AN ASSESMENT OF TENDERING PROCEDURES IN LOCAL GOVERNMENT AUTHORITIES:
THE CASE OF MAFIA DISTRICT COUNCIL
AN ASSESMENT OF TENDERING PROCEDURES IN LOCAL GOVERNMENT AUTHORITIES: THE CASE OF MAFIA DISTRICT COUNCIL

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

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled *Assessment of Tendering procedures in Local Government Authorities: The case of Mafia District Council*, in partial fulfillment of the requirement for award of the degree of Master of Science in Procurement and supply chain Management of Mzumbe University.

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Internal Examiner

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I, Yeremiah E. Tyembo declare that, this thesis is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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Date …………………………………

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I would like to express my heartfelt gratitude to the almighty God for his incredible guidance since I was born to date. I am also indebted for the strengths you gave me and every knowledge and skills unfavorably gave me.

I wish to extend my sincere appreciation to my major supervisor Madam Norah Msuya who guided me on this research right from proposal stage. Her criticism invaluable patience, intellectual guidance, wide research experience and tremendous competence, as well as his moral and material support helped me not only to undertake his study but also to perform it within the expected standards. Thanks for being my life role model.

I would like sincerely to extend my heartfelt gratitude’s to my dear parents Mr. & Mrs. Emael Shilla Tyembo for their lovely parental hood they gave since my childhood. Thanks for taking me to school and for being proud of me. I am also thankful to my lovely wife to be Deborah William, my sisters Anne, Monica and Martha, My elder brother Sylvester (Michael) and my young brothers Ezekiel and Raphael. I am also expressing special appreciation to my colleague, Francis, Kato, Joyness, Barakael, Benedict, Patel, Siwandeti, Kirama and Anthony for their companionship and encouragement during my studies.

Finally, yet importantly, I wish to thank all people who in one way or another made this work success. The list is exhaustive hence I am sorry that I couldn’t mention your good names in this report but kindly acknowledge my appreciations. Your contributions both morally and materially have been so tremendous to the accomplishment of this project. Wish to state hereby that all deficiencies or errors that may be contained in this document are absolutely my sole responsibility.
DEDICATION

I am dedicating this work to my Friends Neligwa Marco & Shilla Mkoma
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<td>AO</td>
<td>Accounting Officer</td>
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<td>CAG</td>
<td>Controller and Auditor General</td>
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<td>CTB</td>
<td>Council Tender Board</td>
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<td>DED</td>
<td>District Executive Director</td>
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<td>LGA</td>
<td>Local Government Authority</td>
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<td>MDC</td>
<td>Mafia District Council</td>
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<td>MGT</td>
<td>Management.</td>
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<td>PMU</td>
<td>Procurement Management Unit.</td>
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<td>PPA</td>
<td>Public Procurement Act</td>
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<td>PPAA</td>
<td>Public Procurement Appeals Authority</td>
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<td>PPRA</td>
<td>Public Procurement Regulatory Authority</td>
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<td>SPSS</td>
<td>Statistical Package on Social Science</td>
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The present study investigated the effectiveness of Tendering procedures in Local Government Authorities in Tanzania; A case of Mafia District Council. The study was conducted in Mafia at Mafia District Council Head quarter. The sample included twenty five (25) Mafia District Council employees of which four (4) were from Procurement Management Unit.

The findings of this study showed that; In Mafia District Council the researcher witnessed some instances of non-adherence to Tendering procedures as stipulated in PPA No 21 of 2004 and its regulation of 2005, lack of advertisements, non–publicized award and failure to have comprehensive procurement plans to guide the procurement process.

The study also revealed that apart from non-adherence to tendering procedures Mafia District Council has a competent Tender Board with members having technical competence and skills to undertake the required functions. The secretary to the tender board is a procurement specialist and is the Head of Procurement department and he has required qualification as by the PPRA. However the study noted some shortcomings that need to be addressed to make the exercise meaningful and effective.

This study among other things recommends the following; one, the provision of the PPA No 21 of 2004 and its regulation of 2005 must be adhered to as required by the law; two, the annual procurement plan should be prepared using the templates provided by the PPRA; Three, appropriate standard bidding document and standard documents for inviting quotations issued by PPRA should be used as per requirement in the PPA of 2004 and PPR of 2005.
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CHAPTER ONE

OVERVIEW OF THE STUDY

1.1 Introduction
This chapter introduces the study by providing the background information to the problem, statement of the problem, objectives of the study, research question to be used in the field, significance of the study, scope of the study, limitation and delimitation of the study.

1.2 Background information to the problem
Fair and effective competition is the best guarantee of achieving the most cost effective services. Therefore contracts with the private sector will only be awarded after a tendering exercise involving objectively scoring of bids against agreed criteria of quality and cost. Detailed rules and guidelines governing the tender selection process to ensure its complete, transparency and fairness are used (Massi, 2004)

Tenders are based on a specification of requirements prepared by the purchaser. An alternative is to invite potential providers to submit solutions and prices to a problem stated by the purchaser. Tendering is based on the principal of competition, fairness, transparency, openness and probity. The process of obtaining tenders should also aim at obtaining the best value and not necessarily the lowest price (Lysons, 2006:576).

A compulsory competitive purchasing arises usually on public sector; it must seek tenders from more than one supplier. Prior to the enactment of Public Procurement Act (PPA) in public procurement and after enactment of the same, still there are number of weaknesses including loopholes that allowed ministries, independent organizations and regions to perform procurement activities the in the way they wanted which resulted to a
number of corruption and malpractices. These weaknesses and many others in the procurement system leads to; delays in the delivery of essential public services, lack of competition and increase in a costs of items (Bossman Report, 2005).

Tender system is adopted to procure materials at most competitive rates and to eliminate chance of undue favor to any supplier. The prime objective is to avoid nepotism and give opportunity for all vendors. This system is normally adopted in government departments and public sector undertaking, as they will have to choose the best supplier without any bias. Buying should be as impersonal as possible and should foster a spirit of competition, so that the prices quoted in the tender are most competitive. Private sector organizations adopt this method of purchasing items whose value is very high. A major disadvantage of tender buying is that, administrative lead time for order placing will be longer compared to other systems. The powers of delegation are clearly well defined for various levels in the systems. (P. Gopalakrishnan, 1990).

1.3 Research problem
Buying through tender is long favored by many organizations and purchasing professionals as an outsourcing purchasing method for efficiency and economy in the procurement function (World Bank, 1999).

Public Procurement Act No 21 of 2004 requires a high degree of transparency as all interested parties need to know and understand the actual means and process by which public contracts are awarded and managed (Baily, 1998:290).

Public procurement has a major economic importance in any country. It accounts to more than 14 percent of the GDP and 70 percent of budget is used to public procurement. It is said that in most public procurement contracts 20 percent of the contracted value are mis-procured through many types of corruption in the procurement process (Warioba, 1996). By its nature, accurate measurement of the impact of corruption upon procurement is virtually impossible even though perceptions of the
incidence of corruption can have a profound effect upon the decision-making of government, donors and suppliers alike. An often quoted estimate is that around 20 percent of government expenditure is lost through corruption. Dissemination of this estimate then goes on to speculate that since some 70 percent of government expenditure relates to Procurement, this equates to some 300 billion Tanzanian shillings lost annually. This corruption estimate dated from 2001, and is based upon a methodology which, as acknowledged by the World Bank, lack solidity (HOAP, 2003).

Favoritisms have been experience to bidders as influenced by high authority, and the tendering personnel are responsible for any leakage of information hitherto the procurement departments are to be blamed. These leads to poor and the government fail to fulfill its goals (Antony, 2006).

The observations from other researchers concluded that in tendering method there is a high possibility of the lowest evaluated bidder who sells at lower prices to win the contract without effective consideration of other factors like quality, delivery and financial positions of such suppliers, which make a supplier reliable.

It is from this multitude of doubts, complaints and questions from procuring entities that prompted the researcher to assess the tendering procedures as practiced in the Procurement Management Unit, Mafia District Council (MDC) as a case to reveal whether these complaints are genuine and significant.

1.4 Research objective
Below are research objectives that comprises general objective and specific objective

1.5 General objective
The general objective of the study was to assess the tendering procedures in Local Government Authorities (LGAs)
1.5.1 **Specific objective**

(1) To examine the relationship of Procurement management Unit, tender board and other user department in line with the tendering procedures.

(2) To assess the skills and qualification of PMU staff at MDC.

(3) To assess factors which hinder proper tendering procedures at MDC

1.5.2 **Research questions**

The following bellow are research questions that comprises general question and specific question

1.5.3 **General question**

The main question of this study is an assessment of tendering procedures in Local government Authorities

1.5.4 **Specific questions**

(1) What are the practical tendering procedures at MDC?

(2) What is the relationship between PMU, tender board and other user departments during tendering procedures?

(3) What are the skills and qualification of PMU members at MDC?

(4) What factors hinder proper tendering procedures within MDC?

1.6 **Significance of the study**

The MDC used the findings from this study to improve effectiveness and efficiency tendering procedures,

The study helped the researcher to gain knowledge of the tendering procedure in public procurement.

The study helped the researcher to fulfill the requirement for award of the Degree of Master of Science in Procurement and Supply Chain Management (MSC, PSCM) and to improve the level of knowledge at professional standard.

The society can use the suggested recommendation to their organization to improve tendering procedures.
1.8 Limitations of the study

The following are some of the limitations encountered by a researcher when he was conducting a research.

Insufficient fund; due to this reason a research was limited only to MDC instead of visiting other LGAs due to high traveling expenses/costs.

Non availability of information; some of the important document in the study may be regarded as confidential, but much effort was applied to get those document from the management. Insufficient time; Time used in conducting the research methodology and time for research proposal and time for the main paper were so limited.

1.9 Delimitation of the study

Although, there are number of limitations that in one way or another affected the study, but the researcher took the following measures;

Researcher used time available effectively so as to ensure all important information/data are obtained.

Researcher designed questionnaire with polite language so as to easy for respondent to give the right information

Researcher selected the area of study which was near to him so as to reduce the transport costs and other costs.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter involves the definition of various concepts relating with procurement and supply chain functions. It includes the National (Local) and foreign literature from different authors, text books, journals, magazines, newspapers and web sites that express tendering procedures.

The chapter explains the essential of the topic through proper procedures and rules to be followed by the practitioners.

2.2 Theoretical bases of the study
This part entails organs in procurement of goods, works and services and the methods of procurement.

