

**ASSESSING THE COMPLIANCE ON PUBLIC PROCUREMENT
ACT NO.7 OF 2011 AND IT'S REGULATIONS ON ROAD
CONSTRUCTION PROJECTS IN TANZANIA LOCAL
GOVERNMENT AUTHORITIES (TLGAs)**

A CASE OF SELECTED LGAs IN DODOMA REGION

By

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**A Dissertation Submitted in partial Fulfillment of the Requirements for the award
of the Degree of Master of Science in Procurement and Supply Chain Management
(Msc - PSCM) of Mzumbe University**

2016

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Assessing the Compliance on Public Procurement Act No.7 of 2011 and its regulations on Road Construction Projects in Tanzania Local Government Authorities (TLGAs): The case of selected LGAs in Dodoma Region**, in partial fulfillment of the requirements for award of the degree of Master of Science in Procurement and Supply Chain Management of Mzumbe University.

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I, **Fridolin Matembo**, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

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DEDICATION

This dissertation is dedicated to my mother Grace Ireneus Nchimbi and my late father Mr. Nicholas Fridolin Matembo for understanding the importance of education which laid the foundation of my schooling. This work is also dedicated to my beloved son and wife Johnson Matembo (Madiba) and Monica Mushi, my young brothers and sisters Nickson Matembo, Frank Matembo, Festo Matembo, Edina Matembo and Rose Matembo for their prayers and moral support.

LIST OF ABBREVIATIONS AND ACRONYMS

AO	Accounting Officer
APP	Annual Procurement Plan
BOQ	Bill of Quantities
CAG	Controller and Auditor General
CPAR	Country Procurement Assessment Report
CTB	Council Tender Board
D by D	Decentralisation by Devolution
DC	District Council
DE	District Engineer
DED	District Executive Director
Dr	Doctorates
GN	Government Notice
GPN	General Procurement Notice
HoPMU	Head of Procurement Management Unit
LGA	Local Government Authority
LGAR	The Local Government Authorities' Tender Board (Establishment and Proceedings) Regulations
MC	Municipal Council
MDAs	Ministries, Department and Agency
MED	Municipal Executive Director
Msc PSCM	Master of science in Procurement and Supply Chain Management
MSD	Medical Store Department
MU	Mzumbe University
NIMR	National Institute for Medical Research
No.	Number
PE	Procuring Entity
PMU	Procurement Management Unit

PO ES	President's Office - Ethics Secretariat
PPA	Public Procurement Act
PPR	Public Procurement Regulations
PPRA	Public Procurement Regulatory Authority
PSPTB	Procurement and Supplies Professional and Technician Board
PUFMARP	Public Financial Management Reform Programme
SPSS	Statistical Package for Social Science
STD	Standard Tender Document
TLGA	Tanzania Local Government Authority
TPDF	Tanzania Peoples Defense Force
TPJ	Tanzania Procurement Journal
TRA	Tanzania Revenue Authority
URT	United Republic of Tanzania
VfM	Value for Money

ABSTRACT

The aim of this study was to assess the compliance on PPA of 2011 and its regulations on Road Construction Projects in Tanzania Local Government Authorities (TLGAs): The case of selected LGAs in Dodoma Region. Specifically, the study focused on; examining the compliance on signing contract documents after funds commitment and approval by Tender board, determining the compliance on achievement of value for money and identifying the major challenges facing LGAs on compliance with PPA of 2011 on road construction projects at Kongwa DC, Chamwino DC and Dodoma MC. The study adopted cross sectional survey design, whereby the data from three LGAs in Dodoma region were collected through Interview, Questionnaires and documentary review. The respondents were purposively and randomly selected, finally data were analysed through both qualitative and quantitative approach. The findings revealed that: The Dodoma LGAs have achieved to a great extent by ensuring that all contracts related to road construction were signed after funds commitment and approval by Tender board, the relationship between compliance on time, cost and quality of road works has rated as insignificant for almost to all Districts; this meant that, most of the implemented contracts were of late completion, above estimated budget and below stipulated standards. Unfamiliarity with laws and regulations, lack and poor use of technical expertise for preparation of procurement proceedings especially in designing stage, unstable flow of funds and lack of enough competent and committed contractors and suppliers for road construction materials were revealed as major challenges that faced the PPA No. 7 of 2011 and its regulations on implementation of roads construction projects in Dodoma LGAs. Finally, the researcher concluded and recommended that the best initiatives for improving compliance to PPA and its regulations towards procurement performance on road construction projects are; frequent seminars and workshops, promoting own source collections so as to cover funds gap, emphasising the collective responsibility within and outside the organisation during preparation of BOQ and specifications.

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CHAPTER ONE

BACKGROUND INFORMATION

1.1 Introduction

This chapter presents the background information regarding to the assessment on compliance on Public Procurement Act No.7 of 2011 and its regulations on Road Construction Projects in Tanzania Local Government Authorities (TLGAs). It describes the background of the problem, statement of the problem, research objectives and questions, significance, scope, delimitations and organisation of the study.

1.2 Background of the problem

Public procurement is an important function of any Government. The magnitude of procurement outlays has a great impact on the economy and needs to be well managed. It has been estimated that financial activities of Government Procurement in all Countries in the World are in the order of 10% - 30% of GPN (Calendar & Mathews, 2002). Public procurement devotes significant resources and time to ensure the process and the procedures are sound, transparent, shared and followed. Therefore efficient handling of procurement outlays is always a challenge to many countries with many developmental agendas yet to be executed mostly in road construction projects especially in Tanzania Local Government Authorities (LGAs) whereby studies and Audit reports have queried frequently (PPRA, 2013, 2015; CAG 2013, 2014, 2015).

In Tanzania, the Government took initiatives to stimulate and improve the LGAs especially after Government reforms done by Tanzania Country Procurement Assessment report (CPAR) of 2003 that transformed power and authorities to the Local area for the direct benefits of its people known as decentralisation by devolution popularly known as D by D Nkinga, (2003). During this period, compliance to laws become of greater importance by LGAs especially after finding the number of audit procurement quarries and public procurement inefficiencies. In the Presentation at the Joint WTO – World Bank Regional Workshop on Procurement Reforms and Public

Procurement for the English – Speaking African Countries conducted at Dar es Salaam Tanzania, among the measures taken was the establishment of the first PPA and its PPR in 2001 which was introduced by parliament on 2001 purposely to eradicate object of public procurement inefficiencies Nkinga, (2003). Being improved the public procurement matters through public laws and regulation, procurement sections with appropriate professional staff had become an increasingly important sector in the economic development as well as in organisational performance in many LGAs of Tanzania.

However, apart from their contribution and Government efforts Public Procurement in LGAs encounter many barriers and problems in their operations, limiting their performance; the most barriers and challenges found to all three LGAs were poor information dissemination, delay in payment of works executed by contractors and challenges with the law itself, lack of procurement knowledge, poor procurement records keeping, lack of inadequacy fund due to highly dependency from donors and improper positioning of Procurement Management Unit (PMU). Even though some initiatives have been taken by the Government to establish independent Procurement Management Units (PMUs) in all LGA, still procurement matters are not performing effectively and efficiently in LGAs as shown in Controller and Auditor General (CAG) Audit Report of 2013. This therefore implies that the TLGAs has obligation of reversing its trend by providing efficient and effective services through effective procurement section.

Annual performance Evaluation report for the financial year 2012/2013 conducted by PPRA on Value for money (VfM) showed that; the overall assessment of the audited projects including road constructed projects by using five performance indicators, Chamwino DC performed 34.4% out of 100% which was unsatisfactory; the same indicators were used to Dodoma MC which performed 51% out of 100% showing satisfactory with some significant reservations; and lastly Kongwa DC for various PPRA audit reports conducted in performance review using thirteen (13) performance indicators showed fair performance of 71% out of 100% in the financial year 2011/2012

& 66% out of 100% in the financial year 2012/2013. It is from this background that this study assessed the compliance to Public Procurement Act No.7 of 2011 and its regulations on road construction projects in Local Government Authorities (LGAs) in Tanzania.

1.3 Statement of the problem

It has been observed that in Tanzania LGAs the Public Procurement Act and its regulations were initiated in order to govern the Public Procurement (CPAR, 2003). This Act requires value for money to be realized even though it has been revised in a several times as Act No. 21 of 2004, No. 7 of 2013 and amendment of 2016 with their regulations, however; the experience shows that the law is not properly enforced. For example, in some LGAs road constructed projects were assessed and found to have many discrepancies (PPRA and CAG audit reports of 2012/2013). From the above view, it was not oath to argue that, the relationship between what is stipulated in the law and the application of it on road construction projects implementation were still a problem.

Abukari, (2014) found that the implementation of the Act was hindered by poor information dissemination, in adequate capacity and trainings, delay in payment of works executed by service providers and challenges with the law itself. Malima, (2009) found that factors that limited application of PPA procedures were: lack of procurement knowledge, lack of inadequacy fund due to highly dependency from donors and improper positioning of Procurement Management Units (PMUs). Fikya, (2008) found that generalisation of the PPA 2011 in all Institutions was the major challenge in the procurement of road construction works.

Furthermore, various reports showed that in the LGAs road construction projects the public funds have been more misused. For example; at Chamwino DC, some of funds allocated in road construction projects mostly were found to be performed at a very low quality road works, most of projects commenced before approval of fund availability by the Accounting Officer (OA), which leads to delay of payments to contractors (Annual performance Evaluation report for the financial year, 2012/2013)

In Tanzania a number of studies relating to the above topic has been conducted but has not covered the problem especially in road construction projects. This was evidenced by the following; Fikya, (2008) done a research on the Challenges on Complying with PPA No. 21 of 2004 in the procurement of Goods in the specialised Institution at Medical Store Department (MSD). Suka, (2008) conducted a study on the effectiveness of PPA No. 21 of 2004 in procurement of Goods in the Central Government in Tanzania. Least but not last, Nyendage, (2008) conducted a study on the effectiveness of PPA No.21 of 2004 in achieving economy and efficient, in the use of Public funds in LGAs which was done at Ilala MC but in a most cases not covered all challenges of complying with PPA and its regulations especially in road construction projects. Therefore, from such views little or no research has been done specifically on assessing the compliance to PPA 2011 and its regulations on road construction projects in LGAs, Hence; this study was conducted to assess compliance of Public Procurement Act No.7 of 2011 and its regulations on road construction projects in Tanzania LGAs.

1.4 Research objectives

The general objective of this study was to assess the compliance on Public Procurement Act No.7 2011 and its regulations on road construction projects in Tanzania Local Government Authorities (TLGAs)

1.4.1 Specific objectives

- i. To examine the compliance on signing contract documents after funds commitment and approval by Tender board for road construction projects at Kongwa DC, Chamwino DC and Dodoma MC.
- ii. To determine the compliance on achievement of value for money on the road construction projects at Kongwa DC, Chamwino DC and Dodoma MC.

- iii. To identify the major challenges facing LGAs on compliance with PPA of 2011 on road construction projects at Kongwa DC, Chamwino DC and Dodoma MC.

1.5 Research questions

- i. Were Contract documents signed after funds commitment and approval by Tender board for road construction projects at Kongwa DC, Chamwino DC and Dodoma MC?
- ii. To what extent value for money were achieved on the road construction projects at Kongwa DC, Chamwino DC and Dodoma MC ?
- iii. What were the major challenges that faced LGAs in implementation of PPA of 2011 on road construction projects at Kongwa DC, Chamwino DC and Dodoma MC ?

1.6 Significance of the study

This study is therefore significant to a researcher for the partial fulfillment of Master of Science in Procurement and Supply Chain Management (MSc PSCM) as per the requirements of Mzumbe University. This study will help to increase the knowledge to the current society by informing the important principles to follow in doing the procurement professionally in the public of Tanzania. The study will be a key ingredient in the planning, designing and implementation of a sound public procurement system that will align itself to the overall economic strategy. The study will enable policy makers to plan, organise and formulate good policies and laws that will help the society to grow. It will assist the policy makers to do the rational and right decision making when they are planning things that have direct impact to the society. This study will be helpful to other researchers to go much deeper on the similar topic so as to reveal more findings especially in the areas that are not identified by this study.

