CHALLENGES FACING PROCUREMENT ENTITIES IN COMPLYING WITH PROCUREMENT REGULATIONS

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation/thesis entitled challenges facing procurement entities in complying with procurement regulations. In partial/fulfillment of the requirements for award of the degree of Master of Science in procurement and supply chain management.

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I am grateful to my friends Eng. Edwin William, Karume Chausa, and Muni Slaa, for their assistance, support, encouragement and comfort during the study and when I was writing this dissertation. Finally, all shortcomings in this dissertation remain my responsibility.
DEDICATION

This work is dedicated to my son Daniel Dastan Lissu, my parents Mr & Mrs Edward Machemli Naluyaga, and my guardian Mr & Mrs Mtemi L. Naluyaga who was encouraging and missing my closeness during my busy time of this study.
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<tr>
<td>PPA</td>
<td>Public Procurement Act</td>
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<td>PPP</td>
<td>Public Procurement Policy</td>
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<td>PPRA</td>
<td>Public Procurement Regulatory Authority</td>
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<td>CTB</td>
<td>Central Tender Board</td>
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<td>PPAA</td>
<td>Public Procurement Appeal Authority</td>
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<td>PEs</td>
<td>Procurement Entities</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<td>APP</td>
<td>Annual Procurement Plan</td>
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<td>PMU</td>
<td>Procurement Management Unit</td>
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<tr>
<td>AO</td>
<td>Accounting Officer</td>
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<td>TB</td>
<td>Tender Board</td>
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<td>TCAA</td>
<td>Tanzania Civil Aviation Authority</td>
</tr>
<tr>
<td>NHIF</td>
<td>National health Insurance Fund</td>
</tr>
<tr>
<td>NBAA</td>
<td>National Board of Accountants and Audits</td>
</tr>
<tr>
<td>PSPTB</td>
<td>Procurement and Supplies professional Technician Board</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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ABSTRACT

The study was assessing challenges facing procuring entities in complying with Procurement regulations. The study adopted a case study design that allowed collection of data at one point in time. Structured questionnaires were administrated to a sample of 50 respondents comprising Workers from Kisarawe District Council specifically from procurement department, other member from user departments were also included. The data were analysed by using different computer software such as MS Excel and Statistical Package for Social Sciences (SPSS). The analyses of data were largely descriptive involving computation of frequencies and percentages.

The study results show that overall compliance level on average is 43.8% which is not even greater than a half of total compliance, some area had highest while others had lowest compliance level, and advertisement to bid was highest element of compliance while publication of award was the lowest scored 2%. It was further revealed that there are number of challenges that hinder effective compliance of the procurement regulations; among the challenges are corruption in public procurement, interference from interest group specifically politicians, lack of professionalism, lack of enough skilled personnel, legal environment, market condition, lack of training opportunities and lack of training opportunities

Moreover, the finding of this study revealed that staffing of PMU was one of the area which had problem in PPRA audit report and this can be seen from analysis of challenges, therefore skilled procurement personnel has been perceived as the root cause of non-compliance at Kisarawe District, it has been noted that inadequate skilled personnel may lead to lack of professionalism, lack of ability to interpret legal environment of contracts etc.

Finally, the study shows that compliance of procurement regulations depends much on two important elements, skilled personnel and integrity/ethics of conducts, so to enhance these elements training remain critical in enhancing compliance.
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CHAPTER ONE

BACKGROUND INFORMATION

1.2 Introduction

In this chapter introduces the study. The background of the study is provided in Section 1.2. The statement of the problem is stated in Section 1.3. The objective of the study is provided in Section 1.4. The research questions are in section 1.5. The significance of the study is provided in Section 1.6. The limitations and De-limitations of the study

1.2 Background of the Study

Compliance of Procurement Entities (PEs) with Public Procurement Laws and Regulations is fundamental in public procurement goals and objectives to be realized. Almost all Public Procurement Regulatory Authority (PPRA) annual reports reveal incidences of lack of compliance (on the part of the Procurement Entities) with Public procurement Acts and its Regulations. The Auditor and Controller General’s Report (2010/11) shows that a procurement compliance rate of about 60 per cent, the PPRA annual audit reports indicated that a combined average level of compliance for the same financial year was 68 per cent. Although according to the report the level of compliance has improved compared to 39 per cent of financial year 2006/7, the PPRA has a scaring task of ensuring that more and more PEs comply with the existing Procurement Legislation and regulations.

To ensure that PEs comply with the Procurement Act and Regulations the government efforts is to Strengthen the capacity and authority of the regulatory institutions and compliance mechanisms, ensure adequate funds to implement various capacity building and monitoring interventions, institutionalize a systematic Monitoring and Evaluation framework targeting the tracking of trends in compliance, at least once quarterly, a procurement Monitoring and Evaluation tracking function to be used to give written reports on compliance with the panned procurement as reflecting what is approved in the national budget and other levels of government procurement decisions (PPP,2012).
Policies and Regulations are formulated against background public procurement reform achievements. The enactment of the Public Procurement Act (PPA) No 3 of 2001 and its Regulations which provided for the establishment of the Central Tender Board (CTB) as the central coordinating body for the new public procurement system and the establishment, under the same Act, the Public Procurement Appeal Authority (PPAA) to deal with resolution of complaints and disputes arising from the new public procurement process. As a way of improving procurement system in the country, the government repealed the PPA No.3 of 2001 by enacting the new PPA 2004 which was further repealed by the PPA of 2011 These changes decentralized the procurement functions to procuring entities and established the procurement oversight body, the Public Procurement Regulatory Authority (PPRA 2004).

Despite improvement in performance, public procurement sector is still facing a number of challenges. One of the challenges facing the public procurement sector in the country is a lack of public awareness about the benefit of public procurement and its laws, regulations, guidelines, procedures and regulatory instruments.

There is also a lack of awareness on public procurement markets, Complaints review mechanisms among stakeholders, lack of a national public procurement policy that sets the modus operandi, defines the national values, norms and socio-economic aspirations of the country and provides guidelines and procedures for development of public procurement sector in the country, Limited financial capacity and inadequate human resources to effectively and efficiently manage public procurement functions, lack of public procurement professional development plan and strategy, lack of compliance of the Procuring Entities with the Public Procurement Act, Regulations and Guidelines and irregularities in the use of existing standard procurement procedures, Absence of procurement planning among Procuring Entities and incoherence between Public Procurement Planning and budgeting which often result into recurring emergency procurement, (Public Procurement Policy 2012). Subsequently procurement audits have been carried out and indicators developed to assess the compliance of procurement.
However, various procurement audits have been conducted to determine whether the procedures, processes and documentations for procurement, contracting and disposal of public assets by tender were in accordance with the provisions of the PPA 2004, Regulations and standard documents prepared by PPRA and that procurements carried out achieves the expected economy and efficiency, and the implementation of contracts conform to the terms there of. The aim was to identify weaknesses by PEs in complying with the PPA 2004 and Regulations to enable appropriate measures including implementation of appropriate capacity building strategies, to be taken. Most reforms have been skewed to the dos and don’ts of procurement laws. Procurement systems are thus strongly regulated and their implementation rarely assure attainment of value for money having failed to take on board managerial performance indicators cost effectiveness, efficiency and the manner in which resources have been deployed or managed in a procurement process.

The purpose of this study is therefore to examine challenges facing procurement entities in complying with procurement regulations, so as to come up with the suggestions for enhancing the existing situation.

1.3 Statement of the Research Problem

Procurement reforms in Tanzania aim to harmonize the process of procurement in public procurement entities. The harmonization secures a judicious economic and efficient use of public resource in public procurement and ensures that that public procurement is carried out in a fair, transparent and non-discriminatory manner while promoting a competitive local industry, Public Procurement Regulatory Authority, (2004).

Together with the efforts by PPRA to harmonize procurement activities in the public sector, allegations on irregularities in procurement processes are still reported Mlinga, (2009). The allegations include inefficiency and ineffective in public procurement policies, delay in procurement due to long procurement processes, high cost of projects, lack of fairness to bidders, lack of transparency during selection and award of government contracts PPRA (2011). Moreover, Public Entities are confronted with procurement
issues such as low professionalism (there is a tendency by enforcers of public procurement laws and some sections from the public to forget that procurement is a strategic activity which requires managerial skills and competence so that it contributes fully towards delivery of strategic corporate objectives), limited career development opportunities to staff and weak contract management (Dobler, and Burt, 1996). This study assesses challenges that face procurement entities on compliance with procurement regulation.

1.4 Research objectives

1.4.1 Main objective
To assess the challenges facing procurement entities in complying with procurement regulations.

1.4.2 Specific objectives
1. To determine the level to which the Kisarawe District Council complies to procurement regulations
2. To identify the challenges encountered by the Kisarawe District Council toward meeting the procurement regulations standards.

1.5 Research questions
(i) To what extent does Kisarawe district Council comply with national procurement regulations?
(ii) What are the challenges encountered by Kisarawe district Council in the course of implementing the procurement regulations?

1.6 Significance of the study
The findings of this study expect to be useful in the underplayed aspects:

Politically: The Tanzania government and especially policy makers pressurize procurement reforms to ensure effectiveness, efficiency and transparency of Public procurement systems to comply with procurement regulations. Therefore the government has to move fast with the reforms to the extent of putting in place a legislative framework for Public procurement policy that guide compliance with the implementation of the reforms which results into the current laws and regulations.
**Economically:** Public procuring entities must recognize that they are involved in a major function of the national economy in which large amount of the government money is spent through procuring goods, works and services. This is why they are required to ensure that prudent economic decisions are made to open up market opportunities to Tanzanian business entities (big, medium and small), to increase their participation in the domestic and competitive international markets.

