EVALUATION OF PUBLIC PROCUREMENT AND PERFORMANCE IN TANZANIA
THE CASE OF SONGEA MUNICIPAL COUNCIL
EVALUATION OF PUBLIC PROCUREMENT AND PERFORMANCE IN TANZANIA
THE CASE OF SONGEA MUNICIPAL COUNCIL

By
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A Dissertation Submitted to Mzumbe University, Dar es Salaam Campus College in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Science in Procurement and Supply Chain Management (PSCM) of Mzumbe University.

2014
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Evaluation of Public Procurement and Performance in Tanzania** in partial fulfillment of the requirement for the Masters of Procurement and Supply Chain Management (PSCM) of Mzumbe University.

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ACKNOWLEDGEMENT

My first and foremost thanks go to the Almighty God for giving me the strength, courage to pursue my studies and conducting this research study.

My sincere gratitude goes to my Supervisor, Ms Marialauda Goyayi who guided me from proposal writing up to the final report writing of this project report. Her criticism, invaluable patience, intellectual guidance and support helped me not only to accomplish this study, but also to come up with the expected standards.

Furthermore, my thanks also go to all those who have contributed to this research in one way or another, my thanks go to all respondents and members of staff of Songea Municipal Council, Suppliers from Songea Municipality and all who participated in this study as respondents, and all those who in one way or another contributed to the success of the study.

Last but one, my thanks go to my parents who have contributed financially and mentally advice my fellow students for supporting me morally and spiritually during the whole period of my studies and during the research study from the beginning to the end of the study.

Lastly my thanks go to my husband who supported hand in hand financially, mentally as well as time together with my son in their patience during the whole period of the study. Their encouragement, advice and support enabled me to put in effort which enabled me to conclude the study successfully.
DEDICATION

I dedicate this dissertation to my lovely husband Lieutenant Mdumah Emanuel A, my lovely parents, Mr & Mrs Edwin Mgani, my son Ezekiel Mdumah, my sister Beatrice and my brother David.
LIST OF ABBREVIATIONS

CPAR - Country Procurement Assessment Report
GNP - Gross National Product
GPA - Agreement on Government Procurement
NBMM - National Board for Material Management
P2P - Procure 2 Pay
PMU - Procurement Management Unit
PPA - Public Procurement Act
PPRA - Public Procurement Regulatory Authority
TANESCO - Tanzania Electricity Supply Company.
USA - United State of America
WTO - World Trade Organization
EGP - Electronic Government Procurement
ABSTRACT

This study examined the evaluation of the public process and performance in Tanzania. The study looked at the contributions of public procurement as directed by world bank and other donors, perception of people in procurement process, the limitations faced by organization in manual procurement process, and the challenges faced by Procurement Unit Management (PMU) and suppliers.

The Public Procurement Regulatory Authority (PPRA) is a regulatory body established under the Public Procurement Act CAP 410 as repealed by the Public Procurement Act No.7 of 2011. The Authority is charged with regulatory functions and vested with oversight powers and responsibilities on all public procurement activities carried by all public bodies in the mainland Tanzania.

The objectives of PPRA are to ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices; set standards for the public procurement systems in United Republic of Tanzania; monitor compliance of procuring entities and build, in collaboration with Public Procurement Policy Division and other relevant professional bodies, procurement capacity in the United Republic.

Data were collected through questionnaires and interviews with 16 respondents. Data were analyzed and inference was drawn using the Microsoft Excel and presented through table and charts.

Regarding the public procurement process the government has to put extra effort on insisting the use of government funds through well planned procurement budget so as to be parallel to the public procurement process finally to get good performance in procurement of items, services and works.
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CHAPTER ONE

PROBLEM SETTING

1.1 Introduction
This chapter provides an overview of public procurement process and performance in Tanzania. The problem is stated with the objectives of the study and research questions, that when answered, they provide solutions to research objectives.

1.2 Background
Public procurement is an important function of any government. The magnitude of procurement outlays has a great impact on the economy and needs to be well managed. It has been estimated that financial activities of government procurement in most countries in the world are of the order of 10% – 30% of GNP (Calendar & Mathews, 2000). Public Procurement devotes significant resources and time, to ensure the processes and the procedures are sound, transparent, shared and followed.

Public Procurement in Tanzania is governed by the Public Procurement Act of 2001 (PPA). The PPA is applicable to all procurement financed by Public Funds, however Local Government procurement is regulated by the Local Government Finance Act 1982. The Act sets out a Public Procurement System which aims to ensure that procurement is conducted in a fair open, transparent, accountable and competitive manner, to contribute towards the creation of sound economic climate in Tanzania, and to increase participation by the Tanzania Private Sector.

Successive review of the public procurement regimes reveal substantial inefficiencies, corruption and lack of transparency in the procurement processes of governmental agencies as a results of unclear legal framework, lack of harmonized procedures and regulations and unclear institutional and organizational arrangement required in the management of the public procurement process. It lacked capacity development of procurement practitioners and career path for them in the Public and Civil Service. This led to non-achievement for value for money in government and
donor financed procurements. It became clear therefore that, there was the need to critically examine the processes and procedures of public sector procurement to ensure operational efficiency and institutional capacity to address procurement issues.

Procurement function is important part of doing business in today’s competitive environment. As a result of this development purchasing function has now moved from product-centred to a performance-centred. This trend has called for the process to be evaluated in order to achieve the performance-centeredness in the public sector (Wan Lu, 2007). With this realization, many public sector institutions and for that matter governments in many countries have invested substantial funds to restructure public sector purchasing or procurement processes to improve performance in terms of quality services and savings.

Most of the Organizations in Tanzania did not have proper procurement practices. This came into practice due to force from word bank, IMF and other aid providers. Most of the time the awarded contract worked contrary to the intension simply corruption has played part no other way round to reject the goods or works. According to joint Country Procurement Assessment Report (CPAR 2003) by the World Bank and government of Tanzania, it is estimated that at the national level about 20 percent of the government expenditure on procurement is lost through fraud, theft and corruption, mainly through bribery, kick back, nepotism and fake investment that have to be written off.

Procurement process in public sector (central and local government, government institutions, government agencies and parastatal organizations) found to be encompassed by complains from various stakeholders such delay in procurements process, wrong items delivery, low quality services and general stakeholders’ dissatisfaction over the public process. These complains were symptoms of a deficient process despite of public procurement process being governed by procurement laws and regulations, regulated by Regulatory Authority (PPRA) and standardized by National Board for Material Management(NBMM) thus the gap was
found to exist between what expected and what actually is achieved by the procurement series of activities.

1.3 Statement of the Problem
The current public sector purchasing processes are not yielding the desired results in terms of meeting operational requirements of public sector institutions on time as a result of the bureaucratic nature of the processes involved and impacts negatively on purchasing performance.

The procurement function has not been given the recognition it deserves in developing countries, in most public entities, regardless of the effort by the partners like the World Bank, the International Trade Organization, the United Nations Conference on Trade and Development, the World Trade Organization and, others. This could be deliberate or sheer ignorance on the value the procurement function could contribute to any organization (Telgen, Zomer, & de Boer, 1997).

However it is necessary to evaluate the procurement process to find out what factors in procurement process hinders performance to work in accordance with stakeholders’ expectations. Hence the study aimed to evaluate the public procurement process and its performance.

1.4 Research Objectives
Generally the study aim is to determine factor that hinder proper performance of public procurement process and to find out and suggesting collective measures to improve the process.

In addressing this, three specific objectives were investigated.

(i) To assess the public sector procurement process.
(ii) To identify reasons for delay in public procurement process
(iii) To determine the challenges faced by public sector with regards with procurement process.
1.4.1 Research Questions
The main research question that guided this study were, “How does public procurement process hinder the proper performance of public procurement?” from it three specific questions were investigated those were:

(i) What is the public sector procurement process?
(ii) What are challenges facing public sector with regards to purchasing process?
(iii) What are the reasons for delay in public procurement process?

1.5 Scope
The research aimed at studying into procurement processes and performance in the public sector in Tanzania; this is to give adequate grounds for generalization of the research findings but due to limited time frame the research. The study limited to Songea municipal and also this research identify the key purchasing processes and methods that will help public sector institutions to obtain their material requirements on time and improve upon purchasing performance.

1.6 Significance of the Study
This research assisted in developing theoretical framework to provide a reference source for academic purposes for students, lecturers and other researchers who may conduct future research on procurement processes and performance. Furthermore, the study findings shed some eight to case study institutions and other organizations on as number of issues that they can improve on in relation to purchasing process and performance.

Internal and external customers of purchasing will be familiar with the procurement processes for effective collaboration in meeting material requirements of the institution.

Lastly, it is expected that this study would complement the efforts of government and policy makers in reviving procurement process to bring better operation of the whole process in any future decision and also contribute to the body of knowledge.
1.7 Limitations of the Study

In doing this study the researcher encountered some problems for example financial limitation, confidentiality of data and lack of cooperation.

Finance as a limiting factor to obtain good results in research the researcher overcame this limitation by spending very short time to acquire the information. Only those prominent persons were interviewed with very critical questions and unnecessary questions were avoided. Mostly official data are confident to the extent that officers tend to hide them from the guests. The researcher created friendship to make the respondents trustful and cooperative to research questions. The friendship was made with some officers hence thence they convinced other officers to respond positively.

As respondents were so busy with their business they lacked cooperation to respond on the questionnaires. However, critical follow up was made even after working in order the researcher to find the desired result in the limited time.

1.8 Organization of the Study

This study comprise of three chapters. Chapter One provides an overview of the research, including the need for this research, its scope, its limitations and, and significance. A part from that, it discusses the specific objectives of the research project, along with research questions and propositions supporting the research objectives. Chapter Two is literature review which discusses conceptual definitions, theoretical review, empirical review and conceptual framework. Chapter Three presents the method employed such as research design, sample size and techniques, types of data and data collection techniques. It also describes data analysis, validity and reliability. Chapter four presents data analysis, findings and discussions. Finally, chapter five presents summary of findings, conclusion, and recommendations.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter provides a survey on related literature regarding issues of procurement process in public sector with special references from Songea municipal which explain about public procurement process from theoretical and empirical review, research gap and conceptual framework.

2.2 Conceptual Definitions
Procurement process is a cycle or chain that shows the activities that procurement goes through in obtaining a given need for operational and strategic purpose. Wan Lu (2007) argues that process consists of flow chart and blue print to describe a process in pictures using symbols with arrow lines connecting each operational step.

The work of Ngimudzi (2006) provides a well known definition of procurement objectives: to purchase the right quality of materials or services, at the right time, In the right quantity from the right source and the right price. A strong public procurement management becomes a tool for achieving political, economic and social goals especially in this era of diminishing resources and increased demand for accountability and transparency in public procurement by its stakeholders. Ethics and fair dealing have an important role to achieve value for money.