1.7 Scope of the study

This study was conducted at Kongwa DC, Chamwino DC, and Dodoma MC in Dodoma region. All these study areas are public entities where procurement activities are done in large extent and also issues of non compliance to PPA of 2011 and its PPRs of 2013 have experienced to a large extent as per Controller and Auditor General (CAG) and PPRA Audit Report of 2013. This study did not concentrate on: procurement of Goods, Services (Both consultancy and non consultancy services), Works particularly in Buildings. Also the study focused in LGAs only, excluding Central Government, Parastatals, and Agencies.

1.8 Limitations of the study

The researcher faced a problem of delay of filling questionnaires, and some respondents returned incomplete set of questionnaires. However, the researcher overcame this challenge through making regular follow up to the respondents who delayed to return some questionnaires. Also, for those who returned incomplete questionnaires were requested by the researcher to complete them accordingly. Another challenge was the accessibility of the respondents; in most cases some of the respondents were not available due to their administrative matters, the researcher used telephone interview to collect data from those respondents.

1.9 Organisation of the dissertation

The dissertation is organised as follows; the first chapter is the background information, the second chapter presents literature review, the third chapter discusses the research methodology, the fourth chapter presents the research findings, the fifth chapter discusses the research findings and the six chapters presents the conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literatures whereby, identified concepts are discussed. It is based on the definition of key terms, theoretical analysis, empirical analysis, research gap, conceptual frame work and the discussion of variables. This section explains the theoretical backing of the study and practical studies from previous studies which were explaining the gap that was filled by this study.

2.2 Theoretical Literature Review

2.2.1 Definition of key terms and concepts

Procurement - Means buying, purchasing, renting, leasing or otherwise acquiring any goods or works by a Council spending public funds appropriated by the council or issues made to the Council from the exchequer account and includes all functions that pertain to the obtaining of any goods or works including description of requirements, selection and invitation of tenderers and preparation and award of contracts (URT, 2014). Public funds means monetary resources appropriated to procuring entities through budgetary process, including the consolidated funds, grants, loans and credits put at the disposal of the procuring entities by local or foreign donors and revenue generated by the procuring entities (URT, 2011).

Public Procurement - refers to the activities of acquisition of goods, works and services through purchase lease, rental and hire purchase for public consumption. Procurement in the public sector encompasses public, quasi – public and autonomous public organisations (Woods, 2000)

Local Government Authorities - means the Local Government Authorities established in accordance with the Local Government (District Authority) Act 2002 and the Local Government (Urban Authorities) Act 2002 (URT, 2014). **Act No. 07 of 2011** - This means the public procurement act. (URT, 2013).

Compliance - means adhering to the law, regulations and standards that apply in a given procurement setting. In addition, compliance is the process of focusing on value for money, achieving fairness, openness and transparency without restricting public servant in confusing rules. A culture of ethics and innovation should be cultivated (Dye, 2005).

2.2.2 Theories

This study focused on two theories namely, Resource Dependency Theory and Relationship Theory. These theories linked theoretical backing of Public funds, Standard Tender Document, Bill of Quantities (BOQ), Specifications, Cost, Time and Quality. Moreover; transparency, Value for money and Competitions are detailed within the theories. These theories are explained below.

a) Resource Dependency Theory

Resource dependency theory states that organisations are not internally self – sufficient with resources; they depend on the environment with which they transact (Pfeffer et al, 1978). Thus, RDT suggests that organisational behaviour becomes externally influenced because the focal organisation must attend to the demands of those in its environment that provide resources necessary and important for its continued survival. As Pfeffer et al, (1978) summarized that, “the underlying premise of the external perspective on organisations is that organisational activities and outcomes are accounted for by the context in which the organisation is embedded”.

The resource dependency theory describes the development of inter organisational power and argues that this power affects the activities of organisations. It traces the

various strategies or tactics of organisations and their managers to cope with external constraints resulting from resource dependence.

These resources includes all assets, capabilities, organisational process, firm attributes, information, knowledge, etc, controlled by a firm. According to Barney, (1991) resource have been classified in three ways namely; physical capital resources, human resources and organisational resources. Physical capital resources include the physical technology used in a firm, a firm's plant and equipment, its geographic location, and its access to raw materials. Money capital could be included as well. Human capital resources includes trainings, experience, judgment, intelligence, relationships, and insight of individual managers and workers and organisational capital resource include a firm's formal reporting structure, its formal and informal planning, controlling and coordination systems, as well as informal relations among groups within a firm and between a firm and those in its environment.

The theory was relevant to the study due to the fact that availability of the variables found in the theory such as human capital like PMU staff, Engineers and physical capital. In the accomplishment of any project including road construction project as dependent variable in the study, human resource implication is important because the formulation and implementation of road construction projects needs knowledgeable and skilled man power for success of the projects.

On the other hand, the physical capital seems to be important in the study because it is the means and way of assisting the intended projects to be completed such as vehicles that are used for transportation of materials and human resources to the work site, computers as tools for preparation, arranging and storing project information like drawings, designing and project implementation plans.

b) Relationship Theory

This theory generally means that, the completion of any contract need to be attended in a team work with a great focus on relationship, this can be both intra and inter relationship. The concept of contract here means an arrangement or agreement between

two or more actors. This type of agreement does not always have to be a legal in nature. Macneil, (1980) defines a contract as no more and no less than the relations among parties to the process of projecting exchange into the future.

The important need of good intra departmental relationships such as between user departments and PMU staff, PMU and Engineers, PMU/Engineers and Accounting Officer within an organisation and inter departmental relationship such as between the organisation and contractors which is well explained by this relationship theory became very relevant to this dissertation as it contributes to good implementation of road construction contracts if well implemented. While on other hand, if the same relationship is not emphasised, it means poor implementation of the construction work may occur based on poor quality work, late delivery or completion and even more cost can be inflated due to the fact, poor preparation of tender documents, BOQ and unclear specification resulted from poor cooperation between PMU and Engineers influences high costs, late completion because of likelihood of variations occurrences. Also, poor cooperation between designers and end users during planning stage may hamper the good output of the project.

The relationship was more valid to the study because transaction cost was also important input in the success of the projects. For example, road construction projects on top of that the time frame was crucial in any project for determination of whether the project started on time and completed on time. These provided room for monitoring and evaluation of the projects, also commitment to the projects was important to both parties which meant a contract to be committed to its contractual obligation to employer and contractor so as to build up contractor and buyer relationship

2.2.3 The enforcement of law during signing road works contracts by LGAs

The Public funds means monetary resources appropriated to procuring entities through budgetary process, including the consolidated fund, grants, loans and credits put at the disposal of the procuring entities by local or foreign donors and revenue generated by the procuring entities (URT, 2011). This scale was measured through cross checking

whether these loans and grants were fully released or not, or if released, was it on time or not? All these had greater impact on implementation of road construction projects

According to section 35 (3) of the PPA No. 07 of 2011 states that, any contract signed prior approval by Tender Board shall be null and void. Also, section 36 (1) (g) of the same Act states that, the Accounting Officer shall have the overall responsibility for the execution of the procurement processes in the procuring entity and in particular shall be responsible for ensuring and certifying the availability of funds to support the procurement activities. Apart from the section above, regulation 75 (1) of PPR – GN No. 446 of 2013 also insists that the Procuring Entity shall ensure that funds are allocated or committed before commencing procurement proceedings, its sub regulation 2 described that, notwithstanding the provision of sub-regulation (1), the procuring entity may commence procurement proceedings for scheduled or routine activities if the procuring entity is certain of funds availability in its budget for such activities. Compliance to such section and regulation may ensure the contract to be implemented as in accordance with the terms and conditions of the award.

According to the CAG report of 2012/2013 similarly findings of signing contract without assurance of fund availability and tender board approval were found to Kongwa DC and Dodoma MC. Also, Annual Performance Evaluation Report for the financial year 2012/13 most of the Tanzania LGAs including Chamwino DC, Dodoma MC were queried on delay of payments to most of all sampled audited projects which was caused by unreleased funds from the Ministry of Finance to LGAs for the project implementation.

Again the resource based theory tells about fund availability towards achievement of organisational planned objectives. Unlike this theory, relationship theory promotes the contractual relationship among procurement actors towards assurance of signing contracts after tender board approval.

Therefore, the researcher was interested in examining the enforcement of section 35 (3) and 36 (I) (g) of PPA of 2011 on road construction projects in the LGAs due to its poor compliance found to those LGAs.

2.2.4 The extent of value for money achievement on Road works in the LGAs

Value for money means the optimum combination of the whole life cost and quality (or fitness of purpose) to meet the customers' requirements or add value to organisations Weele, (2010). Therefore, the achievement of value for money on road construction projects resulted from assuring three essential elements of it that are quality, cost effectiveness and time management are attained at a maximum level.

Furthermore, on the basis of the VfM assessment criteria, scores for every audited project were aggregated and the overall performance of the project was rated depending on the computed aggregated scores, the aggregated scores were as 75% - 100% being satisfactory, 50% - 74% being fair or satisfactory with some significant reservations and 0% - 49% being unsatisfactory. Chamwino DC scored 34.4% revealed serious weaknesses in the stage of project management which resulted in overpayment of Tsh. 106,403,000 to two projects.

Moreover, Dodoma DC, scored 51% serious weaknesses were revealed in the stage of project management which resulted in overpayment of Tsh. 627,006,057 to three road construction being projects among them the same problem assumed to be at Kongwa DC. So the study investigated the compliance relationship that make these projects not to be performed well resulting in noncompliance to PPA of 2011 and its Regulations during implementation of road construction projects (PPRA, 2012/2013).

Quality of road construction projects were measured by a number of factors including ascertaining the level at which users were satisfied with the major characteristics that indicated road quality (in every kilometer of sampled roads): quality of drainage, amount

of potholes, road width, and quality of road surface, quality of sign posts and level of road security.

According to the Annual Performance Evaluation Report (2012/2013), PPRA conducted the audit which found the overall score on quality and quantity of works assessed were found to be fair at 65.95% under the audit for the aspect of quality the major weaknesses were observed under the following indicators; lack of/or inadequate quality control systems in checking and approving the designs, drawings, specifications, bill of quantities, payment certificates, per tender estimates; weak supervision of construction contracts and consultancy services; lack of quality control tools and equipments (especially in LGAs) leading to failure to test materials of completed works; approving and certifying payments for works with poor quality; approving and certifying payments for non – existing works and premature payment of works not completed as per specifications. The scope of audit included fifty two (52) projects equivalent to 25% of all audited projects which assessed to be unsatisfactory performed under this indicator from 5 MDAs and 47 LGAs including Chamwino DC and Dodoma MC. Also, a total score on the six variables indicated the level of users' satisfaction with the quality of the road. The lowest expected value was 26 (1 multiplied by total items on the six variables) while the highest expected value was 54 (5 multiplied by the total items on the six variables) Tadeo *et al.*(2008).

The same ideal is supported by the relationship theory under which quality is considered to be achieved through cooperation among of various groups in procurement processes such as involvement of end users in planning and designing stage, collaboration between User department and PMU in preparation of standard specification and bills of quantities so as to get the intended output. Unlike the relationship theory, the resource based theory supports the same ideal of obtaining high quality road construction projects through good organisational personnel that means good internal resources leads to good output that promoting organisational performance with a great focus on promoting value for money achievement.

Cost effectiveness were measured by checking whether the road construction projects in all three councils were performed and completed according to the planned budget or otherwise that means if the road construction project contracts were within budget, above budget and below budget. Here, the cost effectiveness was evaluated focusing on total cost ownership concept that means tracing all associated costs of the project from the first stage of feasibility study until contract close out. Such costs included cost associated with poor feasibility study like contract variation costs. Other costs were difficulties in contract management like changing the scope of works, delay in payments leading to the demand of interest rates from contractors.

