff from other departments such as Information Communication and Technology (ICT) unit, technical audit unit and so forth but
sometimes it not easy to get them because they have been assigned other assignment into their departments.

This brings some of procurement activities to be delayed until the staffs are back.

Therefore, PMU needs to have technical staff that would be attached to it and who would be available when they need them so as to reduce or remove the delay of some procurement activities.

Table 4.13 Response of Respondents on Procurement Plan and Cost Estimation.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
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<td>6</td>
<td>22.2</td>
<td>22.2</td>
<td>22.2</td>
</tr>
<tr>
<td>No</td>
<td>18</td>
<td>66.7</td>
<td>66.7</td>
<td>88.9</td>
</tr>
<tr>
<td>Not aware</td>
<td>3</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.3.4.3: Flexibility of PPA No.21 of 2004 to provide enough transparency.

Table 4.14 Response of Respondents on PPA No. 21 of 2004.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
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<td>Yes</td>
<td>19</td>
<td>70.4</td>
<td>70.4</td>
<td>70.4</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>18.5</td>
<td>18.5</td>
<td>88.9</td>
</tr>
<tr>
<td>Not aware</td>
<td>3</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2013
The respondent responded that, 70.4% of them were aware about PPA No.21 of 2004, 18.5% of the respondent said the PPA No.21 of 2004 is not flexible enough to provide transparency the remaining 11.1% of the respondents were seemed to be not aware of what was been taking place about PPA No. 21 of 2004. This implies that the majority were aware about PPA No.21 of 2004.

One of the respondents from Finance and Trade during interview reported that;

“**PPA No.21 of 2004 requires general procurement note to be publicized and other tenders depending on the procurement method, evaluation to be done in a more transparent manner and to publicize award of tender and encourages equal participation in tender processes**”

A respondent from PMU staffs during interview raised complaints about inflexibility of PPA.No.21 of 2004 and said that “some of the procedures for purchasing small items take a long time to be acquired and there are of processes needed to be followed before you get it compared to private procurement which is straight and efficient.

They proceeded that, the process of Consulting firms are very awkward and it has to begin with expression of interest, issuing of request for proposal, technical evaluation of proposals, then, it goes to financial evaluation of proposals, negotiations on key issues observed and thereafter, issuing of award and finally the process goes back and forth to seek Tender Board approvals.

Therefore, there is a need to amend the PPA.No.21 of 2004 so as to accommodate some of the sections which make it to be inflexible and allow the procurement officers to use their skills and knowledge of strategic procurement which is no longer used now because of these procedures and regulation that can assist the organization to achieve value for money.
CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a brief overview of the study; highlighting major findings to draw conclusion and make recommendation. The chapter is organized in four parts. The first part presents an introduction, summary (the second part focuses on conclusion and recommendations), the third part covers the conclusion of the study, the fourth part gives the recommendations of the study and finally (fifth part), area for further study.

5.2 Summary

This chapter outlines the conclusions and recommendations relating to the findings of Chapter four. Conclusions are made based on the findings of the study that forms part of the research results. The recommendations offered is a result of conclusions drawn in the research. This chapter aims to provide an advisory framework for Municipal Council assist in managing the tender process. Furthermore, the framework can be applied to assist national government to formulate their strategies in combating tender fraud and corruption.

5.3 Conclusion

The main focus of the study was to assess the effectiveness and efficiencies on tendering procedures in Ilala Municipal Council. Based on the above, data were collected from Ilala Municipal Council employees chosen from various departments such as Administration and Personnel, Finance and Trade, Health, Primary Education and Culture, Development and Social Welfare, Secondary Education, Solid Waste
Management, Works and Water, Settlements, Land and Environmental Protection and thirty (30) workers participated in the study in which three (3) of them were interviewees. The interviews, questionnaires and focus observations were developed and administered. Frequencies were used and percentage values were drawn, through the SPSS.

Based on the first objective about how corruption hinders effective tendering and procurements procedures in Ilala Municipal Council. The findings indicate that corruption is the serious problems in Ilala Municipal Council which affect tendering and procurements procedures, corruption led to the buying of less valuables goods, construction of low standard infrastructure and theft. The same was revealed that corruption led to the provision of tender to people and companies with low ability to perform the task. The researcher noted that despite the presence of law, by-law and policy in Ilala Municipal Council there is poor implementation to make them effective and efficiency.

The second objective is the level of understanding of procurement laws by the procurement practitioners. The findings indicate that the procurement practitioners understand properly the procurement laws. However, most of them either deliberately or unwillingly they found themselves into corruption fraud. As a result, it is difficult for tendering and procurement procedures to be effective and efficiency in the Municipal. In this case it is better for the government to ensure that the laws and policies are well stipulated, well provided and well supervised in order to have efficiency procurement activities in the Municipal.
Third objective was the knowledge do procurement stakeholders have on tendering procedures, the findings indicate that, most of the stakeholders have little knowledge on tendering and procurements procedures in Municipal Council. The study recommends that the government and other stakeholders should ensure that civic education is well provided to all stakeholders. One of the observations made by the researcher was the lack of knowledge and team work among the workers and their tender board. The researcher saw this as lack of collaboration and team work among the workers and other stakeholders.