Definition of the overall purchasing task is “to obtain materials, goods and services at the right quality, in the right quantity from the right source delivered to the right place at the right time at the right price, to achieve an organizational objective. Public Procurement, according to the Public Procurement Act, 2003 (Act 663), of Ghana is ‘the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract’ (PPA Module, 2007). In other words, Public Procurement is the process by
which organizations acquire goods, works and services using public funds. It is a comprehensive process that runs from proper procurement planning, budget allocation, bids invitation, bids evaluation, award of contract, contract management, performance measurement, monitoring, auditing and reporting.

Also Mahatane (2009) past researcher has tried to explain how procurement has become an integral of corporate performance and drawing increased attention from senior management. Effective and proficient procurement processes can yield good performance for purchasing in the public sector institutions in terms of lead time reduction, savings and high quality of goods and continuity of supply, stakeholders satisfactions and profit growth of public institutions in Tanzania. In spite of above benefits some public sector institutions in Tanzania are facing challenges with existing purchasing processes.

According to the US Department of states 2013, companies should be aware that bureaucratic procedures for licenses and permits in Tanzania are burdensome and time-consuming. This environment can potentially trigger corruption, with business people paying bribes to public officials in return for expected processing.

In the world economic forum’s Global competitiveness reports 2013-2014, companies rank Tanzania government bureaucracy among the biggest obstacles for their business operations. Business inspections conducted by the government officials create potential corruption risks. Global integrity 2010 reports that, in practice, business inspections by the government officials to ensure public health, and safety standards are usually carried out in an arbitrary and ad hoc manner and bribes are often paid by companies in return for favourable treatment or expedited processing.

2.3 Nature of Public Procurement
As there was no comprehensive legal regime and a central body with the responsibility to harmonize procurement process in the country, more and more sector ministries such as the Ministry of Health and other ministries have decided to
implement their own procurement system. World Bank Procurement Guidelines were also used for World Bank projects (World Bank, 1995/1997). Traditional procurement methods were used for public works with provisions for compulsory registration and classification of suppliers and contractors administered by the Ministry of Water Resources, Works and Housing.

Contractors classified by the Ministry of Water Resources, Works and Housing were too general and outdated and their registration criterion—contractors lists and monetary thresholds—were not regularly rationalized as indicated by the World Bank (1996) and Eyiah and Cook, (2003). Since 1999, the Ministry of Finance has been working on the development of a national Procurement Code using the achievements in procurement at the Ministry of Health as an example to largely regulate procurement through the issuance of circulars.

This complements a set of procedures that evolve from conventions that are connected with procurement control by the Ministry. Major or complex contracts that were financed by the government through architectural consultancy services and project supervision were assigned to the Architectural and Engineering Services Limited (AESL) on single basis without recourse to fair competition (World Bank 1996).

These uncoordinated and unregulated systems of procurement were the consequences of poor procurement situation leading to the much acclaimed reform of public procurement practices to instill trust and confidence in the public and the donor community.

2.4 Professionalism
Professionalism is the discipline whereby educated, experienced and responsible Procurement officers make informed decisions regarding procurement operations. It is in the recognition of this fact that the Public Procurement Authority focuses its resources on the training, professional development, promotion and support for
individuals that are engaged in public procurement to ensure adherence to professional and ethical standards.

To achieve this, the Authority developed a Capacity Development Policy Paper which aimed at ensuring that Each Procurement Entity has a functional Procurement Unit that is managed by personnel who have the requisite procurement training, competencies, and adhere to agreed code of ethics.

Personnel in the Procurement Units in the public service have career paths in procurement and given opportunities to gain professional procurement qualifications. Establishment of a Procurement Professionals Association

2.5 Theoretical Review
Procurement process in public sector (central and local government, government institutions, government agencies and parastatal organizations) found to be encompassed by complains from various stakeholders such delay in procurements process, wrong items delivery, low quality services and general stakeholders’ dissatisfaction over the public process. These complains are symptoms of a deficient process despite of public procurement process being governed by procurement laws and regulations, regulated by Regulatory Authority (PPRA) and standardized by National Board for Material Management(NBMM) thus the gap found to exist between what expected and what actually is achieved by the procurement series of activities.(Country Procurement Assessment Report 2003)

From above we can see the key variables are public sector procurement process, procurement process delay and procurement process challenges affect performance of public procurement. Happens at Songea Municipal Council users complain delay in procurement process, the needs are procured and distributed out of time. Some items are delivered wrongly in terms of quantity and quality due to failure to provide specifications or sometimes the intention of the supplier so as to avoid costs and earn more profit sometimes happens due to the selection of supplier who does not deserve just because of interruption of politics as a result user’s dissatisfaction. Inefficient
public procurement process encourages corruption and malpractices. Thus the performance of public procurement becomes low. To avoid the complaints the procurement management unit follows the public procurement procedures in sensitive items no matter how the politicians and other top leaders say because if the issue raises they responsible for the current problem and not those leaders.

Agency theory attempts to describe the agency relationship, in which one party (the principal) delegates work to another party (the agent), who performs that work (Eisenhardt, 1989). Two problems can arise in such relationships, the desires and goals of the principal and agent can conflict, and it is difficult for the principal to verify what the agent actually is doing. Principal–agent researchers are concerned with a general theory of the principal-agent relationship, a theory that can be applied to employer-employee, buyer-supplier and other agency relationships. Agency theory is most relevant in situations in which contracting problems are difficult. These include situations in which there is a substantial goal conflict between principals and agents and sufficient outcome uncertainty to trigger the risk implications of the theory (Eisenhardt, 1989).

This may be more the case with procurement in the private sector, where there are fewer regulations than in the public sector, and where tendering is not required. Private businesses are free to have long term relationships with software developers and consulting firms. Jones (1995) suggests that long term relationships with vendors may in the long run lead to higher effectiveness, due to the stability of the relationship being dependent on controlling goal conflicts.

The variables are public sector procurement process, procurement delay and procurement process challenges guides the performance of public procurement. From the above theory we can see the performance can be lower due the wrong information given from principal to agent. Sometimes is found that the principal is given right specification and order from the procurement office but in delegation he/she provides wrong information. If the agent is in conflict with the principal may be last work the agent given low amount of money from the principal, he
(agent) may work under low quality so as to compensate his lost money. The strength of this theory helps the principal to work accordingly to what he knows and delegate the rest to others who are in profession of that.

2.6 Empirical Study
The researcher discussed on the public procurement in Tanzania as it governed by the public procurement Act of 2004 and its regulations 2005. Operation process stages on how do they work so as to fulfil the procurement process. The use of E-procurement seen to be easier way to reduce bureaucratic appears in manual procurement process together with there are challenges facing public procurement in Tanzania compared to other countries. Also we can see how is procurement process, efficiency, effectiveness and performance work.

2.6.1 Public Procurement in Tanzania
Public procurement in Tanzania is governed by the Public Procurement Act and its Regulations. The Acts gives legal framework for carrying out procurement using public funds. The underlying principle is to obtain competitive prices through open competition process which is transparent and non-discriminatory amongst bidders.

Public procurement functions in Tanzania are tasked to the Procurement Management Unit (PMU). Therefore the PMU ensures that their internal customers (user departments/ units) are satisfied and their operations are being run efficiently.

Public sector procurement process has a similar phase which starts with the identification of operational requirements which are determined and specified by the user which are subsequently consolidated as a composite requirement for the procurement of annual procurement plan which according to the procurement Act of 2005 is mandatory for every public sector institution to have. The approach is decided; including consideration such as whether to produce the product(s) in house or source them externally. The goods work or services may be available under existing framework contract. Decision taken on funding the applicable procurement rules and the method of procurement, which should be used (e.g open or restricted tendering, request for quotations or proposals single source, etc.).
2.6.2 Procurement Process

The stages differ according to the nature of procurement and the individual organization in question. Means that, if the product was straight re-buy, modified re-buy and new task all together determine the stages that involved or chosen in obtaining that particular need(s) from an identified and evaluated source. Emmett and Crocker (2008; p 4) suggested that procurement or procurement process has ten stages from need identification to payment of respective procurement. This is because most organization combines some stage as one in the process to reduce the lead time and other administrative cost. For instance, some organizations or corporate institutions join the expediting and evaluating as one stage. Based on these facts, there is no unique number of stages of the procurement process. Most writers in this discipline are all in agreement of the fact that, some of the stages will not feature in every procurement activity some of these stages will be taken out if the order is a repeated order.

For example, source, identification and selection omitted if these source have be prequalified initially to assess their capabilities as is been done in some public sector institutions. (Lyson and Gillingham 2003) and (Weele, 2010) introduced a modern way of conducting procurement activity by the use of electronic means (e-procurement). They suggested that, the long process can be shortened through the use of electronic procurement.

PPA(2004) procurement process means a successive stages in the procurement circle, including planning, choice of procedures, measures of solicit offers from renderers’ examination and evaluation of those offers, award of contracts and contract management.

2.6.3 E-procurement: Benefits and Challenges

Process efficiency and process integration capabilities of a procurement process provide a significant contribution to firm performance (Ordanini and Rubera 2008). The main benefits of e-procurement are an increase in firms’ competitiveness through cost reduction and/or boosted efficiency with inbound logistics (Soares-
These benefits can materialize in a reduction of purchasing transactions costs, order fulfillment and cycle time, a reduction of the number of suppliers or even a reduction in the price paid, and the number of staff to support purchase transactions (Davila, Gupta M and Palmer 2003). However, in order to reap the full benefits, the business processes connected to procurement should be carefully analyzed and (if necessary) improved before it is supported with an e-procurement solution (Trkman et al 2007). In less process mature companies, ordering and receiving are not connected, and this results to extensive manual matching and resolution before payment. Information systems are manual and decentralized, while information resides on spreadsheets in individual computers (Handfield, McCormack and Steininger (2005). A key business process impacted by e-procurement is the P2P process that encompasses activities from need specification, sourcing decision, and contract-/purchase-order generation, receipt of material/documents, and finally, settlement and payment.

2.6.4 Challenges of Public Procurement

Public procurement is an important function of government for several reasons. First, the sheer magnitude of procurement outlays has a great impact on the economy and needs to be well managed. Indeed, in all countries in the world, estimates of the financial activities of government procurement managers are believed to be in the order of 10% – 30 % of GNP (Callender & Mathews, 2000). Efficiently handling this size of procurement outlays has been a policy and management concern as well as a challenge for public procurement practitioners.