The auditing revealed that a variance between the budgeted and the actual cost, the average variance levels for each District are 10.6% for Kongwa DC, 13% for Chamwino DC and 17.8% for Dodoma MC. Since the average percentage variance is 14.2%. Hence, only Dodoma MC had acquired above the average. This meant that compliance does not lead to value for money in the procurement of road construction contracts. (CAG audit report, 2012/2013). Therefore, from the above view it was noteworthy to come out with the hypothesis that H1: ***Compliance ensures cost effectiveness on road construction contracts.***

Most of the LGAs do implement a number of road construction projects including trunk roads, feeder roads and main roads. As per section 39 (1) (d) of PPA No.7 of 2011, user department (UD) are responsible to propose technical specifications to the PMU where necessary. Various studies and audit reports on procurement compliance in LGAs has reported that, most of the projects are performed substandard due to the use of poor specifications which include: poor plans, drawings, and design as appropriate in terms of the scope and quality of work. For example, Chamwino DC during the audit exercise, it was found that, most of the audited road construction projects lacked complete information from user department of all proceedings from project initiation up to signing stage, including specification. This resulted in substandard road construction projects and finally contradicting contractors on performance (PPRA, 2013). Thus, the researcher was interested in identifying the extent that the road construction projects were being

achieved in the LGAs based on cost. Here, as a result of various inputs from different departments or areas cost effectiveness were realised thus supported by the theme of relationship theory. Therefore, from the above view it was noteworthy to come out with the hypothesis that ***H₂: There is positive relationship between compliance and quality of road construction works***

Time management in road construction project was seen to be of great importance because of greater contribution to the achievement of the value for money. Through assurance time frame for both parties in the contract, for example making timely payments by client like advance payments, interim certificate payments and other progressive payments subject to regulation 44 of PPR of 2013 used to avoid delay of executing in delivering materials to the sites by contractors, avoiding liquidated damages subject to regulation 112 of PPR of 2013 adherence with construction work programmes, contract management plan and thus leads to timely completion of the projects. Also, the good relationship between Clients and Contractors leads to timely completion of road construction project contracts.

The Annual General Report of the Controller and Auditor General (CAG) (2012/2013) during its audit reviewed that some LGAs received funds from the Treasury for implementation of various projects including road works, during site visit to a sampled projects worth Tshs. 3,031,139,556 were found not completed though their contract completion time expired and for those completed timely were below standards. This was caused by a number of factors including poor designing, delay in funds release and inadequate contract management. Time if not properly managed as per contract attainment of value for money to the projects is more difficult. Therefore, from the above view it was noteworthy to come out with the hypothesis that ***H₃: There is no relationship between compliance and timely completion of road construction contracts***

Additionally, the relationship theory is relevant to value for money attainment. However, despite all those contributions towards value for money attainment by councils, yet the level of attainment is still unknown, therefore this study was of great importance, and specifically aimed to assess the compliance to Public Procurement Act

No.7 2011 and its regulations on road construction projects in Tanzania Local Government Authorities (TLGAs)

2.2.5 The challenges facing LGAs' road works on compliance with PPA of 2011.

Most of Tanzanian road constructed projects are performed substandard due to non compliance to PPA of 2011 as a result of various challenges including; lack of funds, political interferences, shortage of expertise, poor supervision and lack of committed contractors (CAG audit report, 2012/2013)

Various studies and reports on procurement compliance in LGAs has reported that most projects were performed substandard due to poorly preparation of BOQs, designs and drawings which resulted in loss of value for money which caused by most Councils carrying out construction projects without involving registered Architects and Quantity Surveyors in preparation of those requirements contrary to the Act. (PPRA audit reports of 2014/2015).

Kongwa DC was observed to use Engineer's estimate on award decision based on prepared BOQ (PPRA, 2012). Also, during its audit most of audited road constructed projects at Chamwino DC were noted that no complete information revealed from user department up to signing stage including BOQ which resulted in overpayment of Tsh. 12,248,000.00 for non existing drifts (PPRA, 2013). On the other hand, at Dodoma MC the same problem was noted whereby overpayment to the contractor amounted to Tsh. 398,000,000.00 for omitting Kondo Road SP29 (0.339km) (PPRA, 2013), all those weaknesses are contrary to PPA No. 7 of 2011. This study specifically focused on identification of the challenges that interfered with the adherence to the PPA No. 7 of 2011 and its PPR during implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC so as to overcome the weaknesses. Thus, generally the following have been considered as major challenges facing implementation of road construction projects. These include:

Unfamiliarity with Laws and Regulations

The users particularly procurement Actors were the major contributing factor for the organisations not to realise the value for money in public procurement. Also, Malima, (2009) and Fikya, (2008) on their study found the same findings, but the findings were contrary with the study conducted by Abukari, (2014) who argued that unfamiliarity with laws and regulations is nothing towards procurement performance because of the challenge related to contradiction of the law itself. This challenge is supported by resource based theory that considers internal resources as a basic organisational performance.

Poor release of funds

Different scholars considered dependence on funds from donors and unreliable source of income leads to poor implementation of many planned road construction projects. Additionally, even though; Public funds and even Standard Tender Documents, Bill of Quantities (BOQ) and Specifications have a direct impact to the implementation of road construction projects based on quality, time and cost, but still factors like transparency, value for money and competition may intervene if care is not taken especially by Procurement Actors towards procurement performance. This meant that lack of transparency, poor competitions during tendering process may limit achievement of competitive priced bids, timely completion of the project and even the meeting the standard quality of the projects intended.

The Annual Performance Evaluation Report (2014/2015), conducted by PPRA found that due to delayed payments to roads construction projects as of June, 2015, interest charges occurred had cost the Government to a total amount equivalent to Tsh. 124,839,774,437.50. It should be noted that interest charges are charged until when the outstanding payments would be settled. Apart from the delayed and abandoned projects, the Government pays a huge amount of money as interest charges. In addition, for a long time contractors would cover themselves against the risk of delayed payments which therefore results in high construction cost unnecessary.

CAG, (2012/2013) in its audit find that eight (8) LGAs were budgeted to receive Tsh. 37,788,892,722 for implementing various development projects Roads construction projects inclusive. But up to 30th June, 2013 the total of Tsh. 17,127,313,909 was received which led to under release of Tsh. 20,661,578,813 equivalent to 55% of the funds budgeted for projects implementation.

Lack and poor use of technical Experts

Section 31 (5) of PPA of 2011 requires the PEs to appoint members of Tender board based on their technical competences to discharge procurement function, also section 37 (2) insists to have PMU with procurement other technical specialists with technical staff. Moreover, section 39 (1) (c) and (d) requires to have competent and qualified staff from procuring departments who will manage to prepare technical specifications, drawings, Bill of quantities and Terms of reference to PMU for procurement activities. CAG, (2012/2013) during its audit found that most of LGAs have PMU but not effective which was found to be a major factor for non compliance to PPA of 2011 and its PPRs on road construction projects. Annual Performance Evaluation Report (2012/2013 and 2014/2015), conducted by PPR found that the Tender Board were established but not trained on PPA and PPR. Also, PMU was established but had no enough office space, composed by inadequate staff and operated as a committee to most of Tanzania LGAs including Kongwa DC, Chamwino DC and Dodoma MC. Also, during the same audit found the overpayment of Tsh. 106,403,000 by Chamwino DC due to lack of competent staff for proper designing.

Despite the presence of a good number of procurement Actors within and even out of the organisations, still there is poor use of those experts due to personal interest among actors and other factors like political influences, this leads to poor implementation of road construction projects because of causing unnecessary contract variations that go together with increases of costs, need of contract time extension and therefore influencing not to realise value for money for those completed road projects (CAG report 2013/2014 and PPRA monitoring and Evaluation report of 2011/2012, 2013/2014). Also these ideas are supported by the relationship theory that emphasises

team working towards implementation of any project so as to achieve value for money. Furthermore, the resource based theory promotes the use of internal organisation resources in order to improve the organisational performance.

Lack of committed and potential contractors and Suppliers

The public procurement process should not be manipulated for the benefit of any organisation or individual. Given that public procurement is funded primarily with tax payers' money, all eligible contractors or individuals are allowed to participate by submitting offers in response to a specific requirement for which they are qualified. However, some of the contractors were seen to be not competent for most of the completed projects, it is noteworthy to say that, poor implementation of road construction projects resulted from uncommitted contractors, this led to poor value for money on those implemented projects. Again as a result of using uncommitted contractors some PEs did not comply with laws and regulations, for example; General Procurement Notice (GPN), Annual Procurement Plan (APP), contract award, contract completion reports were not sent to PPRA for publication in Tanzania procurement Journal (TPJ) and Tenders' portal, most of bids were advertised only in one local newspaper rather than in TPJ & tender portal, PE's website & noticeboards contrary to the Act. Also, copies of contracts were not sent to PPRA, Controller and Auditor General (CAG), Internal Auditor General and Tanzania Revenue Authority (TRA) contrary to the Act.

2.3 Empirical Literature Review

Njeru, (2015) conducted study on the factors affecting effective Implementation of Procurement Practices, A case of tertiary public training institutions in Kenya. The objective of the study was to determine factors affecting effective implementation of procurement practices in tertiary public training institutions in Kenya. Findings revealed that the supplier management was followed by Training Institution and procurement policies were the major factors that mostly affected effective implementation of procurement practices tertiary public training institutions in Kenya.

Similarly, Chemoiywo, (2014) conducted a study on public procurement procedures and supply chain performance; A case of state corporations in Kenya. Findings revealed that lack of procurement knowledge, inadequacy of funds, prices of public procurement of works and services were too high and improper positioning of Procurement Management Unit (PMU) were the most salient factors that hindered application of PPA procedures which in effect had a significance influence on the supply chain performance at NIMR.

Abukari, (2014) conducted a study on assessing the challenges affecting the implementation of the Public Procurement Act of 2003, by Road sector Project; A case of Public Financial Management Reform Programme (PUFMARP). Findings revealed that the implementation of the Act was hindered by poor information dissemination, inadequate capacity and trainings, delay in payment of works executed by service providers and challenges with the law itself.

Furthermore, Kotoka, (2012) conducted a study assessing the level of compliance with the Public Procurement Act of 2003, in public Entities; A case of Ashanti Region in Ghana. Findings revealed that, the public procurement Act, somewhat succeeded in harmonising the process of procurement in the public entities to secure fiscal transparency, efficiency, and increase competition among the local industry. The similarities were that both studies concentrated on the Regional level, both concentrated on public entities, and moreover compliance to PPA was the main aim to both studies.

Similarly, Agbesi, (2009) conducted a study on the assessment on the level of compliance of the Public Procurement Act of 2003, by selected Government Institutions in Eastern Region of Ghana; A case of Eastern Regional Coordinating Council, New Juaben Municipal Assembly and Asuogyaman District Assembly. Findings revealed that the implementation of the Act was hindered by poor information dissemination, inadequate procurement capacity and trainings, delay in payment of works executed by service providers, low tender prices and delay in the establishment of the procurement Unit.

Malima, (2009) conducted a study on challenges in implementation of PPA procedures in Public Institutions; A case of the National Institute for Medical Research (NIMR).

Findings revealed lack of procurement knowledge, inadequacy of funds (highly dependency from donors) and improper positioning of Procurement Management Unit (PMU) were the most salient factors that hindered application of PPA procedures at NIMR. The similarities to both studies entailed the use of interview, documentary review and questionnaires, and compliance to PPA was the main aim.

Similarly, Nyanda, (2008) conducted a study on the impact of Public Procurement Act 2004 (PPA 2004) on the Public Procurement Performance in Public Institutions in Tanzania; A case of Tanzania Peoples Defense Forces (TPDF) buying centers. Findings showed that compliance to the PPA 2004 and its regulations by TPDF buying centers has improved the procurement performance; hence the adoption of PPA 2004 and its regulations by public institutions had positive impact on the procurement performance.

Moreover, Fikya, (2008) conducted a study on the challenges of complying with PPA, 2004 in the procurement of goods in specialised institutions; A case of Medical Store Department (MSD). Findings showed that generalisation of the PPA 2004 in all Institutions was the major challenge in the procurement of goods. Suka (2008) conducted a study on the effectiveness of PPA 2004 in Procurement of Goods in the Central Government in Tanzania; A case of President's Office - Ethics Secretariat Dar es Salaam (PO-ES). Findings revealed that marginalisation of procurement field at PO-ES being one of the reasons caused ineffectiveness of PPA 2004 in procuring goods in the Tanzania Central Government.

