

**ASSESSMENT OF TRANSPARENCY IN TENDERING PROCESS  
IN PUBLIC ORGANIZATION**

# **ASSESSMENT OF TRANSPARENCY IN TENDERING PROCESS IN PUBLIC ORGANIZATION**

**By**  
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A research Report to be submitted to Mzumbe University as Partial Fulfillment of an  
Award of Masters of Science in Procurement and Supply (MSc.PSCM) of Mzumbe  
University

2013

### **CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by Mzumbe University a dissertation titled; “**Assessment of transparency in tendering process in public organizations**” fulfillment of the requirements for the award of a Masters degree in procurement and supply chain distribution management (PSCM)

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## **ACKNOWLEDGEMENTS**

I would like to express my sincere gratitude to my family and colleagues who shows their collaboration in preparations of this research report

Special thanks to my supervisor, who have enabled me to develop ideas and integrate it to the extent of producing this frame work, are Ms. Marialauda Goyayi who was my respectively research supervisor as well as Mr. Okosso Amaa who was my research teacher.

Research report work need much guidance, rules and principles in order to complete this report but without advice and encouragement it could have been a very tough job to be accomplished, with this regards I would like to convey my thanksgiving to Mr Maige Mwasimba who was my lecture in the course of procurement and supply chain distribution management at Mzumbe university, Dar-es-salaam college of business school

I appropriate the assistantship of the supplies officer (so) Ms. Maria M. Kasangala who has been my in charge and my key director during my field study of data collections. I also in a special mood to convey my thanks to the senior supplies officer M. Peter J. Bulube as well as TASAF Chief Executive Director who spent most of his time follow up on my field study and provided me with various inputs to successfully accomplish the field project.

It is true indeed that it was impossible to thank everybody individually in this summarized acknowledgement. However, I would like to put forward my hearties thanks to those who in one way or the other helped me in the course of my study to this moment, should regard themselves that their contributions were remarkably and highly appreciated

## **DEDICATION**

This work is dedicated to my parents who have been a blessing throughout my life through their material and moral support, spiritual guidance and who also laid down the foundation for my education.

## **LIST OF ABBREVIATIONS**

|       |   |                                                    |
|-------|---|----------------------------------------------------|
| DEPT  | - | Department                                         |
| DSM   | - | Dar es salaam                                      |
| GOV   | - | Government                                         |
| MOI   | - | Muhimbili Orthopedic Institute                     |
| MTB   | - | Ministerial Tender Board                           |
| MU    | - | Mzumbe University                                  |
| PE    | - | Procurement Entity                                 |
| PFMA  | - | Public Finance Management Act                      |
| PMU   | - | Procurement Management Unit                        |
| PPA   | - | Public Procurement Act                             |
| PPDA  | - | Public Procurement Disposal Act                    |
| PPO   | - | Principal Purchasing Officer                       |
| PPOA  | - | Principal Procurement Regulatory Authority         |
| PSO   | - | Principal Sores Officer                            |
| PSPTB | - | Procurement Supplies Professional Technician Board |
| QM    | - | Quotation Method                                   |
| RFO   | - | Request for Quotation                              |
| RTP   | - | Requisition to Purchase                            |
| SAP   | - | Supplies Application and Products                  |
| SO    | - | Supplies Officer                                   |
| TASAF | - | Tanzania Social Auction Trust Fund                 |
| TB    | - | Tender Board                                       |

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## **ABSTRACT**

The objective of the research was to assess the transparency in tendering process in public organization. Thus the study identifies a problem that leads to poor performance in implementation of public procurement procedures, and also provides views on how procurement process should be carried out. Four organizations being a case that to achieve the objective of the study, interview, questionnaires, documentary sources and observation were used to obtain important information's for research study. The targeted populations was mainly four public organizations that is MOI, MZUMBE, TANESCO and TASAF employees from both the headquarters where by qualitative and quantitative data analysis techniques were used.

The methodology above explains how the work was carried out as well as different techniques that were used on this research study. The data obtained were complied, tabulated, graded in percentages and analyzed in relations to research questions. The research findings were used in drawing conclusion on the problem. The research budget on time and money to be spent were considered and this enabled the researcher to fulfill his plan as well as the institutes plan on this study. However it has been revealed that, institutions whose research projects are not supported at 100% by the government, their project investigator/Research scientists involved in such projects tend to favor their professionals.

In this study the researcher has found the following as major reasons for deviations of the public procurement Act policies and procedures. Lack of knowledge in public procurement Act Procedures. In adequacy of funds in the organizations and dependency of donor funds. Lack of capacity in procurement section, Improper positioning of procurement section. Poor implementations of well documented procurement procedures which lead to poor performance in public procurements. The public organizations argued to educate its employees in the application of the PPA procedures through workshops governed by PPRA and other stakeholders. Others are like failure to follow Public procurement Act of 2004 page 21 and its regulations of 2005 due to corrupt organizations bureaucracy

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## **CHAPTER ONE**

### **PROBLEM SETTING**

#### **1.1 Introduction**

This chapter of research report contains historical background of the problem facing tendering process in public organizations, as well as statement of the problem which shows the indicator towards the source of the problem, research objectives, research questions, scope and significance of the study.

#### **1.2 Background information**

The effective transparent tendering process was the key to success of an organization or institution whether it was private or public entity. Any organization was required to be supplied with good, works and services which may include stationery, automobile accessories, equipment's and consultancy services, repair of buildings, building works and etc. generally, goods, works, and services are required to be supplied to the user departments in time at right quality, at the right time, at the right quantity, at the right place, and from the right source.

According to the national audit office (NAO) for the government audited account for the financial year 2001/2002, about Tsh 1,400 to 1,500 billion or just over 70% of the government budget was expended annually by the government through procurement. 20% of the government expenditure at national level has been lost through non adherence of the procurement procedure; many public organizations were not open when tendering which lead to loss of public funds, fraud in procurement transactions costs, public embezzlement or miss use of recourses as well as poor delivery of services at the right time, sources, quality, quantity, place and at the right price, National Audit Report, 2001/2002 in maddote, 2010.

Considering public procurement account for about 70% for the entity government expenditure budget this translates to the loss of more than 300 billion per year (PAR,

2003 in Kobelo, 2009). Dobler (1990) emphasized that a right source decision was usually not achieved because most organizations did not recognize the purchasing functions as an important part in achieving the overall organization goals. Purchasing activities in many organizations were operated by other areas such as finance, production or engineering departments. This may result into poor sourcing hence wrong delivery or quality, quantity, failure to deliver the consignment and acquisition of goods at the right price. Procurement functions were essential because no business can operate without following sound and organized procedures. The procedures vary among the different types of procurement however the general cycle of activities of procurement most operating goods and supplies were fairly standard. In both cases procurement procedures were very essential to the good performance of procurement in any organization. Failure to follow procedures lead to poor performance in procurement procedure which posed a negative impact to the whole system of procurement.

Some of the negative impacts which aroused due to poor performance in the transparent tendering process as a method of procurement were late delivery, poor quality of goods, works and services, dissatisfaction of services to customer, creating bad image to the organization.

### **1.3 Statement of the problem**

Procurement method or procedures were stages in any organization whether it is non profit or profit organizations. In profit making organizations supply of quality goods required by an institution may results in the interruptions of activities such as failure to meet order, stoppage of productions, loss of profit and the like, similarly in public institutions like TASAF, MU, MOI, TANESCO and The (PMU) needed a greater control in an organization so as to avoid unnecessary costs and purchase of unwanted goods, which at the end interacted with daily operations. Hence organization needs to have a greater control of procurement process or procedures of goods from requisition stage, user stage and finally disposal PPA no 21 of 2004 and its regulations.

The process of procurement involved the activities of determining the need, making evaluation, selecting suppliers, negotiating for price, placing of orders, follow up and delivery of goods it ensures that the goods to be produced should meet the five rights that was the right source of supply, right price, right quality, right quantity and right place.

Despite the fact that the government established an openness in spending public funds for procuring items or goods for public services. The government of Tanzania introduced public procurement Act of 2004 page no 21 and its regulations of 2005 with the aim of providing guidance principles and laws for conducting public procurement but the problem still persisted in organization like TANESCO, MU, MOI, and TASAF each of this companies has some its institutional problems in procurement sections. Analysis proceeded discussion indicates a problem in public organization with regard to the implementations of the PPA of 2004 and its regulations of 2005.

Therefore this study aims at exploring the open tendering process in public organization to assess the transparency of the process towards facilitating business activities or service provision in the way that to examining the current open tendering process within the organizations if it is effective, To identify the weakness if any in the current system and suggest the ways to improve the system, To find out if the procedures and regulations as directed by PPA for open tendering are adhered by tender board or tender evaluation committees or PMU

#### **1.4 Research Objectives**

The general objectives guiding this study was to asses if there is an effective open tendering process within the organization which could facilitate business operation of the organization, however this was broken down into three specific objectives.

- i. To examine the tendering process within the organization if it is effective
- ii. To identify the weaknesses if any in the current system
- iii. To find out if the procedures and regulations as directed by PPA for transparent tendering are adhered to by tender boards or tender evaluation committees or the PMU

### **1.5 Research Questions**

The main research questions that guided the study were broken down into three questions in order to facilitate depth analysis of the study

- i. What is the effectiveness of transparency tendering process as one of the procurement method in an organization?
- ii. What are the weakness of the current open tendering process and the possible ways to improve the current system?
- iii. What is the level of compliance of the organizations with the procurement laws as procurement process?

### **1.6 Significance of the study**

Generally the significance of any study work is either for acquisition or addition of new knowledge or problem solving; this research had the following significances:

The study enabled the researcher to gain theoretical skills or knowledge since the study pushed the researcher to look for different sources of information for the purpose of exploring the issue of open tendering process in public organization through reading journals, newsletter, different books, websites, and literature reviews which are related to the study.

The study would have to guide as references for researcher intending to study on the similar problem. After the research has been accepted by the board of approval the research paper would have to be preserved in the library for further uses as a references and etc. the finding of the study would have to provide good challenges and provide a clear picture for the organization to overcome the obstacles when conducting open tendering process and suggest possible solutions to the available problems.

The study would also increased awareness of PPA of 2004 and its regulations of 2005 on procurement procedures and methods in the public organization would act as a mirror for the organization when processing for contracting in order to avoid

unnecessary errors since the stage of procuring to the last one of buying or service provision. Finally the study would be part of the requirements for the award of the Masters of Science in procurement and supply chain distribution management offered by Mzumbe University.

## **CHAPTER TWO**

### **REVIEW OF THE LITERATURE**

#### **2.1 Introduction**

This chapter deals with literature review. Literature review was concerned with materials related to the problem; the chapter introduced the conceptual definitions and terminologies to be used throughout the entire work, followed by the review of the available literature coupled with empirical and theoretical studies. The purpose of doing literature review was to make the researcher familiar with the problem, so as to enable him to come up with the solution to the problem through experience gained from the literature.

#### **2.2 Conceptual Definition**

According to public procurement act 2004, Procurement means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procurement entity spending fund on behalf of ministry, department or region administration of government and public bodies and includes all functions that pertain to the obtaining of any services including description of requirements, selection and invitation of tenders or proposal, preparation and contracts. The researcher goes further to define the procurement as an activity of finding out what customers or user departments wants and providing them with a suitable procurement five rights according to the laws abiding the procurement process and this rights are, right quality, right price, right place, right quantity and from the right source of supply.

The procurement process concept means the successive stages in the procurement cycle, including planning, choice of procedures, measures to solicit offered from renders, examination and evaluation of those offers, award of contract and contract management.

According to the procurement Act 2004 the procurement entity means a Public body or unity established and mandated by government to carry out public functions, the researcher explains the procurement entity as an organization or public body which

was in need of certain services, good or work to be done for the sake of accomplishing a certain project for the public by advertising a tender to any qualified tendered who met the qualifications to be a contractor for that organization according to laws concerned. The concept of procurement management unit can be termed as a division or department in each procuring entity responsible for the execution of the procurement functions”. The procurement management unit shall consist of procurement and other technical specialists together with the necessary supporting and administrative staff.

The procurement management unity shall be headed by a person with sufficient academic qualifications and experience in procurement functions. The concept of public procurement, according to Bail et al, 2008 is the government expenditure (public funds) on a vast range of equipment, goods and services, weapons systems, stationery, furniture, uniforms, food, capital projects including consultancy services, university services, information system and services, the management of facilities, as well as medical services, road building and maintenance of utilities. The procurement of these was for the good of the population and the expenditure that was incurred in effect.

### **2.3 Theoretical study**

The World Bank Guideline (1999) maintained that the objective of tendering was to attain both the classical and contemporary procurement objectives that include transparent and all aspects contributing towards proper administration of tender; these were proper goods, works and services of right price, through authorization and in a transparent manner. The guideline further continues that, competitive bidding or tendering was the most effective method in attaining the above mentioned objective if properly administered. The guideline includes opening the tender upon which there are procuring entities which are responsible and it is a critical event in the tendering process.

The Secretary of the Tender Board (accompanied by a Tender board member to witness proceedings) would have to conduct the tender opening. Procuring entity

staff might be aware that inappropriate procedures at tender opening are usually irreversible and may require cancellation of the tendering process, with the consequent delays and waste of time and resources. The tender opening must follow the rules and procedures given as follows

Firstly, regulations and the standard must be adhered to tendering process which was done through open advertisement through widely circulated media such as newspapers of wide circulation. Through the advertisement of procuring entity stated its requirements through specification and terms of purchase.