2.2.1 Organs in procurement of goods, works and services
In order to facilitate procurement by tender in public entities and in particular Local Government Authorities and in order to ensure adherence to the procurement procedures, there are six organs which must work together so as to get the intended goods, works and services as stipulated in PPA, 2004 and its regulations of 2005. These organs are:-
(i) Public Procurement Regulatory Authority (PPRA)
(ii) Accounting Officer (AO)
(iii) Tender Board
(iv) Procurement Management Unit (PMU)
(v) User Department
(vi) Evaluation Committee
2.2.2 Methods of procurement

Public Procurement Act No. 21 of 2004 and its regulations of 2005 currently regulate the Tanzania government procurement practice. Under the PPA sections 59(1), much emphasis is on tender to apply competitive tendering and in any case, the successful tender shall be the tender offering the lowest evaluated cost. But, in Public Procurement regulations of 2005, a section (63, 70, 71 and 72 respectively) allows procuring entity to use a method of procurement other than competitive tendering in the procurement.

**International competitive tendering**
Section 65 of the public procurement (goods, works, non-consultant services and disposal of public assets by tender) regulations, 2005, stipulates, in international competitive bidding, a procuring entity shall invite suppliers, contractors, service providers or asset buyers regardless of their nationality, by means of a tender notice that shall be advertised nationally and internationally to submit priced tenders for goods, works or services or purchase of public assets.

**National competitive tendering**
Section 66 of the public procurement (goods, works, non-consultant services and disposal of public assets by tender) regulations, 2005, stipulates, in national competitive tendering, otherwise known as national competitive bidding, a procuring entity shall invite suppliers, service providers, contractors, or asset buyers regardless of their nationality, by means of a tender notice advertised only in the United Republic of Tanzania, to submit priced tenders for goods, services, works or purchase of public assets.

**Restricted tendering**
Section 67 of the public procurement (goods, works, non-consultant services and disposal of public assets by tender) regulations, 2005, stipulates, A procuring entity may
restrict the issue of tender documents to a limited number of specified suppliers, contractors, or service providers when: such suppliers, contractors or service providers have already pre-qualified further to Regulations 15 and 64 and the procedures set out in Regulation 15 of these Regulations; or the goods works, or services required are of a specialized nature or can be obtained from a limited number of specialized contractors, service providers or reputable sources.

**International and national shopping**

Section 68 of the public procurement (goods, works, non-consultant services and disposal of public assets by tender) regulations, 2005, stipulates, shopping is a procurement method based on comparing price quotations obtained from several suppliers to ensure competitive prices, and is an appropriate method for procuring readily available off-the shelf goods or standard specification commodities that are small in value.

**Single-source procurement**

Section 69 of the public procurement (goods, works, non-consultant services and disposal of public assets by tender) regulations, 2005 stipulates, subject to approval by the tender board, a procuring entity may engage in a single-source procurement in accordance with sub-regulation (3) under the following the goods or services are available only from a Particular supplier or service provider or a particular supplier or service provider has exclusive rights in respect of the goods or services, and no reasonable alternative or substitute exists (sole-sourcing); there is an urgent need for the goods or services.

**Minor value Procurement**

Section 71 of the public procurement (goods, works, non-consultant services and disposal of public assets by tender) regulations, 2005, stipulates, A procuring entity may procure goods, services or minor works directly from a supplier, service provider or contractor, where: the value does not exceed the limit for minor value prescribed in the
second schedule to these Regulations; the price quoted is reasonable; and no advantage to a procuring entity is likely to be obtained by seeking further quotations or by using other methods of procurement; the contract for the provision of such goods, services or works may be a Local Purchase Order. Kivugo (1981) explained the following methods of tender:

**Selective Tendering**
He said that few selected contractors who are capable of doing the work are invited and involved in a list of contractors able and willing to do a particular class or a job. He also says that tenders need not always be invited from the full list of contractors but a system of rotation could be adopted.

**Single tender**
Where the details of the requirements are communicated only to one firm, the requirements will be generally proprietary articles and the firm will be the manufacturer or sole selling agents. He argues that, there is no room for competition in this system.

**Limited tender**
In this method, details of requirements are sent only to a limited number of bidders whose names are registered in the purchase section.

**Open or advertised tender**
Where the details of the requirements, which are of large value or difficult to obtain are advertised in the papers or journals of the home country. He argued that any indigenous supplier capable of fulfilling the conditions of the buyer can submit offers, and the offers are to be sent in the standard tender forms obtainable from the buyer on payment of the prescribed tender fees.
2.3 Pre-requisites for competitive bidding

Dobler (2000: 249 – 250), provide prerequisites for competitive bidding as well as conditions when competitive bidding should not be used. Prerequisites are similar to those mentioned in this section. The four situations when competitive bidding should not be used include:

(i) When it is impossible to estimate costs with high degree of certainty, for example items requiring long time to develop and produce and under uncertain economic conditions.
(ii) When price is not the only important variable, for example when quality and schedule are also to be negotiated
(iii) When a purchasing firm anticipates to make changes in specifications in order to benefit from such changes
(iv) When special tooling or set up costs are major factors.

2.4 Disadvantages of Tendering

Lyson (2000), (op. cit. pp 406 – 407) noted these disadvantages of tendering, some which include:

(i) Contractors may quote a price that is too low, leading to subsequent disputes if goods or services supplied are unsatisfactory
(ii) Tendering is unsuitable for certain contracts like plant contracts requiring clearing up of technical points that might affect validity of open competition
(iii) In emergency cases tendering procedure is too slow
(iv) Open tendering procedure may be expensive for the buyers (Buying Organizations) and tenderers / contractors when tender processing costs are considered, for example, clerical, stationery and postage costs.
2.5 Tendering procedures

Public procurement act No. 21 of 2004 stipulates the steps that have to be taken by public entities on tendering procedures.

Invitation to tender and advertising

Section 61 of PPA No 21 of 2004, stipulates a procuring entity wishing to commence tendering proceedings shall prepare a tender notice inviting suppliers and or contractors to submit priced offers for the supply of the goods or for undertaking the works required and such tender notice shall be submitted within reasonable time before the planned issue of the tender to the secretary of the tender.

Issue of Tender Documents

Section 62 of PPA No 21 of 2004 stipulates, the procuring entity shall provide tender documents immediately after first publication of the tender notice to all suppliers. Contractors who respond to the tender notice shall pay the requisite fee for which a receipt shall be given.

All prospective tenders shall be provided with the same information, and be assured of equal opportunities to obtain additional information.

Receipt of tender and tender opening

Section 66 of PPA 2004 No 21 of 2004, stipulates, the tender board that approve the issue of the tender documents shall receive tenders using procedures set out in the Regulations made under this Act. The Secretary to the tender board shall on request give each bidder a receipt showing the time and the date that the tenders were received, and any tender received after the deadline shall be returned unopened to the tenderer. All tenders submitted before the deadline time and date for submission shall be opened in public, in the presence of the tenderers or their representatives.
Evaluation and comparison of tender
Section 67 of PPA No 21 of 2004, stipulates, The procuring entity shall evaluate on a common basis tenders that have not been rejected in order to determine the cost to the procuring entity of each tender in a manner that permits a tender comparison to be made between the tenders on the basis of the evaluated costs, but the lowest submitted price, may not necessarily be the basis for selection for award of a contract.

Approval and award of contract
Section 67 of PPA No 21 of 2004, stipulates, The tender board shall review the evaluation and recommendation made by the procuring entity and may either approve the recommendation and authorize the procuring entity to accept the tender and award a contract in the form specified in the tender documents; or refuse to authorize acceptance of any of the tenders and refer the evaluation back to the procuring entity with an instruction to re-evaluate the tenders or a recommendation for retendering or other action.

Farmer (1987), argued that; there is a traditional procedure of securing Nair (1990) propounded that, the tender system induces the bidders to quote the lowest price, safeguards the interests of both the buyer as well as that of the bidder, ensures impartiality and fairness, inspires confidence in the suppliers and leaves no room for malpractice such as favoring a particular bidder or tempering with prices in the purchase section.

2.5.1 Tender Documents
Tender documents are media through which Local Government Authorities (LGA) communicates with the potential supplier and contractors on how to prepare tender bids. Tender documents are important because they describe the goods, works and service to be procured, they establish the legal, technical and financial conditions under which the bidding will take place and they also establishes the evaluation criteria.
Tender document usually consist of:

(a) The instruction to tenderers.
(b) The contract terms and conditions, and
(c) The specifications.

2.5.2 Qualities of the Competitive Bidder

Mukasa D.B. (NBMM journal number 24) noted by Antony. A, argued that, competitive bidder must have the following qualities:

(a) Reliability selected bidder whole supply is reliable as and when required.
(b) The selected supplier must be faithful and must weigh what he/she can afford to deliver and what he/she cannot.
(c) Financial strength. The selected supplier must be strong enough in financial resources.
(d) Competence. The selected supplier must be competent enough together with experience and knowledge about the materials and terms and conditions of the contract.

2.6 Composition and Appointment of Tender Board members

According to PPA (2004) Tender Board shall consist of:

(a) A chairman, who shall be one of the head of department or a person of similar standing and who shall be appointed by the Accounting Officer or chief executive as a case may be.
(b) Six members who are heads of department or persons of similar standing within the same procuring entity and who shall be appointed by the Accounting Officer or Chief Executive as the case may be.
(c) The Secretary shall be the procurement specialist, who shall be the head of the procurement management unit or department of that procuring entity and who shall be appointed by the Accounting Officer or Chief Executive as the case may be.
2.7 The Council Tender Board

The CTB is established under section 14 of the Act and it has seven (7) members as follows:-

(a) The District Water Engineer – Chairperson
(b) District Treasurer – Member
(c) Primary Education Officer – Member
(d) District Engineer – Member
(e) District Agricultural Officer – Member
(f) Livestock Officer – Member
(g) Head of the Procurement Management Unit – Secretary.

2.3 Empirical studies

IDLO (2008), Experience reveals that in many procuring entities there are irregularities relating to the selection of consultants, procurement of goods, works and services and contract administration in general. Bribery of companies in obtaining contracts from public authority is also a global problem. Public procurement in selection of suppliers may be suspected for corruption and other irregularities because it is a key area where the public sector and private sector interact financially.

Irregularities normally occur in areas such as: Improper selection of consultants and no-consultants procedures. Some procuring entities and tender boards divert from competitive selection. They sometimes award contracts without even advertising the acquisition to the public. Most of procuring entities lack effective control and use of standard request for proposals, forms of contract and tender evaluation guidelines. Fraud and corruption at different stages of contract administration is now a global problem.