Public procurement has been utilized as an important tool for achieving economic, social and other objectives (Arrowsmith, 1998; Thai, 2001). In its report to the Congress, the Commission on Government Procurement states: “[T]he magnitude of the Government’s outlays for procurement and grants creates opportunities for implementing selected national policies” (Federal Acquisition Institute, 1999, p. 1.8). The World Bank’s Procurement under IBRD Loans and IBRD Credits specifies following four major concerns or objectives of public procurement for projects funded by its loans:
Ensuring that the loan is used to buy only those goods and services needed for the project. Means no diversion should be done to those loans. Ensuring fair competition for all qualified bidders from the World Bank’s eligible countries. The procurement management unit should make sure the public procurement process are involved effectively including public announcement on the tender and fair competition among the qualified bidders. Promoting transparency or integrity. Everything should be in transparency so as the winner knows why and how did he win as well as the loser should know why and how did he lose. Encouraging development of indigenous contractors and manufacturers by allowing local buyers to build in a margin of preference for local contractors and manufacturers (Tucker, 1998).

Public procurement has been perceived as an area of waste and corruption. The District of Columbia, USA government wasted hundreds of thousands of dollars in revenue by selling used emergency vehicles for “bargain basement prices” in auctions run by untrained staffers (Nakamura, 2004). In a two and half year period studied by the city’s Inspector General’s Office, the city sold eleven fire trucks for a total of $3,125 while similar vehicles in make and model had been sold on the Internet for a total of $360,875. Corruptions and bribes are widespread in government contracts (International Transparency, undated; and see www.transparency.org). In the United States, corruptions in government contracts have been regularly reported in newspapers; and the first week of September 2004 witnessed the reporting of a flurry of criminal prosecutions against state officials for violations of state procurement laws.

As many countries have moved to a regional and or global economy, public procurement practitioners face another challenge that is, how to comply with their government’s procurement regulations and social and economic procurement goals without violating regional and/or international trade agreements. For example, how to comply with national economic policies (in nurturing domestic firms), without dealing unfairly with foreign firms as provided in regional trade agreements and/or the World Trade Organization (WTO) agreements is not easy, which requires a careful study of trade agreements in order to take advantages of special provisions.
The WTO Agreement on Government Procurement (GPA) Article XVI provides: “Entities shall not, in the qualification and selection of suppliers, products or services, or in the evaluation of tenders and award of contracts, impose, seek or consider offsets.” Without careful examination of GPA provisions, procurement practitioners in developing countries may not use an exception: However, GPA Article XVI.2 “expressly allows for the use of offsets by developing countries” Arrowsmith, (2003, p.165). Properly using ‘offsets’ is a major challenge 1 for public procurement practitioners. Similarly, the World Trade Organization's general rule requiring that contracts be advertised for a period of no less than 40 days from the date of publication of the notice to the tender submission deadline. The 40-day requirement would hinder a speedy procurement. The 40-day standard period, however, may be reduced in certain cases to 24 days or 10 days, as set out in GPA Article XI.3.

In developed as well as developing countries, disregarding their economic, social, and political environment, a sound procurement system has accomplish two sets of requirements: management requirements and policy requirements. The procurement management requirements normally include quality, timeliness, cost (more than just the price), minimizing business, financial and technical risks, maximizing competition, and maintaining integrity. The procurement policy requirements normally include economic goals (preferring domestic or local firms), environment protection or green procurement (promoting the use of recycled goods), social goals (assisting minority and woman-owned business concerns), and international trade agreements. It is very difficult for policy makers and public procurement practitioners to make an optimal decision, as there are always tradeoffs among these goals (Federal Acquisition Institute, 1999; Thai, 2001).

Public procurement cannot be perceived as mere a ‘clerical routine,’ as procurement practitioners are and should be involved in strategic procurement planning (Office of Management and Budget, 1997; Hinson & McCue, 2004). In recent years, public procurement practitioners have forcefully challenged the perceived clerical task of
public procurement. According to a recent unscientific survey of 704 members at the National Institute of Governmental Purchasing, Inc., 83% of respondents contended that the major role of current purchasing is tactical. Thus, making public procurement a recognized profession is another challenge. Building a body of public procurement knowledge, one of attributes of a profession, is very critical.

2.6.5 Procurement Process, Efficiency, Effectiveness and Performance

Knudsen, (1999) suggested that procurement performance starts from purchasing efficiency and effectiveness in the procurement function in order to change from being reactive to being proactive to attain set performance levels in an entity. Procurement performance is considered to be the result of two elements: procurement effectiveness and procurement efficiency. Performance provides the basis for an organisation to assess how well it is progressing towards its predetermined objectives, identifies areas of strengths and weaknesses and decides on future initiatives with the goal of how to initiate performance improvements. This means that procurement performance is not an end in itself but a means to effective and efficient control and monitoring of the procurement process.

Efficient public procurement system is the one which operates in a timely manner, with a minimum bureaucracy, while being responsive to the needs of the ultimate users of the goods or facilities procured. Efficiency is defined narrowly in terms of value for money – the best quality at the lowest cost. In this view, efficiency is best secured through open competition, so procurement reform is seen as encouraging a more liberalized system.

A broader definition of efficiency that considers development gains alongside cost and quality would ensure that procurement plays more of a role for poverty reduction (McDonald, 2008). In Ghana example to be efficient and effective in Public Procurement is to carry out procurement activities in a professional and transparent environment with a clear set of predefined rules to foster enhanced competition thus stimulating efficiency an innovation amongst bidders.
There is a better utilization of funding, increased attractiveness to private sector and improved customer satisfaction (PPA, 2008). According to Cloete (1998), efficiency in the public sector means satisfying the most essential needs of the community to the greatest possible extent using the limited resources that are available for this purpose. Thus, public entities should be represented by competent personnel capable of putting the Public Procurement Act (Act 663) into practice to attain efficiency and value for money.

Australia (2005) presents the differences between efficiency and effectiveness. Efficiency reflects that the organisation is “doing things right” whereas effectiveness relates to the organisation “doing the right thing”. This means an organisation can be effective and fail to be efficient, the challenge being to balance between the two. For any organisation to change its focus and become more competitive Amaratunga & Baldry (2002) suggest that performance is a key driver to improving quality of services while its absence or use of inappropriate means can act as a barrier to change and may lead to deterioration of the procurement process.

Organisations which do not have performance means in their processes, procedures, and plans experience lower performance and higher customer dissatisfaction and employee turnover (Artley & Stroh, 2001, Amaratunga & Baldry, 2002 and CIPS Australia, 2005). Measuring the performance of the purchasing function yields benefits to organizations such as cost reduction, enhanced profitability, assured supplies, quality improvements and competitive advantage as was noted by Batenburg & Versendaal (2006).

Until an organisation measures purchasing performance they will never know how well they are performing and why they should measure purchasing performance. Department of Public Works, Queensland Government (2006) identified four reasons for measuring purchasing performance:

It provides feedback on the extent to which the planned outcomes for purchasing are being achieved in the organisation. The outcome comes after implementing the
process if well done the selection becomes of no favouritism as we items delivered are of good quality. It provides information for analysis and decision making. Provides information to executive management about the effectiveness, efficiency, value and contributes to the recognition of the procurement function. It provides focus and motivation for procurement staff.

Purchasing processes are sequence of activities that purchasing conducts its activities in buying goods and services to support the organisation operations (Weele 2010, Monnczka, Trent & Handfield 2002). Performance of purchasing is the direct or indirect output of the processes based on the set objectives and goals of purchasing and the overall expectation and satisfaction of customers (Sollish & Semanik 2007). The processes start from need identification to payment and review of the entire process (Emmert & Crocker 2008, Baily et al 2005, Burt, Dobler & Starling 2006). The processes have direct impact on the performance target set. If the processes are very rigid and quite difficult to amend to respond to changes in customers’ requirements; customers will never be satisfied of the kind of services the function will perform.

The Government stores departments were other institutions authorized to supply a range of common user items to government. They used their bulk purchasing power to obtain good price, quality and delivery and therefore the user organizations did not approach the tender boards for approval once they purchased from the government store departments. There was a mandatory requirement on government ministries and departments to purchase from government stores department.

Companies should be aware that corruption is widespread in the Tanzanian public procurement. According to the world Economic forum’s Global competitiveness reports 2013-2014, surveyed companies point to government officials often favouring well connected companies and individuals when awarding contracts and that public funds are sometimes diverted to companies, individuals or groups due corruption.
Nkinga (January, 2003) argued that the Government of the United Republic of Tanzania recognizes the negative impact that corrupt activities have on the economy and particularly the poor and the weak. Significant measures to curb and control illicit behavior in the procurement and other processes have been initiated by the Government. Over the last thirty-five years, the Government has developed various strategies, initiatives, and organizations to combat corruption, unethical behavior, and abuse of power.

The above arguments are measured through involvement of stages of public procurement process and make follow on that. From the stages if not worked properly some factors for the hindrance of proper performance of public procurement process rises including delay in public procurement as well as challenges. It has been found that poor performance of process, procedures, and plans experience lower performance and higher customer satisfaction.

In Tanzania there are some stages that are involved in public procurement process from the inception of the idea or need to the end when are satisfactorily met. The schedule below shows:
Recognition and Assessment of Procurement Needs: Public procurement process starts when the needs or requirement are recognised and assessed for various goods, work and services by the users. The requirements are identified by the end of financial year to enable the preparation of annual procurement plan and the necessary approval. In an organisation procurement plan is necessary so as to arrange the needs and budgets in order to avoid unnecessary emergency procurement thus helps to obtain value for money and reduce costs also make use of framework contracts.

Establishment of Specifications: After recognition and assessment of procurement needs, the procurement management unit in collaboration with the user department identify specifications, schedule of requirements, terms of reference and procurement methods to be provided to prospective bidder to compete in order to supply various supplies and services basing on the annual procurement plan. Then specifications, schedule of requirement, terms of reference or procurement methods are attached to
each requirement. The parameters designed by the users should also be clear and adequate. During the study the researcher found that unclear and inadequate specification is a strong problem which raises queries from suppliers, hence increases submission time as a result delay the procurement process.

