

**FACTORS INFLUENCING VALUE FOR MONEY PROCUREMENT  
IN LOCAL GOVERNMENT AUTHORITIES  
A CASE OF MOROGORO MUNICIPAL COUNCIL**

**FACTORS INFLUENCING VALUE FOR MONEY PROCUREMENT IN  
LOCAL GOVERNMENT AUTHORITIES:  
A CASE OF MOROGORO MUNICIPAL COUNCIL**

**By:**

**Amos A Ngonyani**

**A Dissertation Submitted in Partial Fulfillment of the Requirement for the Award  
of Master of Science in Procurement and Supply Chain Management (Msc. PSCM)  
of Mzumbe University.**

**2019**

**CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a research report entitled the “**factors influencing value for money procurement in local government authorities**” in the award of the degree of Masters of Science in procurement and supply chain management.

Signature

.....

Major Supervisor

Signature

.....

Internal Examiner

Accepted for the Board of the School of Business

---

DEAN SCHOOL OF BUSINESS

## **DECLARATION AND COPYRIGHT**

I Amos A Ngonyani, hereby declares that this research is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other academic award.

Signature \_\_\_\_\_

Date \_\_\_\_\_

**© 2019**

This report is a copyright material protected under other international and national enactments in that behalf, on intellectual property. It may not be reproduced by any means, in full or part, except for short extracts in fair dealing, for research or private study, critical scholarly review or discourse with an acknowledgement, without the written permission of Mzumbe University, on behalf of the author.

## **AKNOWLEDGEMENT**

I would like to thank my Almighty God for giving me good health and power to live and do all the things that I have done and I am doing on earth including carrying out the study that culminated in writing this research report.

The special thanks/appreciation to my Supervisor, Dr Mrope (Senior Lecturer in School of Business –Procurement and Logistics) Mzumbe University for being considerate and taking trouble for me to ensure that my dissertation should be based the procedure and guidance.

In addition, I would also like to express my appreciation to the academic staff and management of Mzumbe University for the cooperation and assistance they accorded me especially through lectures that enabled to acquire the research skills that were so necessary in conducting the study and eventually writing this dissertation.

I also I appreciate friends of mine Mr. Yohana Kamote and Mr. Nsemwa for their time and effort to make data collection and analysis success through some discussions made with them.

Last but not least I feel greatly to the Morogoro Municipal Council for their contribution to this study by volunteering information and allowing me to obtain the data which facilitated on the completion of the study on time.

## **DEDICATION**

This dissertation work is dedicated to my lovely wife Suzan, my son Laban and my daughter Mercy without leaving behind my parents Adeodatus Ngonyani and Marieta Duwe for laying down a firm foundation of my education and their efforts of inspiring me to work hard. The work also is dedicated to my womb mates Michaela, Neema, Humphrey, Philipo, Dorcas and all individuals who helped me at different stages until the completion of this dissertation work.

## **LIST OF ABBREVIATIONS**

ACCA	-	Association of Chartered Certified Accountants
CAG	-	Controller and Audit General
ICT	-	Information and Communication Technology
LGA's	-	Local Government Authorities
MMC	-	Morogoro Municipal Council
MOF	-	Ministry Of Finance
MOW	-	Ministry Of Work
PE's	-	Procurement Entities
PMU	-	Procurement Management Unit
PPA	-	Public Procurement Act
PPR	-	Public Procurement Regulation
PPRA	-	Public Procurement Regulatory Authority
SPSS	-	Statistical Package for Social Science
TB	-	Tender Board
TCT	-	Transaction Cost Theory
VfM	-	Value for Money
ZPPA	-	Zambia Public Procurement Authority

## **ABSTRACT**

This research intended to investigate factors influencing value for money procurement in local government authorities. Research objectives were; to determine the effect of procurement planning on achievement of value for money procurement, to evaluate the effect of employee competency on achievement of value for money procurement, to assess the effect of resource allocation on achievement of VfM procurement, and to investigate the effect of ICT on achievement of VfM procurement in LGAs. The study was conducted at Morogoro municipal located in Morogoro region. From the population of 120 a sample of 60 respondents was obtained. The methods of data collection were documentary, questionnaire and interviews the selection techniques of the respondents were purposive sampling and systematic random sampling. This study involved mixed strategies which were qualitative and quantitative analysis. From the, finding sit was observed that the procurement plan has a positive impact on achievement of value for money procurement in local government authorities. Furthermore, the study established that information and communication technology has a negative impact on achievement of value for money in the LGAs. Likewise, resources allocation is not influencing achievement of value for money procurement in local government authorities. The employee competence is influencing achievement of value for money procurement in local government authorities. On the basis of the above findings, the study recommends that the Municipal management should make sure that they have competent personnel who are in-house so as to help in the running of the procurement process. In order to achieve value for money procurement, the municipal should emphasize much in preparation and implementing the annual procurement plan

Moreover, the Municipal should provide opportunities for their personnel involved in procurement activities to attend procurement trainings and seminars conducted by the PSPTB and other credible institutions. Such trainings will help the procurement staff to equip themselves with the current skills and knowledge necessary for effective management of the procurement function of the Municipal.

## TABLE OF CONTENT

CERTIFICATION .....	i
DECLARATION AND COPYRIGHT.....	ii
ACKNOWLEDGEMENT.....	iii
DEDICATION .....	iv
LIST OF ABBREVIATIONS.....	v
ABSTRACT .....	vi
LIST OF TABLES .....	xii
LIST OF FIGURES .....	xiii
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>AN OVERVIEW OF THE STUDY.....</b>	<b>1</b>
1.1 Introduction .....	1
1.2 Background to the Problem.....	3
1.3 Statement of the Problem .....	4
1.4 Research Objective.....	6
1.4.1 General Objective.....	6
1.4.2 Specific Objectives.....	6
1.5 Research hypothesis .....	6
1.6 Scope of the Study .....	7
1.7 Significance of the Study .....	7
1.8 Organization of the Study .....	7
1.9 Limitations of the Study.....	8
<b>CHAPTER TWO .....</b>	<b>9</b>
<b>LITERATURE REVIEW.....</b>	<b>9</b>
2.1 Definitions of key terms.....	9
2.1.1 Procurement .....	9
2.1.2 Public Procurement .....	9

2.1.3 Procurement planning .....	9
2.1.4 Information and Communication Technology .....	9
2.1.5 Resource Allocation .....	10
2.1.6 Employee Competency .....	10
2.1.7 Value for money .....	10
2.1.8 Economy .....	10
2.1.9 Efficiency .....	11
2.1.10 Effectiveness .....	11
2.2 Theoretical Literature Review .....	11
2.2.1 Theories on value for money procurement .....	11
2.2.2 Theoretical literature review on value for money procurement .....	13
2.3 Empirical Literature Review .....	19
2.4 Conceptual framework .....	24
2.5 Operationalization of variables .....	25
2.5.1 Procurement Planning .....	25
2.5.2 Employee Competence .....	27
2.5.3 Resource Allocation .....	28
2.5.4 Information and Communication Technology .....	29
<b>CHAPTER THREE .....</b>	<b>31</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>31</b>
3.0 Introduction .....	31
3.1 Research Design .....	31
3.2 Research Approach .....	31
3.3 Target Populations .....	32
3.4 Sample size and Sampling technique .....	32
3.4.1 Sample size .....	32
3.4.2 Sampling Techniques .....	33
3.5 Types of Data .....	34
3.5.1 Primary data .....	34

3.5.2 Secondary data .....	34
3.6 Data Collection Methods .....	34
3.6.1 Questionnaire .....	35
3.6.2 Interview .....	35
3.6.3 Documentation .....	35
3.7 Data Reliability and Validity .....	36
3.7.1 Reliability.....	36
3.7.2 Validity.....	36
3.8 Data Analysis .....	37
<b>CHAPTER FOUR.....</b>	<b>38</b>
<b>PRESENTATION OF FINDINGS, AND ANALYSIS .....</b>	<b>38</b>
4.1 Introduction.....	38
4.2 Respondents characteristics .....	38
4.2.1 Responsive rate .....	38
4.2.2 Gender of respondents .....	39
4.2.3 Level of education.....	40
4.2.4 Working experience .....	40
4.3 Effect of procurement planning on achievement of value for money in public procurement in LGAs.....	41
4.3.1 Preparation of annual procurement plan .....	41
4.3.2 Execution of approved annual procurement plan.....	41
4.3.3 Proper resources allocation .....	42
4.3.4 Participation of end users in the initiation of procurement plan .....	42
4.4 The effect of employee competency on achievement of value for money procurement in LGAs .....	43
4.4.1 Qualifications of Morogoro municipal council staffs .....	43
4.4.2 Professionalism in procurement practices.....	44
4.4.3 Training on procurement regulation and procedure.....	44
4.4.4 Motivational schemes to procurement staffs.....	45

4.5 Effect of resource allocation on achievement of VfM procurement in LGAs .....	45
4.5.1 Resource allocation .....	46
4.5.2 Tender float are based on resource availability and confirmation .....	46
4.5.3 Tender award is based on resource availability and confirmation .....	47
4.5.4 Financial budget and procurement plan are reviewed from time to time .....	47
4.6 Effect of ICT on achievement of VfM procurement in LGAs .....	48
4.6.1 Usage of information technology in procurement process .....	48
4.6.2 Qualification on usage of IT in procurement process .....	49
4.6.3 Usage of Information communication technology in procurement process .....	49
4.6.4 Specific computer software for procurement related activities.....	50
4.7.1 Dependent variable.....	51
4.7.2 Independent variables.....	51
4.7.3 Assumption of this regression model.....	53
4.7.4 Summary of hypothesis testing for the factors influencing achievement of value for money procurement in local government authorities.....	54
<b>CHAPTER FIVE.....</b>	<b>56</b>
<b>DISCUSSION OF THE FINDINGS.....</b>	<b>56</b>
5.1 Introduction .....	56
5.2 Procurement planning .....	56
5.3 The competence of employees .....	58
5.4 Resource allocation .....	59
5.5 Information and Communication Technology .....	60
<b>CHAPTER SIX .....</b>	<b>63</b>
<b>SUMMARY, CONCLUSION AND RECOMMENDATION.....</b>	<b>63</b>
6.1 Introduction .....	63
6.1 Summary .....	63
6.2 Conclusion .....	64
6.2.1 Procurement plan .....	64

6.2.2 Information and communication technology .....64

6.2.3 Resources allocation.....64

6.2.4 Employee competence .....65

6.3 Recommendations .....65

6.3.1 Procurement planning .....65

6.3.2 Competence of staffs.....65

6.4 Future Studies .....66

**REFERENCES.....67**

**APPENDICES .....73**

## LIST OF TABLES

Table 3.1 Sample size .....	33
Table 4.1 Respondents distribution table .....	39
Table 4.2 Gender of respondents .....	39
Table 4.4 Working experience .....	40
Table 4.5 Preparation of annual procurement plan .....	41
Table 4.6 Implementation of Approved annual procurement plan .....	42
Table 4.7 Proper resources allocation .....	42
Table 4.8 Involvement of users in the preparation of annual procurement plan.....	43
Table 4.9 Qualification of Morogoro municipal council staffs.....	44
Table 4.10 Professionalism in procurement activities .....	44
Table 4.11 Training on procurement regulation and procedure.....	45
Table 4.12 Motivational scheme to procurement staffs .....	45
Table 4.13 Resources allocation .....	46
Table 4.14 Tender float are based on resource availability and confirmation .....	47
Table 4.15 Tender award is based on resource availability and confirmation.....	47
Table 4.16 Financial budget and procurement plan are reviewed from time to time .....	48
Table 4.17 Usage of information technology in procurement process .....	49
Table 4.18 Qualification on usage of IT in procurement process .....	49
Table 4.19 Usage of ICT in procurement process.....	50
Table 4.20 Specific computer software for procurement related activities .....	50
Table 4.21 Regression model shows relationship between independent variables and dependent variable .....	54
Table 4.22 Interpretation of factor influencing achievement of value for money procurement in local government authorities .....	55

## LIST OF FIGURES

Figure 2.1 Conceptual Framework.....	25
--------------------------------------	----

## **CHAPTER ONE**

### **AN OVERVIEW OF THE STUDY**

#### **1.1 Introduction**

The term procurement and purchasing they have been used interchangeably in most cases but in real sense procurement is broader term, this is due to the fact that in procurement process the purchasing means can also be used as in only in include acquisition of requirement through monetary exchange (Lysons and Farrington, 2006). All LGAs in Tanzania are administered by policy in the PPA and its regulations (PPA 2011 and its regulation of 2013 as amended in 2016) which were registered to monitor public procurement activities and ensure judicious, economic and efficient use of state resources are attained. Moreover, PPA, (2011) express a full governmental structure formed to eradicate the challenge and managerial weakness, which were intrinsic in public procurement in United Republic of Tanzania in order to attain best value for money.

VFM procurement stands as the foundation for both public and private organizations success. Its proper practices lead to efficient utilizes of public fund in ensuring the excellence of stock are obtained at a reasonable price. According to Walter, (2015), procurement activities are highly associated with quality of goods/services, technical and financial risks reduction, generating integrity in performing duties of the organization and protect it against competition. Procurement strategies have becoming vital to any organization as a part for its success to make sure always low cost is achieved in every procurement undertakings. It increases competitiveness and efficiency. To understand these, it is better to encourage on the influencing of attainment of VFM procurement. Connection relating to unlike things like recruitment level, professionalism, organizational structure, financial resources whether centralized or decentralized rules and regulation, policy and guideline, if they will be well organized, will impact on the execution of procurement activities so they need to be considered (Kim, 2013). It is very

important to have tangible commitments and effective public procurement system so as to ensure the best effective public resources utilization for the development of African countries (Kabaj, 2003). For years, procurement activities produced a loss financially as a result of arriving of poor stock and inflated prices. Migai (2005) argued that poor procurement execution has been a problem for the development of any organization and in many cases it became the main causes of increased defects, delay in delivery, delivery of low quality goods and service or no delivery at all. In most public sector, poor procurement performance is considered to be problem because of various reasons like the practices traditional procurement, poor integration of procurement function, negligence, unskilled staffs, collapse to adopt e-procurement, lack of regulation and policies (Juma, 2010). Often, procurement function suffers from poor integration, neglect, transparency, and disclosed competition. It is usual to see competent and qualified specialists to manage and conduct procurement activities in various private organizations. In most cases additional cost, unfair competition and late in contracts in contracts are resulting from inflexibility and bureaucratic procurement systems, all of which have a negative effect on effective procurement process. Attracting, recruiting and retaining personnel in the area of procurement function are the big issues for organizations already concerning with the on-going pressures of complex pricing (Berger & Humphrey, 2007).