Secondly, selection of tendering, according to this technique, only a limited number of suppliers/contractor/consultant are invited taking into consideration their technical and commercial capabilities known to the bidder.

Thirdly, the Tender board Member whose members shall be appointed with regard to their technical competence and skills required for the discharge of the function of the Tender Board. The Chairman of the tender board is appointed by the Deputy Permanent Secretary of the Ministry and the Secretary of the Tender Board might be a Senior Supply Officer of the Ministry.

Some of the roles and function of the Tender Board includes :- Adjudication of recommendations from the procurement management unit (PMU) and award of the contracts reviewing all applications for variations, or amendment for the ongoing contractors, Approving tendering and contract documents, Approving procurement and disposal by tender procedures, Ensuring best practices in relation to procurement and disposal by tender are strictly adhered by Procuring Entities, Ensuring compliance with Public Procurement Act.

According to Public Procurement Regulatory Authority. Training Notice itemizes among other things that the PPRA have already prepared and issue for use by Procuring entities six standard tendering documents to be used for National and International competitive bidding by Public sector procurement.

The standard tendering documents are applicable to all Public sector Procurement and derive their authority from Public Procurement Act 2004 and Public Procurement Regulation 2005, Government Notice No. 97. According to Regulation 83(4) it was a duty on procuring entities to use standard tendering documents issued by PPRA with minimum changes acceptable to the authority, as necessary to address project specific issues, PPRA training notice further contended that even if there are changes, the same shall be introduced through tender data sheet and special condition of contract and not through the wording of the Standard document issued by PPRA. However there were situation according PPRA where no relevant standard tendering document, and in this case the Procuring entity should use other internationally recognized standard conditions and contract forms acceptable to PPRA

#### **2.4 Empirical literature review**

This part reviewed the ideas of the other researchers, what they observed in their research findings in relation to the same research topic “Transparency tendering process in public organizations”. The research topic has been conducted in Tanzania familiarity and globe as well. In the globe context it was revealed that Transparency tendering process is a common method of procurement around the world and it is more practiced by public organizations by following roles and regulations as adhered by the given law some of the features towards the openness in procuring process are Participations of user departments in the whole procuring process in the sense that before the tender is awarded to a right bidder the user department must involved in issuing what each departments wants to buy.

Government involvement in procurement process, the officials must follow government procurement laws as directed by public procurement act. Existence of user departments according to the laws of a country concern in the members appointment of either PMU, Tender board or tender evaluation committee other features of openness tendering process is Information’s of award of a contract must be submitted to all departments and the failed supplier must be informed according to law, the supplier to be awarded must be fully equipped to undertake the contract, the tender should be advertised to a widely circulated newspaper,

The governments always make sure that public funds are used accordingly to the laws, Purchasing should be based on value for money, and Competition should be used to acquire goods and services. There should be clear definition of the roles and responsibilities of personnel involved in specifying the need, giving financial authority, and making procurement commitments, there should be separation of the financial authority and the purchasing authority, there should be separation of duties between personnel who make contracts, those who receive the goods, works or services and those who authorize payments. Bail et al (2008),

In Tanzania context the following were the results of research conducted by other researchers on the same or related research topic in Tanzania context, the research were conducted at Kinondoni Municipal Commission and Tanzania electricity Supply Company (TANESCO) Limited, in Dar es Salaam region.

Empirically it was observed that procurement was known by various respondents. Due to the little knowledge of procurement procedures in profession of materials management, the procurement procedures bureaucracy. Some researchers suggested that procurement procedures in order to be transparent must involve users. The researcher came to a conclusion that the organization tendering processes were not effective due to lack of procurement knowledge or skills, staff reluctance to adopt what ordered by PPA of 2004 and its regulations of 2005; self interest might be a factor for poor tendering process in the sense that making an open tendering process may reduce corruption, public embezzlements.

According to Ngwada, 2000 and Taabu, 2007, For the openness of tendering process they enumerated the following procurement procedures used by municipal as follows: - Recognize the need, Search for quotation of Proforma Invoice, Selection of supplier, Requisition for Local Purchasing Officer, Raise Local Purchasing Officer, order follow up and delivery, Inspection of delivered materials, Rejection report, Receipt of materials, Suppliers payment. The researcher discovered that apart

from the organization having nice document procedures still there were problems when comes to implementations like the bidder are normally obtained before tender are publicized, some other qualities of a good tender are not followed because of some of corrupt leaders hence leads to poor performance.

According to Ngomua and Taabu, 2007 For the transparent tendering process in the organization they came up with the following procedure's used by TANESCO which are Requisition to purchase (TRP), Request for quotation (Enquiries), Open Tender/Selective Tender, Analysis of Quotation and Supplier selection, Preparation of Purchase Order, Order Acknowledgement, Order follow up, Receiving of materials, Materials Inspection, Invoice Payment. The quotations are obtained from the selective suppliers among those registered by TANESCO. The researcher noted that apart from the good procurement procedures it doesn't mean that the company was free from corruption hence jeopardize the whole operations, destruct public image, and its good will as well.

The researcher came to a conclusion that most of the organizations are alike in the procurement procedures which indicate the openness in procuring activities since the issuing of procedures, requisition to purchase, analysis of quotations, follow up to the award of the contract in relations to the PPRA 2004 and its regulations of 2005

In Kenya context the following were the results of research conducted by other researchers on the same/ related research topic, The overview of the findings of the research report on assessment of procurement process in Kenya was assessed by using four pillars namely; Legislative and Regulatory framework, institutional framework and management capacity, integrity and transparency and procurement operations and market practices.

Legislative and Regulatory framework. The assessment methodology assesses the existence, availability, quality and use of legal and regulatory framework from the highest level (Act and Regulations) down to the more detailed operational procedures, guidelines, model tender document and standard conditions of contract.

Sound legal framework in place. With the enactment of the PPDA and regulations Kenya today has in place a sound and comprehensive legal framework for public procurement with a clear hierarchical distinction. The PPDA clearly establishes the procurement methods to be applied, advertising rules and time limits, the content of tender documents and technical specifications tender evaluation and award criteria, procedures for submission, receipt and opening of the tenders and the complaint system structure and sequence. The PPDA and regulations cover goods, works and services for all procurement using national funds. Both documents are published and widely distributed within government.

Standard tender documents developed for goods, works and services. The legal framework is complemented with a series of standard tender documents (STDs) covering procurement of goods works and services and the responsibility for updating is clearly assigned to the Public Procurement Oversight Authority (PPOA). Evidence from the CPI survey further more suggests that the newly issued STDs have already reached a rather high level of dissemination. The surveyed PEs thus indicates that 66% of all procurement carried out is using STDs.

Excessive thresholds for domestic preference. The PPDA prescribed the use of preferences and reservations. One of the more remarkable elements of this provision is the excessive threshold of 50 million KES (approx. USD 745,700) for procurement of goods or services and 200 million KES (approx. USD 2,983,000) for procurement in respect of works, below which exclusive preference shall be given to citizens of Kenya. As demonstrated above the newly established legal and regulatory framework has added significant strength to the public procurement systems, weakness still exist within the framework. Excessive use of quotations. According to the assessment, the seven PEs participating in CPI survey under took a total of 11046 procurements during the assessment period.

Institutional framework and management capacity. This pillar assesses how the procurement system as defined by the legal and regulatory framework in Kenya is

operating through the institutions and management systems and practices forming part of the overall public sector governance.

The findings of the assessment point to the following key assets of the institutional framework and management capacity in Kenya. Legal framework supports integration of procurement planning in the budget formulation process. And PPOA has been established as the authoritative public procurement oversight body. The PPDA established PPOA and the board of authority were appointed in September 2007. As well as the procedures for performance contracting and performance evaluation are in place.

Procurement operations and market practices. The third pillar looks at how these systems operate at the level of the implementing procuring entities as well as on the procurement market in Kenya.

Base on the assessment of the findings, the following strengths have been identified; Procurement decision making authority is full delegated. The current legal framework provides for a fully decentralized procurement process, leaving the full responsibility of undertaking procurements to the tender committee and procurement unit at the level of individual PE.

Steps have been taken towards developing a professional procurement framework provides for a fully decentralized procurement process, leaving the fully responsibility of undertaking procurements to the tender committee and procurement unit at the level of individual PE.

Steps have been taken towards developing a professional procurement workforce. Important steps have been taken in recent years to establish a sound basis for a professionalized procurement discipline. One example of such a step is the introduction of the Revised Scheme of Service for Supply Chain Management personnel issued by the Office of the President.

Dialogue between government and private sector is considered open and constructive. Private Representatives interviewed for assessment expressed explicit satisfaction with the ongoing dialogue on present procurement issues e.g. the drafting

of the PPDA and Regulations which private sector organizations were invited to comment on. Thus, the private sector asserted their influence directly on the current version of the legislation.

Integrity and transparency. The integrity and transparency of a public procurement system rely on a number of control mechanisms, including an effective control and audit system, an efficient appeals mechanism, a comprehensive information sharing system enabling civil society and interested stakeholders to conduct social audit and effective ethics and anti-corruption measures. Without such control mechanisms, flaws in the procurement system may not be detected and addressed. The fourth pillar of the assessment therefore measures the existence of adequate control systems and the practices related to these. Source; URG, 2012/13

The assessment identified a number of factors, which have contributed positively to strengthening the control systems of Kenya's procurement system in recent years.

Sound internal audit mechanism established and complied with: The Internal Audit General (IAG) is responsible for internal audit function across government, including in the area of procurement. The work of the IAG is governed by the Public Financial Management Act of 2003 (PFMA), to which regulations have still to be issued. However the IAG applies its Internal Audit Manual of 2005.

The IAG undertakes internal control in all public entities, excluding parastatals, which are controlled by the State Corporations Inspectorate reporting directly to the office of the President. Internal audit is carried out on an on-going basis throughout the financial year and in accordance with the required annual work plan, thus providing the basis for a sound internal audit mechanism. According to the IAG, internal audit recommendations are generally complied with as they are directly linked to the budget performance report.

Well-functioning and independent complaints review and appeals mechanism has been established: The complaints review system is clearly described in the PPDA and Regulations and provides precise conditions and timeframes as well as clear

enforcement mechanisms. The Appeal Review Board (ARB) constitutes the first avenue of complaints, and the PPDA provides for ARB decisions which are based on information relevant to the case, which are balanced and unbiased, which are subject to judicial review and provide for relevant remedies. Judicial review is conducted by the High Court. ARB decisions can be further appealed within the regular court system. The established of this well-functioning and independent appeals mechanism is a key achievement in ensuring a functioning and credible procurement system. The findings of the research were also analyzed the following strength;

Procurement decision making authority was fully delegated; the researcher discovered that the procurement decisions on different procurement issues were delegated to other professional procurement staffs at the time needs to do so. This practice enable the procurement to proceed without delay as well as it brought about efficiency and good effort on the job.

Steps have been taken towards developing a professional procurement workforce. The researcher discovered that, the organizations had a very good plan on creating a competitive working force with the aim to of being competitive in procurement issues by employing professional staffs.

Dialogue between government and private sector was considered open and constructive. The government has introduced the Buyers supplier's relationship. This practice help the buyers to understand the supplier in terms of capital, equipments, Capabilities', experiences acquired with the aim of improving both team performance in procurement issues

The following were the weakness of the procurement process or system in Kenya as revealed by the researcher these are as follows; Poor enforcement and follow-up on external audit recommendations. The organization has poor follow up procedure which creates the room for some irrespective staff to endorse corruptness in the procuring system. The government needs to introduce good governance program which on one way or another reduced the sphere of embezzlement among the

procurement staffs. Lack of procurement proficiency among auditors. Limited access to ARB decisions. Limited public access to procurement information. No code of ethics addressing procurement related issues.

The available expertise at PE level did not meet the need for specialized procurement knowledge. Short term procurement training was in short supply. PE record keeping practices remain poor. Procurement planning was not carried out systematically. Existing laws and procedures do not support timely procurement, contract execution and payment.

Lack of feedback mechanism. Low stakeholder awareness of web based procurement information system. System for collecting and monitoring procurement statistics not fully utilized. Competence development needs are not adequately addressed. No procurement manual yet in place. Procedures for pre-qualification. No procedures for using technical capacity as a key criterion. Prof Valley: Kenya Annual Procurement Journals No 98 of 2012

## **2.5 Research Gap**

Organizations that perform better procurement process as stipulated in the PPA No. 21 of 2004 and its Regulations of 2005 have improved in the provision of goods and services to their Customers and Value for Money is eventually achieved, than those organizations which do not follow the procurement process as stipulated in the PPAS No. 21 of 2004 and its Regulations of 2005. CAG Audit report for financial year 2011/2012.

The researcher states that literatures emphasized more on cost reduction and value for money in tendering without considering customer satisfaction and delivery of requirements on time; but rather silent on procurement rights. Furthermore literatures put more emphasizes on misuse of public funds without considering the role of tendering in creating efficiency in public organization like restructuring of tendering bureaucracy, publicity to find the right bidder, tendering skills and to minimize the long procuring process also does not take into consideration the elements necessary

for transparent tendering process in the public organization especially in the underdeveloped countries context.