**Academically:** The study has provided useful information to other stakeholders spending public funds on how to take working measures to minimize factors hinders the PEs to comply with PPA. Also, the findings through this study contribute to the knowledge base that is helpful for further researcher scholars and professionals of this field and for future references. Finally, since this study is a partial academic requirement for the program of Master Degree, successful results contribute to the award of Master of Science Degree in Procurement and Supply Chain Management (Msc - PSCM) offered at Mzumbe University.

1.7 **Limitations and De-limitations**

The researcher encountered some difficulty circumstances including time constraints and late delivery of questionnaires. This generalizes the problem and the study to be difficulty. Also, since the study has been undertaken in one of the local government (Kisarawe district council) some respondents seemed to be too much busy with their activities rather than concentrating on the problem under study when interviewed. The availability of most targeted people was also difficulty. The researcher also faced financial constraints as the research was self-funded she used her meagre resource to meet the research expenses. Confidentiality of information, some of the information was treated as confidential and deny access to it by the researcher.
CHAPTER TWO

LITERAURE REVIEW

2.1 Introduction
In this section researcher described and explained the concepts, models and theories that are relevant in the field of procurement and necessary to facilitate a comprehensive analysis and understanding of the research question. It may be useful to conceptualize the different terms relating to compliance in public procurement. A broader definition of procurement has been introduced.

2.2 Conceptual definitions

2.2.1 Public Procurement
Public procurement means an acquisition, whether under formal contract or otherwise, of works.
Supplies and services by public bodies using publicly sourced finances. It involves the purchasing, hiring or obtaining by any contractual means of publicly needed goods, construction works and services by the public sector. It also includes situations in which public funds are mobilized to procure works, goods and services even if the government does not get directly involved. PPP,(2012).

2.2.2 The Concept of Compliance in Procurement
Compliance is a state of being in accordance with established guidelines, specifications, or legislation or the process of becoming so. It is, in general, conformity to a rule, policy, standard or law that has been clearly defined. In most countries, generally means compliance with laws and regulations and these laws can have criminal or civil penalties when not observed properly, Lyson (2006)

It also makes it easier for an organization to pinpoint flaws in its system or improve existing standards that fail to meet the company or business’ goals. In a corporate setting, more and more companies are using “key performance indicators” for years to
track data that can help to measure progress toward whatever goals a company has. Each compliance indicators are relevant to the organization’s goals.

Essentially procurement compliance in organizations takes place both internally and externally. Internally, it is best practice for companies to implement the use of software applications to ensure obedience with processes involved in sourcing, buying, contracts and suppliers. According to a survey conducted using eight different procurement programs, those companies which ensured best practices in procurement compliance in Demand Management and Contracts had the highest returns Baily et al (2006). Similarly, compliance with strategic is a best practice which is greatly regarded in terms of benefits.

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 all 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. Therefore efficient handling of procurement outlays is always a challenge to many countries, especially the developing countries with many developmental agendas yet to be executed. PPRA has the mandate of monitoring procurement activities including the issue of procurement compliance in Tanzania through:

a) Conducting periodic inspections of the records and proceedings of the PEs to ensure full and correct application of this Act.

b) Monitoring the award and implementation of public contracts with a view to ensuring that: such contracts are awarded impartially and on merit; the circumstances in which each contract is awarded or as the case may be terminated, do not involve impropriety or irregularity; without prejudice to the functions of any public body in relation to any contract, the implementation of each such contract conforms to the terms thereof.
c) Instituting: procurement audits during the tender preparatory process; contract audits in the course of the execution of an awarded tender; and performance audit after the completion of the contract in respect of any Procurement as may be required.

2.3 The efforts made by PPRA towards fulfilling its mandate of monitoring procurement activities in the country

Public Procurement Regulatory Authority as per Section 6 of the Act has the following mandates: Advise central Government, local governments and statutory bodies on all procurement policies, principles and practices, Monitor and report on the performance of the public procurement systems in the United Republic of Tanzania and advise on desirable changes. Set training standards, competence levels, certification requirements and professional development paths for procurement experts in consultation with relevant professional bodies and any other competent authorities. It has the Authority to prepare, update and issue authorized versions of the standardized tendering documents, procedural forms and any other attendant documents to procuring entities. Mlinga (2009). In fulfilling its mandate, the functions above are clearly elaborate below in subsections.

a) Advisory role of PPRA

Public procurement regulatory authority has the duty to formulate principles, policies and regulate them, in its role in ensuring that procurement processes are carried out smoothly, then it goes on advising PEs on the best practises methodologies in implementations of its functions, the advisory function is well exercised on the auditing which are conducted periodically. In September 2010, the monitoring and compliance committee of the board of directors of PPRA approved the report on the audit follow up exercise which was conducted in 91 procuring entities to assess implementation of audit, recommendation is made after the procurement audit in financial year 2007/2008 and 2008/2009.

The auditing report indicate remarkable improvement in compliance from the average level of compliance of 50% and 55% in the financial year 2007/2008
and 2008/2009. Therefore advisory have shown to have impact on improvement of services

b) Supervision of public procurement

Monitoring of public procurement is continuous process of ensuring that procurement system in use is properly implemented to meet intended objectives, obstacles toward achieving are identified and mitigated, feedback is provided to all involved in the system and for further improvement. Moreover Public procurement regulatory authority (PPRA) issues standard regulations and rules which are used as guidelines to procurement professionals and procuring entities, which through them PPRA set benchmark and evaluate procuring entities against that bench mark.

c) Professional development

PPRA conduct seminars which specifically aim at inducing new knowledge on general practising. Seminars have been centred in different angles, and there are those that have been sensitizing on code of conducts and ethics, those on curbing corruption and sensitizing on increase of transparency in public procurement. These seminars are on-going exercise which are used as the means for PPRA to communicate changes on regulations, policies and other necessary procedures.

2.3.1 Requirement for Procurement Compliance

In order to comply with procurement Act PPA 2004 and its regulations 2007 as to PPRA systems for monitoring each procurement entity require undergoing the following procedures: Each PE entity is required to prepare an Annual Procurement Plan (APP) which will guide them in their procurement undertakings during that financial year.

A copy of the APP shall be submitted to PPRA which will enable the Authority to have the aggregate procurement statistics on that financial year so as to simplify monitoring of the procurement activities. The statistics will be posted on the Authority’s website to enable stakeholders to access necessary information and hence prepare themselves to trade with different PEs. Procurement Entities will be required to submit monthly
progress reports for on-going procurements showing clearly tenders in process and those which have been awarded. A comprehensive report will be required for all awarded tenders showing clearly the whole process from advertisement, award and contract implementation stages. The Authority will verify the submitted information through procurement audits concurrently with collection of opinions from participated bidders regarding the whole tendering process for selected tenders.

In most of African countries public procurement is managed through administrative, regulations and procurement manuals issued by the country’s Ministry of Finance. These regulations are amended from time to time (Kigwana, 2005).

2.3.1.1 Supplies/contractor Resistance
In addition, recognition of supplier resistance is essential for compliance with the procurement rules. To avoid non-compliance with the procurement Act, 2004 and its regulations the land enjoins all suppliers to report instances abuses if they feel aggrieved at the award of contract. In the other hand the willingness of PES to listen and effectively address the concerns of aggrieved supplies/contractors as well as the opportunity to take action against public purchases is likely to influence private sector participation and compliance with the procurement rules.

2.3.1.2 Organizational incentives
Organizational incentives can result in non compliance with the procurement rules. It is further argued by Tellteman (1990) that bureaucrats in the public sector try to exhaust fully their procurement budget so as to avoid reduction in their future budget. To these bureaucrats, cost reductions due to competitive procurement procedures in one year do not necessary result in increase in subsequent budgets. Lack procurement professionalism in the public sector is a midrace far compliance with the public procurement law Mlinga (2009) from this, public entities are not likely to comply with directives of the procurement law. In the public sector procurement officer are the agents who act on behalf of the principal (state) to realize the goals and objective of the state. Therefore the goals of the agent must be in conformity with that of the principle in order to achieve efficient reform in public procurement programme.
2.3.1.3 Competitive bidding

The World Bank has found out that competitive bidding, when properly administered, can lead to savings up to 30% of budget of procurement. The only problem is that the cost of the bidding process could actually outweigh the benefits. This can only be taken care of by the use of other methods such as competitive quotation. (Ogachi, 2005). Competitive bidding can be a useful and appropriate way of procuring public goods and services, market conditions are fully taken into account by purchasers in designing and planning. (Mwakibinga, 2004).

2.3.1.4 Handling of Emergency Public Procurement

Often in Tanzania there are situations necessitating an emergency procurement. Expectations for Emergencies call for an effective contracting support. Timely response may save lives, reduce.

Property loss, enables greater continuity of services, and enhances logistical capability in the wake of an emergency. Emergencies are not often predictable. However, Procurement Entities should have a reasonable idea of how to respond to a given emergency incident or situation. Establishing organizational priorities and planning effectively before an emergency arises will help to avoid delays in meeting requirements, reduce complexities, and eliminate redundancy of effort when a contract action is required. To ensure timely and effective decision making, functional roles and responsibilities for individuals supporting emergency operations must be clearly defined. Contracting professionals should work closely with others involved in the process to develop a common and coordinated understanding to meet the government’s needs during an emergency. (PPRA 2004).

