

**CAUSES OF CORRUPTION IN CONSTRUCTION PUBLIC  
PROCUREMENT IN TANZANIA:  
A CASE OF MANYARA REGION**

**CAUSES OF CORRUPTION IN CONSTRUCTION PUBLIC  
PROCUREMENT IN TANZANIA:  
A CASE OF MANYARA REGION**

**By:**

**Denis Mazigo**

**A Dissertation Submitted in Partial Fulfilment of the Requirements for the Award of  
Master of Business Administration (Corporate Management) Degree of  
Mzumbe University**

**2014**

**CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation/thesis entitled **Causes of Corruption in Construction Public Procurement in Tanzania: A Case of Manyara Region**, in partial/fulfilment of the requirements for the award of the degree of Master of Business Administration in Corporate Management of Mzumbe University.

\_\_\_\_\_  
Major Supervisor

\_\_\_\_\_  
Internal Examiner

\_\_\_\_\_  
External Examiner

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Last but not least, special thanks are due to the management of the Prevention and Combating of Corruption Bureau (PCCB) for their support and help in completing this program successfully.

## **DEDICATION**

I dedicate this work to my wife Haubert, my son Josephat, my daughters Joan and Doreen and my Mother Veneranda for their awesome support. Above all, the almighty God for the gift of life.

## **LIST OF ABBREVIATIONS**

AQRB:	Architects and Quantity Surveyors Registration Board
CRB:	Contractors Registration Board
EU:	European Union
FIDIC:	Fédération Internationale Des Ingénieurs – Conseils (in English, The International Federation of Consulting Engineers)
GDP:	Gross Domestic Product
ICC:	International Chamber of Commerce
IIAG:	Ibrahim Index of African Governance
MDA's:	Ministries, Departments and Agencies
NSGRP II:	National Strategy for Growth and Reduction of Poverty II
NORAD:	Norwegian Agency for International Development
OECD:	Organisation of Economic Co-operation and Development
PCA:	Prevention of Corruption Act
PCCA:	Prevention and Combating of Corruption Act
PCCB:	Prevention and Combating of Corruption Bureau
PCO:	Prevention of Corruption Ordinance
PE's:	Procuring Entities
PPRA:	Public Procurement Regulatory Authority
PPA:	Public Procurement Act
SAHRIT	Human Rights Trust of Southern Africa
TACECA	Tanzania Civil Engineering Contractors Association
TI:	Transparency International
UNGC:	United Nations Global Compact
URT:	United Republic of Tanzania
WB:	World Bank

## **ABSTRACT**

This study aimed at assessing the Causes of Corruption in Construction Public Procurement in Tanzania where by Manyara region was taken as the case study. Specifically, the study aimed; to examine the causes of corruption in Construction Public Procurement; to assess the construction public procurement process and the main types of corruption in each stage; to identify the main causes of corruption and to suggest measures of eradicating corruption in the construction public procurement in Manyara region.

The study employed a case study design where by 140 respondents were purposively selected among experts in construction professionals such as, consultants, architects, quantity surveyors, engineers, and contractors. Simple random sampling was used to select public officials from Manyara region. The data were collected by using questionnaires, interviews and documentary review. Both qualitative and quantitative data were analyzed using SPSS software. However, descriptive statistical methods such as averages, frequencies, charts, tables, graphs and percentages were used to analyse and present the findings.

The findings revealed that in all stages of procurement, corruption takes place including specification of the tender, the bidding process, the selection stage, the delivery stage and even at the evaluation stage, and the main causes of corruption are lack of transparency, bureaucracy, lack of legal framework, behaviour aspects of some unfaithful procurements officials, discretion, lack of accountability and even budgeting problems in the said area. The study recommends that there should be Compliance with Legislative Obligations and Public Policies, Avoiding conflicts of Interest, Use of an appropriately competitive process, Security and Confidentiality, Consistency and Transparency of procurement Process and even Fairness and Impartiality. These issues will result in a decrease or elimination of corruption practices among officials in constructions industry.

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## **CHAPTER ONE**

### **BACKGROUND INFORMATION**

#### **1.1 Introduction**

Corruption is disastrous to the sound functioning of any government department. Public procurement is increasingly recognised as a profession that plays a significant role in the successful management of public resources and a number of countries have become more aware of the significance of procurement as an area susceptible to mismanagement and corruption, and have thus instituted efforts to integrate procurement in a more strategic view of government efforts (Mahmood, 2011) Public procurement frameworks in developed and developing countries alike are recognized as being characterized by an unstable tension between the public expectations of transparency and accountability and of efficiency and effectiveness of resource management (Schapper, Malta and Gilbert, 2006). According to their views, this conformance - performance tension, manifesting throughout a complex procurement environment, is further damaged by conflicting stakeholder interests at the political, business, community and management levels and exacerbated by competing claims between executives, lawyers, technologists and politicians for lead roles in this arena.

According to Malta, Schapper, Gonzales and Berroa (2011), public procurement is a key aspect of public administration that links the public financial system with economic and social outcomes, and as such is a major determinant of the quality of community services and infrastructure, and the effectiveness of government. This function cuts across almost all areas of planning, programme management and budgeting, (Malta et al, 2011). In Tanzania, the construction industry has a remarkable contribution to the national economy. For example, in 2005 it contributed 8.5% of the GDP and in 2012 it contributed 8.9% of the GDP, largely driven by increases in the construction of residential and non-residential buildings, roads, bridges and land improvement activities (African Economic Outlook, 2011). Despite of this vital contribution to the GDP, the construction industry can not be exempted from corruption practices from project

planning, design, execution and commissioning. In Tanzania, construction public procurement is governed by the Public Procurement Act (PPA), 2011.

Public procurement procedures often are complex. Transparency of the process is limited, and manipulation is hard to detect. Few people becoming aware of corruption complain publicly, since it is not their own money but government money which is being wasted (Transparency International [TI], 2006). According to the World Bank report, corruption exists in all countries to varying degrees. It is systemic in many countries and that the social and economic costs of corruption are high and fall disproportionately on the poor (World Bank [WB], 1997). The report went on describing further that corruption burdens the private sector, deters foreign investors, and harms the environment. It undermines trust in government and diminishes the effectiveness of public sector (WB, 1997). As Shah (2011) observed, corruption is both a major cause and a result of poverty around the world. It occurs at all levels of society, from local and national governments, civil society, judiciary functions, large and small businesses, military and other services. Due to its negative effects in social, political and economical spheres in our societies, corruption is totally not acceptable and hence governments all over the world including Tanzania have been taking necessary measures to eradicate this scourge.

The fight against corruption in Tanzania can be traced back since colonial era in 1938 when the British government enacted a penal code to outlaw the corrupt practices that existed by then. In 1945 the second penal code was enacted and in 1958 the Prevention of Corruption Ordinance (PCO) was enacted. After independence of Tanganyika in 1961, the government inherited the PCO which continued to be in force until 1971 when the Prevention of Corruption Act (PCA) was enacted to repeal the PCO. The PCA was repealed in 2007 by the enactment of the Prevention and Combating of Corruption Act (PCCA) with better provisions to curb corruption in the country (Prevention and Combating of Corruption Bureau [PCCB], 2013). The PCCA No.11/2007 is the only

legislation that has attempted to make provisions to address corruption in public procurement in the history of fighting against corruption in this country.

The Mo Ibrahim Foundation on 2013 Ibrahim Index of African Governance (IIAG) ranked Tanzania as the 17<sup>th</sup> country on governance performance out of 52 African countries for the year 2013 with a score of 56.9% (IIAG, 2013). The Transparency International in its corruption perception index, ranked Tanzania on the 102 position out of 176 countries in the world with a score of 35 on perceived level of public sector corruption in the year 2012; the scores range between 0 and 100 where 0 means that a country is perceived highly corrupt and 100 means it is perceived as very clean (Transparency International, 2012). Based on these observations, the perceived level of corruption in Tanzania is still high.

## **1.2 Causes and Costs of Corruption**

Human Rights Trust of Southern Africa (SAHRIT) 2003, in its report tries to identify several factors as causes of corruption, these factors include; greed especially on the part of senior officials in both the private and public sector who loot assets and resources in institutions they are responsible for, for personal gain. Poverty and low salaries on the part of junior officials, especially those in the public sector who indulge in corrupt practices to supplement their poor salaries (SAHRIT, 2003). Flouting of laid down procedures, regulations and control mechanism by those in power and holding responsible positions in organisations for personal gain. The report went on describing other causes as excessive investment or discretionary power in an individual, existence of weak anti-corruption oversight institutions, lack of political and administrative will to combat corruption, lack of transparency, accountability and responsiveness within institutions, and weak legal frameworks to fight corruption.

Corruption affects all levels of social and economic development. The European Commission estimates that the economic costs incurred by corruption in the European

Union [EU] amounts to EURO 120 billion per year, representing around 1% of total EU GDP (Tuttle, 2012). Africa is richly endowed with human and natural resources. It however faces enormous development challenges (Agbazue, 2008). As observed by Transparent International: it is the only region of the world where poverty has increased in the past 25 years and half of the continent's population of 840 million people live on less than 1 USD per day. Agbazue (2008) has observed that the devastating effect of corruption include capital flight, misuse of grants and aid resources earmarked for development purposes and lack of service delivery, thereby severely contributing to the development crisis faced by Africa today.

Globally, the economic cost of corruption is estimated to be around US \$2.6 trillion, which is more than 5% of total global GDP (Transparency International, 2012). Clearly, there are disparities between various regions, with many European countries having stricter anticorruption legislations and enforcement techniques in place than regions such as Africa, Asia and the Middle East.

### **1.3 Statement of the Problem**

Corruption is becoming endemic and pervasive and a significant contributor to the low economic growth, inhibition of the provision of public services and increase in the inequality (FIDIC, 2004). This leads to corruption be considered as the single greatest obstacle to economic and social development. Corruption is likely to occur in procurement of works by governments, public authorities and other public entities due to large amount of money involved and the difficulty in monitoring the processes of money spending (*ibid*).

Due to the large sums of money that go into the construction sector, the incidences of corruption and corrupt practices in Tanzania is both intense and wide spread involving several professions (engineers, architects, surveyors accountants and managers) acting simultaneously either as contractors, suppliers, consultants or as representatives of

public sector clients or of donor/funding agencies (Tanzania Civil Engineering Contractors Association [TACECA], 2008).

As Organisation of Economic Cooperation and Development [OECD], 2007 observed, corruption delays and reduces expenditure on infrastructure investment, reduces the growth generated by a given expenditure on infrastructure investment, raises the operating cost of providing a given level of infrastructure services, reduces the quality of infrastructure services and limits access, especially for the poor.

The government of Tanzania has introduced legislation to tackle corruption and improve accountability mechanisms and ethical guidelines in the civil service. A broadly robust legal framework to prevent and deal with corruption is now in place (Norwegian Aid [NORAD], 2011). Key institutions are in place, mandated to investigate and prosecute corruption and to provide oversight and prevent corruption. Prevention and Combating of Corruption Bureau (PCCB) is one among those key institutions, others being the office of the Director of Public Prosecution and Ethics Secretariat. Hoseah (2009), in his presentation on efforts in curbing corruption in Tanzania mentioned PCCB as a law enforcement institution established and mandated by the PCCA No 11 of 2007 to prevent corruption, educate the society and enforce the law against corruption. PCCB has been working together with all stakeholders to fight corruption by making it high risk with low returns through education, prevention, detection and prosecution.

Despite the efforts dedicated by Prevention and Combating Corruption Bureau in tackling corruption and improve the rule of law in Tanzania, yet corruption is seen in most major construction projects, such as roads and building constructions. For example, there are some cases where the electricity projects are being constructed below the standard and hence not reflecting the value for money of the projects (CAG, 2006). This endangers the life of citizens and the national economy as well.

Tragedies resulting from the collapse of multi-storey skyscrapers in Tanzania are all too common and likely to keep occurring if the government does not curb corruption in the booming construction industry. Memories are fresh in the minds of many residents of Tanzania's commercial capital Dar es Salaam of a 16-storey building that collapsed on March 29<sup>th</sup>, 2013 killing 36 people and injured more than 100 others (Balile, 2013). The building was being constructed under a joint scheme between a private investor and the public agency, the National Housing Corporation. When poorly built homes collapse, because of corruption, not only money is lost but the result is that lives are lost and hundreds are injured.

It is due to the above incidences that the researcher found it pertinent to assess the causes of corruption in construction industry in Tanzania and propose measures to reduce or eliminate the endemic.

## **1.4 Objectives of the Study**

### **1.4.1 Main Objective**

The main objective of this research was to determine the causes of corruption in construction public procurement in Tanzania and propose eradication measures.

### **1.4.2 Specific Objectives**

The specific objectives of this research were as follows:

- i. To determine the construction public procurement process and the kind of corruption at each stage in Tanzania.
- ii. To determine the causes of corruption in construction public procurement in Tanzania.
- iii. To propose measures that should be instituted to eradicate corruption in construction public procurement in Tanzania.

## **1.5 Research Questions**

The research study addressed the following questions:

- (i) What are the constructions public procurement processes in Tanzania and what are the kinds of corruption at each stage?
- (ii) What are the causes of corruption in construction public procurement in Tanzania?
- (iii) What measures should be instituted to eradicate corruption in construction public procurement in Tanzania?

### **1.6 Significance of the Study**

The Prevention and Combating of Corruption Act (2007), lays down means of fighting corruption in Tanzania including law enforcement through prosecution of culprits before courts of law, strengthening of systems through research and control and public awareness through community education programs. Since this study is aimed at determining the causes of corruption in construction public procurement and ranking them in severity order coupled with proposed solutions to eradicate the same, the results of this study will be useful to researchers to advance knowledge both in academic and non academic institutions, law enforcers and community educators in the fight against corrupt practices in construction public procurement.

Since we are all involved in the fight against corruption, the results of this study will be useful to Procuring Entities (PE's) in Ministries, Departments and Agencies (MDA's) to take administrative actions to prevent corruption in construction public procurement in their respective jurisdictions.

It is self evident from both experience and practice that curbing corruption in any particular meaningful setting should require both deterrent and preventive measures, and that no one measure should be sacrificed or overemphasised at the expense of the other (Hoseah, 2008).

Indeed, the results of this study will be of great importance to clients, consultants and contractors as main stakeholders to undertake corruption eradication measures and hence refrain from corrupt practices in construction public procurement.

### **1.7 Limitations of the Study**

During the research study, the researcher encountered the following limitations:

**(i) Inaccessibility of data**

Due to confidentiality and bureaucracy, some of the respondents/staff were reluctant to give out some of the information.

**(ii) Non-responses**

Some of the respondents did not respond to give information to the researcher, the situation forced the researcher to produce other questionnaires and give them to respondents who were willing to give the information.

### **1.8 Scope of the Study**

This study was conducted at Babati Town Council, Babati District Council and Hanang District Council in Manyara Region. The study only concentrated on determining the causes of corruption in construction public procurement in Manyara region.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter covers theoretical literature review, empirical literature review and conceptual framework for the study.

#### **2.2 Theoretical Literature Review**

##### **2.2.1 Definition of Key Concepts**

###### *Corruption*

The term ‘corruption’ is too broad to be defined by a single definition, the Prevention and Combating of Corruption Act (2007), does not define the term ‘corruption’ instead it provides for 24 corruption offences, thus according to this act, corruption is manifested through offences. According to Transparency International (2006), corruption can be defined as “the misuse of entrusted power for private gain”. Szeftel (1998), cited in Shakantu (2003), who is also cited in Zou (2006), expands the definition of corruption as the "behaviour which deviates from the norms, rules and duties governing the exercise of a privileged role or office for purposes of private gain.

Corruption is a complex and multifaceted phenomenon with multiple causes and effects, as it takes on various forms and functions in different contexts. The phenomenon of corruption ranges from the single act of a payment contradicted by law to an endemic malfunction of a political and economic system (Søreide, 2002). The problem of corruption has been seen either as a structural problem of policies or economics, or as a cultural and individual moral problem. The definition of corruption consequently ranges from the broad terms of misuse of “public power” and “moral decay” to strict legal definitions of corruption as an act of bribery involving a public servant and a transfer of tangible resources (Research on Corruption; A Policy Oriented Survey 2000).

There are two broad classifications of corruption, which are however, not mutually exclusive, they include:

### *Petty Corruption*

According to Byrne (2009) petty corruption is the every day corruption that takes place at the implementation end of politics, where the public officials meet the public. Petty corruption is bribery in connection with the implementation of existing laws, rules and regulations. It is the kind of corruption that people can experience more or less daily, in their encounter with public administration and services like hospitals, schools, local authorities, police and so on.

### *Grand Corruption*

Grand or high level corruption, distinguished from petty corruption involves political decision makers. Grand corruption takes place at the high levels of the political system, when politicians and state agents entitled to make and enforce the laws in the name of the people, are using this authority to sustain their power, status, and wealth. This type of corruption not only leads to the misallocation of resources, but it also perverts the manner in which decisions are made. Grand corruption is at the top level of the public sphere, where policies and rules are formulated in the first place (Bayrne, 2009).