The researcher went further and indicates that the literature did not indicate the use of e-tendering as a method of procurement to be used instead of the current method so as to be open when tendering and reduce the long procedure in finding the right bidder hence create corruptness. Therefore this study aims at exploring the transparency in tendering process especially in public organizations to assess if there is an effective transparency tendering

## **2.6 Conceptual frameworks**

In conducting this study, the researcher was guided by the five rights framework, involving purchasing of goods from the right source of supply, at right price, at right quality, at right quantity and at the right place. This conceptual framework was adopted from Durham University Business School (2005).

According to the four contract management planning continuous cycle, Public institutions can be able to improve the transparency tendering process practice and the five rights can only be achieved if the firms purchase from the right source. The five rights was born from the contract management planning continuous cycle which are Government and compliance, Financial management, Risk management and Performance management. The framework was based upon the Sustainable Livelihoods (SL) framework and approach. The framework involves the five components which were right source, right quality, right quantity, right price and right place as discussed below.

The right source of supply, the organizations has to make intensively investigations in which supplier the organizations want to buy goods or services by considering the followings, How far the supplier is equipped with capital, machinery, capacity, procurement or engineering specialist on a given project or tender. Other issues will be based on the historical background of the supplier in service.

This concept is one among the five rights which will enable the firm to practice openness in tendering. The Right price, the organizations has to make sure that they purchase the goods or services from the right price by take into considerations the firm budget on the given project. Or unnecessary the firm accepts to buy goods or services from the higher bidder than the lowest one or price must be related to the goods concerned.

The right quantity, the firm must take into considerations the price paid must be related to the quantity needed in other words the supplier must be able to deliver the right quantity. The right quality, the firm must make sure that the supplier will be able to deliver the goods or services at the right quality fail to do so the contract will not be awarded. The right place, the organizations must be able to make sure that the supplier will be able to deliver the goods or services to the right place required by the organizations. Does the supplier have enough delivery equipments to final destinations, His he reliable, Does he have enough capital, equipments; Is he specialist in delivery, handling, and all these rights reflects the foundations towards transparency tendering process in public organizations. Source Bailey, N and Former, D. (1990)

The following table 2.1 shows the contract management planning continuous cycle which includes Government and compliance departments, Finance management, Risk management and Performance management departments. The five rights discussed above fall under those four departments which are quality, quantity, price, place and the supplier. The best performance of the organizations depends much on this four departments and its five rights follow the discussions below the table

**Table: 2.1Contract management planning continuous cycle**

|                                                                                                                                                  |                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Government and compliance</b> <ul style="list-style-type: none"><li>• Laws and order( Public procurement regulatory authority PPRA)</li></ul> | <b>Risk management</b> <ul style="list-style-type: none"><li>• Supplier</li><li>• Place</li><li>• Quality</li><li>• Quantity as well as price all of the five rights fall under the four departments</li></ul> |
| <b>Financial management</b> <ul style="list-style-type: none"><li>• Price</li><li>• Supplier</li><li>• Place</li></ul>                           | <b>Performance management</b> <ul style="list-style-type: none"><li>• Supplier</li><li>• Quality</li><li>• Quantity</li></ul>                                                                                  |

**Source:** Adopted from Durham University Business School (2005).

The researcher addressed the procurement research gap by put into considerations the four contract management planning continuous cycle (CMPCC) under this we got the four departments which in one way or another may lead to weakness in the business operations.

Government and compliance, the government made sure that the roles and regulations were followed by the organizations in tendering practice by enacting laws and order as well as follow up in order to avoid corruptness. The right source of supplier could not be achieved if the government did not play its role; most of the organizations put much pressure in cost reductions rather than customer satisfactions.

The risk management departments might also affect the public procurement practice since it fails to make precautions measures to take a risk if happen in case the supplier fails to deliver in time or mistake made in selecting the right source as well as miss use of public funds. The financial management departments must ensure that the public funds were used accordingly to the needs and budget available as well as avoiding miss use of public funds even in the selections of the supplier, right place, right quality, quantity and right price towards the performance of the public organizations.

The researcher derived the research gap from these four departments whereby in one way or another impose the weaknesses. Furthermore the researcher recommend on the utilizing those departments effectively so as to come up with the good performance in transparency tendering process within the organization, source Tender board minutes 2012. The following figures show the relationship between independent variables, Dependent variables and Independent variables' how they relate to Public Procurement No: 21 of 2004 and its regulations of 2005 and challenges facing the organizations to implement the PPA

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section described the methods and approaches that the researcher applied in conducting the research. This chapter contained the Research Design, Research Techniques, Unit of Inquiring, Sampling Procedures, Sample Size, Data Collection, Sampling methods, Types of Data to be collected, and Data Collection Methods.

This chapter introduced research methodology where by the researcher explored more than one public organization that were TANESCO, MU, MOI and TASAF and concentrated in transparent tendering process.

#### **3.2 Research Design**

The researcher adopted exploratory research Design. The researcher decided to use exploratory research design because an exploratory study provided the researcher with prior knowledge about the phenomenon being studied. Saunders (2000). Another reason for using exploratory research design was nature of the research problem which was clearly defined in the statement of the problem (AN ASSESSMENTS OF TRANSPARENCY IN TENDERING PROCESS IN PUBLIC ORGANIZATIONS). A case study of TANESCO, MZUMBE, MOI and TASAF

#### **3.3 Area of study**

The study was conducted in Dar-es-salaam region and the study was based on the four organizations which were Muhimbili orthopaedic institute, Tanesco, Tasaf and Mzumbe University. These organizations were non profit firm owned by the Tanzanian government and their organizations status were provision of services to the public by procuring goods or services for the public. The researcher adopted these organizations because they are all located at Dar-es-salaam town so it was easy for the data collections.

### **3.4 Populations**

A population is a complete set of cases or group of members in a given area (Saunders, 2000). The targeted population comprised of 33 persons from the four organizations which are Tanesco, Mzumbe University, Muhimbiliorthopaedic institute and Tanzania social auction trust fund from different sections including tender Board members, PMU, user department, stores department, Internal Audit section, Accounting/Finance department, Transportation & Communication department and short listed suppliers and contractors , Tender evaluation committee

### **3.5 Study sample and Sampling procedure**

The sample size of 33 persons has drawn from a targeted population from each of the respective departments and sections/units. The researcher went about the number above due to the number of four organizations to be involved in this research study with their procurement departments concerned. Sixth members from the tender board, sixth members from the PMU and sixth members from User departments, the researcher came about this number due to the willingness and availability of respondents to be attended the questionnaire and interviews from each organizations.

The researcher adopted the following techniques in data collections, Questionnaire in this case researcher were able to distribute as many questions as possible to a large number of respondents so as to obtain required primary data in which a respondents were able to take his time to fulfill the questions slowly and clearly.

In interview, the researcher were able to arrange an interview to the eight number of respondents in each of the above departments this was due to the availability of respondents and time because many of the staff were out of the office for daily office assignments. In observations the researcher were not able to observe in each of the above departments but he was able to observe in User departments and PMU this limitations were due to security of some of their information's were confidential not allowed to be trespassing by non-workers. In case of documentations were applied to all mentioned departments because the researcher were able to collect data but in supervision of procurement officers. The researcher

Used those techniques for the above departments because it was enabled the researcher to get ready made data for passing through various books, journals, Reports. The researcher were able to observe and collect data without involving the respondents and through interview the researcher were able to collect data through face to face conversations with the officials, Staff involved were chief executive director, procurement establishments officer, Stores officer, Resources and training officer.

Other departments involved were four numbers of Supplier and contractor departments who were short listed four numbers of staff in Stores departments, four numbers of staff in Transport and communication departments, four numbers of staff in internal audit sections. The researcher came about the number from each department due to the number of organizations with its departments available due to time factor, availability of respondents, assignments of staff to other non-professional duties this factor in one way or another contributed to the number of staff available. The researcher adopted the following techniques in data collections. Questionnaire, Interview and documentations as mentioned earlier the functions of each in data collections. The number of officials used was the same to that above including accountant's officer or chief bursar with the aim of accumulating as many concerned information's as possible.

**Table 3.1 Sample Distribution**

| S/N | Target departments                                       | Number of expected respondents | Number of actual respondents | Perce nts % |
|-----|----------------------------------------------------------|--------------------------------|------------------------------|-------------|
| 1.  | Tender board                                             | 6                              | 6                            | 100         |
| 2.  | Procurement management unit (PMU)                        | 12                             | 6                            | 50          |
| 3.  | Account departments                                      | 6                              | 3                            | 25          |
| 4.  | User departments                                         | 6                              | 6                            | 100         |
| 5.  | Supplier and contractor departments who are short listed | 12                             | 4                            | 33.3        |
| 6.  | Stores departments                                       | 6                              | 3                            | 25          |
| 7   | Internal audit sections                                  | 6                              | 3                            | 25          |

**Source:** Researchers field data 2013,

### **3.6 Data Type and Data Collections Method**

Different methods of data collection were employed depending on the data sources. The relevant data were collected effectively using the four main techniques i.e. interview, questionnaire, observation and documentation.

Both Primary and Secondary data were collected. Primary data included interview, observation and questionnaire method in which Observation as stated by (Kothari, 2006) is the method where by the information is sought by the way of own direct observation and environment scanning without involving respondents. The researcher made observations on how members of the organizations interact with their clients. The advantage of using observation method was that they allow the researcher to see the situation by gender sensitivity. And in Interviewees a method of data collection,

According to(Kothari, 2006), Interview is a set of questions administered through oral or verbal communication between the researcher and the interviewee respondent. Both group and individual interviews were conducted with respondents by using both, open ended and close-ended interview questions. The advantage of using interviews was that they enabled the researcher to get supplementary information and in documentation context

Documentation method was used because it enabled the researcher to get ready-made data and information by passing through various documents such as; books and journals, organizations newsletter on the topic in question. The advantage of this method is that it helps the researcher to simplify the task by providing statistical information recorded in terms of numbers and percentages and represented in tables, charts and graphs.

The secondary data, this was the type of data which has been collected by someone else, i.e. data which the researcher did not primarily collect it. Under this method the researcher collected data through documentation. The researcher used data which

had already been collected and analyzed. This included all data obtained from the organization documented records, such as organizational reports, books and journals and government surveys and Secondary data was important to be use since statistical information and records might be a particular use for answer of research questions and objectives.

### **3.6.1 Data collection methods**

Interviews were primary sources of data/information. Interviews were conducted in order to collect information mainly qualitative information. This method involved face to face interaction between the researcher and the respondent through various means such as language and signs. The researcher used different questions from one respondent to another depending on the importance and nature of information required from the respondent.

The respondents interviewed privately and one at a time, the following were researchers approach towards data collections through interview by addressing the following guide questions that were historical background of the organizations had to be identified. Others were how departmental needs were transmitted from one department to another. How specifications for each item were spelt out. How the need was transmitted to the purchase department. How a purchase plan was made out. How the organization went about selecting a suitable source of supply after due investigation. How organizations end up choose the rate, terms and conditions of purchase order. How the purchase order was prepared and sent to the supplier. How the supplier's acceptance of the purchase order was obtained. How follow up was done by the purchase department within the supplier to ensure prompts deliveries of the right quality of the materials. How the materials when received were inspected against specification. How the suppliers invoice was checked against the purchases order. How a cheque was issued to the supplier towards payment for supplies received.

Are the organizations procurement procedures adhered to public procurement act of 2001 no 21 and that of 2005. This was how the researcher collects data through

interview in relations to the topic in questions, departments involved were User departments, Stores departments, Tender board, Accounts departments and others officers consulted were head of each departments, accounts officer or chief bursar, procurement officers etc. Documentary review; this type of data collection included the information from documentary records, published data and internet, this included the reading of various documentary records, evaluation committee reports, Tender Board minutes, signed contractors, award notification files and advertisement files the stores officer, auditor chief executives were consulted.

The researcher intended to observe how the needs for the materials were recognized, how the requirements were determined, how Specifications for each item were spelt out, how the need was transmitted to the purchase department, how a purchase plan was made out, how suitable source was selected for the supply after due investigation. This could be on the basis of tender [public limited, single tender or imports]. Sometime a source had to be developed, how the rate, terms and conditions of purchase were negotiated and finalized.

The researcher goes further and observe how the purchase orders were prepared and sent to the supplier. The purchase order spell out the term and condition of the purchase contract, the researcher observe how the supplier's acceptance of the purchase order was obtained, how follow up was done by the purchase department within the supplier to ensure prompts deliveries of the right quality of the materials, observe on how the materials received were inspected against specification, sometimes it was inspected at the vendor factory and often was at the time of receipt, also observe how the suppliers invoice was checked against the purchases order.

The researcher used available documents of the organization in order to obtain secondary data; this technique helped the researcher to collect data so as to answer the research questions. The reasons for observing this practice was to obtain the true picture of what used to be done how and when from who to where in relations to the openness in tendering practice. The documents reviewed were Annual report for

financial year; 2008/9, 2007/8, 2006/7, PPRA Audit Report for Financial year; 2008/9, 2007/8, 2006/7, CAG Audit Report for financial year; 2008/9, 2007/8, 2006/7, and 2012/2013. MOI, MZUMBE, TASAF and TANESCO, Contract Management Review reports on contracts. TB minutes on award of contracts decisions Performance Reports.