2.3.2 The level of Compliance in Procurement according to PPRA Audits 2007

The audit covered procurement processes carried out in the Financial Year 2006/2007 for goods, works and consultancy services. A total of 26 procurements were undertaken during the financial year. The overall performance of the Council in complying with the PPA and its Regulations was assessed to be 26% computed from thirteen established compliance indicators. It performed above average (50% and above) on the indicators for establishment and composition of Tender Board, and complying with the
methods of procurements as stipulated in the Regulations. On the other side, the performance on the following indicators was below average:

(i) Establishment and composition of PMU; Functioning of AO, TB and PMU;
(ii) Preparation of Annual Procurement Plan;
(iii) Complying to compulsory approvals;
(iv) Advertisement of bid opportunities;
(v) Publication of contract awards;
(vi) Complying with tender preparation times as stipulated in the Regulations;
(vii) Use of standard tender documents;
(viii) Records keeping;
(ix) Quality assurance and control; and Contract implementation.

Generally, the outcome of the audits indicated an average level of compliance of forty two percent (42%) computed from the thirteen established compliance indicators. The average level of compliance for MDAs is forty four per cent (44%) and for Local Government Authorities is thirty nine per cent (39%). The audited PEs included two (2) Ministries, nine (9) Local Government Authorities, and nine (9) Parasternal /Agencies/Independent Departments. The Tanzania Civil Aviation Authority (TCAA) attained a maximum average compliance of 68% while the National Health Insurance Fund (NHIF) attained a minimum average compliance of 23%.

The areas where PEs performed above average include: Establishment and composition of Tender Boards; Advertisement of bid opportunities; Complying with tender preparation times as stipulated in the Regulations; and Complying with the methods of procurements as stipulated in the Regulations.

The areas where PEs performed below average include: Establishment and composition of Procurement Management Units (PMUs); Functioning of AOs, TBs and PMUs; Preparation of Annual Procurement Plan; Complying to compulsory
approvals; Publication of contract awards; Use of standard tender documents; Records keeping; Quality assurance and control; and Contract implementation.

Obviously, procurement entities have high priority targets for any capacity development programme. Having qualified people working on procurement does not help if they are placed in organizations that are ineffective. Thus, procurement entities need to be properly staffed, well managed, with clear demarcation of who is accountable for procurement decisions, equipped with systems having proper internal and external checks and balances that comply with a strict official ethical code specific to procurement, etc. The structure of the procurement entity itself is important, as well as the position of the procurement function and its independence. Those involved in the procurement process need to be identified, recognized and closely involved in the wider decision making and project management process.

OECD (2005) procuring entities should have a staffing profile commensurate with the volume and complexity of the actual procurement activities. The focus of attention should extend beyond the staff labelled as procurement “officers” and also consider all other functions that are necessary for and support the procurement activity. Professional procurement officers alone are not enough to guarantee good procurement. Beyond the primary function of handling contracting, complaints, resolving disputes, monitoring contract performance, it is also important to ensure that procurement staff requires technical, commercial and legal backup and assistance. Weaknesses in any of these areas can seriously undermine the effectiveness of the overall procurement system.

The emphasis here should be on ensuring that institutional framework for procurement is conducive and able to create and sustain more professional class or cadre of procurement staff. The aim is to recognize the skills, knowledge and professional development needs of the individual who are both directly and indirectly involved in the procurement process. The framework should include the oversight body itself, the public sector training institute or college responsible for government-sponsored procurement training, and if possible a private university (to develop advanced level programmes if appropriate). The best procurement systems have all of these elements.
According to PPRA auditing report (2006/2007), the major cause for non-compliance is lack of established PMUs within the PEs. In some cases the existing PMUs are not staffed to an appropriate level and some staff lack appropriate procurement qualifications. These facts were revealed during the audits where the audited PEs indicated an average compliance of only nineteen (19%) under the indicator for establishment and composition of PMUs. Without appropriately established PMUs, it is therefore unlikely for the PEs to comply with the provisions in the PPA and its Regulation.

Moreover, the function of PMU as stipulated under Section 35 of the PPA, 2004 and its regulations is to manage all procurement activities of the PE including to; plan the procurement activities, support the functioning of the Tender Board including implementing its decisions, coordinate procurement activities of the departments, prepare tendering/contract documents and, maintain and archive procurement records. It is therefore obvious that in the absence of an appropriate staffed PMU (in terms of number and qualifications), it is hardly possible for the PE to comply with the provisions in the PPA and Regulations. That is why it is emphasized ‘to establish appropriate staffed PMU in every PE as required under Section 34 of the PPA, 2004.

Below is a list of the audited PEs and their average compliance based on the established compliance indicators;
<table>
<thead>
<tr>
<th>Procuring Entity</th>
<th>Average Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania Civil Aviation Authority (TCAA)</td>
<td>68%</td>
</tr>
<tr>
<td>National Board of Accountants and Auditors (NBAA)</td>
<td>66%</td>
</tr>
<tr>
<td>Morogoro Municipal Council</td>
<td>59%</td>
</tr>
<tr>
<td>National Social Security Fund (NSSF)</td>
<td>59%</td>
</tr>
<tr>
<td>Bukoba District Council</td>
<td>53%</td>
</tr>
<tr>
<td>Arumeru District Council</td>
<td>48%</td>
</tr>
<tr>
<td>Open University of Tanzania</td>
<td>46%</td>
</tr>
<tr>
<td>Muhimbili University Collage of Health Sciences</td>
<td>44%</td>
</tr>
<tr>
<td>Kigoma-Ujiji Municipal Council</td>
<td>43%</td>
</tr>
<tr>
<td>Tabora Municipal Council</td>
<td>39%</td>
</tr>
<tr>
<td>Ministry of Justice and Constituonal Affairs</td>
<td>39%</td>
</tr>
<tr>
<td>Tanzania Comission for Aids (TACAIDS)</td>
<td>38%</td>
</tr>
<tr>
<td>Arusha Urban Water Supplies Authority</td>
<td>36%</td>
</tr>
<tr>
<td>Organization</td>
<td>Percentage</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Ministry of Community Development, Gender and Children</td>
<td>34%</td>
</tr>
<tr>
<td>Songea Municipal Council</td>
<td>32%</td>
</tr>
<tr>
<td>Moshi Urban Water Supplies Authority</td>
<td>32%</td>
</tr>
<tr>
<td>Sumbawanga Municipal Council</td>
<td>26%</td>
</tr>
<tr>
<td>Songea District Council</td>
<td>25%</td>
</tr>
<tr>
<td>Sumbawanga District Council</td>
<td>25%</td>
</tr>
<tr>
<td>National Health Insurance Fund (NHIF)</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Source:** PPRA audit report (2006/2007)

The results from the table 2.1 above are individual outcome of procurement compliance auditing report conducted in respective organisations, the table below shows performance indicator that were used by PPRA as benchmark to derive the overall compliance level.
The table 2.2: Compliance indicators and the aggregated summary of the findings for the 20 audited PEs

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>PERFORMANCE DATA</th>
<th>AUDIT FINDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Establishment and composition of tender Board</td>
<td>Existence of a tender board in accordance with requirements of the Act and Regulations</td>
<td>The audited PEs indicated an average compliance of 88%</td>
</tr>
<tr>
<td>2 Establishment and composition of PMU</td>
<td>2 Existence of a PMU in accordance with the requirements of the Act and Regulations</td>
<td>The audited PEs indicated an average compliance of 19%.</td>
</tr>
<tr>
<td>3 Functioning of AO, TB and PMU</td>
<td>Percentage of tenders in which there was no interference between individual functions Boards, PMU and user Departments</td>
<td>42% of the audited procurements had no interference between the individual functions of the Accounting Officer, Tender Boards, PMU, and user Departments</td>
</tr>
<tr>
<td>4 Preparation of annual procurement plan</td>
<td>Prepared annual procurement plan</td>
<td>24% of the audited PEs prepare annual procurement plans for the financial year 2006/07</td>
</tr>
<tr>
<td>5 Approvals</td>
<td>Percentage of tenders/contracts which received all compulsory approvals in various processes</td>
<td>40% of the audited procurements received all compulsory approvals in the procurement processes as per the requirements in the PPA and its Regulations</td>
</tr>
<tr>
<td>6 Advertisement of bid opportunities</td>
<td>Percentage of open bidding procedures publicly advertised</td>
<td>55% of the tenders under open bidding process were advertised to the public as per the requirements of the PPA and its Regulations</td>
</tr>
<tr>
<td>7 Publication of awards</td>
<td>Percentage of contract awards disclosed to the public</td>
<td>6% of the audited procurements were disclosed to the public as per</td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td>---</td>
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</tr>
<tr>
<td><strong>8</strong> Time for preparation of bids</td>
<td>Percentage of tenders complying with the stipulated time in the Act and Regulations</td>
<td>56% of the audited procurements complied with the minimum time provided in the PPA and its Regulations</td>
</tr>
<tr>
<td><strong>9</strong> Method of procurement</td>
<td>Percentage of tenders using authorized methods of procurement in accordance with their limits of application</td>
<td>68% of the audited procurements used methods of procurement in accordance with their limits of application as provided in the PPA and its Regulations</td>
</tr>
<tr>
<td><strong>10</strong> Use of standard tender documents</td>
<td>Percentage standard/approved tender documents</td>
<td>In the 47% of the audited procurements, standard tender documents were used as per the requirements of the PPA and its regulations</td>
</tr>
<tr>
<td><strong>11</strong> Records keeping</td>
<td>Percentage of tenders with complete records</td>
<td>38% of the audited procurements had complete procurement records</td>
</tr>
<tr>
<td><strong>12</strong> Quality assurance</td>
<td>Formation and functioning of inspection committees (goods) and project managers</td>
<td>12 17% of the audited procurements indicated that either goods inspection committees or project managers for works contracts were appointed as per the PPA requirements and its Regulations</td>
</tr>
<tr>
<td><strong>13</strong> Contract implementation</td>
<td>Percentage of contracts which have been implemented as per the terms of contract</td>
<td>Contracts in 45% of the audited procurements were implemented as per the terms of the respective contracts</td>
</tr>
</tbody>
</table>

**Source:** PPRA audit report 2006/2007
2.4 Empirical literature review

A literature review therefore is an account of what has been done, published on a topic by accredited scholars and researchers (Kothari C,R, 2003). These are literature surveyed by the researcher together with models through theoretical facts as well as conceptual framework put forward by various authors and observers that relate to the procurement compliance. Procurement means buying, procurement, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity spending public funds on behalf of ministry, department or regional administration of the government, or public body and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenders, preparation and award of contract (URT, 2004).