Other key terms in this study include:

### *Procuring Entity*

Means a public body and or any other body, or unit established and mandated by government to carry out public functions (PPA, 2011).

### *Corrupt practices*

Means the offering, giving, receiving or soliciting of anything of value to influence the action of a public officer in the procurement process or contract execution (PPA, 2011).

### *Contractor*

Means a firm, a company, corporation, organisation, partnership or an individual person engaged in civil, electrical or mechanical engineering or in construction or building

work of any kind including repairs and renovation, and who is according to the context, a potential party or the part to a procurement contract with the procuring entity (PPA, 2011).

#### *Consultant*

Means a firm, company, corporation, organisation, or an individual person engaged in or able to be engaged in the business of providing services in architecture, economics, engineering, surveying or any field of professional services, and who is, according to the context, a potential party or the party to a contract with the procuring entity(PPA, 2011).

#### *Goods*

These are raw materials, products, equipment, and other physical objects of every kind and description, whether in solid, liquid/gaseous form, electricity, intangible assets and intellectual property as well as services incidental to the goods provided that value of the services does not exceed value of good themselves (PPA, 2011).

#### *Works*

All activities associated with the construction, reconstruction, demolition, repair/ renovation of a building structure, road, airfield; any other works, such as site preparation, excavation, erection, building, installation of equipment/ material decoration and finishing, works which are tendered and contracted on the basis of performance of a measurable physical output such as drilling, mapping, satellite photography or seismic investigations (PPA, 2011).

#### *Services*

Means any object of procurement other than goods or works which involve the furnishing of labour, time/ effort including the delivery of reports, drawings/designs or hire/ use vehicles, machinery or equipment for the purpose of providing transport, or for carrying out work of any kind with or without the provision of drivers, operators or technicians (PPA, 2011).

### *Tenderer*

Means any natural or legal person or group of such persons participating or intending to participate in procurement proceeding with a view to submitting a tender in order to conclude a contract and includes a supplier, contractor, service provider or asset buyer (PPA, 2011).

### *Tender Document*

Means a written document or electronic document or request for proposal inviting tenderers to participate in procuring or disposal by tender proceeding and includes document inviting potential tender for pre-qualification (PPA, 2011).

### *Public Procurement Regulatory Authority (PPRA)*

Is a regulatory body established under the Public Procurement Act no.7 of 2011. The authority is charged with regulatory functions and vested with oversight powers and responsibilities on all public procurement activities carried by all public bodies in the mainland Tanzania (PPA, 2011).

## **2.2.2 Construction Public Procurement**

“Public procurement refers to all contracts between a government (government department, publicly owned corporations and other types of agencies) and companies (public or private) or individuals” (Transparency International, 2006)”. The Public Procurement Act (2011) defines “procurement” as: buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity spending public funds on behalf of a ministry, department or regional administration of the Government or public body and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation and award of contracts.

Transparent International (2006), in the handbook for curbing corruption in public procurement defines procurement broadly as:-the preparation, award and implementation/administration of contracts for goods, works and other services and thus covers not just the narrow selection of a contract partner by a purchasing body and the actual entering of a contract between the two, but the entire process from needs assessment through preparation, award and implementation/administration of contracts for goods, works and other services such as consultant services of a technical, financial, legal or other nature.

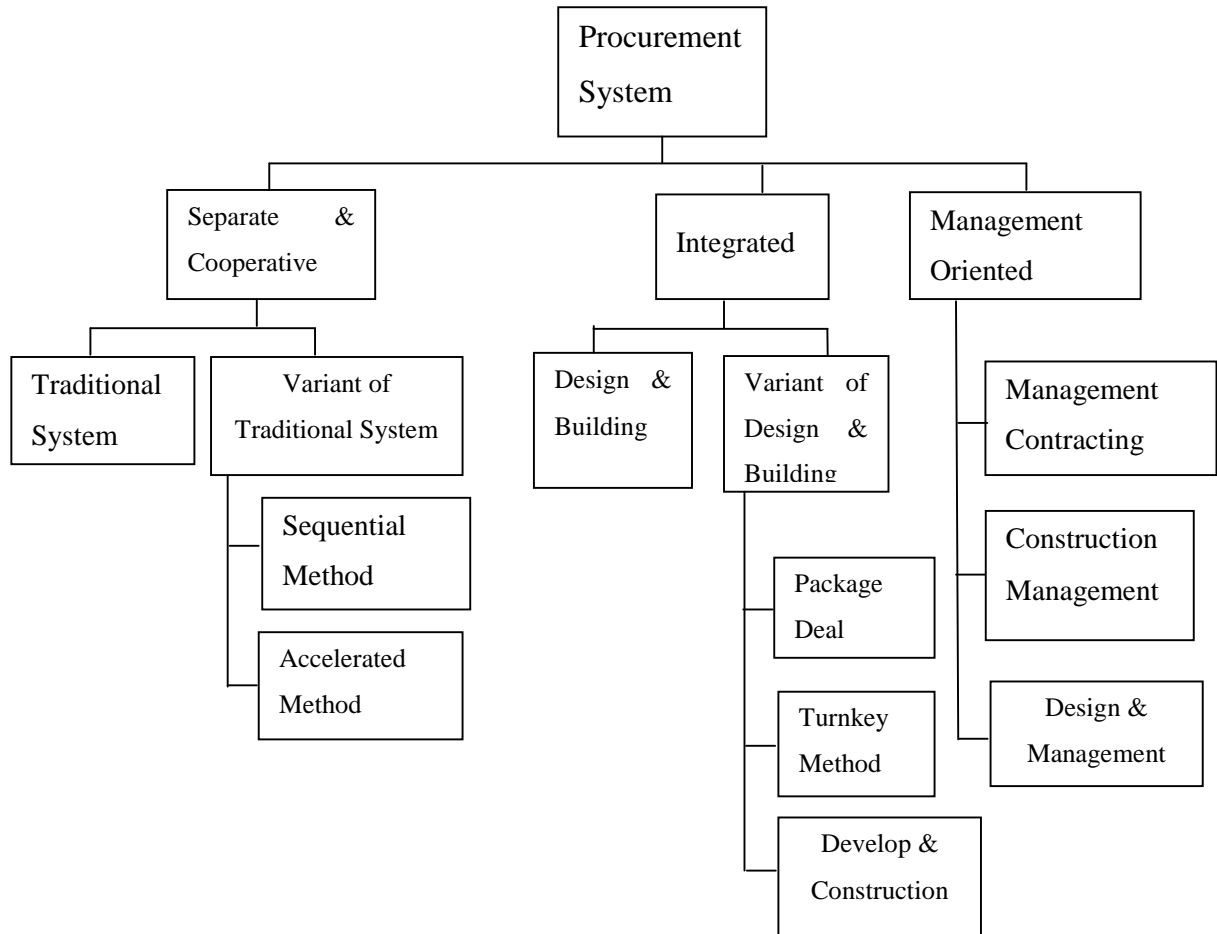
Construction public procurement is therefore defined as the preparation, award and implementation or administration of contracts for works or services in the construction industry by a procuring entity spending public funds on behalf of a ministry, department or regional administration of the government or public body.

### **2.2.3 Types of Procurement Systems**

Project procurement has been described as an organised methods or process and procedure for client to obtain or acquire construction products. Apart from the traditional approach, there are now new other fast- tracking or innovative procurement systems used by the construction industry worldwide. The different systems differ from each other in term of allocation of responsibilities, activities sequencing, processes and procedures and organisational approach in project delivery.

Mastermann (1994) cited in Rashid *et al* (2006), classifies project procurement systems into three main categories viz. Separated and cooperative system, integrated system and management oriented system; these categories are further subdivided into several procurement systems based on the relationship and critical interaction between design and construction responsibilities as shown below: -

**Figure 2.1: Procurement Systems**



Source: Mastermann (1994) cited in Rashid *et al*, 2006

Following below is a brief explanation of each of the procurement system as observed by Rashid et al. (2006):

- a) **Separate and cooperative:** under this system the responsibility of designing and construction of the project are separated and are carried out by different independent organizations, namely the designer and contractors. It is sometimes called multiple responsibilities contracting approach. It is a system where the project development activities start from feasibility study, preliminary design, and documentation to construction and hand over, duties are carried sequentially one after another. Traditionally, the complete working drawings or design has to be prepared by the designer before tender and construction activities can take place. It is sub-divided

into two sub categories that are Tradition system and Variant of the traditional systems. The variant system is further sub- divided into sequential method and accelerated method.

Under the sequential method, the owner will appoint a team of consultants to act on his behalf to produce construction drawings, specification and tender document and to administer the tendering process to select a contractor. The accelerated method can be considered as an innovative approach to speed up the selection of contractor and the commencement of construction. The method involves preliminary decision with selected few contractors, submission of fixed tender and or costs negotiation.

- b) Integrated Procurement System: the system integrates or combines the responsibilities of design and construction of the project. It is also called a parallel or single responsibility procurement system where by the client will only need to deal with a single organization for both design and constructing the proposed project. Design and build system fall under this category of project procurement system, where by the client together with his consultant will prepare a tender document that include the project briefing and client's requirements and invite a number of contractors to bid. The variation or innovation to this mode of project delivery system includes *package deal*, *turnkey* and *develop and construct*.

Package deal contracting is a type of procuring method where a contractor is given the responsibility for every thing that is required necessary for the design, construction and delivery of the project. Turnkey method is where a contractor is commissioned to undertake the responsibilities for everything necessary and required for the construction, completion, commissioning and handover the project. The word 'turnkey' means that upon completion, the client is given the key and can enter the project by turning the key. Develop and construct is another integrated procurement approach which is very similar to design and build, the only difference is that, under

this method the client's design consultant prepares the concept sketches or design and pass them to the contractor who will develop them and produce the detailed working drawings. The contractor will then construct and complete the project based on what it has been developed and produced.

- c) Management Oriented Procurement System: the system gives greater emphasis on the management and integration of the design and construction of projects. Under this system the management of the design and construction of a project is contracted out to a contractor who acts as a management consultant on behalf of the client. Three types of procurement methods fall under this category: management contracting, construction management and design and management.

Management contracting and construction management contracting are forms of fast tracking procurement approaches where by a contractor is contracted and paid a fee to manage, procure and supervise the construction of a project rather than to build the project. The main different between the two is that, in the former, the package contractors are in contract with the management contractor. In the latter, the package contractors are in contract with the client or owner. Under the design and manage system, a single organization is commissioned to be responsible for designing the project and managing its construction.

Rashid et al. (2006) demonstrates that, in allocating duties between client, design and construction consultant and contractors, each procurement system has to pass through various stages of procurement specifically on the duration of the project development and the starting point of the construction. Stages of procurement include project briefing, feasibility study, concept design, detailed design, tender and contract, construction and commission and handover. Each stage of construction involves different parties with different expertise, and it is at these stages if not carefully handled corruption practices are likely to occur among different parties involved.

The allocation of duties can be summarized in the table below:

**Table 2.1: Allocation of duties between clients, design & construction consultants and contractors**

Procurement System	Stages of procurement	Responsible parties	
		Specific parties	Overall parties
Linear or Sequential Process of the Traditional Procurement System	1. Project brief 2. Feasibility study 3. Concept design 4. Detail design 5. Tender & contract	-	Client & Consultant
	6. Construction 7. Commission & handover	-	Contractor
Integrated Process of Project Designing and Construction in the Design and Build Procurement System	1. Project brief 2. Feasibility study 3. Tender documentation	-	Client & Consultant
	4. Concept design 5. Tender & Contracting 6. (a) Construction (b) Detailed Design 7. Commission & handover	-	Contractor
The Process of Project Designing and Construction in the Management Contracting & Professional Construction Management Procurement System	1. Project brief 2. Feasibility study 3. Tender documents & client's requirements	-	Client & Consultant
	4. Concept design 5. Bidding contracting	-	Management Contractor
	6. (a) Detailed design and/or shop drawings (b) Construction	Package Contractor	
	7. Commission & handover	-	
The Process of Project Designing and Construction in the Design and Manage Procurement System	1. Project brief & client's requirements 2. Feasibility study	-	Construction Manager
	1. Concept design 2. Detailed design 3. Bidding contracting	Design Consultant	
	4. Construction 5. Commission & handover	Package Contractor	

Source: Rashid *et al*, 2006

The table above shows the allocation of duties on each stage of procurement and it further shows clearly responsible parties in executing various duties on each stage of the procurement. Responsibility on each part can be divided into two groups, namely;

specific parties and overall parties. Specific parties include package contractor, design contractor and package contractor who will deal with specific parts of the procurement stage. Overall parties involve client and consultant, contractor, management contractor and construction manager.

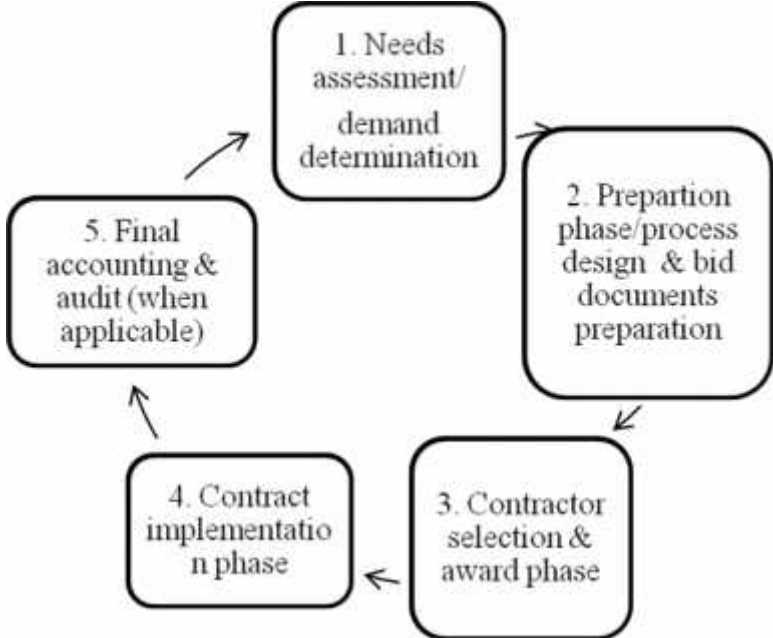
#### **2.2.4 Corruption in Construction Public Procurement**

Zou (2006), discloses that corruption is likely to occur in public procurement due to large amount of money involved and the difficulty in monitoring the processes of money spending.

A study by Ayodele *et al* (2011), in Nigerian construction industry found that corruption is caused by poverty level, excessive love for money/greed, and politics in award of contract/God-fatherism and professional indiscipline. Other causes include profit maximization by contractors, quackery, fall-out of endemic societal corruption and favouritism.

TI (2006), and FIDIC (2004), point that the entire procurement cycle is normally at risk of corruption i.e. corruption is most likely to occur in all procurement cycle stages. The procurement cycle is presented in the following figure:

**Figure 2.2: Procurement Cycle**



Source: Transparency International, 2006

The following below is an explanation of corruption risks in each procurement cycle.

**Table 2.2: Corruption Risks and Procurement Cycle**

No.	Procurement Phase	Corruption risks
1	Needs assessment phase/Demand determination	<ul style="list-style-type: none"> <li>• Unnecessary investment</li> <li>• No systematic leak detection</li> <li>• Investment is economically unjustified</li> <li>• Overestimation of needs to favour a particular contractor</li> <li>• Inclusion of political favours and kickbacks in the budget</li> <li>• Conflicts of interest are left unmanaged</li> </ul>
2.	Preparation phase/Process design & bid documents preparation	<ul style="list-style-type: none"> <li>• Biased bidding documents to favour a particular contractor</li> <li>• Goods/works or services are over- or underestimated to favour a particular contractor</li> <li>• Unnecessary complexity of bidding documents</li> <li>• Biased design to favour a particular contractor</li> <li>• Abuse of direct contracting grounds</li> </ul>
3.	Contractor selection and award phase	<ul style="list-style-type: none"> <li>• Decision makers are biased</li> <li>• Selection criteria allow biasness</li> <li>• Leakage of confidential information</li> <li>• Grounds of selection are kept confidential</li> <li>• Excessive price as a result of limited or no competition</li> </ul>
4.	Contract implementation phase	<ul style="list-style-type: none"> <li>• Winning contractors compensate bribes with substandard works</li> <li>• Contract change orders introduce substantial changes to the contract in small increments to be decided by the site engineer</li> <li>• Fictitious claims are honoured</li> <li>• Contract renegotiation introducing substantial changes is allowed rendering the bidding process useless</li> </ul>
5.	Final accounting and audit (when required)	<ul style="list-style-type: none"> <li>• Accountants and auditors are bought and are willing to support false certificates</li> </ul>

Source: Transparency International, 2006

#### **2.4.5 Anti- Corruption Strategies in Public Procurement in Tanzania**

PPRA embarked on a task of preparing an anti corruption strategy in public procurement in order to assist it and the government at large, to minimize corruption in public procurement and enables it to monitor and measure the level of corruption by using baseline indicators. The development of anti- corruption strategy was aimed at tackling the problem of corruption in public procurement (PPRA Journal, 2010).