Questionnaire, this type of data collections were designed to collect data through structured questions and distributed to the required respondents. The researcher adopted this type due to its simplicity and coverage in the sense that a wide number of respondents were covered as you compared to other methods of data collections which required a small number of respondents, documents and time to attend to. Questionnaires were distributed among the organizations departments like tender board, Tender evaluation committee, User departments and others.

The following were elements issued by researcher that questions were directed to find out Staff position, Education level, Awareness of public procurement act No 21 of 2004 and its regulations of 2005, Was to find out if the organization established tender board, procurement management unit, Tender evaluation committee, if Yes the responders were required state the compositions of the board, Has to find out if all tenders are advertised through the wide circulations newspaper, the researcher required in formations on how many days required since issuing of the tender towards contract awarded and etc these was how the researcher addressed the questionnaire towards data collections.

### **3.6 Data analysis technique**

The researcher use the following methods to analyses research data which are Documentations which were derived from books, journals, newsletter, tender board minutes in relations to the topic of the study. Interview, the researcher were able to use interview method to interview some of the respondents where by different questions were asked, Observations, the researcher were able to use this method by observing the whole process undertake to accomplish the purchase as stated

previously as well as Questionnaire were used to analyses data accordingly to its guide line. The importance of using primary data, Interview, Observation and questionnaire are as follows or analysis techniques used has the following advantages.

It helped the researcher to cover a wide range of selected sample where literate and illiterate respondents were accommodated. The researcher was able to reach a big number of respondents. Interview was performed according to the questions for the sake of collecting data. It provided the high rate of responses. The mode of data collections e.g. questionnaire with a small number of questions were not boredom, so the respondents attend the question without supervisions of the researcher. So yield the best answers as expected. It ensured that questions were answered to satisfaction.

The researcher expected that the questions were answered to satisfaction. It helped the researcher to clear for all misunderstandings. These data obtained from other literature sources or collected by other people for some other purpose. These data were the minutes of meetings, Annual report CAG reports, copies of letters on the procurement process decision and etc. The importance of secondary data was; it helped the researcher to save time.

The researcher expected that the mode of data collection saved the time as the researcher was required to observe what is going on in the organizations. It helped the researcher to broaden the data base from which specific generalization were to be made. Data were reviewed from journals, books, newsletter etc

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSIONS

#### 4.1 Introduction

This chapter presents an analysis of qualitative and quantitative data as well, the results to research questions. The main objective to the chapter was to discuss research findings from the analysis done. Initial analysis was done to address specific research questions and there discussed the general findings of the study.

Data were collected through literature search and standardized questionnaire was subdivided in four major parts to mobilize opinions of respondents on key research variables and indicators. The statistical analysis was done using Ms-Excel computer program which generated tables of data and computed key ratios of the research findings. The research included both qualitative and quantitative which were analyzed currently.

#### 4.2 Achieved response rate

The researcher was able to distribute and collect the all questions and there was no returned empty questionnaire. This practice implied that there were high response rate among the respondents which make data collected as planned. The population of the study was made up by 33 sample size.

**Table 4.1 Questionnaire Distributed with percentages**

| Category                                 | Questionnaire distributed | Returned | Not returned | Returned percentage | Not Returned percentage |
|------------------------------------------|---------------------------|----------|--------------|---------------------|-------------------------|
| Management team and tender board members | 20                        | 20       | 0            | 100                 | 0%                      |
| Procurement and administrative staff     | 13                        | 13       | 0            | 100                 | 0%                      |
| Total                                    | 33                        | 33       | 0            | 100                 | 0%                      |

**Source:** Researchers data 2013,

#### 4.1 Demographic Characteristics of the sample.

In this section, the biographic and background information of the respondents was presented and analyzed in order to show the distribution of the respondents by age, experience, and qualifications. This information's was important to the researcher because it helped him to understand some pertinent issues that have bearing on the analysis. The table 4.2 presents the general demographic characteristics of the sample

**Table 4.2 Distribution by Age and Sex**

| Sex    | Age in years  |               |          |
|--------|---------------|---------------|----------|
|        | Between 20-30 | Between 30-40 | Above 40 |
| Male   | 33            | 87            | 57       |
| Female | 26            | 69            | 52       |

**Source:** Researcher data 2013,

The above table 4.2 portrayed that at the age between 20 to 30 years number of male was 33 higher than the number of female which was 26. This meant that the male are likely preferring procurement professional carrier than female this may be due to the nature of the activities concerned sometimes procurement issues involved physical distributions from one place to another.

The same table above explains more that at the age of 30-40, still the number of male was 87 greater than female which was 69. This implied that the number of experienced male staff was greater than the female which meant there was gender imbalanced in this case male attended the questionnaire than the female

The same table above, the age above 40 was also greater for male 57 as you compared to female which was 52 in numbers which winding up the implications that the number of respondents were much on male rather than female so there were gender biasness

#### 4.1 Tendering procedure at the organizations

The first research task sought to make an exploration of the tendering procedure at the organization. This was carried out through a combination of questionnaire, interview and documentary review search. In attempting to explore the tendering

procedure, respondents were asked several questions to elicit their knowledge, feelings and attitudes about tendering procedure. Four common shared important items for the four organizations regarding the procedure were identified namely: receipt of tenders and tender opening: tender evaluation: and approval of award

#### **4.1.1 Receipt of Tenders and Tender Opening**

The researcher wanted to find out whether the four organizations followed the specified procedures in receipt and opening of tenders. Section 66(3) of the public procurement Act 2004 directs that all tenders submitted before deadline shall be opened in public, in the presence of tenders or their representatives and other parties with a legitimate interest in tender proceedings. The public procurement act 2004 further directs that the names of all those present at the tender opening and the organizations they represent shall be recorded by the secretary of the respective tender board. Through interviews and documentary reviews the researcher found that the organizations followed the same procedures as stipulated above in receipt and tender opening.

#### **4.1.2 Tender Evaluation.**

The public procurement Act 2004 stipulates that all evaluations shall be conducted by an evaluation committee, which shall report to the procurement management unit (PMU). The researcher wanted to know how evaluation committees were formed. Table 4.4 shows responses to this question.

**Table 4.3 Formation of evaluation committee**

| Question                                                                                                                              | Responses |    |             |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------|----|-------------|
|                                                                                                                                       | Frequency |    | Percent (%) |
| The membership of evaluation committee is always recommended by the procurement management unit but approved by the managing director | Yes       | 15 | 18.5        |
|                                                                                                                                       | No        | 66 | 81.5        |

**Source:** Researcher data 2013

Table 4.3 indicates that the procedure to form evaluation committee as per the public procurement Act 2004 was violated. Normally the membership of the evaluation

committee was always recommended by the procurement management unit but approved by the managing director. Only 18.5% of the respondents said ‘yes’ but the majority 81.1% of the responded ‘no’ indicating that the proper procedures were not followed

Another questions with the intension to elicit information regarding the appointment of evaluation committees was asked to the respondents as indicated in table 4.5

**Table 4.4 Appointment of the evaluation committees**

| Question                                                                                                | Responses |    |             |
|---------------------------------------------------------------------------------------------------------|-----------|----|-------------|
|                                                                                                         | Frequency |    | Percent (%) |
| In most cases is it the managing director who appoints the evaluation committees to conduct evaluations |           |    |             |
|                                                                                                         | Yes       | 76 | 94          |
|                                                                                                         | No        | 5  | 6           |

**Source:** Researcher data 2013,

Table 4.4 reveals that organizations did not follow the regulations as outlined by the Public Procurement Act 2004. The laid down procedures requires the procurement management unit to recommend the committee members and then approved by the accounting officer or the chief executive. The number of members of the evaluations committee depends on the value and the complexity of the procurement required. Likewise, the procurement management should put into considerations the experience and expertise of the members so as to get the intended results.

#### **4.1.3 Approval and Award**

The researcher used interview and documentary reviews to elicit information regarding the approval and award of tenders. Organizations officials were kind enough to let the researcher elicit important information from some organization documents. It was found that organizations followed the required procedures in approval and award of tenders to successful bidders. Before approval, the organization tender board reviewed the evaluation reports and either approved or disapproved the award.

Example of the reviewed documents were Audit report for financial year 2012/13, 2010/2011, 2008/2009, 2006/2007, Contract review Reports on contracts, tender board minutes on award of contracts decisions performance reports. The public procurement Act 2004 required all tender boards to review the evaluation and recommendations made by the procuring entity and either, approve the recommendation and, authorize the procuring to accept the tender and award a contract in the form specialized in the tender documents; or refuse to authorize acceptance of any of the tenders and refer the evaluation back to the procuring entity with 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 re-tendering or other action.

#### **4.2 Evaluation of the tendering procedure in relation to public procurement Act 2004.**

The second task intended to evaluate the tendering procedure in relation to the public Procurement Act 2004. The researcher wanted to determine whether the procedures, processes by tender were in accordance with the public procurement Act 2004.

##### **4.2.1 Establishments of departments units according to the PPA**

In order to determine the procedures the following key areas were identified and studied: establishments and composition of tender board and procurement management unit; preparations of annual procurement plans; advertisement of bid opportunities; publication of awards; and use of standard tender documents. Respondents were asked to express their understanding of the tendering procedure at the organizations. Each statement focused to one of the key areas as stipulated in the public procurement Act 2004. In attempt to study the effective tendering procedure in the organization, the researcher wanted to know whether all tenders were approved by the tender board.

The study revealed that most of the tenders were approved by the tender board as evidenced by the number of respondents who agreed. A total of 59(72%) respondents said that all tenders were approved by the tender board and only 22 respondents

(27.2%) disagreed, they said that tenders were not approved by the tender board. Act 2004 requires that all procurement process must seek approval from the tender board

**Table 4.5 List of statement with regard to understanding of the tendering procedure**

|   | List of statement                                                                                                                                         | Yes       | No        |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| 1 | The secretary to the Tender Board is a procurement specialist                                                                                             | 55(67.9%) | 26(32.1%) |
| 2 | We have functional Procurement Management Unit                                                                                                            | 68(84%)   | 13(16%)   |
| 3 | There always annual procurement plans for each financial year                                                                                             | 12(14.8%) | 69(85.2%) |
| 4 | The chairperson of the tender board is appointed by the managing director                                                                                 | 65(80.2%) | 16(19.8%) |
| 5 | Any procurement notice is advertised in newspapers and then posted in the website and procurement journal of the Public Procurement Regulatory Authority. | 22(27.2%) | 59(72.8%) |
| 6 | We use standard tender documents issued by the Public Procurement Regulatory Authority                                                                    | 31(38.3%) | 50(61.7%) |
| 7 | All procurement opportunities and awards are made public                                                                                                  | 24(29.6%) | 57(70.4%) |
| 8 | All tenders are approved by the tender board                                                                                                              | 59(72.2%) | 22(27.2%) |
| 9 | Is there an openness tendering practice in your organization                                                                                              | 76.28     | 23.28     |

**Source:** Researcherfield data 2013,

According to Bugenyi (2005) did a study on the effect of transparency on the public procurement process in the government ministries. He revealed that the procurement management units tried to maintain transparency but the effort did not yield the intended results because these units lacked cooperation from other departments including superior officers within the ministries. He further noted that most senior officials in the ministries lacked a clear understanding of the Public Procurement Act 2004. Tugange (2003) had similar observations. In his study on the assessment of management and disposal of dormant and obsolescent materials observed that most procurement management staff did not comprehend the requirements of the law and its implications in the procurement functions

#### **4.2.2 Choice of procurement Plan**

Organizations conducted or executed various methods of procurement by selecting appropriate procedures to procure goods, works or services. The following were selected methods of procurement in various tenders as per guidelines of the (PPA No. 21 of 2004 and its Regulations of 2005). The research revealed that, the organizations have complied with the methods of selection as stipulated in the (second schedule Government procurement notice No. 98 of 2005).

The implications of the availability of complete procurement process as stated in the literature review indicate that there was transparency tendering practice within the organizations since there was the follow up of the procedure from the appointments of each members for TB, PMU, Tender evaluation committee and the others departments to the transmissions of the need from each departments, advertisements of tenders, Receipt and opening of tenders, choice of procedures and the stage of awarding the contract to the right bidder.

This practice has three positive outlooks to the suppliers, Society and the governments due to its openness in its practice towards achieving organizations goals. Apart from having good plan the researcher revealed that the organizations were unable to practice what was in their document as stated by PPA due to reluctance of the system to follow what the Act directed them to do. This is due to corruptness, unfair bureaucracy, improper follow up of each stage of procuring activities even though they are well documented.

The researcher went further and stated that although there was good documented plan and good approach towards selecting of the procurement procedures but still there was a problem because bidders were selected before the advert of tender. The researcher finally stated that organizations leaders are part of the problems facing many procuring entities. Much effort is needed to stop this, auditors should be passed time after time or PPRA officer to ensure that things are heading on as planned. The

following table 4.2 shows the types of the methods of procurement used at MOI for the financial year 2012/13

#### **4.2.3 Establishment and Composition of tender Board and Procurement management Unit.**

The public procurement section 34 (2) of the Act no 21 of 2004 and its regulations of 2005 requires every procuring entity to establish a procurement management unit staffed to an appropriate level. The study found that the organizations has functional procurement management unit. 84% of all respondents said that the organizations had a functional procurement management unit.

