

**FACTORS INFLUENCING PROCUREMENT PROCEDURE IN
TANZANIA PRISONS SERVICE**

**FACTORS INFLUENCING PROCUREMENT PROCEDURE IN
TANZANIA PRISONS SERVICE**

By

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**A dissertation in Partial Fulfillment of the requirement for the award of Degree
of Master Business Administration in Corporate Management (MBA-CM) of
Mzumbe University Dar es Salaam Campus College**

2013

CERTIFICATION

We the undersigned certify that, we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled: *Factors Influencing Procurement Procedure in Tanzania Prisons Service*” in partial fulfillment of the requirement for the award of Masters of Business Administration in Corporate Management (MBA-CM) of Mzumbe University.

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ACKNOWLEDGEMENT

I am obliged to many individuals and my family who encouraged me to pursue this course of study and often tolerated disturbances. I received extensive moral and material support from a substantial number of friends and other people, both directly and indirectly, which I highly appreciate.

I would like to extend my special appreciation to my Sponsor, the President's Office Public Service Management for sponsorship in respect of my studies.

My gratitude goes to my supervisor Mr. Makuru Ngemba, your diligence and dedication to the completion of this work will always be remembered.

I thank Management and Staff for the participation and support they have given me during the period of Data collection and access to their critical information and database.

My dear friends, I thank you for your understanding and financial support.

I hereby wish to state that all deficiencies or errors that may be contained in this document are absolutely my sole responsibility.

DEDICATION

This Dissertation is dedicated to my parents Mr and Mrs J.R. Lidenge, my husband Said S. Mwakaje and my son Kamangu S. Umba, Kaysan S. Mwakaje and daughter Leila S. Mwakaje, my lovely sisters Sihaba, Rehema and my brothers Hassan J. Lidenge and Dr. S. J. Lidenge who actively encouraged, motivated and supported me throughout the research period. I thank them for materials and moral support.

LIST OF ABBREVIATION

CAG	-	Control and Audit General
CGP	-	Commissioner General of Prisons
ECJ	-	European Court of Justice
EO	-	Entrepreneurial Office
EU	-	European Union
IT	-	Information Technology
PPA	-	Public Procurement Act
PPDA	-	Public Procurement and Disposal of Public Assets Authority
PSRRC	-	Public Service Review and Reorganization Commission
RFI	-	Request For Information
RFQ	-	Request For Quote
TPS	-	Tanzania Prisons Service
WTO	-	World Trade Organization

ABSTRACT

The main objective of the study was to find out factors that are influencing Procurement Procedures in Tanzania Prisons Service. the study were guided by four specific objective, To examine selection procedures used by TPS when selecting Suppliers, to examine how contracts are being given to suppliers by TPS, to determine the receiving procedures use by TPS when procuring goods and services and to analyse ethical conducts followed by the TPS in procuring goods and services.

Literature suggests that procurement efficiency and procurement effectiveness of the purchasing function are measures of procurement performance. A case study was developed and administered to a TPS with a view to establish the factors that influence procurement procedures.

Both methods, qualitative and quantitative analysis were used in data analysis. Research findings were obtained by using the following methods; Documentations, Interview, observation and questionnaires. The presentation of data has been illustrated in terms of tables, figures, charts, percentages and frequencies. The presentation of the Research findings was carried out according to each research question by pinpointing different issues which support or ignore each research question. The study constituted 50 respondents who responded on questionnaires and interview.

The study further revealed that lack of transparency and accountability affects procurement process at TPS to a great extent. This has been much affected right from the process of effective tendering through advertising, sourcing reviews, prequalification, potential for cost savings and greater awareness of new development. Furthermore the findings also revealed that for TPS to provide excellent service to their suppliers in an effective and transparent manner is also still inadequate.

Adequate controls should be put in place reducing opportunities for corruption. Performance incentives need to be offered to employees to reward good performance. This will help to increase accountability.

The researcher really hopes that output of this study shall be of practical use to Tanzania prisons services.

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CHAPTER ONE

AN OVERVIEW OF THE STUDY

1.1 Introduction

The chapter provides the background information to the research problem and the components of the research that justify scientific inquiry.

1.2 Background Information to the Research Problem.

Procurement is a global phenomenon in many countries in the world. As a matter of fact, procurement is one of the important department in any organization because it deals with all issues concerning with buying and purchasing. Based on the sensitivity of this department and the way it operates, Tanzania Prisons Service (TPS) department still face a number of challenges which hinder its success. Among other evidences, Control and Audit General(CAG) Audit report (2008, 2009, 2010 and 2011) revealed that procurement department has been the most and for leading department with a lot of audit queries.

Mismanagement of procurement department in TPS has been an issue of concern at least for the last few years. It is highly questionable if at all a procedures in getting bids, buying and purchasing goods and services, ethical conducts on those people involved, staff motivation, prisons buying and purchasing policy and budget located for the department are done accordingly. Based on that note, Prisons equipments like vehicles take longer to be delivered from sellers, procurements made without Tender board approval, Purchases made out of the annual budget, late completion of contract, payment of project for legally unacceptable contract and stores not taken on ledgers have been an obviously mistake at least in each year during auditing time (CAG Report, 2008, 2009, 2010 and 2011).

In fact, number of scholars has done researches on different topics concerning procurement in various academic disciplines and yet nothing has been done much on the same line from TPS.

Procurement procedure is the entire process involved in assessing and identifying the needs of goods and services required either to be bought or to be solid in a given organization. Procurement procedure differ from one organization to another depending on the several factors especially those favour the company in subject.

Therefore the study was done to explore deeply on how contracts are being given to suppliers by TPS departments, to examine the procedures used by prison department when procuring goods and services, to investigate the ethical conducts for department staffs and finally to find out the criteria used to select suppliers in prison department in Tanzania.

1.3 Statement of the Problem

In TPS audit report (2008, 2009, 2010 and 2011) shows that there has been a lot of queries from procurement department like vehicle takes longer to be delivered from buyers, procurements made without Tender board approval, Purchases made out of the annual budget, late completion of contract, payment of project for legally unacceptable contract and stores not taken on ledger have been an obviously mistake at least in each year during auditing report. Therefore, the study focuses in finding out how contracts are being given to suppliers by prisons procurement departments, to examine the procedures used by prison department when procuring goods and services, to investigate the ethical conducts for department staffs and finally to find out the criteria used to select suppliers in TPS.

1.4 Research Questions

1.4.1 General Research Question

What were the factors influencing Procurement Procedures in Tanzania Prisons Services?

1.4.2 Research Questions

- (i.) What were the selection procedures used by TPS when selecting suppliers?

- (ii.) How contracts were being given to suppliers by TPS when procuring goods and services?
- (iii.) What were the receiving procedures used by TPS when procuring goods and services?
- (iv.) Are Ethical conducts followed by the TPS in procuring goods and services?

1.5 Research Objectives

1.5.1 Main Objective

The main objective of the study was to find out factors that are influencing Procurement Procedures in Tanzania Prisons Service.

1.5.2 Specific Objectives were

- (i.) To examine selection procedures used by TPS when selecting Suppliers.
- (ii.) To examine how contracts are being given to suppliers by TPS.
- (iii.) To determine the receiving procedures use by TPS when procuring goods and services.
- (iv.) To analyse ethical conducts followed by the TPS in procuring goods and services?

1.6 Significance of the Study

The study was helpful in many ways. The study added knowledge to the researcher on the procurement procedures used in TPS. The study provide information which help top prison service management in developing new policy that was guides procurement procedures, rules and ethical conduct among all stakeholders. Moreover, this study was vital to procurement department to sensitize on how procurement activities can be done for the well being of the organization and also to make easy and friendly way in carrying out their core responsibilities. Furthermore, the study helps TPS management to resolve procurement problems. Finally, this study contributes to other researchers on the same field in their literature reviews.

1.7 Limitations of the Study

In conducting this research, the researcher is more likely to encounter various problems that in one way or another may affect the quality of the study. Hardly a study was concluded without constraints. In a country such as ours where bureaucracy in the flow of information and where there is inaccurate data and statistics, there really has to be a problem. Specific instances of constraints related to the data system includes, Low quality data and inadequate recording devices, Lack of standardization in data recording and formats, Inadequate data collection and handling procedure, Lack of research skills, Privacy of information considerations., Budgetary limitations and Lack of incentives and motivation. Also the researcher encounters more limitations as follows:

1.7.1 Library

Based on the fact that library access in the campus is very limited, the study is more likely not have enough and sufficient books and related literature to cover the most and important part of literature of the study. The study was limited as many students in the library demanding the some books, busy of students due to examination which cause the researcher to delay in finishing the process of collecting data. It also causes to fail to finish the research in a required time. Therefore this research was limited by these factors which can force the research to delay.

1.7.2 Financial Constraints

The cost of conducting the research and purchasing materials required for conducting the study may hinders the success of the study. In fact, the research needs a sufficient amount of funds to finance planned activities that was covered throughout this study. Therefore, the study was not fully realized due to limited amount of resources at hand. Financial constraints and Budget line allocated to researcher was not enough for the researcher to be to deal with all process required as well as to cover the whole area of the study due to the services like transport and stationeries which were very expensive.

1.7.3 Time Horizon

Insufficient time in conducting the research is another concern. Time scheduled for research is short taking into account the sensitivity of the study. Time factor hindered

the study. Some officials were unwilling to disclose vital information in the guise that the information was sensitive. Some official workers were busy during official hours hence difficult to interview them.

1.8 Delimitation of the study

Becoming a member of the Prisons was one of the strategies that were employed to overcome some of the obstacles.

1.9 Organization of the study

This dissertation is organized into five chapters. Chapter one is about background to the problem, statement of the problem, research objectives, significance of the study, conceptual framework, limitations and delimitations of the study; chapter two is about literature review and theoretical framework; chapter three is about research methodology; chapter four is about data presentation analysis and discussion and chapter five is about study's conclusion and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter brings ideas of several scholars who brought forward ideas regarding the topic under discussion. On this section specific research objectives will be used as guidelines to keep the discussion more focused.

2.2 Procurement

Very often Procurement and Purchasing are regarded as synonymous terms. However, Procurement is strictly a wider term than purchasing which implies the acquisition of goods or services in return for a monetary or equivalent payment. Procurement, however, it is the process of obtaining goods or services in any way, including borrowing, leasing and even force or pillage (Lysons, 2006). Procurement is buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services (PPA, 2004).

Likewise, Purchasing is the process of buying. It may assume purchasing as solely the responsibility of the purchasing department. However, the function is much broader and if carried out effectively, all departments in the company are involved in obtaining the right material, in the right price as purchasing functions require (Tony Arnold et al 2008)

Procurement has several procedures which need to be followed before making any business or transaction. For example, there are many stages in the purchasing process such as Specification , Make or buy decisions, Source identification, Source selection, Contracting, Contract management, Receipt, possibly inspection, Payment and Fulfillment of the need(Bialy and Farmer 2005).

Every organization has purchasing procedures. Purchasing procedures includes identification of the need, transmission of the need, selecting suppliers, preparation and assurance of purchase order, follow up the order to ensure delivery, inspection and receiving of consignments, audit payment invoices and lastly closing the order (Lyson, 2000).

Most procurement activities in the government institutions are regulated and governed by National policies, appropriate Acts and regulations in procurement and finances or guidelines provided by donors. Procurements in the public sector operate by following the Public Procurement Act 2004 and Regulations of 2005 and the World Bank's procurement guidelines (PPA, 2004).

2.3 Procurement in European Union

The European Union (EU) has their Procurement Directives, and the Regulations that implement them in most country members. This set out the law on public procurement. Their purpose is to open up the public procurement market and to ensure the free movement of goods and services within the EU.

The rules apply to purchases by public bodies and certain utilities which are above set monetary thresholds. They cover all EU Member States and, because of international agreements, their benefits extend to a number of other countries worldwide.

Where the Regulations apply, contracts must be advertised in the Official Journal and there are other detailed rules that must be followed. The rules are enforced through Member States' courts, and the European Court of Justice (ECJ).

The purpose of the EU procurement rules is to open up the public procurement market and to ensure the free movement of supplies, services and works within the EU. In most cases they require competition. The EU rules reflect and reinforce the value for money (vfm) focus of the government's procurement policy. This requires that all public procurement must be based on vfm, defined as "the optimum combination of whole-life cost and quality to meet the user's requirement", which should be achieved through competition, unless there are compelling reasons to the contrary (European Parliament, March 2004).

2.4 Current Issues in Public Procurement for Developing Countries

In most developing countries, the procurement function is transitioning from a clerical non strategic unit to an effective socio-economic unit that is able to influence decisions and add value (Knight, Harland, Telgen, Thai, Callender, & Mcken, 2007; and Facolta di Economia, 2006). Developing countries in one way or another have reformed their public procurement regulations. The reforms have not been limited to Regulations only, included public procurement process, methods, procurement organisational structure, and the workforce. The reforms have been as a result of joint effort with various development partners like the World Bank, International Trade Centre and WTO varying from country to country.

None the less, most developing countries are facing a problem of rapid changes in public procurement requirements. The changes are impacting pressure on how the procurement function performs its internal and external processes and procedures in order to achieve its objectives. The ability to realize procurement goals is influenced by internal force and external force. Interactions between various elements, professionalism, staffing levels and budget resources, procurement organisational structure whether centralized or decentralized, procurement regulations, rules, and guidance, and internal control policies, all need attention and influence the performance of the procurement function. In addition, public procurement is faced by the challenges imposed by a variety of environment factors (external factors) such as market, legal environment, political environment, organisational and socio-economic environmental factors (Knight, Harland, Telgen, Thai, Callender, & Mcken, 2007; and Facolta di Economia, 2006).

2.4.1 Public Procurement in Uganda

Historically, public entities of Uganda have been known for their poor performance and corruption, resulting from non adherence to processes and procedures, poor resource utilization, poor personnel management and training, inadequate payment and benefits. It is on this basis that the government of Uganda, in 1989, set up the Public Service Review and Reorganization Commission (PSRRC), under the Ministry of Public Service, to examine and propose recommendations on public service

improvement (Ministry of Public Service, 2008). The ultimate goal was to improve the general service delivery to the public, create efficiency and effectiveness based on transparency in processes and procedures, performance evaluation systems and clear organizational goals and objectives. The results of the commission led to the establishment of government agencies by law like Public Procurement and Disposal of Public Assets Authority. Particularly, the PPDA Act (2003) in Uganda describes how public procurement may be conducted through the procurement cycle. The roles and responsibilities of public entities are limited to the procurement cycle presented in appendix 1 above in executing their activities. Regardless of the effort by the PPDA and the acknowledgement that the procurement department is capable of adding value to the organisation still a large number of the internal customers act on their own and more frequently bypass the procuring department (Schiele & McCue, 2006). The main reason for this is ignorance of how the public procurement operates (Telgen, Zomer, & de Boer, 1997).

The purpose of the procurement cycle was to encourage competition among suppliers, professionalism, good business ethics and non discrimination among others (PPDA, 2007). In addition, the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results and are therefore unable to determine their efficiency and effectiveness. This problem requires establishment of clear procurement procedures and performance standards. Performance when adopted will provide the decision-makers in the procurement department with unbiased and objective information regarding the performance of the procurement function (Knudsen, 1999).