The journal explains further, on PPRA efforts to prevent and combat corruption in public procurement and major achievements has been made in the following areas:

- a) Setting up of a sound legal and regulatory framework for fighting corruption in public procurements.
- b) Growth of PPRA to become a fully functional oversight body and a key player in monitoring and ensuring compliance with the legal framework there by limiting opportunities for corruption.
- c) Improve capacity of the Prevention and Combating of Corruption Bureau (PCCB) to investigate and prosecute cases of corruption, and,
- d) Introduction of construction sector initiatives in public procurement, thus paving the way for much needed innovative approaches to enhancing transparency and accountability in the procurement process.

The PPRA efforts to curb corrupt practices in procurement processes are being backed up by the Public Procurement act No. 7 of 2011. Public Procurement Act, 2011 section 83 (1) stipulates among other things that; the procuring entities and tenderers under public financed contracts shall proceed in a transparent and accountable manner during the procurement and execution of such contracts.

Section 83 (2) of the act describes that where a procuring entity is satisfied after appropriate investigation, that any person or firm to which it is proposed that a tender be awarded has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for a contract in question, it may:

- a) Reject a proposal for award of such contract.
- b) Declare any person or tenderer including its directors ineligible for a period not less than 10 years to be awarded a public financed contract.

Moreover, under Section 84 (1) the act describes that; no person shall, with intent to gaining an advantage or concession for himself or any other person;

- a) Offer any member or an associate of an employee of a tender body or its committee or any employee or an associate of an employee of a tender body or its committee or

any consultant or an associate of any consultant or a person or an associate of any person providing services, a gift of money or other valuable things; or,

- b) Approach any member or any associate of a member of a tender board or its committee or any of its officers or an associate of such officer with respect to any matter that is before that tender board or committee or that is expected to come before a tender board or a committee.

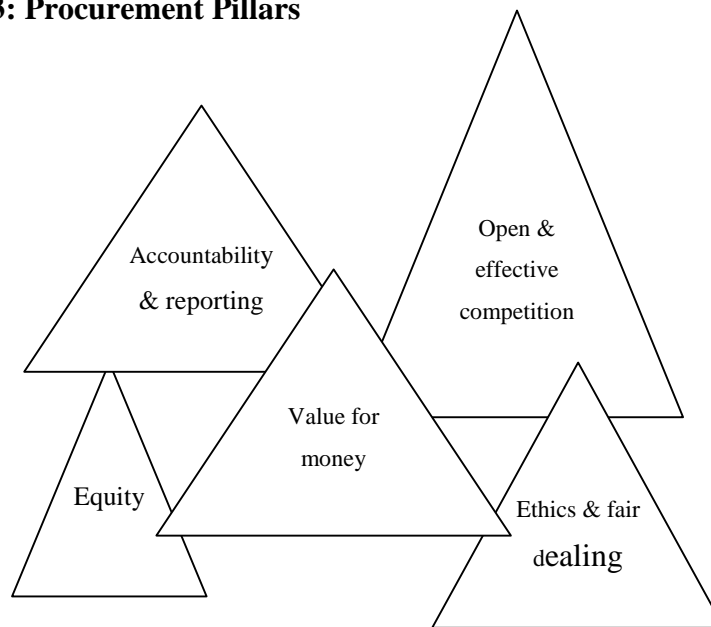
### **2.2.6 Effects of Corruption in Construction Public Procurement**

Zou (2006), perceives corruption as an endemic and pervasive problem throughout the world; it is a significant contributor to the low economic growth, inhibition of the provision of public services and increase in the inequality. Kenny (2007), argues that corruption does not only lead to poor quality construction, poor project selection and insufficient maintenance of assets but also significantly reduces the economic return to investments, and carries high human costs in terms of injuries and deaths.

### **2.2.7 Measures to Eradicate Corruption in Construction Public Procurement**

To prevent corruption in construction public procurement, Zou (2006), suggests three strategies viz. development of honest and ethical construction culture, institution of random and regular checks and supervision of processes and works over project life cycle. Proper and successful public procurement rests on five pillars of procurement as presented in the figure below:

**Figure 2.3: Procurement Pillars**



Source: Government of the Republic of South Africa, 2002

Corruption in construction industry can be reduced by reducing discretionary powers of public officials (to decide contract winners and contract terms, or interpret regulatory compliance) and less needs (few contracts) and increase the possibility of culprits being caught (Kenny 2007). Eradication of corruption does not merely depend on excellent rules on procurement but it should be supplemented by qualities like accountability and integrity. Higher wages should be coupled with improved working conditions, specified areas of responsibility and delegation of authority to promote these values (Søreide, 2002).

### **2.3 Empirical Literature Review**

Some studies on the causes of corruption analyse the possible causes of corruption by regressing indices of corruption on a number of factors. Several of these factors are related to the extent of government interventions in economy and, more generally, to variables that are determined by government policy e.g. civil service wages. Where regulations are pervasive and government officials have wide discretion in applying

them, private parties may be willing to pay bribes to government officials to obtain a rent that the regulations may generate. Low wages in the civil service relative to private sector wages are also a potential source of petty corruption. That is, when civil servants are not paid enough to make ends meet, they may be obliged to use their positions to solicit bribes especially when the expected cost of being caught and punished is low (Mauro, 1997).

According to several studies, corruption in the construction industry is caused by a number of factors such as, greed, moral indecency and poor law enforcement; others include lack of control and accountability of public officials, lack of effective corruption reporting system and moral decay. This statement is supported by the following authors:

Adebayo (2008) argues that corruption in construction industry is an outcome of the country's legal, economic, cultural and political institutions. Profit maximization by Contractors is one of the reasons for corruption. Award of, and payment for, contract (several millions) will bureaucratically pass through the poorly paid Civil Servants. Such processes and circumstances usually pave way for corruption (i.e. civil servants taking their illegal shows).

A study by UNDP (1997), conducted in Nigeria revealed that one of the causes of corruption in the construction industry is the poverty level of the populace; this is in agreement with the Nigeria's poor salary, relative to other countries in the region. According to Odusola (2004), in 1998 Nigeria's lowest salary was about \$228 per annum against Namibia's \$4,411 and South Africa's \$4964. The highest salary in Nigeria was \$9,138 against Namibia's \$50,483, South Africa's \$60,273. Other causes of corruption are politics in awards of contract/God fatherism and excessive love for money/greed, Arowolo (2008).

Wensink and Marten de Vet (2013), in their study, on identifying and reducing corruption in public procurement in the European Union, revealed that there is a need of having a sound public procurement system so as to reduce risks of corruption. There is a need to have a sound procurement system which is based on *rules*- Countries should therefore, have an adequate legal and regulatory public procurement framework in place to promote fairness and discourage discrimination and favouritism.

A sound public procurement encourages *competition* in bidding of government contracts. In most cases, competition result in better quality and lower cost. However, certain special circumstances require alternative modes for letting contract lead to better results. Successful alternative modes presuppose that rules and regulations should be clear and unambiguous on the circumstances that justify the use of such alternative modes. Moreover, there should be clear rules to limit *discretion* in deciding when to use these alternatives. A sound procurement system promotes *transparency* that will ultimately increase the public confidence that the government is providing legitimate services for the citizens rather than increasing their private wealth, or that of their relatives, friends or interest. This can best be achieved by increasing transparency throughout the entire procurement process.

A sound public procurement system strengthens accountability so that government officials can be held responsible for their actions and decisions they make. They went on describing that, a sound public procurement system is *economic*. This means that the government should procure goods, works, and services at a reasonable cost and with reasonable good quality which is *value for money*. A sound public procurement system is *efficient* and therefore, procurement rules and procedures must encourage reasonable length of time in the procurement process and timely delivery of the goods, services and works.

Transparency International (2006) in its Hand Book for Curbing Corruption in Public Procurement suggests that, for a sound and good quality services, there is a need for strong procurement systems. The systems must be transparent; this means that everybody can see what is going on. The governments, bidders, and contractors should be held accountable for their actions. TI suggests that, good procurement systems are shaped by clear regulations that meet the international standards, and must be overseen by strong institutions that enforce those rules.

The system should also provide access to information and effective complaints mechanism and people be free to report suspected corruption confidentially. All parties involved in the procurement process should be honest and ensure that every one involved not taking bribery, collusion or get involved in corrupt practices.

Mawenya (2008), in his study on Preventing Corruption in African Procurement argues that, it is impossible to eradicate corruption anywhere, Africa included. However, it is possible to reduce it to marginal levels that do negligible damage to the economy. This has been done in most developed countries and can be achieved in Africa by a holistic approach that makes every one aware that corruption is a criminal act that will be discovered and severely punished. This approach requires effective monitoring and audit systems; enforcement agencies must be able and willing to take action against offenders regardless of their status. It also requires incorruptible judicial systems that can make and enforce convictions. Hence, anti-corruption strategies adopted by most African countries are based on a holistic approach that addresses political will and commitment, legal and regulatory framework, transparency and accountability, and public service reforms.

He went on describing that the fight must start with explicit commitment to eradicate corruption in all manifestation at the highest level of government. Political commitment is a necessary condition for procurement reforms. The study insists that, in order to keep

client official accountable, a comprehensive legal and regulatory framework governing public procurement must be implemented. Equal opportunity and fairness for all in the bidding process will ensure a sound and transparent system. A transparent procurement system will promote competition and empowerment of domestic contractors and consultants. Political will can combat corruption from all levels of leadership e.g. from professional groups, the private sector, trade unions, religious institutions and other civil society groups.

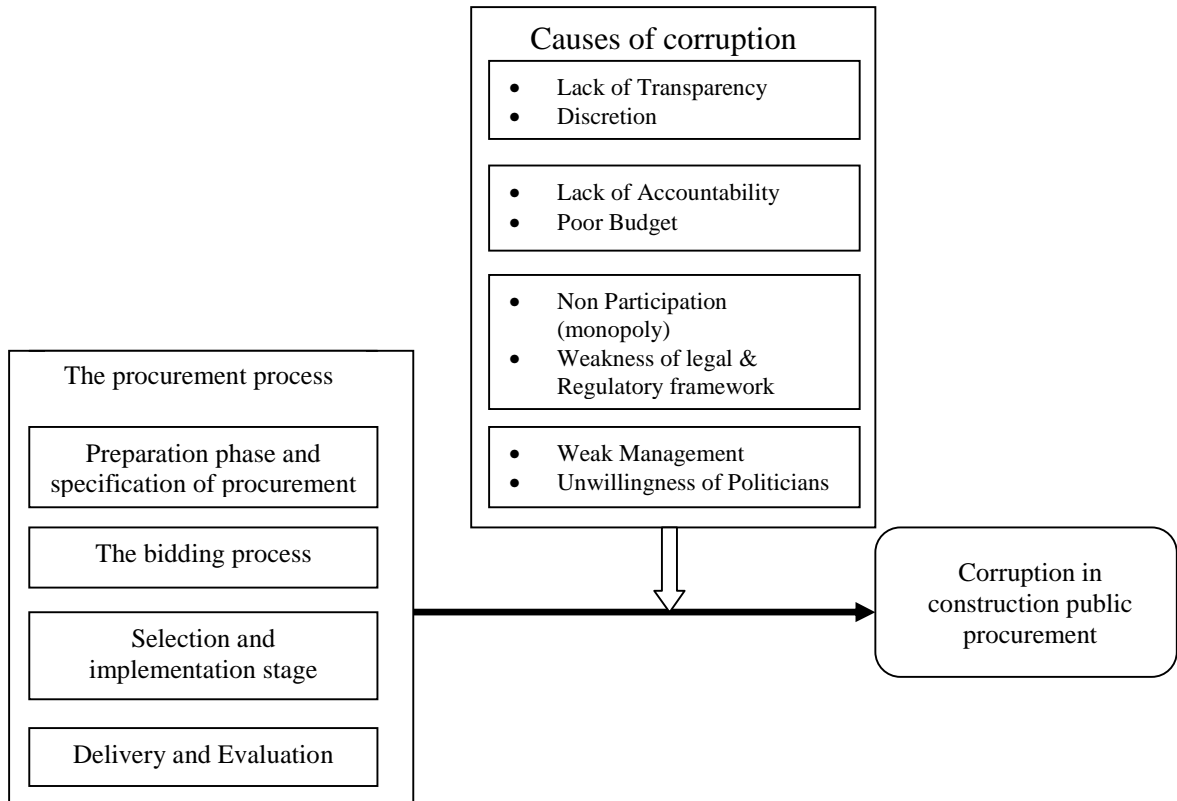
#### **2.4 Research Gap**

This study was conducted to explore the causes of corruption in public procurement in construction industry in Tanzania. From the review of literatures, the researcher has noted that, though many scholars have ascertained the fact that there exists corruption in construction industry, neither of them has touched on the causes of corrupt practices in construction industry in Tanzania, particularly Manyara Region. This study therefore aimed at filling this gap.

#### **2.5 Conceptual Framework**

According to Mugenda (2003), a conceptual framework is a graphical or diagrammatic representation of the relationship between independent and dependent variables in a study. It helps the researcher to see the proposed relationship between the variables easily and quickly. In this study, the conceptual framework is based on corruption in construction public procurement.

**Figure 2.4 conceptual framework**



Source: Researcher’s construction, 2014

The study framework is based on Robert Klitgaard’s model; it indicates independent variables, intervening variables and dependent variables. According to the conceptual framework the independent variables constitute the overall procurement procedure in the construction industry while intervening variables are the causes of corruption and the last part is the corruption in construction public procurement.

According to the conceptual framework corruption can occur in any of the stages such as at the preparation and specification of procurement phase, during the bidding process, the selection process or even at the delivery process. But under all these processes there should be factors that contribute to the occurrence of corruption.

The factors which cause corruption are said to be intervening variables which include lack of transparency on stages mentioned above, discretion, lack of accountability, non participation or monopoly, weak management and even poor budget in respective areas. These factors are said to be the intervening variables which contribute to the occurrence of corruption in the mentioned areas.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter comprises the research methodology in terms of research design, study area, sampling techniques and sample size. Moreover, the chapter presents data collection methods and data analysis techniques.

#### **3.2 Research Design**

Research design has been defined by Kothari (1997:54), as plan of action through which a researcher organizes his/her work from data collection, data organization to data analysis. There are many research designs. This study used a case study design which is defined as an empirical inquiry that investigates contemporary phenomenon and context which is not clearly evident, and in which multiple sources of evidence are used (Yin, 1994:23). This design has been opted for the reason that it enabled an in-depth investigation of the phenomenon provided a deeper insight and better understanding of the causes of corruption in construction public procurement in Tanzania.

#### **3.3 The Study Area**

Manyara region is one of Tanzania's 30 administrative regions. The regional capital is the town of Babati. According to 2012 national census, the region had a population of 1,425,131 people. The region is administratively divided into five districts, namely, Babati, Hanang, Kiteto, Mbulu and Simanjiro. This study had been conducted in Babati and Hanang districts where by the population of Babati is 405,500 people and that of Hanang is 275,990 people. Residents of Manyara region are mostly farmers. The region's economy is based on the mining of Tanzanite gems on the Mererani hills in north, on the border with Arusha region. Other sources of income are from tourism to the Tarangire National Park, which is entirely located in the region, and Lake Manyara National Park (URT, 2013). These areas had been selected due to the fact that the region is currently undergoing major rehabilitation projects starting from construction of roads

to new office buildings to accommodate various government offices, therefore various stakeholders in the construction industry could be easily found.

### **3.4 Sampling Methods**

#### **3.4.1 Sampling Techniques**

The researcher used both judgemental sampling and simple random sampling techniques. Judgemental sampling is a non probability sampling technique where by the researcher selects units of enquiry based on their knowledge and professional judgement. Judgemental sampling design is usually used when a limited number of individuals possess the traits of interest. It is the only viable sampling technique in obtaining information from a very specific group of people/key informants.

Simple random sampling is a probability sampling technique in which each member of the population has an equal chance/probability of being chosen. Simple random sampling was used to select public officials from selected entities where by the researcher obtained the list of all officials in the region and used a table of random numbers to select 65 officials.

#### **3.4.2 Sample Size**

Experts in construction industry based in Manyara region were selected by judgemental sampling; they were interviewed to facilitate compilation of causes of corruption in construction public procurement. The researcher selected 10 experts among consultants, 10 architects, 10 quantity surveyors, 15 engineers, and 10 contractors. The researcher also included 65 permanent public officials from selected districts and at Regional level such as, Regional Administrative Secretary's office -RAS and National Road Agency-TANROADS, and 20 ward councillors. This made a total of 140 respondents. The professionals had experience in construction industry for at least five years. Contractors were required to be registered by CRB in classes not below class six and whose firms have worked in public construction works in not less than five years.