It was also learnt that there were more than 55 qualified personnel working in the unit led by the procurement specialist who is competent and qualified. The evaluations committee was formed according to section 37(1-7) of No 21 of 2004 and its regulations of 2005

This perfectly concurs with the directives of the Public Procurement Act 2004 which requires every procuring entity within the procurement unit to be headed by a person with sufficient academic qualification and experience in procurement functions

**Table 4.6 composition and competence of the organizations tender board**

| Question                                                         | Responses |    |             |
|------------------------------------------------------------------|-----------|----|-------------|
|                                                                  | Frequency |    | Percent (%) |
| Are organizations tender Board members professionally competent? | Yes       | 74 | 91.4        |
|                                                                  | No        | 7  | 8.6         |
|                                                                  |           |    |             |

**Source:** Researcher data 2013,

Respondents were asked about the competence of the tender board: “would you be in a position to say that organization has a competent tender board?”. A total of 74 respondent (91.4%) responded positively by saying “yes” to the question and 7 respondents (8.6%) responded negatively. The Public Procurement Act 2004, among other things, demands that members of the tender boards be appointed with regard to

their technical competence and skills required for the discharge of their duties. This study has found that the organization had members selected from various departments in the organization. All members were appointed from various departments.

The researcher revealed that the chairperson of the organizations tender board was appointed by the managing director as required by the Public Procurement Act 2004. Like wise, the researcher wanted to know whether the secretary to the tender board is procurement specialist. It was found that that 55 respondents (67.9%) said “yes” indicating that the secretary to the tender board is a procurement specialist. The remaining 26 respondents (32.1) said “no” to the question. The study shows that the secretary to the tender board is specialist as required by the PPRA.

#### **4.2.4. Tender Board Composition and appointments.**

According to the Public procurement Act 2004, the members of the tender board shall be appointed with regard to their technical competence and skills required for the discharged of the functions of the tender board. The tender board shall consist of the following:

#### **4.2.5 Preparation of annual Procurement Plans**

As a part of the requirements of the Public Procurement Act 2004, the researcher wanted to find out whether the organization had annual procurement plans. Only 12 respondents 14.8% agreed that organizations had procurement plans as indicated in Table 4.7

**Table 4.7 Responses by respondents with regard to the organizations having procurement plans**

| Questions                                                         | Responses |    |             |
|-------------------------------------------------------------------|-----------|----|-------------|
|                                                                   | Frequency |    | Percent (%) |
| Is there always annual procurement plans for each financial year? | Yes       | 12 | 14.8        |
|                                                                   | No        | 69 | 85.2        |

**Source:** Researchers data 2013,

The researcher found that procurement function was operating without a formal procurement plan which makes the procurement management function difficult to operate. It was also learnt from the study that efforts to incorporate the procurement function in the organization plans was done in the financial year 2012/2013 but could not yield the desired results, as one of the respondents comment

“The Procurement unit (department) has made an effort to establish a procurement plan but it was difficult since it was not incorporated in the strategic plan for the organization”

From the planning point of view, the procurement plans will lead to acquire the right quality of the material; at the right time; at the right quantity; from the right source; at the right source; at the right price (Dobbler, 1990). The four organizations like any other parastatal organizations, depends on the projected collected revenue in order to procure the same materials to be used in distribution and generation activities. However in most cases this does not work since the money collected was not enough for administration costs and other organization activities. As a result, the companies depend much on the government grants in procurement and more emergent procurement, which either increase costs to the organization or hinders implementation of other activities.

From the above findings it was obvious that the whole process of tendering was negatively affected. The Public procurement Act 2004 requires every procuring entity to prepare procurement plans in a rational manner that in return reduce procurement cost through provision of efficient, cost effective and flexibility in procurement; obtain value for money; and avoid splitting of procurement. Well planned procurement objectives help to integrate procurement functions and budget with expenditure with expenditure program of the organization.

#### **4.2.6 Advertisement of Bid Opportunities.**

The study found that the organizations advertised its bid opportunities to local newspapers but rarely posted the same in the website and procurement journal of the public Public Regulatory Authority could be explained by fact that the people don't

embrace change easily as one of the senior officers in the procurement management unit explains:

“We normally advertise our tenders to local newspaper. We hope every interested partner can access it easily. That is our culture for many years”

The public procurement Act 2004, however, requires that every procuring entity should make sure that bid opportunities be posted are the website and procurement journal of the Public Procurement Regulatory authority, newspapers. In attempt to study the effective tendering procedure in the organization, the researcher wanted to know whether all tenders were approved by the tender board. The study revealed that most of the tender advertised were approved by the tender board as evidenced by the number of respondents who agreed. A total of 59 (72%) respondents said that all tenders were approved by the tender board and only 22 respondents (27.2%). The Public Procurement Act 2004 requires that all procurement processes must seek approval from the tender board.

The whole process towards the advertisement of tenders, invitation, Solicitation or call for tenders or proposals in respect of contract was approved by the Tender Board (TB). Whenever a new supplier was required for procurement of goods, works or services, the Secretary of the TB prepares advertisement through Government Public Notice (GPN) followed by Invitation for Tender (IFT). Normally publication was done through\ newspapers and in the PPRA website.

The research revealed that, the four organizations were compiled as per Section 31 (1) (a) of PPA No. 21 of 2004 and its Regulations of 2005 in the advertisement, invitation, solicitation or call for tenders. Receipt and opening of Tenders. All tenders submitted before the dead line time and date for submission where opened in public, in presence of bidders or their representatives and other parties with a legitimate interest in the tender proceeding and a tender opening shall take place at, or immediately after the deadline time and date given in the tender documents for the receipt of the tenders and the names of all those presented at the tender opening and

the organization they represent at the tender opening were recorded by the Secretary of the respective TB.

This practice was good since each advert must be presented national wide so that to give ample time to the required competitive supplier to play his/her card on the bid advertised as far as discussed in literature this practice is common among the government organizations which pictured transparency practices. The research revealed that, the organizations was complied with receipts and opening as per (Section 66 of PPA No. 21 2004 and its Regulations of 2005). But in real sense apart from having good documentations procurement plans in relations to the PPA but the organizations are operating their procurement activities out of the PPA where by the bidder are normally obtained before tender are published this implies that there was no transparent practice even though the documented procedure shows sense of clarity this is due to corruptness, unfair bureaucracy and as stated in the literature review the researcher identified the same practice in Kinondoni municipal and Tanesco.

The researcher finalized by stating that most of the public procurement entity has good documented procurement procedure as stated by the PPA but there still a problems in implementing documented plans as required this practice shows that some procedures are not followed. The literature review states clear the real situations facing public procurement entity.

The researcher went further and recommend that this practice will come to an end only when staff themselves would like to change their unfaithful behavior then the system will change too this is because the system is the people and the people are the system

#### **4.2.7 Use of Standard Tender Documents from PPRA.**

Any public procurement entity was required by the law to use standard tender documents from the Public Procurement Regulatory Authority (PPRA). The presents study found that the organizations did not use standard tender documents but used tender documents prepared by the procurement management unit. Furthermore, the researcher wanted to know who was involved in preparations of the tender

documents. The majority of the respondents (85.2%) revealed that tender documents are prepared by the Procurement Management unit while 12 respondents (14.8%) denied that tender documents are prepared by the Procurement Management Unit.

#### **4.2.8. Publication of Award**

It was learnt from the study that all awarded tenderers were not disclosed to the public. This was contrary to regulations which require the results of tender award to be published in the Public Procurement Regulatory Authority (PPRA) journal, website and newspapers.

#### **4.2.9 Short comings in the tendering Procedure.**

The third task was to find out short comings in the tendering procedure in the organization and the possible ways to solve the problems. The researcher asked respondents to explain the major obstacles that affect the tendering procedure. Through interviews, documentary reviews and questionnaire, it was possible to uncover major short comings in the tendering procedure in the organization. Several obstacles were listed but the researcher identified and analyzed only six major short comings. There were lack of procurement plan, lack of funds, late deliveries, and low motivation to employees. The weaknesses in the current system and the suggested ways to improve the system.

The processes involved a lot of paper work, where by the transmission of the needs of user departments was written in paper so as to specify which departments and what products each departments need, In short the whole procurement process needed the use of papers so as to keep records of the whole procedure for further or future use. This practice increased cost of operation and time consuming. The researcher comment on introducing the use of procurement process cycle software or software computer program so as to simply the work of issuing and awarding of a contract.

Repetitive procedures in procurement system e.g. signing of issue voucher before and after the item was received, the warrant holder to sign both internal requisition

form and LPO this practice lead to waste of time and bored. The researcher comment on the change of the procurement process bureaucracy so as to make it short and efficiency in order to avoid the repetitive task by either reduce the number of departments to sign the documents or introduce computerized system to handle the systems

Procurement activities in the hands of non professionals, sometimes the procurement department at the organization assigning non professionals to execute procurement functions provided that he or she knows the source of the ordered item while this would have done by expertise personnel. The way out to this problem was to train the unprofessional staff to couple up with the procurement and stores skills so as to fit in the times of need this would solve the problems

Organizations not paying its suppliers on time, contractors or service providers in time (reasonable time) especially those suppliers who supplying goods which render most suppliers to overcharge their commodities when requested to quote for price. The way out to this obstacle was to re arrange the funds for the project early so as to pay the supplier at the right time; in short the money should not be used to pay for the other services instead of the intended project

Most of procurement specialists had little working hours in doing other professional works because most of their time was used to make follow up of LPO's to and from the user departments and finance department respectively, while this was done by other assigned personnel like office attendants and so on. The way out to this problem was to training even the unprofessional so as to be assigned to perform the procurement activities when they are needed so as the other should have time to attend other duties

Most of the organizations did not use framework Section 45© contracts for procurement of goods except that they had engaged with Government procurement Services Agency (GPSA) for procurement of common use items and services

(CUIIS). By using this form of contract it helped the organization to control over the price fluctuation at a certain time intervals. The procurement department at the organizations has no transport (vehicle) assigned to carry out their procurement functions thus render to the long lead time elapse in short many of the vehicles are out of service this tend the organizations to hire the private cars. The way out was for the organizations to buy or take their vehicle to services. Time used between placing and receiving orders were long, the organizations should make sure that time line was minimized to meet customer's satisfaction

According to Lukiko (2004) studied the factors affecting the effectiveness of local purchasing in service rendered organizations and found that most of the rules governing procurement were violated. She also noted that procurement functions were not planned and that the supplies sections/procurement management units were not taking the required responsibilities

The presence of weakness within the organizations played the important roles towards the need for change to some of the procurement practice. The weakness was not big enough to pull back the procurement goals achievement. The researcher did not think that the weaknesses could be the hindrance factor towards the transparency tendering process, the ways to improve the system are indicated above.

#### **4.4. Compliance performance indicators towards adherence of procurement process in the organization**

The fourth task was to find out if procedures and regulations' were adhered as directed by PPA for open tendering. The researcher used the following indicators or Compliance performance indicators to justify the adherence of procurement process in the organization.

The existence and composition of a TB in the organizations in accordance with the requirements of the Act and Regulations as per Section 28 of PPA No. 21 of 2004. It showed that the organizations were adhered to the laws and regulations of the country concerning procurement entity.

The existence and establishment and composition of PMU in accordance with the requirements of the Act and Regulations as per Section 34 of PPA No. 21 of 2004, this also implied that this organ was part and parcel of the system.

The existence and functioning of AO, TB and PMU, Percentage of tenders issued or contracted by the organizations in which there was no interference between individual functions as per Sections 30, 31, 32, 33 & 38 of PPA No. 21 of 2004.

The existence of preparation of annual procurement plan, The Organizations prepared Annual Procurement plans for various procurements departments it was practiced as per Section 45 PPA No. 21 of 2004.

The existence of tender/contracts approvals in the organizations which received compulsory approvals in various processes as per Sections 30(d) & (2) of PPA No. 21 of 2004.

The existence of advertisement of bid opportunities in the organizations and the other procuring entity on public and tender advertisements submitted to PPRA for its web site publication per Section 61 of PPA No. 21 of 2004.

The existence in publication of awards, contracts awarded and submitted to PPRA in its website and journals as per Section 55(8) of PPA No. 21 of 2004 and its regulations of 2005 and unsuccessful bidders were communicated on the decision. The time for the preparation of bids for financial year at the organization it complied with the timing as specified in third schedule Government Procurement Notice No. 97, 2012.

The presence of the methods of procurement, Organizations contract tenders used authorized methods of procurement in accordance with their limits of application as per second schedule of TN. No. 98 of 2012. The use of standard tender documents, bidding documents used at the organizations was standard/approved tender

documents issued by PPRA and approved by Director of TB as per section 63(1) of PPA No. 21 of 2004 and its Regulations of 2005.

The presence of records keeping, the records in the organizations were filed not less than five years from date of completion of contract as per section 56 of PPA No. 21 of 2004 and its Regulations of 2005. The Quality assurance ascertain the organizations had good inspection and acceptance committee as per Reg. 126 and 127 of the GN 97, 2005 and management team (supervisors) to manage works and/or project contract as per Reg. 128 of Government Procurement Notice No 97, 2012.