However, for a public entity in a developing country to conduct procurement performance there are numerous challenges that are encountered: i) there are many ways of measuring that may be in use, ii) most measures are irrelevant iii) there is no way of standardising the measurements and iv) conducting performance measurement is costly. The reasons for these challenges were given by Centre of Excellence London (2006): i) inaccurate information ii) lack of a link between procurement measures and

corporate objectives iii) measurement of procurement performance is regarded as an overhead and not an integral part iv) people do not understand the benefit of measuring procurement performance and v) interference of other stakeholder and mainly the measures were developed in a different environment. This problem requires establishment of clear procurement procedures and performance standards. Performance when adopted will provide the decision-makers in the procurement department with unbiased and objective information regarding the performance of the procurement function (Knudsen, 1999). However, for a public entity in a developing country to conduct procurement performance there are numerous challenges that are encountered: i) there are many ways of measuring that may be in use, ii) most measures are irrelevant iii) there is no way of standardising the measurements and iv) conducting performance measurement is costly. The reasons for these challenges were given by Centre of Excellence London (2006): i) inaccurate information ii) lack of a link between procurement measures and corporate objectives iii) measurement of procurement performance is regarded as an overhead and not an integral part iv) people do not understand the benefit of measuring procurement performance and v) interference of other stakeholder and mainly the measures were developed in a different environment.

Though management shows interest in managing and controlling the procurement function as efficiently and effectively as possible, the real problem is how to realize procurement goals that are influenced by internal force and external force in the public sector (Knudsen, 1999). In view of the importance of the procurement function and the need to have coherent methods of performance of the procurement function, it is therefore necessary to investigate the measures that would enhance procurement efficiency and effectiveness of the purchasing function.

2.5 Background of Public Procurement System in Tanzania

Traditionally, there was a presumption that supplies and equipment must be purchased from the Government Stores Departments. Each ministry had its own way of operating its procurement system but all purchasing were done within the government

institutions and not from private sectors. For example, Government Stores operated by the Ministry of Works, the Medical stores operated by the Ministry of Health, the Veterinary Stores and the Maji Stores operated by the Ministry of Water and Livestock Development and the Government Press Printer operated by the Prime Minister's Office and the Electrical and Mechanical Division within the Ministry of Works. The Government Stores Departments were created to procure and supply goods to the ministries and government departments (TPPA, 2004).

Kabaj (2003) Underscore public procurement system for Central Government and local Government Authorities, procurement was required to be made through the following entities:-

- (i) Government Stores Department within the Ministry of Works for all stationery, office supplies, fuel, lubricants, etc;
- (ii) Medical Stores Department for all medical or pharmaceutical supplies,
- (iii) Veterinary Stores Department for all veterinary supplies,
- (iv) Maji Stores Department for all supplies related to water supply,
- (v) Government Press for all printing and forms,
- (vi) Contractors approved by tender boards for procurement other than (i) – (v) above.

26 Competition Scenario on Old Public Procurement System in Tanzania

Where competition was between private bidders and public institutions, preference and procurement was to be made from public institutions. Where the competition was between public institutions of different locations, procurement was to be made from the public institutions located within the district or region where that procurement was being made.

However, Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by fair competition unless there are convincing reasons for

single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation.

Over forty years have passed since the old framework of public procurement in Mainland Tanzania was established, in very different circumstances to those of today. There have been changes in the political, economic and commercial environment in Tanzania, particularly in recent years when the resurgence of commercial life and the availability of foreign exchange to pay for imports have resulted in goods being freely available from a variety of sources. In consequence, there is no longer a need for public authorities to hold large stocks to assure supply.

Under the Central Government, several different legal frameworks, regulations, rules and procedures applied in public procurement such as the Exchequer and Audit Ordinance CAP 439 of 1961 provided for the control and management of Government funds. The procurement process for acquiring goods and works was articulated in the Financial Orders Part III (Stores Regulations), 5th Edition, 1965. These Stores Regulations were used in accordance with Section 7 of the Exchequer and Audit Ordinance, CAP 439 of 1961. These applied to Central Government Ministries. In 1991, the Government promulgated specific General Regulations for the Procurement of Works, Services and Supplies under the Integrated Roads Project under the Ministry of Works. The regulations were issued in October, 1991. As the title suggests, these regulations were only applicable to the Integrated Roads Project. Likewise, the Ministry of Education and Culture had its own separate procedures. But the Central Medical Stores Department had its own legal framework (Tender Board Act No 13 of 1993) for the case of Ministry of Defense and National Service operated two different procurement systems namely, one under the Ministry Headquarters operated under the Exchequer and Audit Ordinance, CAP 439 and Financial Orders Part III (Stores Regulations), 5th Edition, 1965 of 1961 and the second one under the Tanzania Peoples Defence Forces and the National Service operated under the National Security Act.

In 1982, Local Government Authorities were re-established after ten years of decentralization of government administration under the Decentralization Act, 1972.

The re-establishing laws, that is, Local Government (District Authorities) Act No 7 of 1982 and the Local Government (Urban Authorities) Act No. 8 of 1982 gave the local authorities the objectives among others of promoting economic development within their areas of jurisdiction. Public Procurement in the Local Government Authorities was therefore, regulated by the Local Government (District Authorities) Act No 7 of 1982, the Local Government (Urban Authorities) Act No 8 of 1982 and the Local Government (Finances) Act No 9 of 1982. Pursuant to Section 42 of the Local Government (Finances) Act No. 9 of 1982, the Urban Councils' Financial Memorandum was issued in 1983(Public Procurement Act of 2001).

Furthermore, between 1967 and 2000, the Tanzanian economy was characterized by a heavy dependency of state-owned enterprises, often referred to as parastatal organizations. In 1994, estimates put the number of enterprises at about 450 small and large. These enterprises spanned virtually all the major sectors of the economy notably agriculture, mining, energy, industry/manufacturing, transport, communications, trade, tourism and construction. Holding corporations had the responsibility of undertaking new investments on behalf of the Government. While a number of operating companies were established under the Public Corporations Act of 1970, a number of them were set up under the Companies Ordinance CAP 212. However, the enterprises failed under two basic categories namely, direct productive enterprises and service enterprises. There were a number of enterprises outside of the control of holding corporations. These were largely statutory organizations controlled from respective parent ministries through their board of directors. In the Tanzanian context therefore, the term parastatal is used to refer to a public enterprise which is quasi-autonomous and outside of the regular civil service structure. Public procurement in parastatal enterprises was therefore regulated by the specific laws which established the specific parastatal organizations. In addition, each organization promulgated its own financial and procurement regulations (Public Procurement Act 2001).

As part of the Civil Service Reform Program, Executive Agencies were created from Government departments with significant autonomy from central bureaucracy, enabling them to operate in a more businesslike manner and to create a good bring

public procurement image, thus leading to greater effectiveness and efficiency and better quality services. It was initially planned to create 38 executive agencies. To date, 12 executive agencies have been created. Public procurement in the Executive Agencies was regulated under the Executive Agencies Act No 30 of 1997 and the Executive Agencies (Finance, Procurement and Stores) Regulations, 1999 – Government Notice No 77 of 19th March, 1999 (Public Procurement Act No. 3 of 2004).

Moreover, National standard contract documents or formal formats for use in procurement of goods, works and other types of contracts were largely unavailable. To overcome this problem, and depending on who financed the specific projects, the Government adopted, as far as possible, the World Bank, African Development Bank, European Union, IFAD and other guidelines and procurement documents and formats. The procurement laws were restrictive in respect to procurement methods allowed and generally omitted important activities in the procurement process. The preferred and default method of procurement was the famous (three) quotation system (Executive Agencies Act of 1997).

As a matter of fact, the major weakness of the old procurement system in Tanzania was the inadequacy and fragmentation of the old procurement laws. The procurement laws were scattered in various statutes that had loopholes with no enforceable penalties. However, other weakness such as legal framework which was totally inadequate for procurement of works and for the selection and employment of consultants, The authority of the Central Tender Board was eroded by arrangement in different sectors like Works, health, education and local government authorities. Among other additional weakness, there was no regulatory body to enforce the legal framework, regulations, rules and procedures. Likewise, Management information was lacking at all stages essential for enforcing accountability. Based on those weakness and other many challenges which were facing Tanzania Public procurement there the so called new public procurement system came into existence.

2.7 Tanzania New Public Procurement System

The Government's effort to undertake public procurement reform in Tanzania Mainland started in 1992 when the Government commissioned a consultant to undertake the Public Procurement and Supply Management Study. At the conclusion of the study it was evident that the public procurement system in Tanzania had serious weaknesses and thus was in urgent need for reform. The principal recommendations for the reform was to enact a new Procurement Law establishing the principles, policies and structure of public procurement which will be supported by detailed Procurement Regulations. In addition, the reform was meant to strengthen the Central Tender Board as a regulatory authority for all public procurement. Also the ideal was to Implement a training and human resource development program to enhance skill levels and improve performance and also to give local authorities (local government) to do purchasing rather than channeling all procurement of goods through a centralized Government stores system (Public Procurement Act, 2001).

Significantly, In February 2001, new public procurement legislation was passed by the Parliament and was subsequently signed into law (The Public Procurement Act No 3 of 2001) by the President. The Act became effective on 1st July, 2001. The Act provides a comprehensive coverage of all regulatory aspects critical to public procurement. Among other issues, the new Act applies to all procurement undertaken by public institutions except for financial independent parastatal organizations and for defence procurement. To take into account certain differences between the procurement of goods, works and selection and employment of consultants and establish several tender boards with the responsibility for procurement, review of tender documents and contract awards in accordance with pre-determined thresholds. At the moment every ministry has established its tender board (Public procurement Act, 2001).

2.8 Purchasing Procedures in the Public Organization

Competition is the fundamental for goods purchasing practise in addition to the economy and efficiency at which the public sector requires transparency and accountability. Transparency procedures in procurement add attributes in public funds

spending and this affect the choice of procurement, method documentation and procedures that are used. There are several normal processes for public sector procurement. This are;-

- (i.) Notification of opportunity for biddings
- (ii.) Prequalification where appropriate
- (iii.) Invitation to bid and insurance of bid document
- (iv.) Receipt of bids, evaluation of bid and contract award
- (v.) Contract administration.

The extent of the process and specified procedures to be followed for each step will depend on the method of bidding that is used (North American Development Bank, 2005).

However, there are also options which can be employed in purchasing procedures. For instance, some procedures can be decided in accordance with the Public Procurement regulation in cases of public fund expenditure or procurement regulations of the respective firm or institution. However, the following basic principle should be taken into consideration:

- (i.) The amount of expenditure per contract
- (ii.) The needs for agency
- (iii.) The need for economy
- (iv.) Efficiency and transparency requirement
- (v.) Competition and source of supplier
- (vi.) Any other constrains of procurement

Furthermore, Part of the procurement planning is the selection of the proper method which shall lead to maximum competition possible while ensuring that quality goods or services are obtained in timely manner. The regulation to PPA 2004 sets out various methods to be used for procurement of works, goods or services. A purchasing department buys many different types of materials and services, and the procedures used in completing a total transaction normally vary among the different type of

purchases. However, the general cycle of activities in purchasing most operating materials and supplies is fairly standard (PPA 2004 and its regulation 2009).

Purchasing cycle begins with a request from within the organization to purchase material requirement supplies or other from outside the organization. The cycle ends when the purchasing department is notified that shipment has been received in satisfactory condition.

The procedure begins with the initiation of the purchase. Normally it is not the purchasing department which initiates a purchase; its task is to make the purchase on behalf of other department. Purchase initiated outside the purchase department are initiated to buyers by means of a requisition store, requisition once used to authorised and record the release of materials from stock (Baily and Farmer, 2005).

2.9 Supplier Selection Process

Supplier selection is the process by which firms identify, evaluate, and contract with suppliers. The supplier selection process deploys a tremendous amount of a firm's financial resources. In return, firms expect significant benefits from contracting with suppliers offering high value (Damian Beil, 2009):

2.9.1 Identifying potential suppliers

To survive in the intensely competitive global economy, it is often critically important to not only develop existing suppliers but also to discover new suppliers. This section outlines the process of finding viable new suppliers. Subsection 1.1 first briefly motivates why a buyer might wish to find new suppliers. Subsection 1.2 explains why identifying suppliers is only part of the challenge — the buyer must also be cognizant of the need to ensure such suppliers are qualified. Supplier qualification screening processes are discussed in Subsection 1.3. Because identifying and qualifying potential suppliers can be time-consuming and costly, buyers often develop a long-term supply base consisting of qualified suppliers, as discussed in Subsection 1.4. (Baily and Farmer, 2005).

2.9.2 Importance of new suppliers

Several factors make new suppliers important. First, there may exist new suppliers that are superior in some way to a firm's existing suppliers. For example, a new supplier may have developed a novel production technology or streamlined process which allows it to significantly reduce its production costs relative to predominate production technology or processes. Or, a new supplier may have a structural cost advantage over existing suppliers, for example, due to low labor costs or favorable import/export regulations in its home country. Second, existing suppliers may go out of business, or their costs may be increasing. Third, the buyer may need additional suppliers simply to drive competition, reduce supply disruption risks, or meet other business objectives such as supplier diversity. In recognition of these reasons, buyers and their internal customers may be obliged by company policy to locate a minimum number of viable, potential suppliers for every product or service procured (Baily and Farmer, 2005).

2.9.3 Reasons for Supplier Qualification Screening

Finding a viable new supplier is challenging, mainly due to the need to verify the supplier's ability to meet the buyer's myriad requirements. Supplier non-performance on even the most basic level, and for the simplest commodity, can have dire consequences for the buyer.

2.9.4 Supplier Qualification Screening Process

To avoid the dire outcomes of supplier non-performance, buyers typically take proactive steps to verify a supplier's qualifications prior to awarding them a contract. The primary goal of "supplier qualification screening" is to reduce the likelihood of supplier non-performance, such as late delivery, non-delivery, or delivery of non-conforming (faulty) goods. A secondary goal is simply to ensure that the supplier will be a responsible and responsive partner in the day-to-day business relationship with the buyer.

2.9.5. Creating a Supply Base

Suppliers who have passed the qualification requirements and are eligible for contract award are commonly referred to as "pre-qualified" suppliers. If the buyer utilizes

short-term contracts and frequently re-procures the same item, it typically makes sense to establish a cohort of pre-qualified suppliers who will compete for these contracts. Even if the buyer uses long term contracts for individual items (meaning contracts for individual items are infrequently re-bid), it might still make sense to use a pre-qualified supply base: If the supply base members can potentially supply many different items, they can compete to produce whichever item's long-term contract is up for re-bidding. Finally, using a supply base not only reduces qualification screening costs but also allows for the development of standardized contracts, terms and conditions for pre-qualified suppliers, thereby streamlining administrative processes involved in contracting.

2.9.6 Information Requests to Suppliers

Once the buyer has identified potential suppliers, the next step in supplier selection is to formally request that the suppliers provide information about their goods or services. While there is no agreed-upon terminology, generally the buyer makes one of three types of information requests to suppliers. The request types, each appropriate for a different situation, are described below.

Request for Information (RFI) is issued when the buyer seeks to gain market intelligence regarding what alternatives and possibilities are available to meet the buyer's needs. Typically the buyer asks suppliers what goods and services they could potentially provide, what differentiates them from other Clients in the marketplace, etc. With an RFI the buyer does not state a particular intention to award a contract. However, since responding to an RFI is time-consuming for suppliers, generally suppliers will only respond to the RFI if they expect that the buyer will eventually issue an RFP or RFQ, which is discussed below.