Baily et al (2008), give a broad definition of procurement as: supply of the organization with the flow of materials, goods or service to meet its needs, ensure continuity of supply by maintaining effective relationships with existing sources and by developing other sources of supply either as alternatives or to meet emerging or planned needs, buying efficiently and wisely, obtaining by ethical means the best value for money, maintaining sound cooperative relationships with other departments, providing information and advice as necessary to ensure the effective operations of the organization as a whole and to develop staffs, policies, procedures and organization to ensure the achievement of this objectives.

Saunder, (2000) states a theory which provides an explanation of observed behavior, and contributes thus to understanding. A theory provides a prediction of future
behavior. On the basis of the theory, tools for analyzing, designing and controlling can be built. A theory, when shared, provides a common language or an understandable framework, through which, the cooperation of people undertakings, like project, firms is facilitated and enabled”. Koskela (ibid) pinpointed that; a theory can be seen as a condensed piece of knowledge: it empowers novices to do things that formerly only experts could do.

Rendon, (2006) put it that in order to award and successfully manage effective contracts; organizations must have disciplined capable and mature contract management process in place. It is also argued that the central aim of contract management is to obtain value for money. This means optimizing the efficiency, effectiveness and economy of the standard work described by the contract.

There are differing rationales and interpretations surrounding the concept of contract management. For instance, there is a theory that states contract management principles and practices commence merely from day one of the contract starting. Another school of thought insists however that the drafting of the contract specification, coupled with the co-ordination of the tender process, which in fact is the initial phase for contract management. There is also confusion as to whether performance monitoring, which will strive to ensure continuous improvements in service delivery should form part of contract management practices. Undoubtedly though, there are tangible benefits for including this in the whole contract management process. According to the theory, the following factors are proposed to be the essential for good contract management:

Good preparation; an accurate assessment of needs help to create a clear output-based specification. Effective evaluation procedures and selection will ensure that the contract is awarded to the right provider to facilitate smooth management of contract.

The right contract; the contract is the foundation for the relationship. It should include aspects such as allocation of risk, the quality of service required, and value for money mechanisms, as well as procedures for communication and dispute resolution.
Management of service level and contract administration; effective governance will ensure that the customer gets what is agreed, to the level of quality required. The performance under the contract must be monitored to ensure that the customer continues to get value for money.

Relationship management Mutual trust and understanding, openness, and excellent communications are as important to the success of an arrangement as the fulfilment of the formal contract terms and condition. Continuous improvement; improvements in price, quality or service should be sought and, where possible, built into the contract terms. People, skills and continuity; there must be people with the right interpersonal and management skills to manage these relationships on a peer-to-peer basis and at multiple levels in the organization. Clear roles and responsibilities should be defined, and continuity of key staff should be ensured as far as possible. A contract manager (or contract management team) should be designated early on in the procurement process.

Knowledge; those involved in managing the contract must understand the business fully and know the contract documentation inside out (‘intelligent customer’ capability). This is essential if they are to understand the implications of problems (or opportunities) over the life of the contract.

Management of contracts usually requires some flexibility on both sides and a willingness to adapt the terms of the contract to reflect a rapidly changing world. Problems are bound to arise that could not be foreseen when the contract was awarded. Change management; Contracts should be capable of change (to terms, requirements and perhaps scope) and the relationship should be strong and flexible enough to facilitate it. Proactively; Good contract management is not reactive, but aims to anticipate and respond to business needs of the future. Initially the researcher agrees with the theory on the point that the contract management principles and practices commence merely from day one of the contract starting. The drafting of the contract specifications, coupled with the co-ordination of the tender process, which in fact is the initial phase for contract management.
Procurement means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity spending public funds on behalf of the public body and regional administration of the government or public body and includes all functions that pertain to the obtaining of any goods, works or services, including descriptions of requirements, selection and invitations of tenders, preparation and award of contract (PPA, 2004).

2.5 Importance of Procurement Legal Aspects

Nkinga (2008) argued that value for Money (VfM) is an essential test against which procuring entities can justify a procurement outcome. From the user or the targeted public point of view, value for money is the value (output) attached to some defined cost (input). Value for money is a concept associated with deployment of resources via realization of some expected output values. For the purpose of this research, the social-economical development is considered to be the outcome of effective contract management. The user department or consumer attempts to attach value to products or services received and compares the same with resources expended.

Smith (2009) marked that it is a universal practice to regulate public procurement systems, cutting across developed to developing economies. While it is undisputable that public procurement systems demand high level of transparency, compliance and accountability as enforced by law; the allowance for risk management and maximization of value throughout the procurement process using managerial skills should be accommodated.

The pursuit of value for money in public spending remains to be a big challenge to governments and their institutions across Tanzania. Lack of appropriate procurement skills and incompetence among managers and staffs entrusted with public procurement activities have been pointed out by a number of studies as some of the impeding factors. Furthermore, it is said that rigid rules regulating public procurement systems further complicate the challenge and may render the achievement of value for money a distant goal.
South Ribble Borough Council (2007) gave a broader concept of value for money and associated it with the economy, effectiveness and efficiency of the work done (the output), service. This point of view, it is where proper contract awards is resulted and effective contract management for achievement of value for money is attained. A comparison is made between the input costs against the value of the outputs and a qualitative and quantitative judgment over the manner in which the resource involved have been utilized and managed.

Mlinga, (2011) underpinned that value for money is based therefore not only on the acquisition price/cost (economy) but also on the maximum efficiency and effectiveness of an entire procurement transaction throughout a procurement process, particularly where large projects are to be implemented and a magnitude sum of money are involved. Then that been the case the personnel who are involved in procurement must have the capacity and skills to run the show efficiently and effectively to minimize risks and maximize impact of the contract performance. That is procuring entity’s staffs involved in procurement should have the capacity and skills to run the process efficiently and effectively to maximize the positive impact of contract performance in government spending.

The researcher concurs in one way or another with the author on the proposed challenges hindering achievement of value for money. The point the researcher agrees with the author is on relevancy of the finding that, appropriate procurement skills and competence among managers and staff entrusted with public procurement activities. It is accepted by the researcher that, regulating public procurement systems is the universal practice while it is undisputable fact that, public procurement systems demand high level of transparency, compliance and accountability as enforced by law the allowance for risk management and maximization of value throughout the procurement process.

The major purpose of enacting laws to regulate the operations of government business in public procurement is only to have the already set operations in the manner likely to save for principle of rule of law in all government dealings (government standards: Standard contract and standard tender documents). There will be no business practice
for managerial skills unless abiding to set legal rules. Therefore, having the rules allowing room for non-regulated procedures will be the room for misuse of government fund and a distant achievement of value for money.

Sue (2000) argued that the use of legal rules that impose tight limits on discretion in public sector procurement is often “explained” by reference to the need to ensure proper spending of taxpayers’ money or the integrity of the procurement system. This merely asserts, however, that value for money and integrity are objectives of the system and does not fully explain why regulation is used as a tool to achieve those objectives, nor the form that regulation takes (with its emphasis on transparency and competition). The UNCITRAL Model Law on procurement assumes that states will regulate procurement through legally binding rules (and also suggests that there should be some form of supplier review to ensure compliance with those rules.

2.6 Conceptual Framework

This section presents the main conceptual framework which is the keystone for this study. The principal agency theory is the underling theory used to establish the framework for this study. Several studies Bergent et al,(1992) and Rokkans & Buvik (2003) have contributed to the literature on principal agent theory. All these contributions have one main theme which is the relationship between a principal and an agent.

The principal agent theory concerns with the arrangement that exists when one person or entity called the agent acts on behalf of another (called the principal). For example shareholders of a company (principals) elect management agents to act on their behalf, and invest to manage their assets. In this case the government of Tanzania (principal) engages PEs and PPRA (agents) to undertake public procurement and enforcing the Public procurement Act 2004 on behalf.

With relationship the principle engages the agent who acts and makes decisions on behalf of the principal (Bergent et al,1992). This relationship works well when the agent is an expert at making the necessary decisions but does not work well when the interests of the principal and agent differ substantially. In general, a contract is used to
specify the terms of a principal agent relationship Agency theory according to Eisenhard, (1989) is directed at the ubiquitous agency relationship in which one party (the principal) delegated work performs that work agency theory describes this type of relationship. Agency relationships are enacted in a broad social context for the adoption in order to discourage self-interested behaviour by Managers and reducing agency costs.