As claimed by Dale (2010), instead of many organizations look procurement activities as essential to their performance they just consider it as a supplement. In respect to this, resources allocation and a question of investment to procurement functions are affected by many organizations. For many years the impact of certain factors on value for money procurement has been in focus and also with their effect on the overall efficiency of the organizations. There is now an important to look for factors that influencing the achievement of VfM procurement as a back bone for the growth and survival of LGAs as the public entities.

## **1.2 Background to the Problem**

For years value for money procurement has been greatly attracting attention of researchers, academicians and practitioners due to pure and uneconomical performance resulting from improper procurement procedures (Magutu, Njihia & Mose, 2013). Historically, most entities in low countries was recognized for their corruption and poor performance due to non-adherence to procurement processes and procedures, poor personnel training and management, poor resource allocation and utilization, inadequate benefit and payments (Magutu, Njihia & Mose, 2013). In addition, the procurement departments are experienced problems getting sufficient information regarding the procurement procedures and therefore failed to determine the effectiveness and efficiency of its performance (Amaratunga & Baldry, 2002).

Solution is to initiate proper procurement procedure and performance measure to guide procurement activities. When these procedures and performance standard are adopted by the organization then without doubt there will be assurance of meeting the objectives of the organization as the ones who decide in procurement function will provide reliable information relating to the execution of the procurement activities (Knudsen, 1999). However, there is vivid evidence recommending that most of cost reduction programmes fail to succeed to meet the required expectations due to poor planning, poor management and (Amaratunga & Baldry, 2002).

Usually public procurement executes the relatively great local market in third world countries like Tanzania. Public procurement comprises various processes involved in planning, budgeting, and invitation to bids, bids evaluation, contract award and management, evaluation of performance, auditing and reporting. However, if public procurement is well managed it can contribute to the economic development of these developing countries. It refers to be as an activity that should support the delivery of strategic objectives of a public body and simultaneously live up to the expectations of the particular public and taxpayers at large. In most the developing countries like Tanzania, the procurement activities accounting for about 50% to 70% of the

government expenditure. Hence proper management of procurement activities is very important (Mamiro, 2010). Through the impact of cost associated at the unlike stage of procurement process, the public procurement should follow the principle of VFM (value for money) and sustainability. It is necessary to establish principles of VFM and sustainability due to the implication of the costs involved at the different stages of procurement activities.

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

Public procurement has an impact on social and economic implications because it spends a large portion of public fund. It is very crucial to make sure the process of procurement is efficient and economical. Due to the variety of functions required to be achieved, the systems of public procurement are basically dynamic and complex (Makori 2011). Public procurement is identified as important in service delivery to most of developing countries (Basheka & Bisangabasajja, 2010) hence accounting for a excessive proportion of total expenditure of the public. There is therefore the need for efficiency and effectiveness due to the fact that the great amount of money included in public procurement comes from the public (Hui, 2011).

Although some developing countries like Tanzania have started to take steps in reforming their systems of public procurement, the process is still facing challenges in its undertakings. Hence, huge amounts of public resources are wasted and as a result the value for money fail to be achieved (Odhiambo, 2003). Mlinga (2007) argued that value for money is considered to be basic principles for public procurement by ensuring fairness in any procurement activities and give pace to competitive process that encourages the utilization of resources in an ethical manner, efficiently and effectively while ensuring decisions are transparent and in accountability manner. In contrast, the tracking for value for money in public expenditure is still a great challenge to the state or governments and their organizations in many developing countries.

To ensure public procurement is focused on achievement of VfM, the PPA 2011 of Tanzania as a legal framework has provided a legal base for achieving VfM for procurement undertakings. PPA 2011 and its regulation of 2013 as amended in 2016 requires Procuring Entities (PEs) to plan their procurement in order to avoid misuse of public funds while ensuring transparency, competition and fairness in public procurement.

Despite of these legal requirements, there are some cases which shows the VfM are not well achieved in LGAs. The Controller and Auditor General (CAG) of Tanzania (2018) in the financial year report 2016/2017 indicated the problems in local government authorities in which made them not to achieve value for money these include, inadequate compliance with public procurement procedures. About 94 LGA's violated procurement procedures. Also there was a problem of inadequate preparation and implementation of procurement plan. Under this, other LGA's annual procurement plan were not prepared as per regulation 69 (3-5) of PPR 2013 as amended in 2016, others didn't prepare and submit a quarterly report of APP implementation as per section 38 of PPA 2011, others did not advertise its APP in the GPN through journals, tender portal as per regulation 18(1) and 19(1) of PPR 2013. These noted practices promote unplanned and uncompetitive procurement. However, there were discovered that, procurement of about Tsh.2, 384,412,108 were made from the annual procurement plan. These become a problem in achieving VfM in LGAs.

Therefore, basing on the observed problems towards achievement of VfM there is a need of the commitment of the procurement actors to be focused on the factors that can have influence on achieving VfM in public procurement through an efficient, effective economic manner. However, sectors bringing significant challenges to the system of public procurement must be appropriately addressed so that the public procurement systems can proceed to advocate transparency, fair competition, and efficiency while delivering VfM. The presence of proper annual procurement planning, the influence of

employee competences, proper resource allocation and the use of information technology is necessary for ensuring VFM is attained.

## **1.4 Research Objective**

### **1.4.1 General Objective**

To assess the factors influencing the achievement of value for money procurement in LGAs

### **1.4.2 Specific Objectives**

- i. To examine impact of procurement planning on attainment of VFM procurement in LGAs
- ii. To evaluate the effect of employee competency on attainment of VFM procurement in LGAs
- iii. To assess the effect of resource allocation on achievement of VFM procurement in LGAs
- iv. To investigate the effects of Information and communication technology on achievement of VFM procurement in LGAs

## **1.5 Research hypothesis**

H1: What are the impacts of procurement plan on attainment of VFM in public procurement in LGAs?

H2: What are the effects of employee competences on the attainment of VFM procurement in LGAs?

H3: What is the effect of resource allocation on the attainment of VFM procurement in LGAs?

H4: What is the impact of ICT on the attainment of VFM procurement in LGAs?

## **1.6 Scope of the Study**

The research conducted at Morogoro municipal council for all employees in PMU department, members of tender board head of departments and others who are the end users. The study basically concerned with the determination of the factors that influencing the achievement of VfM procurement in LGAs.

## **1.7 Significance of the Study**

The researcher believes that this dissertation will be of advantage in understanding in-depth factors necessary for the proper utilization of public funds. However the researcher anticipates this study to have other benefits as;

The research will build current understanding of Public Procurement that contributes to scholars in increasing knowledge relating the achievement of VfM in procurement for Parastatal and Public organizations. Also the research will help public entities and private companies to use the best ways by suggestions that will be made from this study. The study findings will make sure improvement of work and lead to better remunerations and incentive sure achieved as a result of utilization of resources in a best way possible in reference to improving procurement processes and the performance of general organization. Lastly the study findings will provide useful information in reference to PPRA as well as policy maker for the same such that necessary action can be taken to put more emphasize on the factors influencing the achievement of VfM in public procurement.

## **1.8 Organization of the Study**

This study has been organized six chapters that is chapter one comprises introduction to the study, setting of the problem, statement of the problem, research objectives both general and specific ones, research hypothesis, significance, limitations as well as scope of the study. Chapter two comprises literature review both definition of term and theoretical part, empirical part and conceptual model. Chapter three comprises area of

the study, research design, targeted population, and unit of analysis, sample size, sampling technique, and data collection methods, data analysis, validity and reliability of data. Chapter four comprises the presentation and analysis of findings. Chapter five comprises discussion of the findings based on the study objectives presented in chapter four. Lastly, chapter six comprises of the study summary, conclusion and recommendations.

### **1.9 Limitations of the Study**

Unavailability of top management, the top managers were not very available as they claimed to have so much to do hence making it difficult for the researcher to get specific data from them. Their unavailability made it necessary for me to wait for a long time to get an appointment and sometimes convinced them on giving me the information I needed when they were having short breaks. Confidentiality, some of the Company's data were very confidential hence it made it hard to get all the information desired. Sometimes I had to convince them by outlying the importance of this research so as to obtain the necessary data. For the information which was very confidential I had to use the little available data so as to meet my objectives.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Definitions of key terms**

##### **2.1.1 Procurement**

The term procurement and purchasing they have been used interchangeably in most cases but in real sense procurement is broader term, this is due to the fact that in procurement process the purchasing means can also be used as in only in include acquisition of requirement through monetary exchange ( Lysons and Farrington, 2006).

##### **2.1.2 Public Procurement**

This is referred as the procurement activities whereby the procuring entities obtain goods, services, or works from national or international suppliers using public fund (PPA, 2011). Usually, public procurement process is associated with rule and regulation to ensure VFM procurement is achieved in all public procurement.

##### **2.1.3 Procurement planning**

Procurement planning is referred to be the activities of recognizing and combining of the needs and detect their period of procurement so as to provide assurance of supply in timely manner necessary for effective and efficient procurement performance (ZPPA, 2008)

##### **2.1.4 Information and Communication Technology**

Technology is the process of transforming a product what is supposed a either low or good version to a better version. Also, it can be said to be a change of how a system operates or the way of operations from manual to automatic operations i.e. inefficient to efficient operations (Campbell, 2005). ICT in procurement involves the use of electronic and network devices to manage procurement functions.

### **2.1.5 Resource Allocation**

This is activities whereby the proper ways of resources utilization and asset of the organization required for the execution of a particular project are determined (Shantanu, 2012).

### **2.1.6 Employee Competency**

Employee competency is a personal feature of employed person, his/her, necessary required for the performance of a good job, and it can be social, professional or conceptual (Homer, 2001).He further says, employee competence in procurement expects to produce some benefits such as increased employee productivity, reduced staff turnover, reduced training costs, hence improves procurement performance.

### **2.1.7 Value for money**

VfM is the highest benefit received from the purchase of goods, works or services with the available resources worth the cost incurred. (PPA, 2011)

As defined by a Business Dictionary; VfM, as utility derived from every total amount of money spent or purchases, whereby VfM is not only based on the economy purchase price but also on maximum effectiveness and efficiency of the purchases involved.

### **2.1.8 Economy**

According to ACCA (1999), economy to be the terms and conditions from which, organizations acquire material and human resources of the proper standard and quality at the minimum cost. The Ministry of Finance of Jamaica (2010) also associated economy with procurement by stating that procurement is a purchasing activity whose purpose is to give the buyer best VfM and that quality issues need to be considered for when it comes for complex purchases. This is to say that a value may imply more than just price.

### **2.1.9 Efficiency**

Efficiency is the relationship existing between production resources and that of goods and services produced (The ACCA, 1999). However, an efficient production operation produces the highest output for any given set of resource inputs. When relating procurement systems with efficiency, the Ministry of Finance of Jamaica (2010) states that an efficient procurement is swift and simple, producing positive outcomes without delays.

### **2.1.10 Effectiveness**

Effectiveness is the degree to which productions achieve the desired results (Batho Pele Handbook, 2007). Effectiveness is normally measured by the degree to which customer's or stakeholder's requirements are met during a particular time. It is the extent to which target or objective is met.

## **2.2 Theoretical Literature Review**

### **2.2.1 Theories on value for money procurement**

A theory is a system of different ideas aimed to explain about something. Some theories strive to explain about the facts that show rational explanation of the cause and effect relationship that exists among group of observable phenomenon (Mugenda & Mugenda, 2003). This study adopted Agency theory Resource based view and transaction cost theories.

#### **2.2.1.1 The Transaction Cost Theory**

This theory was established in order to ease the way of evaluating the comparative planning costs, adapting and monitoring completion of task under various different government structures (Williamson, 1985). The Transaction Cost Theory (TCT) has been used in learning the limits of the firm, vertical integration decisions and the justification for conducting procurement, a firm offers a way which is more efficient in

organizing the market due to optimization of costs of doing transactions and overall value (Martins *et al.*, 2010). Williamson (1985) says the unit of analysis in TCT is a transaction that happened at the time when a product or service transmitted across a technologically distinct interface. According to Parker and Hartley (2003) when an organization is minimizing procurement transaction cost the better VfM can be achieved. An organization can increase the potential benefits through decreasing transaction cost due to an application of ICT in procurement undertakings (Pani and Agrahari, 2007). Therefore, at MMC the use of ICTs in procurement process will reduce procurement costs and hence achievement of better VfM.

The transaction cost theory will be of very important to this study as the application of ICTs in the procurement process expects to reduce transaction cost because the manual handled activities are now conducted electronically. Technology helps in synchronizing and balancing the major two different business objectives of attaining final customer need at the lowest possible cost (Shiundu and Gladys, 2014). It is interesting to note that ICTs do not change the procurement cycle but change the way procurement is conducted.

### **2.2.1.2 The Resource-Based Theory**

The Resource- based theory helps to pinpoint the key and potential resources the firms have and ascertain whether these identified resources satisfy the criteria for, Valuable, Rare, In-imitable, and Non-substitutable (VRIN) (Crook *et al.*, 2008) . More specifically the knowledge based view suggests knowledge resources are a critical part of interconnected resources or capabilities and, hence, valuable to organizations (Rastrick and Corner, 2010).

So these key resources are the important inputs (monetary resources, key employees, equipment and time)which are required by a firm so as to be efficiently and effectively used in attaining various organizational objectives and goals (Kakwezi and Nyeko, 2010). This theory will be used to this study because there were a lot of resources at

MMC that are used in the procurement process. For example, funds, procurement personnel with adequate ICT skills to perform e-procurement and other tangible resources such as computers and papers to facilitate the procurement process. Due to this, there must be adequate funds to ensure that the purchasing is financed well and people involved in the process of procurement especially in procurement planning must be knowledgeable to what they are doing (Apiyo and Mburu, 2014). In this case, advantages that an organization can grasp from procurement activities that is to say, achieving VfM in procurement depends on the procurement people as resources of an organization.