5.4 Recommendations

Accounting Officers as head of the department should review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management’s investigation and follow up (including disciplinary action) of any instances of non-compliance; review the findings of any examinations by regulatory agencies and any auditor observations related to tendering process; and obtain regular updates from department’s legal counsel regarding compliance matter related to tendering process.

Accounting officers should, whilst setting standards and assigning responsibilities, promote the development of a tendering process management system that conforms to all regulations or directives as might be applicable.

Bids should only be evaluated in terms of the criteria stipulated in the bidding documents. Amending the evaluation criteria after closure of the bids should not be allowed, as this would jeopardize the fairness of the system. Points scored for price must
be added to points scored for goals and the contract is usually awarded to the bidder who scores the highest points.

Instead of being biased towards the lowest price, selection criteria should include quality, time, delivery, service, flexibility, financial status, capabilities, ethics, and social responsibility. And adequate influence should be placed. The procurement and provisioning procedures in government are overly rule driven, where value for money is almost always equated to the lowest price tendered. The emphasis is almost exclusively focused on the monitoring of inputs, with little or no regard to the outcomes of tendering processes.

Municipal Treasury should seriously investigate the need to prescribe minimum norms and standards to promote uniformity in bid documentation, advertising, receipt and adjudication procedures. National government should allow the tendering process to take place swiftly because this can significantly reduce transactions costs and avoid the tendency for public tender procedure to become complex and slow.

Local Government Authority should replace the current outdated tendering practices in government with a tendering process management function and a systematic competitive procedure as an integral part of financial management in government that conforms to internationally accepted best practice principles.

The introduction of an integrated tendering function should address the division between the current outdated tendering processes in government that cause the present system to be inefficient in its method of procurement. And where there is there a need for
international sourcing, and the departments should notify international community and local suppliers of opportunity to bid for specific contracts.

It is clear from the responses that the current tender process activities are executed almost as unrelated processes, where there is little or no linkage to budgetary planning. As result the study recommend that both budgetary and tender process should interface in order to avoid unauthorized expenditure and delay in tendering of goods. It is also very important that department should have full details of all tendering process. This includes keeping a record of all documentations for period of five years or more.

Electronic record management can also assist to improve the situation. It is the responsibility of every accounting officer to ensure that their tender process management personnel are adequately trained.

The Municipal Treasury should however provide support by facilitating the development of appropriate training material in conjunction with training service providers.

As for implementation, the study recommend to department and accounting officers to work out the detailed implementation plan. In tendering system, all parties should be required to comply with the highest ethical standards to promote mutual trust and respect; and an environment where business can be conducted in a fair and reasonable manner and with integrity. Municipal Council in dealing with suppliers and potential suppliers, should, be fair, efficient, firm and courteous at all times. All prospective bidders should be provided the same information and should be assured of equal opportunities to obtain additional information on a timely basis.
Municipal Councils in dealing with suppliers and potential suppliers, should, preserve the highest standards of honesty, integrity, impartiality and objectivity. In tendering process management, all parties are required to comply with the highest ethical standards to promote mutual trust and respect; and an environment where business can be conducted in a fair and reasonable manner and with integrity.

To strengthen the level of understanding of procurement practitioners on procurement laws and evaluating the level of knowledge/skills of procurement stakeholders on tendering procedures, management team should ensure that the procurement policies are easily accessed by the staff so that they are appropriately guided through the process.

The procurement policies should be reviewed periodically by independent personnel from those who directly participate in the procurement process.

The Municipal Councils should also work with reliable suppliers whose delivery schedules are realistic and within the Municipal’s requirements. This will minimize emergency purchases that are normally expensive and therefore negatively impact on the performance of the Municipal Councils.

The Municipal Councils should also undertake to have prequalified suppliers so that the procurement process is shortened for routine purchases and this too, will help establish long term relationships with the suppliers and thereby, better bargaining power.

Procurement experts to have multiple skills in various fields such as law, business administration, and technical issues. This can be done through in service training to
various academics, attending short courses that can expand their knowledge and skills to handle various procurement such as construction works, consultancy.

To educate user department on important of procurement plan, term of reference, specification and good flow of information so that they need to inform PMU when they cancel their item to be procured as soon as possible so as to avoid procurement process cost such advertisement cost, printing cost, and allowance for staffs.