The existence of contract performance reports addressed to the organization managements from the contract management team or goods inspection and acceptance reports as Reg. 126, 127 and 128 of Government Procurement Notice No 97 of 2012. The interview guide (CPI) (see Appendix C) used by the researcher to ascertain adherence of procurement process at the University showed that, 76.28% of procurement process as per PPA No. 21 of 2004 and its Regulations of 2005 was conducted at the Organizations. It was only 23.72% of procurement process that were not complied with the Act and its Regulations

The procedures and regulations as directed by PPA for open tendering process has adhered to the tender board, tender evaluation committee and PMU due to the existence of the following practice within the organizations, Evidence of contract performance reports addressed to the organizations management from the contract management team or goods inspection and acceptance reports as Reg. 126, 127 and 128 of GN 97 of 2005.

According to (Nkinga, 2003). There was some level of high level of compliance with the new procurement registration within the central Government ministries, although the overall level of compliance was not yet known, and procurement performed directly by Central Government Ministries accounts for a very small fraction of the total.

**Table 4.8 Compliance and Performance Indicators used to assess Procurement entities**

| S/N | Indicators                           | Performance Data                                                                                             |
|-----|--------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 1   | Establishments and composition of TB | Existence of tender board in accordance with the PPA                                                         |
| 2   | Establishments of PMU                | Existence of PMU according to PPA                                                                            |
| 3   | Function of AO, TB, and PMU          | Percentage of tenders in which there was no interference between individual functions                        |
| 4   | Preparation of annual procurement    | Preparation Annual procurement plan                                                                          |
| 5   | Approvals                            | Percentage of tenders/contracts which received compulsory approvals in various in various process            |
| 6   | Advertisement of bid opportunities   | Percentage of open bidding procedures publicly advertised                                                    |
| 7   | Publication of awards                | Percentage of contract award disclosed to the public                                                         |
| 8   | Time for preparations of bids        | Percentage of tenders complying with the stipulated time in the Act and regulations                          |
| 9   | Methods of procurement               | Percentage of tenders using authorized methods of procurement in accordance with their limits of application |
| 10  | Use of standard tender documents     | Percentage of tenders using standard approved tender documents                                               |
| 11  | Record keeping                       | Percentage of tenders with complete records                                                                  |
| 12  | Quality assurance                    | Formation and functioning of inspections committees(goods) and project managers                              |
| 13  | Contract implementation              | Percentage of contracts which have been implemented as per terms of contract                                 |

**Source:** Researchers data 2013

The organizations was suited with a well planned documented procurement procedures but are not followed, the existence of well professional staffs also does not mean that there was openness in tendering process sometimes observations method or staffs might give the wrong answer and may lead the public in the wrong

way. Reform of the public procurement in Tanzania was the subject of a wide range of initiatives. Most of these were linked to efforts to improve value for money for the Tanzanian tax payer and for donors offering development assistance. Some were part of more general efforts to improve regional or global markets

In conclusions instead of having documented procedures while not applying them as directed by PPRA, the organizations should make sure that they sweep all irrespective staff or transferring them to other departments so to allow other respective procurement staff to take in charge in the whole procuring activates. There must be a system of investigating every procurement procedure from one stage to another.

#### **4.5 The perceptions regarding PPA No.21 of 2004 and its Regulations**

Here the researcher used open ended questions so that the respondents could indicate individual views as follows

There was no proper coordination and preparations of various specifications (18) 60% of contract assessed technical specifications were developed by internal staffs. Assessments revealed the (6)20% of contract assessed had no provision for administering quality, time, cost and scope. Most of the interviewed stakeholders were not familiar with the PPA and its regulations. Tenders which do not use standard bidding documents account to (6)20%. The following table 4.9 shows the response rate in percentage

**Table 4.9 Perceptions towards PPA**

| S/N | Perceptions                                                                   | Respondents | %   |
|-----|-------------------------------------------------------------------------------|-------------|-----|
| 1   | There was no proper coordination and preparation of specifications            | 18          | 60  |
| 2   | Contracts assessed had no provision for administering quality, time and scope | 6           | 20  |
| 3   | Tenders which do not use standard bidding                                     | 6           | 20  |
|     | Total                                                                         | 30          | 100 |

**Source:** Researcher data 2013,

#### **4.6 Lack of funds**

The research study revealed that procurement budget was insufficient, affecting negatively the whole tendering process. According the field study, almost two thirds of respondents (69.1%) indicated that Procurement was insufficient. This means that many of the procurement functions approved by the tender board remain un attended. The fact that procurement plan were not part of the organizations strategic plan adds more to the problem. Information elicited from interviews also revealed the same as summarized by the following words from one of the interviewees:

“The problem was not about the tendering procedure but enough funds to execute our mission. Almost one third of bird opportunities required by the organizations are never realized due to lack of funds. Lack of funds is the order of the day”

The organizations like TANESCO, MZUMBE UNIVERSITY depends on the projected collected revenue in order to procure materials to be used in the university, as well as distribution and generations of electricity for the country. Others organizations like TASAF depends much funds from donors for the public development programs and MOI the national hospital depends on the revenue from the services it provides to the public plus government budget on ministry of healthy which was not enough. Generally the companies have to depend much on government grants in procurement of different materials or goods for the companies.

#### **4.7. Late deliveries**

As one of the short comings, the researcher found that late delivery was also rampant. The researcher took a sample of ordered services/good in the year 2012 to see the extent of the problem. The researcher assessed the deliveries of goods and services to see if they were timely delivered and uncovered problems that caused it. Table 4.8 shows the number of orders for the year 2012 was 52 but only 32 orders were delivered on time. Late deliveries affected the organization negatively in meeting its goals.

The organizations role is to generate, transmit and distributing materials to different departments or centers country ward e.g. TASAF, TANESCO etc. achieved without the smooth process of acquiring goods both from within the country and over seas.

Therefore a higher proportion of its resources are invested in acquiring goods and services throughout the year

**Table 4.8 Delivery of Goods/services for the year 2012for Tanesco**

| Total number of orders<br>52 | Frequency | %    | Cumulative |
|------------------------------|-----------|------|------------|
| Delivery on time             | 23        | 46.6 | 46.6       |
| Late delivery                | 29        | 53.3 | 100        |
| Total                        | 52        | 100  |            |

**Source;** Researcher data 2013,

The table 5.0 below depicts the level of late deliveries of supplies by the supplier for the Tasaf, these problems of delays was due to supplier himself and the organizations or the buyer side in the sense that due to the limited source of funds that the organizations depends on loan she or he has to wait till the loan are granted to the government then pay the suppliers. On the supplier side fails to supply on time due to lack of qualified personnel and equipments. Total number of orders was 40 but only 25 orders were ordered in time

**Table 4.9 Delivery of goods/services for the year 2012 for Tasaf**

| Total number of the<br>orders 40 | Frequency | %    | Cumulative |
|----------------------------------|-----------|------|------------|
| Delivery on time                 | 25        | 62.5 | 62.5       |
| Late delivery                    | 15        | 37.5 | 100        |

**Source:** Researcher data 2013,

The table 5.1 below portrayed how so far the buyers and suppliers were involved in the late delivery of goods/materials. The side of buyer's problem was lack of funds to pay the supplier as required hence lead to him to be reluctant towards lead time.

Also the supplier took much time attending other staff or the staff had some other pending contract to deal with as shown on the table total number of orders were 60 and only 28 orders were ordered in time

**Table 4.9 Delivery of goods/services for the year 2012 for Mzumbe**

| Total number of the orders 60 | Frequency | %    | Cumulative |
|-------------------------------|-----------|------|------------|
| Delivery time                 | 28        | 46.6 | 46.6       |
| Late delivery                 | 32        | 53.3 | 53.3       |
| Total                         | 60        | 100  |            |

**Source:** Researchers data 2013,

The tables below showed that total numbers of orders were 78 but only 42 orders were ordered. This implied that the organizations had lack of funds to make procurement in time hence lead to the late deliverance

**Table 5.0 Delivery of good/services for the year 2012 for Moi**

| Total number of the orders 78 | Delivery on time | Percent | Late delivery |
|-------------------------------|------------------|---------|---------------|
| Delivery on time              | 36               | 46.1    | 46.1          |
| Late delivery                 | 42               | 53.8    | 53.8          |
| Total                         | 78               | 100     |               |

**Source:** Researchers field data 2013,

From the interviews, the researcher found three main reasons for late deliveries. On one reason was due to poor communication of specification of the desired goods/services. In some instances some goods were returned to the supplier due to wrong specifications.

The second reasons were due to lack of close follow up by the concerned parties (both the buyer and the supplier). Lack of funds and delay in paying suppliers was also mentioned as one of the reasons that led to late deliveries of goods/services. This practice implied that the procurement departments underperformed hence failed to meet strategic procurement plan goals every year.

#### **4.7. Lack of procurement plans**

Lack of procurement annual plans was one of the salient short comings of tendering procedure in the organizations. The researcher found that the organization was working without a procurement plan. It was clear that procurement was not part of

strategic plan in the organizations. But the laws required every procurement to forecast its requirements for services and materials as accurately as practicable with particular reference to the services/materials already indicated in the annual plans.

TANESCO, the organizations by nature of its activities of generating income or revenue (both), transmitting and distribution of electricity (TANESCO) were to a great extent compelled to procure materials/services. In the financial year 2012, for example the balance sheet recorded a total meter stock amounting to 47,338 million, motor vehicle spare parts worth Tshs 8,821 million and other items amounted to Tshs 324 million. This obviously shows how the organizations funds are used in procurement and other related activities. Tanesco annual procurement plans for 2012/2013,

TASAF, the organizations by nature of its activities of receiving funds from donors and then disseminate the funds towards different government development plan. The organizations depend much on aids and not revenue. The procurement plans were there so as to attract donors in giving up funds to the government but a certain percent of the funds were not used according to the plan after receiving the funds. Chief executive officer: Tasaf Annual Procurement Plans for 2012/13.

MOI, the organizations activities depends on the necessities of its services to the public; the hospital has a normal procurement plan. The plans sometimes failed to be achieved due to the lack of funds needed to procure goods/materials for the hospitals e.g. spares for the ambulance and the ambulance itself, aces, other motor vehicles, wheel chair, medicine, chemicals for laboratories, backup generators as well as office stationeries and e.t.c. Moi Annual Procurement Plans for 2012/13.

#### **4.8. Low Motivation to Employees**

The study found that some employees in the procurement departments lacked morale in executing of their duties. Some employees, for example, reported that they have been holding the same position for more than ten years despite of their qualifications.

This affected the overall performance of the procurement functions and thus compromising the quality of work by the employees. The organizations has to make some precautions measures to make sure that fairness is prevailing in the organizations by awarding what is required to a right contender at right time .

The organizations should also provide training to their staff so that to improve; Efficiency, the trained personnel would likely be competent in a given field hence stimulate the organizations performance in a given departments especially procurement departments. Up to date towards the changing professional carrier, it obvious that technology change every 18 months (google.com), this will probably made the 18 months back to be outdated especially in procurement package applications.

Here the organizations needs to be updated so as to match with the business environment .Trainings make the trainee happier since it enabled interactions with other departments, changing of ideas, increase experience, reduce monotony, and increase the good of the job itself. The staff would not attempt to quit for other organizations since the firm provides all her/his requirements. Pensions, bonus, holidays, all these packages was very important to the workers since it enabled the staff to be passionate and willing to work with the organizations for the rest of their life.Source Tunganage,P. (2003)

## **CHAPTER FIVE**

### **SUMMARY, RECOMMENDATIONS AND CONCLUSION**

#### **5.1 Introductions**

This chapter contains summary, recommendations in the involvement of staff from other procurement departments, long and short time training of staff, Encouragement in knowing of PPRA code of law others are restructured of PMU and conclusions derived from the research findings on the transparent tendering process

#### **5.2 Summary of the major findings**

Tendering procedure in the organization, the researcher found that the organizations attempted much to adhere to the required procedures as stipulated by law in carrying out the tendering exercise. The organizations abided by the laws in approval and award of tenders to the successful tenders. It followed the same procedures as required by the public procurement Act 2004 in receipt and tendering opening. However the organizations did not followed the required procedures in formation of the tender evaluation committees that are charged with the task of the evaluation of tender documents by the interest bidders.

In order to establish the extent to which the organizations conducted the tender exercises in accordance with the Public Procurement Act 2004, the following important areas were identified; establishments and composition of tender board and procurement management unit; preparations of annual procurement plans; approvals; advertisements of bid opportunities; publications of awards; and use of standard tender documents. First In case of receipt of tenders, the researcher use documentary reviews, interviews to find the required data the organizations seemed to follow the procedures as stipulated by the Act in receipt and tender opening. Second in case of Tender evaluations the Act stated that all evaluations shall be conducted by an evaluation committee which shall report to PMU. The research findings revealed that the procedure to form evaluation committee as per the Act 2004 was violated data were obtained from the questionnaire and interview. Due to the lack of literatures

review, the literature did not talk anything about formations of tender evaluations committee. Third approval of awards, in this case the researcher use, interview, documentary reviews to elicit information regarding the approval and award of tenders the researcher were able to review documents for the financial year 2010/2012 2012/2013, 2008/2009 and 2006/2007. The researcher found that the organizations were adhered to the Act about 59(72%) respondents said that all tenders were approved by the tender board and only 22(27.2) respondents disagree; they said that the tenders were not approved by the tender board. Act 2004 requires that all procurement process must seek approval from the tender board. The following table shows the response rate towards the questions where by the majority 72% agreed that these organizations followed the Act

**Table 5.1 Questionnaire response rate**

| Questions                                     | Responses |    |         |
|-----------------------------------------------|-----------|----|---------|
|                                               | Frequency |    | Percent |
| Are the tenders approved by the tender board? | Yes       | 59 | 72%     |
|                                               | No        | 22 | 27.2%   |
|                                               |           |    |         |

**Source:** Researcher data 2013,

Fourth, the choice of procurement plan. The organizations adopted various methods of procurement by selecting appropriate procedures to procure goods, works, or services. The researcher revealed that the organizations had complied with the methods of selections as stipulated in the second schedule Government procurement notice No. 98 of 2005. Despite the fact that the organizations had a well-planned documented procedure but implementations was a problem. 2004 and its regulations requires every procuring entity to establish a procurement management unit

Fifth, establishments and composition of tender board and procurement management unit. According to the Act section 34(2) of the act no 21 of 2005, the researcher

revealed that through questionnaires and interviews were by respondents were responded accordingly. In the outlook the organizations had a transparent tendering process but when we come to functions the system was corrupt.