Request for Quote (RFQ) is issued when the buyer can develop a statement of work that states the exact specifications of the good or service needed. This is the case, for example, if the buyer seeks a part made of a particular plastic and formed to a specific set of thickness, density and shape specifications. RFQs are often used in conjunction with highly structured competitive tendering processes. Typically there is no need for

detailed negotiations with suppliers after bid receipt, as lowest price or some other objective criteria is used to evaluate bids. Due to their up-front specification requirements, RFQs are appropriate for procurement of items that are standard and well-known in the marketplace. For example, in the electronics industry this would include commodity components such as cables, connectors, and circuit boards.

2.9.7 Contract Terms

The supplier selection process culminates in a contract between the buyer and one or more suppliers. The information received from suppliers via the requests ultimately must be translated into formal contractual terms before contracting can occur. A contract with a supplier specifies what the supplier should do and how they will be paid by the buyer. At the highest possible level, contract terms relate to either monetary transfers (payment terms) or how the contract will be executed (non-payment terms). Contracts can specify any number of payment and non-payment arrangements. A few common ones are listed here to provide the reader with a sense of what types of contract terms the buyer might consider during negotiations and when making a contract award decision. The choice of the particular contract structure are long-term or short-term, fixed cost or cost plus etc.

2.9.8 Negotiation process

When making contract award decisions, the buyer considers each supplier's qualifications as well as the contract terms they offer (e.g., price). A supplier's Qualifications are generally considered exogenous, for example, a supplier's reputation is based on historical performance and is not alterable in the short term. Contract terms, on the other hand, can be "negotiable" between the buyer and supplier. In a negotiation the buyer attempts induce favorable terms from suppliers, and likewise the suppliers attempt to induce favorable terms from the buyer.

2.9.9 Supplier Evaluation and Contract Award

This section describes how the buyer evaluates suppliers, determines the contract winner(s), and performs follow-up monitoring to inform future supplier selections. Supplier evaluation is the process by which the buyer rank orders the suppliers. The

buyer then uses this rank ordering, along with other business considerations, to determine which supplier(s) will be awarded the contract. Finally, after contract award the buyer can monitor supplier performance and use this information during future supplier selection processes.

2.9.10 Supplier Evaluation

The buyer begins the supplier evaluation process by identifying the “dimensions” it wishes to use when evaluating suppliers. Surveyed 76 papers on supplier selection in the purchasing literature and found that price, quality and delivery were the most commonly listed supplier evaluation dimensions.

2.9.11 Contract Award

Once the buyer has a sound methodology for evaluating suppliers, the process of contract awarding can begin. During this phase the buyer determines which supplier or suppliers to award a contract to. Supplier evaluation is a key ingredient in this process, but award decisions can hinge on more than just how the buyer evaluates the supplier. For example, even if suppliers are closely matched the buyer may choose to award the contract to just one of them. Sole award contracting may be favorable if the scope of work is best accomplished by a single supplier. For example, the contract may require significant capital investments on the part of the supplier and/or buyer, creating strong economies of scale effects. Sole-award contracting may also be used if it is unduly costly or risky to deal with multiple suppliers. For example, the buyer may be sourcing an item with intellectual property value (e.g., fabricating a proprietary part) and need to closely monitor the supplier to prevent leakage of this intellectual property (Gabay 22.10.2010).

2.9.12 Supplier Monitoring

Many contracts specify the provision of goods over an extended duration of time, ranging from weeks to years. Monitoring supplier performance during the life of the contract has several aims. For example, it supports quality if the buyer inspects incoming goods to ensure they conform to quality specifications. Monitoring also supports cost containment: if there is a problem with quality, it can be identified and

charged back to supplier. For supplier selection itself, however, monitoring is most important in so far as it helps the buyer make more informed supplier selections in the future (Gabay 22.10.2010).

2.9.13 Supplier Selection Research

Extant research on supplier selection can be divided into two broad streams. The first stream dominates the purchasing literature and identifies appropriate criteria and methods supporting supplier evaluation. The primary goals are to help the buyer decide what its objectives are, what dimensions to evaluate suppliers over, and how to evaluate suppliers using these dimensions. The second stream assumes that the buyer knows what it wants and has an existing methodology for evaluating suppliers. It focuses on decisions such as what types of negotiation formats or contracts to employ, and how to elicit information that suppliers may be reluctant to reveal. (Damian Beil, 2009). Selecting a supplier is a quantitative and qualitative process. In today's competitive world, a supplier should offer more than just parts that meet the spec. (Gabay 22.10.2010). After the criteria are defined, the factors need to be weighted. The criteria can be grouped in order to ease the selection process. Grouping can help the organizational buyer to identify more easily the factors he/she values the most.

Table 2.1: Criteria Grouping

Factors	Priority criteria
Price	Net delivered, payment terms, currency valuations, usage and processing costs
Quality	Conformance to specifications, consistency within control limits, results of quality audits
Service responsiveness	Lead times, on-time delivery performance, inventory
Technology	Performance, responsiveness to request for specification changes
Partnership:	Long-term viability of supplier alignment with value proposition (mission and objectives), business case

	(cost/benefit, risk analysis), length of relationship (history)
Globalization/ Localization:	Monopoly risk, proximity to using facilities, availability to third party (e.g. government) funding

Source: Stimson, (1998,)

While it is possible to select different criteria to use for every sourcing decision, that approach is not recommended for several reasons. First, it is difficult to align the criteria with the mission and objective if the criteria are constantly changing. Second, the criteria can become individual or group dependent, i.e. the criteria that is selected determined by other factors such as hidden agenda, personality and dominative style. Third, it is a very time consuming and laborious process to repeat over and over again from scratch. Fourth, changing the criteria results in sending mixed signals to suppliers and internal customers (Stimson, 1998, 79). Quotations or tender may be invited and supplier record or buying records will be referred if they are kept. The supplier may need to be visited in order to check their quality, capability, and both purchasing staff and technical staff may be invited in such visit. When supplier is selected, the purchaser must identify suppliers who have the capability of supplying the desired goods. If no supplier is correctly listed in the files, no one must be sought (PPA, 2004).

Due to the above procedure there are still some unknown factors which cause the selection procedure not to be followed in Tanzania Prisons Service.

2.10 Contract Award and signing the contract

Publication of contract award: - In compliance with section 36 (1) of the Public Procurement and Disposal Act 2005, the Authority must publish on the PPDA Website or as specified by the PPDA through circular notices of the winning bidder, the date, the procurement method employed, whether there was an application to administratively review the transactions and the summary of the findings.

2.10.1 Proposed Procedure for the signing of contract

Excerpts from the Council Policy for the signing of contracts in the categories described above, are added in Section C. Paragraph 2 of the policy explains how the contract should be handled and under which conditions one is allowed to sign it and paragraph 4 specifies the persons who are authorized to sign a contract. To simplify the process, the Entrepreneurial Office proposes that the following procedure for the signing of contracts should be followed:

Send the contract, via your Head of Department, to the Dean of your Faculty. The Dean approves that the work could be done in the Faculty. If not, it is referred back to the project leader.

If the Dean approves that the work could proceed, the contract is sent to the Entrepreneurial Office (EO) for processing, the contract should be in triplicate, the EO undertakes to streamline the process so that the contract will be returned to the project leader within the reasonable expected time and Keep in mind that the contract has to be signed by the Vice Rector, the Director of Research Development, the Dean of the Faculty and the Head of Department. In all cases where intellectual property rights (including copyright) are relevant, such contracts/agreements can only be entered into and signed once they have been submitted to and approved by the Entrepreneurial Clearance Committee via the Rector, in which case the latter is also required to sign the contract, the EO takes responsibility for the filing of contracts, but the Dean and Head of Department should make copies for their own records (Gabay 22.10.2010).

2.11 Receive and Inspect the Material

The next step in purchasing cycle is receipt and inspection of the order. When a supplier ships materials the clerk uses his or her copy of the purchase order to verify that correct has been received.

The receiving process involves actual physical receipt of the purchased materials from the carrier. The receiving clerk is charged with the responsibility of ensuring that, the goods received were those ordered and shipped. This clerk requires comparisons of materials indicated on buyer's purchase order and the vendor's packaging slip to that

actually received. If discrepancies are noted, the receiving department notifies the procurement department, the users of the materials and the account payable department.

Most organization centralizes goods-receiving in a section of their general stores. In some instances the transport may be special directed to the point of usage, a sub store or special storage bays, storage tanks for fuel oil and so on.

When goods are received, the receiving department has to inspect them to be sure if they are correct ones are in right quality and condition. If they are right in every circumstance and accepted, the receiving department has to write up a receiving report noting any variance. If the received goods are damaged, the receiving department will advise the purchasing department and hold the goods for further actions. Incoming shipments (goods) must be checked for quality, with notices going to purchasing, the unit placing the purchasing requisition, inventory control and accounting.

If the goods are not satisfactory, the receiving department must decide whether to return it to the suppliers or any other appropriate measure to take. Records on punctuality, quality have to update as part of supplier evaluation (Anold et al, 2008).

2.11.1 Inspection

As stated previously, the receipt section, after completing its own process of receiving the materials will send them for inspection department. The inspection department may either accept the materials and recommend their use or reject the materials and recommend either their return or keeping them in suspense for want of necessary instructions from the production or purchase department. In case the goods have been rejected, the inspection department will send a rejection note to the receipt section. The destination of inspecting officers differs from organization to organization. While the inspection of deliveries may have been done by the purchase department as part of its duty; the final inspection at the time of receipt of materials at the store is very important such as inspection by the storekeeper, technical staff, and inspection department (Kenneth Lyson, 2000).

2.11.2 Audit the Invoice

To ensure that the purchaser makes proper payment for the material actually received, sound accounting practice dictates that some type of receiving procedure proceeds payment to the supplier and it is technically accounting function.

Invoice processing; prompt receipt of invoices from supplier's permits early clearance and closure of the transaction. Delayed invoice can disorganize financial budget and allocation of costs, Goods received note, advice notes and invoice; documents used in connection with the completion of purchase transaction.

Invoice, after delivering the goods, the supplier sends an invoice to the buyer. Invoice is a document which gives the quantity, quality; unit price, total value of the goods dispatched, any discount allowed, and transport charge if any (Gabay 22.10.2010).

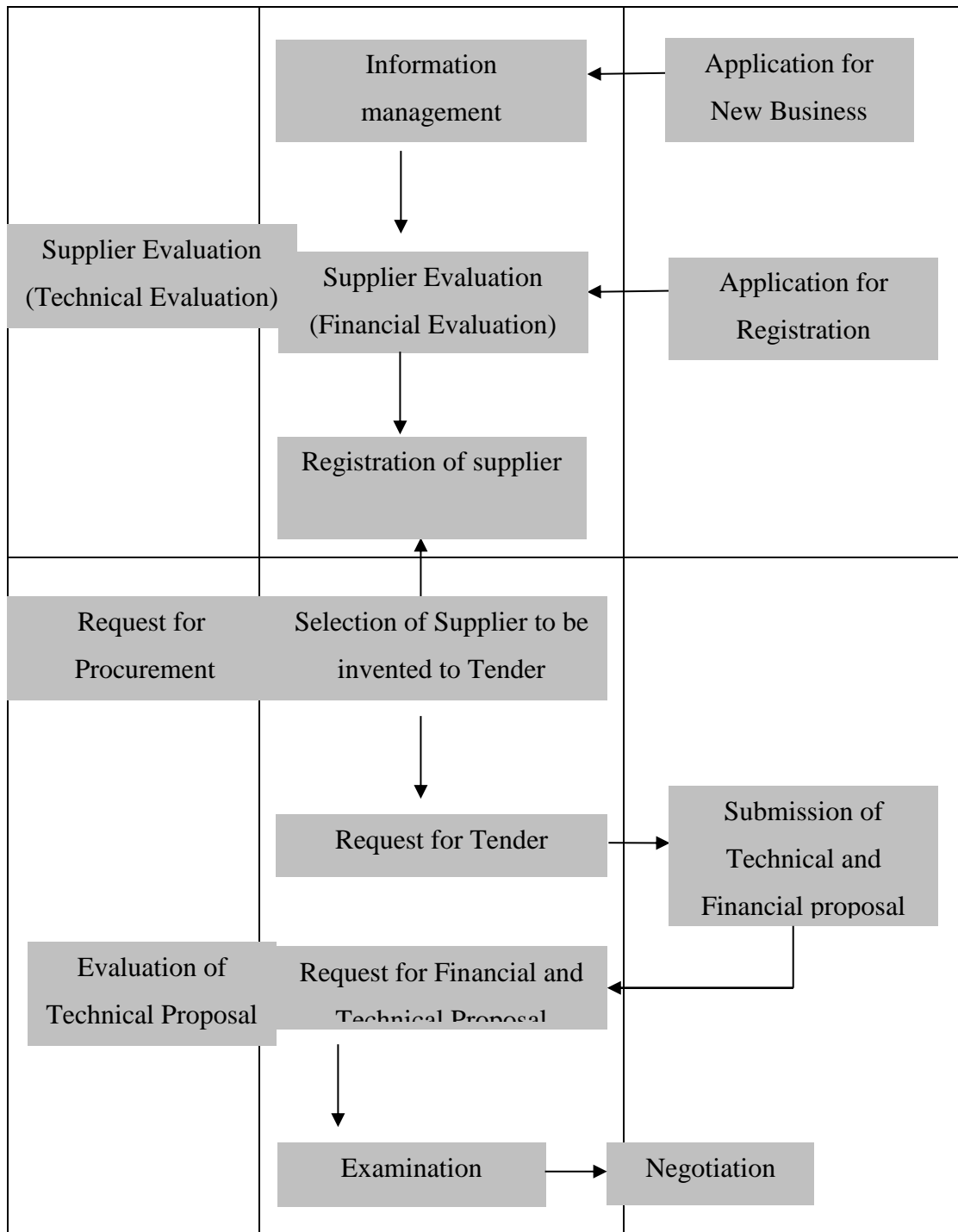
2.11.3 Close the order

The closed order file provides a historical record of all completed purchase. The final or completion stage of an order or contract occurs when work is completed or goods are delivered and accepted and payment is duly made. (North American Development Bank 2005), Just as purchasing section does not normally initiate a purchase, so as it does not normally carry the main responsibility for the completion stage, although it must be notified of receipts and inspection results and will normally deal with supplier in connection with discrepancies in quantity or price, rejections and other problem.

The purchasing section also need to take note of supplier performance for future use in the case of straight re buys and modified re buys. A basic but very graphical ethical purchasing procedure can be shown in the form of chart but it differs due to the organization policies. The purchasing procedures are illustrated as follows:-

Table 2.2: Ethical Purchasing Procedures

Technical Division	Purchasing and contracting Department	Supplier



Source: www.hepco.co.jp/english/procurement/chart.html

2.11.4 Ethics in Procurement

Ethics must be practiced so as to avoid leakages and loss, corruption and vendor favouritism. The way to address this concern is by adopting a strong sense of ethics

such as avoiding collusion, discouraging fake competition, removing any possibility from the bid evaluation process, ensuring that goods and services received reflect the precise quality actually delivered using slicing to avoid adopting the appropriate procurement method

This section presents those requirements that must be adopted and adhered to by the Procurement Entity and staff to ensure accountability. In particular it identifies specific declarations that must be made when and where unethical practices may seem apparent.