The political system of any country such as Tanzania can of course be understood as a complex network of principal agent relationships composed of citizens, governments and their agents such as Ministries, Departments and Agencies, District councils elected officials, the judiciary, the legislature and the media. These actors concurrently play principal and agent roles within and across political organizations.

The framework was developed in this context examining the influences upon compliance with procurement directives Gelderman et al, (2006) and given its relatively general framing; provide a useful framework for examining the influences on the degree to which any aspect of public procurement policy translates into practice.
2.6.1 Components of Framework

The conceptual framework classified familiarity with the procurement rules, the perceived inefficiencies in the public procurement systems; the organizational goal

achievement and supplier resistance, familiarity with rule/legal environment and market condition, Fraudulent environment/corruption aim to result in compliance with the public procurement regulations.

2.6.2 **Familiarity with the procurement laws/ Legal environment**

De Boer and Telgen (1998) reported in his study that, many public institutions were not conversant with legal obligations to follow the stipulations of the public procurement laws thereby leading to non-compliance with the law. Further, Jensen and Meckling (1976) also argued that both the principal and agent were motivated by their own self-interest when entering into contractual relationship and aim to maximize benefits or utility for themselves only. To many practitioners, the procurement laws are not exactly clear. Therefore, familiarity of the rules by both purchasers and suppliers will not hence the chances that public agents will comply with the rules. This leads to the motion that there exist a relationship between familiarity with the procurement rules and its compliance that leads to positive impact of the public procurement in particular and economy of Tanzania in general.

2.6.3 **Lack of skilled procurement personnel**

The number of specialist in procurement is not enough, in most cases PMU operate without having enough qualified personnel, procurement audit 2006/2007 in Tanzania shows majority of organization lack well established PMU in accordance with PPA 2004. This shows that there are not enough in the market, In Tanzania field of procurement is still at infant stage of development, so this is challenge that faces procuring entities in Tanzania, Lack procurement professionalism in the public sector is a midrace far compliance with the public procurement law Mlinga (2009) from this, public entities are not likely to comply with directives of the procurement law.

In the public sector procurement officer are the agents who act on behalf of the principal (state) to realize the goals and objective of the state. Therefore the goals of the agent must be in conformity with that of the principle in order to achieve efficient reform in public procurement programme.
2.6.4 Perceived inefficiency

Additionally, the conceptual widely indicates that there is a perceived inefficiency in the procurement rules. The procurement Act. 2004 specifies a number of rules, legal and ethical of conduct for the whole procurement process. These rules aim to avoid discrimination in the award of contracts to ensure transparency and accountability through the procurement process. However, premises that they are not in line with best practices in relation to procurement practices in private sector.

Finally, compliance with the public procurement Act 2004 and its regulations can be achieved when public safe agent behave in a moment that is consistent with the objective and goals with their principal (the state) when procurement professionals and supplies are familiar with the procurement rules and when supplies are knowledgeable and courageous to resist any abuse in procurement processes

2.6.5 Corruption in public procurement

In order to attain accountability, integrity and value for money procurement, control methods need to be formulated and put in place at institutional and legislative levels of government and business organizations. The objective of these legislations is to put a force of law for adherence by public officers charged with the duty of executing public procurement functions. It is intended that in the process, the required transparency will be practiced Mkisi, (2005).

To beat fraud, you need effective and transparent tendering, let contractors know the policies and tell them in the contract that you won’t take bribes. Managers are also advised to be aware of specifications fraud in which contractors use materials of lower quality than required but still charge full rates. Managers are urged to ensure that specialized purchasing process from specification and tendering to settling invoices are properly segregated to reduce the risk of fraud, McDonagh, (2001).

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2.6.6 Transparency in Public Procurement

Transparency in Public Procurement refers to the ability of all interested parties to know and understand the actual methods and process by which procurement contracts are managed right from advertisement for pre-qualifications, and all the attendant steps and processes up to award. Transparency is a central characteristic of a sound and efficient Public Procurement system as identified by Mkisi, (2005), is basically characterized by the following: - A well-defined regulations and procedures open to public scrutiny, Clear, standardize tender documents to bidders; Tender documents must contain complete information.

(i) An equal opportunity in the bidding process.
(ii) PPA, 2004 & PPR, 2005 give a legal framework that, tender advertisement should be done at least twice in one or more newspapers of national circulation, it provides the potential bidders with information about procurement requirement (what, who, when and where). The tender document on the other hand provides the potential bidders with information about rules of the game. It provides at minimum the following:

(a) Instruction to bidders for preparing tenders, the criteria and procedures for evaluation.
(b) The schedule of requirement, Specifications of requirements, General and special conditions of contract, Sample forms. This makes the bidders to feel free and competent to enter into the race.

The decision to establish procurement rules, regulations and procedures came as a result of the importance of procurement activity in the government. Efficient
management of this sector enables the government to manage its affairs efficiently by having all necessary materials and services timely available at reasonable cost. It also reduces government spending bearing in mind that procurement of supplies and services cost the government a lot of money, nearly 80% of government budget. Contrary to expectations, procurement in the government has been inefficient. Regulations have been deliberately flouted for benefits of the individual’s officers concerned. Non-compliance has been rampant because of the existence of avenues for corruption. The government has lost money by purchasing inferior goods and services at high prices. Indeed the government has been losing millions of shillings in claim of goods that were never delivered, Senkoro, (1991).

2.6.7 Procurement Planning

Poor planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of the skills of staff responsible for procurement is featuring as one of the major setbacks in public procurement.

Procuring entities must view procurement as a strategic activity that must be fully integrated into their short and long term plans and provides support to delivery of their strategic objectives and realization of value.

Public Procurement Audits in Tanzania are singling out absence of annual procurement plans (APPs) in most procuring entities as one of the major factors fuelling procurement costs and thus rendering achievement of value for money a distant dream. Section 45 of the Public.

Procurement Act, 2004 compels procuring entities to have procurement plans so as to avoid emergency procurement; to aggregate procurement requirements to reduce procurement costs and to integrate their procurement budgets with their expenditure programmes.

A number of procurement costs can be reduced and even avoided upon selection of the appropriate procurement method and proper scheduling of the bid processing stages, an
activity performed during procurement planning which can significantly keep down transaction costs and enhance productivity. Besides identification and prioritization of needs, procurement planning charts out goals, performance tracking/monitoring mechanism and assists PE’s to effectively manage risks.

2.6.8 Budget/Resource Confirmation and Allocation
All PE needs as identified during planning must be quantified and interpreted in monetary terms i.e. into a budget and funding sources clearly confirmed. The law in Tanzania compels PEs to ensure that funds have been set aside or committed before commencement of procurement proceedings. Procuring entries commencing a procurement process without having firmed up the financial resources may end up in costly wrangles with suppliers and service providers but the worse part of it is that they will have breached the law. In absence of a budget it may not be easy to measure the impact or effectiveness of the resources being expended in procurement.

2.6.9 Solicitation of Bids
In a typical procurement process this is the activity in which most costs pertaining to communication and documentation are incurred. The law in Tanzania requires open tenders to be advertised at least twice in news papers of national wide circulation (for national competitive bidding) or international trade journals or magazines for international competitive bidding. Use of standard bidding documents issued by PPRA can significantly reduce the cost of the solicitation documents i.e. paper work.

2.7 Research gap
Compliance is a critical issue in Public procurement entities; the PPRA has advocate percentages of procurement compliance guided with compliance indicators that all PEs has to comply with during procurement processes.

Despite all those efforts by PPRA PEs still facing number of Challenges during procurement compliance implementation thus why they perform below average, this has stimulated this research to be conducted.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents the study area, sampling procedure and design, method of data collection and analysis, and presentation of the results. The researcher has conducted the study on the challenges facing procurement entities on compliance with procurement regulations.

3.2 Study area
The study has been conducted in Kisarawe district Coast Region. Kisarawe district is in the Eastern most of Coast Region in Tanzania. It is bordered by Mkuranga district to the east. To the south is Rufiji. And to the northeast is DSM. Kibaha district to the north. To the west is Morogoro. The 2008 Tanzania census reports that the population of Kisarawe district was 108472. The area is 353500 (3535km$^2$). The area lies between latitude $60^\circ 50'$ and $35^\circ$ southwards, and between $38^\circ 15'$ east and $39^\circ 30'$ eastern.

3.3 Sampling procedures and design
The study applied purposive technique to get sample size. Also the study involved two approaches. The first approach has been using structured questionnaire which were administered to 50 respondents. The questionnaire has been pre-tested on 5 respondents and modified before the main survey. The second approach used secondary data which include PPRA auditing reports, PMU reports and public gazette.

3.4 Types of data
This subsection presents types of data that were collected on the field.

3.4.1 Primary data
Primary data were obtained using un-structured questionnaire. The respondents were given the opportunity to provide their opinion by filling questionnaires. In this study, selected staff and all members of management were supplied with questionnaires.

3.4.2 Secondary data
The researcher herself has referred to various publications of foreign and local origin, books, journals, articles, newspapers, reports from libraries, PPA, public entities and
internet on subject to obtain additional information in order to answer the questions set in the problem definition. Data from 2010-2013 has been collected from the district council using reports from DED office. Data obtained has enriched the challenges facing the procuring entities in compliance with regulations.