CAG (2006/2007), Major deficiencies that have been cited in the procurement process of Public Authorities and other bodies are such as unlawful tendering process, absence of procurement management unit, lack of procurement specialists, lack of tender boards, and lack of procurement planning.
Sixbert (2003) said the government procurement practice should attain the best value for money as its key goal, because the government is spending taxpayers’ money in the acquisition of required external resources as inputs for the provision of public services. But, Government Procurement faces problems of Bureaucracy, inadequate number of tenderers, poor quality supplies, lack of advertising funds, corruption, least qualified manpower and pressure from top management need to be tackled to avoid skipping of procedures in some instances and in other circumstances causing more delays in tender processing.

CAG (1993/94), “there is large ignorance in the practice of Public Procurements as noted. For instance Ministry of Works bought 118 motor vehicles after a short period all of them were found defective”.

Warioba Commission report on corruption (1996), “procurement of supplies and services costs the government over 50 percent of its budget, Government procurement has been most inefficient. It is common knowledge that regulation has been flouted for the personal benefits of the officers concerned. Non-compliance has been rampant because of the existence of avenue of corruption. Government has lost money by purchasing at high prices inferior goods and services. Indeed Government has been losing millions of shillings for claims on goods, which are never delivered. Suggesting possible inadequacies of past financial regulations such as financial order part III (1965) Mapunda (2003), found that efficient and effective public procurement systems and practices contribute greatly to the; effective use of public financial resources, improving of the availability, quality, reliability and cost of public services, improvement of participation and growth of private sector, encouragement of accountability and responsibility in supply management and from an integral part of Good Governance process. But this can be achieved if and only if tendering procedures are undertaken accordingly.
2.9 Conceptual frame work

The overall bases through which objectives and questions achieved were built around the conceptual framework of the research. The objectives of the study, both the main and the specific ones were defined into respective research questions. These main and specific questions were reflected in the questionnaire that was directly used in gathering the required data. Each question carried a whole or part of a variable in order to come out with an answer of its research question.

The variables of this study are broadly classified into Independent variables and Dependent variable. The independent variable was Tender advertisement and the dependent variables on the other hand were; Bidders participation, Openness, Competitiveness and Fairness.

2.9.1 Conceptual Model

The conceptual framework explained above can be described in the model diagram bellow
**Figure 2.1: Conceptual Model**

- **Adherence to procurement principles and practice**
- **Good relationship among procurement organs in a procuring entity**
- **Best value for money procurement**
- **Good tendering procedures according to PPA, 2004 and its regulations, 2005**

**Source:** Researcher’s construction
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter explains how the study was conducted. It presents the methodology that was used during the study. The section contains various sub-section which were; description of the study area, study population, research design, methods of data collection and sampling procedures.

3.2 Area of study
The study on Assessment of Tendering procedures in Local government Authorities was conducted at Mafia District Council in coast region. Mafia district council has a total area of 972 sq. km whereby 407 sq. km is covered by land and the rest is sea water. I have selected Mafia District Council as my area of study because I am also living in Mafia therefore it helped me as I used less cost in conducting the study.

3.3 Study population
The total population to be used in the study was 25 council staffs.

3.4.1 Research Design
There are many types of research design, but for the purpose of this study the researcher used the case study design. This is because the case study design offered a great chance of help to the researcher while carrying out the study.

3.5 Types of Data
Both primary and secondary data were used under this study.

3.6 Methods of data collection
This part entails various methods of data collection methods.
3.6.1 Primary data
In this particular section the researcher collected data by using observation method and questionnaire method as explained below.

3.6.1.1 Observation
The researcher used this method to collect those data which don’t need other people’s contribution. This data collection method also enabled a researcher to collect data from unwilling respondents. The method was selected because it was simple and less time consuming.
While in the field, I observed one of the specific Procurement, with an intention to see whether tendering procedures were followed. I specifically observed that there were some instances of non-compliance in tendering procedures particularly in the evaluation stage and that observation become one of my findings.

3.6.1.2 Questionnaire
The survey and interview method of data collection were used to collect data from the area of study by use of questionnaires. Closed and open-ended questions were used because respondents are highly educated; hence understand the questions without the researcher’s great assistance. The questionnaire is designed to elicit information from purchasing/procurement officer, professionals and academicians. The method was selected because it is simple and known to many respondents. The Questionnaires are attached with this proposal.

3.7 Secondary data.
Secondary data were gathered by reading different documents involved in procurement of goods, works and services through tender which included; call tender notice, tender documents, evaluation reports, and contract documents, as was identified in PPA No 21 of 2004 and its regulation of 2005. The data were obtained in the Mzumbe library.
3.7 **Sample and sample size**
The sample size depended on the number of management and staff members. The actual numbers of sample size were twenty five. The researcher contacted at each department. Officers contacted were those associated with procurement activities, such as PMU, Tender Board members and user department.

3.8 **Sampling procedure**
Due to the nature of this study, the researcher used purposive technique since they are the ones with the necessary and relevant information about the purchasing functions. Thus, purposive sampling technique is recommended when sample elements and locations are chosen to fulfill certain characteristics or have attributes under the study.

3.9 **Reliability and validity of data**
The researcher ensured that the data collected through, questionnaire and internet are collected from, authoritative personnel in order to maintain the validity of the measurable data. Triangular method is selected to ensure validity and reliability of data in this research.

3.10 **Reliability**
The researcher examined data to ensure its reliability by use of conbach alpha test scale, by using Statistical Package for Social Sciences (SPSS), as an aid of calculating reliability.

3.11 **Validity**
The collection of data were made through, questionnaires, interview and observation. The same sets of questionnaires were given to all selected respondents, schedule made and asking the same question.
4.12 Data management
The data that were collected in this study were processed by cleaning errors, inspecting and correcting them using Statistical Package for Social Sciences (SPSS). The SPSS program is used because it is proved software to be powerful package frequently applied in data analysis and management in the social sciences.

4.13 Data analysis
Researcher used qualitative method in analyzing data, and it was complemented with the quantitative method in summarizing data and presenting in percentages and in other case to quantify them for the sake of making clear clarifications.

4.14 Expected Results
It has been anticipated that the data obtained from this study were useful in answering the research questions that has been set by the researcher. Similarly the instruments designed were also useful to meet the intended goal.
CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSIONS OF FINDINGS

4.1 Introduction

This chapter presents and analyzes the facts obtained during the research study. The researcher was able to obtain data and observe much on how procurement activities are carried out at MDC. There is a good reflection and achievement on the intended purpose of the study. Most of the facts gathered targeted on analyzing the tendering procedures in the local Government Authorities that focused at the MDC.

The researcher attempts had been made to find the response from PMU staff and user department’s staff which included Accounts and Finance, Administration and human resource, District Education office, in which questionnaires were used to collect information required.

The analysis was made according to the main research questions and objectives but specifically focusing on the statement of the research problem. The responses to research questions are married with the research objectives to see how they complement each other or fit to each other.

The researcher used tables, and percentages in analysing and presenting the findings to reveal the interpretation of the analysed findings so as to enable readers understand

4.2 Profile

Under this particular study there were twenty five respondents, in this case therefore twenty five questionnaires were distributed to various respondents from different
departments including PMU staff, Accounts & Finance and user departments. The researcher was closely following the questionnaires where all questionnaires were filled and returned. Also interview, observations, participation and documentary review were used to collect data.

Distribution tables were used to give a record of the number of times a response occurred from the sample. The researcher also used percentages that enabled him to compare responses from different categories. Some of the structured questions were of yes/no answers, and respondent were required to provide short description of the phenomenon.

### Table 4.1: Response statistics of respondents

<table>
<thead>
<tr>
<th>Division</th>
<th>Expected response</th>
<th>Usable response</th>
<th>Non response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Respondents (%)</td>
<td>Respondents %</td>
<td></td>
</tr>
<tr>
<td>PMU</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Tender Board member</td>
<td>6</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>User Department</td>
<td>6</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Administration &amp; Human Resource</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Accounts and Finance</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>25</td>
<td>25</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Field data (2013)

The above table indicates the response statistics of respondents where a sample of twenty five respondents were chosen and given questionnaires. All distributed questionnaires to various departments were well filled and returned to a researcher
although it was difficult for a researcher to collect data from one respondent to another due to daily duties of respondents and researcher himself, however, data collection exercise was very difficult, but all respondents responded and this equals to hundred percent usable responses.

4.1.1 Gender of respondents
The gender composition of respondents to this study shows that 95% were male and 5% were female. Although there is few numbers of female from the sample but it does not affect the information collected for the study because the study is not basing on gender equality.

4.1.2 Experience of respondents
The study found that most of respondents were enough experienced to work with government institutions where 84% of respondents have been saved more than five years and 16% of them have been saved to the government less than five years. Therefore most of them are competent enough to give proper information concerning with the study.

Table 4.2: Shows respondents working experience

<table>
<thead>
<tr>
<th>Working Experience</th>
<th>No. Of Respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Five years</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Above Five years</td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data 2013

4.1.3 Qualifications of respondents
Most of respondents in this study were having enough qualifications whereby Degree holders and above represented by 92% and Diploma and below represented by 8% as per table below. This offered a great confidence that, the answers from respondent were reliable and that they provided a true picture of the study.
Table 4.3: Show respondents qualifications

<table>
<thead>
<tr>
<th>Academics Qualification</th>
<th>No. Of Respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma and below</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Degree and above</td>
<td>23</td>
<td>92</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data 2013

4.2 Awareness of tendering procedures in the Local Government Authorities

At this particular area, Respondents were requested to the best of their knowledge explain to what extent they understand the meaning of Tendering procedures. The aim was to determine the knowledge of respondent on tendering procedures at Mafia District Council staff.

Basing on their response, the study showed that 16% of the respondents were not well aware of the meaning of tendering procedures whereby 84% of respondents especially those from PMU understood the meaning of tendering procedures as shown in the table below.

Table 4.4: Awareness of Tendering Procedures

<table>
<thead>
<tr>
<th>Response</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of respondents</td>
<td>21</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Percentage %</td>
<td>84</td>
<td>16</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data (2013)

Questions were structured to fit the intended purpose whereby out of 25 people who responded, 21 which is 84% responded that they are aware of tendering procedures.
Most of the respondents showed that they are more conversant with tendering procedures as they have evidence that, they normally see the invitation to tender on all notice boards around the Council, they see adverts in local news newspapers and some of them have been attending the tender opening ceremonies. They added that though they can be some deviations in tendering procedures, there are some indicators that Procurement in MDC is done as stipulated in the PPA No 21 of 2004 and its regulation of 2005.