- (i.) Conduct of bidders and contractors: - A bidder or contractor must adhere to terms of contract. A bidder or contractor may not engage in or abet corruption or fraudulent practices, including the offering or giving directly or indirectly of improper inducement or misrepresentation of facts in order to influence procurement process or the execution of a contract.
- (ii.) Declaration of potential conflict of interest:-All members of any committee, board or panel involved in procurement proceeding shall declare any potential conflict of interest and exclude himself or herself from participating in the proceedings. All such declarations must be made in be writing and kept as part of the record of the proceeding.
- (iii.) Declaration of non-collusion:- A tender, proposal or quotation submitted by a bidder shall include a statement of declaration that neither the bidder nor any officer or agent engaged by it or acting on its behalf has colluded with any other bidder or public official in the preparation of the tender, proposal or quotation.
- (iv.) Declaration that the bidder has not been debarred from participating in procurement proceedings under part 1X of the public procurement and disposal act, 2005.
- (v.) Declaration that the bidder will not engage in corrupt practices.
- (vi.) Restriction on participation of public officials as bidders:-Public officials their relatives, shall not participate as bidders in the public procurement of the procurement entity by which they are employed.

- (vii.) Post employment restriction of public officials:-Individual who served as procurement officers or participated in the approval of any procurement activities. (North American Development Bank 2005),

The study made by Sekaran (2001) on the effectiveness of purchasing procedure in public sector the researcher found that, for the management to ensure that its domain to a problem is immediate alleviate; the qualified personnel should be allocate in the purchasing unit. This is important because the qualified personnel know the strategies of purchase and the ethics associated with them. The organisation applies different policies to different groups of item when placing order to supplies. The organisation will follow the purchasing cycle as recommended by various authors.

The purchase order does not always originate from users and store keeper department as recommended by different authors. The purchasing orders were sometime originating from the top management or the purchasing staffs.

The study made by Amos, E., Weathington, B. (2008) on the evaluation of purchasing procedure in nongovernmental organisation the researcher found that, the presence of clear purchasing procedure help to bring about effectiveness in the whole process of buying. Purchasing procedure need to be practised effectively, that means the project is required to be perform all steps of purchasing procedures. That should ensure effective in the attaining goals as well as objectives of the organisation.

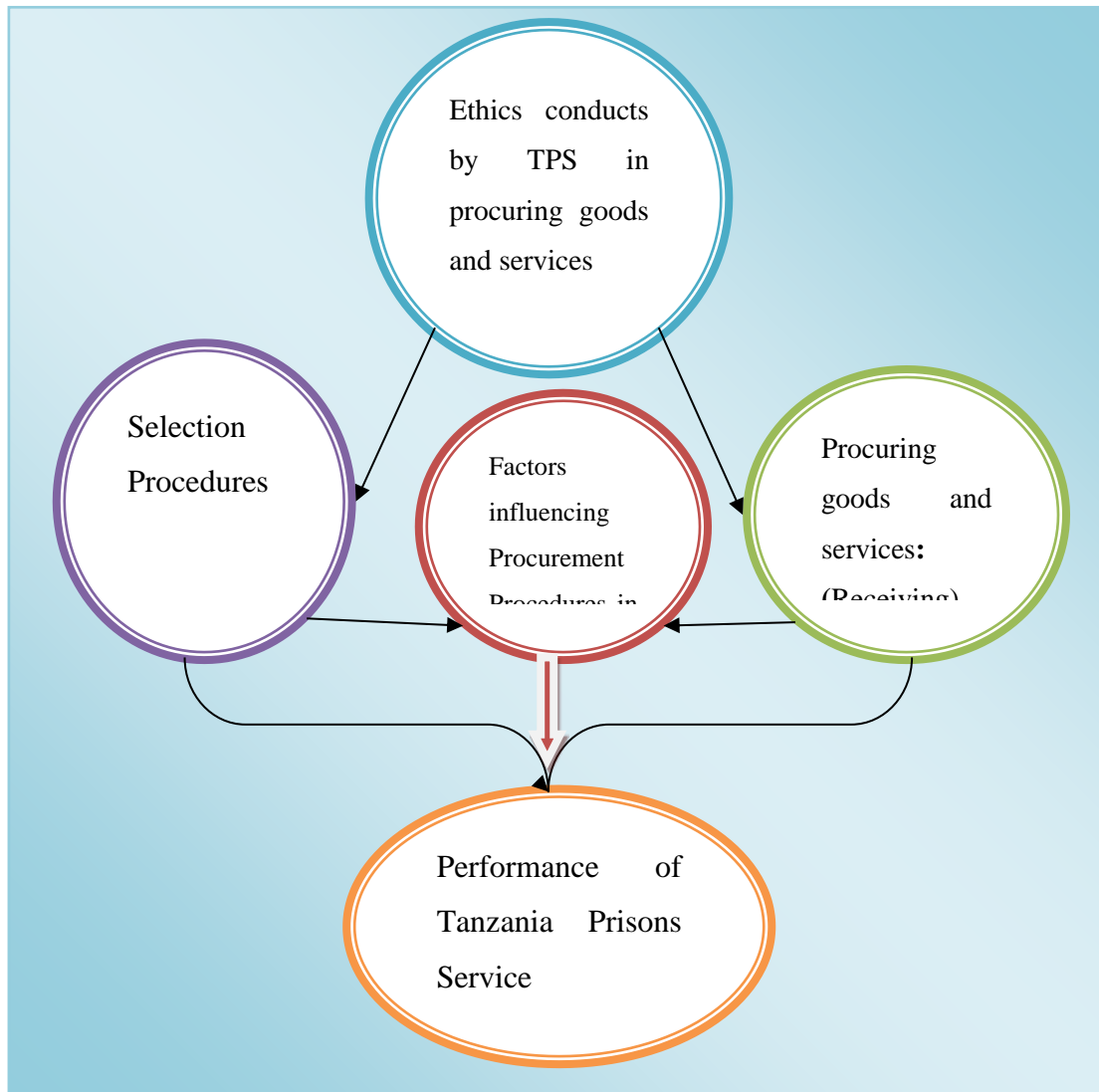
The study made by Bingola (2007) on the challenges of purchasing department in local government organisation in Tanzania the researcher found that, the fundamental task of the purchasing department in the local government is to find the right supplier who will provide the right material at the right time and at the right price. The basic concept of the organisation of purchasing department is to supply material and services to the local government in order to avoid stoppage in production. The material management concept is aimed at integrating all activities relating to the cost of the material into the single department. The purchases should control these entire variable to reduce the cost associated with materials; in order to alleviate this problem is recommended that.

2.12 Conceptual Framework

Conceptual framework is a grouping set of research concepts cum variables together with their logical relationships often represented in the form of diagrams, charts, graphs, pictographs, flowcharts, organ gram or mathematical equations. Since conceptual framework focuses on the concepts cum variables and their relationships, it is useful for formulating specific research questions of the study (Ndunguru, 2007).

To understand the factors that influence procurement procedure in Tanzania Prisons Service Department, we need to establish a conceptual framework of this study consisting of dependent variables and independent variables (Kothari 2004:34). On the other hand, independent variables are the one that are antecedent to the dependent variable. In this study, the dependent variable is Procurement in Tanzania Prisons Service while independent variables are procedures, Ethical conducts, Purchasing and buying policy which will result into effective procurement in Tanzania Prisons Service as Figure 2.7.1 below shows.

Figure 2.1: The Conceptual Framework of the Factors Influencing Procurement Procedure in Tanzania Service: Problem Modeling



Source: Researcher's Modelling, 2013

2.13 Empirical Literature

The academic literature is now replete with empirical and conceptual studies which have assessed the benefits of e-procurement. To-date, research remains nascent as it has not developed firm links with the strategic management literature and has relied heavily on trying to confirm the benefits of e-procurement. The firm's ability to integrate, build, and reconfigure internal information technology (IT) competences to address the rapidly changing external environment affects the e-procurement-performance relationship. We argue here that while some cost (tactical) benefits may accrue from e-procurement, sustainable benefits was only accrue from the adoption

of a strategic management perspective. The field of e-procurement research mainly has concentrated on assessing the role of e-procurement tools, delivered benefits and risks associated with the implementation.

Despite the growth in applications of e-procurement tools, paucity of empirical research exists which examines precisely how e-procurement adds business value. E-procurement business value research examines the organizational benefits and impacts of new digitized processes. Researchers have adopted myriad approaches to assessing e-procurement and the buyer-supplier interface. Previous research has shown that e-procurement may indeed contribute to improved operational performance (Croom and Johnston 2003, Hawking et al. 2004, Mukhopadhyay and Kekre 2002, Radovilsky and Hegde 2004).

However e-procurement influence on strategic performance still remains uncertain. Moreover there is a lack of academic literatures which present the theoretical concepts or provide the empirical evidence how to measure e-procurement implementation. Webster and Watson (2002), who recommend using instead of author-centric literature, review the presentations of main identified concepts areas. The existing e-procurement literature covers areas such as e-procurement tools, risks and benefits, links with strategy, impact on the organizational structure and performance measurement.

2.14 Knowledge Gap

Moving to the above empirical studies it is evident that extensive studies have been done to find out factors that are influencing Procurement Procedures in Tanzania Prisons Service. There is still a knowledge gap on how the procurement process can contribute to improved performance of the procurement function in developing countries. Chief Executive Officers (CEOs) of organizations are often heard saying “the procurement function is not performing well”. The issue of generalizing that the procurement function is not performing without indicating the criteria used to reach that conclusion or just basing it on financial statements is not reasonable. Only when the procurement function is well planned, it is easy to identify areas where it is

performing well, and where there is need for improvement (Department of Public Works, Queensland Government, 2007).

In addition, organizations have concentrated on costs or savings as the sole indicator or measure of performance. If costs decline, the purchasing function will be praised, while if savings decline, the purchasing function will be queried. It is as if the purchasing function is established to focus on minimizing costs while maximizing efficiency. Financial measures ignore market dynamics and increased complexity in acquisition of goods and services for public entities (Lardenoije, Van Raaij, & Van Weele, 2005).

However, there is no published study concerning factors that are influencing Procurement Procedures in Tanzania Prisons Service. Specifically on study areas in TPS. Therefore this study covers some of the missing literature. Additionally the literature gap on the Procurement procedures to the entire organization management and was intuitively added into the existing literature.

CHAPTER THREE

RESEARCH METHODOLOGY

This section explains the methods which the research employ in order to acquire reliable required data. It includes research design, sample size, sample procedure, research instruments, data collection procedures and possible limitation for data collection.

3.1 Research Design

The research is designed as case study to collect data and analyze in a style that aims at combining relevance with economical procedures. Kothari (2002) wrote that, a good research design is one which is flexible, appropriately economical, minimizes bias, gives smallest experimental error, yields maximum information and provides an opportunity for considering many aspects of the problem while maximum reliability of data collection and analysis. The case study research design was employed in this study because of its flexibility in data collection, and analysis as the study employed different respondents in TPS. It also emphasizes on contextual analysis of fewer events in depths as it was not possible to crosscheck the entire project. In addition it is less expensive than other research designs the limitations that were facing the researcher.

This research employs a descriptive research design and correlation design. The researcher employs both qualitative and quantitative data collection methods to acquire both objective and subjective data respectively. Whereas qualitative data are acquired through in-depth interviews, the quantitative ones being acquired through questionnaires distributed to different categories of respondents.

3.2 Sampling Procedure

Sampling is one of the best systematic techniques of choosing a group of collection of people that is large enough to be representative to the population from which it has been selected (Ibid 1992) sampling procedures is basically determined by the nature of the study and the type of respondents expected to be in the study. The study was employ two sampling methods namely sampling and purposively sampling

The researcher used judgmental sampling to select 50 samples. The researcher braked down the targeted population into groups then a sample from each group is selected

by using convenience sampling. Under this method of sampling, the sample from each stratum was selected based on how convenient it was for a researcher to get the required data. De George et al (1995)

3.3 Data Collection Methods and Instruments

During the course of the study, the following methods were employed in order to collect data. The researcher use questionnaires, interview and observation guide in collecting data. The decision as to which technique to be used in collecting data is subject to the purpose of the study and the nature of the research questions (Seidman, 1991).

Types of data collection instruments have been employed to collect the data relevant to the research. The instruments used are questionnaires interviews and observation. Whereas questionnaires used to collect quantitative data and interviews have been used for gathering qualitative data from selected respondents. Kothari (2004)

3.3.1 Interviews

The researcher had an open ended and closed ended kind of interview guide in order to acquire both descriptive and quantitative data from the respondents. In order to establish a framework around the interviews, the researcher has been focus on specific issues with different interviewees, the interviews are structured with questions prepared beforehand, but the interviewers is open to new issues and follow different, associated leads depending on the responses and willingness of the interviewee (Virke visser *et al* 2003). Interviews with respondent gave chances the interviewer to discuss issues regarding procurement with different stakeholders

This method gathered deep knowledge on the respondents' view on the studied phenomena by asking questions concerning studied phenomena. The method comprised multiple open ended question. Structured questions were used. Questions were asked according to the way the respondent was responding. In some cases, where respondents moved out of studied phenomena, the interviewer intervened politely (Cohen *et al*,2006).

3.3.2 Questionnaire Administration

In order to maximize information and to be certain about the accuracy of this study, the researcher used questionnaires. These questionnaires were dispatched to Prison Main Store-Keko. The questionnaires was prepared in English with both closed and open-ended questions in order to get enough data from the respondents, and administered to the respondents by the researcher. Questionnaires are written in a simple way to enhance respondents clearly understand the required information and ensuring confidentiality. From this study the set of questions prepared to the staffs.

3.3.3 Observation

During data collection, the researcher participates as part of staff members of TPS. Therefore, through involvement several issues regarding specific research objectives are witnessed. This is help in making analysis on the reliability of other information's obtained from questionnaires and interview.

This method used to observe what was exactly happening in the field. Since the researcher was working in the field to have long observation. This technique was used to evaluate procurement process reflecting its practical meaning. Also it was used to check validity of information collected through other techniques.

3.4 Research Area

Coordinates of Dar es Salaam in degrees and decimal minutes Latitude: 6°49.4094' S Longitude: 39°16.1706' E. Geographic coordinates (latitude and longitude) define a position on the Earth's surface. Latitude varies from -90° to 90° . The latitude of the Equator is 0° ; the latitude of the South Pole is -90° ; the latitude of the North Pole is 90° . Positive latitude values correspond to the geographic locations north of the Equator. Negative latitude values correspond to the geographic locations south of the Equator (S). Longitude is counted from the prime meridian and varies from -180° to 180° . Positive longitude values correspond to the geographic locations east of the prime meridian (E). Negative longitude values correspond to the geographic locations west of the prime meridian (W). (IERS Reference Meridian 2012)

Based on the significant of the main objective of this study which was to find out factors that are influencing Procurement Procedures in Tanzania Prisons Service TPS is under Ministry of Home Affairs headed by the Commissioner General of Prisons (CGP), responsible for Legal and Prisons Administration and Rehabilitation Service. TPS Department is a centralized department with a hierarchical administrative set-up starting from Headquarters to regional and district level (Schwartz, 1988). TPS is categorized under three Divisions which are Legal and Prisons Administration, Rehabilitation Services and Finance and Administration and each division are headed by Commissioner of Prisons. Main store Keko is the headquarter where all procurement and purchasing are done and it is located at Dar es Salaam region in Temeke district. Therefore, this study was conducted in Tanzania Prisons Main store Keko Dar es Salaam. Information that collected are reliable and enough to justify the findings of this study. Tanzania Prisons Main store Keko is the only place where big purchase and many items on behalf of TPS across the country are done. This is why Keko Main store was chosen to get information concerning the study.