## **2.2.2 Theoretical literature review on value for money procurement**

### **2.2.2.1 Value for money in public sector**

Value for money in public procurement process is the best measure of an efficiency and economy with which the financial resources of the public are transformed into acquired quality goods, works and services (URT, 2012). The main objective of the public procurement is to attain VfM that is procuring products and/or services at the best required quality and minimum possible price within a short period of a time with minimal transaction costs (Engelbert, 2014).

Section 47 of the PPA No. 7 of 2011 and its regulations of the year 2013 requires PEs in the accomplishment of their responsibilities to realize the uppermost standards of fairness, considering the major aim of attaining the best Value for MFM in purchased prices, quality and delivery made as specified and criteria. It must be noted that in all efforts of achieving best VfM within the procurement process means looking for the best combination of the total life cycle quality and cost intended to meet the necessary requirement of the final user (Matambula and Makayi, 2014).

The issue of VfM of any physical assets is associated with the consideration of the life cycle costing analysis that is acquisition, operating and disposal costs of such an item (Woodward, 1997). Section 27 of the PPA No. 7 of 2011 mandates the appointed CAG

to perform performance audit concerning VfM Audit for the aim of finding the efficiency, effectiveness and economy of any expenditure made or use of public funds in the MDAs, LGAs, public Authorities and other entities.

Good practice in procurement is a way to achieve VfM in relation to other associated benefits such as government structure which is clear, improved control environment, reduced purchased cost, improved quality and lower lifetime costs (Badaso, 2014).

### **2.2.2.2 Application of Value for Money Concept**

The concept of VfM seems to be originated from the profession of audit. The application of VfM concept to development work and aid agencies is due in large area to two key trends since the last three decades: Firstly, following the economic recession of the early 1990s, people started looking accountability for government expenditure of their duties. Secondly, effectiveness of aid became prominent on the international agenda. (Governance and Social Development Report Centre [GSDRC], 2010) Value for money is used by multilateral agencies and donors as part of their procedures for evaluation and appraisal (e.g. DANIDA, USAID, Millennium Challenge Commission ERR analysis), and there for the development of programs there is a renewed interest in its application to aid and development programmes (e.g. OECD and World Bank). The USAID and World Bank are strong supporters of conducting economic analysis as a means of ensuring proper accountability to taxpayers and measuring outcomes. The basic principle for analysis of cost-benefit is that net benefit should always be positive. However, cost and benefits should be measured against the counterfactual of not having the project; and measured against various alternatives (World Bank, 2009). In order to achieve VfM the organization should consider the aspects of looking at various ways so as to achieve a desired objective or a set if development outcomes and compare these to both actual investment made and actual achieved outcomes.

### **2.2.2.3 Why VfM**

Need to achieve VfM in procuring of goods, service or works is of very important because of one strong reason that procurement spends public funds to a large proportion. It is therefore a requirement that public funds must be utilized in an effective and efficient manner. According to World Bank (2003), any public entities must focus on achieving VfM in procurement since, collection of tax is costly and it distorts the economy; the best projects and public services are significantly great value; a substitute for aid is tax and hence need for VfM is similarly important; if public expenditure 30 percent of Gross Domestic Product, the difference between a waste and the best value could be very important for growth. Also VfM must be achieved for public procurement since the extent of procurement expenditure has a substantial effect on the economy.

### **2.2.2.4 VfM indicators**

In United Republic of Tanzania, assessing VfM in the procurement of most of public entities is done by PPRA through major five indicators of VfM; these are: the process of planning, designing and tender documentation; procurement processes; contract administration and work supervisions; quality and quantity of executed works and project completion and closure (PPRA, 2014). These major five indicators are weighted and giving more emphasis on the quantity and quality of executed works (Shirima, 2013).

### **2.2.2.5 Challenges for achieving value for money**

According to semenikakula, (2014), there are various problems which have been hindering the achievement of VfM to some procurement activities. These include; insufficient specification of requirements from user department, poor cooperation from some user department, availability of sub-standard products in the market and submission of nonresponsive bids from potential bidders.

Also, there are internal and external challenges that have been encountered by PMU during procurement proceedings that certainly if not dealt with they may obstruct the effectiveness of procedures made to guarantee value for money. Generally, it includes; bureaucracies, unawareness of proper procurement procedures by some user departments, timely consolidation of APP, bidders poor knowledge on procurement proceedings and frequent changes of market prices. It's obvious that VfM in some procurement processes has been attained by the PE during their procurement proceeding and sometimes things do not proceed the way are expected to be and as a result VfM is not achieved all the time.

#### **2.2.2.6 The principles of value for money in public procurement.**

The procurement processes that are within contracting authorities may result in best VfM when the ten (10) guiding principles governing the administration of procurement processes have been satisfied accordingly (Cyprus procurement directorate, 2008). These principles are principle of competition, principle of Efficiency and Effectiveness, fairness and non-discrimination, principle of Objectivity/Integrity/Honest, principle of Transparency, principle of Accountability, principle of Confidentiality/ Accuracy of information/Protection of intellectual property, principle of Conformity to the laws, Professionalism, and principle of Green purchasing

##### **i. Competition**

This refers to the functioning engagement of the private sector and/or Sellers in the process of procurement through the ensuring of procurement information accessible to everyone through sourcing review, advertising of tenders, prequalification and the adoption of transparent procedures in the procurement activities system. The benefits of competitiveness include increased n the seller base; potential savings for the economy; and the development of the local industries resulting to poverty reduction and economic development (Glavee-Geo, 2008). Competition among suppliers in the market provides the best offer that gives VfM.

## **ii. Efficiency and Effectiveness**

The General is the one that provides money to be spent by Public Procurement Entities whereby at this stage Public Procurement Entities try to use their resources in such a way to obtain maximum benefit. In Tanzania Public Procurement in Tanzania is supposed to be efficient and effective when it is conducted in a transparent and professional environment. All public entities must act effectively and efficiently in their procurement undertakings.

## **iii. Fairness and Non Discrimination**

Public procurement is considered to be non-discriminatory and fair when it is consistent and unbiased. The procedures for public procurement should be very clear and everyone should expect to be treated equally, since this will provide better and more offers for sellers (suppliers) to choose from (The World Bank Group, 2003). Fairness and non-discrimination is very important throughout the whole procurement life cycle while ensuring that unnecessary constraints and burdens are not imposed on potential suppliers (Cyprus procurement directorate, 2008).

## **iv. Objectivity/Integrity/ Honesty**

Any conflict of interest that seems to affect their judgment should be declared by officials of public procurement Gifts and any kind of benefits from potential supplier of which might seem to compromise with their integrity and objectivity should be rejected (Cyprus procurement directorate, 2008).

## **v. Transparency**

This refers to the availability of all necessary information required for decision and general performance of public procurement. This information should be reliable, available and on time to everyone (Armstrong, 2005). For a public procurement processes to be regarded as transparent, terms and condition should be kept clear and

available to everyone. However, decisions are made adherence to the mentioned terms and condition can be able to be verified (Evenett &Hoekman, 2003).

#### **vi. Accountability**

This is referred as the obligation of public officials to provide a report on the expenditures of the resources of the public and being answerable for failure to meet the stated performance objectives (Armstrong, 2005). There should be no problem if procurement officials adhere with protocols and procedures (Matthews, 2005). These protocols and procedures should explain reasons that can justify procurement of certain products, how public procurement process was undertaken and also decision that came up with dealing with a certain supplier, hence it must be clear that there was no any element of corruption (Knight, 2012).

#### **vii. Confidentiality/ Accuracy of Information/ Protection of Intellectual Property**

Any secrecy of information relating to procurement activities should be respected. Public procurement officials are required to disclose and any information acquired in the course of performing their duties unless they are provided proper and legitimate authority from authorities (Cyprus procurement directorate, 2008).

#### **viii. Conformity to the Laws**

All procurement activities to be undertaken by public procurement entities should conform to the law and also they should conform to commitments and requirements relating to public procurement (Cyprus procurement directorate, 2008). It is important to ensure fraud and corruptions are prevented from a legal perspective. All public procurement activities should adhere to PPA of 2011 and its regulation of 2013 as amended in 2016. Public procurement Entities should align all procurement activities to ensure that they conform to stipulated (by PPA) rules and regulations.

#### **ix. Professionalism**

This is referred as the experienced, responsible and educated procurement officers make informed decision relating to operations of procurement (Arrowsmith & Quinot 2013). Procurement personnel must act professionalism in their daily procurement undertakings in order to achieve VfM procurement.

#### **x. Green purchasing**

This is relating to procuring of goods, services or works which are environmentally preferable. Items like those which are energy efficient, more durable and those which are reusable may have high initial or investment cost but when considering these items useful life their costs may be significantly lower (Cyprus procurement directorate, 2008). There is economic benefit generated from efficiency gains in procurement activities from incorporating whole life costing in decision making. Any sustainable development will eventually build the development itself and vice versa. Green procurement should become a norm and not an exception (Cyprus procurement directorate, 2008).

### **2.3 Empirical Literature Review**

Empirical Literature review show that experiments revealed that various suggestions and efforts have been made for generating decisions and techniques related to factors influencing the achievement of VfM in public procurement.

kakula (2014) conducted the study titled “The achievement of value for money in local Government authorities” A case of Kahama town council. General objective was to assess procurement factors contributing to the achievement of VfM in public procurement. Specific objectives were; Firstly was to examine the effectiveness of the implementation of procurement procedures towards achievement of value for money in public procurement, secondly was to find out the role of effective competition towards the achievement of value for money in public procurement, thirdly was to

determine the sufficiency of the legal framework for promoting the achievement of VfM in public procurement, and lastly was to examine the contribution of proper annual procurement planning on the achievement of VfM.

Findings from the study showed that there are several factors contributing to the achievement of VfM that includes; effective contract management, open and effective competition, adherence to APP, transparency, presence of quality assurance policy, ethical conducts and consolidation of procurement transactions.

Another study conducted by Mnango (2017) on effectiveness of works procurement contract management in achieving value for money in public entities. The general objective of the study was to assess the effectiveness of works procurement contract management in achieving value for money. Specific Objectives were, to assess the procurement methods used in works contract; to assess the criteria used in evaluation and selection of contractors and to examine the extent to which contracting parties fulfill their objectives. The study generally concludes that CBE (the College of Business Education) has succeeded to achieve VfM in the procurement contracts for works as the due to effective and efficient contract management practices through selection of proper procurement methods that influence competition and lead to getting the reliable contractors at the lowest cost; also through the criteria for the evaluation and selection of contractors, was unable to get capable and competent contractors that avoided Changalima (2016) also conducts a study on determinants of VfM in the public procurement related to works. The general objective of this study was to assess the determinants of value for money in the procurement of works in public sector in Tanzania. Specific objectives were; To find out if procurement planning promotes value for money in procurement process at MOF, MOT and MOW; To determine if record management of all procurement proceedings promote VfM in procurement process at MOF, MOT and MOW and to assess how ICT usages in procurement activities promote value for money in procurement process at MOF, MOT and MOW.

The results from the findings revealed that the procurement planning process and VfM were associated significantly. However, the use of Information and Communication Technology (ICT) in the activities of procurement had impact on VfM significantly. During the study it was revealed that the findings were not succeeded to establish the existing relationship between procurement record management and value for money. Hence, the researcher arrived to the conclusion that procurement planning and Information and Communication Technology application in the process of procurement are great determinants of value for money in procurement. Despite the fact that there are various contributions of record management in achievement of VfM, results of this study failed to establish that record management of all procurement proceedings is among the determinant of VfM. A researcher recommends that procurement planning was significantly associated with VfM in the procurement process; public entities in this aspect MOF, MOT and MOW should ensure that APPs are prepared and followed; also, procurement planning is used as the tool for improving VfM in procurement activities. This can be possible through top management support and inclusion of competent required staffs during planning phase. Despite the fact that, procurement record management had no impact on VfM, proper record management is required at MOF, MOT and MOW so as to improve its contribution to the achievement of value for money in procurement. The PMUs of all respective public entities are required to make sure that this is happening as they are responsible for keeping and maintaining procurement records as stipulated in the Public Procurement Act and its regulations. Also, the application of ICTs in the procurement process had a great impact on VfM; public entities should make sure that e-procurement is applied so as to move from traditional procurement systems to e-procurement systems. This is possible if the government keeps more focus on improvement of technological and legal infrastructure that assists the adoption and application of electronic procurement because MOF, MOT and MOW are among public entities. These entities should be ready for change after improving their organizational infrastructure.

Hossain, (2015) is another researcher who conduct a study titled “Getting Value for Money from Public Procurement” Objectives of the study were, to identify best Procurement practices in order to achieve better VfM in public procurement and to suggest recommendations for further improvement in procurement practices in order to achieve better VfM in public procurement. Findings shows that, Better VfM from procurement activities can be achieved in various ways, such as: Introducing e-GP (electronic government procurement ) at all levels in procurement; getting an increased quality of service at the same cost; To avoid unnecessary procurements of goods or services; making sure that the uses requirements are met as specified; specifying the procurement needs in output forms in order that sellers can suggest cost -effective and solutions which are innovative to meet the need; Improving negotiations skills to make sure all departments receive good deal from sellers. Members of departments should smart and intelligent customers and should be capable of discussing with suppliers every key elements of the contract price like timescale of the assignment, level of service, skill mix of the team of supplier and the way costs are to be remunerated; optimizing the required cost of service/goods delivery throughout the whole life of the contract; ensuring continuous quality and cost improvements during the duration of the contract through introduction of incentives; Consolidation of transactions to obtain bulk purchase discounts; Interdepartmental collaborating to ensure the best price is obtained and also a better discount form bulk purchases is secured; Stimulation and developing a strong and effective relationship with the key suppliers so as to let both supplier and procuring entity departments enjoy maximum value from a particular task by classifying or identifying opportunities to cut down costs and adopt approaches which are more innovative; Minimizing procurement costs by streamlining finance and procurement processes; and Reducing stocks level of the organization. Improvements in VfM fall into:

- (i) Improvements which aimed at minimizing purchasing cost and duration for example, an order processing done by administrative effort, the process of evaluation tenders and execute delivery of goods ordered. This is the

purchasing overhead, and can normally increase 10% to 50% to the cost of procuring products;

- (ii) (ii) Improvements which aimed at receiving extra value from money by negotiating better deals with vendors (better quality and/or reduced cost), or combining.