They further agreed that since the PPA No 21 of 2004 and its regulation of 2005 was introduced the tendering process has become too long as compared to the past process, but the current one is more open, competitive and therefore the selected contractors/supplies/service providers are better ones compared to the old method. However some pitfalls of tendering as a method of procurement were observed by the researcher as well as respondents.

Some of these pitfalls include:-
Most of the respondents said that the new tendering process is very expensive as compared to the old one; mainly the PMU said that some poor District Council like MDC cannot afford to fully finance the Tendering procedures. It was confirmed by respondents that there are many unpaid CTB meeting allowances, tender document preparation costs, and tender advertisement to wide media. Some costs relating to Advertisement have not been paid by the council since July 2011. This simply implies that; it is much cost full to carry out tendering procedures for each individual tender.

It was further agreed that because of competitiveness, the tendering method of Procurement reduces cost and therefore delivers value for money if and only if tenders are accumulated, advertised and evaluated together.
4.3 Evaluation of Tendering in Mafia District Council.

As per PPA No 21 of 2004 sec 67 sub sec (1-4), the procuring entity shall evaluate on a common bases tenders that have not been rejected in order to determine the cost to the procuring entity of each tender in a manner that permits a comparison to be made between the tenders on the basis of the evaluated costs, but the lowest submitted price, may not necessarily be the bases for selection for award of a contract.

Any relevant factor or factors in addition to price to be considered in tender evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated tender shall be specified in the tender documents for goods and equipment’s but the tender evaluation for works shall be undertaken strictly in monetary terms and completion period. Any procedure under which tenders above or below are predetermined assessment of tender value are automatically disqualified may not be accepted. The procuring entity shall prepare a detailed report on the evaluation and comparison of tenders, setting out the specific reasons on which its recommendations for the award of each contract are based. Evaluation committee determines the responsive bid and gives award recommendations. The evaluation process comes immediately after opening ceremony.

At this point, sampled respondents were asked whether they know or they don’t know that evaluation committee is appointed by the Accounting Officer/DED at every individual tender opportunity.

From all respondents interviewed, it was observed that out of twenty five respondents who responded to the researcher 64% of respondents rated the tender evaluation process as poorly done while 32% rated it as fair or average and only 4% were of the opinion that the tender evaluation process is good.
Table 4.5: Shows Evaluation Discussion in MDC

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>0</td>
<td>01</td>
<td>08</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>Percentage %</td>
<td>0</td>
<td>04</td>
<td>32</td>
<td>64</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Research data (2013)

There is evidence that management of the council is aware of the importance of an efficient examination, evaluation and comparison of tenders. However, the researcher found that in most cases tender evaluation process is not detailed enough.

The researcher has observed that prior to the detailed evaluation of tenders; the evaluation committee seldom carries a preliminary examination of tenders to determine whether each tender is substantially responsive to the tender documents, whether the required guarantees have been provided, whether the documents have been properly signed and whether the tenders are in order.

The researcher’s overall assessment of the tendering procedures is that the council is committed towards competitive procurement procedures. However, there is lack of awareness about the detailed public procurement procedures and guidelines.

4.4 Tendering practice in Mafia District Council.

Tendering is one of the methods of Procurement. It is the method of procurement where by suppliers, contractors, service providers or consultants are invited by the procuring entity to compete with each other in submitting priced tenders for goods, works or services.
4.4.1 Invitation for bids

As stipulated in the PPA Act No 21 of 2004 sec 61, sub sec (1-4); a procuring entity wishing to commence competitive tendering proceedings shall prepare a tender notice inviting suppliers or contractors to submit priced offers for the supply of the goods or for undertaking the works required and such tender notice shall be submitted within reasonable time before the planned issue of the tender to the secretary of the tender.

The approved tender notice shall be advertised by the procuring entity as set out in the regulation made under this Act and shall ensure widest reach of potential suppliers or contractors.

Any tender notice shall be published in sufficient time, as prescribed in the regulation to enable prospective tenders to obtain tender documents and prepare and submit their responses before the deadline for the receipt of tenders.

The time specified for the opening of the tenders submitted shall be the same as the deadline for receipt of tenders or immediately thereafter, and shall be repeated, together with the place for tender opening, in the invitation to tender.

Findings showed that; In Mafia District Council, the tender notice for inviting suppliers or contractors to submit priced offers for the supply of goods or for undertaking the works required are prepared as stipulated in sec (61) sub sec (1) of the PPA No 21 of 2004.

Adherence in the PPA No 21 of 2004 will have an impact on the procurement process and the council at all, as it will enhance transparence and openness in the whole Procurement process. However such tender notice is not submitted within reasonable time before the planned issue of the tender to the secretary of the tender contrary to PPA No 21 of 2004 sec (61) sub sec (1).
This situation brings about contradictions on the deadline for submission as the date of submission indicated on the tender document purchased by a bidder could differ with the date of submission that is going to appear on the newspaper. This is because the deadline for submission is calculated right from the date the tender notice first appeared on the newspaper.

Other findings show that, most of the bidders who purchases tender documents to various LGAs ask for clarification to the secretary of the tender Board regarding submission deadline.

On the other hand, in Mafia District Council, all tender notices are approved by appropriate tender board as stipulated in sec 80 sub sec (6) of the Public Procurement Regulation of 2005. The adherence to this Act will have an impact to the Council as it eliminates unnecessary internal and external audit query that may occur for any unapproved tender notice and it also increases accountability to the some council staff who are involved in the process.

In Mafia District Council, the tender notices are published in sufficient time as prescribed in sec 80 sub sec 6 of the PPR of 2005 to enable prospective tenderers to obtain tender documents and prepare and submit their responses before the deadline for submission. Adherence to this regulation has an impact to both the council and the Bidders who purchases the document as more time is given for bidders to prepare a response Bid before is submitted and simplifies evaluation exercise for the members of evaluation as the submitted document will provide detailed information as instructed in the tender document.

Other researchers findings, show that; when enough/sufficient time is provided as per sec 80 sub sec 6 of the PPR of 2005 for prospective bidders to obtain tender documents and prepare and submit their responses before the deadline for submission competition

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among contractors increases and therefore a better contractor, supplier or service provider is obtained and the council could enjoy better quality services and value for money.

In Mafia District Council, the advertisement on the newspaper state clear that the time specified for the opening of the tenders submitted is the same as the deadline for receipt of tenders or immediately thereafter and is repeated as prescribed in sec 61 sub sec 4 of the PPA no 21 of 2004 and its regulation. However this is not followed as in most cases tender opening is not made exactly on the time of deadline, it is extended for more than an hour waiting for other documents expected to arrive with the coming flight.

Non adherence to this section has an impact to the council as it violates to Public procurement principles as prescribed in part IV of the PPA No 21 of 2004. This is evidenced by the tender register book from PMU office and bid opening minutes of the tender Board. While the deadline for bid submission was 10: 00am, the minutes of the tender opening records that the meeting stated at 11:20am. Representatives of the companies that early submitted their bids lodge complaints that; tenders were not fairly treated.

Other researchers found that, so many cases have been reported to the office of the Public Procurement Appeals Authority (PPAA) appealing on the awarded contractor. The reason for appeal being that; the awarded contractor late submitted his bid, therefore there are some unethical Government officers who purposely delayed the opening ceremony in favor of the awarded contractor.

### 4.4.2 Submission of tenders

As stipulated in sec II of the PPR of 2005 sec 86 sub sec (1-6), the procuring entity shall fix the place for and specific date and time as the deadline for the submission of tenders. The section also adds that; the time for the tender opening shall be the same as time for
the deadline for the receipt of tenders or promptly thereafter and shall be announced, together with the place of tender opening in the invitation to tender.

Tenders shall be delivered, by mail or by hand, to the address within the time limit and in the form and manner indicated in the invitation to tender and stipulated in the tender documents. Where requirements for tender security other securities have been stated in the tender documents, these shall be delivered not later than the closing date and time for the deposit or submission of the tenders in the amounts and in the form and manner stipulated.

Only the tender received within the time limit announced in the invitation to tender shall be eligible for consideration. Tenders received after the deadline for the submission of tenders stipulated in the tender documents shall not be considered and shall be returned to the supplier, contractor, service provider or asset buyer that submitted it.

Findings showed that; in Mafia District Council, submission of tender is done as per sec II of the PPR of 2005 sec 86 sub sec (1-6). Adherence to the PPR of 2005 for Mafia District Council as stated above will have an impact to the Council. It brings about good reputation to the council and adds value to the whole procurement process.

Other research showed that; Most of the procuring entity abides to the law and the tender submission is done as prescribed in sec II of the PPR of 2005 sec 86 sub sec (1-6)

4.4.3 Bid Opening
As per PPA Act No 21 of 2004 sec 61, sub sec (1-4) and sec III of PPR of 2005 sec 89 sub sec (7-19), the tender board that approved the issue of the tender documents shall receive tenders, which shall wherever possible be placed in a locked tender box or in a secure office space.

The time for the tender opening shall be the same as the time set for the deadline for receipt of tenders or promptly thereafter and shall be announced, together with the place
for the tender opening, in the invitation to tender. All tenders submitted before the
deadline time and date for submission shall be opened in public, in the presence of the
tenderers or their representatives and other parties with a legitimate interest in the tender
proceedings and the names of all those present at the tender opening and the
organizations they present shall be recorded by the secretary of the respective tender
board.

In Mafia District Council, The process of opening of bids take place in venue, date and
time as specified in the Tender documents. Usually the bids are opened in public in the
presence of bidders who choose to attend. During the opening process the legal
requirements like Registration of the company, business license, TIN/ VAT certificate
and the total price quoted by the applicant are read publicly. All other requirements are
retained for evaluation.

After reading all tender documents by the Chairman as PPA: 66 sub sec (3) (4), each
tender form is signed by the member of CTB indicating the date signed. This is to avoid
tempering with the tender documents after the prices have been revealed.

According to the PPA, No 21 of 2004 sec 66 sub sec(3) (4) all tenders submitted before
the deadline time and date for submission shall be opened in public, in the presence of
the tenders or their representatives and other parties with a legitimate interest in the
tender proceeding and the tender opening shall take place at or immediately after the
deadline time and date given in the Tender Documents for the receipt of this Tenders
and names of all those present at the tender opening and the organization they present
shall be recorded by the secretary of the tender board.

The names and addresses of each tender and the total amount of each tender, and of any
alternative tenders, if they have been requested or permitted, shall be read aloud by the
chairman of the meeting and recorded by the secretary of the tender board or his
delegate as each tender is opened. The process of opening the bids at MDC conforms to the PPA No 21 of 2004 and its regulation of 2005.