3.5 Data collection methods
Both qualitative and quantitative approaches were employed. While qualitative approach was used in order to get the perspectives and feelings of the respondents, quantitative approach was used to provide statistical data on socio-economic and demographic attitudes of the respondents. In this study, both primary and secondary data were collected.

i) Questionnaires
A questionnaire was used to interview key informant focusing in obtaining relevant information on the challenges facing procurement entities to comply with procurement regulations. By questionnaires respondents got ample time to learn the question and the demand of the researcher hence come out with concrete, researched and reliable information. Generally this method help in mitigating weakness likely to be met in personal interviews because respondents might not able to give immediate responses as sometimes they are busy with their responsibilities.

Kothari (1985), Rwegoshora (2006) and Kalinger (1973) cemented by adding that, this techniques does not exert much pressure on the respondents hence make them to be more comfortable.
This method was much used to those respondents who were busy all the time dealing with responsibilities.

3.6 Data Analysis
Two data analysis strategies was used to enable the researcher to come up with sound analytical clarity for the purpose of the study, these include

a) Data Processing
Given the nature of the study, mathematical techniques to analyze data, for this research, percentages, and ratios arrived at basing on the responses from various
groups as obtained by the researcher. Cross Tabulation were adopted in trying to explain some relationships. In this approach common sized cross percentages responses from employee, management and employees were compared in tabular form to achieve maximum comparability of the answers from the respondents. Inferences were drawn from the percentages and graphs have been drawn to show the relationships.

b) Specific Analytical Techniques to be used

Analytical techniques enable researchers to examine complex relationships between variables.

3.7 Data Analysis techniques

This makes use of mathematical techniques to analyze data, for this research, percentages, and ratios have been arrived at basing on the responses from various groups as obtained by the researcher. Cross Tabulation were adopted in trying to explain some relationships. In this approach common sized cross percentages responses from employee, management and employees were compared in tabular form to achieve maximum comparability of the answers from the respondents.

Qualitative techniques are factual and logical statements made to analyze the data gathered. They basically include various explanatory phrases of what have been obtained from the field, through personal field observation and comments from the respondents.

3.8 Summary

Research approach used in the study which have been deductive research approach; variable measurement methods were contained in the chapter whereas both secondary and primary data were used. Types of data and data collection methods were also contained in this chapter. Reliability and validity of data were described in the chapter. Furthermore, sampling plan and data analysis were explained in this chapter.
CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS.

4.1 Introduction
This chapter makes presentation, analysis and discussion of the result of the study. The purpose of the study was to assess challenges facing procurement entities on compliance with procurement regulations. The following are the main components of this chapter: presentation, analysis and discussion of findings.

4.2 Profile of respondents
In order to ascertain validity and reliability of data, background information about respondents was crucial, to solicit data for this purpose, four questions in questionnaire were asked relating to gender, education, age and work experience

4.2.1 Gender proportion
In an attempt to gather information on challenges facing procuring entities on compliance researcher wanted to know background information of respondents, gender is one of them.

Results from the field shows respondents have been divided into two main categories, majority are men who comprise 60 % of total respondents while the remainder are Woman who comprises 40%, the figure 4.1 presents the data from the field. This unequal proportional of gender balances portrays true picture in the public sector employment gender ration; the ration of men is higher than that of women. Unequal gender balance has detrimental effect in general operation of procurement in public sector as women are deprived from exercising their duties and rights. Tanzania there is tendency of gender biasness, while some people believes female is a weaker gender compared to male, therefore this limits majority of female in employment opportunities.
4.2.2 Education background

Results show that 68% (n=34) of total respondents are degree holders, 16% (n=8) are diploma holders, 10% (n=5) are master’s degree holders and 6% (n=3) are secondary school.

The results suggest that there are good numbers of employees who are well educated who can handle their duties accordingly. This assures the presence of better skills and
knowledge for implementing job. However, there is a need to improve training and development so as provide room for career advancement in order to boost the education of the group with education below diploma of education.

The study conducted by Isheke (2007) complement the fact that higher level of education will always reduce challenges in compliance with procurement regulations, since desired level of education will induce sense of professionalism. The figure 4.2 below illustrate the results from the table above
Figure 4.2: Education background

Source: Field data (2014)
4.2.3 Work experience

Researcher intended to find out the experience against practising procurement functions at Kisarawe district, researcher believes the views from experienced staff would be essential since they might know exactly challenges that hinder effective compliance to the PPA 2004 and its regulations.

Result from data collected from the field shows that majority of respondents have been practising procurement at the range of 5 - 10 years 46%, range of 10 years and above are 20%, moreover about 34% of respondents have been at work for less than 5 years. The table 4.3 below presents the data.

Majority of respondents have experience between 5-10 years and this group can easily blend their knowledge and experience to the less experienced group. Around 46% of all employees are between these groups.

One-fifth of total population are above 10 years, therefore this is the work place which has a lot of workers who are well experienced while in total 34% of respondents are below 5 years.
There are young employees who are below 2 years work experience as well as oldest who are above 10 who practise or work with procurement department, and therefore the difference is notable i.e. huge which has impact on level of experience between employees, this means that there are more experienced employees as well as new entrants, generally those with no experience they derive it from more experienced ones.

That means majority have been in employment for more than 5 years this means that these respondents have been using PPA 2004 for more than five years, and PPA 2004
have less than 10 years in operations that means these respondents have been using it and they are the correct sample who knows challenges in implementing it.

4.2.4 Position of respondents in the organization
Position of respondent may determine frequency of engagement in procurement decisions and number of times they face challenges, therefore researcher intended to find out the job level of respondents.

The figure 4.4 below shows the composition of staff at different level, respondents were asked to indicate their job level and it was revealed from the data collected from the field that, around 81(81%) of total respondents are Non managers staff, this population leaves aside 19(19%) respondents as managers staff, of total respondents.

researcher intended to identify these level so as to narrow down analysis to specific enquiry, knowing exactly the working environment, nature of job and level of education helps researcher to understand level of involvement and responsibilities employees are entitled, so this helped much in deriving the best analysis and come up relevant result.
4.3 The level of compliance to procurement regulation

Researcher conducted documentary review from Kisarawe district council; audit report was reviewed for the financial year 2010/2011. The audit was conducted by PPRA as presented in the table 4.1 below.

The results indicate that among the area where compliance level was high is advertisement of bid opportunities which scored 90%, adherence of method of procurement and preparation of annual procurement plan. While areas where level of compliance was low is publication of the award, Establishment and composition of PMU, approval and contract implementations.

This means that there is huge problem on element of transparency since publication of award has not been declared publicly. Record keeping and implementation of contract has been serious case.
It was further revealed by researcher lack of well-established PMU within Procuring entities as major cause for non-compliance. From the documentary review and analysis it was observed PMU has not been staffed very well, which results failure in contract implementations which scored lower mark and no quality assurance check while record keeping is very poor as well.

The area which is very critical is establishment and composition of PMU which if not staffed at desired level then there is high possibilities to fail in so many area, in connection to the previous section 4.3.5 above in challenges, it has been observed that Kisarawe inadequate skilled personnel which is easily evidenced in procurement audit conducted by PPRA.

**Table 4.1: Level of compliance at Kisarawe District Council**

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>AUDIT FINDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment and composition of tender Board</td>
<td>52%</td>
</tr>
<tr>
<td>Establishment and composition of PMU</td>
<td>32%</td>
</tr>
<tr>
<td>Functioning of AO, TB and PMU</td>
<td>49%</td>
</tr>
<tr>
<td>Preparation of annual procurement plan</td>
<td>65%</td>
</tr>
<tr>
<td>Approvals</td>
<td>32%</td>
</tr>
<tr>
<td>Advertisement of bid opportunities</td>
<td>90%</td>
</tr>
<tr>
<td>Publication of awards</td>
<td>2%</td>
</tr>
<tr>
<td>Time for preparation of bids</td>
<td>50%</td>
</tr>
<tr>
<td>Method of procurement</td>
<td>78%</td>
</tr>
<tr>
<td>Use of standard tender documents</td>
<td>50%</td>
</tr>
<tr>
<td>Records keeping</td>
<td>20%</td>
</tr>
<tr>
<td>Quality assurance</td>
<td>17%</td>
</tr>
<tr>
<td>Contract implementation</td>
<td>33%</td>
</tr>
</tbody>
</table>

**Source:** Field Findings (2014)
4.4 Challenges in adhering procurement regulations

4.4.1 Corruption and Inefficiencies in Public Procurement

The intention of this subsection is to assess the extent of which corruption has impact on compliance on procurement regulations. According to results presented in figure 4.5

Results shows that out of 50 respondents supplied with questionnaire 43 i.e. 86% of total respondents agreed that corruption hinder implementation of PPA 2004 and its regulations, while 5 or 10% disagreed with the statement above and 4% had no opinion on the question.

Based on the above information, the majority respondents perceive corruption as the huge impact in complying procurement regulations. Figure 4.5 below illustrate the results.
Furthermore, the study determined the relationship between the extents which corruption may deter compliance of procurement regulations. According to findings presented in figure 4.5 above, about 86% of respondents have indicated that corruption is most challenging issue in procurement activities(processes), 10% of those respondents did not agree with.
Results suggest that there is inversely relationship between corruption in procurement practices and compliance with its regulations, results shows there is corruption and 86% respondents believes corruption hinder compliance. Moreover it has been revealed from the study that corruption had direct impact toward operation efficiency.