Solicitation of suppliers, contractors and service providers. The end of the work to attach specifications, schedule of requirements, terms of reference and/or procurement methods to each requirement gives way to solicit suppliers, contractors and/or service providers. The solicitation of suppliers, contractors and service providers is conducted competitively domestically and internationally if applicable depending on the public procurement act 2004 and regulations of 2005 for public sectors. See the table 2.1 below

**Table 2.1 : Methods of tendering and their values.**

<table>
<thead>
<tr>
<th>Methods of tendering</th>
<th>Goods</th>
<th>Works</th>
<th>Non Consultancy services</th>
<th>Disposal of Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>International competitive tendering</td>
<td>Not limit</td>
<td>Not limit</td>
<td>Not limit</td>
<td>Not limit</td>
</tr>
<tr>
<td>National competitive tendering</td>
<td>Up to Tshs 800,000,000</td>
<td>Up to Tshs 3,000,000,000</td>
<td>Up to Tshs 500,000,000</td>
<td>Up to Tshs 3,000,000,000</td>
</tr>
<tr>
<td>Restricted tendering</td>
<td>Up to Tshs 400,000,000</td>
<td>Up to Tshs 1,500,000,000</td>
<td>Up to Tshs 200,000,000</td>
<td>Up to Tshs 100,000,000</td>
</tr>
<tr>
<td>Competitive quotations</td>
<td>Up to Tshs 80,000,000</td>
<td>Up to Tshs 100,000,000</td>
<td>Up to Tshs 50,000,000</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Single source procurement</td>
<td>Up to Tshs 500,000,000</td>
<td>Up to Tshs 800,000,000</td>
<td>Up to Tshs 100,000,000</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Minor value procurement</td>
<td>Up to Tshs 10,000,000</td>
<td>Up to Tshs 20,000,000</td>
<td>Up to Tshs 10,000,000</td>
<td>Not application</td>
</tr>
</tbody>
</table>

**Source:** Public Procurement act 2004 and its regulations, 2005

Solicitation of suppliers, contractors and /or service providers apart from above table of public Procurement Act and its regulations also is guided by the performance
history of each prospective supplier, contractor or service provider. This is from the past trend of work if was well performed or otherwise. Relative risk of each transaction against suppliers, contractors and or service providers. The other factor to check on is financial consideration of the respective supplier, contractor or services provider. Adherence to effective competition through procurement methods. The procuring entity is responsible to provide all documents that includes all information necessary to permit a potential supplier, contractor or service provider to prepare and lodge responsive submission. In case of rejection to participate procurement process, explanation for the rejection must be provided.

Following the award of the contract, all applicants should be informed whether selected or not total results, request if not selected the reasons should be given for their unsuccessful.

**Contract Awards:** A procurement contract means any license, permit or other concessions of authority issued by public body or entered into between a public body and a supplier, contractor or service providers from procurement proceedings for carrying out construction or related works or for supply of any goods. Here is when the successful supplier is given such license or permit for starting. Offer acceptance of the contract is done by the supplier and the communication is done through writings. Notification, acceptance and the terms of the transaction lead to base for the contract. The legal principles which guide the law of procurement are offer, acceptance and consideration.

**Contract Management:** in this stage involves follow up of the goods ordered, building good working relationship between customer and provider, follow up of goods bought after deliverance are they satisfy the PMU, are they consider value for money. A formal contract document drawn up, using the agreed terms and conditions, and signed by both parties. Simpler requirements may use a purchase order or where framework contracts exist, contracting may consist of placing a call-off order under the existing contract. The awarded contract must then be managed, to ensure that both the buyer and supplier perform their contractual obligations.
Contract management may include the following activities; expediting delivery, arranging inspection, freight forwarding, checking bank guarantees, establishing letters of credit, making arrangements for receipt, installation of goods, verifying documentation and making payments. Works contracts will often require technical supervision by an engineer/project management team to ensure quality, time schedule and cost. Contracts for consultancy services often require the direct participation of the buyer or client organization, as the recipient of training or technical advice or in responding to studies or reports.

According to PPA Annual report (2009) of Ghana Contract completion rate for the year is about 68%. This signified that contract management is a major challenge for most entities.

Monitoring and evaluation control the performance of the procurement function and ensuring its efficiency and effectiveness is essential to the management of the procurement process. It is vital to evaluate how well the procurement process has gone, identify any weaknesses or problems and agree actions to prevent similar problems in the future.

Evaluation may include a formal procurement audit. Procurement monitoring is an essential part of procurement management and control linked to performance outcomes such as value for money, professionalism and code of conduct in procurement. This will involve the management of entity, staff of PPA, private sector, oversight bodies (internal and external audit), civil society (including NGOs), project beneficiaries, and media (PPA Annual Report, 2008)

2.7 Transparency Competitiveness and Fairness

Transparency means that the same rules apply to all suppliers of goods, works and services and that these rules are publicized as the basis of procurement decisions prior to their use.
Transparent procurement procedures can contribute to a more efficient allocation of resources through increased competition, higher quality procurement and budgetary savings for governments and thus for taxpayers (PPB Training Module 3, 2007).

To avoid corruption in the public procurement systems there is the need to publish calls for tenders, notifying contract awards in the media, including the successful bidder's name and final price, and making award criteria more transparent and accountable. These are some of the basic principles of transparency in government procurement which directly affect corrupt practices. (Francis, 2012)

2.8 Value for Money in the Procurement Process

This is the optimum combination of whole cost and quality of a product to meet the customer’s requirements. It is reflected in the price of the item or service procured. It has to be noted that Value for Money (VFM) is a critical measure of the effectiveness of the procurement process, its outputs and outcomes. Achieving VFM requires a strategic and integrated approach to procurement (PPA Manual, 2006). This, of course, has significant organizational and institutional implications.

VFM may be compromised if the Public Procurement Act and Regulations are not followed. This in procurement function is an important test against which well functioned procurement management must be addressed to justify a procurement outcome as necessary conditions for best value, transparency and accountability in public procurement (World Bank, 2003). It is associated with deployment of resources for realization of some expected value in an economic, in efficient and effective manner.

The concept of value for money concerns not only the acquisition price/cost but also takes into consideration efficiency and effectiveness of a procurement process. The procurement professionals need to continuously improve upon their performance and innovations necessary to deliver greater value to the procuring entity. Therefore, public procurement professionals need a defined skills and knowledge to efficiently and effectively run the procurement process whiles public entities strive to motivate procurement staff in terms of remuneration and better conditions of service.
However, studies (OECD/DAC, 2007) indicate that some procurement officials lack some level of skills and knowledge to manage the procurement cycle. Thus simple issues like bid evaluation and selection were only based on lowest price and not the lowest evaluated price. Project time, cost, and communication are poorly handle in Ghana thereby rendering Value for Money concept ineffective. (Francis 2012)

2.9 Use of inappropriate Procurement Procedures
It is discovered that some entities use inappropriate alternative procurement procedures. Instead of using the Standard Tender Documents (STDs), public institutions instead go for three (3) pro-forma invoices. Whilst some entities refused to advertised in the two most widely read news papers, others failed to advertise procurements that were supposed to be advertised whilst others do not follow evaluation procedures. Some entities also failed to post their tenders and contract awards on PPA website, even though they were trained on how to post documents. (Francis 2012)

2.10 Research Gap
From the literatures, there is a gap in the public procurement series of activities that transform input (procurement concepts) into an output (goods, works or services) as the stakeholders are not satisfied with the functions discharged by the public procurement officers. From the study the literature gap is limited in exploring public procurement process especially in developing countries.

2.11 Conceptual Framework
According to joint Country Procurement Assessment Report (CPAR 2003) by the World Bank and government of Tanzania, it is estimated that at the national level about 20 percent of the government expenditure on procurement is lost through fraud, theft and corruption, mainly through bribery, kick back, nepotism and fake investment that have to be written off.

Public procurement objective is to make best possible use of public funds. Competitive procurement processes promotes the use of resources in an efficient,
effective and ethical manner. Also engineer the making decisions in an accountable and transparent manner. All these achieved through practicing competitive bidding where the lowest evaluated cost rather than the lowest submitted price is obtained for specifies quality and quantity of a particular procedure good, work or services at a specified time and place. Despite the opportunities open to public procurement process in order to strike the interest of tax payers, still there are some anomalies that impede the procurement series of activities During researching, the researcher will be interested to investigate how procurement process, delaying and challenges can affect the performance and operation of procurement in public sectors.

Through that the researcher have been motivated to evaluate the public procurement process with particular references from Songea municipal so as to find out the reasons for the shortcoming as well as to propose the remedial course for the issue. Figure 2.1 below depict the conceptual frame work.

Figure 2.2: Conceptual Frame Work

Source: Researchers Model, 2014
Independent Variables: Public sector procurement process: includes transparency in terms of price format and tendering process, procurement costs that is the costs involved in the whole procurement process to the delivery of the items, works or services. Supplier performance is involved simply after identification of the needs, establishment of the specification, solicitation of supplier and contract award then the next stage if responsibility of the supplier to work accordingly to what is needed. Price variation affects procurement process may cost both sides the supplier side as well as procurement office.

Procurement process delay: poor supplier performance especially in slow implementation of assigned work leads to procurement process delay. Sometimes they supply items out of time but not commonly. Bureaucratic nature of the process from the first stage to the delivery of the item passes through many categories plus network problems that happens for sometimes leads to delay of the process. Accountability is also problem to procurement officers as well as customers/users.

Procurement process challenges: The setting of clear objectives at the outset of all projects. The establishment of clear objectives at the outset of any procurement project is a prerequisite for success. Development of a procurement strategy for every public sector organization. Strategic procurement requires a focus on outcomes not just on processes. The public sector must become a customer of choice. That is because of the procurement management unit PMU receives needs from the user thus the user/customers should have priority of choice. The money scarcity problem should be resolved because most of the time budget does not match the money provided.

Performance of public procurement: Cost Savings is the aggregate amount of money saved by reducing costs from one year to the next. Return on Investment is calculated by first calculate "return." In other words, by how much does cost savings exceed operating costs? Then, divide that number by the operating costs to determine return on investment. Percent of On-Time Supplier Deliveries is how well the procurement department gets what the organization needs when it needs it. Supplier Defect Rate can be calculated by dividing number of defective items by the total
number of items purchased. Customer Satisfaction asking internal customers to rate their degree of satisfaction with Procurement's performance or to indicate whether or not they are satisfied can reveal valuable information. When multiple organizations use the same question, benchmarking satisfaction levels is possible. Procurement Cycle Time the average time it takes between requisition submission and purchase order placement is one measure of procurement cycle time. Another type of procurement cycle time that can be measured is the time it takes from the beginning of a sourcing process to the time that a contract is signed. Value of Supplier Idea Implementation, advanced procurement organizations actively solicit ideas from suppliers for cost savings, revenue growth, and the like. They track these ideas and measure the contribution to the organization's bottom line.

2.12 Technology
E-procurement can increase transparency and procedural efficiency without prejudice to competition, not just because of its transparency, but also to improve efficiency. The benefits of e-procurement include: an increase in contract compliance, leveraging the procurement spend, increased involvement of staff, and lower processing costs. The lack of a corporate e-procurement system in public sector entities means they will find it difficult to analyze their expenditure on a macro-economic level.

Technological developments have added a new dimension to potential procurement reforms in both developing and industrial economies. E-procurement offers the promise of cutting costs and simplifying administrative procedures. Promising innovative mechanisms that revolve around e-procurement have been implemented in countries such as Brazil. In this Brazilian case it has reportedly led to significant cost savings and an increase in the transparency and accountability of government bodies. Moreover, E-procurement can support better statistical reporting and enhanced transparency.

Example in implementing these innovations in Ghana entails costs of infrastructure development, and training personnel in the public entities, etc. With the growing use
of computers in procurement systems, Ghana is able to assemble such data and make available procurement information such as procurement plan templates, standard tender documents, contract awards, dispute and complain resolutions, quarterly procurement bulletin, etc online.