Findings showed that; in Mafia District Council, tender opening is done as per As per PPA Act No 21 of 2004 sec 61, sub sec (1-4) and sec III of PPR of 2005 sec 89 sub sec (7-19), though there are minor deviation which can be corrected. Adherence of Mafia District Council to the law as stipulated in the Act as mentioned above will have implication to the council. This indicates better functioning of PMU staff and team working among other members of the council.

4.4.4 Tender evaluation in relation to PPA no 21 of 2004

Tendering is one of the methods of procurement. It is the method of procurement where by suppliers, contractors or consultants are invited by the procuring entity to compete with each other in submitting priced tenders for goods, works, or services(PPA 2004).

As per PPA No 21 of 2004 sec 67 sub sec (1-4), the procuring entity shall evaluate on a common bases tenders that have not been rejected in order to determine the cost to the procuring entity of each tender in a manner that permits a comparison to be made between the tenders on the basis of the evaluated costs, but the lowest submitted price, may not necessarily be the bases for selection for award of a contract.

Any relevant factor or factors in addition to price to be considered in tender evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated tender shall be specified in the tender documents for goods and equipment’s but the tender evaluation for works shall be undertaken strictly in monetary terms and completion period. Any procedure under which tenders above or below are pre-determined assessment of tender value are automatically disqualified may not be accepted. The procuring entity shall prepare a detailed report on the evaluation and
comparison of tenders, setting out the specific reasons on which its recommendations for the award of each contract are based.

In Mafia District Council the process of evaluation is as follows:-The evaluation process begins immediately after the opening of bids. The PMU recommends the evaluation team to the accounting Officer. Thus the evaluation team is appointed by the accounting officer as required by procurement regulations.

The evaluation committee comprises three to five members including technical persons depending to the nature of the procurement.

Findings showed that; the Mafia District Council conduct evaluation as per sec 67 sub sec (1-4) of the PPA No 21 of 2004 and its regulation of 2005. However the study noted that some of the bidders failed to meet the tender documents requirements. For instance some didn’t stamp their tender forms. Some of them failed to fill the Bill of Quantities (BOQ), the standard units used are not known to them. The live example is during one opening ceremony, engineers complained that the quantity $M^2$ were written $M^3$ but they just filled the tender document without seeking clarifications from the client as required.

The minutes of the tender board shoed misunderstanding between bidders and the client, bidders blamed the client for misleading them but the secretary of the tender board elaborated that both client and bidders made mistake. He said according to the regulations, bidders had/allowed to seek clarification from the Authority before filing the tender documents.

This helped the researcher to note that during the tendering, professional ethics are not adhered to by some bidders instead they are interested in winning the tenders only.

**Basic criteria of evaluating Bids**
As per PPA No 21 of 2004 sec 65 sub sec (1-3), the basis for tender evaluation and selection of the lowest evaluated tender shall be clearly specified in the instructions to tenderers or in the specifications to the required goods or works. The tender documents shall specify any factor, in addition to price, which may be taken into account in evaluating a tender and how such factors may be quantified or otherwise evaluated.

Notwithstanding the provisions of above section, where tenders based on alternative materials, alternative completion schedules or alternative payment terms are permitted, conditions for their acceptability and the method of the evaluations shall be expressly stated in the tender document.

Also sec 90 sub sec (1-26) of the PPR of 2005 stipulates that, A procuring entity shall established a tender evaluation committee comprising not less than three and not more than five members. If the evaluation of tenders is party of a consultancy contract or agreement, the respective consultancy shall discharge the duties of the tender evaluation committee and shall be responsible for preparing the evaluation report and award recommendations.

The tender evaluations committee shall evaluate on a common basis opened tenders in order to determine the cost or price to the procuring entity of each tender in a manner that permits a comparison to be made between the tenders on the basis of the evaluated costs or prices.

The tender evaluation shall be consistent with the terms and conditions set forth in the tender documents and such evaluation shall be carried out using the criteria explicitly stated in the tender documents. Tenders shall be comparable among themselves in order to determine the lowest evaluated cost for procurement of goods, works or services or the highest evaluated price for disposal of asset by tender.
Prior to the detailed evaluation of tenders, the tenders evaluation committee shall carry out a preliminary examination of the tenders to determine whether or not each tender is substantially responsive to the requirements of the tender documents, whether the required guarantees have been provided, whether the documents have been properly signed and whether the tenders are otherwise generally in order.

A substantially responsible tender is one which conforms to all the terms, conditions and specifications of the tender documents without material deviation or reservation. A material deviation or reservation is one which affects the scope, quality or performance of the contract, or which, in any substantial way, is inconsistent with the tender document or limits the procuring entity’s right or the tenderer’s obligations under the contract, and affects unfairly the competitive positions of tenders presenting responsive tenders.

Any tender not accompanied by an acceptable tender guarantee, where the same has been requested, shall be rejected by the procurement management unit and the approving authority. The procuring entity may ask suppliers, contractors, service providers or asset buyers for clarification of their tenders in order to assist in the examination, evaluation and comparison of tenders, but no advantage shall be sought, offered or permitted to change any matter of substance in the tender including changes in price and changes aimed at an unresponsive tender response.

Notwithstanding the above sub regulation, the procuring entity shall correct purely arithmetic error that are discovered during the examination of tenders and the procuring entity shall give prompt notice of any such correction to the supplier, contractor, service provider or asset buyer that submitted the tender.

A procuring entity may regard a tender as responsive even if it contains minor deviations that do not materially alter or depart from the characteristics, terms, conditions and other
requirements set forth in the solicitation documents or it contains errors or oversight that are capable of being corrected without touching on the substance of the tender.

Any such deviations shall be quantified to the extent possible, and appropriately taken account of in the evaluation and comparison of tenders. Any factor other than price that may be used in determining the lowest evaluated tender shall, as far as practicable, be expressed in monetary terms.

Penalties for non-material deviation from the tender requirements shall be expressed as a monetary addition to the tender price which may include the cost of making good deficiencies in compliance with the tender specification. Any procedure under which tender above or below a predetermined tender value is automatically disqualified shall not be accepted.

The procuring entity’s determination of a tender’s responsiveness shall be based on the contents of a tender itself without recourse to extrinsic evidence. If a tender is not responsive to a tender document, it shall be rejected by the procuring entity, and may not subsequently be made responsive by correction or withdrawal of the deviation or reservation. A procuring entity shall not accept a tender, if a supplier, contractor service provider or asset buyer that submitted the tender is not qualified or eligible. If the supplier, contractor, service provider or asset buyer that submitted tender does not accept a correction of an arithmetical error made pursuant to the above sub regulation, if a tender is not responsive, if a tender is not accompanied by an appropriate tender security, if required.

A procuring entity evaluate and compare all tenders that have been accepted in order to ascertain the successful tender, in accordance with the procedures and criteria set forth in the solicitation documents. The successful bidder shall be the tender with the lowest
evaluated tender price in case of disposal of assets, but not necessarily the lowest or highest submitted price, subject to any margin of preference applied.

If the procuring entity has so stipulated in the solicitation documents, the lowest or highest evaluated tender ascertained on the basis of criteria specified in the solicitation documents, which criteria shall, to the extent practicable, be objective and quantifiable, and shall be given a relative weight in the evaluation procedure or be expressed in monetary terms.

In determining the lowest evaluated tender, the procuring entity may consider the following; the tender price subject to the margin of preference applied, the cost of operating, maintaining, and repairing the goods or construction, the time for delivery of the goods, completion of construction or provision of the services, the functional characteristics of the goods or construction, the terms of payment and of guarantees in respect of the goods, construction or services.

In determining the highest evaluated tender for disposal of asset the preferred evaluation method shall be the evaluation based on price only unless other factors such as end user or export restriction, a need to attach conditions to a sale are taken into consideration, and stated clearly in the solicitation documents.

In evaluating and comparing tenders a procuring entity may grant a margin of preference for the benefit of tenders for works by Tanzanian contractors, for benefit of tenders for domestically produced goods, for benefit of Tanzania service providers or for benefit of Tanzanian asset buyers provided that the margin of preference shall be calculated in accordance with PPR of 2005, sec (91-96) and reflected in the record of procurement proceedings.
Where tender prices are expressed in two or more currencies the tender prices of all tenders shall be converted to the same currency, and according to the rates specified in the solicitation documents, for the purpose of evaluating and comparing tenders.

The rates of exchange to be used in such valuation shall be the selling rates published by an official source and applicable to similar transactions; on a date selected in advance and specified in the tender dossier provided that such date should not be earlier than 15 days prior to the date specified for the opening of tenders nor later than the original date prescribed in the tender dossier for expiry of the period of tender validity or on the date of decision to award the contract or on the original date prescribed in the tender dossier for the expiry of the period of tender validity, whichever is earlier.

One of the options stipulated here under shall be selected by the procuring entity and clearly stated in the tender document the evaluation and comparison of tenders for the supply of goods shall be on CIF or CIP prices for imported goods and the ex-works prices for the goods offered from within the United Republic of Tanzania, together with prices for any required installation, training, commissioning and other similar services.

Whether or not it has engaged in the pre-qualification proceedings, the procuring entity may require the supplier, contractor, service provider or asset buyer submitting the tender that has been found to be the successful to demonstrate again its qualifications. The criteria and procedures to be used for such post qualification shall be set forth in the solicitation documents in accordance with section No 48 of the PPA No 21 of 2004. Where post-qualification proceedings have been engaged in, the criteria shall be the same as those used in the pre-qualification proceedings. If the supplier, contractor service provider or asset buyer submitting the successful tender is requested to demonstrate again its qualifications but fails to do so, the procuring entity shall reject that tender and shall select a successful tender in accordance with PPR of 2005 from
among the remaining tenders subject to the right of the procuring entity to reject all remaining tenders.

Under works and turnkey contracts, a contractor shall be responsible for all duties, taxes and other levies, and a tender shall take these factors into account in preparing his tender with view to making evaluation and comparison of tenders strictly in monetary terms.

A detailed report on the evaluation and comparison of tenders, setting forth the specific reasons which the determination of the lowest evaluated cost tender or highest evaluated price tender is based, shall be prepared by the evaluation committee and addressed to the approving authority for approval.

Mafia District Council follows evaluation criteria as per PPA No 21 of 2004 sec 65 sub sec (1-3) and as stipulated in PPR 90 sub sec (1-26). During the evolution process in Mafia District Council though the members of evaluation committee do not produce a good evaluation report, evaluation committee uses the criteria set up in the tender documents for the particular procurement. The evaluation team has no mandate to put its own criteria i.e. the criteria sat out by CTB in the tender documents (During the invitation for bids) are only used for evaluation.