It is vital to make a distinction between instances of corruption and cases of inefficiency or lack of competence. While these problems occasionally go hand-in-hand, and some solutions are helpful in all areas, there are also trade-offs. For example, choosing to speed up Procurement process might condense its transparency, making it very efficient but more prone to corruption.

Procurement compliance in Tanzania is still very poor, points to the fact that corruption is still deeply rooted in the country’s procurement process (International, 2009). For example, a 2002 internal audit report revealed significant procurement irregularities in some of the major hospitals in Tanzania.

4.4.2 Political interference

The intention of this subsection is to find out effect of interference of politicians to the procurement practises and its impact on compliance of procurement regulations.

From the data collected in the field, it shows that there is interference from politicians since majority of respondents agreed, 78% of respondents agreed, 20% of them disagreed and only 2% did not provide their opinion.

The results are supported by the study conducted by Nakamura (2012) which shows that there is huge interference from interest groups on procurement practices. The figure 4.6 below presents the data collected on political interference.

**Figure 4.6: Political Interference**
Moreover, the study determined the relationship between the political interference and compliance with procurement regulations. Huge percentage 78% of respondents agreed that there is interference from politicians, it has been noted that majority of community projects like, construction of roads and repairs, construction of wells and its repairs are connected to the local communities and therefore councillors are directly interfering procurement processes depending to the currently political pressure in the community nationally or international wise, they have been invited as representative of users but their involvement and contributions has been somehow hindering some key decision and even make it hard for the compliance of PPA 2004 and procurement regulations 2005.

4.3.4 Lack of professionalism

Professionalism is essential element in procurement of which when enhanced procurement operations and procedures will be adhered.
In attempt to understand and to find out how PPA 2004 is complied, researcher decided to question respondents over lack of professionalism.

It has been revealed from the results that majority agreed which imply lack of professionalism hinder compliance of PPA 2004, 88% of respondents agreed, 8% did not agreed which indicate that they believe compliance is not caused by lack of professionalism and 4% had no opinion.

This can be complemented by the study conducted by De Boer and Telgen, (1998) add that noncompliance is largely caused by lack of professionalism. The PPDA audit report (2008) revealed that lack of professionalism was high amongst public procurement officers in East Africa and this can be attributed to the fact that the profession is still young in East Africa. This position is confirmed by Busheka and Mugabira (2008) who states that the level of professionalism in public procurement is low or non-existence. The figure 4.7 below presents the data.
Apart from that, the study determined the relationship between the professionalism and compliance of procurement regulations. According to findings presented in figure 4.7, about 88% of respondents supported that lack of professionalism lead to failure complying procurement regulations. Researcher argues that once professionalism is lost a person will be in a position which cannot adhere principles and regulation and code of conduct, which are the basic pillars for compliance of procurement regulations. On the other hand, 8% of respondents did not agree with statement. And few of them did not provide their opinion, researcher believe that this is the group of those respondents who are secondary school holders who have no knowledge on procurement issues at all.

Source: Field data (2014)
4.3.5 Lack of enough skilled personnel

Researcher intends to assess the extent of which lack of skilled impacts compliance of procurement regulations.

According to the results presented in the figure 4.8 shows that 74% of total respondents agreed that there is shortage of skilled and well trained procurement personnel while 20% disagreed with it, and remaining 6% had no opinion on the question.

This results is complimented by PPRA auditing report (2006/2007), the major cause for non-compliance is lack of established PMUs within the PEs. In some cases the existing PMUs are not staffed to an appropriate level and some staff lack appropriate procurement qualifications. These facts were revealed during the audits where the audited PEs indicated an average compliance of only nineteen percent (19%) under the indicator for establishment and composition of PMUs. Without appropriately established PMUs, it is therefore unlikely for the PEs to comply with the provisions in the PPA and its Regulation.

By looking at the figure it can easily be agree that at Kisarawe district council there is shortage of procurement professionals, the figure 4.8 below presents the data.
From the analysis results shows there is the problem of lacking enough skilled personnel who can handle procurement functions correctly and this has been revealed as serious problem hampering procurement regulations compliance.

Contrary to the function of PMU as stipulated under Section 35 of the PPA, 2004 as to manage all procurement activities of the PE including to; plan the procurement activities, support the functioning of the Tender Board including implementing its decisions, coordinate procurement activities of the departments, prepare tendering/contract documents and, maintain and archive procurement records. It is therefore obvious that in the absence of an appropriate staffed PMU (in terms of number and qualifications), it is hardly possible for the PE to comply with the provisions in the PPA and Regulations. That is why it is emphasized to establish.

Source: Field Data (2014)
4.3.6 Familiarity with rules/ Legal environment

Researcher question respondents if legal environment is favourable enough to foster compliance of procurement regulations.

Results shows that majority of respondents agreed that legal environment has vast impact on compliance to procurement regulations as 80% agreed, this imply that most government contracts are not clearly specified in a way that could be well understood by all citizens, the written details most are in foreign language and hence invites complications in interpretations and operations. with this outcome indicates that most procurement agents have no procurement laws knowledge while 12% of respondents seem not to agree with the statement and 8% had no opinion on the matter.

Figure 4.9: Legal environment

Source: Field data (2014)

Furthermore, the study has established direct proportional relationship; where by strengthening legal environment will enhance compliance of procurement regulations. According to findings presented in 80% of respondents agreed that legal environment has impact on compliance of procurement regulations, this is because if legal
environment is not clear then the possibility of contradiction is huge and thereby leading to non-compliance.

About 12% of respondents who did not indicate legal environment as challenge in compliance. On the other hand, 8% of respondents did have no opinion.

### 4.3.7 Market conditions

The intention of this subsection is to assess the market condition on compliance of procurement regulations. According to results presented in figure 4.10 a number of respondents agreed market condition is a challenge in complying procurement regulations, where 76% agreed, while 18% disagreed and 6% had no opinion as the table 4.10 below shows.

**Figure 4.10: Market condition**

<table>
<thead>
<tr>
<th>Market condition</th>
<th>Agree</th>
<th>Dis agree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>76%</td>
<td>18%</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Source:** Field data (2014)

The result analysis from this chapter shows that there is directly relationship between market environment and level of compliance. 76% of respondents agree market condition has impact on compliance, since in Tanzania context market may influence change of budget, delivery time and level of competitions. Among the challenge that faces procuring entities in compliance of procurement regulations is unpredicted and unfavourable market conditions which interfere key operations decision in executing procurement regulations.
The remainder 18% did not agree that market condition is a challenge; generally huge number has accepted that market condition is a challenge

Researcher aimed at finding out impact of training in enhancing compliance of procurement regulations. According to results presented in figure 4.11 Results indicate that majority of employee does not get opportunity to be trained 82% of employee agreed that they have not been given training opportunity while 12% disagree and 6% had no opinion. Based on the above information, the majority of respondents lack of training lead to non-compliance of procurement regulations.
Furthermore, the study determined the relationship necessity of training opportunities to employees and compliance of procurement regulations. According to findings presented in 4.11, about 82% of respondent agreed that training is very essential in enhancing compliance. Training is essential on going blending of knowledge to employees, it updates employees on new rules and regulations, exchange experience and equip new skills to employees. Those who disagreed were 12% and those with no opinion were 6%.

Generally it was revealed that training is essential in enhancing knowledge blending and capacity building which is very necessary in compliance of procurement regulations.
4.3.9 Organization and social economic factor

The intention of this subsection is to assess the organisation and social economic factors and their influence on compliance of procurement regulations. According to results presented in figure 4.12 it was revealed that huge percentage agreed that it is not easy to comply procurement regulations while at the same time observing organisation and social economic factor, 90% of respondents agreed while 8% only disagreed and 2% had no opinion. The figure below presents the data.

Figure 4.12: Organization and social economic factor

Source: Field Data (2014)

Based on the results presented in the figure 4.12 above Social economic factor have been perceived as among the factor that directly influence or affect level of compliance of procurement regulations, about 90% of respondents agreed, There are environment
where procurement need to consider some other aspects like, culture, technology and environment protections and others. It is very hard to consider these entire environmental factors at the same time to observe procurement regulations implementations; 8% disagreed and 2% had no opinion, despite all this but still very huge number of respondents indicated that social economic factor as a challenge.
CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This study aimed at finding out the challenges facing procurement entities in complying with public procurement regulations, by the use of respondents from Kisarawe District Council, researcher was able to collect respondents views on the topic of interest, the study went further to identify other problems that are related to compliance with public procurement regulations.

With references to critical analysis of the data obtained from the field through various approach pointed out earlier, interpretation of the results together with discussion of the findings so obtained, presented in this chapter are conclusion and recommendations i.e. the results obtained will form basis for conclusion and recommendations

5.2 Summary
As mentioned, public procurement is a multi-faced challenging field; and public procurement practitioners have faced numerous challenges caused by diverse factors. This research paper addresses some of those challenges that includes lack of skilled personnel, corruption in public procurement, lack of professionalism and interference from politicians others being complex and unpredictable market conditions, organisational and social economic factor, lack of training and perceived inefficiency.
Moreover, due to its nature as elaborated above, public procurement practitioners will never get bored as they continue to face contradictory and contrasting procurement requirements and objectives imposed by policies and trade agreements. There are many ways to help public procurement practitioners cope with the myriad challenges they must face. It needs increase efforts in research, knowledge advancement, and experience exchanges.
5.3 Conclusion

The study identified number of challenges that procurement entities faces on compliance with procurement regulations, among of them being lack of qualified procurement specialist, lack of professionalism, poor and unpredictable market condition, complex legal environment and corruption among procurement dealings while interference from interest groups takes center stage. Researcher therefore has concluded that, Lack of adequate procurement professionals is the key problem that leads to lack of professionalism and corruptions in public procurement; researcher went further saying that PPRA has a duty to play to educate these procurement personnel.