This number of respondents was sufficient to give the results that were used by the researcher to conclude and give relevant recommendations of this study. Data were collected from the offices or premises of the selected constituents. The interviews were made to both male and female respondents to obtain their views and perception on causes of corruption in construction public procurement in Manyara region.

Manyara was chosen due to accessibility by the researcher to obtain the needed data, reduce cost and limited time.

**Table 3.1 Distribution of the Expected Sample Size**

Category of respondents	Sample size
Architects	10
Consultants	10
Quantity surveyors	10
Engineers	15
Contractors	10
Permanent public officials	65
Ward councillors	20
<b>Total</b>	<b>140</b>

Source: Researcher's Construction, 2014

### 3.5 Data Collection Methods

Both primary and secondary sources of data were used. Data collection was done through interviews, questionnaires, internet and websites.

#### 3.5.1 Primary Data Collection Methods

- **Interviews**

This is a face-to-face or telephone conversation of which the aim is to seek information from respondents/interviewees by the researcher or interviewer. The main assumption with this technique is that respondents are expected to co-operate to produce verbal self-

accurate information. This method was used to people who had no ability to read or write and officials who had limited time responding to the questionnaires.

- **Questionnaires**

These are set of structured and unstructured questions. These questionnaires were sent to the selected respondents to answer at their own convenience and then be returned to the researcher. The questionnaires were considered as the heart of this study. The questionnaires contained both closed and open ended questions. They were handed to the respondents at their respective work places by the researcher. The researcher decided to use questionnaires in order to cover a wide area and guarantee anonymity of respondents. Questionnaires are cheap to administer to respondents who are scattered over a large area and convenient for collecting information from a large population within a short period of time (Kothari, 2004). Moreover, information is collected in a standardised way and respondents were free to explain their opinions simply because sometimes the researcher was not present. The questionnaire for this study is attached as an appendix in this research report.

### **3.5.2 Secondary Data**

The researcher read extensively various documents and other writings available in order to obtain secondary data for the purpose of obtaining official information. This data were obtained by consulting various relevant documents and records; both published and unpublished, from televisions, government institutions, libraries, internet, websites, and other supporting agencies. The information from secondary sources helped the researcher to create a state of knowledge on the subject and to determine the missing information concerning the subject. The main advantage of the secondary data in this study was to offer a big saving in resources, especially money and time. Therefore, secondary data helped to orient the researcher on the background of the study and built the study foundation.

### **3.6 Data Analysis Techniques**

The collected data were processed and analysed by using the Statistical Package for Social Sciences (SPSS). The data has been presented in tables, percentages, graphs and charts. Data analysis and interpretation helped the researcher to answer the research questions and ultimately recommend what should be done in order to reduce the current state of corruption that is facing the nation, particularly in construction public procurement works. Descriptive statistics were used where frequency analysis of variables and cross tabulation of variables were done. Frequency analyses were done to see the frequency of responses from interviewees and cross tabulation to look on relationship of responses between variables. Quantitative data were analysed using simple graphs and frequency tables while in qualitative data the researcher used thematic means of analysing them.

### **3.7 Accuracy and Validity of Data**

#### **3.7.1 Accuracy**

The researcher used the test and retests procedures whereby the pilot questionnaire was used to prepare the final questionnaire and observed whether it suited the intended objectives of the study. Moreover, the researcher ensured that external sources of variation such as boredom, fatigue etc, were minimized to the possible extent.

#### **3.7.2 Validity**

The researcher based on the facts obtained in literature review in which data analysis relied on. Moreover, the researcher was familiar with the information required and the design of the questions, validity of data were tested through pilot questionnaires which were given to 5 people and observe whether it suited the objectives of the study.

### **3.8 Ethical Issues**

A good research must observe ethical issues which include; anonymity of respondents, a consent from respondents who are going to be interviewed and confidentiality of

information that they are going to provide. Therefore, the researcher gave the respondents assurance that the information they gave was going to be treated strict confidential and that their names were not going to be disclosed any where and that the information was going to be used for academic purposes only.

## **CHAPTER FOUR**

### **PRESENTATION OF FINDINGS**

#### **4.1 Introduction**

This Chapter presents the results of findings. The chapter is organized into two sections. The first section presents the general characteristics of the respondents including demographic and social economic characteristics and the last section presents the findings based on the objectives of the study.

#### **4.2 Demographic and social economic characteristics of respondents**

The respondents were drawn from different experts among construction professionals such as architects, consultants, quantity surveyors, engineers, and contractors. The study also included permanent public officials and ward councillors. All respondents' characteristics such as education level, sex, income and experience were analyzed. Following below is the presentation of the findings:

##### **4.2.1 Sex**

The sex of respondents was analyzed in order to determine their gender. The findings show that male respondents formed majority of the target population representing 65%, while respondents representing 35 percent were females. Though the male respondents outweighed female respondents, opinions of both genders on the causes of corruption in procurement process was considered necessary. Table 4.1 below presents the findings on sex of respondents.

**Table 4.1 Distribution of respondents by Sex**

	<b>Frequency</b>	<b>Percent</b>
Male	91	65
Female	49	35
<b>Total</b>	<b>140</b>	<b>100</b>

Source: Study findings, 2014

#### 4.2.2 Education level of respondents

The education level of the respondents was also analyzed and the analysis showed that, the majority of the respondents were degree holders; 52.9% were First Degree holders, 38.3% were Certificate/Diploma holders, and the rest of the respondents representing 8.8% were Second Degree holders. These findings imply that most of procurement officials in Manyara region were well educated and therefore, they were expected to perform their duties diligently. This is shown in Table 4.2 below.

**Table 4.2 Distribution of respondents by Education level**

	Frequency	Percent
Diploma/ Certificate holders	54	38.3
First degree graduates	74	52.9
Second degree	12	8.8
<b>Total</b>	<b>140</b>	<b>100.0</b>

Source: Study findings, 2014

#### 4.2.3 Work Experience

Respondents were also asked to mention their experience with the organization so as to understand the general knowledge they have on procurements and corruption matters. The results showed that, 22.9% of the respondents had experience of less than 3 years, 36.4% of the respondent had an experience of between 3 to 6 years, 29.3% of the respondents had experience of 6 to 10 years and the rest of the respondents 11.4% had experience of more than 10 years. The findings reveal that 40.7% of the respondents had at least 6 years of experience on procurement processes in Manyara region. This finding implies that a substantial number of respondents in Manyara region were also expected to have knowledge on corruption practices in construction public procurement. Table 4.3 below summarizes the results of the findings.

**Table 4.3 Distribution of the respondents by experience**

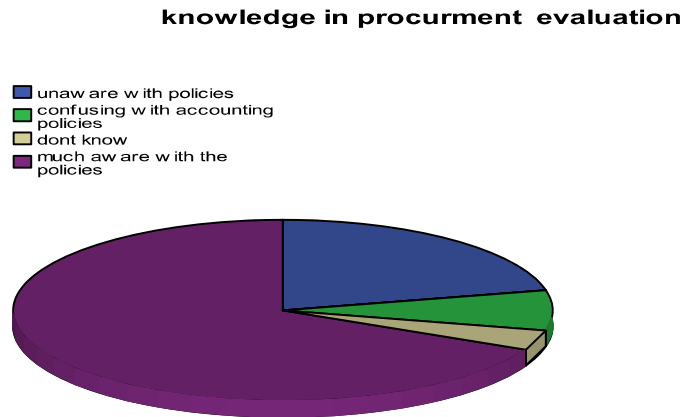
	<b>Frequency</b>	<b>Percent</b>
Less than 3 years	32	22.9
3 to 6 years	51	36.4
6 – 10 years	41	29.3
More than 10 years	16	11.4
<b>Total</b>	<b>140</b>	<b>100.0</b>

Source: Study findings, 2014

#### **4.2.4 Participant’s Procurement Knowledge**

The respondents were asked to mention if they had knowledge on procurement processes. The findings revealed that 20.0% of respondents were unaware of the procurement processes and policies, 7.0% of respondents confused procurement with accounting functions, they thought that they are the same and they could not identify the differences. Moreover, 3.0% of respondents failed to differentiate between the supplies function and the procurement functions due to the fact that their operations in many organizations are not separated. Finally, 70.0% of respondents knew about procurement and could differentiate from other disciplines of specialization. This finding implies that a substantial number of respondents in Manyara region were expected to have knowledge on corruption practices in construction public procurement. Figure 4.1 below summarizes the results of the findings.

**Figure 4.1 A Pie chart showing the distribution of respondent on knowledge in procurements procedures**

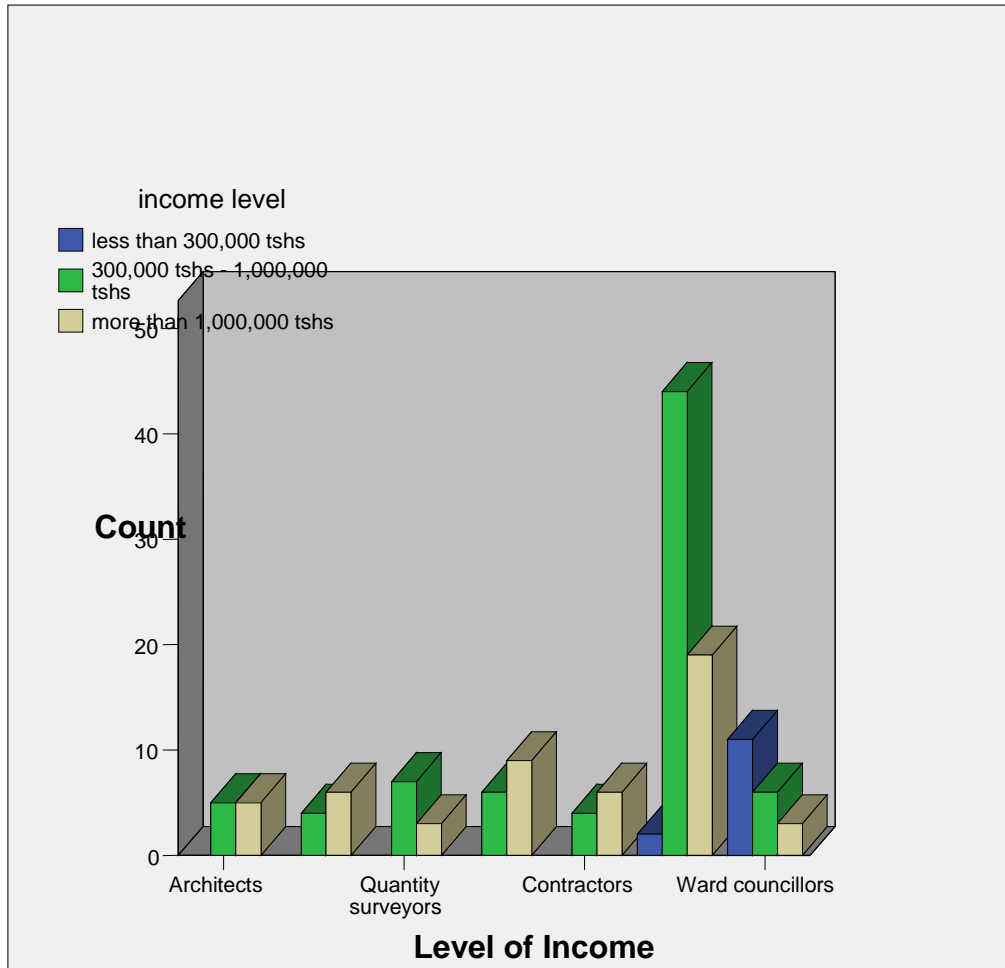


Source: Study findings, 2014

#### **4.2.5 Level of income**

The level income of respondents varied depending on their profession. The findings reveal that 40.7% of the respondents had at least 6 years of experience on procurement processes in Manyara region. The findings show that 30% of architects were getting above 300,000 per month. While 70% of quantity surveyors were getting between 300,000 to Tshs 1,000,000 per month and 70% of engineers had income above Tshs 1,000,000 per month. The findings further revealed that 27.69% contractors had income level of more than 1,000,000 Tshs per month while 75% of public officials had income between 300,000 Tshs to 700,000 Tshs, per month, and Ward Councillors 50% had an income less than 300,000 Tshs, 30% had an income of between 300,000 to 1,000,000 Tshs and 20% had more than 1,000,000 Tshs per month. Normally, the level of income has great impact on corruption as one with low income may be tempted to receive bribes. Figure 4.2 below summarizes the findings

**Figure 4.2 A bar chart showing the distribution of respondents by level of income**



Source: Study findings, 2014

### **4.3 Corruption practices at different stages of procurement process**

The following section shows the results based on specific objectives of the study. The first specific objective of this study was to determine the construction public procurement process and the type of corruption practices in each stage.

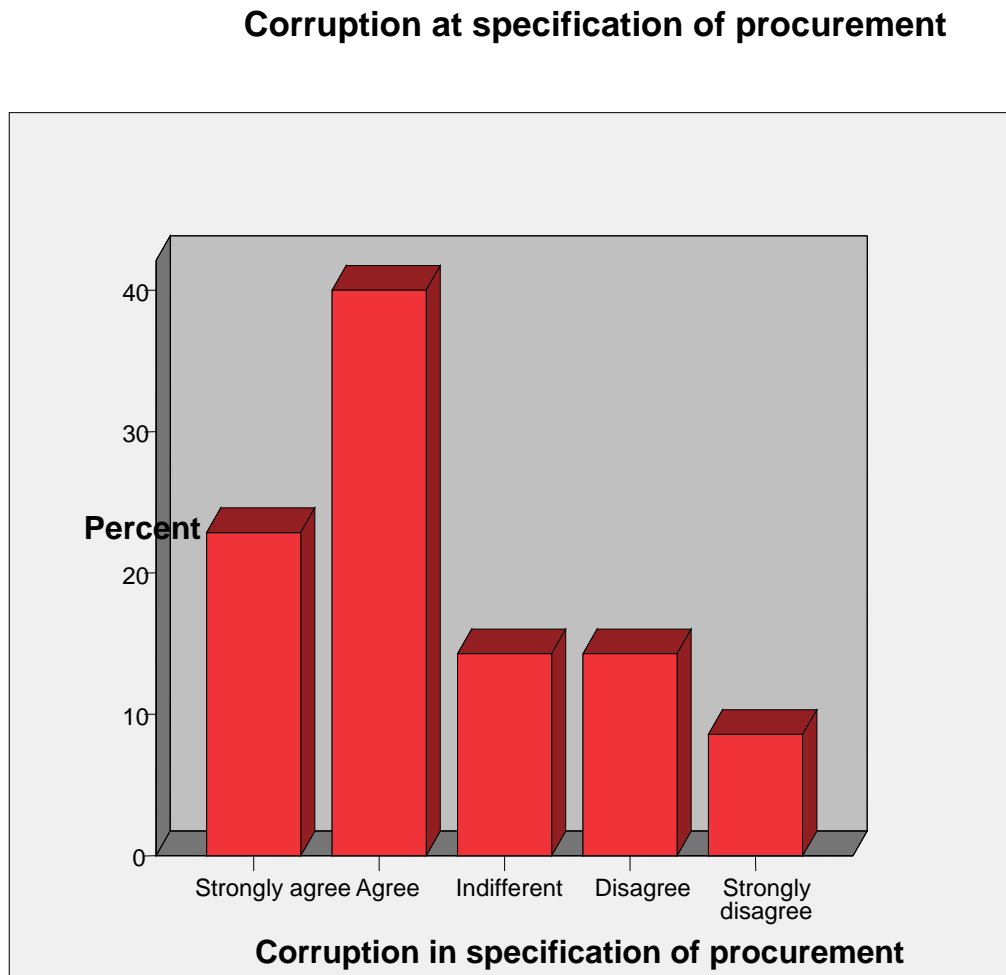
### **4.3.1 Procedures of procurement and level of corruption in each stage**

The following are the construction procurement procedures and the corruption practices at each stage

#### **Stage 1: Preparation phase and specification of procurement**

The first stage in procurement procedures is the preparation phase and specification of procurement. The type of corruption which is likely to occur during this stage includes political or administrative interference, tailoring the contract to favour the preferred party and leaking of tender information, so that unqualified bidder can win the tender. The findings revealed that 22.9 % of the respondents strongly agreed 40.0% agreed, 14.3% were indifferent and 22.9% disagreed on this. Figure 4.3 below summarizes the findings.