Sixth, preparation of annual procurement plan. Procurement functions were operating without a formal procurement plan which makes the procurement management functions difficult to operate. It was learnt from the study that efforts to incorporate the procurement management functions in the organization plans was done in the financial year 2012/2013 but could not yield the desired results as one of the respondent comment

Seventh, Advertisements of bid opportunities. The organizations advertised its bid opportunities to local newspapers rarely posted the same in the website and procurement journal of the PPRA could be explained by fact that people don't embrace change easily as one of the senior officers in the PMU. The organizations advertised the tender in the newspaper but in reality the tenderers were usually obtained before the advert, this implied that the roles where not followed even though there were well documented procuring procedures hence no transparence tendering practice within the organizations.

Eighty, Use of standard tender documents. Any PEs was required by the law to use standard tender documents from the (PPRA). The study found that the organizations did not use standard tender documents but used tender documents prepared by the (PMU). The field data depicted the following picture, the majority of the respondents 12(14.8%) agreed that documents were prepared by the PMU while 69(85.2%) denied that tender documents were prepared by the Procurement management unit. The following table 5.2 shows the frequency and percentage distribution towards the questions.

**Table 5.2 Response rate in percentages**

| Question                                                          | Responses rate |    |         |
|-------------------------------------------------------------------|----------------|----|---------|
|                                                                   | Frequency      |    | Percent |
| Are tender documents prepared by the Procurement management unit? | No             | 69 | 85.2    |
|                                                                   | Yes            | 22 | 14.8    |
|                                                                   |                |    |         |

**Source:** Researcher data 2012,

According to Ngomua and Taabu 2007 and Ngwada they stated that despite of the fact that the all organizations struggling to implement the Act but they failed due to corruptness, Poor follow up. Fourth, Establishments of departments units according to Act. The study revealed that

The study revealed that the organizations had a competent tender board with members having technical competences and skills to undertake the required functions. The secretary to the tender board was the procurement specialist, and the head of procurement departments had the required qualifications as required by the law (PPRA of 2005). The researcher, however, found that the organizations had no procurement plans and that it was not even stipulated in its strategic plans.

It was also learnt that the organizations did not post the bid opportunities to the public Procurement Regulatory Authority journal, newspapers and website. Furthermore, the organizations did not use the standard tender documents and did not publish the awards.

From these findings, it can be concluded that to a greater extent organizations carried out its tender exercises using the procedures required by the law. With the exceptions of little deviations noted in the organizations remains one of the few public organizations trying hard to follow procedures required by the law in the tendering procedures.

Short comings or weaknesses in the tendering practices at the organizations. As outlined earlier, the researcher noted some shortcomings that need to be addressed to make the tendering exercises more meaningful and effective. The weakness were

derived from the following elements; lack of funds, late deliveries, lack of procurement plan, low motivations to employees at procurement departments,

Lack of fund; as a utility firm, the organizations procure big some of goods, equipments/services within the country and abroad. The funds to finance the procurement may be obtained from the Tanzania government itself or from donors. Due to unexpected events such as fall in revenue, calamities such as drought and equipments breakdowns the funds allocated may be diverted to curb the emergencies, a typical example was the power crisis in 2006 when the country was hit by drought water levels of dams fell below level and the company was forced to procure generator to serve the nation from total darkness.

Late deliveries, the procurement management unit may carry out its responsibilities as per requirements but delivery consignments from the suppliers may not be delivered in time due to many reasons such as long lead times.

Lack of procurement plans, the organizations should make some precaution measures or back up funds from other sources so as to avoid shortages

Low motivations to employees in the procurement departments; Employees within the procurement department were not motivated. Some of them, for example, have not been promoted for a long time and they have not been given salary incentive. They were also not given chance to attend study tours, seminar or short courses both local and international. The company needs also to look ways of giving bonuses when the job was well done as part of motivation.

All the shortcomings plus deviations noted in the tender procedures at the organizations contributed negatively to the whole process of tendering in other words weakness in the tendering process may hinder the procurement activities

Compliance performance indicators towards adherence of procurement process in the organization. The procedures and regulations' were adhered as directed by PPA for open tendering. The researcher used the following indicators or Compliance performance indicators to justify the adherence of procurement process in the organization.

The existence and composition of a TB in the organizations in accordance with the requirements of the Act and Regulations as per Section 28 of PPA No. 21 of 2004. It showed that the organizations were adhered to the laws and regulations of the country concerning procurement entity. In reality every procurement plan were well documented but failed to put into implementations. The boards were there but were not doing exactly as they were planned for e.g. tender documents were sometimes prepared by tender board and sometimes PMU prepared them derived from the interviews and questionnaires

The existence and establishment and composition of PMU in accordance with the requirements of the Act and Regulations as per Section 34 of PPA No. 21 of 2004, this also implied that this organ was part and parcel of the system. The organizations well staffed and follow all regulations of the Act but due to unfair bureaucracy, selfishness, untrustworthiness among staff they found not performed their duties as they were ordered hence there were no sense of transparency practice in the organizations data were derived from questionnaires and through interviews

The existence and functioning of AO, TB and PMU, Percentage of tenders issued or contracted by the organizations in which there was no interference between individual functions as per Sections 30, 31, 32, 33 & 38 of PPA No. 21 of 2004. The functioning of these departments was well known and where written on papers, the problem came in implementations and follow up to make sure that the procedures were followed. But in reality PEs were in seriously problem when came to public funds spending data were derived from the interviews and questionnaires

The existence of preparation of annual procurement plan, The Organizations prepared Annual Procurement plans for various procurements departments it was practiced as per Section 45 PPA No. 21 of 2004. The study found that procurement plans were formulated but was not reach its target because of many things like, lack of funds, so the organizations depends much on donors fund or the money planned at the end might be used for other developments plans or causalities like floods, tornados and e.t.c

The existence of tender/contracts approvals in the organizations which received compulsory approvals in various processes as per Sections 30(d) & (2) of PPA No. 21 of 2004. Apart from the Act in the formations of procurement departments but these contracts were normally awarded even before they advertise tenders to the public so the qualities of the supplier sometimes might not be reached

The existence of advertisement of bid opportunities in the organizations and the other procuring entity on public and tender advertisements submitted to PPRA for its web site publication per Section 61 of PPA No. 21 of 2004.

The existence in publication of awards, contracts awarded and submitted to PPRA in its website and journals as per Section 55(8) of PPA No. 21 of 2004 and its regulations of 2005 and unsuccessful bidders were communicated on the decision. The time for the preparation of bids for financial year at the organization it complied with the timing as specified in third schedule Government Procurement Notice No. 97, 2012.

The presence of the methods of procurement, Organizations contract tenders used authorized methods of procurement in accordance with their limits of application as per second schedule of TN. No. 98 of 2012. The use of standard tender documents, bidding documents used at the organizations was standard/approved tender documents issued by PPRA and approved by Director of TB as per section 63(1) of PPA No. 21 of 2004 and its Regulations of 2005.

The presence of records keeping, the records in the organizations were filed not less than five years from date of completion of contract as per section 56 of PPA No. 21 of 2004 and its Regulations of 2005. The Quality assurance ascertain the organizations had good inspection and acceptance committee as per Reg. 126 and 127 of the GN 97, 2005 and management team (supervisors) to manage works and/or project contract as per Reg. 128 of Government Procurement Notice No 97, 2012.

The existence of contract performance reports addressed to the organization managements from the contract management team or goods inspection and acceptance reports as Reg. 126, 127 and 128 of Government Procurement Notice No 97 of 2012. The interview guide (CPI) (see Appendix C) used by the researcher to ascertain adherence of procurement process at the University showed that, 76.28% of procurement process as per PPA No. 21 of 2004 and its Regulations of 2005 was conducted at the Organizations. It was only 23.72% of procurement process that were not complied with the Act and its Regulations

The procedures and regulations as directed by PPA for open tendering process has adhered to the tender board, tender evaluation committee and PMU due to the existence of the following practice within the organizations, Evidence of contract performance reports addressed to the organizations management from the contract management team or goods inspection and acceptance reports as Reg. 126, 127 and 128 of GN 97 of 2005.

According to Nkinga, (2003). There was some level of high level of compliance with the new procurement registration within the central Government ministries, although the overall level of compliance was not yet known, and procurement performed directly by Central Government Ministries accounts for a very small fraction of the total.

### **5.3 Conclusion**

Findings from the study can drastically lead to the following conclusion as revealed by the researcher. PMU in the Organizations followed the procurement procedures as

stipulated in Public Procurement Act NO. 21 of 2004 and its Regulations of 2005. On the average the evaluation process helped customers and suppliers to identify and remove hidden cost drivers in the supply chain and has led to the opportunity of the five (5) rights of procurement.

The method used in the evaluation process in various contracts awarded by the Organizations was more participatory because even other external members had been appointed in the various evaluation committees. In spite of the strengths of the procurement process there were some weaknesses particularly; misunderstanding of the scope of the work by suppliers, lowest bidder concept leading to the poor performance of works, services or goods.

It was evidenced that, procurement process at the organizations took long time to complete its procurement assignment, however procurement process at the MOI, MU, TANESCO, TASAF were carried out in compliance with procurement laws but still there was a need to improve its services to its customers particularly in minimizing lead time. Lead time might be minimized by introduction of centralized accounting and procurement system via electronic information communication technology not only that but also to assign vehicle purposely for the procurement department.

Despite of the fact that the organizations used procedures according to PPA in the formations of departments and other functions, the organizations should make sure that they implement them in their dairy operation instead of having them in documents so that to have well procurement practices and improve lead time, efficiency etc

#### **5.4 Contribution to knowledge**

Research was aimed at solving some problems at individuals, institutions, national and global levels. Incidentally during my undergraduate studies. I had very little exposure to research/practical and the knowledge and skills during my undergraduate study were dominantly theoretical. This research/practical experience has given me

an exposure to practical issues and has helped me to understand how theory can be used in solving problems. Through this work, I built up more knowledge and skills to understand on how the procurement process can be adhered in public institutions as per Public Procurement Act (PPA) No. 21 of 2004 and its Regulations of 2005.

### **5.5 Policy or administrative implications**

This research has generated some base line information which showed the strengths and weaknesses of the procurement process in the public institutions. In spite the work being narrow in scope it could serve as a representative of most public institutions. The information could therefore be used by the policy makers/administrators to improve the existing procedures. Revision of the procedures at the national level should fit in the emerging institutional, national and international issues.

### **5.7 Strength of procurement process at the organization**

The following were the strength of the organizations which in one way or another indicated the good performance of the procurement activities

Firstly, it involved a lot of Staff in its execution in order to detect fraud, errors and any kind of malpractices. This involvement of many departments helped to avoid any fraud which might arise due to lack of supervision or attempting to award a tender to a bidder without following the right procedure in short a lot of supervision made it perfect.

Secondly, it involved a lot of paper work this helped in keeping procurement records and facilitated easy monitoring of the same as it was insisted in the Act and Regulations. Sometimes it was better to keep records in hard copy due to its safety as you compared to softy copy which may be attacked by viruses.

Thirdly, the procurement document was signed by a number of people to control any kind of fraud, errors or misconduct as per procurement guidelines. This habit

portrays delegation of authority so as to keep the smooth operations of procurement activities and fraud avoidance.

Fourthly, all procurement documents were audited or inspected by internal control system; Directorate of Internal Audit (DIA) before the contract was awarded and before final payment was made. The system was there to detect and verify for correctness of any procurement contract. The existence of strength in the organizations created goodwill to the public hence provides good services to the society and enable different supplier to contract with the organizations. Source; from the departments of procurement information's.

### **5.8 The powers of public procurement regulatory authority**

This institute has given powers of carrying out investigations for alleged misprocurement; in this sense the institute has the orders according to government laws concerning public funds spending. In case officials in a certain public organizations is alleged with any misuse use of public funds will be charged according to law concerned

Carrying for any document or information's regarding any procurement, For the sake of any theft happen on any document or information's concerning any procurement without prior organizations concerned this staff or staffs should be charged accordingly. The institute recommending disciplinary actions that may be undertaken towards irrespectively staffs concerning procurement activities or fraud in public fund spending. Disciplinary actions that may be undertaken.

The suspension of officers concerned with the procurement issue, the staff involved in any misuse of funds should be suspended according to PPRA so as draw a warning towards other irrespectively staffs. The replacement of head of procurement management unit, the chairman or any member of a tender board as the case may be. Disciplinary action that may be undertaken (PPA 2004- section 17).