Nyendage, (2008) conducted study on the effectiveness of PPA 2004 in achieving Economy and Efficiency in the use of Public funds in LGAs; A case of Ilala Municipal Council – Dar es Salaam. Finding revealed non compliance to PPA 2004 as the factor behind misuse of the public funds in LGAs.

Despite the fact that extensive researches have been done in the areas related to the compliance of PPA No. 7 of 2011 and its PPR & LGAR to LGAs on road construction projects, there were some gaps left which needed to be covered by more studies. Such gaps include differences of geographical environment which is supported by Njeru,

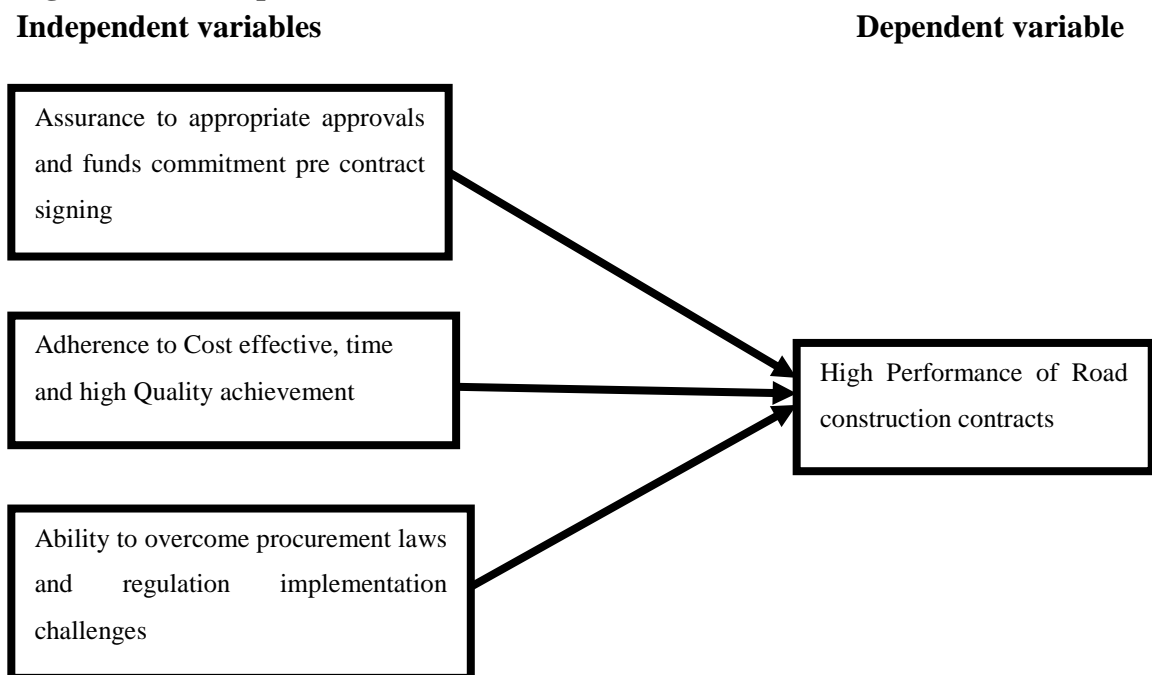
(2015) who conducted the study on the factors affecting effective implementation of procurement procedures in the tertiary public training Institutions in Kenya, whereby its environment is different from Tanzania.

From the theoretical and empirical literature review, it is clear that LGAs do not comply with PPA and its regulations because of not achieving value for money through not realising cost effectiveness due to contracts variations, costs, late time of contract completion and poor quality constructed roads.

2.4 Conceptual framework

The study was guided by PPA No.7 of 2011 and its regulations as independent variables, road construction projects as dependent variables and the procurement principles being the intervening variables.

Figure 2.1. Conceptual framework



Source: Researcher Construct (2016)

2.4.1 The discussion of Variables

Assurance to compliance on appropriate approvals and funds commitment pre contract signing. The three LGAs in Dodoma Region, namely Kongwa DC, Chamwino DC and Dodoma MC adhered to section 35 (3) and 36 (1) (g) of PPA of 2011 on average by 80% and 88.9% respectively. However challenges such as delay of payments, poor time management of contracts and poor release of funds by clients have been minimised to a large extent. According to Malima, (2009) and Abukari, (2014) it revealed that, there were improvement of relationship between Clients and Contractors as a result of assurance of payment on the completed contracts. However independent variables – specifically; public funds; checked whether all sampled road constructed works were budgeted and planned within the LGAs and whether funds were committed before its commencement

Adherence to Cost effective, time and high Quality achievement- measurement of dependent variables – specifically; cost, time and quality as the dependent variable measured by finding out how compliance influences costs, timeliness and quality of contracts by assessing the construction contracts sampled as follows; on costs: whether the roads were constructed within the budget, above budget and or below budget. On the time factor: whether all road works were completed on schedule, behind schedule and ahead the schedule. On the quality of road works: whether road works was standard, substandard or above standard. Additionally, measurement of quality were done through using user’s views (beneficiary) by ascertaining the level at which they were satisfied with general characteristics of road quality like; quality of drainage, amount of potholes, road width, quality of road surface, quality of sign posts and level of road security (PPRA annual monitoring and Evaluation report of 2012/2014)

Ability to overcome procurement laws and regulation implementation challenge; through reviewing applications of Standard tender documents; whether those used in all LGAs were those issued by PPRA or not?, whether the BOQs and specifications were prepared by the appropriate staff for all sampled road construction projects?. According

to PPRA annual monitoring and Evaluation report of 2012/2014 it revealed that, most of Tanzanian LGAs failed to comply on the Act and its regulations because of some of stuffs not being familiar with laws and regulations, poor use of technical staff in various activities such as Engineers, Un reliable source of fund and lack of committed and capable contractors.

All the above independent variables are positively related towards performance on road construction projects for they move towards the same direction if well complied, but once they are treated in opposite way, then they used to change the direction, hence leading to poor performance. On top of that, both the mentioned independent and dependent variables were tested in the field by administering structured questionnaire and interviewed questions to get information.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the methodology adopted in the study under the following parts; research design, survey population, area of the research, sampling design and procedures, variables and measurement procedures, data collection methods and data analysis.

3.2 Research design

This study used a triangulation design simply because of the need for generalising of results. The research design in this study was triangulation, which was determined by the research problem whereby the main purpose was to produce comprehensive data that could enable the researcher to generalise the problem to the other LGAs in Tanzania. This was supported by Gill and Johnson, (2002) who stated that, triangulation design is appropriate to be applied when one focuses on using imaginative insights in the exploration of data.

3.3 Study Area

This study was conducted at Kongwa DC, Chamwino DC and Dodoma MC in Dodoma Region. The areas of the study were selected because firstly the previous audit report of CAG of 2012/2013, Road Fund Audit Report 2011/2012 and PPRA Audit reports of 2011/2012, 2012/2013 and 2013/2014 which showed discrepancies in the road construction projects. Secondly, the study areas were selected because they are among of public entities where procurement is done in high volume, also discrepancies of noncompliance to PPA and PPR are repeatedly observed.

Furthermore, Kongwa DC, Chamwino DC and Dodoma MC are among the seven LGAs in Dodoma Region. As the LGAs are facing the same challenges on the compliance to PPA No. 7 of 2011 and its regulations to road construction projects due to its LGAs activities, it is expected to act as the representative of many other Local Governments facing similar situation in Tanzania.

3.4 The target population

The target population was 100 respondents from the three LGAs thirty three (33) respondents from Kongwa DC and Chamwino DC and thirty four (34) respondents from Dodoma MC. Specifically, the target population included staff from the Procurement Management Unit (PMU), members of the Council Tender Board (CTB) and members of the Finance Committee, Accounting Officers, Heads of Departments, Civil Contractors and end users

3.5 Sample Size

The sample size of fifty four (54) respondents out of hundred (100) respondents from the total target population of Kongwa DC, Chamwino DC and Dodoma MC Employees, Contractors and Suppliers for construction materials as Table 3.1 indicates, which were purposely and randomly selected. This sample size was equivalent to 51% of the whole population. According to Mugenda and Mugenda (2003) for any valid and reliable study to be carried out its sample size should be not less than 30% of the whole population. The sample size selected included staff from the Procurement Management Unit (PMU), members of the Council Tender Board (CTB) and Members of the Finance Committee, Heads of Departments and procurement stakeholders including Civil Contractors, this distribution is shown in Table 3.1.

Table 3.1: Target population and sample size for each District

S/N	Category	Kongwa DC		Chamwino DC		Dodoma MC		Total	
		Population	Sample Size	Population	Sample Size	Population	Sample Size	Population	Sample Size
01	PMU Staff	5	3	5	3	5	3	15	9
02	Member of CTB	5	3	5	3	5	3	15	9
03	Member of Finance Committee	6	2	6	2	6	2	18	6
04	Heads of Departments	10	5	10	5	10	5	30	15
05	Civil Contractors and end users.	4	2	4	2	5	2	13	6
06	Heads of PMU	1	1	1	1	1	1	3	3
07	District Executive Directors	1	1	1	1	1	1	3	3
08	District/Municipal Engineers	1	1	1	1	1	1	3	3
TOTAL		33	18	33	18	34	18	100	54

Source: Researcher Construct (2016)

3.6 Sample Procedures

The study used simple random sampling and purposive sampling techniques to select respondents needed to complete the study. Simple random sampling is the process whereby every element in the population has an equal chance of being selected in the sample and purposive sampling is the judgmental technique that mainly focused to the heads of Procurement Management Units (HoPMUs), Accounting Officers (AO) and District Engineers (DE) of Kongwa DC, Chamwino DC and Dodoma MC in Tanzania specifically at Dodoma Region so as to obtain the actual data on procurement matters.

The advantages of using the simple random sampling was each element of population had the same and equal probability of being selected and successive draws happened to be independent while purposive sampling aimed at getting convenient data from the respondents that the researcher was sure that they possessed the required information

(Kothari,2008). Therefore, the procedure of doing simple random sampling and purposive sampling explained below as follows:

a) Simple random sampling

The researcher used this technique to obtain a sample size from staff of Procurement Management Unit (PMU), Members of the Council Tender Board (CTB), and Members of the Finance Committee, Heads of Departments and Civil Contractors. The sample was randomly selected from the respondents (population), whereby each respondent had an equal chance of being selected. The names of Finance, Planning and Administrative committee, Tender Board members and Civil Contractors were collected from the three LGAs and written on papers, folded and placed in a bucket. One paper was selected at a time and not returned in the bucket, until the appropriate number of 45 respondents intended by the researcher obtained. Also, this technique was used to select fifteen (15) signed and completed contracts of the machine –based road works, five (5) contracts from each council.

b) Purposive sampling

The researcher selected the sample on the bases of the accessibility or by personal judgment; hence the Accounting Officers (AO), Heads of Procurement Management Units (PMU) and heads of Works departments (Districts Engineers (DE) for districts and Municipal Engineer (ME) for Municipality selected from all three LGAs, a total of nine (9) respondents were selected, that is, three respondents from each entity. The researcher understood that the groups had relevant and enough procurement data because of their day to day decision roles in the execution of procurement matters particularly on road construction projects. Also, the selection based on position and authority. Generally, the criteria applied in the selection of subjects were the level of responsibility (position held), stake in procurement transactions, knowledge, and experience in the field and unsubstitutability of the officials.

3.7 Variables and measurement procedures

The means and ways of receiving data required were as follows:- the type of data or information that the researcher wanted to acquire were Primary data and Secondary data related to the compliance on PPA No. 7 of 2011 to road construction projects. Data obtained from three LGAs in the files, computer systems, and office cabinets and archives of the procurement. Variables that were employed to get data were public funds, standard tender documents, Bill of Quantities and specifications, etc. these variables were measured by using mean, variance, percentages and frequency of measurement.

3.8 Data collection Methods

In this study different methods were used to collect both primary and secondary data. These methods ensured validity, sustainability and adequacy data. For the purpose of the study the researcher used three methods in obtaining data and information which were interview, questionnaires and documentary review.