**Figure 4.3 A bar chart showing the distribution of respondents on corruption at specification stage**



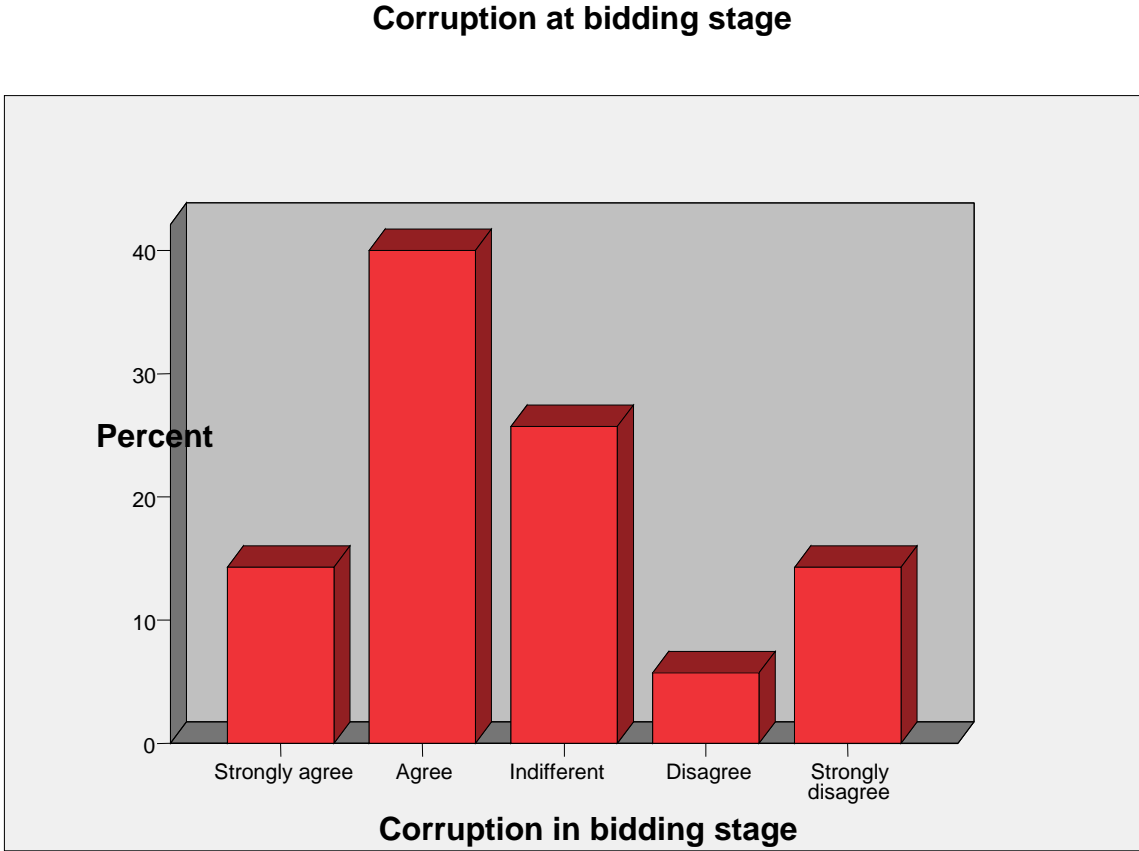
Source: Study findings, 2014

### **Stage II: The Bidding Stage**

During this stage, collusion among construction companies may occur aiming at lowering the price (cartel), non disclosure of tender document by procurement officials to some of the bidders and procurement officials requesting for bribes from bidders so that they could favour them. The findings revealed that, 14.3 % of the respondents

strongly agreed, 40.0% agreed, 25.7% were indifferent, 5.7% of the respondents disagreed and 14.3% strongly disagreed on this. Moreover, during interviews respondents mentioned that non disclosure of bidding information is a means of destabilising a cartel as it can make monitoring of individual actions more arduous. Figure 4.4 below summarizes the findings.

**Figure 4.4 A bar chart showing the distribution of respondents on corruption at bidding stage**



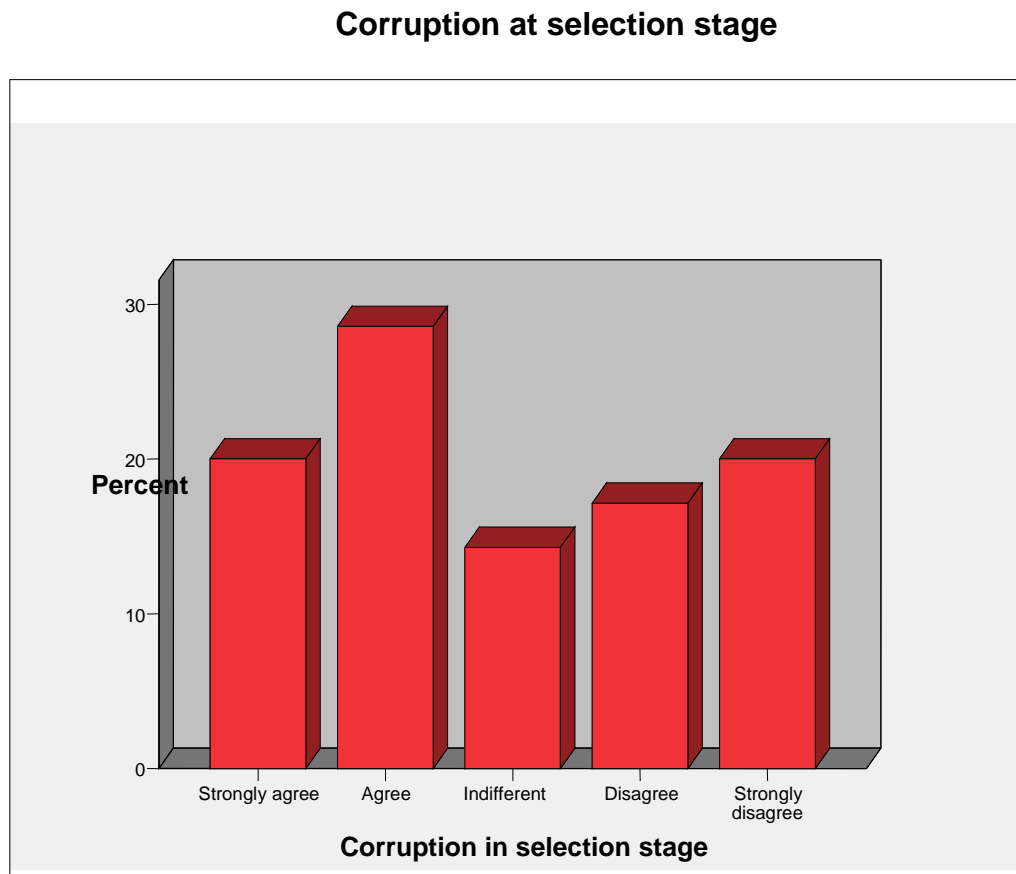
Source; Study findings, 2014

**Stage III: Selection and Implementation Stage**

This is the stage where selection and evaluation of tender is done, corruption at this stage includes, companies offering bribes to tender evaluation committee members so

that they could win the contract and unfair award of contract to unqualified company. The findings show that 20% of the respondents strongly agreed on this, 28.6% agreed, 14.3% were indifferent, 17.1% disagreed and 20.0% strongly disagreed on this type of corruption practice. Figure 4.5 below summarizes the findings.

**Figure 4.5 A bar chart showing the distribution of respondents on corruption at selection stage**



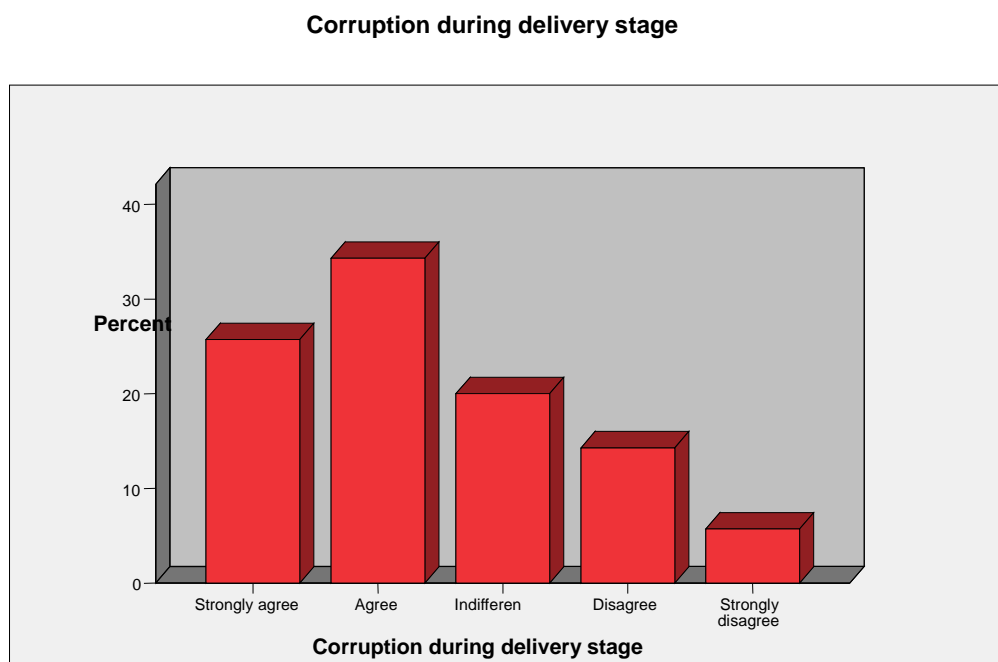
Source: Study findings, 2014

#### **Stage IV: Delivery Stage**

After winning the tender, the winner starts executing the projects. At this stage corruption may occur in the form of collusion between contractor and the supervisor, using of materials which are below standards, and a contractor failure to comply with the

contract. The findings revealed that 25.7% of the respondents strongly agreed on this, 34.3% agreed, 20.0% were indifferent on this, 14.3% disagreed and 5.7% strongly disagreed on this. However, during interviews respondents mentioned that the use of substandard materials and failure to comply with the contract requirements was possible when the contractor and the supervisor decided to collude. Figure 4.6 below summarizes the findings.

**Figure 4.6 A bar chart showing the distribution of respondents on corruption at delivery stage**



Source: Study findings, 2014

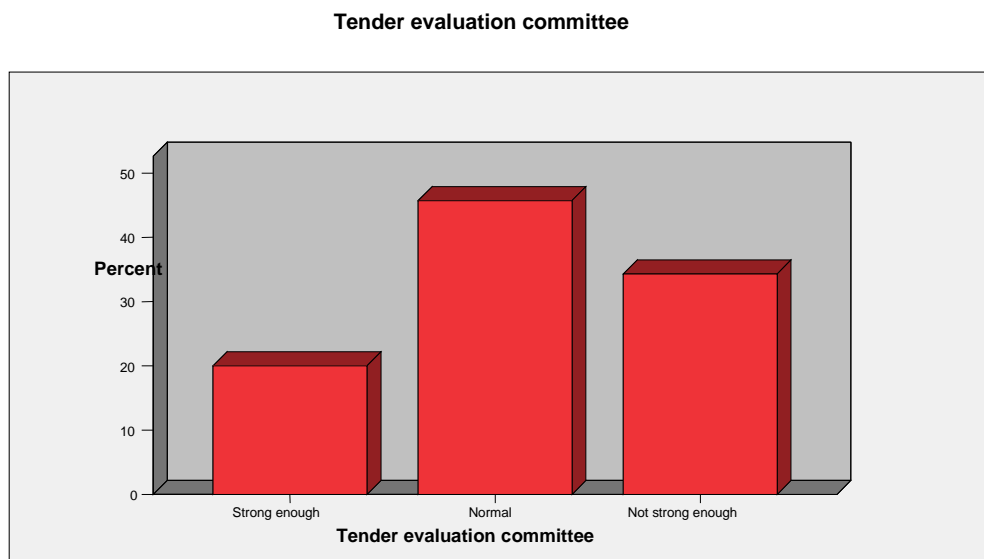
### **Stage V: Evaluation Stage**

At this stage corruption may occur when a Construction Company offers bribes to the evaluation committee members so that they approve substandard work and bribing the accounting department so that their payment can be effected.

### **Effectiveness of tender evaluation committee**

The researcher further asked the respondents on whether they thought that the tender/procurement evaluation committee is effective in evaluating the overall procurements procedures. The findings revealed that 80% of respondents said that the committee is weak and 20.0% disagreed on this. The findings further revealed that the evaluation committee is not strong enough and as such it may create room for corruption, most of the respondents complained and argued that weaknesses of the evaluation committee may result into poor performance of overall tendering process and hence create a room for corruption practices. Figure 4.7 below summarizes the findings.

**Figure 4.7: distribution of respondents on effectiveness of evaluation committee**



Source: Study findings, 2014

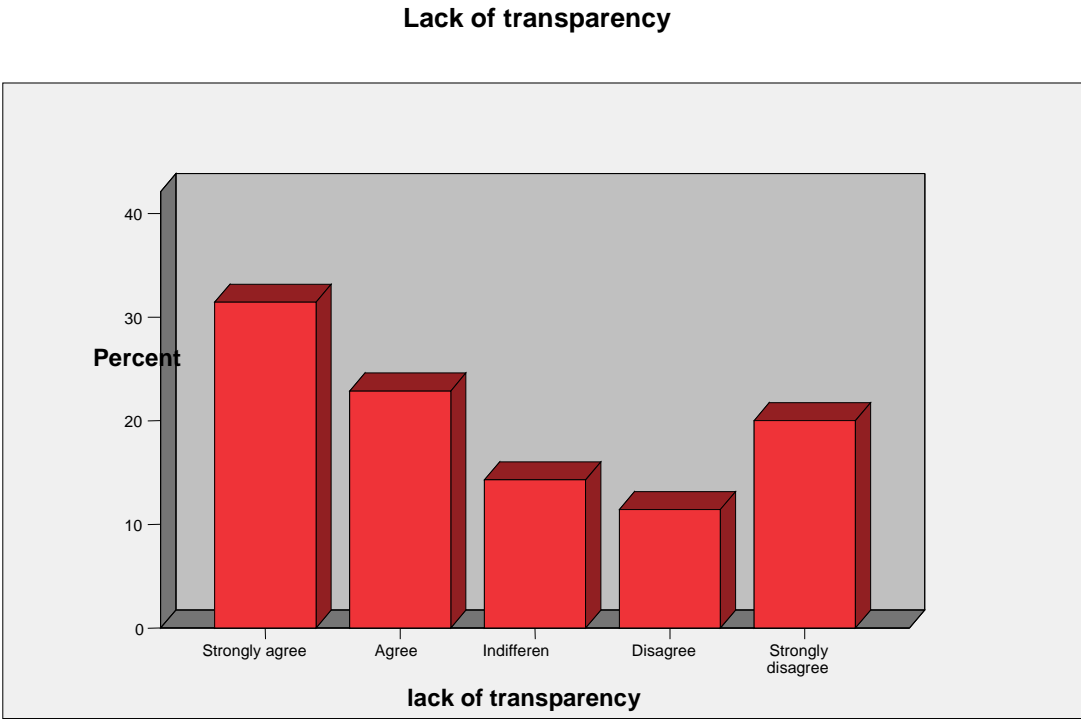
### **4.4 Causes of Corruption in Construction Public Procurement**

The second specific objective of this study was to determine the causes of corruption in construction public procurement. Apart from the procedures that influence corruption, the following factors were also identified as causes of corruption in construction public procurement:

#### **4.4.1 Lack of transparency**

When respondents were asked if lack of transparency was a cause of corruption, 31.4% strongly agreed, 22.9% agreed, 14.3% of the respondents were indifferent while 11.4% of the respondent disagreed and 20.0% strongly disagreed on this. Figure 4.8 below summarizes the findings.