Realizing the immense benefits of e-procurement, PPA is working hard to implement the e-Government Procurement (e-GP) system in Ghana. The e-Government Procurement (e-GP) is being implemented as one of the systems under the e-Ghana project being supported with funding from the World Bank. Implementation of e-GP began with a series of meetings with a team from the World Bank, the Public Procurement Authority.

The purpose of these meetings was to draw up an implementation plan for e-GP establishment in Ghana. In June 2011, the team completed work on the final Terms of Reference (TOR) to be used for the engagement of a Consultant for the Systematic Development of Electronic Government Procurement in Ghana. It is expected that evaluation will be completed after October 28, and a relevant contract signed for work to begin in November 2011.

2.13 Benefits of Public Procurement Process Practices
From development point of view, public procurement policies are significant. Reducing poverty and attaining health, education, and other objectives among the citizenry requires that the limited public funds available for public procurement of goods, services, and works are properly managed. Generally, the efficient, effective and professional application of public procurement laws can contribute towards sound management of public expenditures (Francis 2012). Efficient public procurement planning leads to the identification of major investment expenditures that in turn facilitates budgetary and allocation decision-making of procurement practitioners. It is difficult however, to envision how public can deliver significant improvements in the welfare of its citizens without prudent management of public expenditure that emphasis on effective and efficient procurement policies. This recognition therefore accounts partly for the increasing concentration on public
procurement laws and practices and the likely consequences of their reforms. Furthermore, there is a growing appreciation of the linkages between specific public sector objectives and public procurement practices. For instance, public procurement issues are often a central focus of programs to deal with corruption and to ensure that appropriate entrusted power for private gain by public officials are curbed (Evenett, et al, 2005). In addition, public procurement activities are assuming growing access to international markets.

International trade negotiations, whether bilateral, regional, or multilateral are an instrument through which governments in developed and developing countries address the terms upon which international companies can compete in domestic public procurement markets. Public procurement has increase donor trust in public systems and has helped improve in donor funding, grants and loans, and foreign direct investment in Tanzania.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter explains the research design and methodology of the study. Research methodology is a way to systematically solve the research problem. (Kothari, 2004). The chapter takes into consideration a number of activities such as the research design, area of the study, sample size, data collection method and instructions as well as data analysis that will enable the researcher to collect valid data for conclusion and recommendation.

3.2 Research Design
A research design conceives as “the conceptual structure within which research is conducted; it constitutes the blue print for the collection, measurement and analysis of data” (Kothari 2004). The study designed in manner that both descriptive and analytical approaches were used. Descriptive research includes surveys and fact finding enquires of different kinds. These are mostly concerned with describing the characteristics of a particular individual or of a group, “studies concerned with specific predictions, with narration of facts, and characteristics concerning individual, group or situation are examples of descriptive research studies” (Kothari, 2004). The researcher used descriptive research design which was easier to access data through survey and enquires, it gave the wide chance of asking more questions not only those printed in questionnaire. It was somehow difficult to access official information by an authorised person thus supposed the researcher to use only descriptive method. In conducting descriptive research studies, the researcher adopted the following methods:

Questionnaires: printed structured questions that used to get information from the targeted sample respondents. Personal interview and discussion: these are unstructured questions that supplement the questionnaire; this can be need of more
information from questionnaire or new questions which were not present before and Observation. When conducting descriptive research, the researcher used questionnaire which was flexible to respondents to provide more information with no doubt or fear. Printed structured questions were provided to PMU, procurement and accounts staffs, user department and suppliers of goods, services and works. Some personal interviews and discussions as well as observation were used as well.

3.3 Study Area
The research conducted at Ruvuma region especially in Songea Municipal council that is picked as a case study. The area chosen because it is a public office and perform procurement process and easier to access data.

3.4 Sample and Sample Size
Most of the time when studying social problems, it is difficult to study the whole population under investigation. It is cost full, time consume complex and therefore it is convenient to pick up a sample of the population to be covered in the study. “The exact number of items selected from a population to constitute a sample is what we call sample size” (Dams and Kamuzora 2008). The sample size constituting groups of municipal tender board, Procurement and Accounts staffs, users in groups and suppliers who supply various goods, services or works was considered. These is due to each group is needed to participate in one way or another so as to complete the procurement process and achieve good outcomes.

A sample size of 22 respondents who was drawn from different groups of the study population because it was not easier for the researcher to involve each member of the group thus the sample represented the rest. The sample of respondent was revise and ideal for this study given the size of the population which is relatively small as the study was carried out exclusively in Songea.
Table 3.1: Sample Size

<table>
<thead>
<tr>
<th>S/N</th>
<th>CATEGORY</th>
<th>TARGETED RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PROCUREMENT MEMBERS</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>ACCOUNTANTS STAFFS</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>INTERNAL AUDITORS</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>BENEFICIARIES(USER GROUP)</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>SUPPLIERS</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

3.5 Sampling Techniques

Visiting the area of sample was important in order to see and have knowledge of respondents. To get information procurement members, accountants staffs and internal auditors, beneficiaries and suppliers were visited.

Procurement members were visited in order to observe the procurement process. The views procurement members were collected through questionnaires and interviews. Accountants staffs were interviewed and questioned simply they are the one faces the problem during budgeting, responsible to give out cash for procurement process and internal auditors for investigating if the money used responsively.

Beneficiaries or user group was interviewed and question so as to match the complains that are source of poor performance of procurement process especially in not providing specifications, involving procuring of items which were not in budget.

3.6 Data Type and Collection Methods

Data collection methods used was both qualitative and some small quantitative. Both primary data and secondary data were used to source in an effort to meet the objectives of the study. Primary data are original collected data that is fresh data comes from interview and questionnaire conducted at that time of research. This method is important because provides current data which matches the situation and mostly are realistic data. While secondary data are from literatures that exists.
**Primary Data Collection Methods:** There were several methods of collecting primary data that were used by researcher while conducting the study. To start with a Questionnaire was used to collect fresh data known as primary data. The data were collected directly from the respondents. The researcher used this method so as to collect fresh data and to make comparison with those collected by other researchers. The method consisted of printed or typed questions which were distributed to the targeted sampled. The method is simple helps the respondent be free from expressing on what has been asked also it has got some kind of confidentiality that the other staff cannot easily know what has been answered by his/her fellow unless told. The questionnaire were distributed 22 respondents, out of 22 only 16 respondents managed to return their answered questionnaire at a time.

Personal interview and Discussion is the method was used by researcher to ask unstructured questions. The study was also conducted in the form of direct personal investigation. Mainly were collected to add information especially qualitative information from procurement officers and other staffs. This provides opportunity to the interviewee to discuss freely about the event, behaviour and beliefs in relation to the study.

**3.7 The Instruments**

The data collection instrument used were Questionnaires forms, and interview forms used to collect information for analysis to evaluate public procurement process from the selected public sector that is Songea municipal. The questionnaires used since it is easy to administer and with data obtained with this technique are easy to analyze, Mugenda and Mugenda (2003).

**3.8 Data Processing and Analysis**

Data analysis is the way of sorting the data so as to establish statistical patterns and identification of relationships. Through Excel programs the collected data from primary sources were edited, coded, summarized and analyzed. Descriptive statistics analysis used to analyze data obtained from respondents through questionnaires. The method was used because of its easier to convert data into percentages, and
frequencies, and cross-tabulations as well as if chats needed also is simple to convert. This included. The result from case study institution analyzed to know how procurement process is performed by taking into account the objectives for this work.

3.9 Reliability and Validity
In order to reduce the possibility of getting the wrong answer, attention were paid to two particular items on the research design: reliability and validity (Saunders et al, 2007). According to Esterby-Smith et al., (2008), reliability refers to the extent to which your data collection techniques or analysis procedures yield consistent findings. Validity defines as the extent to which data collection methods accurately measures what they were intended to measure. (Saunders et al, 2003). The primary goal of validity and reliability is to minimize the risk of having error and avoid biasness in a study. To ensure reliability and validity of this research caution has to be taken in interpreting all gathered information throughout the entire research. Data to be collected from respective catering institutions will be carefully compared and evaluated to obtain the highest possible level of reliability and validity. To ensure that the data is reliable and bares validity the researcher conducted thorough investigation and comprehension of the appropriate literature, articles, journals, reports and websites that give insights to that aspect of the study.

3.10 Ethical Issues
The researcher asked permission from management of the institution to do the research work, then informed the respondents to seek consent to participate in the work process and assured them their responses were for purely academic purposes and nothing else.
CHAPTER FOUR

RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction
The main aim of this chapter is to discuss on what have been found throughout the study. The views of the people to be considered in relation to the assumption of the study. Primary data was collected through questionnaire, personal interviews and discussions while secondary data were collected through making literature review from existing records related to public procurement process. The researcher was trying to examine what impede public procurement process in public sector. Their recommendations have been taken into account towards the solution of the particular problem which concerns procurement officers and suppliers.

4.2 Public Procurement in Tanzania
Public procurement in Tanzania is governed by public procurement Act and its Regulations. The Act gives a legal framework for carrying out procurement using public funds. The principle controlling is to obtain competitive prices through open competitive process which is transparent and non-discriminatory amongst bidders. Public procurement functions in Tanzania are tasked to the Procurement Management Unit (PMU). Thus PMU ensures that their internal customers (user department) are satisfied and their operations are being run efficiently.

4.3 Respondents’ Profile
The study was carried out at Songea Municipal council. The questionnaires were distributed to staffs and suppliers of different levels in Songea. Below are the profiling the researcher considered.
4.3.1 Response Rate

Table 4.1: Targeted Respondents against Responses

<table>
<thead>
<tr>
<th>S/N</th>
<th>CATEGORY</th>
<th>TARGETED RESPONDENTS</th>
<th>RESPONSE S</th>
<th>PERCENT T</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PROCUREMENT MEMBERS</td>
<td>6</td>
<td>4</td>
<td>67%</td>
</tr>
<tr>
<td>2</td>
<td>ACCOUNTANTS</td>
<td>3</td>
<td>2</td>
<td>69%</td>
</tr>
<tr>
<td>3</td>
<td>INTERNAL AUDITORS</td>
<td>2</td>
<td>1</td>
<td>50%</td>
</tr>
<tr>
<td>4</td>
<td>USERS</td>
<td>7</td>
<td>6</td>
<td>86%</td>
</tr>
<tr>
<td>5</td>
<td>SUPPLIERS</td>
<td>4</td>
<td>3</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>22</td>
<td>16</td>
<td>73%</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

This was created to realise the number of respondents as targeted and those who responded. This helps the researcher to balance the responses and make conclusions according to how many responded, what they responded and how many didn’t. Generally targeted responses were 22 instead only 16 responded which is 73%. The response from the targeted groups were as follows: the researcher targeted 6 procurement members but out of 6 respondents 4 responded which counts to 67%, 3 members from accountants out of them only 2 responded which is 69%, 2 internal auditors out of them only 1 responded which is 50%, 7 respondents from users only 6 responded which is 86%, and 4 from suppliers but 3 responded which is 75%. See the table above 4.1. the response was 73 exceed the minimum threshold of at least 50% hence meaningful findings and conclusion could be drawn from the sample.
4.3.2 Gender

Table 4.2: Gender and Duration at Work Place

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Gender</th>
<th>Experience (in years)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Below 5</td>
<td>Above 5</td>
</tr>
<tr>
<td>Procurement members</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Accountant staffs</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Internal auditors</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Users</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Suppliers</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>11</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

The researcher wanted to realise the gender balance so as to avoid being bias either to only males or only females. Thus the answer found to be involved by both males and females as the table 4.2 shows total number of females were 5 and males were 11 respondents hence findings and conclusion could draw meaningful conclusion and avoid biasness. See table 4.2 above.