Figure 3.1: Dar es Salaam Geographical Map



Source: National Bureau of Statistics (2013)

3.5 Target Population

The study population comprised of all employees working at Tanzania Prisons Main store Keko Dar e salaam. The active population comprised of ninety two (92) Krishnaswami (2002) defined population as the target group to be studied in a particular place while a sample is a part of population. Population is therefore, a total collection of elements about which one wishes to get information. Sample is used in researchers rather than the whole population because of costs in terms of fund, time and materials that can be involved in surveying the whole population.

3.6 Sample Size

A sample size of 50 respondents which is equal to 54.3% of the total targeted population has been used, i.e. 20 respondents from Stores Department, 4 respondents from Accounting Department, 19 respondent from Human resource Department and 7 respondents from Transportation Department.

Table 3.1: Sample Size

Group	Officers	Percentage
Store department	20	40
Accounting	04	08
Human resource department	19	38
Transport department	07	14
Grand Total	50	100

Source: Researcher's Data (2013)

3.7 Data Analysis

Data analysis is the process of bringing order, structure and meaning the number of information collected in the field. Having gathered information from various sources as indicated above, the researcher analyses the obtained information the researcher can analyze the data which have been collected by using different methods (Miles & Hurberman 1994). Then the researcher analyses the information in both approaches qualitative and quantities approach.

This analysis aims at determining whether our observations support the hypotheses formulated before going into the field to collect the information or reject them. At the stage the researcher was sensitive so as to ensure that an appropriate analysis technique is well thought. (Miles & Hurberman 1994)

Moreover, both qualitative and quantitative methods of data analysis were helping the researcher to interpret data collection and ultimately make necessary recommendations and thoughtful conclusion. Likewise, Qualitative data was analyzed by using cases and examples whereas quantitative data was analyzed by using Statistical Package and be presented in percentages/frequency, figures and charts.

Data analysis is an important step towards finding solution of a problem under study. Data analysis is a systematic process involving working with data, organizing them and dividing them into small manageable parts. It involves further synthesis of data in order to discover what is important and what has been learnt so as to decide what to tell others (Creswell, 2009). With regard to this study, the open coding procedure was

utilized during data analysis. The open-coding procedure is the analysis that pertains specifically to the naming and categorizing of phenomena through case examination of data.

Data analysis begins with individual response and responses from different respondents were purposively sorted and grouped to make them coherent with research objectives and research questions. Comparison of data was done to identify those with similar characteristics (Creswell, 2009). This activity reduced the data into small manageable and analytical packages which were used for analysis and drawing the conclusion as well as putting forward the recommendations for action and further research.

3.8 Limitation of the Study

Pros and cons are part and parcel of any project with that in mind the study encountered a number of challenges in the course of gathering information from the field. Some of the key constraints were that some informants were asking for money in order to fill in the questionnaires. In most cases, they claimed that those who carry out such studies are given much money from sponsors to carry such studies. Therefore, some could not give information just like that. After all, it was time consuming they said. This caused difficulties in convincing them to fill in the questionnaires without disbursement. Furthermore, other informants were hesitant to release information because they were not sure if it was only be for academic purpose or something else. They could not imagine that the information would be confidential. In fact, they had all good reasons for their refusal. However, the researcher, explained about the research despite showing them an official letter of recommendation from the university. This made some of them to change their mind and respond to the questions and turn up for interview.

3.9 Validity and Reliability of the Instrument

The researcher had enough time review and evaluates attentively all responses as provided by respondents with regard respects on how they responded the questions which were presented to them. The reliability of the research instrument that is

questionnaire and interview were complete well. Sometimes, a researcher may get away with using less reliable data if the sample size is very big or the variables under study differ greatly among the subjects. But where the sample size and variations among the subjects are small, a highly reliable data set is required to reveal the magnitude of these variations (Mugenda and Mugenda, 2003).

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter deals with presentation and discussion of findings obtained by the researcher from the selected sample through questionnaire, and few interviews to get

accurate and vivid information in carrying out this research work. Most of the employees responded positively and they were helpful in answering questions.

The main objective was to find out factors that are influencing Procurement Procedures in TPS. Moreover, the study had the following four specific objectives:

- (i) To examine selection procedures used by TPS when selecting Suppliers.
- (ii) To examine how contracts are being given to suppliers by TPS.
- (iii) To determine the receiving procedures used by TPS when procuring goods and services.
- (iv) To examine the Ethical conduct followed by the TPS during purchasing goods and service.

Based on those specific objectives, the researcher through interview guide and questionnaire came out with the probable answers for various questions. Therefore, this chapter present the analysis of data collected.

4.2 To Find Suppliers

Every organization that purchases goods or services has standard *procurement procedures*, the methods they use to acquire those things. These procedures cover all aspects of the procurement cycle. Procurement or purchasing activity encompasses all spending activity, excluding payroll, and often represents all expenditures.

When respondents asked which procedures used by TPS when selecting Suppliers about 22% of respondents said selection of the supplier while 48% of respondents said contract negotiations and 30% of respondents said order placement and payment. All firms have procurement procedures, and they are used to control spending activity, ensure appropriate approvals are in place and reduce the risk of overpayment.

The primary driving force for the development of procurement procedures is to control all spending. The actual procedures used can vary slightly but will be similar. An appropriate approval process usually involves a separation of tasks and the involvement of senior managers for transactions that will cost more than a specific

price. Another standard procurement procedure is to limit access to the purchase order forms and require signed authorization from a manager other than the person using the goods. This separation of the goods recipient and the approval is designed to ensure that a senior staff member is aware of the order and can confirm that the materials are required and will be used for the proper purpose.

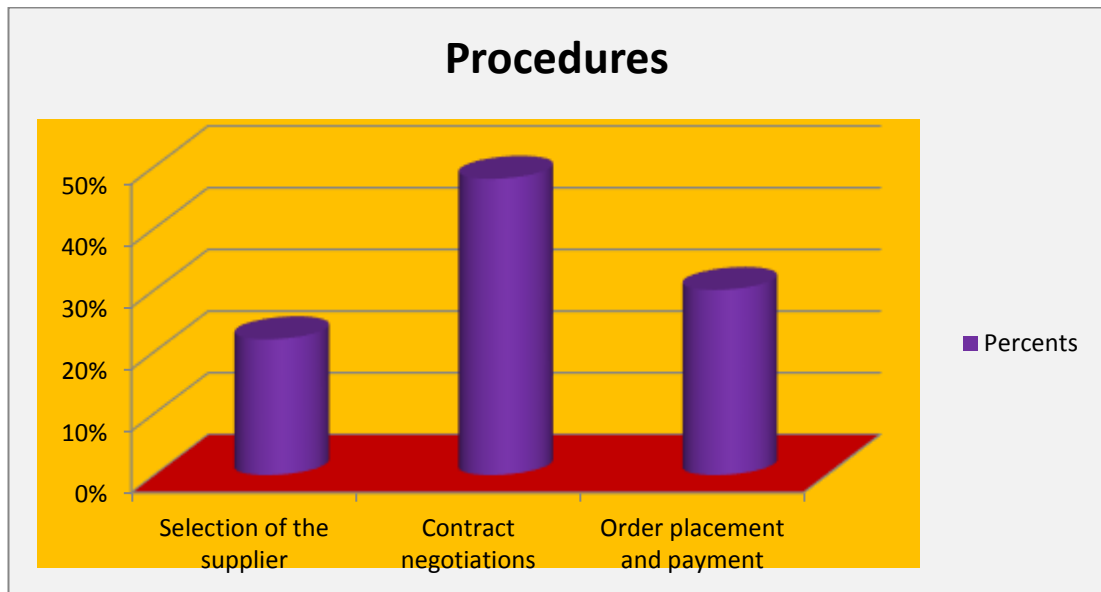
Another common procurement procedure is to create a short list of pre-approved Clients for specific commodities. Clients are added to the list through a bidding process that is conducted on a scheduled basis. This process is designed to be transparent and to provide the firm an opportunity to obtain discounts in price, to meet quality standards and to ensure timeliness of delivery.

Table 4.1: The Distribution of the Respondents on the Selection Procedures Used by TPS When Selecting Suppliers

	Frequencies	Percents
Selection of the supplier	11	22%
Contract negotiations	24	48%
Order placement and payment	15	30%
Total	50	100%

Source: Field Data, 2013

Figure 4.1: The Distribution of the Respondents on the Selection Procedures Used by TPS When Selecting Suppliers



Source: Field Data 2013

However, out of 50 respondents who were asked to state on how suppliers are obtained, respondents had different answers. 86% of respondents said suppliers are obtained through media whereas 14% said suppliers are obtained through quotation.

From the data collected, 50 respondents were asked on how a selection procedure in finding a supplier is done at TPS. In response to this 86 percent presenting the majority of the respondents agreed that suppliers are obtained through advertisements in the media. Moreover, 14% insisted that the selection of suppliers is done through quotation where by some suppliers are approached by presenting a specific forms with the list of items.

In regarding the findings, Damian Beil, (2009) shows several procedures used in selecting suppliers. Some of these procedures are like identifying potential suppliers, Information requests to suppliers, contract terms, negotiation process, supplier's evaluation and contract award and finally supplier selection research. Therefore, based on the findings and theoretical literature there is no doubt that TPS do follow the legal procurement procedures in selecting suppliers.

Having completed on how suppliers are selected, the study was interested to find out how need assessment is done in TPS. TPS like any other Institution especially public

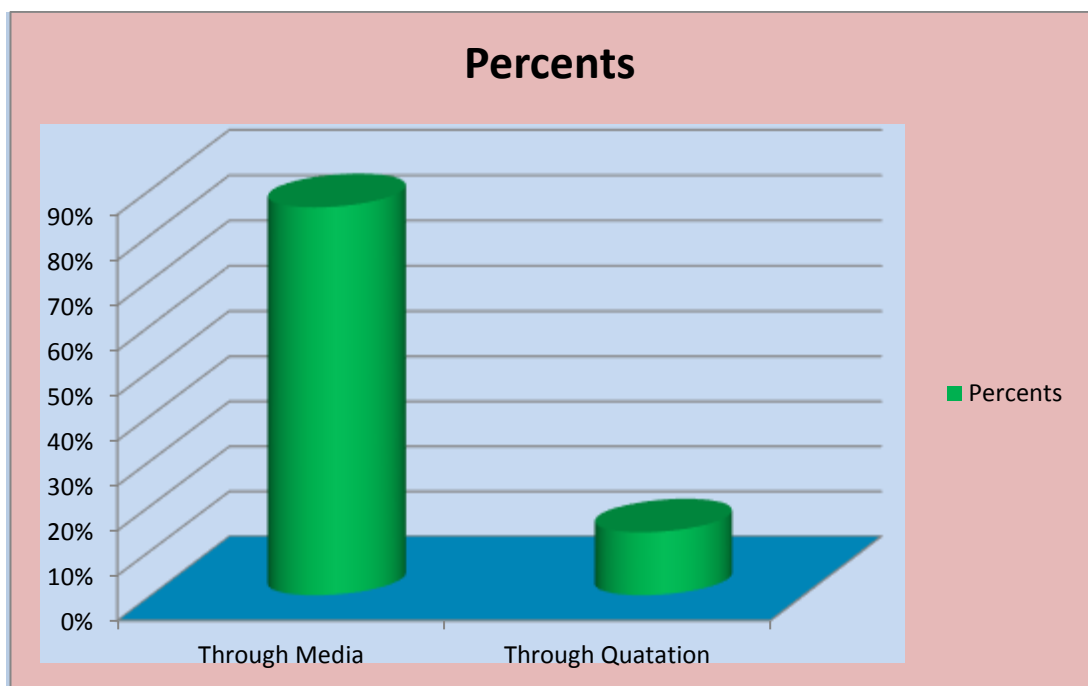
institution, has its procedures on how to assess needs before launching the purchases of a given commodities/items. In TPS need assessment conducted by acquiring requirements from different users, such as Administration and Finance department, Farms and livestock industries for both recurrent and development. And once the department receive the requirements which arrive by considering priorities due to funds available, the requirements were sent to the Accounting Officer Ministry of Home Affairs in order to prepare procurement plan for the whole ministerial department including, Police, Prisons, Fire, Immigration and Administration.

Table 4.2: Distribution of the Respondents on how does you Find Suppliers

	Frequency	Percents
Advertisement through media	43	86%
Through quotation	7	14%
Total	50	100%

Source: Field Data 2013

Figure 4.2: Distribution of the Respondents on the Finding Suppliers



Source: Field Data 2013

4.2.1 The Qualifications Do the Supplier Need to Have

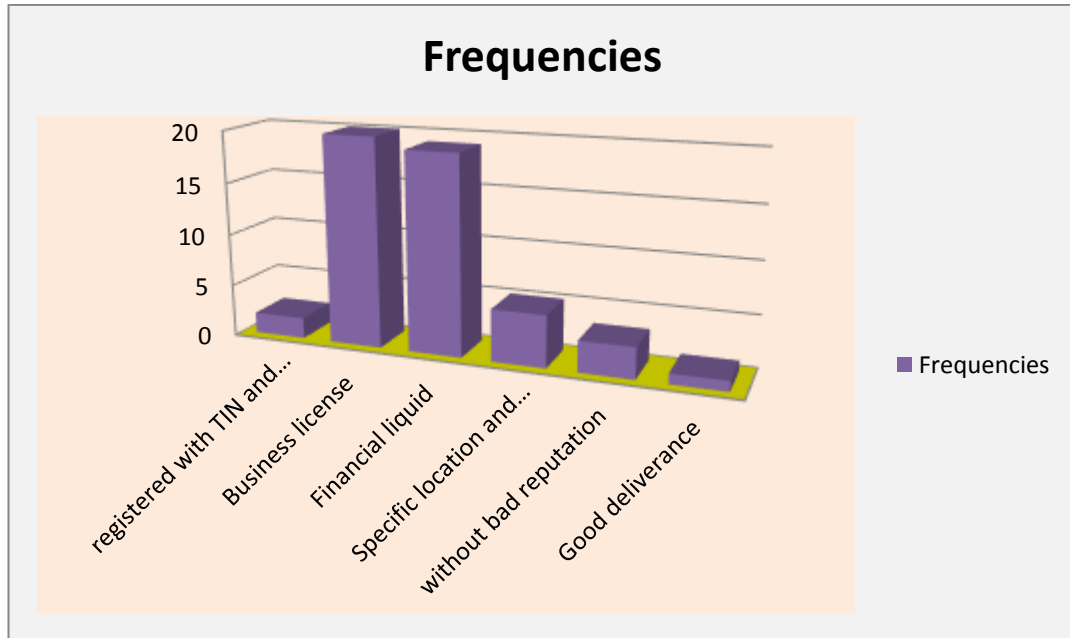
Respondents had several opinions regarding the question which were asked to state the qualifications of a supplier. In response to this majority respondents representing 40 percent said a supplier should have a business license , while 19 respondents representing 38 percent said suppliers should have a sound financial liquidity whereas 5 respondents representing 10 percent a supplier should have a specific location, while 3 respondents representing 6 percent said supplier should not have any bad reputation while 2 respondent representing 4 percent said a supplier should be registered with VAT/TIN and finally 1 respondent representing 2 percent said a supplier should have a good deliverance

Table 4.3: Distribution of the Respondents on what Are the Qualifications Does the Supplier Need to Have

	Frequency	Percents
registered with TIN and VAT if applicable	2	4%
Business license	20	40%
Financial liquid	18	38%
Specific location and qualified staff	5	10%
without bad reputation	3	6%
Good deliverance	1	2%
Total	50	100%

Source: Field Data, 2013

Figure 4.3: Distribution of the Respondents on what are the Qualifications Does the Supplier Need to Have



Source: Field Data, 2013

4.3 The contracts being given to suppliers by TPS.

The government's commitment to achieving best value or, if appropriate, the optimal balance of overall benefits people carries the implicit need to obtain the goods, services and construction it requires from the best possible suppliers. This is mainly achieved through competition.