However, Ademan (2014), conduct a research titled “ensuring VfM in public procurement” a case of koforidupoly technician the Eastern Region of Ghana. The main objective of the research study was to assess ways of ensuring VfM in procurement in Koforidua Polytechnic in the Eastern Region of Ghana. The specific objectives of the study were; to assess the factors ensuring VfM money in public procurement of Koforidua Polytechnic; to identify the challenges facing Koforidua Polytechnic in ensuring VfM in the procurement of goods, works and services; and to examine the measures put in place to ensure VfM in the procurement of goods, works and services in Koforidua Polytechnic.

During the study the results from the findings revealed that the obligation of well-established and functioning public procurement system is important for the better delivery of decentralized products. The findings from the research study tell on conclusion to be put forward. The following conclusions are made from the study findings: PPA in collaboration with other public entities should make sure compliance through a strict monitoring and evaluation procedures of procurement policy so as to ensure value for money; also, public entities stakeholders must invest in their staff training on achieving VfM in their activities of procurement; Management supports for value for money program at all levels of the organization must be encouraged.

### **Research gap**

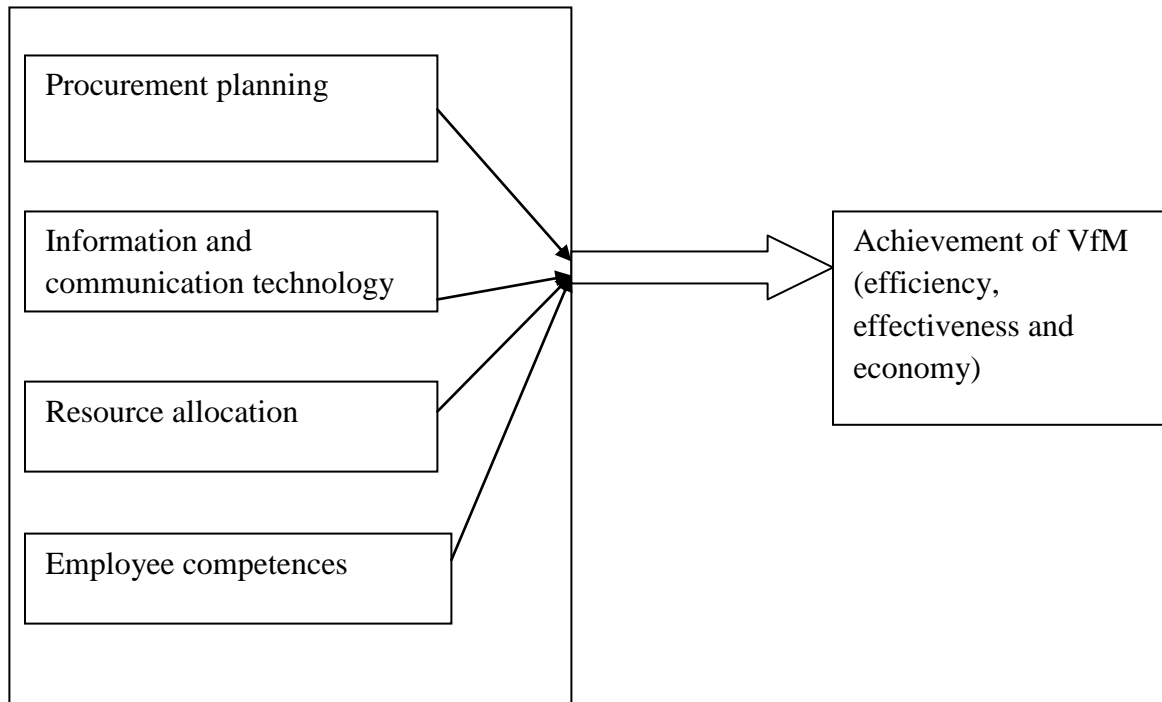
Basing on the observed problems towards achievement of VfM there is a need of the commitment of procurement actors to be focused on the factors that can have influence on achieving VfM in public procurement through an efficient, effective and economic

manner. Also all situations that can bring a serious challenge to the systems of public procurement should be properly dealt with in order the public procurement system can proceed to advocate transparency, fair competition, and efficiency while delivering VfM. Moreover, There are few investigation done in these areas in developing countries especially Tanzania, and that is the most reason as to why the researcher was interested to conduct this study to bridge the gap by recognize the presence of proper and acceptable annual procurement planning, the influence of employee competences, proper resource allocation and the use of information technology can have an impact on achieving VfM in public procurement.

#### **2.4 Conceptual framework**

Conceptual Framework can be defined as a research basic structure comprising of certain abstract concepts and ideas that a researcher wants to analyze, observe or experiment (Mbogo, 2012). The conceptual framework (Figure 2.1) demonstrates a set of relationships among independent variables and dependent variables. In this study independent variables were procurement planning, employee competence, resource allocation and information and communication technology which will have an impact on dependent variable achievement of VfM. Achievement of VfM can be revealed in reference to efficiency, effectiveness and economy in procurement. Therefore, achievement of value for money in public procurement is influenced by the willingness of procurement actors to act positively on preparation and implementation of procurement planning, resource allocation, information and communication technology and employee competence.

**Figure 2.1 Conceptual Framework**



**Source: Researcher 2019.**

## **2.5 Operationalization of variables**

### **2.5.1 Procurement Planning**

Procurement planning refers to the processes of deciding on what to buy, when to buy and from what sources of supply. During the process of the procurement planning the methods of procurement are assigned and all expectations for fulfillment of the procurement requirements are determined and also all expectations for the fulfillment of procurement requirements are determined. Procurement is a phased and proactive approach to management and supervision of procurement process of the organization so as to meet the objectives of agreed procurement policies. However, this process includes reviewing of assets of an organization on annual basis and identifying those which are obsolete and be subjected to disposal. The procurement plan incorporates the description of products (goods, works and services) to be purchased, the budget, methods of

procurement and time scale (PPA, 2011). The Finance Committee of the Council (FCC) is responsible for approving the annual procurement (URT, 2007).

For the purpose of achieving VfM in public procurement, PPA 2011 sec.49(1) (a-d) states that, a procurement entity is required to prepare its annual procurement plan (APP) in a logical manner and it shall: ensure that emergency procurement is avoided as much as possible; consolidate its procurement requirements, both within the procuring entity and between procuring entities, to obtain VfM and reduce costs associated with procurement; avoid splinting of procurement activities to defeat the use of appropriate procurement methods except such splinting is to allow great participation of local suppliers, contractors or consultants; and also to give pace to integration of its procurement budget for a particular period of time with its program of expenditure.

PEs is required to prepare an Annual Procurement Plans (APPs) that will provide them with the guidance on all procurement activities during a given period of time (Mlinga, 2007).

This helps PEs to attain value for their purchases of their goods, services and/or works. Budget preparation process should be integrated with procurement planning and approve should be provided for any procurement that exceed the budget. Usually the approval is granted by the budget approving authority (URT, 2011).

The whole process of procurement planning involves key personnel who contribute in the process so as to ensure that the plan prepared is consistent with the budget. Before doing any procurement transaction PE is required to determine the need for that procurement activities that are reliable and consistence with the objectives of the organization, this means that the PE is assessing of it is necessary to undertake that procurement transaction (Apiyo and Mburu, 2014). Section 39 (2) of the procurement Act necessitates the user department of an organization during the budgeting time to make a list of their supplies, which must be sent to the PMU so that APP of the whole organization is prepared. Procurement planning and control enables PEs to achieve

strategic performance (Bukhala, 2005). Planning in procurement is important because it will lead to a right time purchasing in which will increase procurement performance.

Also, procurement planning creates value in the procurement process through avoiding of delays in purchases. When a PE avoids delays in the whole process of procurement leading to saving of time and money, permitting the timely award of contract that enhances other dependant procurements (Bamfo-Agyei, 2015).

Thus, the study considered the vital contribution of procurement planning in achieving VfM in procurement in LGAs.

### **2.5.2 Employee Competence**

The people working in the PMU are the key to achieving effective achievement of VfM in public procurement. Employing competent staffs for the job involves retaining, Training and recruiting a adaptable and capable personnel. Well informed, versatile, trustworthy and reliable employees are able to defeat the obstacles to change, and they can be able to goals effectively. If all resources are present at a particular time, but the workforce is not in a position to meet these criteria, then attaining the objectives of the organization may be difficult or impossible to meet (Ingram, 2012).

There is therefore the requirement to emphasize on improving the competence of workforce through training for human resources. This can provide a great contribution on improvement of procurement performance in public entities. Seleim (2007) regarded training as the key element necessary for improvement of the organizational performance through improved level of explained that training is a key element for improved organizational performance through the increasing level of individual competences, meaning that training would assist workers to master skills, knowledge, skills, sense of self-worth, behaviors and confidence as a result they can be able to perform effectively and efficiently hence improve the organizational performance. Furthermore he pointed out that there are important benefits a company may obtain in ensuring that staffs who are required to handle vendors are qualified professionally and

that the supplier management approaches are properly handled. The study also noted that competence in executing procurement activities ensures the benefits of new procured goods and services. It can provide protection to the organization, avoiding souring relationships, keeping work to a minimum and improve the reputation of the organization for good management and efficiency. If the employees can perform their work in revealing their competences, VfM can be achieved since their knowledge can be full applied in which will reduce unnecessary costs in their daily procurement activities.

### **2.5.3 Resource Allocation**

Resource allocation is referred to be the process necessary to determine the best way possible to utilize the available resources in the execution of any given assignment or project. Most companies normally attempt to allocate their resources by maximizing profit and minimizing costs guidelines of operation, methods of strategic planning and implementing policies and procedures that allow the business to move toward achievement of its objectives (Shantanu, 2012). Usually the resource allocation starts at the stage of strategic planning at which an organization creates its future goals and vision. It is noted that most public organization entities are not having a clear accountability as for how the resources provided impacts on their performance therefore operating against the public procurement fundamental principle, Danis, (2014) Resources can be tangible or intangible whereby tangible resources refer assets that can be seen touched and quantified like manufacturing plants, part and equipment, as well as formal reporting structures while intangible resources involve assets that basically are deeply rooted in the history of the firm and have been accumulated over time (Michael and Hoskisson, 2007).

Public entities use public fund as a financial resource for all procurement undertakings. For proper attaining of VfM, it is important that all resources are properly allocated as per budget.

#### **2.5.4 Information and Communication Technology**

Information and Communication Technology usage or electronic procurement is the business to government or business to business and sale of supplier works and services through the use of internet and other Information and Commutation Technology related tools. ICT Procurement.(electronic procurement, sometimes also known as supplier exchange) is the business-to-business or business to government and sale of suppliers, works and services thorough internet as well as other ICT related tools enterprise resource planning and electronic data interchange(Wikipedia, free encyclopedia).

According to Mchopa (2013), the increased globally application and usage of the internet for business has influenced the procurement functions to move from traditional paper-based procurement processes to electronic procurement. The distinctive features of the internet networks and websites related technologies can support procurement activities, and simultaneously provide efficiency and improvements to procurement process. Based on this ground, in recent years the application of electronic procurement has been used as a method necessary to reduce costs significantly because of its ability to manage inventory of procured products and also to reduce transaction costs in a most efficient and effective manner. This study examined information and communication technology applications in Parastatal and Public organizations though it face some challenges due to various reasons such as investment capital, poor infrastructure, risks associated with the use of system applications such as cybercrime, unsupported legal framework, lack of skilled labor, etc.

However, Hawking *et al*,(2004), argued that organizations that apply electronic procurement technologies save 42 percent in procurement transaction costs due to the fact that the procurement process is simplified through various factors like reduction in purchasing cycle time resulting in the increase of flexibility and provision of more up to date information during the time of placing a purchase order (PO).This is due to the fact that the procurement circle is shortened and furthermore the unbiased decision is reached without compromising the selection criteria's. Therefore, the use of information

and Communication Technology in daily activities of procurement can enhance the achievement of VfM.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter presents methodology, which describes a systematic way of solving the research problems with procedures employed in collecting data. It further explains the study area and population, sampling methods and techniques. The data collection tools analysis procedures, as well as the validity and reliability of data are also shown.

#### **3.1 Research Design**

According to the purpose of the study, descriptive research design was conducted. This used because; the existing knowledge about a problem under investigation is preplanned. A researcher portrayed the perfect profile of an individual's, occasions or situations. Also the design was used since investigative questions were used in this study. Generally, this research design was conducted because the study which described the characteristics of relevant group, estimate the quantity of a population that possess these characteristics, make specific prediction, determines the frequency with which something occurs, and discover the relationships among different variables. So far descriptive aspect seeks to determine the answers to who, what, when, where, why, and how, which are exactly some of the questions raised in this study.

#### **3.2 Research Approach**

Under this study, both quantitative and qualitative approach was conducted. Quantitative research normally deals with collection and conversion of data into numerical fashion so that can be calculated and analyzed statistically. For this study, quantitative approach was used because researcher had questions of which involve predictions relating to possible relationship between the variables which was done through statistical test. Data were collected by questionnaire following the strictly procedures and then they were

prepared for statistical analysis to determine the degree of relationship between variables.

Also qualitative research approach was used. Qualitative research is usually related with the social constructivist paradigm that focuses attention on the socially constructed nature of real world (reality). It comprises the issues related to records, analysis and attempts to uncover the actual meaning and significance of human experience and behavior such as contradictory behaviors, beliefs and emotions. The approach was used because a researcher was interesting to obtain a clear understanding of the problem from the people's experience. In-depth interview was used to collect data in textual style on the basis of interaction with the participants.

### **3.3 Target Populations**

Population is defined as a great size group of people to whom the results of the study are to be generalized (Christensen and Johnson 2010). The targeted population for this research study was 120 staffs of MMC. The study focused on senior offices for Procurement Management Unit, junior officers, supportive staffs and other end users for the department as the investigation unit of this study.