The evaluation team, usually tries to confirm if the bidders are eligible and can continue to be evaluated by verifying the legal documents like CRB Registration, CRB annual fees, company registration Current business license. TIN Number, VAT, power of Attorney, application fee (which is non – refundable), bid security etc.

In this stage, the evaluation team may conclude the part of preliminary and determine those bidders succeeded for further analysis, the rest who are not substantially responsive are rejected. The reasons for rejections are jotted down do not carry preliminary examinations of tenders to determine whether each tender is substantially
responsive to the tender documents, whether the required guarantees have been provided. Whether the documents have been properly signed and whether the tenders are in order.

At this particular process, the accepted bids are examined in and the bidders who have successfully done well in the preliminary state are evaluated in two parts. The evaluation team goes in beyond to see if the applicants have enough technical and competent persons (team) to execute that particular work as stipulated in the tender documents.

The evaluation team also goes in detail to determine if the applicants have enough equipment and machines to implement the procurement as mentioned in the tender documents. After evaluating the resources of the bidders then at the process it is where the examination and comparison of prices in the schedule of rates are compared. Also this is where the award of contract is determined. It was noted that not necessarily bidder with the lowest price wins the tender but the one will total lowest evaluated cost.

Adherence to the procedures as stipulated in the PPA No 21 of 2004 and its regulation of 2005 has an impact to the council as the evaluation committee is likely to come up with the best award recommendations. Best award recommendation leads to the award of the contract to the best contractor, consultants, service provider or asset buyer.

### 4.4.5 Award recommendation:

The researcher noted that after the evaluation team has completed its job, that is, writing the evaluation report, it submits is to the PMU which also goes through that report and make some recommendations, but the recommendations not to review the evaluations team’s recommendation. After that the CTB has to or not to approve the award recommendation made by the evaluation committee. The award of the contract will be to
the successful bidder whose tender has been determined to be substantially responsive and had been determined to quality to perform the contract satisfactorily.

In case the CTB disagree with the recommendation of evaluation team. PPA 2004 PART III Section 41 requires that:- Disagreements between a Tender Board and a procurement Management Unit, and between a procurement Management Unit and User Department concerning decision pertaining to the recommendation for the award of contract, application or interpretation of any procurement method, process or practice, shall be resolved in accordance with the procedures set out in the Regulations made under this Act.

The local Government (procurement of goods and works) Regulation, 2003, Part VI Section 98 (3) says; In any case where the Board reaches a decision which completely disregard the recommendation of the tender evaluation team, the same shall be recorded in the proceedings of the Board and communicated immediately to the Regional Commissioner, the office of the Controller and Auditor General and to the meeting of the council following the decision of the Board.

The Local Government Authorities Tender Boards (establishment and proceedings) Regulation 2007 is silence about this. The winners are notified by letters by the Accounting Officer. The losers are also notified by letters with the reasons of failing. All the documents concerning with this decision of the CTB are kept by the secretary of the tender board. The researcher verified that all tender awards conform to the PPA No 21 of 2004.

Findings showed that; Tender board some time never works on the recommendation given by the evaluation. What the boards do was to award by their own interest
4.4.6 Relationship of PMU, Tender Board and User department

The theoretical review has explained the typical organs as addressed by PPA (2004) and its regulation of 2005 that facilitate procurement proceedings and procurement by tender in public entities and in particular LGA and aimed to ensure adherence to procurement procedures these organs must work together so as to get intended goods, works and services. These organs and their functions include.

Functions of PMU

As we all know, every Procuring entity must establish a PMU staffed at an appropriate level to carry out procurement functions. Subject to PPA No 21 of 2004 and its regulation of 2005, there are eleven functions of PMU. The following here under are the functions of PMU

The first function of PMU is to manage all procurement and disposal by tender activities of the procuring entity except adjudication and the award of contract. In this particular function, the PMU is responsible to manage all Procurement arising from all user department of the entity. The second function of PMU is to Support the functioning of the tender board. Under this particular function, the PMU acts as the secretariat of the TB.

Implementing the decision of the tender board is also one of the PMU function. In this particular function, the PMU is responsible for implementing all procurement decision made by the TB. Preparation of tender document is another major function of PMU, at this particular function; the PMU is responsible for preparing tender document to all procurement initiated from user department.

The PMU is also responsible for preparation of advertisement of tender opportunities. It should be remembered that Transparency is one of the procurement principles. For the
procuring entity to abide on that procurement principle it must prepare and advertise all tender opportunities. This is the function which is done through PMU.

Maintenance and archive of records of the procurement and disposal process is another function of PMU. In this particular function the PMU is responsible for keeping and maintaining all procurement related records for at least five years as stipulated in the PPA No 21 of 2004 and its regulation of 2005.

Plan of procurement and disposal of asset by tender activities is one of the functions of PMU. Under this particular function, the PMU is responsible for preparation of annual procurement plan and disposal of asset by tender. To check and prepare statement of requirement is also one of the functions of PMU. In this particular function of PMU is entitled to check and prepare statement of requirements of all procurement that arises in the organization.

Apart from the above mentioned function of the PMU, another major function of PMU is to prepare report for the tender board. The PMU is ought to prepare all reports regarding procurement for the tender board. The PMU is responsible for liaising directly with the authority on matters within its jurisdiction and also work as a secretariat to the tender board.

**Functions of Tender Boards**

As stipulated in the PPA No 21 of 2004 and its regulation of 2005, second schedule, each Ministry, Independent Department of the government, Region, district and Parastatal Organization should establish a tender Board.

The following below are the general functions of any established Tender Board.

Approving tendering and contract documents; this is according to sec 80 (3) of the PPA No 21 of 2004 and its regulation of which stipulates that a draft tender document and
tender notices should be taken to the tender board for approval before they are issued to suppliers. This applies the same to contract document, that before they are signed they need to be approved by the appropriate tender board.

Review of all application for Variation; this is another function of tender board. Sec 44 of the Public Procurement Regulation of 2005 provides that, any variation to the value of procurement or disposal contract shall be reviewed and approved by appropriate tender board.

Another function of the tender board is the adjudication of recommendation from the PMU and award contract. Under this particular function it is only the tender board which is given a mandate to adjudicate the recommendations from PMU.

In additional to the above, the Tender board also has a mandate to approve or disapprove any disposal by tender process. The law provides that any Procurement or disposal process shall be approved by the appropriate tender board. This mandate is in accordance with PPA No 21 of 2004 and its regulation of 2005.

Other functions of tender board are; ensuring that best practices in relation to procurement and disposal by tender are strictly adhered by procuring entities, ensure compliance with PPA and Liaising directly with the Authority on matters within its jurisdiction. All these functions are as per sec 30 (a-g).

**Functions of User Departments**
The PPA No 21 of 2004 explains the relationship between, Tender Board, Procurement management unit, User department and the Accounting Officer. Each of which has its own functions.
According to the PPA no 21 of 2004 and its regulation of 2005, the following here under are the functions of user department. Liaise with and assist the PMU throughout the procurement or disposal by tender process to the point of contract placement. Initiate procurement and disposal by tender requirement and forward them to the PMU. Propose technical specifications to PMU when necessary. Input with technical evaluation of tenders received as required by the PMU. Arrange for payments to suppliers contractors, consultant. Propose technical inputs to statement of requirements for procurement requirements to the PMU. Report any departure from the terms and conditions of an awarded contract to the PMU. Maintain and archiving records of contracts management. Forward details of any required contract amendments to the PMU for action and to prepare any report required for submission to PMU, TB and AO.

As the functions stated above, the PMU support the function of the tender Board and implement the decision of the tender Board although, PMU have its own function to facilitate procurement. The user departments liaise with and assist the PMU throughout the procurement or disposal by tender process to the point of contract placement. These organs depend to each other to ensure the function of procurement is performed as required and according to PPA. 2004. A thorough review of the relationship of PMU, User departments and Tender Board at MDC as it was observed by the research during the study revealed the existence of a good relationship among the three organs. They performed their activities as it is required and laid down in the PPA, 2004 and its regulations as it is shown above. They worked independently in their day to day activities and co-operated each other.

4.4.7 Qualification of PMU staff
Respondents were interviewed in order to know if they know the qualification of the PMU staff at Mafia District Council staff.
Basing on their response, the study showed that 16% of the respondents were not well aware of the meaning of tendering procedures whereby 84% of respondents especially from PMU understood the meaning of tendering procedures as per table below.

**Table 4.6: Qualification of PMU Staff**

<table>
<thead>
<tr>
<th>Response from the sample of employees interviewed</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>3</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Percentage</td>
<td>38</td>
<td>62</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Research data (2013)

Only 8 respondents responded to this question, out of them 5 said that they don’t know the qualification needed for a PMU staff which is 62% and 3 respondents said that the District Council does not have enough competent procurement persons. According to the PPA No 21 of 2004, the local Government Authorities’ Tender Boards (Establishment and proceedings) Regulations, 2007 part III (2) the secretary of the Board shall be a procurement specialist and shall be the Head of the PMU and shall be appointed by the Accounting Officer.

Due to this Act, the researcher interviewed some Council employees; Most of them said that they know only the names of the PMU staff but not their qualification.

The researcher also went through the PMU staff personal files. The researcher noted that the Head of PMU has enough qualifications to practice in the field; he also noted that even remaining PMU staff has procurement knowledge. The Head of PMU is registered by PSPTB as approved supplies officer/stock verifier.
4.4.8 Factors contributing to the ineffectiveness of tendering method

Following this question, three (3) individual responded of which 2 were PMU staff and other four (4) were evaluators of suppliers. The aim to this was to know the factors which contributed to ineffective tendering procedures at MDC. The researcher observed several factors that lead to ineffective tendering procedures at MDC as follows:-

Lateness to award contract to the responsive bidders

Late award of contract was observed by the research during the study. In this case, the proposed contract was read to be awarded to the responsive supplier or bidder, but members of the tender board were busy with other activities which led to difficulties in approving recommendations from tender evaluation committee. This was observed by the researcher when the District Executive Director reminded several times about the contract award but was not responded. Moreover, Tender Board meeting were not conducted accordingly because most of members of the CTB are also the heads of department who are always busy with their routine activities in such a way that, they find it difficult to award contract on time.

Lack of funds

This was major problem identified that affect the performance of tendering procedures at MDC. Under this case, the central government is the major source of funds for financing project in the authority.