The interviewees asked how contracts are being given to supplier about 50% of respondents said long term contract while 40% of respondents said short term contract and 10% of respondents said permanent contract

A competitive procurement process involves more than one bidder. Consequently, for each contract awarded to a successful bidder, there is usually at least one supplier that has lost. There is, therefore, the inherent risk that one or more suppliers will be unhappy with the outcome of the process. This situation may discourage suppliers from competing for government contracts; the government itself loses in that it faces significant challenges in attracting and retaining suppliers.

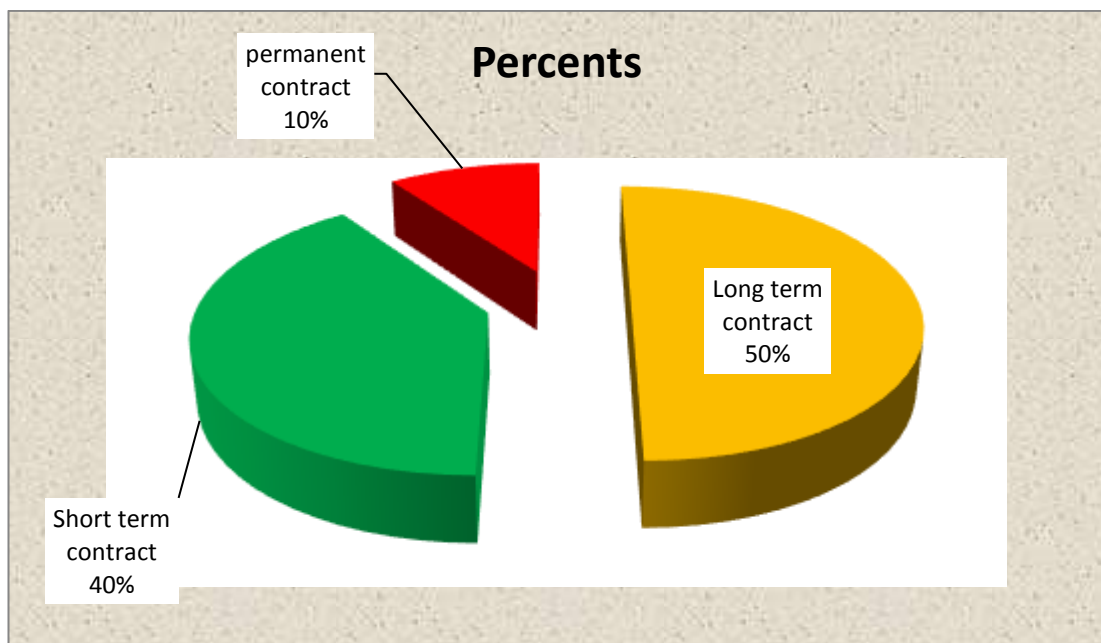
If suppliers are unable to obtain a debriefing or do not receive relevant information, they can become discouraged from bidding, leading to a smaller supplier base, higher procurement costs, and lower quality goods, services and construction. In addition to making good business sense, delivering debriefings benefits both the government and suppliers.

Table 4.4: Distribution of the Respondents on the Contracts are Being Given to Suppliers by TPS.

	Frequencies	Percents
Long term Contract	25	50%
Short term Contract	20	40%
Permanent contract	5	10%
Total	50	100

Source: Field Data, 2013

Figure 4.4: Distribution of the Respondents on the Contracts are being Given to Suppliers by TPS



Source: Field Data, 2013

4.3.1 Sign agreement between a supplier and TPS before giving tender to a supplier

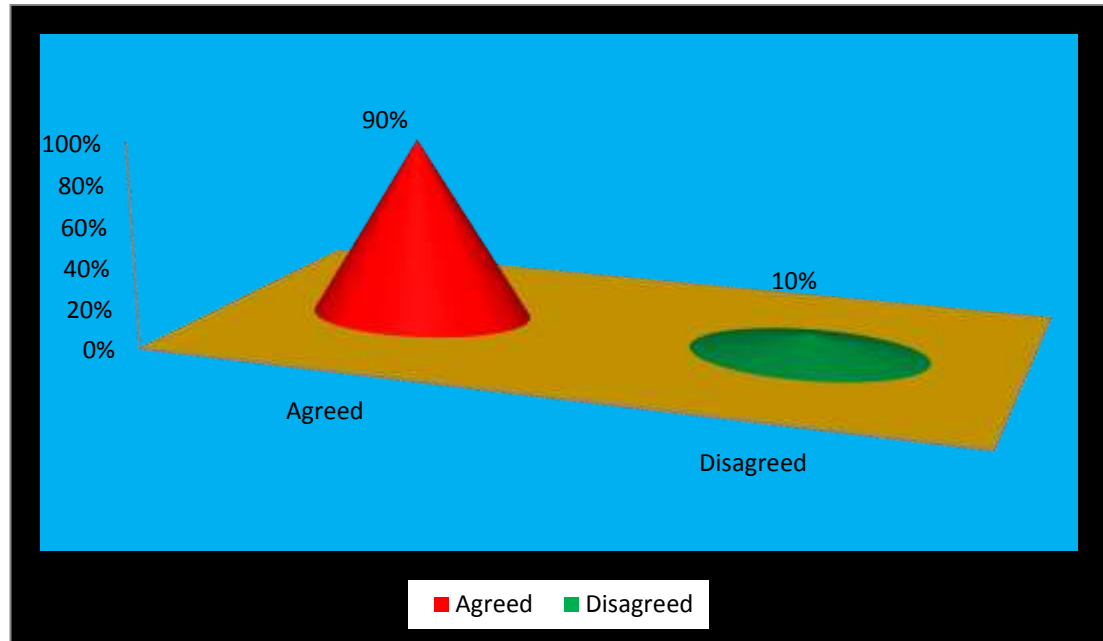
Once supplier has been selected then the Ministry of Home Affairs on behalf of TPS take several strategy to insure the supplier and TPS fulfil their responsibilities in paying and delivering items/service being given. One of the most important ways to safeguard the agreement is signing the contract which will bind both sides in case of any damage. The study asked 50 respondents if there is any agreement made and signed by both sides before initiating the purchases. In response to this 90% agreed that yes there is an agreement, while only 10% were on the view that there is no such an agreement. In fact, several scholars like as presented in chapter two have insisted in several times that in making any purchasing especially purchasing that involve public funds there should be an agreement between the two parties. Indeed, this will safe and insure the guarantee of the commodities been sold. Therefore, it's beyond doughty that TPS do follow the legal procedures especially signing contracts before initiating any purchasing with the aim of safeguarding the common or public interests.

Table 4.5: Distribution of the Respondents on How to Make Sign Any Agreement between a Supplier and TPS before Giving Tender to a Supplier

	Frequencies	Percentages
Yes	45	90%
No	5	10%
Total	50	100%

Source: Field Data, 2013

Figure 4.5: Distribution of the Respondents on How to Make Sign any Agreement between a Supplier and TPS before Giving Tender to a Supplier



Source: Field Data, 2013

4.4 The receiving procedures

In building a strong supply chain for the organization is developing ongoing partnerships with the suppliers. When respondents asked concerning procedures use by TPS when procuring goods and services about 20% of respondents said Performance analysis while 24% of Supplier price comparison information 26% of respondents said certified supplier status. However, 30% of respondents said agreed-upon terms and Item catalog costing.

Procurement is the process of obtaining products and services from suppliers. It includes decisions about how much and when to purchase goods and services, the actual purchasing of goods and services, and the process of receiving the requested goods or services. (Miles & Hurberman 1994)

The purchasing cycle ensures that the appropriate quantity and quality of equipment, material, supplies, or services are acquired at the best price and from the most appropriate source. Procurement involves and affects more departments than just the

purchasing department. An integrated procurement system provides the purchasing professional with links to information across all of an organization's functions and departments. Some of the links include activities and information, including receiving transactions, order revision data, supplier profiles, accounts payable status, special order processing, and the tracking of incoming purchases through receipt routing.

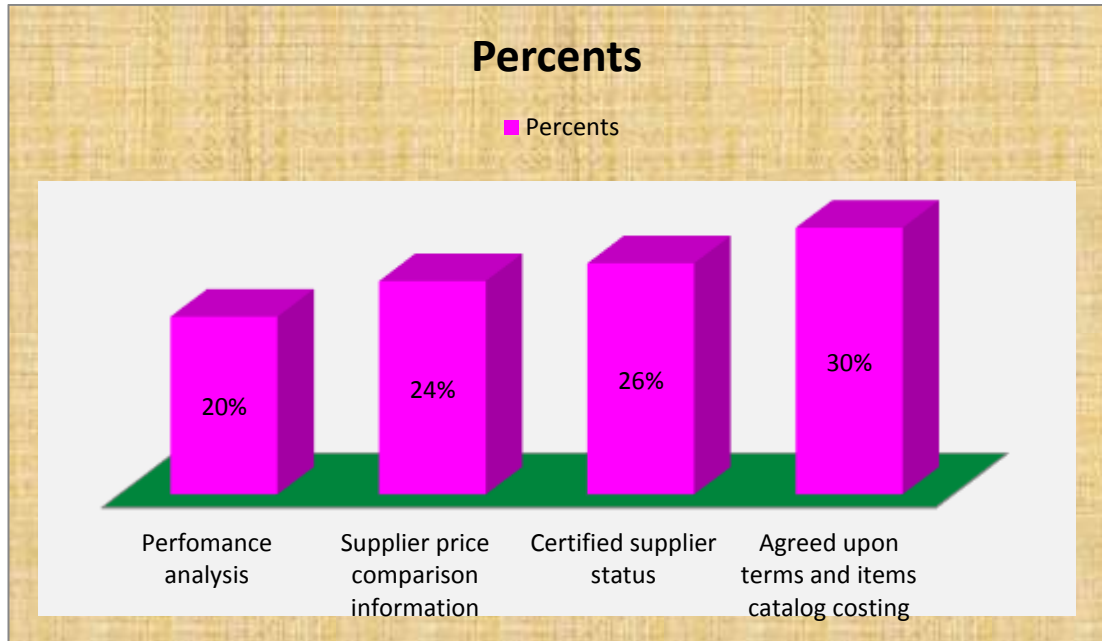
The procurement process begins when the need arises for items or services. This need is typically presented to the purchasing department in the form of a requisition. A requisition is a document that identifies to the buyer what is needed, when it is needed, and the approximate or actual cost associated with the item or service requested. The requisition can then be used to generate a quote for suppliers to bid on or to generate a purchase order (Miles & Hurberman 1994). The purchase order that is created from the requisition is the written contract between the buyer and the seller for the purchase of items or services at an agreed price and delivery date

Table 4.6: Distribution of the Respondents on the Receiving Procedures Use by TPS When Procuring Goods and Services

	Frequencies	Percents
Performance analysis	10	20%
Supplier price comparison information	12	24%
Certified supplier status	13	26%
Agreed-upon terms and Item catalog costing	15	30%
Total	50	100%

Source: Field Data, 2013

Figure 4.6: Distribution of the Respondents on the Receiving Procedures Use by TPS When Procuring Goods and Service



Source; Field Data, 2013

4.4.1 TPS receive goods in time

From respondents' opinion 19 respondents representing 38 percent said YES TPS do receive goods in time whereas majority respondents representing 62 percent said NO TPS does not receive goods in time.

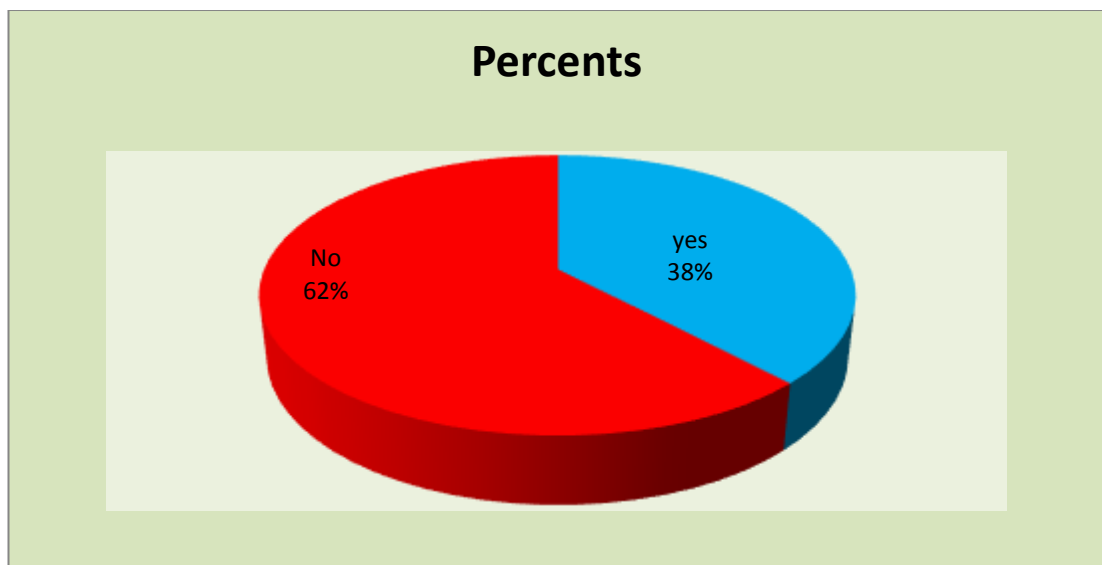
Firms are making significant investments in their e-business strategies and time; yet some managers remain unclear about how to adapt their organization to new strategies and processes. Advancements in procurement technology create the opportunities for new forms of arranging work, such as collapsing boundaries between suppliers and customers make it imperative for management to identify the key attributes and processes required for competitive advantage. Hand field and Nichols (2002) assert that access to memory is vital because a chain lacks many of the formal and informal mechanisms that guide decisions in established firms, such as hierarchy (formal) and strong values, traditions and beliefs (informal).

Table 4.7: Distribution of the Respondents on the TPS Receive Goods in Time

	Frequencies	Percents
Yes	19	38%
No	31	62%
Total	50	100%

Source: Field Data, 2013

Table 4.7: Distribution of the Respondents on the TPS Receive Goods in Time



Source; Field Data, 2013

4.4.2 TPS inspect the quality of goods before receiving

Majority of respondents representing 60% said agreed that TPS inspect goods before signing acceptance sheet while only 20% were against that TPS do not inspect and other 20% of respondents said they don't know.