4.3.3 Duration at Work Place

The researcher wanted to realise if there were workers with experience above 5 years which seem to have much experience of work as well as those below who are still guests in the fun thus can provide the full reality of the work simply believed to have work ethics. Thus found that 7 staffs had experience below 5 years and 9 staffs had experience above 5 years. The ratio is good thus support to draw findings and quality conclusion. See the table 4.2 above.

4.4 Procurement Process at Songea Municipal Council

In Songea Municipal Council procurement process involves the stage of identification to the payments but to reduce lead time they omit other parts in writings thought in mind still exist. Good procurement process is one which fulfil what is needed and deliver them accordingly hence satisfy customer. Though most of the time appears cases of going vice versa. Items discussed includes specification
against delivery, delay in public procurement process, important of following public procurement process, proper use of procurement method, base of contract awards and measures to improve the procurement process.

4.4.1 Quality of Materials Procured Depends on Efficiency of Procurement Process

Table 4.3: Quality of Items Procured Depends on the Efficiency of Procurement Process

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent %</th>
<th>C. Percent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Agree</td>
<td>9</td>
<td>56.25%</td>
<td>81.25%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0</td>
<td>81.25%</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>12.50%</td>
<td>93.75%</td>
</tr>
<tr>
<td>Undecided</td>
<td>1</td>
<td>6.25%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field Data 2014

The researcher introduced question twelve (12) so as to prove what has been perceived by many people that good quality of items procured is always derived from efficiency and effective procurement process. The responses were 4 respondents that is 25% argued strongly agreed, 9 respondents that is 56.25% argued agree, none of them argued strongly disagree, 2 respondents that is 12.5% argued disagree and 1 of them that is 6.25% argued undecided. The agree responses exceed the minimum thresholds of at least 50% hence meaningful findings and conclusion could be drawn from the sample. See below table 4.3

4.4.2 Flow of Communication among Stakeholders Enhance Procurement Process

Table 4.4: Communication among Stakeholders Enhance Procurement Process

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent %</th>
<th>C. Percent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>13</td>
<td>81.25%</td>
<td>81.25%</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>12.50%</td>
<td>93.75%</td>
</tr>
<tr>
<td>Undecided</td>
<td>1</td>
<td>6.25%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014
From the question eighteen (18) The researcher wanted to investigate whether the communication among stakeholders enhance procurement process. The following were results as 13 respondents out of 16 respondents which is 81.25% argued agree, 2 respondents out of 16 respondents which is 12.50% argued disagree and 1 respondent out of 16 respondents which is 6.25% argued undecided. From the findings and presentation conclusion can be drawn from the agreed respondents due to its percent exceed the minimum thresholds. See above table 4.4

4.4.3 Compliance of procurement functions with the Public Procurement Act

Figure 4.1: Compliance of Procurement Functions with the Public Procurement Act

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Yes</th>
<th>No</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81%</td>
<td>19%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data 2014

Respondents responded on whether Songea municipal council comply with public procurement act were 16, among the respondents 13 of them which is equal to 81% agreed that the municipal comply with the act. However 3 of the respondent which is
equal to 19% were not aware whether the municipal comply with the act or not. There is no any respondent who rejected that the municipal does not comply with the act. Due to the particular response the conclusion can be drawn that Songea municipal council comply with public procurement act. See figure 4.1 above.

4.4.4 Specification against Delivery

Figure 4.2: Provision of Specification

Source: Field data, 2014

From question 17, Number of problems in performance are counted from customers, procurement officers, suppliers, contractors, and services providers. This happens due to either the customer fail to provide specification by knowing the procurement officers are aware and sometimes the customers themselves were not aware if they were needed to do so. Procurement officer fail to provide specification through remind the customers to do so. As well the suppliers, contractors, and services providers might change the specification so as to earn more profit from one with low price or quality. All these leads to wrong delivery of the items. The results indicates that 26% of the respondents provides specifications, 40% of the respondents do not
provides specifications and 34% of the respondents are not even aware that are supposed to provide adequate specifications when sending their needs to the procurement unit. Thus the wrong delivery of the items is due to the failure of the provision of specifications. Also argued that most of the time the delivered items, work, or services are not checked for quality properly. Hence it found that most of the sources of impediment in public procurement process to the extent of wrong item delivered is improper specification together with lack of quality checking. The response that does not provide specification indicates the highest percent of 40 thus meaningful findings and conclusion could be drawn from the sample. See figure 4.2 above.

4.4.5 Delays in Public Procurement Process at Songea Municipal Council

Table 4.5: Reasons for Delay in Procurement Process

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent %</th>
<th>C. percent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier failure</td>
<td>1</td>
<td>6.25%</td>
<td>6.25%</td>
</tr>
<tr>
<td>Nature of p. process</td>
<td>13</td>
<td>81.25%</td>
<td>87.5%</td>
</tr>
<tr>
<td>other reasons</td>
<td>2</td>
<td>12.5%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field data, 2014

Question number eight (8) asked to search for possible time used to deliver items, work, or services and the possible reasons for public procurement fail to deliver services, items or works as expected.

From the respondents, out of 16 respondents 1 which is 6.25%, said suppliers are the causative because they provide good at late, while 13 which is 81.25%, argued that delay of procurement process is due to the burdensome nature of procurement process itself, and 2 of 16 respondents which is 12.5% argued on other different reasons including failure of organization to pay past debts, scarce amount of cash given to the department which do not match the budget, amount of cash for budgeted plan do not reach at the reasonable time. Thus the nature of the process answers is 81.25% exceed 50% of the total hence reasonable to draw conclusion that nature the
process due to bureaucratic nature and others lead to delay of the procurement process. See table 4.5 above.

Most of the suppliers get problems due to the poor procurement plan of the organisation, the bureaucratic nature of the process, improper evaluation that leads to tender board rejecting the recommendation of the evaluation committee, complaints from bidders on unfair tender procedures. Sometimes delay in the finalizing the notification of award and subsequent expiry of the bid validity period. To suppliers, face the problem of delay of being paid after completion of the first work, services or items. This result to the delay of the next work if win the tender. Most of them argued that the organisation delay to pay can find some debts are paid after two to three years due the absence of cash while they are in need of such item or services or work.

4.4.6 Important of Following Public Procurement Process

Figure 4.3: Importance of Following Public Procurement Process

Source: Field data, 2014
Finding were made through questionnaire and interview to search the for important of following public procurement process as it show from question number four (4). The researcher also conducted interview so as to realise if it is important for following public procurement process the respondents argued that its true but there should be review of such public procurement process because it has got bureaucratic hence make it to be difficult for sometimes. The results were 4 that is 25% strongly agreed and 12 that is 75% agreed there were no disagree or strongly disagree. Thus agreed respondents were 75% that is above 50% of the total number hence meaningful findings and conclusion can be drawn from the sample. See the figure 4.3 above.

4.4.7 Proper use of Procurement Method

Table 4.6: Proper use of Procurement Methods

<table>
<thead>
<tr>
<th>Suggestions</th>
<th>Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>12</td>
<td>25%</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>75%</td>
</tr>
<tr>
<td>No idea</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

Findings made through questionnaire and interview question number three (3) to search whether the procurement unit responsible for all procurements carry out its functions in compliance with public procurement act. The results were 4 as 25% answered no, and the rest 12 as 75% responded yes. the arguments were, public officers and members of the tender board when undertaking or approve procurement or disposal of public assets by tender do not choose appropriate methods, procedures and as a result cause the procurement or disposal of assets to be carried basing on the methods that support political regime, corruption and other unethical practices. Meaningful findings and conclusion can be drawn due to fact that 75% says yes it works in compliance to the public procurement Act that is above 50% of the results. See above table 4.6
4.4.8 Procurement Process Transparency

Figure 4.4: Transparency of Procurement Process

Source, Field Data 2014

Transparency serves as the mirror for the process of public procurement of which trust is created for the process. Thus, Act 663 endorse the use of Standard Tender Documents (STDs), advertising procurement opportunities, public opening, publication of contract awards, resolving disputes and complains, and effective monitoring the researcher in this case wanted to find out whether the same rules apply to all suppliers of goods, works and services and whether these rules are publicized as the basis of procurement decisions.

From the questionnaire the responses were; 10 responses out of 16 which counts 62.50% argued yes that there is transparency in procurement process, 2 respondents out of 16 that is 12.50% argued no, that means no transparency in procurement process and the rest 4 out of 16 that is 25% of the threshold argued that somehow
they try to be open in the procurement process that is not transparency a hundred percent.

The descriptions of the various items were unanimously agreed upon by all respondents. 10 respondents established indicates a high level of satisfaction. The analysis reveals some efforts of transparency such as advertising using the effective monitoring and auditing of procurement activities.

We can see in Ghana to guard against this phenomenon the (Act 663, 2003) provides that procurements using other uncompetitive methods (Price Quotation, Sole source etc) are vigorously monitored and evaluated by Public Procurement Authority (PPA) and Audit Agency to ensure transparency. Commerce can be used to enhance transparency through effective audit and monitoring of low value transactions. According to them high value and complex procurement procedures must involve publicly available information on policies, bidding process, evaluation, and bid results.

The study established that there are improvements in transparency in procurement process resulting in increased competition, help in attracting more investments and improvement in tax payments in Tanzania. See table 4.4 above.
4.4.9 Professionalism

Figure 4.5: Professionalism of Procurement Officers

Source: Field data 2014

Professionalism discusses the education/training and capacity development of personnel to make informed decisions regarding procurement operations. The researcher wanted to know how to realize whether the procurement officers are professional or not. 12 among 16 respondents responded that the procurement officers are professional, which is equal to 75% of the respondents. On the other hand 4 among 16 respondents responded that they are not aware of the professionalism of those particular officers which is equal to 25% of the total respondents.