3.8.1 Structured Questionnaires

The study collected primary data by using questionnaires and interview from the field. Structured and semi structured questionnaires and interview were used as techniques of primary data collection from the respondent to get information. On the other hand, questionnaire was chosen as the important method for collecting data and information. The researcher used both open and closed questionnaire for forty five (45) respondents involved. Questions were distributed to the junior staff, senior staff and Heads of departments. The advantages of using questionnaire was to cover large samples, easy to reach respondents, adequate time to respondents, free from bias of the interviewer and low cost (Kothari, 2008).

3.8.2 Interview

The study used structured and semi - structured interview to collect data from heads of departments and other key informative respondents. The advantages of using interview were as follows; helped a researcher to understand more the respondents, guided data collection method, gave the researcher more information that were of multiple uses and ensured accuracy of data due to the face to face situation (Greener, 2008).

3.8.3 Documentary Review

The researcher collected information as the second hand information which was obtained through interview and questions. He also collected secondary data through reviewing reports and other relevant information from various documents such as Audit reports of CAG, Road Fund audit reports, PPRA annual monitoring and evaluation reports, annual procurement budget and plans, five road constructed projects contract files, donors monitoring and instruction manual and reports, tender board minutes, tender evaluation reports and tender document from all the three LGAs.

3.9 Data analysis

The study used both qualitative and quantitative approaches. However, descriptive analysis was mostly applied because two out of three specific objectives (first objective and third objective) used this approach due to the nature of the data which mainly were qualitative in nature that means focused on respondent's views, not based on numerical data. While the second objective of this study was analysed by using correlational analysis due to its nature that based on numerical findings, whereby coefficient correlation values (r) and level of relationship (p value) were ascertained and interpreted thereafter.

The findings about enforcement of section 35 (3) and 36 (1) (g) of PPA of 2011 on road construction projects in the LGAs were analysed by using descriptive analysis and presented by using tables showing mean and percentages ascertained to indicate the level at which LGAs comply with terms and conditions of the contract through ensuring

funds availability and approvals of procurement proceedings for all contracts before signing. And finally conclusion and recommendations provided basing on such percentages.

The findings relating to the extent of achieving value for money in road constructed projects in the LGAs were analysed using correlational analysis whereby coefficient correlation values (r) and level of relationship (p value) were ascertained and interpreted thereafter on how compliance influences costs, timeliness and quality of contracts. Specifically on costs, data about whether the road construction was completed within budget, above budget and or below budget were obtained from each LGA computed and interpreted. The same procedure was applied on time, that means whether all road works were completed on schedule, behind schedule and ahead schedule, also on quality; whether road works were standard, substandard or above standard based on measurement of quality that were done through using user's views (beneficiary) by the level at which they were satisfied with general characteristics of road quality like; quality of drainage, amount of potholes, road width, quality of road surface, quality of sign posts and level of road security. Thus, both qualitative and quantitative analysis methods were applied.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents the findings in relation to three specific objects, namely: examining the compliance on signing contract documents after funds commitment and approval by Tender board, determining the compliance on achievement of value for money and identifying the major challenges facing LGAs on compliance with PPA of 2011 on road construction projects at Kongwa DC, Chamwino DC and Dodoma MC. However, the research findings were obtained from a number of respondents with different characteristics including age and education wise. Most of respondents ranged from 20- 35 years of age, it means that many respondents have 20-35 (70) % years old. Again, most of respondents belonged to a first degree education level. Such observation implies that the procurement units in no-profit organisation work with degree holders (capable and qualified staff).

4.2. Examining enforcement of law during signing road works contracts by LGAs.

The first objective of the study was to examine the enforcement of section 35 (3) and 36 (1) (g) of PPA of 2011 on the road construction projects in the LGAs. For the case of respondent feedback concerned the enforcement of section 35 (3) and 36 (1) (g) of PPA of 2011 on Road Construction Projects in Kongwa DC, Chamwino DC and Dodoma MC were reviewed and analysed horizontally with the incorporation of questionnaires, interviews together with documentary review done to respondents as shown in Table 4.1 (appendix 3)

Table 4.1 Enforcement of PPA No.7 of 2011 and its regulations

Variable	Response on average by all three LGAs	LGAs			Total Frequency on average (%)
		Kongwa DC	Chamwino DC	Dodoma MC	
If fund is committed for procurement before signing the contracts by Accounting Officers	Yes	13(28.8%)	11(24.4%)	12(26.6%)	36(80%)
	No	4(8.8%)	2(4.4%)	3(6.6%)	9 (20%)
	No response	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total		15(33.33%)	15(33.33%)	15(33.33%)	45 (100%)
a) To very large extent	rate of responses on average	2(4.4%)	2(4.4%)	3(6.6%)	7 (15.6%)
b) To large extent		10(22.2%)	9(20%)	7(15.6%)	26(57.8%)
c) To some extent		2(4.6%)	3(6.7%)	2(4.6%)	7(15.6%)
d) To minimal extent		5(11%)	0 (0%)	0 (0%)	5(11%)
Total		19(42.2%)	14(31.1%)	12(26.8%)	45(100%)
Whether or not, contracts were signed by all required parties prior approval of tender Board?	Yes	14(31.1%)	10(22.2%)	16(35.6%)	40 (88.9%)
	No	2(4.4%)	1(2.2%)	2(4.4%)	5 (11.1%)
	No response	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total		16(35.5%)	11(24.4%)	18(40.0%)	45 (100%)
a) To very large extent	rate of expensive on average	11(24.5%)	9(20.0%)	10(22.2%)	30 (66.7%)
b) To large extent		2(4.4%)	2(4.4%)	1(2.2%)	5 (11.1%)
c) To some extent		4(8.9%)	0(0%)	2(4.4%)	6 (13.3%)
d) To minimal extent		0(0%)	4(8.9%)	0(0%)	4(8.9%)
Total		17(35.8%)	15(33.3%)	13(28.8%)	45 (100%)

Source: Researcher findings (2016)

The findings from Table 4.1 illustrate that at first, thirty six 36(80%) respondents came up with suggestion upon the adherence to a very large extent to the regulation 75 that require the Accounting Officer to commit fund for procurement before signing the contracts, while only 9 (20%) disagreed the statement that funds commitment are done without assurance of funds availability by Accounting Officer in LGAs. On that, the researcher learnt that most of people confirmed that the Accounting Officer commits fund for procurement before signing the contracts for Organisational sustainability.

The process further meant that, a challenge of delay in payments to suppliers and contractors are solved in public Institutions, this challenge was among of the most important management considerations towards assurance of timely completion of projects by assuring funds committed before signing contracts. This good contract management on road construction projects to a large extent was confirmed by 26 (57.8%) on average from the total of all LGAs respondents. While on average no respondent replied by confirming that it was done to the minimum extent, however; the findings further revealed that, twelve 12 (26.7%) respondents on average confirmed the Accounting Officers committed funds for procurement before signing the contracts. Also, 7 (15.6%) respondents showed the process of funds commitment assurances by Accounting Officers are done to the very great extent on average to all LGAs.

Moreover, the findings with interviewed respondents revealed that in all three LGAs (Kongwa DC, Chamwino DC and Dodoma MC), road construction contracts to very large extent are signed by all required parties prior to the approval by tender board, this also was supplemented by questionnaires whereby, 40 respondents on average, equivalent to 88.9% of the total respondents returned the filled questionnaires. On that, it implies that the LGAs adhere to requirement of laws that need the proper signing of the contracts by both parties prior to approval by Tender Board.

However, good contract preparation and management on road construction projects through ensuring that it is signed by all required parties prior to approval by tender Board to a very large extent was confirmed by 30 (66.7%) on average from the total of all LGAs respondents. While on average only 4(8.9%) respondents replied by

confirming that was done to the minimum extent. Furthermore, the findings revealed that, six 6 (13.3%) respondents on average confirmed that the employer's side to some extent delayed to sign contracts but always ensured that, they were signed by all required parties prior to approval by tender Board. Also, 5 (11%) respondents showed the process of assurance of signing the contracts by all required parts were done to the great extent on average to all LGAs.

4.3 The extent of value for money achievement on Road works in the LGAs.

The second objective of the study was to identify the extent of value for money achievement on the implementation of Road construction projects in Kongwa District Council, Chamwino District Council and Dodoma Municipal Council. Also, through documentary review, five (5) road construction contract files from each PE as they have been numbered from one (1) to five(5) in Table 4.2 were sampled and examined whether adherence to value for money for each was realized basing on quality, cost and time factor. These were analysed mostly by quantitative approach through the application of statistical package for social sciences (SPSS) with the incorporation of questionnaire replies from respondents as shown in Table 4.2 and others:

Table 4.2 How compliance influenced costs of road construction contracts

Contracts	Kongwa DC		Chamwino DC		Dodoma MC		All three Districts	
	% Variance	Mean	% Variance	Mean	% Variance	Mean	% Average Variance	average mean
1	29	1.9453	9	1.3411	8	1.3400	15	1.5421
2	10	1.5461	7	1.3450	33	2.0004	13	1.6305
3	5	1.2349	28	1.9023	9	1.3290	14	1.4887
4	0	1.0000	10	1.3200	35	1.8695	15	1.3965
5	8	1.4576	11	1.3485	4	1.2307	14	1.3456
Average	10.6	1.45678	13	1.45138	17.8	1.55392	14.2	1.48068

Source: Audit of District Procurement records (2015).

(Key 1= within Budget, 2= above budget, 3=below budget)

According to the table above, all the sampled District road contracts have an average mean of 1.5, implying that most of contracts costs were above the budget.

Level of Variance: The finding revealed that a variance between the budgeted and the actual cost, the average variance levels for each District are 10.6% for Kongwa DC, 13% for Chamwino DC and 17.8% for Dodoma MC. Since the average percentage variance is 14.2%. Hence, only Dodoma MC had acquired above the average. This meant that compliance does not lead to value for money in the procurement of road construction projects.

Table 4.3 How compliance influenced timeliness of road construction contracts

Contracts	Kongwa DC		Chamwino DC		Dodoma MC		All three Districts	
	% Variance	Mean	% Variance	% Average Variance	% Average Variance	Mean	% Average Variance	Average mean
01	50	1.6250	14	1.4286	4	1.7778	23	1.6105
02	35	1.8889	23	1.1429	30	1.8178	29	1.6153
03	23	1.6667	45	2.7813	24	1.7778	31	2.0753
04	45	2.0000	24	1.6667	24	2.0000	31	1.8889
05	4	1.2340	13	1.3479	54	1.3458	24	1.3092
Average	33.2	1.68292	23.8	1.67348	27	1.74384	27.6	1.6998

Source: Audit of District Procurement records (2015).

(Key 1= On Schedule, 2= Behind Schedule, 3=Ahead Schedule).

The variance is in terms of months. According to Table 4.3 above, the sampled District road contracts have an average mean of 1.7, implying that most contracts were completed late.

Level of Variance: The percentage variance (in months) between the planned time and the actual time of completion is 33.2% for Kongwa DC, 23.8% for Chamwino DC and

27% for Dodoma MC. Kongwa DC and Dodoma MC had a lower variance this implies that the compliance does not translate into timely road works delivery

Table 4.4 How compliance influenced Quality of road works

Contracts	Kongwa DC	Chamwino DC	Dodoma MC	Total mean
	Mean	Mean	Mean	
01	1.4250	2.4286	1.3400	5.1936
02	1.8889	2.1429	2.1650	6.1968
03	2.0667	1.0000	1.6800	4.7467
04	1.4000	1.2667	1.2600	3.9267
05	1.3340	1.0679	1.4820	3.8839
Average	1.62292	1.58122	1.5854	4.7895

Source: District Procurement records (2015).

(Key 1= Standard, 2= Below Standard, 3=Above Standard).

According to the table above, the sampled District road contracts have an average mean of 1.6, implying that they were not of the required standard.

Furthermore, the study explored the relationship between compliance and cost. The correlation findings are indicated below:

Table 4.5 Correlations: Compliance Vs Cost

District	r	n	p Value (2 Tailed)
Kongwa DC	0.56	45	0.003
Chamwino DC	0.58	45	0.002
Dodoma MC	0.76	45	0.0023

Source: District Procurement records (2015).