### **3.4 Sample size and Sampling technique**

#### **3.4.1 Sample size**

A sample size of 50 percent of the population was taken to provide a total sample of 60 staffs of MMC. Cooper and Schindler (2008) argued that, for any valid and reliable study to be carried out, a sample size should not more than 30 percent its population. In reference to this argument, the sample size of this research study was 50 percent of the population.

**Table 3.1 Sample size**

<b>Dept/ section</b>	<b>Population</b>	<b>Sample size</b>	<b>percentage</b>
PMU	10	6	5%
Finance	15	11	9.2%
Stores	18	12	10%
Tender board	8	8	6.7%
Users department	69	23	19.2%
<b>TOTAL</b>	<b>120</b>	<b>60</b>	<b>50.1%</b>

**Sources: Researcher 2019**

### **3.4.2 Sampling Techniques**

According to Dawson (2007), there are various ways of choosing a sample and the method used and it depends much upon the research area, methodology and also the preference of the person conducting research. However there are two main types of sampling technique, namely probability sampling and non-probability sampling. Non-probability sampling techniques are those techniques whereby selection of individuals for the sample size does not provide all the individuals in the population equal chances of being selected. On the other hand probability sampling techniques provide all the individuals in the population with equal chances of being selected. In this study, both probability and non-probability sampling were used.

#### **3.4.2.1 Non probability Sampling.**

For this sampling technique, purposive sampling technique was used by picking individuals from the population based on the authority and knowledge they have concerning the study. A technique was used because there are some information is required for a certain group of people who have the mandatory in making decisions on matters concerning procurement. These include accounting officer, head of PMU, chairman of tender board and other heads of departments.

#### **3.4.2.2 Probability Sampling**

A probability sampling is referred to be a sampling technique whereby the probability of selecting any member or element of a particular population is known. A random

selection process is found to be a key element to probability sampling. Usually this sampling process uses chance and chance alone to come up with which elements or members of the population are to be selected and considered as sample for the particular study (Janet .M, 2005). Under this sampling technique, systematic random sampling was used. A technique was used because the sampling frame is large therefore the technique was ensured a greater representation of a population. As regards to this study and this method, Researcher arranged the names of all employees in chronologically order starting from A to Z. After the arrangement, the researcher counted four names and fifth name to be included in the sample.

### **3.5 Types of Data**

#### **3.5.1 Primary data**

These are data that were collected afresh directly from respondents, thus, they occur to be indigenous in character. These data were gathered via interviews and questionnaires. These data were collected because the data expects to be the up to date since is collected directly by researcher himself from the field.

#### **3.5.2 Secondary data**

These are referred as data that have already been collected by someone else rather than a researcher and also the collected data have already been passed through statistical analysis. Thus, they are referred to the data which have already been collected and analyzed by other researchers. Data were collected through reviewing procurement documents and publications relevant to the study. The aim of using this type of data is due to the important of this kind of data to support the study under investigation.

### **3.6 Data Collection Methods**

A researcher expects to collect data from both primary and secondary sources whereby questionnaires, interviews and documentation were used to collect Primary data.

### **3.6.1 Questionnaire**

This is referred to be as a set of questions to be asked and filled when collecting data. This method is preferred in this study because it is the best approach where respondents can be comfortable in giving the required information. Also, it is a good method for keeping secrecy and confidentiality because some respondents do not like to be known by their names; therefore, using this kind of method it helps respondents to give proper answers since they find themselves comfortable to state everything they know. The method was employed whereby questions were distributed and all respondents and are required to fill the questionnaires with high degree of royalty so as to get first class information over the studied topic.

### **3.6.2 Interview**

Researcher used interview to explore detailed information from respondents. Yin (2009) argues that interview is the most important source of information in any case study because it is guided conversation, which requires the researcher to follow his/her own inquiry and question in unbiased manner. Interview used to get qualitative data from the respondents. Interviewed 30 respondents were the Accounting officer, head of PMU, Chairman of tender board, and other heads of departments. This is because a researcher beliefs that they have more information since they are the one who have the authority in making decisions in procurement matters. Also the method gave the respondent more chance to answer a questions widely since is an open ended questions in which gave a researcher a right answers to the questions under investigation.

### **3.6.3 Documentation**

The researcher was also use this method to get secondary data whereby information was obtained from various documents such as, quarterly reports, assessment reports of external assessors, internet surfing, and various circulars of the government.

### **3.7 Data Reliability and Validity**

#### **3.7.1 Reliability**

Reliability has been defined as the consistency or reliability quality of a measurement or study. Measuring instrument is considered to be reliable if its outcomes are consistent (Kothari, 2004). That is to say that if the same study is conducted by different researchers it should generate more or less the same outcomes. Under this study reliability improved by standardizing the particular conditions in which the measurement came about, thus a researcher expected to minimize variation's external sources of such as fatigue and monotony. However, the researcher focused on reducing variation in measurement from segments of groups one after another, and by posing similar questions to sampled respondents. The study covers the reliable information due to the criteria of cronbach's Alpha 0.722 as shown in table 3.2 below. This cronbach's alpha of 0.722 implies that the study involved reliable information which meant all information was covered in this study is relevant, hence the study is valid due to the criteria of cronbach's alpha < 0.7 is acceptable.

#### **3.7.2 Validity**

This is considered to be the most critical measure whereby it indicates the extent to which whatever is supposed to be measured is measured by an instrument (Kothari, 2004). For the purpose of achieving validity the researcher had to ensure the measuring instrument provides the adequate coverage of the specific topic by having adequate representative sample size of the Council.

**Table 3.2 Reliability statistics**

Cronbach's Alpha	N of Items
0.722	20

**Sources: Researcher 2019**

### **3.8 Data Analysis**

According to Kothari (2004), after collection of data, data has to be organized and then processed and analyzed as per the laid down outline for the purpose at the time of generating the research plan. This is very important for a scientific study and also for making sure that researchers have all relevant data required for making contemplated analysis and comparisons. Technically data analysis implies the art of coding, editing, tabulation and classification of collected data such that they are manageable to analysis. The term analysis is referred to the scientific computation of definite measures along with searching for patterns of the existence relationship among data groups. Thus, “in the process of analysis, differences or relationships conflicting or supporting with new or original hypotheses must be subjected to statistical tests of significance so as to determine with what validity data can be said to indicate any conclusion.

In this study, the researcher used both qualitative and quantitative methods to analyze data and to get the description of the data collected which based for the discussion. Both Quantitative and qualitative data analysis used to analyze the four objectives by using the SPSS software. This is through descriptive statistics where the researcher included frequencies and tables. The researcher used multi regression analysis to test the relationship between variables found in four hypotheses.

## **CHAPTER FOUR**

### **PRESENTATION OF FINDINGS, AND ANALYSIS**

#### **4.1 Introduction**

This chapter dealt with the presentation of research findings, this includes data preparation, editing, coding and cleaning; it also has tables and frequency of respondents regarding their responses on the research question based on factors influencing the attainment of VfM in LGAs. These primary data were collected from various Morogoro municipal staffs who from different units who have a little knowledge on value for money such as Procurement Management unit, Finance, Tender board, Stores, and users. The researcher was able to distribute questionnaire to respondents and interview some of them among all the targeted 60 respondents were able to fill and return the Questionnaires in time, marking 100% effectiveness of the sample chosen. The findings are based on the research questions of the study which were:

- i. To examine effects of procurement planning on attainment of VfM procurement in LGAs
- ii. To evaluate the effect of employee competency on attainment of VfM procurement in LGAs
- iii. To assess the effect of resource allocation on achievement of VfM procurement in LGAs
- iv. To investigate the effect of ICT on achievement of VfM procurement in LGAs

#### **4.2 Respondents characteristics**

##### **4.2.1 Responsive rate**

Under this particular research study there were sixty respondents, in this case therefore sixty questionnaires were distributed to various respondents from different six departments including Procurement Management unit, Finance, Tender board, Stores,

and users. The researcher was closely following the questionnaires where all sixty questionnaires were filled and returned. Also observations were used to collect data.

**Table 4.1 Respondents distribution table**

<b>Departments</b>	<b>Frequency</b>	<b>Percent</b>
PMU Staff	6	10.0
Finance	11	18.3
Tender board Member	8	13.3
Stores/ Suppliers	12	20.0
Users	23	38.3
Total	60	100.0

**Sources: Researcher 2019**

#### **4.2.2 Gender of respondents**

The government of Tanzania strive in maintaining gender balance and women participation on different social matters in the countries so this emphasize is mobilized in every sector in the country as women have to be provided the equal chance in different societal matters of the country, so researcher ensure his study has considered both gender as shown on the table 4.2 below.

**Table 4.2 Gender of respondents**

	<b>Frequency</b>	<b>Percent</b>
Male	34	56.7
Female	26	43.3
Total	60	100.0

**Sources: Researcher 2019**

The study establishes that there is no dominance of male over female workers at Morogoro Municipal; in fact the study managed to involve both males and females as far as gender balance is concerned. Gender issue was realized to avoid gender biased such involving only male alone or female alone were male, it has been revealed that both gender, male and female were involved though male dominated the number of respondents.

### 4.2.3 Level of education

Since the nature of the study needs literate personnel the researcher had to know the education level status of the respondents to sure that is working with the competent people in data collection on value for money so researcher asked about the education level of the respondents and shown in the figure below

**Table 4.3 Level of education**

	Frequency	Percent
Diploma	1	1.7
Advance Diploma	11	18.3
Bachelor degree	32	53.3
Master and above	16	26.7
Total	60	100.0

**Sources: Researcher 2019.**

These findings indicated that respondents have satisfactory level of education due to have different level which enable researcher to collect data from Diploma, Advance diploma, Bachelor degree and Masters hence they have capacity and ability to give vital information according to their qualification.

### 4.2.4 Working experience

Since the nature of the study needs experienced personnel, the researcher have to know the working experience of the respondents to sure that is working with the experienced people in data collection so researcher asked about the working experience of the respondents and shown in the Table 4.3 below

**Table 4.4 Working experience**

	Frequency	Percent
1-5 years	35	58.3
6-10 years	15	25.0
11-15 years	9	15.0
Above 20 years	1	1.7
Total	60	100.0

**Sources: Researcher 2019**

These findings indicated that respondents have satisfactory working experience in the field of procurement due to have different level of working experience which enable researcher to collect data from them; hence they have capacity and ability to give vital information according to their experience.

### **4.3 Effect of procurement planning on achievement of value for money in public procurement in LGAs**

This was the first purpose of this research study, aiming at determining the effects of procurement plan on attainment of VfM in public procurement in LGAs. The researcher addressed several questions under this procurement planning to what he expected in this study and used questionnaire and interview to get responses from sample of respondents on this study. The findings from respondents are found below as explained as descriptive statistics showed below;

#### **4.3.1 Preparation of annual procurement plan**

A question on whether or not the MMC prepares its annual procurement plan was raised by the researcher. This was aimed to find out whether following procurement plan in their procurement activities to enhance value for money. From Table 4.4, 32 respondents (53.3%) strongly agreed, and 28 respondents (46.7%) agreed. All 60 respondents agreed that MMC prepare its annual procurement plan.

**Table 4.5 Preparation of annual procurement plan**

	<b>Frequency</b>	<b>Percent</b>
Strongly agree	32	53.3
Agree	28	46.7
Total	60	100.0

**Sources: Researcher 2019.**

#### **4.3 2 Execution of approved annual procurement plan**

A question on whether or not the all procurement in Morogoro municipal council are done according to its approved annual procurement plan was raised by the researcher.

This was aimed to find out whether Morogoro municipal council following its annual procurement plans in their procurement activities to enhance value for money. From Table 4.5, 18 respondents (30%) strongly agreed, and 42 respondents (70%) agreed. All 60 respondents agreed that Morogoro municipal council implement its annual procurement plan in their procurement activities.

**Table 4.6 Implementation of Approved annual procurement plan**

	Frequency	Percent
Strongly agrees	18	30.0
Agrees	42	70.0
Total	60	100.0

**Sources: Researcher 2019**

#### **4.3.3 Proper resources allocation**

A question on whether or not the procurement planning helps in proper resources allocation at the Morogoro municipal council was raised by the researcher. This was aimed to find out whether procurement planning helps in proper resources allocation in their procurement activities at Morogoro municipal council to enhance VfM. From Table 4.6, 33 respondents (55%) strongly agreed, and 27 respondents (45%) agreed. All 60 respondents agreed that procurement planning helps in proper resources allocation in their procurement activities at MMC.

**Table 4.7 Proper resources allocation**

	Frequency	Percent
Strongly agrees	33	55.0
Agree	27	45.0
Total	60	100.0

**Sources: Researcher 2019**

#### **4.3.4 Participation of end users in the initiation of procurement plan**

A question on whether or not in this municipal, preparation of procurement planning involves all user departments or unit's council was raised by the researcher. This was aimed to find out whether users are involved in the preparation of annual procurement

plan to enhance value for money in Morogoro municipal council. From Table 4.7, 22 respondents (36.7%) strongly agreed, and 38 respondents (63.3%) agreed. All 60 respondents agreed that users are involved in the preparation of annual procurement plan at Morogoro municipal council.

**Table 4.8 Involvement of users in the preparation of annual procurement plan**

	<b>Frequency</b>	<b>Percent</b>
Strongly agree	22	36.7
Agree	38	63.3
Total	60	100.0

**Sources: Researcher 2019**

#### **4.4 The effect of employee competency on achievement of value for money procurement in LGAs**

During the study the respondents were to give answers relating to four aspects of employee competency on attainment of VfM procurement in LGAs. Furthermore the researcher addressed several questions under this employee competency to what he expected in this study and used questionnaire and interview to get responses from sample of respondents on this study. The findings from respondents are found below as explained as descriptive statistics showed below by presenting the frequencies of response.

##### **4.4.1 Qualifications of Morogoro municipal council staffs**

A question on whether or not the municipal recruits its staff based on skills, competences and capabilities was raised by the researcher. This was aimed to find out whether municipal recruits qualified personnel in procurement activities to enhance value for money in Morogoro municipal council. From Table 4.8, 25 respondents (41.7%) strongly agreed, and 35 respondents (58.3%) agreed. All 60 respondents agreed that the municipal recruits qualified staffs in the procurement activities to obtain VfM.