It happens that MDC advertises tenders expecting to get enough funds but it has not always been the case. The government remits funds in installments thus affecting the selection of competent bidders so that they fall within the government money offered to them. So this may lead to selection of incompetent bidder in term of quality since it is the lowest bidder hence leaving the competent tendered simply because they quoted high prices.
Lack of knowledge about the PPA No 21 of 2004 and its regulation of 2005

The researcher observed that most of members in the CTB are not aware of PPA No 21 of 2004; they usually depend on the secretary tender Board of the Authority to interpret and give them clarification.

Therefore it looks the secretary need more time for preparation for defending or explaining to any doubt relating to procurement or tendering. These results helped the researcher to realize that there is poor knowledge about the tendering procedures to the members of tender Board at MDC.

High price charged by supplies on goods and services

Experiences showed that suppliers charged high prices for the items. This was due to the fact that payments were made late. Thus, once the items were supplied normally payment took over a long period of time until they are made, the researcher also saw that no serious market survey was undertaken to see prices for most common items so as to overcome the problem of being charged high prices.

The deliveries of item requested by user department

Some of the user departments complain about this in several times. It takes a long time for the goods to be processed and delivered to users. This is because the MDC supplies officers are becoming confused since there are many orders placed that they could not remember them once and this is because they are few. This brings some misunderstanding between the users and the procurement specialists about when their goods will be delivered.

Poor implementation of procurement plan

Procurement is the list of described works, goods or services which need to be procured in a given time. Sound and efficient of procurement is crucial for the successful outcome of a procedure on tendering process within the organ. As per PPA No 21 of 2004 sec 25
sub sec (1-3), the chief executive officer, shall no later than three months before the end of each financial year, prepare and submit to the board of directors an annual which shall include a budget for its approval for the next for its approval for the next financial year.

No expenditure shall be made out of the funds of the authority unless that expenditure is part of the expenditure approved by the board under the estimates for the fiscal year in which the expenditure is to be incurred, or in the supplementary for that year.

Also as per PPR sec 46 sub sec (1-12), provides that; planning for implementation shall involve preparation of a project work plan describing the various project tasks and activities including how the tasks will be accomplished and managed and identifying the resources necessary to carry out the various project activities. It should also involve reviewing of assets on an annual basis to identify those which are obsolete and should be subject to disposal.

Procurement planning shall begin at the design stage during the identification and preparation stage of the project cycle. The procuring entity shall take a strategy decision whether the most economic and efficient procurement can best be achieved by separating contracts for each component.

Proper planning of procurement of recurrent items shall be based on an adequate stock control system. A procurement entity must forecast its requirements for goods, works and services as accurately as is practicable, with particular reference to activities already programmed in its annual work plan and included on its annual estimates.

The cost of such requirements shall be estimated and compared with the likely availability of voted or donor funds so that priorities for procurement may be determined in accordance with available funds. The forecast shall include an estimate of the optimum time to the nearest month for receipt of each consignment of goods, provision of service or completion of required works.
The estimate shall be shown in the tender evaluation report and priorities for procurement may be determined in accordance with available funds. A procuring entity shall draw up procurement plans for those requirements for which sufficient funds are available in the current vote sub head or if payment will be due to in a subsequent financial year, have been budgeted.

In compiling such plans, a procuring entity shall establish the appropriate method of procurement, as set out in part VI of PPR of 2005, to be employed for each requirement. The time scale for each procurement shall then be calculated on the basis of the standard processing time prescribed in the third schedule of PPR of 2005, allowing any necessary margin for delays in transmission of documents or clarification of tenders. From this time scale, the start dates and critical points in the procurement process shall be set out in the procurement plans. Procuring entities may engage the services of consultants to prepare tender documents evaluate tenders and make recommendations to the tender board, where the capability of the in-house professional services department is inadequate.

Mafia District Council prepares annual procurement plan as stipulated in the PPA No 21 of 2004 and its regulation of 2005, to every financial year, procurement plan is prepared and made available to guide procurement processes. However there are some factors that cause poor implementation of the Annual Procurement Plan (APP). Below are some of the factors that cause poor implementation of annual procurement plan. Failure of splitting the items into categories of procurement of goods, works, non-consultant services and consultancy services something which make it difficult to conduct procurement. This exercise of splitting items needs to be done by user department before being aggregated by PMU. Some of the items of the budget are not identified as procurable items. These items are not incorporated in the annual procurement plan. Not aggregating requirements of the
same categories into lots where possible. The funds allocated are not received on time to cope with the procurement plan from the Central Government and Poor decision on the methods of procurement which is caused by the transfer of fund from Central Government.

Adherence to the PPA No 21 of 2004 and its regulation of 2005 have an impact to the council. This help the organization conduct activities as was planned. Other finding shows that, procurement plans are poorly implemented because of the delay of the fund from the central government something which leads to poor implementation of the annual procurement plan.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
Chapter five presents summary, conclusion and recommendations of the study. This study was aimed to assess the effectiveness of tendering procedures in Local government authorities, the case of Mafia District Council. The chapter also comprises contribution to knowledge, policy implication and the suggested area for further study.

5.2 Summary of findings
The role of the study was to assess the effectiveness of tendering procedures within Mafia District Council and their impact towards Council survival. Procurement practices being followed by MDC as one of Local Government Authorities do indeed reflect the shortcomings of adhering to the Public Procurement Act No 21 of 2004 and its regulation of 2005.

The researcher witnessed instances of non-adherence to procedures as stipulated in PPA No 21 of 2004 and its regulation of 2005. Below is the summary of the research findings made by a researcher in MDC.

In awareness of Tendering procedures to MDC staff; regarding responses from the respondent the study revealed that; Findings show that; the MDC staff was aware of the tendering procedures. The evidence being that, they normally see the invitation to tender on all notice boards around the Council, they see adverts in local news newspapers and some of them have been attending the tender opening ceremonies. They added that though they can be some deviations in tendering procedures, there are some indicators that Procurement in MDC is done as stipulated in the PPA No 21 of 2004 and its regulation of 2005.
In case of evaluation of tender in MDC; Findings showed that, there is evidence that management of the council is aware of the importance of an efficient examination, evaluation and comparison of tenders. However, the findings revealed that, in most cases tender evaluation process is not detailed enough

The researcher has observe that prior to the detailed evaluation of tenders; the evaluation committee seldom carries a preliminary examination of tenders to determine whether each tender is substantially responsive to the tender documents, whether the required guarantees have been provided, Whether the documents have been properly signed and whether the tenders are in order.

In invitation for Bid; Findings showed that; In Mafia District Council, the tender notice for inviting suppliers or contractors to submit priced offers for the supply of goods or for undertaking the works required are prepared as stipulated in sec (61) sub sec (1) of the PPA No 21 of 2004.

Adherence in the PPA No 21 of 2004 will have an impact on the procurement process and the council at all, as it will enhance transparence and openness in the whole Procurement process. However such tender notice is not submitted within reasonable time before the planed issue of the tender to the secretary of the tender contrary to PPA No 21 of 2004 sec (61) sub sec (1).

This situation brings about contradictions on the deadline for submission as the date of submission indicated on the tender document purchased by a bidder could differ with the date of submission that is going to appear on the newspaper. This is because the deadline for submission is calculated right from the date the tender notice first appeared on the newspaper.
Other findings show that, most of the bidders who purchases tender documents to various LGAs ask for clarification to the secretary of the tender Board regarding submission deadline.

On the other hand, in Mafia District Council, all tender notices are approved by appropriate tender board as stipulated in sec 80 sub sec (6) of the Public Procurement Regulation of 2005. The adherence to this Act will have an impact to the Council as it eliminates unnecessary internal and external audit query that may occur for any unapproved tender notice and it also increases accountability to the some council staff who are involved in the process.

In Mafia District Council, the tender notices are published in sufficient time as prescribed in sec 80 sub sec 6 of the PPR of 2005 to enable prospective tenderers to obtain tender documents and prepare and submit their responses before the deadline for submission. Adherence to this regulation has an impact to both the council and the Bidders who purchases the document as more time is given for bidders to prepare a response Bid before is submitted and simplifies evaluation exercise for the members of evaluation as the submitted document will provide detailed information as instructed in the tender document.

Other researchers findings, show that; when enough/sufficient time is provided as per sec 80 sub sec 6 of the PPR of 2005 for prospective bidders to obtain tender documents and prepare and submit their responses before the deadline for submission competition among contractors increases and therefore a better contractor, supplier or service provider is obtained and the council could enjoy better quality services and value for money.

In Mafia District Council, the advertisement on the newspaper state clear that the time specified for the opening of the tenders submitted is the same as the deadline for receipt
of tenders or immediately thereafter and is repeated as prescribed in sec 61 sub sec 4 of the PPA no 21 of 2004 and its regulation. However this is not followed as in most cases tender opening is not made exactly on the time of deadline, it is extended for more than an hour waiting for other documents expected to arrive with the coming flight.

Non adherence to this section has an impact to the council as it violates to Public procurement principles as prescribed in part IV of the PPA No 21 of 2004. This is evidenced by the tender register book from PMU office and bid opening minutes of the tender Board. While the deadline for bid submission was 10:00am, the minutes of the tender opening records that the meeting stated at 11:20am. Representatives of the companies that early submitted their bids lodge complaints that; tenders were not fairly treated.

Other researchers found that, so many cases have been reported to the office of the Public Procurement Appeals Authority (PPAA) appealing on the awarded contractor. The reason for appeal being that; the awarded contractor late submitted his bid, therefore there are some unethical Government officers who purposely delayed the opening ceremony in favor of the awarded contractor.

In bid opening; Findings showed that; in Mafia District Council, tender opening is done as per As per PPA Act No 21 of 2004 sec 61, sub sec (1-4) and sec III of PPR of 2005 sec 89 sub sec (7-19), though there are minor deviation which can be corrected.

Adherence of Mafia District Council to the law as stipulated in the Act as mentioned above will have implication to the council. This indicates better functioning of PMU staff and team working among other members of the council.

For the Qualification of PMU; Findings show that, after he went through the PMU staff personal files, he noted that the Head of PMU has enough qualifications to practice in
the field; he also noted that even remaining PMU staff has procurement knowledge. The Head of PMU is registered by PSPTB as approved supplies officer.

In case of award recommendations; the researcher noted that after the evaluation team has completed its job, that is, writing the evaluation report, it submits is to the PMU which also goes through that report and make some recommendations, but the recommendations not to review the evaluations team’s recommendation. After that the CTB has to or not to approve the award recommendation made by the evaluation committee. The award of the contract will be to the successful bidder whose tender has been determined to be substantially responsive and had been determined to quality to perform the contract satisfactorily.