Key: p = relationship, n = number of respondents and r = Coefficient of correlation

As indicated in Table 4.5, the relationship is insignificant but positive for Kongwa DC (r=5.56, P= 0.003), Chamwino DC (r=0.56, p=0.002) and Dodoma MC (r=0.76, p=0.0023).

The study explored the relationship between compliance and time. The findings are indicated below:

Table 4.6 Correlations: Compliance Vs Time

District	r	n	p Value (2 Tailed)
Kongwa DC	0.14	45	0.00535
Chamwino DC	0.168	45	0.00454
Dodoma MC	0.135	45	0.00756

Source: District Procurement records (2015).

Key: p = relationship, n = number of respondents and r = Coefficient of correlation

As indicated in Table 4.6, the relationship is insignificant but positive for Kongwa DC (r=0.14, p=0.00535), Chamwino DC (r=0.168,p=0.00454) and Dodoma MC (r=0.135,p=0.00756).

The study explored the relationship between compliance and quality of roads. The findings are indicated below:

Table 4.7 Correlations: Compliance Vs Quality.

District	r	n	p Value (2 Tailed)
Kongwa DC	0.083	45	0.00712
Chamwino DC	0.102	45	0.00652
Dodoma MC	0.144	45	0.00523

Source: District Procurement records (2015).

Key: p = relationship, n = number of respondents and r = Coefficient of correlation

As indicated in Table 4.7, the relationship is insignificant but positive for Kongwa DC (r=0.083, p=0.00712), Chamwino DC (r=0.102,p=0.00652) and Dodoma MC (r=0.144,p=0.00523).

Although, the end – user may have little influence on the quality and quantity of the purchased services (Telgene, 2007), the researcher was of the view that they have good opinions on the quality of road works delivered. This prompted the researcher to explore users' views on the quality of roads. This was to further prove the extent to which the compliance to procurement law affects the quality of roads. The findings indicated that the quality of road is low after ascertaining the level at which users were satisfied with the major characteristics that indicated road quality (in every kilometer of five (5) sampled roads from each council): quality of drainage, amount of potholes, road width, and quality of road surface, quality of sign posts and level of road security.

A total score on the six variables indicated the level of users' satisfaction with the quality of the road. The lowest expected value was 26 (1 multiplied by total items on the six variables) while the highest expected value was 54 (5 multiplied by the total items on the six variables)

Table 4.8 Showing Users' View of Road Quality across Districts

District	Mean	n	Sd
Kongwa DC	38	41	3.1
Chamwino DC	22	38	7.3
Dodoma MC	24	30	3.6
Mean	28	36	4.67

Source: District Procurement records (2015).

Key: std = standard deviation, n = number of respondents

As indicated in Table 4.8 above, all the three Districts had weak scores on the quality of roads they use. Only one score was above the median ($54/2 = 27\%$). This implies that users are not fully satisfied with the quality of roads in their Districts. Kongwa DC users had higher score (51%), followed by Chamwino DC (48%) and then Dodoma MC (40%). This implies that Districts procurement departments complied with road maintenance standards required by the PPA No.7 and its Regulations but not translated into quality works.

4.4 Findings on hypotheses testing.

This research used the following hypothesis, H1: Compliance ensures cost effectiveness on road construction contracts, this hypothesis aimed to test whether there was positive relationship between compliance and cost effectiveness towards road construction works. The findings from all the selected LGAs in Dodoma Region revealed that, most of the road works contracts were completed above the estimated budget; this implies that; Compliance was not realized towards assurance of using the planned and approved budget as per specific road works. Therefore the hypothesis is accepted. However, the end result of this hypothesis were similar with other findings that measured value for money based on cost which revealed it was not achieved because of non compliances to Act and its regulation.

Therefore, from the above view it was noteworthy to come out with the hypothesis that Most of the LGAs do implement a number of road construction projects including trunk roads, feeder roads and main roads. As per section 39 (1) (d) of PPA No.7 of 2011, user department (UD) are responsible to propose technical specifications to the PMU where necessary. Various studies and audit reports on procurement compliance in LGAs has reported that, most of the projects are performed substandard due to the use of poor specifications which include: poor plans, drawings, and design as appropriate in terms of the scope and quality of work. Here, as a result of various inputs from different departments or areas cost effectiveness were realised thus supported by the theme of relationship theory.

The second hypothesis that H₂: There is positive relationship between compliance and quality of road construction works was also accepted because the results revealed that compliance led to high standard roads.

The third hypothesis was that; H₃: There is no relationship between compliance and timely completion of road construction contracts. The researcher wanted to test effects of compliance based on time in different areas such as timely payments by client like advance payments, interim certificate payments and other progressive payments subject to regulation 44 of PPR of 2013 used to avoid delay of executing in delivering materials to the sites by contractors, avoiding liquidated damages subject to regulation 112 of PPR of 2013 adherence with construction work programmes, contract management plan and thus leads to timely completion of the projects. However, the findings showed that, there was positive relationship between compliance and timely completion for all work projects implemented in the LGAs, thus from this view it was not worth to conclude that, Hypothesis was rejected. That meant there was relationship between compliance and timely completion of road construction contracts.

4.5 The major challenges facing LGAs' road works on compliance with PPA of 2011 in Dodoma Region

The third objective of the study was to identify the major challenges facing LGAs in implementation of sections 31(5), 36(1) (g), 37(2), 39(1) (c), 51 and sect. 70 of PPA of 2011 on road construction projects. For the case of respondents, feedback concerned the challenges that faced the PPA No. 7 of 2011 and its PPRs on implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma Municipal council were reviewed and analysed qualitatively through the incorporation of questionnaires, interviews together with documentary review. However, 33(73.3%) agreed on presence of challenges in LGAs as shown in Table 4.9 (appendix 5)

Table 4.9 Representing major challenges facing LGAs' road works on compliance with PPA of 2011

Issue	Finding	Kongwa DC		Chamwino DC		Dodoma MC		All Three Districts	
		Response	Frequency (%)	Response	Frequency (%)	Response	Frequency (%)	Response	Frequency (%)
Is there any challenge that faced the PPA No. 7 of 2011 and its PPRs on implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma Municipal council?	Yes	14	31.1	9	19.9	10	22.2	33	73.3
	No	0	0	0	0	0	0	0	0
	No response	1	2.2	6	13.4	5	11.1	12	26.7
Total		15	33.3	15	33.3	15	33.3	45	100

Source: Research Finding, 2016

Table 4.9 above illustrates that respondents reported that there were challenges that faced the PPA No. 7 of 2011 and its PPRs on implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma Municipal council. From Table 4.9 revealed that, 33(73.3%) respondents confirmed this finding, while 12(26.7%) respondents had no response. Likewise, there was no respondent who said “No”, meaning absence of challenges that faced the PPA No. 7 of 2011 and its PPRs on implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC. It was learnt that implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC were affected by factors like: limited budget, lack of qualified personnel and inability of suppliers contrary to PPA No. 7 of 2011 and its regulations. On the other hand, the experience from interviewed respondents reflected that, Tanzania LGAs are hindered by corruption, poor tendering process and non adherence to the ethical code of conduct which are controversial to PPA No 7 Of 2011 and its regulations.

Specifically, the respondents identified the four common major challenges that faced the PPA No. 7 of 2011 and its PPRs on implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC as follows:

Unfamiliarity with Laws and Regulations by users particularly Procurement Actors. According to Table 4.9 unfamiliarity with Laws and Regulations by users particularly Procurement Actors was among the confirmed major challenges. In this study *unfamiliarity with Laws and Regulations by users particularly Procurement Actors*; meant the process of acting against organization and government laws and regulations

The table further indicates that on average 42 (93.3%) respondents, except 3 (6.7%) who said nothing; reported this finding. On these data, it was learnt that unfamiliarity with Laws and Regulations by users particularly Procurement Actors affects at high rate the Tanzania LGAs; including Kongwa DC, Chamwino DC and Dodoma MC in Dodoma Region. The experience with documentary review technique; it was discovered that, despite the organisations seemed to have a number of road construction contractors, still the number of roads within the organisations were constructed by the same contractors,

and most of them were from Dodoma Municipality, the process which led to discouraging the respondents. For example, through interview, one interviewed respondent reported that;

“The same contractors are being used always, something that attracted doubt if transparency, fairness and laws in general were being adhered to, or the procurement actors are familiar with Public Laws but, this embezzlement makes the organisation fail to realise value for Money on procurement of road works”

Lack and poor use of technical experts for preparation of Procurement Proceedings especially at the designing stage. This challenge of lack and poor use of technical experts for preparation of Procurement Proceedings especially in the designing stage was another finding identified by the respondents as the major common factor hindering the implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC. However, on average from three LGAs 20 (44.4%) respondents confirmed the finding. Nevertheless, 25 (55.6%) respondents reported nothing to the finding. This implied that although some respondents meant lack and poor use of technical experts for preparation of Procurement Proceedings especially in the designing stage was the hindering factor upon the implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC, the rest were not aware of the finding. However, the findings got high weight from interviewed respondents, whereby, most of the respondents confirmed it. Through documentary review, it was found that most completed road constructed projects from all three councils lacked experts in preparation of BOQ and specifications, whereby most of these documents were supposed to be prepared by quantity surveyors but the findings in most cases indicated to be done by normal Engineers found in the respective Councils.

Unstable flow of funds: Table 4.9 indicates that unstable flow of funds was among the major common factors hindered the implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC. According to Table 4.9, on average

among the three LGAs 36(80%) respondents suggested this finding, while 9(20%) had no response to this finding.

This process meant that there are many workers who believe that unstable flow of funds was among the most possible factors that contributed to poor implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC. Yet, some workers and civil contractors in Dodoma region particularly in the pilot areas of this study were not aware that unstable flow of funds hinders the implementation of road construction projects in their Districts. However, one interviewed civil contractor said that:

“It is not true that, the government does not provide funds for various projects but the management of the organisations used them for other activities like UHURU torch or repaying them for various unnecessary meetings”

Lack of enough competent and committed contractors and suppliers for road construction materials: This was the final major common challenge on the implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC identified by the respondents. Table 4.9 indicates that on average among the three LGAs 30 (66.6%) of the respondents confirmed this finding.

Further, it illustrates that 15(33.3%) had no response to the finding. It implies that the effect of lack of enough competent and committed contractors and suppliers for road construction materials in non-profit organizations were either not much big or respondents were not aware of them. But some of the interviewed respondents' suggestions showed that while the organizations (Kongwa DC, Chamwino DC and Dodoma MC) used the similar contractors in most of all constructed road project. Again through One interviewed Accounting Officer blamed that;

“Some contractors are well in documentations and filling the BOQ but when it comes to the implementation of the projects, they are not competent enough to work accordingly, this leads to late timely

completion and more demand of time extension that consequently lead to hamper the quality of the projects.”

However, hereunder find the summary of the findings of objective three presented on the table 4.10.

Table 4.10 Respondents Suggestion on the major challenges facing LGAs’ road works on compliance with PPA of 2011

Finding	Response on average by all three LGAs	LGAs			Total Frequency on average (%)
		Kongwa DC	Chanwino DC	Dodoma MC	
<i>Unfamiliarity with Laws and Regulations by users particularly Procurement Actors</i>	Yes	11(28.5%)	13(33.7%)	12(31.1%)	36 (93.3%)
	No	4(2.9%)	2(1.5%)	3(2.2%)	9(6.7%)
	No Response	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total		15(31.5%)	15(35.2%)	15(33.3%)	45 (100%)
<i>Lack and poor use of technical Experts for preparation of Procurement Proceedings especially in designing stage</i>	Yes	6(13.3%)	7(15.5%)	7(15.5%)	20(44.4%)
	No	8(17.8%)	9(20.0%)	8(17.8%)	25 (55.6%)
	No Response	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total		19(31.1%)	14(35.5%)	12(33.3%)	45(100%)
<i>Unstable flow of fund</i>	Yes	13(28.9%)	11(24.4%)	12(26.7%)	36(80%)
	No	4(8.9%)	3(6.7%)	2(4.4%)	9 (20%)
	No response	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total		17(37.8%)	14(31.1%)	14(31.1%)	45 (100%)
<i>Lack of enough competent and committed Contractors/suppliers</i>	Yes	11(24.4%)	9(19.9%)	10(22.2%)	30(66.6%)
	No	5(11.1%)	6(13.3%)	4(8.9%)	15 (33.3%)
	No response	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total		16(35.5%)	15(33.3%)	14(31.1%)	45 (100%)

Source: Research Finding, 2016

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter discusses the findings based on the objectives of the study. However, since the general characteristics of respondents had some implications on the study, its brief summary and discussion was that; from the findings it was a worth word to say that most of the workers in the purchasing unit in non-profit organisation are energetic to facilitate the procurement function processes. The study stated that the non-profit organisations that employ qualified and energetic personnel automatically improve its working efficiency and production.