The respondents who responded yes to the question exceed 50% of the total respondent, hence it is concluded that the procurement officers in Songea Municipal are procurement professionals. See figure 4.5 above.
4.4.10 Tendering Involve Competitiveness and Fairness

Figure 4.6: Tendering Involve Competitiveness and Fairness

Source, Field Data 2014

The section intended to measure whether Songea Municipal Council demonstrating fairness and whether they are actively encouraging greater supplier participation in the tendering process through transparency and interaction with the private sector to make them competitive in the procurement process.

The total number of 16 respondents responded to question number 21. Among all respondents 9 of them responded “Yes” to the particular question which is equal to 56%, 4 respondents were not aware of the competitiveness and fairness of tendering which is equal to 25% and 3 respondents responded “No” equals to 19%.

Through these responses, more than 50% of the respondents supported that Songea Municipal council consider competitiveness and fairness in tendering process, hence the conclusion is drawn that tendering involve competitiveness and fairness. See figure 4.6 above.
4.4.11 Measures to Improve the Procurement Process

Researcher wanted to search what should be done to improve the public procurement process. Findings were made through interview and questionnaire. Question number twenty (20).

From the findings, the results were mixing of the public procurement process and politics leads to deficiency of procurement process simply most of the works are provided to the suppliers who do not have qualities, just because the business are of politicians or their relatives or those with business have effect on politics hence political leaders force the tender to be given to them. But in time to come the work completed different from the contract as well as quality and delay of the items, work and or services the procurement team fail to make follow up to politician on afraid of losing job.

Budget and procurement plan are mostly disturbed by unstable price. Price fluctuations are made out of the world economy crises and prolonged drought season in Tanzania. Improvement processes depend on these factors particularly on price stability. Procurement plans becomes effective to the budget.

Also the findings reveal there should be training to both procurement specialists and users on public procurement process, laws and regulations. In “Challenges in Public Procurement: Comparative Views of Public Procurement Reform in Gambia,” Wayne A. Wittig and Habib Jeng describe how procurement reform was implemented in The Gambia. Through a joint effort of the World Bank, Government of The Gambia and the International Trade Centre WTO/UNCTAD (ITC), a team of procurement experts developed a comprehensive approach to modernize the public procurement system of The Gambia in a model combining elements of a Central Tender Board with a Procurement Policy Office.

Local capacity is being developed in the Gambia Public Procurement Authority and in the Procuring Organizations to support transparent public procurement systems.
Positive and objective changes lie in the new legal, regulatory and organizational framework as demonstrated by a survey of Procurement Organizations. Nevertheless, challenges remain in extending and sustaining the reforms.

Challenges in procurement process at Songea Municipal Council were, bureaucratic nature of the procurement process, when user department decides to impose new procurements which were not in budget, favouritism to bidders who do not deserve, most of the time lead time of delivery, bidders late to return quotation, network (EPICOR) failure, misplacement of procurement process documents, delay to pay the suppliers in time.

4.5 Analysis on Findings
Poor performance of suppliers, contractors and services providers in the public procurement process can be traced back as to be caused by number of factors.

4.5.1 Inadequate Specifications
The researcher made interview with users if they provide adequate specifications for required items before placing orders to procuring unit. And do the clear the form of inspection and quality control, regarding that specifications of items should include the quantity, quality, make, design, model and uses.

The results were greater percent do not provide adequate specifications when requesting for supplies and services and some are not even aware if they are required to do so. What users know is items need once they inform the procurement unit that is their responsibility simply they are aware and experience of the procuring hence automatically they know what is needed. For this case then becomes difficult to deliver exactly what users needs also impossible to establish the base to reject poor supplies and or services. Presence of tendency for providing adequate specification lead to arrival of supplies and quality control.

4.5.2 Lack of Proper Procurement Planning
Good procurement undertaking depends on well prepared procurement plan. Procurement planning is the scheduling of stages involved in the procurement for
goods, works or services. Findings shows there is poor procurement plan hence becomes one of the possible reason for public procurement fail to deliver services as expected as a result of scarce cash to facilitate the needs. Procurement entities are required to plan their forthcoming annual procurement.

Planning for procurement activities is important because it helps the procuring entity to avoid unnecessary emergency procurements, make use of framework contracts wherever appropriate to provide an efficient, procure goods works or supplies that are required continuously or repeatedly over a set period, avoid splitting of procurements and therefore use of appropriate procurement methods. Proper procurement plan enables to plan efficiently tender board meetings in order to minimize procurement transaction costs.

Planning enables organizations to establish overall direction, determine performance standards, anticipate and avoid future problems and reduce the risks of uncertainty. Procurement planning helps to identify and commit resources towards the achievement of goals.

It is in this respect that the researcher decided to find out whether public entities comply with the section 45 of the Act 2004 which states that, “A procuring entity shall plan its procurement in rational manner and in particular shall, (a) avoid emergency procurement wherever possible, (b) aggregate its requirement wherever possible, both within the procuring entity and between procuring entities to obtain value for money and reduce procurement costs, (d) make use of framework contracts wherever appropriate and flexible means to procure works, services or supplies that are required continuously or repeatedly over a set period of time and (e) integrates its procurement budget with its expenditure program”.

To ensure value for money, there should be continuous improvement in the efficiency of internal processes and systems and public entities should maintain structures that avoid unnecessary costs.
This was also adopted by The Government of Malawi (2008) a developing country in the Sub-Saharan Africa. As much as quality of procured goods and services featured the most preferred measure of procurement performance, other intangible measures like timely delivery of orders, customer satisfaction, dependability, flexibility and quality of employees should not be ignored.

Basheka, (2008) in his findings concludes that planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today. The results further revealed that the departments prepared annual procurement plans and that the procurement plans were prepared and the goals set participatory. Procurement plans therefore influence procurement performance in the sense that they provide focused and efficient utilization of available resources, help in budgeting and planning and therefore with adequate provision of funds due to procurement plans, performance is assured.

4.5.3 Quality of Materials Procured Depends On Efficiency Of Procurement Process
This suggests that quality goods and services create a safe working environment and understanding of safety to employees. Through this study, quality has been identified as a generic measure for purchasing performance.
Based on the options that were provided by the respondents, quality was the most preferred measure of procurement performance followed by purchasing efficiency and purchasing effectiveness that, when pursued, ensure consistent quality of goods and services, competitive costs, flexibility on the terms of purchase and in meeting changing needs and demand, dependability on the source of supply, and reduces cycle time, and quality alone cannot bring these along (Knudsen, 1999 and Kumar, Ozdamar, & Peng, 2005).

4.5.4 Poor communication between Procurement Unit and Users
In procurement process flow of communication between procurement unit and users is important to prompt quality of services and items from the inception of a
procurement idea to the final stage of the process. The user have an obligation to specify clearly their needs to the procurement management unit as well as the procurement management unit is obliged to receive the specification carefully without missing a point. Thus the communication between procurement unit and user is more important for successful activities simply adequate specifications leads to base to measure quality and can be used to determine client satisfaction.

4.5.5 **Wrong Selection of Procurement Methods**

Public officers and members of tender board when undertaking or approving procurement or disposal of public assets by tender should choose appropriate methods and procedures. This may help at making the procurement or disposal of assets to be carried out efficiently, so that the price paid or received by the procurement entity represents the best value or net outcome that can reasonably be obtained for the funds applied or for the assets disposed of.

4.5.6 **The Base of Awarding Procurement Contracts**

Public procurement act and regulations does not require selection of the lowest submitted bids instead require the procuring entity to select the lowest evaluated bids. The findings reveal that most of the procurement contracts are awarded basing on the lowest submitted price. When selecting the lowest evaluated suppliers, contractors, and or service providers, comparison is made between expected actual delivery against quoted cost; the lowest evaluated suppliers, contractors and or services means the price offered by the supplier, contractor and or services provider is found to be the lowest after consideration of all relevant factors including time for executing the contract, rates offered by bidder, cost of spare parts after sales services, operating and maintenance costs, financial capacity, track record, legal aspects and any other risk element associated with accepting a particular supplier or service provider.

From the interpretation given in the regulations it means that all factors to determine the lowest evaluated cost must be specified in the Tender Documents. But the lowest submitted price means comparison is made only basing on the price submitted by the
suppliers, contractors and services providers rather than considering all relevant factors associated with accepting a particular supplier, contractor or services provider as substantial.

Tendering and contract awarding is one of the most vulnerable stages of public procurement process where most corruption occurs in developing countries (McPheraon & Mac Searraigh, 2007). It is a serious problem in developing countries; for example, in Nepal, most of the government contracting processes use paper-based systems, which offers greater potential for corrupt behaviour (Bhattarai, 2011). The tendency is that the potential contractors, who use their coercive power, get the contract. In some situations, other contractors simply are not able to submit tender document because of perceived coercive threatening from other influential contractors.

Poor estimate to base on, produce loss to the government for paying more than the actual cost of the assignment. Properly prepared estimate can facilitate comparison of bids. It is better not to win any bid than to win a bid and execute it unsatisfactorily.

To overcome these problems, public e-procurement can play an important role for minimizing the risk of corruption in public procurement process (OECD, 2008). It improves the transparency and integrity in public service such as tendering, sourcing, ordering, and auctioning.

4.5.7 Frequent Change of Price
Planning or forecasting is always need stable situation. Due the world economic crises, Tanzania is the most victim of the situation due to the dependent economy. The findings reveal that the unstable price affects the budget as well as procurement plan.

4.5.8 Professionalism and Career Development
From the analysis 75% of respondents hold qualifications in procurement. Through these procurement practitioners create room for impact on the procurement activities in the region. Though they need some courses to improve their professionals and
updates for the purpose of the development of the region as well as the whole country.

Lack of career development and low salary levels of the staff of the public procurement are disincentive to attract qualified personnel to take up jobs in the public sector in the region. The result was the corruption that is endemic among procurement staff in the municipal. Hence the numerous challenges in the public procurement implementation. This finding was substantiated by the report of the World Bank in the year 2003.

Efficiency and Value for Money evidence gathered from evaluation reports of most entities show a sole reliance on traditional contracting and price-based selection of bidders. Selection of suppliers and contractors does not consider quality of work, past performance, payment terms, and organizational capacity. This limits the scope for efficiency and value for money in the award of contracts.

Tender evaluation and selection is based on lowest price instead of lowest evaluated price that would take into account quality, payment terms, delivery period, price and financial and technical resource capabilities of the bidders.

High Cost of Public Procurement, some contractors and suppliers have complained about long delays in payment after they have executed the projects or supplied the goods. Therefore every tender price has an element of more than six (6) month inflation or exchange rate factored in the price.

Collusion between the entities and the suppliers, contractors, or consultants contribute to this problem. Contracts are also increased by the costs of tender documents which are sometimes much higher than the actual costs of the tendering document. Travelling cost to purchase and to submit bid documents swell up contract price. Some contractors have gone through several tenders and paid illegal huge fees (bribes) without ever securing any contract. These expenses build up cost for any project tendered.
CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Through the study it has been learnt that, most of the factors hinder proper performance of public procurement process are caused by the users, procurement management unit, interference of politics in procurement process, poor communication between users and procurement unit and some of them are caused by suppliers. When managed to use the suggested collective measures to improve the process the public procurement will have high performance.