Politicians interference has been perceived as another element that is very challenging, procuring entities faces every day, researcher points out that these politicians does not know fundamental elements of procurement laws and regulations also they are not procurement specialists and therefore, their interference has been affecting much procurement process.

Generally researcher conclude by indicating that lack of procurement professionals is the serious case, many of procuring entities have problem in establishing proper PMU structure since finding the right candidate is the serious problem that persists.

5.4 Recommendations

Public procurement is an important government function 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 Gross National Product. Efficiently handling, this size of procurement outlays has been a policy and management concern as well as a challenge for public procurement practitioners. Based on the findings and conclusions from this study, a number of recommendations have been made as follows:
PPRA-researcher recommends that there is a need to empower PPRA, so that it can handle its regulatory role efficiently and effectively. The institution should be allocated more funds so that it can reach more Institutions and provide necessary capacity building programme,

**Establishment of Procurement Structures**
The Public Procurement Act makes provision for the establishment of structures such as Procurement Units, Entity Tender Committees (ETCs) to manage procurement activities in all entities and to engage persons proficient in procurement. Out of the two-hundred (200) entities spread across the region only twenty (20) have procurement departments with few of them having legally constituted Entity Tender Committees (ETCs). The study, therefore, recommends the establishment of permanent Procurement Units and Entity Tender Committees (ETCs) managed by qualified procurement experts to ensure an improved overall procurement performance and compliance with the Public Procurement Act, 2003.

**Engagement of Procurement Professionals**
Public entities must ensure that suitable candidates are employed on the basis of merit and placed in their relevant qualifications, skills, and experience with their roles and responsibilities clearly defined to avoid role conflicts with other professions and departments. Strategies must also be put in place to retain them. Public procurement cannot be perceived as a mere ‘clerical routine,’ activity. For an entity to derive the full benefit of the procurement reform, procurement function must be placed in strategic management level.

**Capacity Development of Procurement Stakeholders**
Building the capacity of service providers has been identified as one of the success factors of public procurement reforms. It is important that PPA organizes training sections for contractors, surveyors, architects, consultants and suppliers in the private sector on tendering process, and the Appeals, Complaints and Dispute Mechanism. Audit Service, the Judiciary, and other oversight bodies should be trained on the procurement process and audit to appreciate the public procurement issues to enforce accountability to improve compliance.
Since competence is based on training, procurement practitioners must be given continuous practical training, especially, in procurement planning, posting of procurement documents on PPA website, contract management, appeals and complaints process, procurement methods and procedures and tender evaluation procedures.

**Medium and Long Term Training Programme**

Practicing procurement officers, without procurement qualifications, can be sponsored to pursue medium/long term courses in procurement in a formal educational system to develop a career and enhance their expertise.

PPA must develop and sponsor publications which communicate research results and technical information to public procurement and public administration profession and develop progressive systems for delivering training programs for the public procurement practitioners to include a variety of approaches for distance learning which align with the curriculum and embrace academic standards leading to academic degrees and credentials.

Tertiary Institutions must develop a curriculum in public procurement and introduce general basic procurement principles in other programmes to ensure that their graduates have a basic knowledge in procurement principles. Thus, in the next ten (10) years people occupying middle level and top level management positions would have an appreciable knowledge in procurement as it is in accounting.

**Procurement Planning and Delay in Procurement**

Public procurement is a strategic level institutional activity which is greatly enhanced by procurement planning. Delays in the procurement process can be curtailed by giving procurement planning the needed attention by management of entities. Procurement practitioners must take cognizance of the amount of time and resources required so
they can begin early enough and allow sufficient time to complete the procurement process.

**Reducing Procurement Challenges on Entities**

Contract Management was a major challenge for most entities. Lack of proper contract management is partly the result of escalation of high project costs. PPA must develop Contract Management Manual, buyer-supplier relationship Management and record Keeping Manuals and train entities on them. These manuals can help procurement practitioners with their daily contract and relationship management and record keeping of procurement activities.

**Development of E-Procurement to enhance and Reduce Cost of Procurement**

Though PPA has established a website and encourages public entities to create some websites to enable public entities to assess tender adverts and tender documents as well as post contract awards, Public entities have not done enough to reform the Information and Communication Technology in their entities to support procurement reform activities in the region. Most entities do not have internet facilities or create a website address to upload tender information.

PPA must be resourced to update its website and also encourage public entities and selected service providers to create their own websites to enable them to assess tender adverts and tender documents as well as post contract awards notices as a measure to reduce cost of procurement. Government must also reform the Information and Communication Technology in the country to support the procurement reform activities.

**Enhance transparency to curb corruption.** From the discussion it has been noted that there is huge corruption in procurement, researcher recommends that procurement professionals need to increase room for transparency, by doing so corruption will be eliminated automatically, researcher says further PPA 2004 provides clearly procedures and directions of procurement process that enhance transparency, like advertising, openness during opening the tender, evaluation of the tender and awarding.
Legal environment, researcher suggest that only well trained procurement personnel to prepare contracts with detailed complex rules, therefore the need to provide necessary skills for our procurement specialist remain critical.

Interference from politicians, researcher recommend that all interest group specifically politicians need to respect the duty of procurement personnel, apart from that procurement specialist need not to be afraid and not to welcome interest group in procurement process unless otherwise they are allowed by the PPA 2004.

Finally, it is of researchers view that reviewing the PPA frequently does not answer the challenge of compliance in Tanzania, the most important thing is enactment of the laws so that whoever is fooling around need to be punished accordingly, it is further argued that having enough skilled personnel would reduce the problem of compliance while professionalism remain as the core element that will enhance higher level of compliance.

**Area for further studies**

This research paper examined the challenges facing procuring entities in compliance of PPA 2004, one of the very important issue that were raised by the study is the need to empower PPRA in its regulatory function since is the vital organ that has responsibility in regulatory function, PPRA through auditing function have been able to provide various reports on the level of compliance with procurement act and regulations, in order to monitor compliance level and efficiency of procuring entities, procurement audit remain vital.

However procurement audit results published have not been reportedly taken into serious action over those who have caused the government to incur into serious loss. Further research need to find out the impact of auditing reports in enhancing efficiency and improvement service provision in governmental organizations, currently there is no reliable and current data on impact of procurement audits. In a view of this there is a need of baseline survey that will provide accurate and formative data on impact of procurement audit on organization efficiencies.
REFERENCE


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Nkinga N. S. D. (2003), Public Procurement Reform - The Tanzania Experience.


The public Procurement Act, 2004 & The Public Procurement Regulations, 2005

The Public Procurement Policy 2012

APPENDICES

Appendix I:
QUESTIONNAIRE

Researcher is a student of Mzumbe university pursuing Masters of science degree in Procurement and Supply chain Management. Please note that, the information you will provide is intended to be used for research purpose and not otherwise, and be ensured that ALL information that you will provide, must be treated confidentially.

Kindly fill the following:
(Please put a tick mark in the appropriate box)

SECTION I: Demographic characteristics of the respondents
1. What is your gender?
   A. Male
   B. Female

2. For how long you have been working at your organisation?
   A. Below 2yrs.
   B. Over 2yrs, but ≤5yrs
   C. ≤10yrs, above 5yrs
   D. Over 10yrs

3. What is your highest level of education attained so far?
   A. secondary
   B. diploma
   C. Degree holders
   D. Masters

4. Which position do you hold in your organization?
   A. Managerial position
SECTION II; Challenges facing procurement entities (INTERNAL)

1. Corruption is among challenge that hinder effective compliance in PPA 2004 and Inefficiencies in Public Procurement
   A. Agree  B. Disagree  C. No opinion

2. Some politicians have been interfering procurement process and implementation and it has lead greater challenges for compliances to be adhered.
   A. Agree  B. Disagree  C. No opinion

3. Lack of professionalism has been noted among challenges that faced by procuring entities in compliance of PPA 2004.
   A. Agree  B. Disagree  C. No opinion

4. There is problem of lacking enough skilled personnel who can perform their duty in accordance with PPA 2004.
   A. Agree  B. Disagree  C. No opinion

SECTION III; External challenges facing procuring entities

1. Legal environment may affect decision in procuring operations and therefore it is among challenge that procuring entities are faced in implementing PPA 2004.
   A. Agree  B. Disagree  C. No opinion
2. Market condition is very essential in procurement operations, it is said that sometimes is becoming challenge to implement PPA 2004.
   A. Agree □       B. Disagree □       C. No opinion □

3. Training on procurement blend knowledge which essential in practises, KISARAWE district lack training, hence compliance of PPA 2004 is hampered.
   A. Agree □       B. Disagree □       C. No opinion □

4. Organisation and social economic factor has been perceived as among the factors that hinder compliance of PPA 2004.
   A. Agree □       B. Disagree □       C. No opinion □

Section IV; Documentary review on PPRA audit report at Kisarawe district

Procurement Audit Report 2010/2011

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<th>AUDIT FINDINGS</th>
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<td>52%</td>
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<tr>
<td>2 Establishment and composition of PMU</td>
<td>32%</td>
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<tr>
<td>3 Functioning of AO, TB and PMU</td>
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<tr>
<td>4 Preparation of annual procurement plan</td>
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<td>5 Approvals</td>
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**Source:** PPRA (2010/2011)