**Figure 4.8 A bar chart showing the distribution of respondents on lack of transparency**

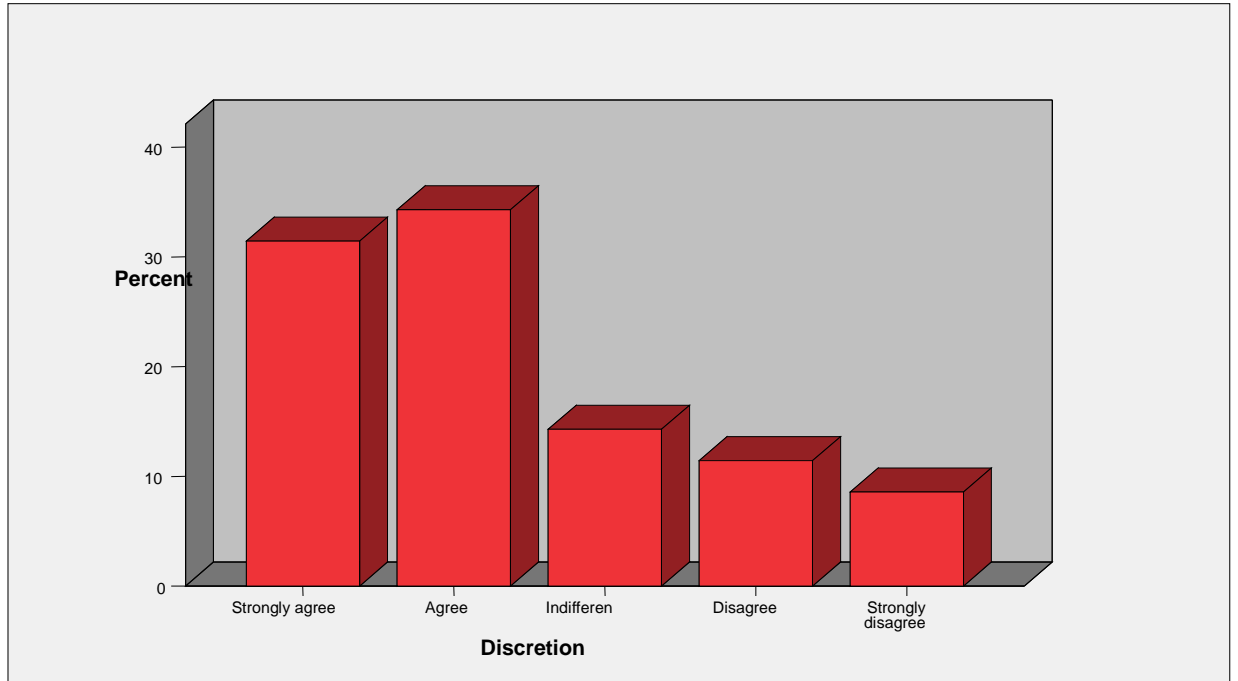


Source: Study findings, 2014

**4.4.2 Discretion**

The findings revealed that 31.4% of the respondents strongly agreed on this, 34.3% agreed, 14.3% were indifferent, 11.4% of the respondents disagreed on this and 8.6% strongly disagreed. Figure 4.9 below summarizes the findings.

**Figure 4.9 A bar chart showing the distribution of respondents on Discretion**

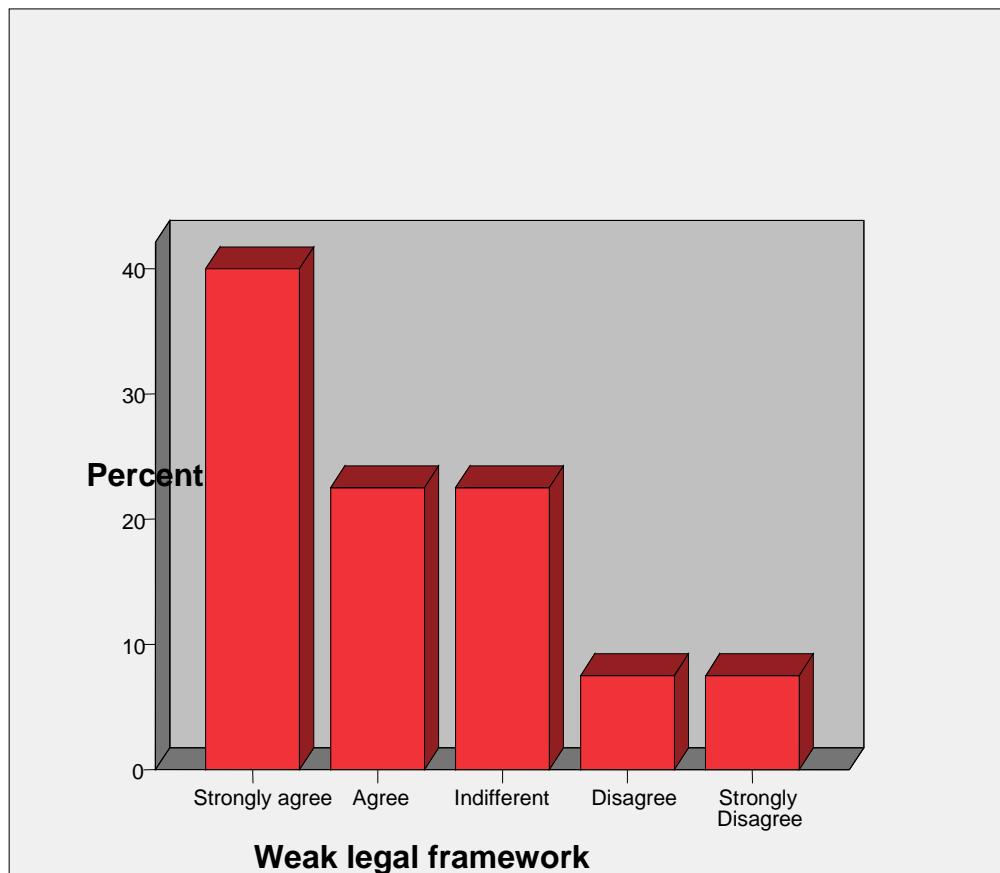


Source: Study findings, 2014

#### **4.4.3 Weaknesses of legal and regulatory Framework**

Most of the respondents argued that there is no effective legal and regulatory framework that regulate and monitor corruption in construction public procurement apart from the general corruption policies, The findings revealed that 40.0% of the respondents strongly agreed on this, 25% agreed, 25% of the respondents were indifferent 10% disagreed on this. Figure 4.10 below summarizes the findings.

**Figure 4.10 A bar chart showing the distribution of respondents on weaknesses of legal framework**



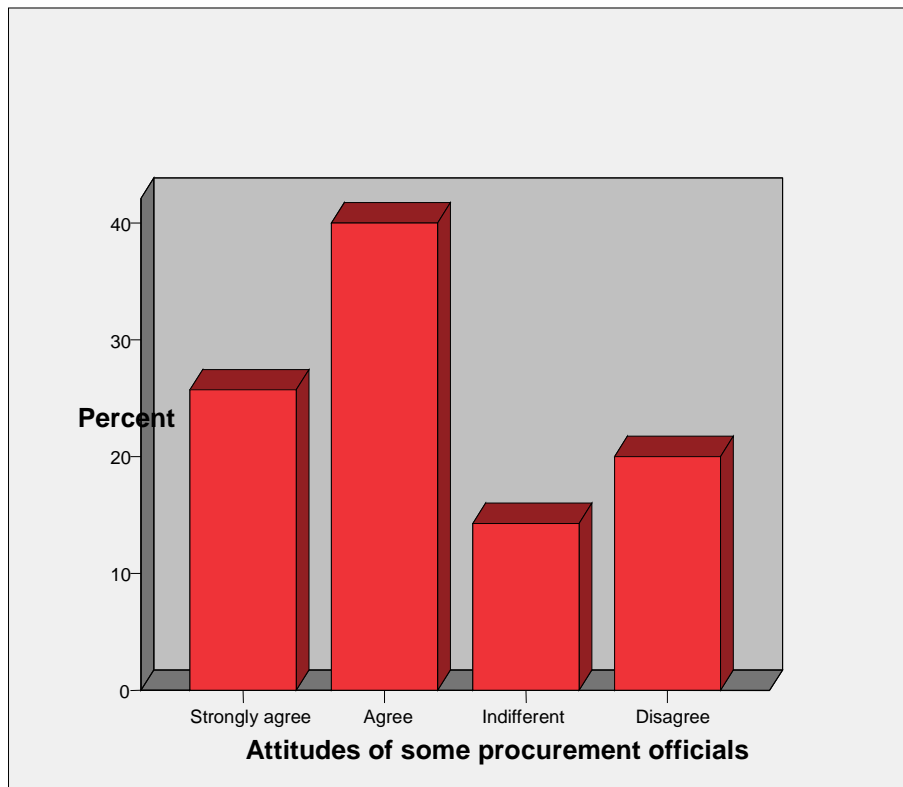
Source: Study findings, 2014

#### **4.4.4 Attitudes of some procurement officials**

The findings revealed that some of the procurement officials were not faithful in a way that they solicited bribes. 25.7% of the respondents strongly agreed, 40.0% of the respondents agreed, 14.3% were indifferent of this, and 20.0% of the respondents disagreed. Figures 4.11 below summarize the findings.

**Figure 4.11 A bar chart showing the Distribution of respondents on behaviour aspects**

**Attitudes of some procurement officials**

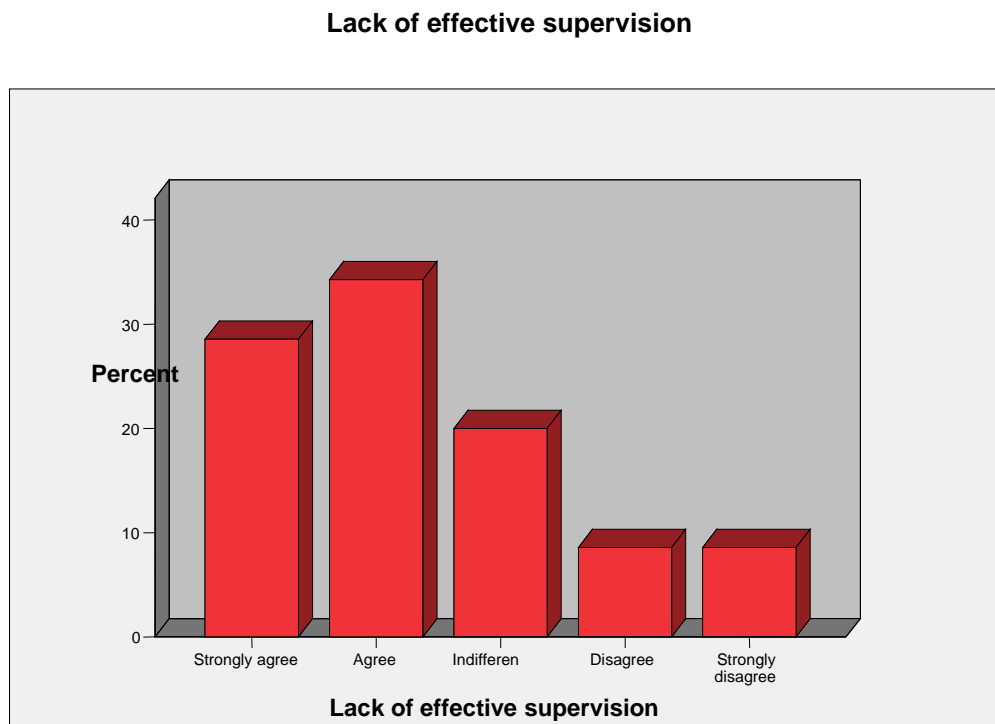


Source: Study findings, 2014

#### **4.4.5 Weak Management**

The respondents also mentioned that there is lack of effective supervision which created room for corruption. 27% of respondents strongly agreed, 34.3% agreed, 20.0% were indifferent and 17.1% of the respondents disagreed as shown in figure 4.12 below:

**Figure 4.12 A bar chart showing the distribution of respondents on lack of effective supervision**

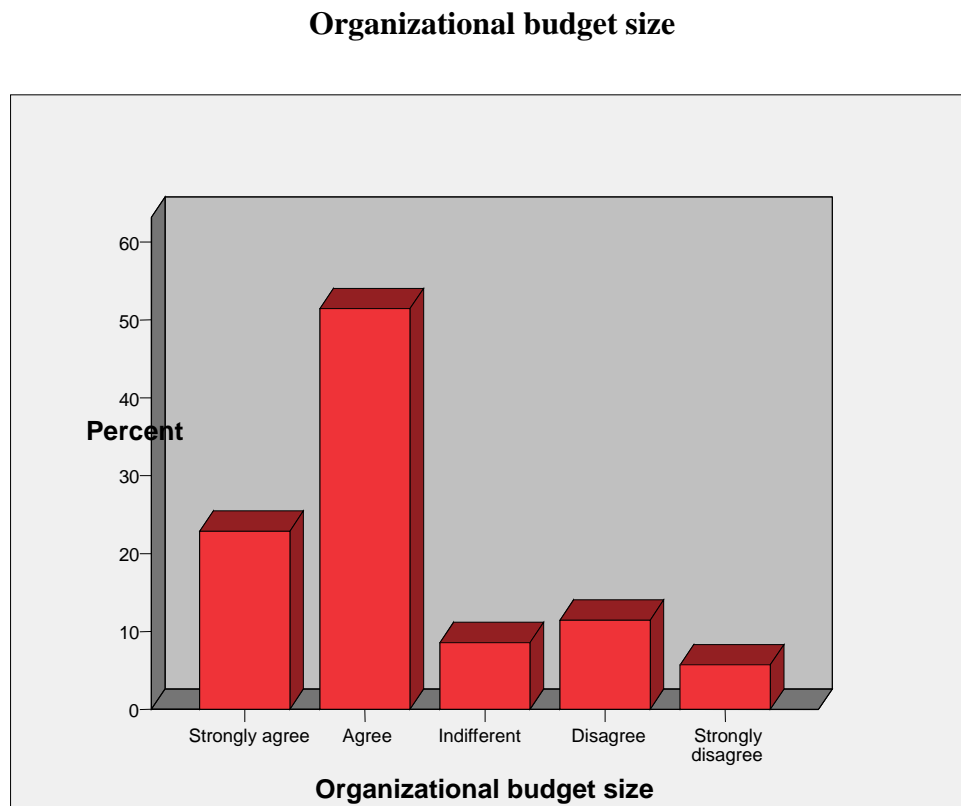


Source: Study findings, 2014

#### **4.4.6 Organizational budget size**

Organizational budget is important for the effectiveness of procurement activities. The budget of the organisation includes personal emoluments among other things. The findings revealed that 74.3 % agreed on this, while 8.6% of respondents were indifferent and 17.1% of the respondents disagreed on this. Figure 4.13 below summarizes the findings.

**Figure 4.13 A bar chart showing the distribution of respondents on organizational budget**

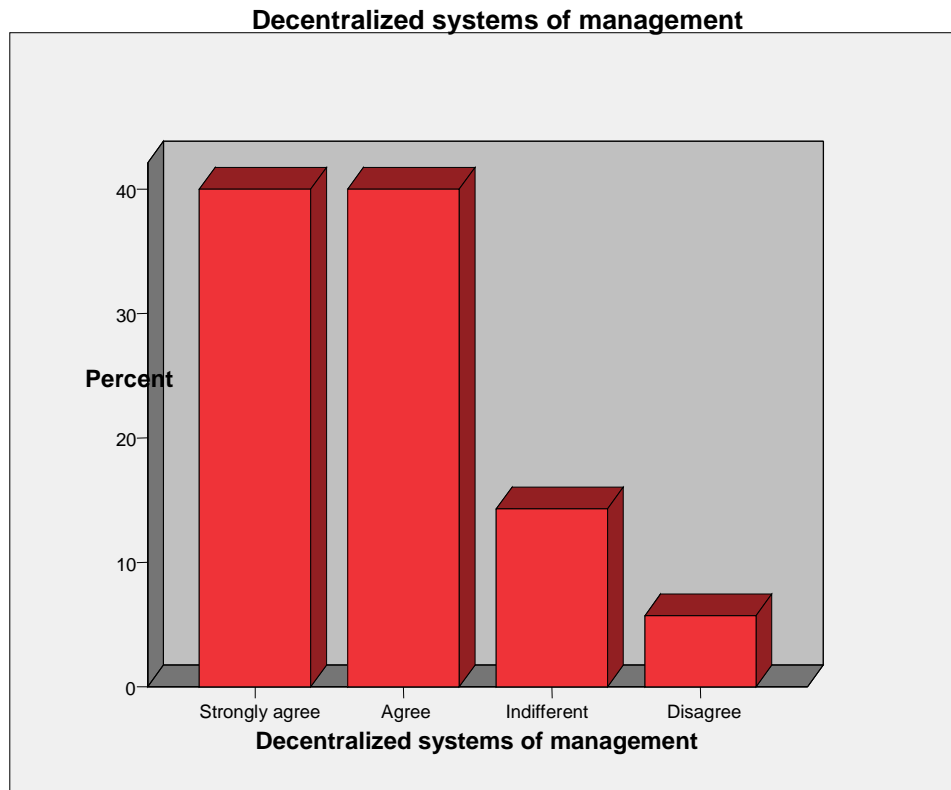


Source: Study findings, 2014

#### **4.4.7 Non Participation (monopoly)**

The analysis also found that there is a decentralized system of management which resulted into increase in corruption practices, most of the organization decisions are made by a group of individuals on behalf of the whole organization. The findings reveal that 40.0% of the respondents strongly agreed, 40.0% agreed, 14.3% of the respondents were indifferent and 5.7% disagreed on this. Figure 4.14 below shows the distribution of respondents on this issue.