In case the CTB disagree with the recommendation of evaluation team. PPA 2004 PART III Section 41 requires that:- Disagreements between a Tender Board and a procurement Management Unit, and between a procurement Management Unit and User Department concerning decision pertaining to the recommendation for the award of contract, application or interpretation of any procurement method, process or practice, shall be resolved in accordance with the procedures set out in the Regulations made under this Act.

The local Government (procurement of goods and works) Regulation, 2003, Part VI Section 98 (3) says; In any case where the Board reaches a decision which completely disregard the recommendation of the tender evaluation team, the same shall be recorded in the proceedings of the Board and communicated immediately to the Regional Commissioner, the office of the Controller and Auditor General and to the meeting of the council following the decision of the Board.

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Accounting Officer. The losers are also notified by letters with the reasons of failing. All the documents concerning with this decision of the CTB are kept by the secretary of the tender board. The researcher verified that all tender awards conform to the PPA No 21 of 2004.

Findings showed that; Tender board some time never works on the recommendation given by the evaluation. What the boards do was to award by their own interest.
In Procurement planning; Procurement; Findings shows that; MDC prepares annul procurement plan as stipulated in the PPA No 21 of 2004 sec 25 sub sec (1-3), the PPA No 21 of 2004 end its regulation of 2005 stipulates that; the chief executive officer, shall no later than three months before the end of each financial year, prepare and submit to the board of directors an annual which shall include a budget for its approval for the next for its approval for the next financial year.

No expenditure shall be made out of the funds of the authority unless that expenditure is part of the expenditure approved by the board under the estimates for the fiscal year in which the expenditure is to be incurred, or in the supplementary for that year.

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in accordance with available funds. The forecast shall include an estimate of the optimum time to the nearest month for receipt of each consignment of goods, provision of service or completion of required works.

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procurement. This exercise of splitting items needs to be done by user department before being aggregated by PMU

Some of the items of the budget are not identified as procurable items. These items are not incorporated in the annual procurement plan. Not aggregating requirements of the same categories into lots where possible. The funds allocated are not received on time to cope with the procurement plan from the Central Government and Poor decision on the methods of procurement which is caused by the transfer of fund from Central Government.

Adherence to the PPA No 21 of 2004 and its regulation of 2005 have an impact to the council. This help the organization conduct activities as was planned. Other finding shows that, procurement plans are poorly implemented because of the delay of the fund from the central government something which leads to poor implementation of the annual procurement plan.

The overall assessment of the tendering procedures is that the council is committed towards competitive procurement procedures. However; there is lack of awareness about the detailed public procurement procedures and guidelines.

5.3 Conclusion
The objectives set for this study were valid and enhanced obtaining relevant and unreliable data which provided for the real insight above an assessment of Tendering procedures situation at Mafia District Council.

The ability by the MDC to achieve best practices in the procurement function depends largely on openness of tender invitation to the public, how receiving and opening of
tenders are being carried out; effectiveness and efficiency of the tender evaluation processes.

Public interest shall be protected if there is fairness, transparency, accountability and non-discrimination among tenders. MDC should be transparent and accountable to the people in executing the development program to the people it serves.

Further to this, council officers’ and employees should demonstrate integrity, honesty and objectivity in discharging their respective roles in the Council to the community. The report has discussed a number of variable which have impact on the effective use of local government’s money. These include procurement plans and tender notices, openness of tender invitation to the public, receiving and opening of tenders and tender evaluation processes. It is expected that the recommendations put forward shall assist MDC and other LGAs within the country which are assumed to have similar operating environments.

5.3 The synthesis of the study
The findings show that in general MDC is partially able to follow all tendering procedures as stipulated in PPA, 2004 and its regulation especially in the areas of tender evaluation, clarification of bids and implementation of the Annual procurement plan as presented in chapter four.

5.4 Recommendation
The researcher puts forward the following recommendations to MDC and other LGAs as they have the same working principles or environment.

The Council should abide by the enacted Local Government Authorities Tender Boards (Establishments and proceedings) Regulations of 2007 as per Government Notice No. 177 published 3 August 2007, which shall be read together with the public procurement
Act No 21 of 2004 and its regulation of 2005. The public procurement (Goods, Works non – consultant Services and disposal of Assets by Tender) and public procurement (Selection of Employment of Consultants) Regulations

The regulations stipulates among other issues that: all council Officers and members of the Tender Board who are undertaking or approving procurement shall be guided by the following recommendations:-

The first recommendation is; the need for economy and efficiency in use of public money and in the Implementation of projects including the provisions of related Goods, works, consultancy services and non-consultancy services. It should be the interest of the council to give all eligible suppliers, Contractors and service providers equal opportunities to compete in providing goods or executing works or providing services.

The second recommendation is that MDC has to build capacities of all those involved in procurement process. Capacity building will bring in awareness on the existing legal framework of the procurement and supply processes.

The third recommendations is that; the council should recruit a minimum of three competent and qualified procurement staff preferably those with procurement certificates and CPSP (T) professional qualification

The third recommendation is that; there is the need to have in place procurement plans to guide in the tendering processes so that key aspects which include definitions of roles and responsibilities are clearly articulated.

The fourth recommendation is that; In order to increase participation in the tender proceeding and hence competition more tender notices as per laid down procedures and regulations should be prepared with detailed information. These tender notices should
be published in the common news papers at least twice prior to actual collection of tender documents.

The fifth recommendation is that; Receiving of tenders and opening of the same need to be carried out more efficiently and effectively to allow for the public to fully participate without doubt and suspicion. Tender evaluation process has to be detailed enough. Prior to the detailed evaluation of tenders, the tendering committee should carry out preliminary examination of tenders to determine whether each tender is substantially responsive to the tender documents, whether the required guarantees have been provided, whether the documents have properly signed and whether the tender are in order. This will minimize costs associated with tender proceedings.

5.5 Contribution to knowledge

The researcher has an opinion that for effective tendering procedures, as laid down in PPA No 21 of 2004 and its regulation of 2005, the local government should restrict personal interest to the member of tender board which may result into corruption and the objectives and goal will fail because of executing tender to unqualified tenderers who left the building infrastructure not finished or completed but having low quality. Also lowest evaluated price is not up to date, since low price is more applicable in local government, which led to deliver low quality works, goods and services. What to consider in the situation of work, service and goods is to employ the PPA as stipulated that not necessary of lowest price, the issue is that the local Government should make effort to collect revenue in order to satisfy their project and customer become satisfied with their services.

5.6 Policy Implication

The Mafia District Council has the responsibility to the national policy and plans for rural and urban development, to further the social and economic development of its area
of jurisdiction. In order to reach this policy the MDC should maintain tender procedures by ensuring democratic participation in decision making.

Decision makers should make sure that all tendering procedures are followed as stipulated in the PPA No 21 of 2004 and its regulation of 2005. Employees not adhering to the Act and its regulations disciplinary actions should be taken against them.

5.7 **Suggested areas for further study**

Due to the fact that the researcher concentrated on assessing the tendering procedures at MDC, he recommends that further studies should be undertaken relating to other procurement method and the procurement cycle in general. This will help people to know if other procurement methods are carried out as they are stipulated in the PPA No 21 of 2004 and its regulations of 2005.
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QUESTIONNAIRES

Appendix 1

Dear Respondent;
I am undertaking a study on an Assessment of Tendering Procedures in Local Government Authorities: A Case of Mafia District Council. The study is the requirements for award of the Degree of Master of Science in Procurement and Supply Chain Management (PSCM) of Mzumbe.

In carrying out the study a questionnaire is being used to collect the required data. You’re requested to read carefully and answer questions in the space provided and return it to Mr. Jeremiah E. Tyembo.

While filling this questionnaire anonymity is strictly observed and confidentiality is highly guaranteed.

Thank you for your kindness
Appendix II

Questionnaire to PMU

Questionnaire for the research on assessment of tendering procedures in LGAs

Note: answer all questions as per instruction

1. Does the tendering procedure followed by the organization?
   [Yes]  
   [No]

2. Is there any problem faced during tendering procedure?
   [Yes]  
   [No]

3. Does the organization consider the PPA and its regulations?
   [Yes]  
   [No]

4. Does the organization invite all tenderers during tender opening ceremony?
   [Yes]  
   [No]

5. What is your position in the organization?
   ………………………………………………………………………………………

6. Does the MDC Director appoint the evaluation committee?
   [Yes]  
   [No]
   If yes, what are qualifications of evaluation committee members?
   ………………………………………………………………………………………
   ………………………………………………………………………………………

7. Does the organization advertise the tenders?
   [Yes]
8. Are you member of the tender board?
   [Yes]
   [No]

   If yes how many people comprise a tender board?

   ........................................................................................................................................
Appendix III

Questionnaire to the user department

1. Are the tender requirements included in the plan?
   [Yes]
   [No]

2. What is your position within the organization?
   …………………………………………………………………………………………………

3. Do you prepare specification?
   [Yes]
   [No]

4. What is your qualification?
   …………………………………………………………………………………………………

5. What common problem are you facing within your department caused by?
   Tendering procedure?
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………

6. Are you the stake holder on procurement process?
   [Yes]
   [No]

7. Are you the one who prepare requisition for purchase and submit to PMU for further?
   [Yes]
   [No]

8. Are you keeping records of goods and works procured?
   [Yes]
   [No]
Appendix IV

Questionnaire to the finance department

1. Does the organization have a tender board?
   [Yes]
   [No]
   (i) If yes, are you a member of tender board?
       [Yes]
       [No]
   (ii) If yes, what is your position?
       .................................................................if no
       why?........................................................................ and what is
       your qualification?......................................................

2. Does the organization prepare a procurement plan?
   [Yes]
   [No]
   (i) If yes, do you participate in the preparation?
       [Yes]
       [ No]
   (ii) If yes, how?
       ..............................................................................
       ..............................................................................
       ..............................................................................
       If no
       why?..............................................................................
       ..............................................................................
3. Does the procurement function within the organization consider allocated Budget?
   [Yes]
   [No]
   If no why .................................................................
   ..............................................................................

4. Does the tendering procedure the best method of procurement?
   [Yes]
   [No]
   If no, which one do you propose?
   ..............................................................................

5. If the goods received is not meet the specification indicated, will you be able to Reject and advertise another tender?
   [Yes]
   [No]

6. What are the source of fund used to finance procurement of goods, works and Services?.................................................................
   ..............................................................................
   ..............................................................................

7. Will you be able to procure goods, works and services which exceed your budget?
   [Yes]
   [No]
   If no why? .................................................................
   ..............................................................................