Also, there is a need to amend the Public Procurement Act No.21 of 2004 so as to address the following issues:

i. Domination power of Accounting Officer or Chief Executive Officer can be reduced or removed by establishing formal procedure of appointment of Tender Board Members;

ii. Reviewing system by removing Accounting Officer and Public Procurement Regulatory Authority, and establish independent review committee in every regional of Tanzania which will work with Public Procurement Appeal Authority and reduce the time that will take to get right;

iii. Amending the PPA.No.21 of 2004 by allowing stakeholder to participate in procurement process free and increasing transparency in reaching tender awarding decision by allowing stakeholders to see the evaluation report before awarded the contract and also allow them to see the contract document;

iv. Allowing the Legal officer to ratify the contract to the certain limit and beyond that limit may be needed to send to State Attorney , this will speed up procurement processes so as to avoid delay which caused by repetition of the ratification process;


v. Evaluation report to be made available to the public days before awarding of the given tender and also procurement contracts to be available to the public to see it when they need it.

Therefore, if the government will amend the Public procurement Act No.21 of 2004 and accommodate the above recommendation, it will help to improve efficiency and effectiveness of public procurement process and achieve value for money on its procurements.

5.5 Suggestions for further research

The study was limited to three attributes of tendering procedures management and few variables of performance measures. There is a need for future research to replicate the findings employing multidisciplinary measures of tendering procedures performance and wider coverage of procurement management and also applying it to different populations.
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The Public Procurement Act No. 21 of 2004 (PPA, 2004)
This questionnaire aims at collecting information and data concerning a research titled ‘Tendering Procedures in Public Sector: The Case of Ilala Municipal Council’” This questionnaire provides you a chance to explain your involvement in the procurement process and the way it is practiced in Tanzania public sector for achievement of value for money.

The research is conducted as the partial fulfillment for the requirement of Masters of Science in Procurement and Supply Chain Management. Therefore all information which will be gathered will be treated for academic purposes only and not otherwise.

**PERSONAL PROFILE**

1.1 Name..................................................................................................................

1.2 Professional qualification......................................................................................

1.3 Age range ...........................................................................................................

1.4 Level of Education ..............................................................................................

1.5 Work experience..................................................................................................

**SECTION ONE: GENERAL QUESTIONS.**

1. Do you have a Procurement Plan?

   Yes

   No

   Not aware
2. Do you have a technical specialist in your procurement management unit?

Yes
No
Not aware

If you don’t have then how do you handle procurement of technical items?

3. Do you have a tender board?

Yes
No
Not aware

If yes, how are members of the tender board appointed?

SECTION TWO: CORRUPTION IN TENDERING PROCEDURES.

4. Are there any corruption indications in tendering procedures?

Yes
No
Not aware

If yes how does corruption hinder effectiveness and efficiency of tendering procedures in Tanzania Local Government Authority?

5. Do you think corruption is among the challenges in tendering procedures?

Yes
No
Not aware
If no, what are the other challenges facing/affecting tendering procedures?

SECTION THREE: UNDERSTANDING OF PROCUREMENT LAWS.

6. Are there any violations of procurement laws?
   Yes
   No
   Not aware
   If yes; do procurement practitioners understand well the procurement laws?

7. Are there any cases filed at the court of law due to problem of procurement laws violation?
   Yes
   No
   Not aware
   If yes, how does it affect the procurement procedures in tendering?

SECTION FOUR: KNOWLEDGE/SKILLS ON TENDERING PROCEDURES.

8. Do procurement stakeholders have enough knowledge/skills on tendering procedures?
   Yes
   No
   Not aware
   If yes, how effective are they in tendering procedures?
9. Do all user departments effective and efficient in procurement plan and cost estimation?

Yes  
No  
Not aware 

If yes, why are they not effective and efficient in procurement plan and cost estimation?

10. Do you think that the PPA No. 21 of 2004 is flexible and provide enough transparent?

Yes  
No  
Not aware 

If no, explain? If yes explain?
APPENDIX: II

INTERVIEW GUIDE

This interview guide aims at collecting information and data concerning a research titled ‘Tendering Procedures in Public Sector: The Case of Ilala Municipal Council’ This interview guide provides you a chance to explain your involvement in the procurement process and the way it is practiced in Tanzania public sector for achievement of value for money. The research is conducted as the partial fulfillment for the requirement of Masters of Science in Procurement and Supply Chain Management. Therefore all information which will be gathered will be treated for academic purposes only and not otherwise.

PART A: Personal Profile

(a) Name………………………………………………………………………………

(b) Professional qualification……………………………………………………

(c) Department……………………………………………………………………

(d) Academic qualification………………………………………………

(e) Work experience…………………………………………………………

(f) Age range……………………………………………………………………

Questions

1. Do you have Procurement Plan?

2. Do you have technical specialist in your procurement management unit and if you don’t have then how do you handle procurement of technical items?

3. Do you have a tender board? If yes, how do members of tender board are being appointed

4. Is there any formal procedure for appointment of tender board members and a chairman?

5. How does corruption hinder effective and efficient tendering procedures in Tanzania Local Government Authority?
6. Are there any corruption indicators in tendering procedures?
7. Do procurement practitioners understand well procurement laws?
8. Why there are lots of violations of procurement laws?
9. Do procurement stakeholders have enough knowledge on tendering procedures?
10. Do you think that all user departments have enough knowledge on procurement plan and cost estimation?