One of the basic rules of procurement is that in the end, it is important to think in terms of the total cost of ownership. This includes not only the purchase price, but also time and resources that are expended in the pursuit of the ownership. By understanding the steps involved with procurement, it is possible to get a better understanding of the real cost involved with attaining any good or service (Baily et al 2004). Many public procurement activities suffer from neglect, lack of direction, poor co-ordination, lack of open competition and transparency, differing levels of corruption and most

importantly not having a cadre of trained and qualified procurement specialists, who are competent to conduct and manage such procurements, in a professional, timely and cost effective manner. Inflexible and bureaucratic systems of procurement contribute to unacceptable contract delays, increased costs, the potential for manipulation of contract awards and lack of fair competition, all of which create the perception in the population at large, that public expenditure is slow, ineffective, expensive and often corrupt.

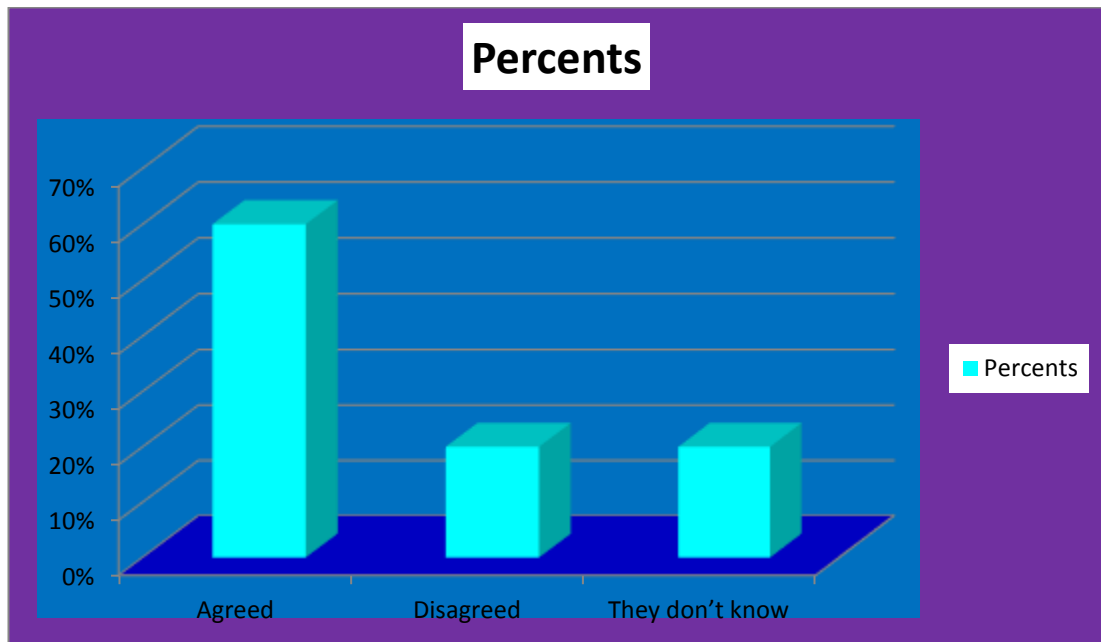
Information is critical to an effective and efficient procurement process, on the other hand financing is the engine that drives it. In the case of Tanzania for example, (World Bank 2007) ensuring adequate financing for the procurement of pharmaceuticals remains an important part of medicines procurement. Pharmacists involved in hospital procurement of medicines, whether directly or indirectly, must be knowledgeable about medicines as well as the interacting issues and the many stakeholders who can potentially affect the process or who may have legal responsibility. Public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations. This has adversely impacted the rate and quality of progress in realizing the objectives of national development, especially in developing and transition countries.

Table 4.8: Distribution of the Respondents on the TPS Inspect the Quality of Goods before Receiving

	Frequencies	Percents
Agreed	30	60%
disagreed	10	20%
They don't know	10	20%
Total	50	100%

Source: Field Data, 2013

Figure 4.8: Distribution of the Respondents on the TPS Inspect the Quality of Goods before Receiving



Source: Field Data, 2013

4.5 The ethical conducts

Finally respondent were asked to suggest what they think organizational ethical conduct ought to be. About 32% of respondent said that organizational ethical conduct should be practical while 42% of respondents said conform to culture of people and well formulated. Conformity to people’s culture is good example especially at this time of globalization whereby 26% of respondents said there is intercultural interaction in the working places. Ethical conduct being practical and well formulated suggests that ethics needs to be reflected in such a way that people will easily adopt it. Having understood what is ethical conduct it was easy to embark to the capacity of ethics to the entire development of an organization.

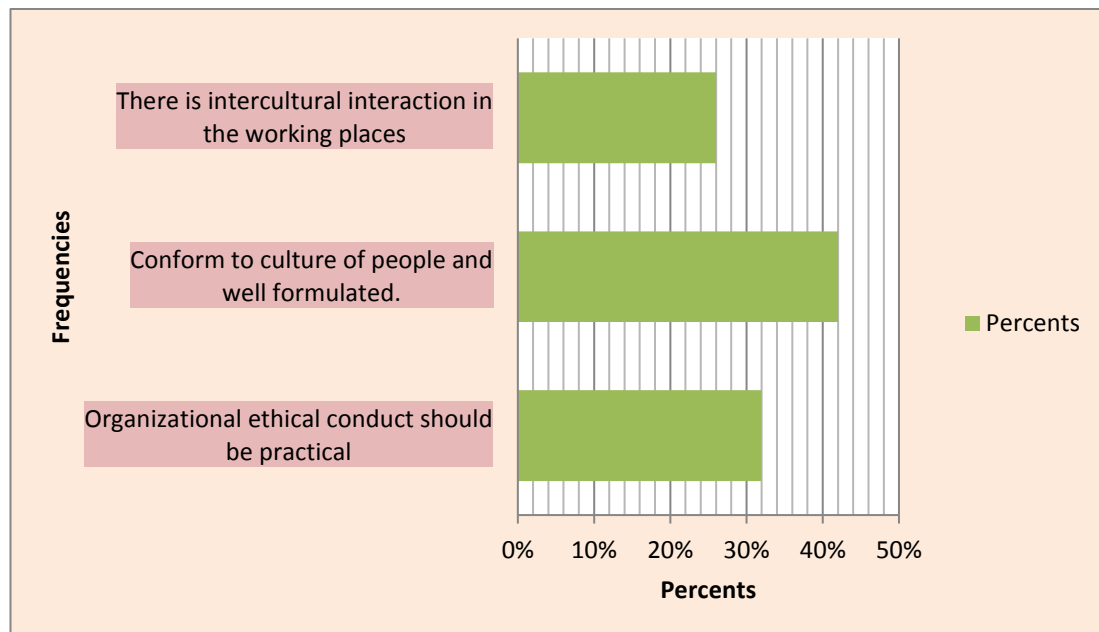
Historically, the purchasing department issued purchase orders for supplies, services, equipment, and raw materials. Then, in an effort to decrease the administrative costs associated with the repetitive ordering of basic consumable items, "blanket" or "master" agreements were put into place (Brinkerhoff 2004). These types of agreements typically have a longer duration and increased scope to maximize the quantities of scale concept. When additional supplies were required, a simple release would be issued to the supplier to provide the goods or services.

Table 4.9: Distribution of the Respondents on the Ethical Conducts Followed by the TPS in Procuring Goods and Services

Organizational ethical conduct should be practical	32%
Conform to culture of people and well formulated.	42%
There is intercultural interaction in the working places	26%
Total	100%

Source: Field Data, 2013

Figure 4.9: Distribution of the Respondents on the Ethical Conducts Followed by the TPS in Procuring Goods and Services



Source: Field Data, 2013

4.5.1 Enough funds for implementing purchases as proposed by user department

Majority respondents as shown from the table below about 38% said NO there is not enough fund located to implementing purchases as proposed by user departments while 62 percent said YES there is enough funds for implementing purchasing.

Like any other organisation always focuses on knowledge sharing among departments and provides an enabling environment for achieving value for money in relation what

they purchase. In this study the findings has come up with several views of respondents. In response to the question whether TPS receive goods in time, 62 percent said YES they do receive goods in time while 38 Percent said NO they don't receive good in time. The results can be used to confirm that good deliverance of good at TPS is reasonable. This is a good modal and instrument for promoting transparency in procurement and keeping procurement officials and contractors accountable. In particular they have provided easy and real-time access to information, new ways for interaction between bidders and government officials, and facilitated the monitoring and tracking of information on procurement.

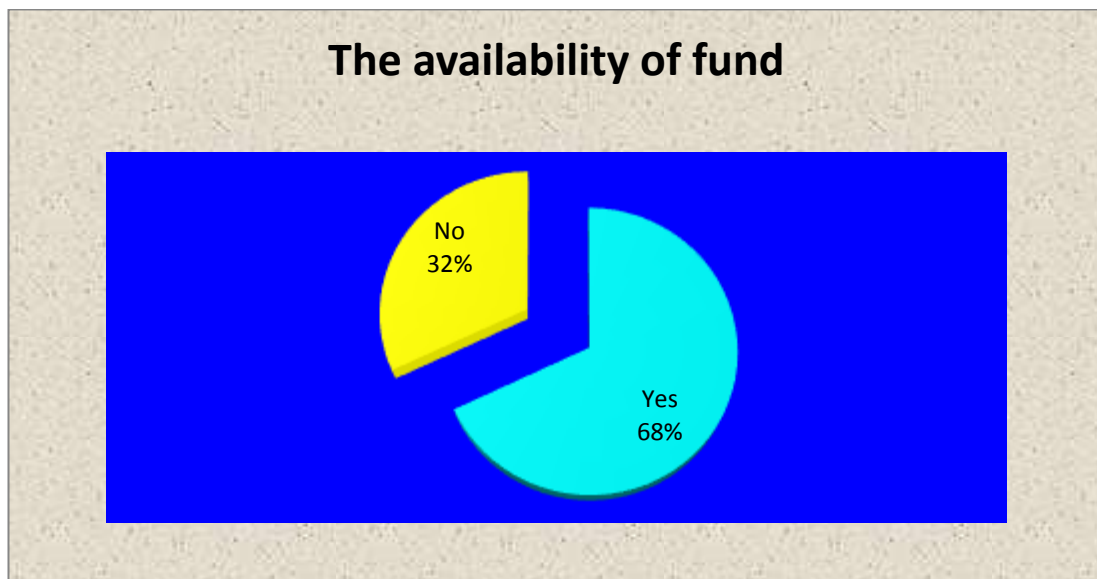
The study was also curious to find out if there was an effective inspection of the quality of goods before received by TPS. The findings revealed that 60 percent respondents confirmed that there have been an inspection to insure that all goods and service bought by TPS are sufficient and of good quality. This was different to 40 percent part of respondents who respondent to the same question that there was NO good inspections of goods and services bought by TPS and that is why there have been a lot of goods of low quality with a very limited life span.

Table 4.10: Distribution of the Respondents on the Enough Funds for Implementing Purchases as Proposed by User Department

	Frequencies	Percents
Yes	19	38%
No	31	62%
Total	50	100%

Source: Field Data, 2013

Figure 4.10: Distribution of the Respondents on the Enough Funds for Implementing Purchases as Proposed by User Department



Source: Field Data, 2013

4.5.2 People in charge accountable in case of any purchasing damage

The question of accountability was one of the interested questions which most respondents were very curious to respond to. In response to the accountability majority representing 78 percent said NO, they have not been hold accountable whereas 22 percent YES they do.

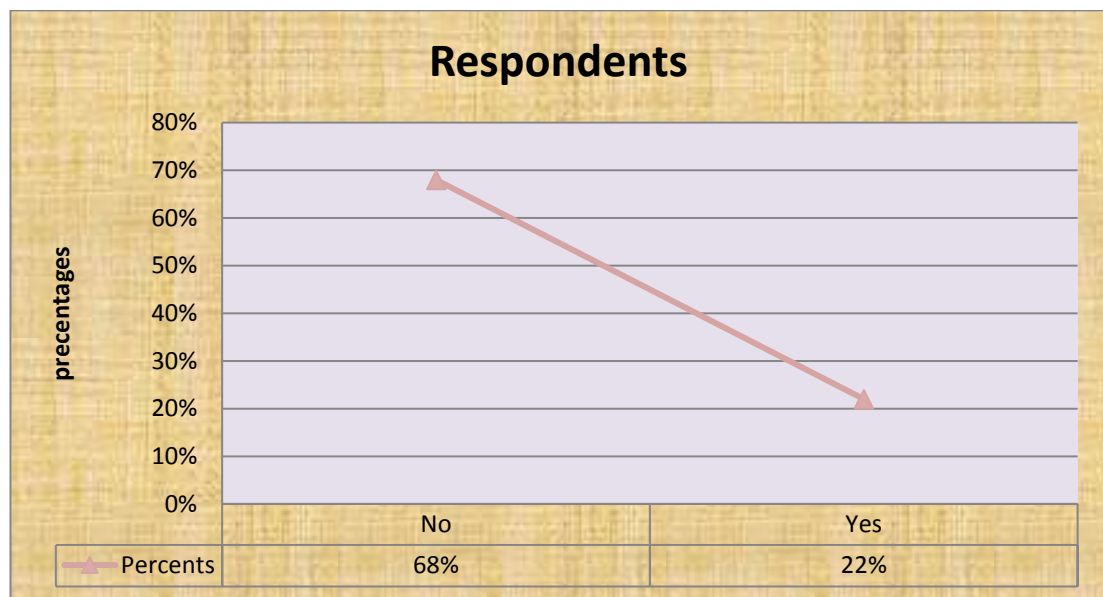
Accountability is government's obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs (Segal and summers 2002). Lack of accountability creates opportunities for corruption. Brinkerhoff (2004) identifies three key components of accountability, including the measurement of goals and results, the justification or explanation of those results to internal or external monitors, and punishment or sanctions for non-performance or corrupt behaviour. Strategies to help increase accountability include information systems which measure how inputs are used to produce outputs; watchdog organizations, health boards or other civic organizations to demand explanation of results; performance incentives to reward good performance; and sanctions for poor performance.

Table 4.11: Distribution of the Respondents on People in Charge Accountable in Case of any Purchases Damage

	Frequency	Percents
No	39	68%
Yes	11	22%
Total	50	100%

Source: Field Data, 2013

Table 4.11: Distribution of the Respondents on People in Charge Accountable in Case of any Purchases Damage



Source: Field Data, 2013

4.6 Findings and Discussion

It is important to summarize and analyze all of the information. This may summarize the findings from the assessment. The information gathered from the assessment provides general insight on the current state of the organization and identifies specific areas in which capacity development may be most beneficial.

(i) The selection procedures used by TPS when selecting Suppliers.

The results presents a review of decision criteria reported in the literature for supporting the supplier selection process. The review is based on an extensive search in the academic literature. After a literature review of decision criteria, we discuss the most important criteria: quality. Then different methods and factors for assessing the quality of supplier are discussed. Results showed that all methods and factors

mentioned in this paper are not appropriate tools for quality evaluation. Moreover, we propose a novel method (using loss functions) in order to assess the quality of suppliers. 48% of respondents were the highest in negotiating contracts and 22% were the lowest respondents. All firms have procurement procedures, and they are used to control spending activity, ensure appropriate approvals are in place and reduce the risk of overpayment.