**Figure 4.14 A bar chart showing the distribution of respondents on decentralized system of management**

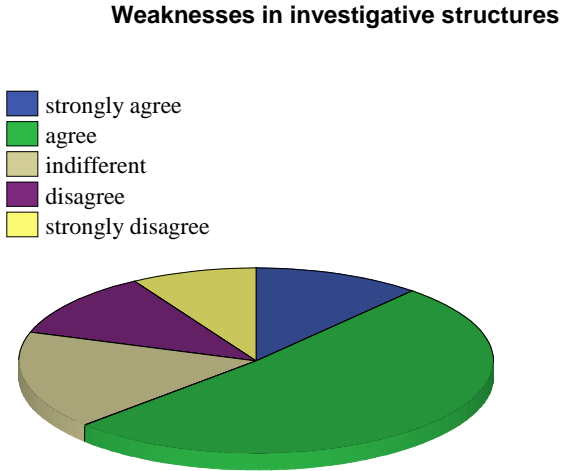


**Source; Study findings, 2014**

#### **4.4.8 Weaknesses in investigative structures**

The respondents were asked to state if weaknesses in investigative structures can hinder the fight against corruption. The findings revealed that 11.4% of the respondents strongly agreed, 51.4% agreed 17.2% respondents were indifferent of this and 20.0% disagreed on this. Figure 4.15 below summarizes these findings.

**Figure 4.15 A pie chart showing the distribution of respondents on weaknesses in investigative structures**

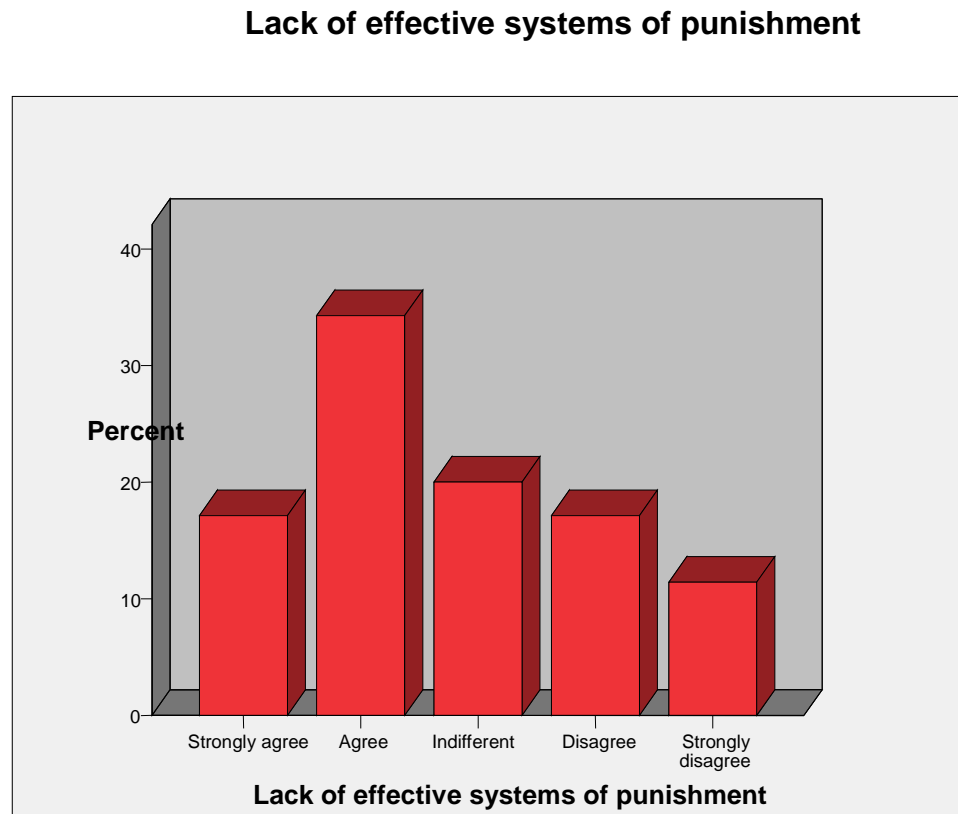


Source: Study findings, 2014

**4.4.9 Lack of fairness**

Lack of fairness in punishing procurement officers was found to be the main factor that made them to involve in corruption practises. The findings revealed that 51.4% of the respondents agreed while 38.6% of the respondents disagreed on this. Moreover, 20% of the respondents were indifferent. Figure 4.16 below summarizes the findings.

**Figure 4.16 A bar chart showing the distribution of respondents on lack of effective systems of punishment**



Source: Study findings, 2014

#### **4.5 Strategies to improve Construction Public Procurement in Construction Industry and Reduce Corruption**

This study examined the strategies that should be put in place in order to improve procurement in constructions industry and to reduce corruption practices.

#### 4.5.1. Improve the procurement standards/policies

Respondents were required to give their opinions on strategies that should be instituted in order to improve procurement standards and policies. The findings revealed that 50.0% of the respondent agreed, 20.0% were indifferent and 30.0% disagreed on this as shown in the figure 4.17 below,

**Figure 4.17 A bar chart showing the distribution of respondents on improving procurement standards**



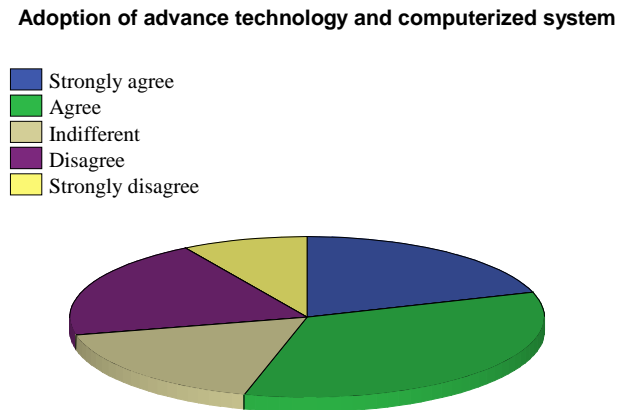
Source: Study findings, 2014

#### 4.5.2 Adoption of advance technology and computerized system

Respondents were requested to give their opinions on whether the government needs to use modern technology in facilitating procurement rather than using old fashioned/

traditional methods of procurement processes. The findings revealed that 20% of respondents strongly agreed on this, 34.3% of the respondents agreed, 17.1% of the respondents were indifferent and 28.6% of the respondents on this as shown in the figure 4.18 below.

**Figure 4.18 A pie chart showing the distribution of respondents on advance technology**

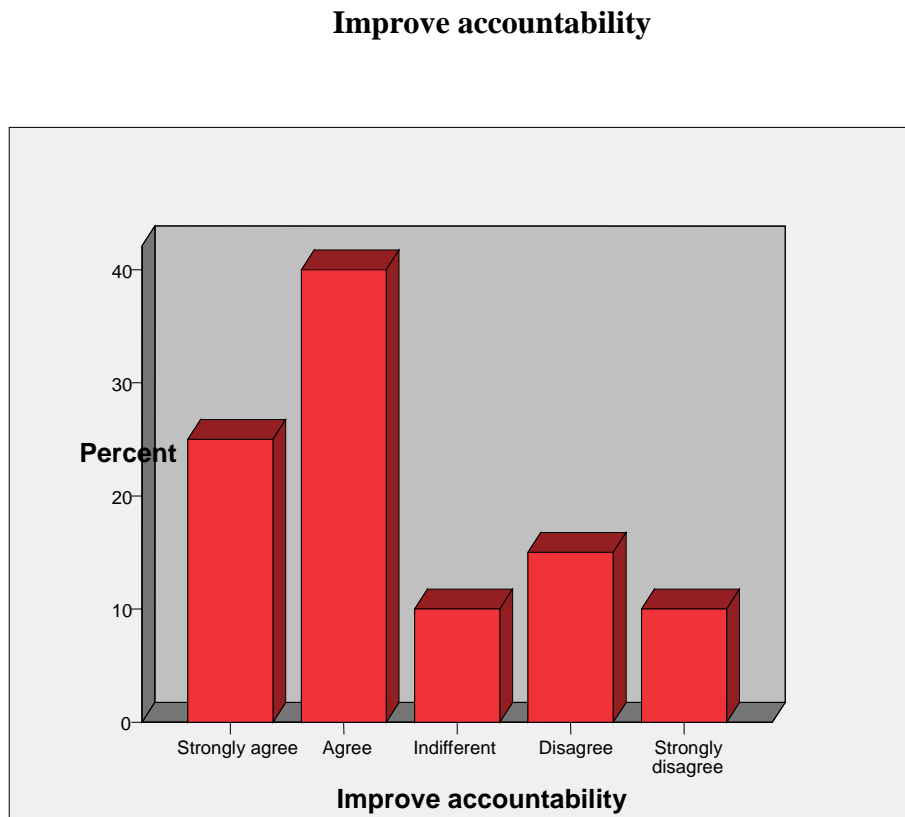


Source: Study findings, 2014

#### **4.5.3 Improve Transparency and Accountability**

Respondents were requested to suggest whether improving accountability and transparency is an important aspect towards curbing corruption in construction public procurement. Figure 4.20 shows that majority of the respondents 65.0% agreed on this (either strongly agreed or agreed), 10.0% of the respondents were indifferent while 25% of the respondents disagreed on this. Figure 4.19 below summarizes the findings.

**Figure 4.19 A bar chart showing the distribution of respondents on improving accountability**



Source: Study findings, 2014

#### **4.5.4 Uniformity of the procurement procedures**

The respondents mentioned that uniformity in procurement procedures is not only about achieving the lower initial cost but rather getting optimum cost and quality of works. The findings revealed that 27.7% of the respondents strongly agreed on this, 35.5% of the respondents agreed, 9.2% were indifferent on this and 27.7% disagreed on this as shown in the table 4.4 below.

**Table 4.4 Distribution of the respondents on Uniformity**

	<b>Frequency</b>	<b>Percent</b>
Strongly agreed	39	27.7
Agreed	50	35.5
Indifferent	12	9.2
Disagreed	24	16.9
Strongly Disagreed	15	10.8
<b>Total</b>	<b>140</b>	<b>100.0</b>

Source: Study findings, 2014

#### **4.6 Other Pertinent Findings**

##### **Interview with the respondents**

The researcher also conducted interviews with the respondents on different matters regarding corruption in construction public procurement. The following were the feedback from the interviewees:

##### **i) Auditing and monitoring of procurement procedures**

The respondents argued that there should be periodical review of the procurement processes and regular auditing should be conducted in various public offices. Such reviews should aim at identifying major systemic weaknesses in the procurement evaluation systems and suggest measures to address them with the overall objective of enhancing value for money in Construction public procurement.

The respondents further pointed out that such reviews should relate to quality, timeliness and appropriateness of the evaluations made by the departments. The Construction public procurements in many departments and Ministries suffer from serious delays, indecisiveness, and frequent change of specifications, lack of accountability, inadequate competition and acceptance of goods of inferior quality e.g. roads and buildings. The respondents mentioned that the procurement process suffers from defective formulation of specifications resulting in frequent change of specifications after invitation of bids,

inefficient system of technical evaluation which normally leads to single source selection, improper financial evaluation and frequent misuse of special procedures like emergency procurements.

**ii) Openness on procurement process**

The respondents also mentioned that fair and openness in competition is the best and the most transparent way of achieving effectiveness in procurements practices, specifically for large procurements having wide vendor base and also in cases of allocation or lease of public assets or natural resources for exploitation by private parties. Procurements which are not done in such a manner do not inspire public confidence at large.

## **CHAPTER FIVE**

### **DISCUSSION OF THE FINDINGS**

#### **5.1 Introduction**

This chapter presents a discussion of the study findings based on the analysis in the preceding chapter. Accordingly, the discussions of the study findings are based on the research objectives of the study. The study sought to examine the causes of corruption in the construction public procurement in Tanzania, taking Manyara region as a case study.

#### **5.2 Discussion of the findings**

Recall, that the study sought to assess the causes of corruption in construction public procurement in Tanzanian Construction Industry taking both public and private institutions as the case of the study. Findings from this research revealed that;

The analysis shows that the first stage is preparation and specification of procurement contracts where by the respondents mentioned three types of corruption that occurs at this stage. These were political or administrative interference where by politicians or top officials interfere on the process of procurement by aiding and abetting to make sure that the preparation and specification process favours the company of their choice. Another type of corruption at this stage was that of tailoring the contract so that it could favour some of the companies, this could be in the form of over-specifications, and lock-out specifications resulting in procurement orders being prescribed to reduce the number of potential firms. The respondents mentioned that under over-specification a contract is too specific, resulting in the exclusion of vendors attributed to product differentiation or “the weight and breadth of requirements”. Lock-out is a tailor made contract that excludes all but one contractor. Respondents also mentioned that leaking of tender documents (information) is done by some of the procurement officials, the situation that is likely to favour those firms that got prior information.

Moreover, the analysis found that during the second stage of bidding for the tender the contractors are invited to make offers according to the requirements of the government as specified. The study found out that there are different factors that facilitate bid-rigging. The ability to monitor the actions of other players is conducive, if indeed necessary to cooperation. It is at this stage that collusion among construction companies is likely to occur, and procurement officials may hide the necessary information to create loopholes for bribes from firms that are competing. The findings revealed that by reversing the practice of publicly announcing bids as well as the identity of bidders may reverse the stability of the practice. This allows undercutting to be easily observable.

During the third stage of selection and implementation, the study revealed elements of corruption as well. This is the stage where selection and implementation is made. The analysis found out that the selection and implementation stage opens up new opportunities for corruption from company officials to the tendering committee. The analysis showed that many events that can signal corruption, include the awarding of a contract to a party that failed to offer the lowest bid, awarding a contract to a firm with no experience in an area or that has a poor record of performance, bestowing a contract through a re bid, or when the firm is considered the sole source, passing it off as the result of detailed negotiation.

The findings revealed several types of abuses at the delivery stage of a contract which include a contract experiences unexpected overruns beyond inflation or altered market prices for input goods. When this occurs collusion is likely to occur between the contractor and the supervisor as a result the use of substandard materials and failure to comply with the contract requirements. The study also found that contracts could also undergo many modifications and re-negotiations, or an award may be cancelled thus receiving partial payment during this stage.

The final stage is the evaluation stage where by an evaluation is done by the evaluation committee before the handing-over of a project and the final payments are made. The company may offer bribes to the evaluation committee members and the finance department, so that the team approves the project for final payment without complying with the standards, as a result the handing over of a sub standard project will take place.

It appears from the responses that in public sector procurement, fraud can be initiated by politicians, public contracting officials or the private suppliers. This is inline with the FIDIC (2004) and the Transparency International (2006) report, where these parties are involved in different stages of the procurement process.

The Public Procurement Act, 2011 specifies the establishment of procurement structures that will support and strengthen the execution and supervision of the procurement functions. These structures include Entity Tender Committee, Head of Entity, Evaluation Panel, and Procurement Unit. These structures have varied activities to perform in the procurement cycle. The study revealed that these structures, do not either exist in most entities in Manyara region or are not properly constituted and so do not perform their functions well. The findings revealed that there is non-adherence to the use of these competitive procurement methods; this has resulted into increase in corruption among the individuals in procurement units.

Respondents also agreed on other factors that cause corruption in construction public procurement. These factors include; lack of transparency, discretion, and weaknesses of the legal and regulatory framework. Others include attitudes of some procurement officials, weak management, budget, monopoly, weaknesses of investigative structures and poor systems of punishment to procurement officials.

Some procedures in procurement process are done without transparency which means the information are not shared in an open manner', 'it allows stakeholders to gather

Information that may be critical to uncovering abuses...’most of the respondents mentioned that there is lack of transparency in the whole process of procurement which results into existence of corruption. Excessive power of some public officials on decision making in procurement processes has been pinpointed by respondents as an obstacle in combating corruption; some officials are vested with big powers to make decisions, they may have the power to decide which companies to invite to tender even to limit the number of invited tenderers. Legal and regulatory framework to fight corruption is not strong enough; there is a need of strengthening the legal and regulatory frameworks so that they can go inline with the efforts of curbing corruption in construction procurements. Some government officials are driven by greed and a need for accumulation of wealth, when an office is having people with such behaviour it is easy for them to solicit bribes from company officials. Most of respondents agreed also on weaknesses of the management in supervising the procurement process which may cause corruption. If management is not strong enough, some employees may use that weakness to solicit bribes. The above findings are inline with the findings from Søreide (2002), who insisted on discretion powers and monopoly vested to some officials among the courses of corruption in procurement and OECD (2007) report which insists on promoting transparency, integrity, accountability and control in public procurement as a means for curbing corruption.

Finally, this study suggested strategies that could be instituted by all stakeholders in the construction industry in making sure that corruption is reduced to the possible extent. The study has come up with strategies such as improvement of the procurement standards and policies, adoption of advanced technology, improving accountability and transparency, and uniformity of the procurement procedures. Majority of respondents agreed on these strategies, and they pointed out that improving the procurement standards will help to reduce the level of corruption, since the current procurement

standards are not very much known to them, and they don't show a clear way towards reducing corruption in the procurement process.