Looking to these data, it is also worth words to argue that Procurement units in non-profit organisations work with educated and qualified personnel who facilitate the process. The reality on the other hand has been supported by the study conducted by Eric, (2000) through which, it stated that professional procurement with qualified workers buy right goods from right suppliers at right time and price. This meant that qualified workers in the procurement units ensure right goods at right price and time. Very interested respondents via interview and supplemented by questionnaires reported that the organisation employs Master's holders, as it was observed that 3 (30%) were master's holders. These are employed so as to ensure effectiveness and efficiency of the production and services in general. One of the interviewed respondents said;

“Since the organisation’s motto is right workers for right services, we employ degree and Master’s graduates because we are sure that these workers do not need strong supervision; however, they perform nicely and attract goods and services”

Furthermore, it was learnt that 5 (50%) respondents are more experienced through working for more than five years in the procurement field. In such observation it is a

worth word to say that most of the employees working in non-profit organisations especially in procurement units (PMU) have experience of more than 5 years.

Nevertheless, 2 (20%) workers are of two years of working experience, and this group seemed to be a group belonging to one or two years of working experience. With these findings it is more learnt that non-profit organisational procurement units have experienced personnel who facilitate the procurement function processes.

5.2 Examining the enforcement of law during signing road works contracts by LGAs.

The findings from the study showed that, the three LGAs in Dodoma Region, namely Kongwa DC, Chamwino DC and Dodoma MC adhere to Section 35 (3) and 36 (1) (g) of PPA of 2011 on average by 80% and 88.9% respectively. In that view, it implies that challenges in relation to delay of payments, poor time management of contracts, and poor release of funds by clients have been minimised to a large extent. The finding concurs with what was found on the study done by Chemoiywo, (2014); Abukari, (2014); Agbesi, (2009) and Malima, (2009).

However, there was a slight delay of signing the road construction contracts by the side of the client though all required parties to the contracts were signing prior to approval by the tender board, this implies that all required personnel of signing the contracts on the client side should rectify the situation so as to properly administer and manage the procurement functions in all its stages.

Additionally, since the findings revealed that, on average the funds for road construction projects to a large extent were committed firstly before signing the contracts as confirmed by 26 (57.8%) of the total responses of all LGAs respondents. On average, no respondent replied by confirming that it was done to the minimum extent.

Furthermore, the findings revealed that, twelve 12 (26.7%) respondents on average confirmed that the Accounting Officers to some extent committed fund for procurement

before signing the contracts. Though sometimes funds were not released on time and if released were not in full amount, hence disrupted the other programmes. Again on average about 7 (15.6%) respondents showed the process of funds commitment assurances by Accounting Officers were done to the very great extent to all LGAs. Generally, from this information it was learnt that, the AOs in Kongwa DC, Chamwino DC and Dodoma MC used to a great extent to commit the funds before signing the contracts, this implies that the LGAs have managed to overcome various problems that existed before in the organisations and other similar public entities. Such advantages include but not limited to: reduced delays in payments to contractors or suppliers, reduced contract overstating because of not demanding interest rates for timely completed contracts, reduced works (changing of the scope) of contracts that consequently has improved the quality of works procured, reduced misunderstanding between the parties.

This information was also confirmed by one interviewed respondent (Head of PMU) who said that;

“In some cases delay of payments by clients to contractors used to cause a great loss (Public funds unnecessarily) for covering interest rates, penalties and administrative expenses for resolving those misunderstandings with contractors”

Moreover, from the findings relating to assurance of signing the contracts by all required parties prior to approval by Tender Boards, interview with respondents revealed that all three LGAs (Kongwa DC, Chamwino DC and Dodoma MC), road construction contracts to very large extent are signed by all required parties prior to approval by tender board, also as supplemented by questionnaires whereby, 40 respondents on average, equivalent to (88.9%) of the total respondents who returned the filled questionnaires agreed on that. This implies that, the LGAs in Dodoma region adhere to requirements of laws that need the proper signing of the contracts by both parties prior to approval by Tender Boards. More than that, it was learnt that; contract risks were minimised and thus, this promoted the proper implementation of contracts by both

parties especially road construction contracts. Also, this promoted compliance to the terms and conditions of the contracts.

However, the contract preparation and management on road construction projects through ensuring proper signing by all required parties prior to approval by tender Board to a very large extent was confirmed by 30 (66.7%) on average from the total of all LGAs respondent. While on average only 4 (8.9%) respondents replied by confirming that it was done to the minimum extent.

Furthermore, the findings revealed that six 6 (13.3%) respondents on average confirmed that the Employers' side to some extent delayed to sign contracts but always ensured that, they were signed by all required parties prior to approval by tender Board. Also, 5 (11%) respondents showed the process of assurance of signing the contracts by all required parts were done to the great extent on average to all LGAs.

From these findings, it implies that, team working spirit, cooperation on preparation of procurement contract documents and commitments contributed a lot the success of preparing good contract documents, and this smoothed the administration process and management as a whole of those proper signed road construction contracts in Kongwa DC, Chamwino DC and Dodoma MC. This also was confirmed by a respondent who said:

“Unlike previous years, currently our institution has improved the way of preparing contract documents, for they involve internally sourced experts: PMU, Engineers and Legal Units and then it is sent to Attorney General (external advisor and expert) before the signing stage, all these ensure the adherence to terms and conditions within the contract documents”

However, one of the interviewed respondents from Chamwino DC suggested upon the presence of planned and budgeted enough funds and was released on time for all road construction projects in each financial year.

Another respondent on the same council disagreed with the statement that planned and budgeted enough fund were being released on time. On that, it was learnt that, on

average the planned and budgeted funds were enough and released on time for all road construction projects in each financial year. Again, the proper use of standard tender documents and conducting openly and competitively tendering management on road construction projects to very large extent was confirmed that it was done to the minimum extent. This meant that, there is proper use of tender documents in Dodoma councils.

One of the contractors revealed late and inadequate funds for most LGAs contracts. He said that they have to borrow money to complete the projects and yet the interest rates are very high. Some late contracts are renegotiated and prices adjusted upwards.

“Every wise contractor must consider tokens to District Officials, and other side costs in the contract price – thus the high cost for most contracts, the contractors prefer timely execution of contracts, to save costs. The delays are mainly attributed to government bureaucracy and management weaknesses at LGA level induced by corrupt tendencies”.

5.3 The extent of value for money achievement on Road works in Dodoma selected LGAs.

The second objective of this study was to determine the extent that quality, cost effectiveness and time frame on the road construction projects are achieved at Kongwa DC, Chamwino DC and Dodoma MC. However, on quality and timeliness of works, almost about 80% of the interviewed Accounting Officers were blaming the contractors for having poor quality works. According to the accounting officer (Kongwa DC), the poor quality and delays of road works cannot be attributed to the contractors only. The two variables depend on many factors. He said that the parties to the contract are partly responsible; but the major cause is inadequate and late funding from the central Government or sometimes donors; like water projects which are funded by donors. This opinion was raised by 70% of the interviewed District officials who said

*“The Kongwa District Council Engineer attributed the state of poor quality to the ignorance of the end – users who do not understand the individual contract terms and conditions. He said that contractors work according to the contract terms that mainly depend on the funds availability Districts have no funds for high quality roads like those contracted by **TANROADS**”*

The interviewed Local Councilors confirmed deterioration in quality, with roads becoming narrower and narrower, with a poor drainage system (some drainage systems are constructed like humps across roads), sign posts not appropriately placed, and V – shaped corrugated surfaces that make driving difficult, and overtaking / passing almost impossible. *“The big Lorries force us off road,”* one of the drivers of small car remarked.

Compliance to the law: According to most of PMU interviewed staff from all three PEs blamed that they were sometimes being intervened by politicians in their duties during tendering process. They were concerned of how they could avoid that; otherwise they could lose their jobs if they could not obey the employers’ opinions. One PMU staff from Kongwa DC said that they were always complying with the legal requirements in assessing tenders but the awarding and subsequent management of the contracts were still influenced by the top officials. The focus should be on enhancing value for money, achieving fairness, openness, and transparency without restricting public servants in a tangle of rules. A cultural ethics and innovation should be cultivated (Dye, 2005). These findings concur with the findings of Chemoiywo, (2014); Abukari, (2014); Kotoka, (2012); Malima, (2009) who found that most of public institutions do not achieve value for money due to lack of funds. These findings contrast the findings of Nyendage, (2008) who found that value for money is not achieved not due to lack of funds but due to misuse of the funds.

Additionally, the same findings with this objective was found on the study reported by Agbesi, (2009) that cost effectiveness, timely delivery and quality of roads constructed are the outcomes of on time payments to contractors and suppliers of construction

materials, good planning including proper preparation and use of standard tender documents by well established PMU, Moreover, the finding is also supported by the resource based theory that linked the good performance and organisational resources including, human resources like procurement experts, capital and organisational resources.

5.4 The major challenges facing LGAs' road works on compliance with PPA of 2011

In relation to this third objective which focused on the challenges that faced the PPA No. 7 of 2011 and its PPRs on implementation of road construction projects in the LGAs. Due to respondent feedback concerning the challenges that faced the PPA No. 7 of 2011 and its PPRs on implementation of road construction projects in Kongwa DC, Chamwino DC and Dodoma MC were reviewed as presented on chapter four, the following are its implications:

It was learnt that unfamiliarity with Laws and Regulations by users particularly Procurement Actors had affected at high rate the Tanzania LGAs; including Kongwa DC, Chamwino DC and Dodoma MC in Dodoma Region. This implied that in Kongwa DC, Chamwino DC and Dodoma MC in Dodoma Region there was non - adherence to the code of conduct (i.e. lack of accountability, transparency, honest, fair and just). This process hindered the effectiveness and sustainability of proper use of public funds in the organisation.

Thus, it implies unfamiliarity with laws and regulations by users particularly Procurement Actors was the major contributing factor for the organisations not to realise the value for money in public procurement. This finding concurred with those of Malima, (2009) and Fikya, (2008) who found that lack of funds led to poor achievement of value for money. But the findings were contrary with the study conducted by Abukari, (2014) who argued that unfamiliarity with laws and regulations is nothing towards procurement performance because of the challenge of contradictions within the

law itself. Again this finding was witnessed by one interviewed respondent from Chamwino DC who said:

“We at the council sometimes fail to comply with the PPA and its regulations due to contradiction of Bi-laws of the Council and other governing laws and regulations, for example sect.39 (1) and 60 (11) of PPA of 2011 contradict with reg. 22(3) and 27(3) of LGAR of 2014 concerning evaluation of tender and time frame of signing contract after approval of award by tender board respectively”

Meanwhile, lack and poor use of technical experts for preparation of Procurement Proceedings especially in designing stage with inspection on the sampled road constructed contracts, the researcher through documentary review of those projects files discovered that always the procurement staff who were fully involved in process of inspection of the completed road construction projects were ignored in contract management and monitoring stage especially inspection and receiving activities; nevertheless they were only involved in the activities like documenting the received and completed constructed roads directed to them from different engineering sections without direct observation to the physical completed road works. The same findings with this objective were found in the studies by Agbesi, (2009) and Malima, (2014) that , cost effectiveness, timely delivery and quality of road constructed works are the outcome of good planning activities done by experts including proper preparation and use of standard documents

In relation to unreliable flow of funds, as the documentary source of data indicated poor funding led to poor implementation of road construction projects among the LGAs, the researcher learnt that there was a limit to the amount that government could realistically spend to conduct its business. This limit was governed by the level of borrowing deemed prudent by Government and the level of direct and indirect taxes, which the population would bear in return for the public services provided. Thus, the Tanzania government sometimes failed to facilitate its LGAs (Kongwa DC, Chamwino DC and Dodoma MC in particular) towards funding them to implement various planned projects due to

unreliable sources of those funds especially from Donors. This was evidenced by one interviewed respondent who said

“Look here; three years now our District has failed to complete those two water projects because of unreleased funds from donors who had promised to support the Tanzania Government since 2012, so dependence from Donors limits our developments sometimes”

Likewise, the habit of using the same contractors repeatedly as evidenced from the findings among the LGAs, implies that the problem of shortage of competent contractors was still prevailing in the LGAs. Thus, the issue of competitions during tendering seemed to be very limited. Furthermore, one member of the Finance Committee from Dodoma MC Said *“some of our contractors who had been awarded road construction tenders were not serious in their works which led to late completion of their works”* This implied that there was lack of commitment of contractors.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter discusses the conclusions, recommendations and suggests areas for further research. It commences with the conclusions, recommendations, finally the need for further research is given.