The successful execution of procurement contracts requires capable suppliers, contractors and service providers in order for procuring entity to achieve value for money out of public procurement process. This includes professional identification of the requirement and the selection and management of the best supply strategies to meet them. There should be quality control in each stage of the public procurement process is essential so as to realise the value for money. The successful procurement process controls the budget smoothly.

5.2 Summary of Major Findings

From the research findings at Songea Municipal Council it has been found that the procurement process is useful especially in procuring goods and services for public use. Most of the goods procured through proper procurement process stages has led to the good performance of procurement works. The researcher realised in Songea Municipal Council there were problem of public procurement process delay due to the nature of the process is bureaucratic. The process use to pass through many categories which takes time from the initiate of the needs to the fulfilment. In some categories network is involved thus becomes problem once network problem appears hence delay of the process.
From challenges the researcher realised there were poor procurement planning due to the additional of budget in procurement which were not presented before. The office sometimes mis-allocate the given amount of money, do not use as targeted. Interference of politics in public procurement process which lead to unfair competition hence goes against the world bank’s condition of ensuring fair competition for all qualified bidders. As it perceived in public procurement has been the area of waste and corruption. The researcher’s investigation was that the suppliers force to corrupt procurement officers so as to misuse the process and operate in terms of favouritism but in Songea Municipal Council tries to restrict the issue of corruption so as to work under fair competition and be sure of the supplier awarded and the items delivered.

5.3 Conclusion
Slow of procurement systems (EPICOR) is one of the hindrance factor to good performance of procurement process, sometimes happens when the procurement process in operation the system becomes slow hence poor performance of procurement process.

The use of manual system of procurement process has led to some hindrance of procurement process due to involvement of bureaucratic in nature of the process which lead to delay of the procurement process and sometimes the manual files are misplaced.

Sometimes the tender board are not much serious of the work leaves the political issues to be involved in the procurement process at the end the performance of procurement fail because of going out of the public procurement procedure. The other reason for the poor performance is failure of the users to provide specification of what exactly needed for their work. Most of the time users just provide needs to procurement office with no specification thus become difficult to procurement office knowing what exactly user group needs are.
Some procurement officers include personal conflicts with the suppliers in the work. There even if the supplier deserves to work for the tender provided due to the personal conflicts they omit name of the supplier by malpractice. Corruption has been said to be the most activity which contribute to the poor performance of the procurement process for example the tender to purchase mini trucks carried out TANESCO and procurement of radar. Some suppliers and procurement officers involve in corruption for their personal interests while in the other side they pollute the procurement process.

Poor office plan of sending procurement officers in training so as to add their learning and deep understand of public procurement in general and their sub-parts which contribute to any involved in public procurement.

The study confirms that public procurement Act, 2004 is observed to proffer solutions which in the view of this study attained above 50% performance level. However this achievement is not without challenges. It pencils out weaknesses and threats of the various sectors. In the pursuit to improve performance public entities must establish the required structures and engage procurement professionals to manage them. Coverage of monitoring activities must be increased to cover more low spend entities across all sectors in the region.

Short/long term training must be continued and improved so as to improve capacity of entities, service providers, and other key stakeholders to operate efficiently and effectively in the procurement system.

PPA, Cabinet and Parliament must hasten to amend the Act to ensure smooth implementation and performance. To curb corruption and unethical behaviour in public procurement PPA should enforce blacklisting bidders who have contravened the provisions of the Act and hold public officials who engage in irregularities accountable.
Though, the study admits that its findings cannot be generalized due to the limited nature of the sample size, it is believed that the recommendations can be benchmarked to improve on the compliance level in the country as a whole.

5.5 Areas for Future Research Work/Study
This study looked at efficiency and effectiveness of procurement processes and performance. The researchers suggest that further studies should be carried out on Procurement Processes and Performance but with emphasis on Implementation factors in purchasing measures, challenges encountered when measuring purchasing performance in achieving targets, benefits of measuring purchasing performance and deeper analysis of purchasing efficiency and effectiveness.

5.6 Recommendations
Basing on the Songea Municipal Council there are many challenges in procurement processes. These includes scarce cash to facilitate budget of the planned procurement there for the government should work on that, also the users should submit early there need so they get included into the procurement plan failure to do that leads to demand of the items or extra items which were not in the budget hence shortage of cash.

The procurement systems (EPICOR) should be boosted to the extent of being capable to work in comparison to the needs of the municipal because most of the time block downs, no network to facilitate procurement processes hence delay of the whole procurement process which may lead to the supplier delay to get supply items or services at a given time.

Manual system of procurement process should be either changed to E-procurement or use it as a substitute because most of documents and files are lost unreasonably, this might be due to careless of procurement officers or being taken by unauthorised people . E-procurement eliminates paperwork bureaucratic. Through internet the physical barrier of space and time will be removed, thereby allowing more speed,
transparent and efficient flow of information and wider access to information and services by public.

The Tender board should always be serious of their work especially during selecting the supplier, contractor or services providers. It has been found that most of the tender given to the unqualified supplier which lead to receiving the items or services of low quality with low price or very high price simply because of favouritism. Later no value for money can be found rather than loss to the office budget.

Specification should be provided before procurement process begins since the quality of goods, works or services are derived from clear specification. Adequate specification form the base for inspection and quality control. To promote fair competition among bidders, specification of the intended product should be the same to all competitors and the parameters to be met. Unclear and inadequate specification may raise many queries from bidders hence lead to extension of submission time, thus delay of the procurement process.

Good relationship and communication between procurement management unit’s staff and other team player as users, suppliers, contractors and or services providers is very important. Everyone should be aware of his/ her responsibility in procurement process and perform effectively. Bidders should quote realistic price which enable them to perform the contracts satisfactorily. It is much better not to win any bid than to win and execute it unsatisfactorily. On the other hand the procurement entities should prepare realistic estimates which will assist them in selection of bidder with realistic rates for the execution of the contracts.

Public procurement stakeholders should observe ethics and fair dealing because is very important aspect of any good procurement system. Practicing unethical and unfair dealing creates room for bidders to steal and cheat through offering bid price. During receiving of goods, works and or services, acceptance certificates should be issued after the inspection team has certified the quality of the items in question. Undesirable goods, works or services should be rejected. Inspection report should be
prepared to form the basis for effecting payments. The companies that supply fake items should be held responsible to the legal procedures plus blacklisting them.

Finally there should be training of staffs involved in public procurement process of goods, works and or services including procurement management staff, tender board members, accountants, departmental heads, users, technical personnel and auditors. It is through training that the municipals will see proper results that will lead value for money in the municipals and government at large.
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APPENDICES

Appendix 1: Questionnaires

I’m a student at Mzumbe University taking Msc. Procurement and Supply Chain Management. I conduct this research as a partial fulfill of my master degree. Therefore kindly I forward my questionnaire to you to help me on getting these information concerning evaluation of public procurement process and performance. The information gathered not to be used in any other way and kept strictly confidential.

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

Please show your job title in the organization……………………………………………….

1. Have you heard about Public Procurement Act?
   (i) Yes ( )
   (ii) No ( )

2. How many years have you ever worked
   (i) Below 5 years ( )
   (ii) Above 5 years ( )

3. Does the procurement unit responsible for all procurements carry out its functions in compliance with the public procurement act?
   (i) Yes ( )
   (ii) No ( )
   (iii) I don’t know ( )
4. Is it necessary to adopt the procurement cycle in Public Procurement Authority in all our activities
   (i) Strongly Agree (   )
   (ii) Agree (   )
   (iii) Strongly Disagree (   )

5. What are some of the challenges you face in the process, briefly explain
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

6. Lower prices are always obtained by going through the Procurement Authority Process
   (i) Agree (   )
   (ii) Disagree (   )
   (iii) Undecided (   )

7. What procurement methods have your organisation normally use for procurement activities?
   (i) International Competitive Tendering (   )
   (ii) National Competitive Tendering (   )
   (iii) Restrictive Tendering (   )
   (iv) Price Quotation (   )
   (v) Single or Sole Sourcing (   )

Please would you explain why you chose the methods?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
8. Base on your procurement method, what is the duration in getting your required materials?
   (i) One month ( )
   (ii) Two months ( )
   (iii) Three months ( )
   (iv) Others, specify ( )

9. Can you give reasons for long lead time in the Procurement Process?
   (i) Suppliers failure to supply on time ( )
   (ii) Burdensome nature of the procurement process ( )
   (iii) Other specify ( )

10. Do you use electronic procurement in your institution?
    (i) Yes ( )
    (ii) No ( )

11. If yes, is the electronic procurement effective in responding to needs of users?
    (i) Strongly Agree ( )
    (ii) Agree ( )
    (iii) Strongly Disagree ( )
    (iv) Disagree ( )
    (v) Undecided ( )

12. Is the quality of materials procured depends on the efficiency of procurement process in your institution?
    (i) Strongly Agree ( )
    (ii) Agree ( )
    (iii) Strongly disagree ( )
    (iv) Disagree ( )
    (v) Undecided ( )

13. In your institution the flow of communication among stakeholders enhances the procurement process
14. Can you briefly state the area(s) in which procurement has failed to perform.
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………

15. How would you rate the overall efficiency of your institution procurement process?
   (i) Excellent ( )
   (ii) Very good ( )
   (iii) Good ( )
   (iv) Bad ( )
   (v) Poor ( )

16. What is the performance status of procurement process in your organization?
   (i) Excellent ( )
   (ii) Very good ( )
   (iii) Moderate ( )
   (iv) Poor ( )

Please briefly explain how you ensure value for money in your procurement process?
……………………………………………………………………………………
……………………………………………………………………………………
17. Do you use to provide specification /sample during ordering?
   (i) Yes(   )
   (ii) No(   )
   (iii) Not aware(   )

18. Do you inspect quality of the goods, work and or services?
   (i) Yes (   )
   (ii) No (   )
   (iii) Some of them (   )

19. What are the hindrance of the public procurement process especially in terms of quality?
    ……………………………………………………………………………………………
    ……………………………………………………………………………………………
    ……………………………………………………………………………………………

20. Is the procurement process in the Songea Municipal involve Transparency?
    i. Yes(   )
    ii. No(   )
    iii. Somehow(   )

21 Are the Songea Municipal Procurement officers professionals?
    i. Yes(   )
    ii. No(   )
    iii. Not aware(   )

22. Is the way of tendering involve competitiveness and fairness?
    i. Yes(   )
    ii. No(   )
    iii. Not aware(   )
    iv.  
23 What should be done to rectify all problems raised in public procurement process?