The findings have also revealed that the construction public procurements suffer from the problem of serious delays and lack of competition, therefore the use of advanced technology such as electronic procurement is vital. Normally Electronic Procurement holds a huge promise and offers substantial reasons for the Government to move its purchasing online while stockpiling records which can be traced when needed. Doing procurements electronically offers the potential of faster purchasing and more reliable up to date information to secure efficiency on the overall procurement process which will be clear. It offers scope to aggregate purchasing across departments or divisions and enables better compliance of rules and good practices. Electronic procurement should certainly be adopted to facilitate electronic tendering, monitoring prices and contractor's performance. Normally, the adoption of an integrated procurement approach which incorporates the whole life costing models will increase overall effectiveness of the procurement activity. This principle must be adopted by the Government departments in their strategic/complex procurements. The respondents said that there is a need to review procurement policies and procedures to achieve certain degree of consistency and uniformity in procurement policies and procedures across public offices and departments. Respondents suggested that all procuring entities, government employees and contractors must be obligated to comply with financial and procurement rules and regulations issued by Public Procurement Regulatory Authority (PPRA). Liability and accountability of delinquent officers must be ensured. This would improve compliance and hence gain value for money. During interviews with respondents, they pointed out that auditing and monitoring of procurement procedures and openness on the whole procurement process is a key to improving accountability and transparency.

These findings are similar to that of Mlinga (2006), and that of Mawenya (2008) who insisted that it is essential that procurement be conducted in a way that is fair and

impartial, procurement process used must be consistent and transparent, and the use of procurement process that should suit market circumstances as well as the size and nature of the procurement, management of the security and confidentiality of documents, avoiding conflict of interest as well as complying with legislative obligations and public policies.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS**

#### **6.1 Introduction**

This chapter presents summary, conclusions and policy implications based on the findings and discussions in the preceding chapter, in relation to the research questions, and statement of the problem.

According to Mawenya (2008), grand corruption in public procurement is the chief cause of poverty in Africa. Governments spend a lot of money in procuring of goods, infrastructures and construction works. To ensure that goods and services offered are of high quality, political will and commitment, reforms, strengthening of legal and regulatory framework as well as transparency and accountability should be observed

The study dealt with the following objectives:

- i. To determine the construction public procurement process and kind of corruption in each stage in Tanzania.
- ii. To determine the causes of corruption in construction public procurement in Tanzania.
- iii. To propose measures that should be instituted to eradicate corruption in construction public procurement in Tanzania.

#### **6.2 Summary**

This section presents the summary of findings on construction public procurement process and kind of corruption in each stage, causes of corruption in construction public procurement and the measures to eradicate corruption. The findings revealed that in each stage of construction public procurement in Manyara region there is a loophole for people to involve themselves in corrupt practices. Procedures of the procurement include preparation and specification stage, bidding, selection and implementation, delivery and final or evaluation stage. Likely corruption practices include specification or terms of reference be designed to favour a certain company under the influence of politicians or

high ranking officials, exchange of confidential information or making clarification in favour of some bidders or denying some bidders important information. Respondents also agreed that some of the public officials may have too much power to decide which company to be invited and those vested powers can be abused by untruthful employees. The issue of collusion among construction companies to fix the tender price has also been observed.

Furthermore, the findings revealed that the causes of corruption in construction public procurement include lack of transparency, discretion powers vested to some officials, weaknesses of legal and regulatory framework, and attitudes of some officials, weak management and poor budget. Others include monopoly, weaknesses of investigative structures, and lack of stiff punishment. The respondents agreed that if there is improvement on the addressed issues, the level of corruption in their organizations will be minimal.

Moreover, the findings revealed that in order to improve procurement in construction and reduce the level of corruption, various methods need to be implemented. These include improving the procurement standards, adoption of advanced technology and computerized systems, improving the level of accountability and making sure that there is uniformity of procurement procedures. Others are periodical reviews of the procedures and transparency of the whole procurement process.

### **6.3 Conclusion**

The study findings have confirmed that public procurement Act, 2011 is observed to offer solutions which in the view of this study attained low level of compliance. However this achievement is not without challenges. It pencils out weaknesses and threats of the various sectors. In the pursuit to reduce/eliminate corruption in construction public procurement, procuring entities must establish the required structures and engage procurement professionals to manage them.

### **6.3.1 Corruption in stages of procurement process**

The researcher concludes that still there is a room for corruption in all the mentioned public procurement stages in Manyara region, the findings revealed that although most of respondents know and agreed that there was corruption in the whole process of procurement, the government needs to put more efforts in making sure that rules and standards are observed.

### **6.3.2 Causes of corruption in Construction public procurement**

The researcher concludes that lack of transparency, discretion, weaknesses on the legal and regulatory framework, behaviour, weak management, poor budgeting, monopoly, weaknesses of investigative organs and poor systems of punishment are the causes of corruption, although there are some other causes which have been identified by other authors but the nature of corruption may sometimes be affected by geographical location.

The researcher also concluded that procuring entities in Manyara region need to observe the PPA No 7/2011 as stipulated in Sec 83 (1) that the procuring entities and tenderers under public financed contracts shall proceed in a transparent and accountable manner during the procurement and execution of such contract, and Sec 83 (5) that any member of the procuring entity who engages in corrupt or fraudulent practices during the procurement proceedings or the execution shall be dealt with in accordance with the provisions of this act.

## **6.4 Recommendations and policy Implications**

The following are the recommendations of the researcher based on the findings.

### **6.4.1 Fairness and Impartiality**

The researcher recommends that it is essential that procurement is conducted in a way that is fair and impartial. Materials should be available to all interested parties within the

same time frame, and each tenderer should have access to the same material within the process for it to remain fair. Each bid also needs to be considered in a fair and impartial manner, with no conflicts of interest or bias towards or against certain bidders.

When communicating with bidders, it is important that it should be conducted not only in the same timeframe but also in the same manner to all bidders. The most appropriate manner should be selected according to what is being communicated, to whom, and the urgency of the communication.

#### **6.4.2 Consistency and Transparency of Procurement Process**

Procurement processes used by Procuring Entities in Manyara region must be consistent and transparent. Decisions need to be made in a visible manner and appropriately documented to allow them to be understood or justified upon review - for example, by tenderers, PPRA, and Controller and Auditor-General. The Public Procurement Act (PPA) 2011 makes transparency a primary consideration throughout the procurement process from the initial identification of need through to the final disposal of any property. It requires Procuring Entities (PE's) to offer unsuccessful bidders a written debriefing, on request, as to why their offers were not successful.

#### **6.4.3 Use of an Appropriately Competitive Process**

The method used for procurement processes should suit market circumstances as well as the size and nature of the procurement. It should also provide reasonable access for suppliers to public procurement opportunities. Procuring Entities in Manyara region should investigate the relevant market conditions and consider whether an open procurement process is appropriate. A key element of the procurement framework is open competition; Procuring Entities should aim to ensure that the cost of tendering for opportunities does not deter competent suppliers. They must provide adequate and timely information to prospective bidders, and avoid asking for unnecessary information or requirements.

Requests for unnecessary information may occur when details are required for pre selection, and then the same details are required again in the tender, making it time-consuming and expensive to be a part of the tender process. Procuring Entities should therefore be familiar with any pre-selection or prior processes to avoid requests for duplicate information. Procuring Entities should also set and meet reasonable timeframes for any procurement process, to enable bidders to confidently allocate resources to their bid.

#### **6.4.4 Security and Confidentiality**

Procuring Entities will need to have measures in place to manage the security and confidentiality of documents, including physical security of submissions and related documents, access to secure documents, and confidentiality of commercial information. Procuring Entities should establish clear physical security measures for the handling of documents related to the tender. Security measures should include the usage and security of the tender box; appropriate storage of submissions; limiting the number of and numbering copies made of the documents; limited access to the submissions, such as only allowing access by authorized staff; and ensuring documents are not removed from the Procuring Entity's premises.

#### **6.4.5 Avoiding conflicts of Interest**

A conflict of interest arises where an official or adviser has an affiliation or interest that might prejudice, or be seen to prejudice, his or her impartiality. The key management strategy is for all parties to be aware, before the process commences, by employees to disclosing, and taking steps to avoid any conflict of interest (real or apparent) in connection with procurement. Any person involved in the tender process, including contractors such as legal, business or probity advisers, should make a written declaration of any actual or perceived conflicts of interests prior to taking part in the process. This declaration includes other employment, prior employment or financial interests in organizations which may be potential suppliers which have relationships with people

who have interests in these organizations. Conflicts of interest can endanger both the actual and perceived objectivity and probity of the procurement process.

#### **6.4.6 Compliance with Legislative Obligations and Public Policies**

Construction public procurement must be conducted in compliance with all relevant legislation and Public policy. It is important that all staff involved in procurement have access to and are familiar with the relevant procurement policies. These staff should demonstrate a highest standard of ethical behaviour which is one of the important factors in ensuring effectiveness in tendering process and procurement practices. This principle encompasses the concept of honesty, integrity, probity, diligence, fairness, trust and consistency. The government or private organization should develop a code of good customer practices which should be effectively enforced by an independent agency to bring in greater accountability in public procurement.

Since most of the procurement practices currently require high level of technological usage then there is need for using high technological devices on the evaluation process. The findings have revealed that the majority of the respondents argued that in this era of advancement of technology, e- procurement should become a standard way of procuring routine and non-strategic goods and services in construction organizations.

Constructions procurements are often prone to fraud and corruption, this normally are the results of poor evaluation and procurement practices. The problem can be addressed by strengthening accountability framework in the government. Accountability is a key deterrent to collusion and corruption and a pre-requisite for procurement credibility. The study findings have revealed that procurement regulations are not sufficiently followed and, therefore, there is no assurance that public sector entities select the most qualified contractors/tenderers at the best price.

The evaluation procedure is the core principle underpinning procurements all over the world. According to various respondents this process requires comparative analysis of all relevant costs and benefits of each proposal throughout the whole procurement cycle (whole life costing).

### **6.5 Policy Implications**

All procurement procedures used by the government are the same; the problem arises on how these procedures are conducted by various procuring entities. This is because some of the procuring entities do not have qualified personnel to deal with procurement activities, in other procuring entities, although they have qualified personnel, they lack patriotism and as a result they do not execute their duties as expected by their employer.

In order to fight and eradicate corruption, all procurement officers should comply with the needs of the Public Procurement Act No 7/2011 and its regulations of 2013.

Coverage of monitoring activities must be increased to cover more low spending entities across all sectors in the region. Short/long term training must be continued and improved so as to improve capacity of entities, service providers, and other key stakeholders to operate efficiently and effectively in the procurement system. Ministries, Department and Agencies (MDA's) and the Parliament must hasten to amend the Act to ensure the smooth implementation and compliance of procurement processes. To curb corruption and unethical behavior in public procurement, PPRA should enforce blacklisting bidders who have contravened the provisions of the Act and put to task public officers who engage in irregularities of the act and its regulations.

### **6.6 Areas for Future Studies**

Like any other study, this study has its basis on the previous researches that recommended this study to be undertaken as research gap. The following areas are suggested for further studies based on the findings of this study

- i. The reasons for failure to comply with public procurement by most of Government entities compared to private sector which results into corruption.
- ii. The impacts of improved science and technology on the procurement process to government entities in curbing corruption.

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## APPENDICES

### APPENDIX I

#### QUESTIONNAIRES TO PUBLIC OFFICIALS (PROCUREMENT STAFF)

*The purpose of this study is to assess the causes of corruption in construction public procurement in Tanzania particularly at Manyara Region .This study is being conducted as part of the requirements for the award of master degree of Mzumbe University. Your response is very important. Please answer all of the questions, The information rendered in this questionnaire will be treated with the utmost confidentiality and be used solely for academic purposes only and not otherwise.*

***Thank you in advance for your time and reasonableness!***

Please tick  the most correct answer(s) to your case or fill the empty space(s) as appropriate

#### ***Part One: Personal Information***

1. What is your Age (in Years)

- a. Below 25
- b. Between 26 and 35
- c. Between 36 and 45
- d. Above 45

2. What is your gender?

- a. Male
- b. Female

3. What is your Level of education?

- a. Primary/Secondary education
- b. Diploma level
- c. Degree level
- d. Masters and above

4. What is your level of income?
- a. Less than 300,000 Tshs
  - b. 300,000 Tshs to 700,000 Tshs
  - c. 700,000 Tshs to 1,000,000 Tshs
  - d. More than 1,000,000 Tshs

**Part Two: Specific Questions**

5. What are the main stages that you always incur while purchasing for construction industry

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....

6. What are your opinions on the kind of corruption in each stage of procurement process for construction industry? Please tick on the relevant number on the table below, where by

**1- Strongly agree, 2- Agree, 3- Indifference 4- Disagree 5- Strongly Disagree**

	1	2	3	4	5
Preparation and specification Political or administrative interference Tailoring of contract Leaking of tender information					
Bidding process Collusion among companies Hiding the tender document information Procurement officials asking money					

Selection and implementation Company officials bribe evaluation team Unfair award of contract					
Delivery stage Collusion between contractor and supervisor Use of sub standard materials Non compliance with the contract					
Evaluation stage Company offers bribes to evaluation committee and finance department					

If others please mention:

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7. What are the main causes of corruption in construction procurements? Please tick on the relevant number in table below, where by

**1- Strongly agree, 2- Agree, 3- Indifferent 4- Disagree 5- Strongly Disagree**

	1	2	3	4	5
Lack of transparency in some procedures					
Lack of Discretion					
Weaknesses of legal and regulatory Framework					
Attitudes of some procurement officials					
Weak Management					
Organizational budgeting size					
Non Participation(monopoly)					
Weaknesses in investigative structures,					
Lack of fairness					

8. What do you think are the main strategies to improve construction public procurement standards? Please tick on the relevant number in table below where by

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

**1- Strongly agree, 2- Agree, 3- Indifferent 4- Disagree 5- Strongly Disagree**

	1	2	3	4	5
Improve the procurement standards/policies					
Adoption of advance technology and computerized system					
Transparent and accountability					
Uniformity of the procurement procedures					

9. Do you think the government effort to fight against corruption is enough within this sector?

- a. Yes
- b. No
- c. I don't know

10. If Yes to the question above please mention the efforts done by the Government to reduce corruptions/ if NO to the question above please ignore this

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 .....  
 .....

.....  
11. If No to the question above please explain the weakness of the government efforts  
and why do you think this is not enough

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.....  
.....

12. From your opinion what measures should be taken in order to prevent corruption in  
procurement of construction works in Tanzania

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**Thank you for your cooperation.**

## APPENDIX II

### QUESTIONNAIRES TO OTHER STAKEHOLDERS (Company officials)

*The purpose of this study is to assess the causes of corruption in construction public procurement in Tanzania particularly at Manyara Region .This study is being conducted as part of the requirements for the award of master degree of Mzumbe University. Your response is very important. Please answer all the questions. The information rendered in this questionnaire will be treated with the utmost confidentiality and be used solely for academic purposes only and not otherwise.*

***Thank you in advance for your time and reasonableness!***

Please tick  the most correct answer(s) to your case or fill the empty space(s) as appropriate

#### ***Part One: Personal Information***

2. What is your Age (in Years)

- e. Below 25
- f. Between 26 and 35
- g. Between 36 and 45
- h. Above 45

3. What is your gender

- c. Male
- d. Female

4. What is your Level of education

- a. Primary/Secondary education
- b. Diploma level
- c. Degree level
- d. Masters and above

5. What is your level of income

- e. Less than 300,000 Tshs
- f. 300,000 Tshs to 700,000 Tshs
- g. 700,000 Tshs to 1,000,000 Tshs
- h. More than 1,000,000 Tshs

6. What is your marital status

- a. Single
- b. Married
- c. Divorced
- d. Widow

7. What is your Level of education

- e. Primary/Secondary education
- f. Diploma level
- g. Degree level
- h. Masters and above

8. What is your current position .....

9. For how long have you worked in this organization

- a. less than 5 years
- b. 5 to 10 years
- c. More than 10 years

***Part two: Specific questions***

10. Are you satisfied with current overall procedures in Procurement of construction industry

- a. Yes
- b. No

B. If no to the questions above then explain why

10. Do you know that this practices processes involve corruptions

- a. Yes
- b. No
- c. I don't Know

11. What do you think are the main reasons made workers in procurement of construction works engage in corrupt practices? *Please tick in the following table if*

*you agree on the main reasons for corruption in construction public procurement processes in your organization where by*

**1- Strongly agree, 2- Agree, 3- Indifferent 4- Disagree 5- Strongly Disagree**

	1	2	3	4	5
Lack of transparency in some procedures					
Lack of Discretion					
Weaknesses of legal and regulatory Framework					
Attitudes of some procurement officials					
Weak Management					
Organizational budgeting size,					
Non Participation(monopoly)					
Weaknesses in investigative structures,					
Lack of fairness					

*If others please mention*

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

10. What kind of corruption that you know does occur in various stages of procurement process?

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

11. Do you think the government effort to fight against corruption is enough in within this sector?

- a Yes
- b No
- c I don't know

12. If Yes to the question above please mention the efforts done by the Government to reduce corruptions/ if NO to the question above please ignore this

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.....

13. If No to the question above please explain the weakness of the government efforts and why do you think this is not enough

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14. From your opinion what measures should be taken in order to improve the standard and quality of services as well as preventing corruption in construction sector

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**Thank you for your cooperation.**