**Table 4.9 Qualification of Morogoro municipal council staffs**

	Frequency	Percent
Strongly agree	25	41.7
Agree	35	58.3
Total	60	100.0

**Sources: Researcher 2019.**

#### **4.4.2 Professionalism in procurement practices**

A question on whether or not procurement staff practices professionalism on their daily procurement undertakings was raised by the researcher. This was aimed to find out whether procurement staffs use their professional in procurement activities to improve VfM in Morogoro municipal council. From Table 4.9, 16 respondents (26.7%) strongly agreed, and 37 respondents (61.7%) agreed, and others 7 which are 11.7 % they are neither, neither agree nor disagree. However, most of respondents about 53 respondents agreed that the procurement staffs practice professionalism on their daily procurement undertakings at Morogoro municipal council.

**Table 4.10 Professionalism in procurement activities**

	Frequency	Percent
Strongly agree	16	26.7
Agree	37	61.7
Neither agree nor disagree	7	11.7
Total	60	100.0

**Sources: Researcher 2019**

#### **4.4.3 Training on procurement regulation and procedure**

A question on whether or not procurement staff in this Municipal does attend trainings on procurement regulations and procedures was raised by the researcher. This was aimed to find out whether procurement staffs do attend the training on procurement regulation and procedure to enhance VfM in Morogoro municipal council. From Table 4.10, 17 respondents (28.3%) strongly agreed, and 32 respondents (53.3%) agreed, others 9 which are 15% they are neither, neither agrees nor disagree, and 7 respondents of 11.7% are disagreed. However, most of respondents about 49 respondents agreed that the

procurement staffs attend training on procurement regulation and procedure to enhance VfM in their procurement activities.

**Table 4.11 Training on procurement regulation and procedure**

	<b>Frequency</b>	<b>Percent</b>
Strongly agree	17	28.3
Agree	32	53.3
Neither agree nor disagree	9	15.0
Disagree	2	3.3
Total	60	100.0

**Sources: Researcher 2019**

#### **4.4.4 Motivational schemes to procurement staffs**

A question on whether or not the organization has motivational schemes to procurement staff to enhance procurement performance was raised by the researcher. This was aimed to find out whether municipal has motivational scheme to its procurement staffs to enhance VfM in Morogoro municipal council. From Table 4.11, 14 respondents (23.3%) strongly agreed, and 30 respondents (50%) agreed, others 13 which are 21.7% they are neither, neither agrees nor disagree, and 3 respondents of 5% are disagreed. However, most of respondents about 44 respondents agreed that the municipal has motivational scheme to procurement staffs to enhance procurement performance.

**Table 4.12 Motivational scheme to procurement staffs**

	<b>Frequency</b>	<b>Percent</b>
Strongly agree	14	23.3
Agree	30	50.0
Neither agree nor disagree	13	21.7
Disagree	3	5.0
Total	60	100.0

**Sources: Researcher 2019**

#### **4.5 Effect of resource allocation on achievement of VfM procurement in LGAs**

From the study, the respondents were to give answers relating to four aspects of resources allocation on achievement of VfM procurement in LGAs. The researcher

addressed several questions under this resources allocation to what he expected in this study and used questionnaire and interview to get responses from sample of respondents on this study. The findings from respondents are found below as explained as descriptive statistics showed below by presenting the frequencies of response.

#### 4.5.1 Resource allocation

A question on whether or not the resources allocated for the procurement function at this Municipal is adequate and on time was raised by the researcher. This was aimed to find out whether resources allocated for the procurement function at this municipal is adequate and on time. From Table 4.12, 11 respondents (18.3%) strongly agreed, and 34 respondents (56.7%) agreed, others 13 which are 21.7% they are neither, neither agrees nor disagree, and 2 respondents of 3.3% are disagreed. However, most of respondents about 45 respondents who strongly agreed and agreed argued that the resources allocated for the function of procurement at this municipal is adequate and on time.

**Table 4.13 Resources allocation**

	Frequency	Percent
Strongly agree	11	18.3
Agree	34	56.7
Neither agree nor disagree	13	21.7
Disagree	2	3.3
Total	60	100.0

**Sources: Researcher 2019**

#### 4.5.2 Tender float are based on resource availability and confirmation

A question on whether or not tender floats are based on resources availability and confirmation. This was aimed to find out whether tender floats are based on resources availability and confirmation. From Table 4.13, 20 respondents (33.3%) strongly agreed, and 34 respondents (56.7%) agreed, and others 6 which are 10% they are neither, neither agrees nor disagree. However, most of respondents about 54 respondents agreed that tender floats are based on resources availability and confirmation.

**Table 4.14 Tender float are based on resource availability and confirmation**

	Frequency	Percent
Strongly agree	20	33.3
Agree	34	56.7
Neither agree nor disagree	6	10.0
Total	60	100.0

**Sources: Researcher 2019**

#### **4.5.3 Tender award is based on resource availability and confirmation**

A question on whether or not the award of tender is based on availability of resources availability and confirmation. This was aimed to find out whether tender award is based on resources availability and confirmation. From Table 4.14, 28 respondents (46.7%) strongly agreed, and 24 respondents (40%) agreed, others 7 which are 11.7%, they are neither, neither agrees nor disagree, and 1 respondent of 1.7%. However, most of respondents about 52 respondents agreed that tender award is based on resources availability and confirmation.

**Table 4.15 Tender award is based on resource availability and confirmation**

	Frequency	Percent
Strongly agree	28	46.7
Agree	24	40.0
Neither agree nor disagree	7	11.7
Disagree	1	1.7
Total	60	100.0

**Sources: Researcher 2019**

#### **4.5.4 Financial budget and procurement plan are reviewed from time to time**

A question on whether or not both financial budget and procurement plan are reviewed from time to time depending on the prevailing economic situations at Morogoro municipal council. From Table 4.15, the researcher found that 18 respondents (30%) strongly agreed, and 38 respondents (63.3%) agreed, others 2 which are 3.3%, they are neither, neither agrees nor disagree, and 2 respondents of 3.3%. However, most of respondents about 56 agreed that at the Morogoro municipal council, both financial

budget and procurement plan are reviewed from time to time depending on the prevailing economic situations.

**Table 4.16 Financial budget and procurement plan are reviewed from time to time**

	Frequency	Percent
Strongly agree	18	30.0
Agree	38	63.3
Neither agree nor disagree	2	3.3
Disagree	2	3.3
Total	60	100.0

**Sources: Researcher 2019**

#### **4.6 Effect of ICT on achievement of VfM procurement in LGAs**

This was the fourth objective of the study, aiming at determining the effect of ICT on successful achievement of VfM in public procurement in LGAs. The researcher addressed several questions under this information communication technology to what he expected in this study and used questionnaire and interview to get responses from sample of respondents on this study. The findings from respondents are found below as explained as descriptive statistics showed below;

##### **4.6.1 Usage of information technology in procurement process**

A question on whether or not the organization has embarked on the use and application of information technology in its procurement processes at Morogoro municipal council. From Table 4.16, the researcher found that 19 respondents (31.7%) strongly agreed, and 25 respondents (41.7%) agreed, and others 16 which are 26.7%, they are neither, neither agrees nor disagree. However, most of respondents about 44 agreed that an organization has embarked on the use of information technology in its procurement processes at Morogoro municipal council.

**Table 4.17 Usage of information technology in procurement process**

	Frequency	Percent
Strongly agree	19	31.7
Agree	25	41.7
Neither agree nor disagree	16	26.7
Total	60	100.0

**Sources: Researcher 2019****4.6.2 Qualification on usage of IT in procurement process**

A question on whether or not procurement personnel in this Municipal Council have prerequisite skills and competency on uses Information Technology platforms. From Table 4.17, the researcher found that 23 respondents (38.3%) strongly agreed, and 25 respondents (41.7%) agreed others 9 which are 15%, they are neither, neither agrees nor disagree, and 3 respondents of 5% are agreed. However, most of respondents about 48 agreed that procurement personnel in this Municipal Council have prerequisite skills and competency on uses Information Technology platforms.

**Table 4.18 Qualification on usage of IT in procurement process**

	Frequency	Percent
Strongly agree	23	38.3
Agree	25	41.7
Neither agree nor disagree	9	15.0
Disagree	3	5.0
Total	60	100.0

**Sources: Researcher 2019****4.6.3 Usage of Information communication technology in procurement process**

A question on whether or not the use of ICT in procurement process has reduced transaction time and it improved accuracy of requisitions. From Table 4.18, the researcher found that 30 respondents (50%) strongly agreed, and 29 respondents (48.3%) agreed, and others 1 which are 1.7%, they are neither, neither agrees nor disagree. However, most of respondents about 59 agreed that the use of ICT has reduced transaction time and improved accuracy of requisitions

**Table 4.19 Usage of ICT in procurement process**

	Frequency	Percent
Strongly agree	30	50.0
Agree	29	48.3
Neither agree nor disagree	1	1.7
Total	60	100.0

**Sources: Researcher 2019****4.6.4 Specific computer software for procurement related activities**

A question on whether or not at the MMC, there is specific computer software for procurement related activities and/ or processes. From Table 4.19, the researcher found that 24 respondents (40%) strongly agreed, and 25 respondents (41.7%) agreed, and others 11 which are 18.3%, they are neither, neither agrees nor disagree. However, most of respondents about 49 agreed that at the MMC, there is specific computer software for procurement related activities and/ or processes.

**Table 4.20 Specific computer software for procurement related activities**

	Frequency	Percent
Strongly agree	24	40.0
Agree	25	41.7
Neither agree nor disagree	11	18.3
Total	60	100.0

**Sources: Researcher 2019****4.7 Hypothesis testing for the factors influencing successful attainment of VFM procurement in local government authorities.**

In section 2.5, we discussed the conceptual framework that focused on the factors influencing achievement of VfM procurement which is the basis of this research study. The descriptive statistics analysis aimed to find out whether the theoretically suggested factors conform to our study results. Consider the result of descriptive statistics in table 4.4- 4.19, the hypothesis for testing factors influencing achievement of value for money include procurement planning (preparation, approve, planning, and allocation), information and communication technology (IT, competency, ICT, and

software), Resources allocation (resources allocated, tender floats, tender awards, and financial budget), and employee competence (qualification, professionalism, training, and motivation). The researcher considered a linear regression analysis because our study aimed at examining the effect of independent variables detailed in our conceptual model in chapter 2 (See also; Figure 2.1). Therefore, we used linear regression models and estimated the regression coefficient by using the SPSS (Statistical Packages for social science).

#### **4.7.1 Dependent variable**

For a definite extraction and exploitation of the analysis methods, the researcher opted to relatively run a descriptive statistics for the dependent variable (value for money) measured by using factors influencing achievement of value for money, so as to generate the confidence of examining the correlation that was existing between the two antagonistic groups of variables i.e. The dependent and the independent variables. See section 2.5 and table 4.4- 4.19.

#### **4.7.2 Independent variables**

In this study, independent variable used are procurement planning includes (preparation, approve, planning, and allocation), information and communication technology includes (IT, competency, ICT, and software), Resources allocation includes (resources allocated, tender floats, tender awards, and financial budget), and employee competence (qualification, professionalism, training, and motivation).

##### **4.7.2.1 Procurement planning**

The researcher intended to determine the factors influencing attainment of value for money procurement in LGAs. One of those factors is procurement plan which combine four sub variables includes preparation, approve, planning, and allocation we found that procurement plan was not significant based on the criteria of P-Value < 0.05, when the linear regression conducted between procurement plan against value for money. The

variables can have a positive relationship and accepted when the B-value is positive value. The results presented in table 4.20, where (B-value was 3.426, and P-value < 0.001). Existence of procurement plan determine how this factors influence the value for money, the procurement plan was also found insignificant due to the complying levels of significance 0.127, Beta = 0.200, B-value of 0.153. Therefore according to the data, procurement plans are among the factors influencing achievement of VfM since the results show a positive relationship. This was determined by B-value. So the hypothesis was rejected.

#### **4.7.2.2 Information and communication technology**

The researcher intended to determine the factors influencing achievement of value for money procurement in LGAs. One of those factors is information and communication technology which combines four sub variables includes IT, competency, ICT, and software, we found that ICT was significant based on the criteria of P-Value < 0.05, when the linear regression conducted between information and communication technology against value for money. The variables can have a positive relationship and accepted when the B-value is positive value. The results presented in table 4.20, where (B-value was 3.426, and P-value < 0.001). Existence of information and communication technology determine how this factors influencing achievement of VfM, information and communication technology was also found significant due to the complying levels of significance 0.013, Beta = -0.372, B-value of -0.160. Therefore according to the data, information and communication technological factors are not influencing achievement of VfM since the results revealed a negative relationship. This was determined by B-value. So the hypothesis was accepted.

#### **4.7.2.3 Resources allocation**

The researcher intended to determine the factors influencing achievement of VfM for money procurement in LGAs. One of those factors is resources allocation which combine four sub variables includes resources allocated, tender floats, tender awards,

and financial budget, we found that resources allocation was not significant based on the criteria of P-Value  $< 0.05$ , when the linear regression conducted between resources allocation against value for money. The variables can have a positive relationship and accepted when the B-value is positive value. The results presented in table 4.20, where (B-value was 3.426, and P-value  $< 0.001$ ). Existence of resources allocation determine how this factors influencing the value for money, the resources allocation was also found insignificant due to the complying levels of significance 0.297, Beta = -0.143, B-value of -0.068. Therefore according to the data, resources allocation is not influencing achievement of VfM since the results show a negative relationship. This was determined by B-value. So the hypothesis was rejected.

#### **4.7.2.4 Employee competence**

This research study intended to determine the factors influencing achievement of value for money procurement in LGAs. One of those factors is employee competence which combines four sub variables includes qualification, professionalism, training, and motivation, we found that employee competence was significant based on the criteria of P-Value  $< 0.05$ , when the linear regression conducted between employee competence against value for money. The variables can have a positive relationship and accepted when the B-value is positive value. The results presented in table 4.20, where (B-value was 3.426, and P-value  $< 0.001$ ). Existence of employee competence determine how this factors influencing the value for money, the employee competence was also found insignificant due to the complying levels of significance 0.203, Beta = 0.197, B-value of 0.111. Therefore according to the data, employee competence influencing achievement value for money since the results shows a positive relationship. This was determined by B-value. So the hypothesis was rejected.