6.2 Conclusions

The conclusions are based on the reality of each research objective that was well presented and then discussed in the previous chapter. Thus, the conclusions for all research findings were as hereunder indicated:

6.2.1 The enforcement of law during signing road works contracts by LGAs

As regards the enforcement of section 35 (3) and 36 (1) (g) of PPA of 2011 on the road Construction Projects in Tanzania, particularly Kongwa DC, Chamwino DC and Dodoma MC, the findings showed that, adherence to sections 35 (3) and 36 (1) (g) of PPA of 2011 on the road Construction Projects has been accomplished to a great extent. From the above view, it means that, due to this compliance, these institutions have benefited much towards ensuring proper use of public funds and value for money, therefore; it is noteworthy to conclude that, the LGAs in Dodoma Region complied in most cases to section 35 (3) and 36 (1) (g) of PPA of 2011 on the road Construction Projects.

6.2.2. The extent of value for money achievement on Road works in the LGAs.

Basing on cost, since the findings indicated that; the costs of most road construction projects sampled were above the planned and budgeted funds; therefore, it was noteworthy to conclude that compliance did not lead to value for money in the procurement of road construction projects. Additionally, with a focus on time frame for road construction contracts, it was found that, most of road construction works were completed late; therefore it is again noteworthy to conclude that compliance does not translate into timely road works delivery. Furthermore, the aspect of quality in relation to road construction works has not been realised for all Councils due to a number of problems found on the study and others pin pointed by users through focusing six criteria set aside as measures of standards.

Generally, through basing on the correlation coefficient findings presented above, the relationship between compliance on time, cost and quality of road construction project works can be rated as insignificant for almost all Districts.

6.2.3 The major challenges facing LGAs' road works on compliance with PPA of 2011 in Dodoma Region.

From the findings it can be conclude that, the compliance level to PPA No.7 of 2011 and its regulation on road construction projects basing on the proper use of procurement methods, good preparation of BOQ and Specifications by Procurement Actors still seemed to be a problem in all Councils. There was poor release of funds due to dependence on Donors. Also, presence of limited number of competent contractors and Suppliers of road works materials were the problems among Councils.

6.3 Recommendations

In light to the above findings; the following are the recommendations:

6.3.1 Training and Workshops

As it was found that most of the procurement practitioners failed to comply to the laws and regulation due to lack of knowledge and skills by not being familiar with the laws and regulations, therefore it is recommended that the Councils should promote in house and other trainings and workshops through funding them to attend even annually the PPRA and PSPTB training and other workshops whenever accessed.

6.3.2 Promoting own sources Revenue collections

As it has been found that most of the late completions of road construction projects were resulted from poor release of funds due to high dependence on donors; therefore, the Councils should promote their own sources revenue collections so as to reduce dependence on donors. Whereby they may decide to construct various roads by using own source collected than depending to donors for all roads they have as the resources are limited and sometimes by using their decision meetings the management may cover the contractors financial claims while waiting respective funds from financier for the specific project then after being released be returned to its proper budget allocated during planning.

6.3.3: Emphasise the collective responsibility within and outside the organisations

From the dissertation findings it was found that, the Councils face some problems like poor preparation of BOQ and specifications, lack of experts, poor inter and intra communications among procurement actors due to poor relationship, therefore to avoid those problems collective responsibility should be promoted. This will lead to the achievement of value for money for all procurement contracts. Furthermore, from the findings, it was revealed that, team working spirit, cooperation on preparation of procurement contract documents and commitments contributed a lot to the success of preparing good contract documents, and this smoothed the administration process and management as a whole of those proper signed road construction contracts in Kongwa DC, Chamwino DC and Dodoma MC. Therefore, it is recommended that, there is need

for public sectors especially Procurement actors to continue encouraging team working and cooperation during all stages of procurement activities.

6.3.4 Lesson to other similar PEs

The findings indicated that commitment of funds before signing the contracts was ensured to the great extent by Accounting Officers and due to this various challenges were addressed resulting in reduced delays in payments to contractors or suppliers, reduced contract overstating because of not demanding interest rates for timely completed contracts, reduced scope of contracts that consequently has improved the quality of works procured, reduced misunderstanding between the parties. It is therefore recommended that all other similar public entities should learn from these pilot areas (Kongwa DC, Chamwino DC and Dodoma MC) so as to improve the situation in their entities.

6.4 Areas for further studies

This study was conducted at Kongwa DC, Chamwino DC, and Dodoma MC in Dodoma region. The findings are related to these study areas which were public entities but focused in Local government Authorities unlike Central Government, Parastatals, and Agencies, hence further researches are needed basing on these areas where procurement activities are mostly depending on a single source of funds. This study did not concentrate on: procurement of goods, services (both consultancy and non consultancy services), building works, thus further researchers are encouraged to work on these aspects. Again another researcher may conduct a further detailed study by using a case study design unlike this dissertation that used cross-sectional design.

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APPENDICES

APPENDIX I: QUESTIONNAIRES

I am **Fridolin Matembo**, a student from Mzumbe University main Campus at Morogoro Region studying the degree of Master of Science in Procurement and Supply Chain Management (Msc - PSCM) in the school of Business (SOB). One of the requirements of degree award is to undertake research during the third Semester of the study.

The main objective of this questionnaire is to assess compliance on Public Procurement Act No.7 2011 and its regulations on road construction projects in Tanzania Local Government Authorities (LGAs). In addition, the researcher shall be able to analyse and understand the compliance of the above said law at Kongwa DC, Chamwino DC and Dodoma MC. Please be informed that, feel free to fill the questionnaire and the information you are going to be provided shall be treated as confidential.

INSTRUCTIONS

- i. Place a tick in the blanks (v) in front of the answer you feel it is your choice to the question.
- ii. Fill in the spaces provided in the question which solicits your comments or opinions.
- iii. If you feel you have something more to tell the researcher about these questions, you may write in the plain paper attached at the end of this questionnaire.

PART A: DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

1. Age of the respondent?
 - a) Below 20 years ()
 - b) Between 20 - 35 years ()
 - c) Between 35 – 55 years ()
 - d) Above 55 years ()
2. Highest academic qualifications.

- a) Certificate or Diploma level ()
- b) First Degree ()
- c) Post Graduate Diploma ()
- d) Master Degree ()
- e) Doctor of Philosophy (PHD) ()

3. How many years have you been working at your Organisation?

- a) 0 to 1 year ()
- b) 1 to 3 years ()
- c) 3 to 5 years ()
- d) 5 years and above ()

PART B: HOW DOES THE ENFORCEMENT OF SECTION 35 (3) AND 36 (K) OF PPA OF 2011 AND THE ROAD CONSTRUCTION PROJECTS IN THE LGAS?

4. Does the Accounting Officer (AO) commit fund for procurement before signing the contracts?

- a) Yes ()
- b) No ()

5. If the answer is yes to what extent AO does commits fund for procurement before signing the contracts?

- a) To very large extent ()
- b) To large extent ()
- c) To some extent ()
- d) To minimal extent ()

6. If the answer is no why not?

- a)
- b)

7. Do all road construction contracts being signed by all required parties prior approval of Tender Board?

a) Yes ()

b) No ()

8. If the answer is yes to what extent do all road construction contracts being signed by all required parties prior approval of Tender Board?

a) To very large extent ()

b) To large extent ()

c) To some extent ()

d) To minimal extent ()

9. If the answer is no why not?

a)

b)

PART C: HOW DOES THE ROAD CONSTRUCTION PROJECTS BEING ACHIEVED IN THE LGAS?

10. Respondents' suggestion on the Common means toward achievements on the road construction projects being achieved in the LGAs?

Non adherence to Rules, regulations and Laws due to:	Choice				
	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Most of employees understand the Public procurement Act No.7 of 2011 (PPA) and its regulations.					
There is no any challenges that AO face on funds commitment					
The PPA of 2011 and its regulations contribute nothing to the road construction projects during implementation					
All PMU staff in the organisation understand well to fill the Standard Tender Documents					
All the time the STD is properly prepared by PMU only.					
There is high competition in any tendering process in the organisation					
The concept "value for money" is very understood to all employees in the organisation.					
The Bill of Quantities (BOQ) and specifications in relation to road construction projects are professionally prepared by engineers only in the organisation.					

PART D: WHAT ARE THE CHALLENGES THAT FACES PPA NO. 7 OF 2011 AND ITS REGULATIONS ON IMPLEMENTATION OF ROAD CONSTRUCTION PROJECTS:

- 11.** Do Organisation gate difficulties in the application of rules, regulations and Laws (PPA No.11 during implementing procurement of road construction works in your organisation?. (Tick where appropriate) 1) SA= Strongly Agree 2) A=Agree 3) U= Uncertain 4) D= Disagree 5) SD= Strongly Disagree

Table shows: Respondents Suggestion on the Common major challenges that faced the PPA No. 7 of 2011 and its PPRs on implementation of road construction projects

	Choice				
	Strongly agree	Agree	Uncertain	Disagree	Strongly Disagree
Non adherence to Rules, regulations and Laws due to:					
Unfamiliarity with those Laws and Regulations					
Lack and poor use of technical Experts for preparation of Procurement Proceedings especially in designing stage					
Unstable flow of fund					
Lack of enough competent and committed Contractors/suppliers					
Are tender documents and technical specifications being prepared by appropriate personnel? are they properly being filled in?.					
Are Suppliers and Contractors familiar with evaluation process? , Are they satisfied by evaluation process always?					
Are Submission, Receipt and Opening of tenders done fairly?, and participatory? , Are all opening ceremonies done publically?					

APPENDIX II: INTERVIEW GUIDE

1. Does the user department achieve the cost effective in road construction projects?:Yes/No, If the answer is yes to what extent does the user department achieve the cost effective in road construction projects?, If the answer is no state at least two reasons.
2. Does the time management practiced in road construction projects?, If the answer is Yes at what time is it managed?, If the answer is no state at least two
3. Do the user departments submit the technical specification, BOQ and Drawings to PMU timely?, If the answer is Yes how does the user department submit the technical specifications, BOQ and Drawings?, If the answer is no state at least two reasons.
4. Does the AO appoint evaluation committee on time?, If the answer is Yes at what extent the AO mostly appoint evaluation committee timely?, If the answer is NO why not?
5. Do the quality reflected on the road construction projects?, If the answer is Yes at what extent does the quality reflected on the road construction project?, If the answer is No why not?
6. Were all road construction projects in your organisation completed? On schedule, behind the schedule or Ahead the schedule?
7. Were all contracts of road construction projects in your organisation completed, Within Budget, Above Budget or Below Budget?
8. Were all contractors of road construction projects in your organisation comply with quality in the form of, Standard, Substandard or Above Standard?
9. Were all contracts of road construction projects in your organisation, Within Budget, Above Budget or Below Budget?
10. Were all contractors of road construction projects in your organisation comply with quality in the form of; Standard, Substandard or Above Standard?