Disciplining of the accounting officer or chief executive officer. Temporary transfer of the procurement function of a procuring entity to a third party procurement

agent under the reports the PPRA used to undertake the following measures to ensure the best public organizations performance. Evaluations of the performance of the authority, main task of this institute is to measure the performance of the public procurement entity if are performed in the right way towards public goals achievement, this task is done annually to make sure that public funds are consumed accordingly to the needs

Evaluations of procurement entity compliance with the Act. The institute is aiming at assessing if the entities are adhered to PPA and if not what disciplinary measures are to be followed to make sure that the Act are implemented as ordered.

Financial statement and the annual management plan of the authority, the organizations provide the overall financial statement, the money spent during the year for record keeping, budget plan for the current year. To avoid over spending of public funds as well as annual management plans URT, 2012

### **5.9 Benefits of the application of Public Procurement ACT 2004**

Researcher Received different answers from respondent of different department. From members of PMU the researcher identify the benefits of PPA of 2004 as follows, applications of the ACT ensure value for money in all Public expenditures since the money spent should be equal to the quality of the product or services purchased this implies that the organization is fully practiced the open tendering practices towards finding the best supplier.

Secondly the applications of the act provide range of Competition among the Public and Private Sector in the sense that due to the organizations openness in tendering the supplier were notified earlier through newspaper, radio and etc about the tender and the quality of the supplier to be awarded like he or she must be fully equipped machinery, capital, good contract background and even experience in the same field this lead to competitions among the suppliers who think could fit the position. This practice implies that the organizations practice was adhered to PPA of 2004 and its regulations of 2005.

Thirdly applications of public procurement act enable organization to select right bidders. This was due to the involvement of all user departments in all procurements process so as to eliminate the sphere of corruptness in the procuring stage which may lead to award the contract to the wrong supplier. This practice implies that the organization procurement practice was adhered to PPA hence leads to the selection of the supplier

Fourthly. The act applications enhance Transparency, efficiency in Procurement of goods, works and services. Since the organizations is used to involve every user departments from the identifications of needs stage to awarding of a contract, this practice implies that there was no any sphere of corruptness because each departments was involved in decisions making in relation to suppliers qualifications. This theory led to effectiveness in transparency towards procuring of goods

Fifthly, the applications of the ACT led to the Improvement of quality and reliability of Public service. Since every organizations units were involved in procurement process it was difficult to come up with a wrong decisions towards supplier selections hence improve the reliability of services and its quality.

Sixthly, the act applications encourage element of Accountability, responsibility in the Supply Chain Management. Neatly supply chain needs openness in whole flow of materials, information's and people from upstream to downstream of the supply chain towards quality service delivery to the public. This practice implies sense of applications of the PPA of 2004 and its regulations of 2005.

Seventhly, the act applications allow economy and efficiency in the use of Public funds. Efficiency and Economy was achieved through money used were related to the quality of the product or services used. Applications of the PPA of 2004 and its regulations of 2005 in Financial and Accounts department, the researcher revealed the following. Firstly the act help to reduce Audit Query, this was due to systematical following of procedures so long as each user departments was involved in decisions making towards contracting a supplier led to minimizations of un necessary error which could hinder the effective operations of procurement practices.

This practice implies that there was no huge load of auditing every procuring stage up to finance departments. Secondly, the act application provided fairness, openness and Value for Money Procurement. Since the rules and procedures are followed it was easy to adopt openness fairness, and transparency towards achieving value for money. This practice implies that the organization was well established itself in delivering quality services by making sure that fund spent should be economical, efficiency and related to the quality of the services or products supplied. Secondly, the act application prohibit Corruption and Multipartite and fraudulent.

So long as the organizations procuring services was openly operated were by each procuring departments were involved in decision making hence eliminate the possibility of public embezzlement, fraud or any kind of cheat. This practice implies that the organizations were adhered to PPA of 2004 and its regulations of 2005.

Thirdly, the act applications prohibit favourism and Bureaucracy. This implies that it was difficult for a person in his or her own interest to appoint a supplier for a given tender because almost each department were involved in each stages so that to avoid any kind of fraud that could happen for the best use of public funds also there was no room for organizations favoritism. The applications of act helped to avoid discrimination of Bidders.

The system was smart each bidder might be tested if he or she could fit for the positions in relations to bidders' qualifications and the only low price bidder should be the best. Applications of PPA of 2004 and its regulations of 2005 in the Chief Executive Office enable to avoid audit query and achievement of Value for Money when adhered to property as discussed earlier. From other user department, the application of the act enables transparency and consistency. In this case the procuring process was participatory due to the involvement of each user departments in decision making whereby it enable users to follow the rules and procedures of Procurements, proper use of public funds as well as avoiding corruption and biasness in tendering procedure.

Since personnel work ethically it enabled to receive goods, services and work at right price, quality and quantity and from right source and the at right time this reduced

Complaints and lead time in Procurement as well as fairness in Tender evaluation. Finally the applications of the act in tender board members it ensures Value for Money, openness, and fairness in Procurement as discussed earlier as well as it enable Smooth operation in Procurement and avoid corruption. Source by(URT, 2012)

#### **5.10 Recommendation**

The following were the researchers recommendations towards the implementations of activities which in one way or another will upgrade the tendering procurement practice as follows, Involvement of staff from one departments to another, Short and long term training, Code of conduct and PPA no 21 of 2001 and that of 2005, Restructured of PMU,

Firstly, the involvement of staff from other departments in procurement activities was given the highest priority to ensure high quality standards and dependable delivery while still maintaining low costs. This practice implied that if each dept was participated in issuing or identifying of the needs, each dept will have opportunity to express their needs or buy goods or services according to the requirements on the other hand departments involvements create a picture to the existence of an openness tendering practice also this practice block the possibility of corruptness hence simplify the whole procurement process since user departments are involved in each procurement step.

Secondly, short and long term training was provided to the recently employed staff especially to those involved in procurement process in order to strengthen procurement practices and to make them more competent in their field of work. The organizations should motivate its employee's in terms of promotions and also given them opportunities to attend various training. It was obvious that carriers had become more varied, strategic and lucrative and this demands trained personnel with knowledge and skills to undertake procurement functions.

However the essence of procurement process was to achieve efficiency and effectiveness and with low cost concept in procurement functions. This practice

advantage put the staff in good conditions to improve their experience since much practice make perfect in other ways the organizations was blessed with the lots of experienced staff hence improve procurement practice in the organizations. The provisions in the public procurement Act 2004 and its regulations must adhere to as required by law

Thirdly, The Organizations strived to employ more professionals and qualified/competent procurement staff, in order to help the department and the organization as whole in practicing effective procurement process, and cope with increased and integrated procurement functions. This practice is good apart from the fact that employing new staff is costless as you compared to train the existing ones. This will also improve the organization procurement activities by adding the number of professional.

Fourthly, Code of conduct and PPA No. 21 of 2004 and its Regulations of 2005, stipulates that user department and procurement officers in general should maintain high standard of professional and personal conduct in performing their work especially in supplier evaluation process. It was obvious that, procurement functions carries 70% of organizational purchases, therefore there was an urgent need to educate stakeholders/parties involved in the execution of procurement process to adhere to the procurement laws in order to achieve Value for Money. Organizations stake holders if trained about the code of conduct this will both improve the procurement system and the supplier's side hence establishes openness in tendering and minimizes the number of weakness available

Fifthly, the PMU in the Organizations should be restructured, work as an operational unit, be staffed with single and not with Staff of dual responsibilities and should be staffed to appropriate level as it was stipulated in the PPA No. 21 of 2004 and its Regulations of 2005. This will also upgrade the existing procurement performance and minimize the mistakes experienced from within

Sixthly. Appropriate standard bidding documents and standard documents for inviting quotation issued by the public procurement Regulatory Authority should be used as per the requirements in the regulations

Seventhly. Awarded contract should be published to the public. The publication should indicate the name and contract price of the successful bidder

Eighthly. The annual procurement plan should be prepared using the templates provided by the Public Regulatory Authority. Procurement functions should be budgeted and specified in the strategic plans. Budget can be used as a performance measurement in procurement. This requires the policy makers in the organizations to make sure that the coming procurement was well budgeted by taking into considerations the amount of fund available.

Ninthly. Appropriate standard bidding documents and standard documents for inviting quotation issued by the public procurement Regulatory Authority should be used as per the requirements in the regulations

#### **5.11 Areas for further study**

The current study was limited in scope and details due to inadequate time which lead selection of few parameters and due to irresponsiveness of some respondents who did not return the questionnaire. In order to get detailed information of the same, more public institutions should be studied for a much longer period time. Furthermore, there is a need to make a comparative study between public and private procurement institutions in order to identifying weaknesses and strength in both institutions as a basis for improvement

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## APPENDICES

### APPENDIX A: RESEARCH QUESTIONNAIRES, STORES & USER DEPARTMENTS

Dear respondent,

The researcher is intending to conduct a research on the transparent tendering process in public organizations. Here is a list of questions to all procurement units which are purely for academic purpose for you to respond to. Your response to this will mean a lot in achieving the objectives of this research. The following are the instructions

Where appropriate, please fill in the blanks the relevant information's or tick the relevant answer. Where necessary to give more information you can attach a separate sheet

1. What is your education level
  - a) Diploma (      )
  - b) Certificate
  - c) Advanced diploma
  - d) Masters
  
2. What is your staff positions in the organizations
  - a) Procurement officer
  - b) Accountant
  - c) Establishment officer (      )
  - d) Store keeper
  
3. Are you aware of public procurement Act No. 21 of 2004?  
  
YES (      )      NO (      )

4. Do you have a copy of the above Act?

YES ( ) NO ( )

5. Has your department establish a ministerial Tender board?

YES ( ) NO ( )

If yes, then state the composition.....

.....

.....

.....

6. Has your departments established a procurement management unit?

a) YES ( ) NO ( )

If yes state the compositions of PMU

.....

.....

.....

.....

7. Are all tenders advertised through national newspaper of wide circulations?

YES ( ) NO ( )

8. Do you have an Evaluation committee for the evaluation of tenders?

YES ( ) NO ( )

9. How long does it take from the date of advertisement to the date of the deadline for

Submission of tenders? ( ) Days

10. Are bidders invited to attend the tender opening ceremony through tender advertisement notice?    YES    (     )    NO    (     )

11. Is it normal practice to notify the unsuccessful bidders about the results of the tender awards    YES    (     )    NO    (     )

12. Is it normal practice to notify the Accounting /and finance departments about the tender awards?    YES    (     )    NO    (     )

13. Comment on the transparent tendering process as a method of procurement in your organization whether it is effective or not effective.....

.....  
.....  
.....

14. Identify challenges facing current procurement method in your organizations

.....  
.....  
.....  
.....

15. Is there internship program for new staff in your organization procurements departments?

YES    (     )    NO    (     )

16. Is your organization procurement departments adhered to public procurement Act of 2005?

If Yes shortly states how.....

## **APPENDIX B: OBSERVATIONS GUIDE LINE**

Here is the researcher observations guide line. The following are the 11<sup>th</sup> elements which the researcher observe during the research study

1. To observe how the needs for the materials were recognized and how the requirements were determined.
2. To observe how Specifications for each item were spelt out.
3. To observe how the need was transmitted to the purchase department.
4. To observe how a purchase plan was made out.
5. To observe how suitable source was selected for the supply after due investigation. This could be on the basis of tender [public limited or single tender or imports]. Sometime a source will have to be developed.
6. To observe how the rate, terms and conditions of purchase were negotiated and finalized.
7. To observe how the purchase order was prepared and sent to the supplier.  
The purchase order spell out the term and condition of the purchase contract.
8. To observe how the supplier's acceptance of the purchase order was obtained.
9. To observe how Follow up was done by the purchase department within the supplier to ensure prompts deliveries of the right quality of the materials.
10. To observe how the materials when received were inspected against specification, sometimes it was inspected at the vendor factory and often was at the time of receipt
11. To observe how the suppliers invoice was checked against the purchases order.
12. To observe how a cheque was issued to the supplier towards payment for supplies received.

Therefore as mentioned above, every business unit develops a series of procedures to assists operating personnel in carrying out policies and plans of the unit. In total these procedures were observed to establish the ground rules for daily activities of the departments. The specific procedures employed by each organization should be

designed to meet the unique needs of that organization especially in the transparency tendering process.

## **APPENDIX C: RESEARCHER INTERVIEW GUIDE**

The following are the questions designed for interview

- a) What is historical background of the organizations?
- b) How departmental needs are transmitted from one department to another?
- c) How specifications for each item are spelt out?
- d) How the need is transmitted to the purchase department?
- e) How a purchase plan is made out?
- f) How the organization went about selecting a suitable source of supply after due investigation?
- g) How your organizations end up choose the rate, terms and conditions of purchase order?
- h) How the purchase order was prepared and sent to the supplier?
- i) How the supplier's acceptance of the purchase order was obtained?
- j) How Follow up was done by the purchase department within the supplier to ensure prompts deliveries of the right quality of the materials?
- k) How the materials when received were inspected against specification?
- l) How the suppliers invoice was checked against the purchases order?
- m) How a cheque was issued to the supplier towards payment for supplies received?
- n) Are your organizations procurement procedures adhered to public procurement act of 2001 no 21 and that of 2005?