#### **4.7.3 Assumption of this regression model**

The researcher found this regression model has key five assumption which includes the true relationship is linear, errors are normally distributed, multicollinearity,

homoscedasticity of errors (or equal variance around the line) and independence of the observations. The researcher has powerful sound to say this regression model is true based on the following assumption includes: The Some of variables have positive outcome, this study involves more than 20 sample for each case as required by this model as assumption which exactly in study involved 60 sample for each case and this regression is linear due to the positive and negative results between variables.

**Table 4.20 Regression model shows relationship between independent variables and dependent variable**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.426	.974		3.517	.001
Procurement planning	.153	.099	.200	1.550	.127
Information and communication technology	-.160	.062	-.372	-2.569	.013
Resources allocation	-.068	.064	-.143	-1.053	.297
Employee competence	.111	.086	.197	1.288	.203

a. Dependent Variable: Value for money

**Sources: Researcher 2019**

#### **4.7.4 Summary of hypothesis testing for the factors influencing achievement of value for money procurement in local government authorities.**

The result of the study reflects the respondents viewed on all the four factors influencing achievement VfM procurement in LGAs. A detailed examination of all the factors were undertaking in deriving an authentic conclusion.

The evaluation of the factors influencing achievement VfM procurement is a high priority for this study. Using the following information from the table above on the factors influencing achievement VfM, table 4.4-4.19 was produced to provide an interpretation which can be used to answer the research study question on determining the factors influencing achievement VfM procurement in LGAs.

In this research, the researcher revealed that in four factors, the only one factor was the main variables influencing achievement value for money procurement in Table 4.4-4.19. The researcher decided to test four variables to see their relationship as shown in section 4.7 by using the regression analysis method, and the researcher noticed that, the one variable was accepted as factors influencing achievement value for money procurement. They include; ICT because of significant relationship based on the P-value (less than 0.05) in this study, while these 3 variables were rejected due to the insignificant relation based on the P-value (greater than 0.05) in this study. See in table 4.21 below:

**Table 4.21 Interpretation of factor influencing achievement of value for money procurement in LGAs**

Components	Significance	Relationship	Conclusion
Procurement plan	Insignificant	Positive	Rejected
Employee competence	Insignificant	Positive	Rejected
Resources allocation	Insignificant	Negative	Rejected
Information and communication technology	Significant	Negative	Accepted

**Sources: Researcher 2019**

## **CHAPTER FIVE**

### **DISCUSSION OF THE FINDINGS**

#### **5.1 Introduction**

In this chapter findings from the study were discussed. The main objective of this study was to determine the factors influencing the achievement of value for money procurement in LGAs and specific objective of the study were;

- i. To examine the effect of procurement planning on attainment of VFM procurement in LGAs
- ii. To evaluate the effect of employee competency on attainment of VFM procurement in LGAs
- iii. To assess the effect of resource allocation on achievement of VfM procurement in LGAs
- iv. To investigate the effect of ICT on achievement of VfM procurement in LGAs

From the study findings, effect of procurement planning on achievement of value for money procurement, effect of employee competency on achievement of VfM procurement, effect of allocation on achievement of VfM procurement procedure/process used in preparing procurement plan, effect of ICT on achievement of VfM procurement

#### **5.2 Procurement planning**

The researcher found out that the procurement planning influencing attainment of VfM procurement in LGAs. Due to analysis, the researcher found that this factor has positive relationship on attainment of VfM procurement in LGAs, and respondents agreed that this will help municipal to obtain efficiency, effectiveness and economy in procurement process.

During the interview, then respondents argued that through the procurement plan they benefit with a lot of things include: to avoid emergence purchase which is not necessary to any public sector, that it is recommended to be avoidable to all organization, if is possible. They split requirement into group to all users to meet all demand on time, MMC enjoys the benefit of cost reduction through procurement plan because order may be purchased in bulk so as may gain discount, optimal resources utilization may be gained in MMC due to procurement plan because every demand it is in their budget. Also, the researcher found that this procurement plan has positive relationship with value for money in term of services delivery to the customer services which contributes efficiency and effective services delivery in MMC.

These findings concurred with literatures which did research on relationship of procurement and services delivery as follows: Johan (2006) further came up with some important services delivery improvement slogans. He said he who fails to plan for service delivery, plan to fail delivering services to the public. And if it cannot be measured, it cannot be improved. If we only plan to comply with regulation, we are not managers, we are robots. What we plan we must implement. What we implement, we must monitor. We should not be afraid to ask the customer (citizens). They really do know best what they need and what they get. It is not always the same things. Basheka (2004) argue that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved services delivery. Mullins (2003) asserts that the contribution of procurement planning in facilitating an efficient and effective services delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government level of public sector management. His findings revealed a significant positive relationship between procurement planning and services delivery in local government procurement system in Uganda. Mawhood (2009) further add that effective procurement planning is an important routes towards securing the right services to be delivered to the public, and also maximizing the level of services provision which can be achieved within the local

supporting people. A procurement planning helps procuring entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

### **5.3 The competence of employees**

The study revealed that majority of MMC staff were qualified for effective management of procurement function, also MMC they consider professionalism whereby involve staff which are educated, experienced and responsibility procurement officer who make informed decision regarding procurement function which they play a greater role on successful achievement of VfM procurement. This concurs with the findings of Noble (2011) which agree that professionalism, through their expertise and commitment have a beneficial impact on society and corporate life. During the interview with one of the respondent on how MMC benefit with employee who carries out their duties in a professional manner quoted said that;

*“Their consistence on what they’re doing, their true to their word, meeting deadlines dependable, they approach people with respect and most importantly their proactive in upgrading skills, they listening to what is being said, supporting other, making informed decision”*

Further the study revealed that MMC in order to ensure effective performance from their employee they ensure that their staff obtain training, seminar which are being facilitated by PPRA which help their staff to be competence in various area concerned procurement activities. Ndumbi & Okello (2015) is in agreement with the findings that staff skills affected implementation of procurement policies. The study went beyond in looking on how MMC benefit from the training provided to their employees. The study revealed that without proper training MMC cannot perceive better performance from their workforce. These are the result that MMC provide regular train to their employee since their most valuable resource are employee because they know that employee can

build or break MMC reputation. Elnaga & Imrna, (2013) agree that if employee's posse's updated information and skills required perform certain task, then they can perform their job longer. Additional the researcher revealed that MMC employees are motivated to work better on the job if they are made to feel their employers think of their well-being and training is one strategy that employers can however adapt to make employees feel this way. When employers put in place training programs for their employees, they become aware of the desire of their employers to see them improve, thus will be motivated to work better. The study finding concur with those from Selmanmusa (2013) report that training can motivate employees to increase the efficiency in business processes

#### **5.4 Resource allocation**

Through the analysis, the researcher found that most of respondents agreed that the resources allocation is influencing achievement of VfM procurement in LGAs However, the analysis showed that this factor has negative impact on the achievement of VfM procurement in LGAs which implies that it is not important fact the municipal to make more effort to deal with this to ensure they obtain efficiency, effectiveness and economy in procurement process while, the researcher found that this factor has significant impact on VfM.

In this study through the opened-question that asked to the 30 interviewee as part of sample individual of this study, the researcher found out there are measure used by the MMC in resources allocation as follows: They are tracking their team's utilization to ensure their resources allocation is successful, they compare bookings with their team's availability to ensure the proper resources allocation, and forecast sales or recruitment needs, the respondents said that they compare their team's recorded hours with their available hours, They indicate measurement of performance which notified them how well an organization utilizes resources in its operation process, Governments are under increasing pressure to make sure the best use of funds in providing public services. They use benchmark sometimes to determine the resources should be allocated to the

particular projects. These findings concurred with some literatures who did research entitled that the relationship of resources allocation and performance measurements which include: Research by Pierce and Puthuchery (2010) show a general indication on how measurement of performance can be used as a catalyst necessary for improving accountability for agencies and changing organizational structures. Organizations attempt to allocate their resources by maximizing profits and minimizing costs using operational guidelines, strategic planning methods, implement policies and procedures that develop the business towards the achievement of its objectives and goals (Shantanu et al, 2012). Allocation of resources like competent and qualified labor force is a essential determinant of economic growth. Education is referred by the literature as growth that improves the value of asset and it is an essential pillar of the Lisbon strategy.

Furthermore, Gonand (2007) argued that efficiency gains in resources expenditure will have great effects on Gross Domestic Product in the long run. Some new growth models emphasize the key role research and development (R & D) for increased growth and productivity. The level of government expenditure on research and development has been stabilized in the EU-25 since the end year 2007 at around 0.65 percent of Gross Domestic Product. Moreover, there is a significant change among the EU member state. The level of Government funding of research and development as GDP% is quite great in some highly innovative economies like the three (3) Nordic states which are German, France and Austria. In other nations such as Lithuania, Cyprus, Hungary or the Czech Republic, public expenditure on research and development spending has been increased very fast, indicating growth efforts to moderately expanding their science base. Public entities use public fund as a financial resource for all procurement undertakings. For proper achievement of VfM, it is important that the resources are properly allocated as per budget.

### **5.5 Information and Communication Technology**

The study findings show that applicability of ICT infrastructure in LGAs play a greater influence in the achievement of VfM in procurement process. The application of ICT in

procurement process particular in the LGAs lead to improve performance in the expenditure of public funds which at the end organization achieve value for money in every purchase they conduct. This concurs with the findings of Baldi & Vannoni, (2017); Waigwa & Njeru, (2016); Okello & Rotch, (2015) which agree that application of ICT in procurement activities reduces cost in procurement. Although the researcher observe that MMC procurement system were still largely manual, neither streamlined nor automated this resulted inefficiency, loss of fund, lack of integrated system, lack of transparency, lack of accountability, poor relationship management. This indicates that MMC staffs are not yet to benefit from attendant ICT use and adoption. During the interview with respondent on how MMC will benefit when the use of ICT many of the respondents were quoted said that;

*“Will reduce the costs, paper work, cycle time also enhance the integrate both within the firm and across the entire supply chain, allows organization to change the way they source supplies for smooth operations”.*

*“Other where quoted say that will provide new ways to store, process, distributes and exchange key information with user department and with supplier in the entire procurement system, also create direct communication between the top and bottom of an organization through use of in-house website. This helps organizations reduce transaction and production costs and achieve operational efficiency”*

The results of the finding are similar with other scholars. According to Simatupand & Sridharan (2005) information technology system is the glue that holds organization together and can be used to integrate procurement process activities both within a process and across multiple processes. Further the MMC staff agree that the application of ICT require skilled and knowledgeable personnel to operate, whereby due to lack of skilled and competence personnel cause MMC staff to fail to apply e- procurement because most of their staff are not familiar with the ICT which impact the achievement of VfM. The researcher observe that the fact that ICT competence found positively and highly significant on achievement of VfMin LGAs, staff competency is highly focused

attention on LGAs for the performance. The perception is well acknowledged by Kasembe (2014) that ICT in Tanzania LGAs is still very poor to the extent that the entities must be heavily supported to achieve the goals as stipulated outcomes in the study

## **CHAPTER SIX**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **6.1 Introduction**

This chapter explains the conclusion derived from the research study problem, research objectives and research questions. Also this chapter shows how the study will help other similar organizations recognize these factors which influence achievement of VfM to understand the related issues for the factors and to make a decision. This chapter also gives recommendations on what should be done so as to benefit more from adoption and a suggestion on future studies.

#### **6.1 Summary**

The general objective of the study was to examine the factors influencing successful attainment of VfM procurement in LGAs. Specific research purpose were; to examine the effect of procurement planning on attainment of VfM procurement, to evaluate the effect of employee competency on successful achievement of VfM procurement, to assess the effect of resource allocation on attainment of VfM procurement, and to investigate the effect of information and communication technology on achievement of VfM procurement in LGAs. The study applied a case study design whereby MMC was involved. The study conducted in Morogoro municipal council. The population of the study was management and officers in MMC. During the study a sample of 60 respondents were involved. The researcher used systematic random sampling and purposively in selecting sample. In this research study, a purposive sampling technique was used to select respondents as sample size from PMU and officers from MMC to formulate sample size. Systematic random sampling was used as a means of selecting 60 respondents whereby those had been sampled from Morogoro municipal council of the study area. As regards to this study and this method, researcher arranged the names of all employees in chronologically order starting from A to Z. After the arrangement, the researcher will count four names and fifth name to be included in the sample. Data

collection tools comprised interview, questionnaire and documentation. The Statistical Package for Social Science (SPSS) was also applied for data analysis.

## **6.2 Conclusion**

Despite having many challenges and obstacles in this study, the study serves to show the factors influencing success of VfM procurement in LGAs. The researcher comes up with conclusion regarding to his objectives as follows:

### **6.2.1 Procurement plan**

In conclusion, it was found out that the procurement planning influencing success of VfM procurement in LGAs. Due to analysis, the researcher found that this factor has positive influence on success of VfM procurement in LGAs, and then respondents agreed that this will help municipal to obtain efficiency, effectiveness and economy in procurement process.

### **6.2.2 Information and communication technology**

In conclusion, the researcher found out that the ICT is not influencing success of VfM procurement in LGAs. However, the analysis showed that this factor has negative influence on success of VfM procurement in LGAs which implies that it is not important fact the municipal to make more effort to deal with this to ensure they obtain efficiency, effectiveness and economy in procurement process and the researcher found that this factor has insignificant value with value for money, but it is ignored because of negative relationship with value for money.

### **6.2.3 Resources allocation**

Also, from this study it was found out that the resources allocation is not influencing achievement of VfM procurement in LGAs. However, the analysis showed that this factor has negative impact on achievement of VfM procurement in LGAs which implies that it is not important fact the municipal to make more effort to deal with this to ensure

they obtain efficiency, effectiveness and economy in procurement process while, the researcher found that this factor has significant value with value for money, but it is ignored because of negative relationship with value for money.