(ii) The contracts are being given to suppliers by TPS.

Nowadays companies hope to establish a longer-term working relationship with the suppliers. Therefore, supplier selection is one of the main parts of decisions in supply chain management. Because there are many suppliers with many criteria, so it is impossible to find the best way to evaluate and select suppliers. Therefore, in studies, scholars have used different methods, variables, criteria, and factors in order to select the suppliers.

Evaluation of suppliers is a process that leads companies to select their desired suppliers. This process has two main aims, which are to reduce all costs of purchasing and to increase the overall value of the purchasing. Regarding to the costs of evaluating the suppliers (such as time and travel budget), companies basically evaluate those suppliers that have a good chance of qualifying for purchasing from them. In this process, formally, companies send expert teams to the supplier site, and with evaluating different criteria and factors, they will do an in-depth evaluation.

The interviewees asked how contracts are being given to supplier about 50% of respondents said long term contract and 10% of respondents said permanent contract. A competitive procurement process involves more than one bidder. Consequently, for each contract awarded to a successful bidder, there is usually at least one supplier that has lost. There is, therefore, the inherent risk that one or more suppliers will be unhappy with the outcome of the process. This situation may discourage suppliers from competing for government contracts; the government itself loses in that it faces significant challenges in attracting and retaining suppliers.

(iii) The receiving procedures use by TPS when procuring goods and services.

In building a strong supply chain for the organization is developing ongoing partnerships with the suppliers. When respondents asked concerning procedures use by TPS when procuring goods and services about 30% of respondents said agreed-upon terms and Item catalog costing and the lowest was 20% who said Performance analysis.

One of the basic rules of procurement is that in the end, it is important to think in terms of the total cost of ownership. This includes not only the purchase price, but also time and resources that are expended in the pursuit of the ownership. By understanding the steps involved with procurement, it is possible to get a better understanding of the real cost involved with attaining any good or service (Baily et al 2004). Many public procurement activities suffer from neglect, lack of direction, poor co-ordination, lack of open competition and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified procurement specialists, who are competent to conduct and manage such procurements, in a professional, timely and cost effective manner. Inflexible and bureaucratic systems of procurement contribute to unacceptable contract delays, increased costs, the potential for manipulation of contract awards and lack of fair competition, all of which create the perception in the population at large, that public expenditure is slow, ineffective, expensive and often corrupt.

(iv) Ethical conducts followed by the TPS in procuring goods and services

Ethics is all about what is morally right and morally wrong, so procurement ethics is concerned with what is morally right in procurement as profession, (Wood, 1995). This is very important in procurement management because procurement staffs deal with suppliers represent the whole organization and that will determine the face of the organization towards the suppliers which may create goodwill or destroy it, It can significantly influence the overall success of an emergency response depending on how it is managed. In humanitarian supply chains, procurement represents a very large proportion of the total spend and should be managed effectively to achieve optimum value. Procurement works like a pivot in the internal supply chain process

turning around requests into actual products/commodities or services to fulfil the needs. It serves three levels of users

42% of respondents said conform to culture of people and well formulated. Conformity to people's culture is good example especially at this time of globalization whereby 26% of respondents said there is intercultural interaction in the working places. Ethical conduct being practical and well formulated suggests that ethics needs to be reflected in such a way that people will easily adopt it. Having understood what is ethical conduct it was easy to embark to the capacity of ethics to the entire development of an organization.

TPS upholds honesty, integrity and fairness in all aspects of its business, and expects the same in its relationships with its clients. The highest ethical standards shall be employed in all procurement transactions, and clients shall be chosen based on TPS's procurement policies and defined selection criteria. TPS staff, especially those involved in any phase of procurement, must declare any affiliations with clients and should not disclose privileged information about any project requirements or deprive other Bidders of such information that puts a Bidder or group of Bidders at more advantageous position over the other Bidders. This includes revealing the other bids/quotations prices, terms and conditions etc. Failure to make such a declaration shall be construed as a conflict of interest and the offer, payment, solicitation and/or acceptance of any form of bribe, monetary or otherwise, are unacceptable and subject to disciplinary measures. Also, staff shall not accept commissions, gratuities or gifts from clients

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The purpose of this research was to examine the influencing of procurement procedures in Tanzania Prison Services. This study was focused on Tanzania Prisons Main store Keko Dar es Salaam. Therefore, this chapter deals with summary, findings, conclusions and recommendations on the research.

5.2 Summary

This study was about examining the factors that influence procurement procedures in Tanzania Prison Service. The specific objectives of the study were to examine selection procedures used by TPS when selecting Suppliers, to examine how contracts are being given to suppliers by TPS, to determine the receiving procedures use by TPS when procuring goods and services and to analyse ethical conducts followed by the TPS in procuring goods and services. The study was guided by four research questions:- What were the selection procedures used by TPS when selecting suppliers? How contracts were being given to suppliers by TPS when procuring goods and services? What were the receiving procedures used by TPS when procuring goods and services? Are Ethical conducts followed by the TPS in procuring goods and services?

Theoretical review suggests that procurement efficiency and procurement effectiveness of the purchasing function are measures of procurement performance. Therefore, to understand this better the study explore on the factors that influence Procurement Procedures in Tanzania Prisons Service. This study has been conducted in Tanzania Prisons Main store Keko Dar es Salaam. Information that collected are reliable and enough to justify the findings of this study.

The purpose of this study was to examine the influencing of procurement procedure in Tanzania Prison Service focusing on efficiency and effectiveness. Therefore, the data presented in this study was collected using the methods outlined in the methodology. The study employed descriptive survey design using both qualitative and quantitative approaches. However, quantitative approach dominated the study. Descriptive survey was used to evaluation of the factors that influence procurement procedures in

Tanzania Prison Service. Data were collected through questionnaire, interview, observation and documentary. Qualitative data were analyzed qualitatively using descriptive method while quantitative data were tabulated and simple percentage was calculated.

This study was focused on Tanzania Prisons Main store Keko Dar es Salaam. As a matter of fact, TPS audit report of between 2008 and 2011 shows that there has been a lot of queries from procurement department like vehicle takes longer to be delivered from buyers, procurements made without Tender board approval, Purchases made out of the annual budget, late completion of contract, payment of project for legally unacceptable contract and stores not taken on ledger have been an obviously mistake at least in each year during auditing report. Therefore, the study focuses in finding out how contracts are being given to suppliers by prisons procurement departments, procedures used by prison department when procuring goods and services, ethical conducts for department staffs and finally to find out the criteria used to select suppliers in TPS.

The findings of the study were presented and analyzed following the theoretical and conceptual framework provided and the trend of the questions. The discussion of the findings was made to present the meaning of the results in the context of the study and the interpretations of the implication of the results were made.

5.3 Conclusions

The study found that procurement process in Tanzania Prison service was affected by factors such as; accountability to a very great extent and justification of results to internal or external monitors to a moderate extent. The government officials used discretion to license and accredit facilities, providers, services and products, opening risk of abuse of power and use of resources. High amounts of prudence without adequate controls could create opportunities for corruption. General auditing report has shown a lot of public mismanagement of public funds in purchasing goods and service within TPS.

The study further revealed that lack of transparency and accountability affects procurement process at TPS to a great extent. This has been much affected right from the process of effective tendering through advertising, sourcing reviews, prequalification, potential for cost savings and greater awareness of new development. Furthermore the findings also revealed that for TPS to provide excellent service to their suppliers in an effective and transparent manner is also still inadequate.

There are many supplier selection methods based on different criteria that were employed for solving the supplier selection problems. This paper presented a review of decision criteria reported in the literature for supporting the supplier selection process. The review was based on an extensive search in the academic literature. Therefore, all different criteria related to supplier selection were reviewed.

The study concludes that there are several operating procedures that affect procurement process to a great extent at TPS. Conflict of interest between the TPS procurement officer and suppliers affected the setting of user fees for supply registration and the entire purchasing procedures including contracts made between them before initiating the service. Moreover, the study concludes that lack of ethics has affected procurement process at TPS. This has completely undermined the sense of some public servants to do fair business for the better interest of the country .As a result, tender bids evaluation take longer than expected.

5.4 Recommendations

The study recommends that examination and evaluation of procurement offers during and after recruitments should be continuously and be made effective. Accountability and measurement of goals and results need to be considered since they affect procurement process at TPS.

Procurement results need to be reported to internal or external monitors since this affects procurement process at TPS gradually.

The government officials need to be encouraged to use discretion to license and accredit facilities, providers, services and products to reduce opening risk of abuse of power and use of resources.

Adequate controls should be put in place reducing opportunities for corruption. Performance incentives need to be offered to employees to reward good performance. This will help to increase accountability.

The study further recommends TPS and government ministries to adopt ICT system in purchasing this can help order delays and reduce corruption chances. Furthermore, this will enhance the process of effective tendering through advertising, sourcing reviews, prequalification, potential for cost savings and greater awareness of new development. It will also enable TPS and other government ministries to provide excellent service to their suppliers in an effective and transparent manner.

In addition, the internal process should be enhanced at Tanzanian government ministries. As said earlier conflict of interest should be put on a check since it affects the setting of procurement procedures.

There should be a separation of key functions contributed to professionalism, accountability and an efficient procurement system. Tender bids evaluation need to be improved to take lesser time.

The results from this study suggested that purchasing performance could equally be measured using both financial and non financial measures. As earlier indicated, having performance measures is not an end in itself but a means to effective and efficient control and monitoring of any function. Therefore, organisations with established performance measures for their procedures, processes, and plans experience lower customer dissatisfaction and employee turnover than those which do not have.

The issue is to ensure that measures are being implemented and measure what they were intended to measure. Implementing purchasing measures is not as easy as it may sound.

It requires preparation, coordination, team work, constant communication and feedback. To ensure entities maximize purchasing efficiency and effectiveness, loss of professional turnover should be reduced. This can be done through establishing clear rules and procedures within the procurement processes.

To ensure value for money, there should be continuous improvement in the efficiency of internal processes and systems and public entities should maintain structures that avoid unnecessary costs.

As much as quality of procured goods and services featured the most preferred measure of procurement performance, other intangible measures like timely delivery of orders, customer satisfaction, dependability, flexibility and quality of employees should not be ignored.

5.5 Limitations and areas for further research

This study reviewed the study on the internal factors affecting procurement process of supplies in the public sector with reference to Tanzania government ministries. To this end therefore a further study should be carried out to establish the external factors affecting procurement process of supplies in the public sector. Moreover, a study should also be carried out to establish the challenges faced while carrying out procurement process of supplies in the public sector.

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APPENDICES

Appendix 1: Questionnaire for Stakeholders

INTRODUCTION

My name is AMINA JUMA LIDENGE Masters student Mzumbe University. These questions have been prepared for the purpose of collecting information that will help to accomplishing a research titled “To find out factors that are influencing Procurement Procedures in Tanzania Prisons Service.

All answers to these questions will be kept confidential, and will never be used for different purposes other than academic purposes. Thanks a lot for accepting to spend your precious time to answer these questions, and I request your sincere co-operation.

PART A –Personal Particulars/ information

Instruction: Put a tick to the correct answer

1. Gender
 - (i) Female ()
 - (ii) Male ()

2. Age
 - (i) 16-25 ()
 - (ii) 25 – 35 ()
 - (iii) 36 – 45 ()
 - (iv) 46-55 ()
 - (v) 55— 65 ()

3. Marital status
 - (i) Single ()
 - (ii) Marriage ()
 - (iii) Separate ()
 - (iv) Divorce ()

4. Level of Education
 - (i) Primary Education ()
 - (ii) Secondary Education ()
 - (iii) University/college ()
 - (iv) Other specify ()

5. Working Experience
 - (i) Below one year ()
 - (ii) 1-5 years ()
 - (iii) 6-10 years ()

- (iv) 11 year and above ()

General Research Question

- 1. What were the selection procedures used by TPS when selecting suppliers?
 - (i) Selection of the supplier ()
 - (ii) Contract negotiations ()
 - (iii) Order placement and payment ()

- 2. How contracts were being given to suppliers by TPS when procuring goods and services?
 - (i) Long term contract ()
 - (ii) Short term contract ()
 - (iii) Permanent contract ()

- 3. What were the receiving procedures used by TPS when procuring goods and services?
 - (i) Performance analysis ()
 - (ii) Supplier price comparison information ()
 - (iii) Certified supplier status ()
 - (iv) Agreed-upon terms and Item catalog costing ()

- 4. Are Ethical conducts followed by the TPS in procuring goods and services?
 - (i) Organizational ethical conduct should be practical ()
 - (ii) Conform to culture of people and well formulated ()
 - (iii) Intercultural interaction in the working places ()

- 5. What are the qualifications do the supplier need to have
 - (i) Advertisement through media ()
 - (ii) Through quotation ()

- 6. What are the qualifications does the supplier need to have

- (i) Registered with TIN and VAT if applicable ()
 - (ii) Business license ()
 - (iii) Financial liquid ()
 - (iv) Specific location and qualified staff ()
 - (v) Without bad reputation ()
 - (vi) Good deliverance ()
7. What are the contracts being given to suppliers by TPS?
- (i) Long term Contract ()
 - (ii) Short term Contract ()
 - (iii) Permanent Contract ()
8. Do you Signs agreement between a supplier and TPS before giving tender to a supplier
- (i) Yes ()
 - (ii) No ()
9. What are the receiving procedures used by TPS
- (i) Performance analysis ()
 - (ii) Supplier price comparison information ()
 - (iii) Certified supplier status ()
 - (iv) Agreed-upon terms and Item catalog costing ()
10. Do TPS receive goods in time?
- (i) Yes ()
 - (ii) No ()
11. Do TPS inspect the quality of goods before receiving?
- (i) Agreed ()
 - (ii) Disagreed ()
 - (iii) They don't know ()

12. What is the ethical conducts followed by the TPS in procuring goods and services?
- (i) Organizational ethical conduct should be practical ()
 - (ii) Conform to culture of people and well formulated ()
 - (iii) There is intercultural interaction in the working places ()
13. Are there enough funds for implementing purchases as proposed by user department?
- (i) Yes ()
 - (ii) No ()
14. Do people in charge accountable in case of any purchasing damage?
- (i) Yes ()
 - (ii) No ()

Thanks for Your Corporations

Appendix 2: Interview Guide

These interview questions and tips were so helpful to me in my last **interview**; I hope you find it helpful also. All the best in your next supplier's interview

My name is AMINA JUMA LIDENGE Masters student Mzumbe University. These questions have been prepared for the purpose of collecting information that will help to accomplishing a research titled "To find out factors that are influencing Procurement Procedures in Tanzania Prisons Service.

All answers to these questions will be kept confidential, and will never be used for different purposes other than academic purposes. Thanks a lot for accepting to spend your precious time to answer these questions, and I request your sincere co-operation.

1. Tell me about yourself
2. Why did you select TPS for supplier?
3. What experience do you have in this field?
4. Do you consider yourself successful?
5. What do other suppliers say about you?
6. What do you know about this TPS?
7. What have you done to improve your knowledge in the last year?
8. Are you supplying for other goods?
9. Why do you want to work for this TPS?
10. Do you know anyone who works for us?
11. What kind of improvement do you need?
12. Are you a team player?
13. How long would you expect to work?
14. Have you ever fail to supply goods in the organization? How did you feel about that?
15. What is your philosophy towards work?
16. If you had enough tender to withdraw right now, would you?