#### **6.2.4 Employee competence**

This study has also concluded that the employee competence influencing attainment of VfM procurement in LGAs. Due to analysis, the researcher found that this factor has positive relationship on success of VfM procurement in LGAs, and the respondents agreed that this will help municipal to obtain efficiency, effectiveness and economy in procurement process.

### **6.3 Recommendations**

The recommendations are formulated basing on the findings of research in the previous sections of the study and on literature review. The following recommendations were made by the researcher;

#### **6.3.1 Procurement planning**

The municipal should emphasize much in preparation and implementing the annual procurement plan for their benefits. The municipal should ensure that they operate their activities accordingly to their annual procurement plan to enjoy value for money in their services.

#### **6.3.2 Competence of staffs**

Municipal management should make sure that they have competent personnel's who are in-house so as to help in the running of the procurement process. It is very important to have competent personnel and providing training frequently to them so that to ensure VfM. This will ensure that operations run smoothly and also the customers are timely served as it becomes values to municipal. PSPTB provides training on procurement activities to the organization to ensure they operate professionally and improve

professionalism, so the municipal should allow their staffs to participate in the training provided by the PSPTB to ensure their employees become well and to get value for money.

#### **6.4 Future Studies**

This study was conducted to examine the factors influencing success of VfM procurement in LGAs. From this study, the researcher focused on factors being procurement plan, information and communication technology, resource allocation and employee competence and, the researcher found that two factors among them have positive relationship while others have negative relationship, hence the researcher allows other researchers to find out on these two factors which are information and communication technology and resources allocation in other area to come up with new findings. This will also give a clear picture on two factors influences achievement of VfM in other areas.

## REFERENCES

- ACCA Paper F8 (2007–8) Audit and Assurance International BPP Learning
- Amaratunga&Baldry,J. (2002). “Characteristics of supply chain management and the implications for purchasing and logistics strategy”. *International Journal of Logistics Management*, Vol. 4, No. 2, pp.13-24.
- Apiyo, R. O., and Mburu, D. K. (2014). Factors Affecting Procurement Planning in County Governments in Kenya: A Case Study of Nairobi City County. *International Journal of Economics, Commerce and Management*, 2 (11):1-34.
- Application .*International Journal of Project Management*, 15 (6): 335-344.
- Armstrong M. and Baron, (1995) Job Evaluation Handbook. London. Institute of Personnel Development
- Arrowsmith, S. (2005).The Law of Public and Utilities Procurement (2nd ed.) (2005, London: Sweet & Maxwell).
- Arrowsmith, S., &Quinot, G. (2013).*Public Procurement Regulation in Africa*.
- Badaso , C. J. (2014). Challenges of Implementing Procurement Policies in State Corporations in Kenya.*European Journal of Business and Management*, 6 (4): 56-61.
- Bamfo-Agyei, E, Hackman, J, and Nani G, (2015). Assessment of the public procurement ACT 2003 (ACT663) on Project time performance of construction projectsin Ghana. *African Journal of Applied Research*, 1 (1): 533-548.
- Basheka, B. C., &Mugabira, M. I. (2008), Measuring Professionalism Variables and their Implication toProcurement Outcomes in Uganda.The 3<sup>rd</sup> International Public Procurement Conference Proceedings.

- Berger, E. & Humphrey, N. (2007), *Simple Buying Methods*. (1st. Ed.), Nairobi: East Africa Education Publishers.
- Bukhala, P. (2005). *performance- based procurement: the key to effective basic services provision in developing countries*. Boca Raton FL: Academics press.
- Christensen L and Johson, B (2010): *Quantitative, Qualitative and Mixed approach*, 4th edn New delhi.
- Connor, T. (2002).The resource-based view of strategy and its value to practising managers. *Strategic Change*, 11: 307–316. doi:10.1002/jsc.593
- Cooper, J., & Schindler, M. (2008), *Perfect Sample Size in Research*. New Jersey: Macmillan.
- Cost Theory influence in strategy research: A review through a bibliometric study in leading journals (Working Paper No. 61)*. Leiria: Center of Research in International Business and Strategy, Instituto Politécnico de Leiria.
- Creswell, W. (2003).*Research Design: Qualitative, Quantitative and Mixed Methods Approaches, (2nd Ed.)*, London: Sage Publications Inc.
- Cyprus Procurement Directorate, (2008) *Public Procurement Best Practice Guide*,
- Dale, K. (2010), *Measuring Service Quality*.(1st Ed.) London: Pitman Publication. *Information Research*7(1) 234-245.
- Dawson C. (2007), *A practical guide to research methods*,
- Eisenhardt, K., M. (2009), *Agency theory: an assessment and review*, *Academy of Management*.
- Engelbert, A. (2014). *Administrative Review Systems in Public Procurment and Their Potential for Anti Corruption Impact: Kenya, Uganda and Tanzania in a Comparative Perspective*. Ruhr-University Bochum.

- Glavee-Geo R. (2008), *Public Procurement Reforms in Ghana: An Evaluation of the implemented Changes*, Molde University College, Norway
- GSDRC (Governance and Social Development Report Centre). (2010). *Helpdesk Research Report: Value for Money*. Publisher.
- Hawking, P. (2004), 'E-Procurement Asian Pacific', *Asia Pacific Journal of Marketing and Logistics* Volume 16(1), 3-26.
- Juma, M. J. (2010), *Lead from where you are: Quarterly PPO Bulletin (4)1*. Nairobi: A publication of Non- Governmental Organizations Procurement Oversight Authority
- Kabaj, O. (2003). *The Challenge of African Development*. Oxford, UK: Oxford University Press.
- Kim, M.K, K. K., Lopetcharat, K.K & M. A. Drake, (2013), Influence of packaging information on consumer liking of chocolate milk. *Journal of Dairy Science*, 96(8), 4843-4856,
- Knudsen, K.D. (1999). *The struggle for accountability: The World Bank, NGO, and Grassroots Movements*. Massachusetts Institute of Technology. ISBN 0-262-56117-4.
- Kolibačova G, 2014. The Relationship Between Competency and Performance. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 62(6): 1315–1327.
- Kothari, R. (2004). *Research Methodology: Methods and Techniques*. (2nd Ed.). New Delhi: New Age International (P) Limited.
- Lysons, K., & Farrington, B. (2006). *Purchasing and Supply Chain Management* (6th ed.). London: Prentice - Hall.

- Magutu, P. O. Njihia, J. M. and Mose, J. M. (2013). "The Critical Success Factors and Challenges in E-Procurement Adoption among Large Scale Manufacturing Firms in Nairobi, Kenya." *European Scientific Journal* (ESJ); Volume 9(Number 2)
- Mamiro, R. G. (2010). Value for Money, The Limping Pillar in Public Procurement. *Tanzania Procurement Journal*, 4 -5.
- Martins, R., Serra, F. R., Leite, A. d., Ferreira, M. P., and Li, D. (2010). *Transactions*
- Matambula, F. G., and Makayi, N. K. (2014). Assessment of The Value For Money Procurement Process In Local Government Authorities At Morogoro Municipal Council. *Research Journal of Economics and Business Studies*, 3 (8): 22-28.
- Matthews, D. (2005). Strategic procurement in the public sector: A mask for financial and administrative policy. *Journal of Public Procurement*, 5(3), 388 – 399.
- Mchopa, A. (2013). 'The adoption of e- Procurement in Tanzania Public Procurement, Progress, challenges and the way forward.
- Migai, A., (2005). *Development Partners and governance of Public Procurement in Kenya: enhancing Democracy in the Administration of aid*. New York: NYU School of Law, Institute for International Law and Justice.
- Mlinga, R (2007). 'Procurement Monitoring in the Tanzanian Public Sector', *Procurement Journal, Public Procurement Regulatory Authority Tanzania*, 1(1), 20 – 38.
- Mlinga, R.S. (2006, May). *Implementation of PPA 2004*, Seminar for Secretaries of Tender Boards.
- Mugenda, O. M., &Mugenda , A. G. (2003). *Research Methods*.Nairobi: Acts Press Oxford Univ Press.

- Odhiambo, W., & Kamau, P. (2003). *Public Procurement: Lessons from Kenya, Tanzania and Uganda*. OECD Working Paper No.208. OECD Development Centre.
- Ouma Danis and Jennifer M. Kilonzo (2014), Resource allocation planning: Impact on public Sector Procurement Performance in Kenya; *International Journal of Business and Social Science* 5, 7(1). Physical testing of Textile, by B P Saville, 2000 Corporate Blvd, NW
- Pani, A., and Agrahari, A. (2007). *E-procurement in Emerging Economies: Theories and Cases*. United States of America: Idea group publishing.
- Parker, D., and Hartley, K. (2003). Transaction Costs, Relational Contracting and Public Private Partnerships: A Case Study of UK Defence. *Journal of Purchasing and Supply Chain Management*, 9 (3): 97-108.
- Shantanu et al, (2012), Designing Efficient Resource Procurement and allocation mechanisms; Faculty and Research Working Paper, INSEAD, the business school for the world
- Shirima, L. (2013). PPRA irked by Dubious payments and Standard works. *Tanzania Procurement Journal*, 6 (37): 1-2.
- Shiundu, P., Rotich, R. (2014). 'Factors influencing efficiency in procurement Systems among public institutions': a case of city council of Nairobi', *International Academic Journals of Procurement*, 1(1), 79-96.
- The Procurement & Supply (2013). Procurement and Supplies Professionals and Technicians Board' Annual Conference. Dar es Salaam, Tanzania.
- The United Republic of Tanzania (2018). National Audit Office of the Controller and Auditor General PA&OBs 2016/2017. Dar es Salaam, Tanzania.
- URT. ( 2011). Public procurement Act, 2004 and public procurement regulations, 2013.

- Walker, H., & Brammer, S. (2009). Sustainable procurement in the United Kingdom public sector. *Supply Chain Management: An International Journal*, 14(2), 128 – 137.
- Walter N.M, Christopher M, and O. Kepha(2015), Effects of Procurement Practices on the Performance of Commercial State owned Enterprises in Nairobi, *International Journal of Scientific and Research Publications*, Volume 5, Issue 6, June 2015 1 ISSN 2250-3153.
- Williamson, O. (1985). *The Economic Institutions of Capitalism*. Free Press.
- Woodward , D. G. (1997). Life Cycle Costing- Theory, Information Acquisition and
- World Bank (2003). *World Development Report 2003: Equity and Development*, Oxford University Press, New York, NY
- Yin, R. K. (2009). Mixed methods research: Are the methods genuinely integrated or merely parallel? *Research in the Schools*, 13(1), 41-47

**APPENDICES**

**APPENDIX A**

**Questionnaire for the MMC Staff**

**Introduction**

Dear Respondent

I am Amos Adeodatus Ngonyania postgraduate student from Mzumbe University, pursuing a master degree in Procurement and supply chain management. I am currently conducting a research entitled “factors influencing the achievement of value for money procurement in local government authorities. This study is purely for academic purpose. You, together with other participants have been selected to participate in this study. I kindly request you to fill all the items in this Questionnaire with honest and sincerity. For confidentiality, please do not write your name. Each honest response you provide is important for this study and is highly appreciated. Be assured that all the information you provide will be treated with high degree of confidentiality. Thank you for your time.

**Instructions**

Please indicate your response by ticking ( ) and filling the space provided in each question.

**SECTION A: Demographic characteristics of the Respondent**

Gender: (A) Male (B) Female

Level of Education: (A) Secondary Education (B) Diploma (C) Advance Diploma (D) Bachelor degree (E) Master and above

Your department.....

What is your working experience in this Municipal Council?

- a) 1 to 5 years
- b) 6 to 10 years
- c) 11 to 15 years
- d) 16 to 20 years
- e) 20 years and above

Pick your department in procurement related activities in this Municipal Council

- a) PMU staff
- b) Tender Board member
- c) User department
- d) Others (specify)

**SECTION B: employee competences**

1. The organization recruits its staff based on skills, competences and capabilities

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

2. Procurement staff practice professionalism on their daily procurement undertakings

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

3. Procurement staff in this Municipal does attend trainings on procurement regulations and procedures)

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

4. The organization has motivational schemes to procurement staff to enhance procurement performance

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

### **SECTION C: Influence of ICT**

1. The organization has embarked on the use of information technology in its procurement process.

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

2. All the procurement personnel in this Municipal Council have the prerequisite skills and competency on the use Information Technology platforms

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees

- d) Disagree
- e) Strongly disagree

3. The use of ICT has reduced transaction time and improved accuracy of requisitions

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

4. At the MMC, there is specific computer software for procurement related activities and/ or processes)

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

#### **SECTION D: Resource allocation**

1. The resources allocated for the procurement function at this Municipal is *adequate* and *on time*)

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

2. Tender float are based on resource availability and confirmation

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

3. Tender award is based on resource availability and confirmation

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

4. At the MMC, both the financial budget and procurement plan are reviewed from time to time depending on the prevailing economic situations)

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

#### **SECTION E: Procurement planning**

1. MMC prepare its annual procurement plan

- f) Strongly agree
- g) Agree
- h) Neither agrees nor disagrees
- i) Disagree

j) Strongly disagree

2. All procurement in MMC are done according to its approved procurement plan

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

3. Procurement planning helps in proper resource allocation at the MMC

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

4. In this Municipal, preparation of procurement planning involves all user departments or units

- a) Strongly agree
- b) Agree
- c) Neither agrees nor disagrees
- d) Disagree
- e) Strongly disagree

**APPENDIX B**

**INTERVIEW GUIDE**

**Section A. employee competences**

1. How does the Municipal Council ensure that their procurement staffs are well qualified and competent?

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

2. What are the performance advantages does MMC enjoy by having the competent procurement staff?

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

**Section B: Influence of ICT**

1. What measures does Municipal council take to ensure ICT is frequently used on procurement undertakings?

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

2. What have been the benefits of using ICT at this Municipal council?

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

**Section C: Resource allocation**

- 3. What measures does Municipal council take to ensure resources are adequately and timely allocated?

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

- 4. What specific challenges does the MC face on resource allocation for procurement activities?

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

**Section D: Procurement planning**

- 5. What benefits does the MC enjoy by planning its procurement activities?

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

- 6. What are the challenges the municipal council face on the preparation and implementation of procurement Plan?

.....