

**COMPETITIVE TENDERING AND PROCUREMENT PERFORMANCE IN LOCAL  
GOVERNMENT ENTITIES**

**A STUDY OF SOROTI MUNICIPAL COUNCIL**

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**OCTOBER, 2018**

**DECLARATION**

I hereby declare that this dissertation on the topic “competitive tendering and procurement performance: a case study of Soroti Municipal Council” is my original work and has never been published or submitted for any academic award to any other university or institution.

Signature..... Date.....

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**APPROVAL**

This is to certify that this dissertation entitled “competitive tendering and procurement performance: a case study of Soroti Municipal Council” has been prepared and submitted with my approval as the University supervisor.

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Signature.....Date.....

## **DEDICATION**

This book is dedicated to my dear wife Susan Ichimu, my daughters Ikolu Gabriella, Apene Elizabeth Lorene, Acor Marceline, and Atai Winifred, my beloved Mum Mrs. Emaru Margaret, Dad Mr. Emaru Peter Patrick, Sisters Akello Rose and Alaso Janet Lucy, Brother Robert Okiror and Late Osilo Peter, Angetu Patrick and all other family members aunts, uncles and all relatives.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

ACODE	Advocates Coalition for Development and Environment
BOQS	Bill of Quantities
CAS	Complex Adaptive Systems
CIPS	Chartered Institute of Purchasing and Supplies
CVI	Content Validity Index
EAC	East African Community
GDP	Gross Domestic Product
GPL	Government Procurement Law
IFPMM	International Federation of Purchasing and Materials Management
IGF	Internal Generated Fund
IPSERA	International Purchasing and Supply Education and Research Association
LG	Local Government
LGMSD	Local Government Management and Service Delivery
MEAT	Most Economic Advantageous Tender
MoFPED	Ministry of Finance, Planning and Economic Development
NCT	National Competitive Tendering



PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public procurement and disposal of public assets
PPN	Public Procurement Network
PSC	Project Steering Committee
RDP	Reconstruction and Development Programme
RIA	Regulatory Impact Analysis
SMC	Soroti Municipal Council
SOW	Scope of works
SPSS	Statistical Packages for Social Sciences
VFM	Value For Money.
WBS	Work Breakdown Structures

## **Operational definitions**

Advertising:	An agreement between a maker of a good or provider of a service and another party whereby the second party will provide space or time to promote the first party's good or service.
Bid evaluation:	Is the process that takes place after the tender submission deadline. It involves the opening and examining of the bids to identify the preferred supplier(s) for the project.
Community Involvement:	Is a network of social and economic relationships and the places where those relationships interact.
Competitive tendering:	also known as open tendering is defined as a process where equal opportunity is given to qualified suppliers to bid for contracts.
Procurement performance:	the extent to which the previously stated goals and objectives are being met. It refers to the relationship between actual and planned performance of any human activity.
Procurement:	as the process of obtaining goods or services in any way, including borrowing, leasing and even force or pillage.
Tendering:	refers to a formal offer to supply goods or services for an agreed price.

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# **Competitive Tendering And Procurement Performance In Local Government Entities**

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## **Abstract**

The objectives of this study were to examine the relationships between; advertising methods, Community involvement, bid evaluation and procurement performance respectively in Soroti Municipal Council. The study adopted cross-sectional survey research design with some aspects of qualitative research. The sample comprised of 98 respondents though the response rate was 87/98 (88.8%) of the respondents. Quantitative data were collected using a questionnaire while qualitative data were collected using an interview guide. Data were analyzed using relative frequencies and descriptive statistics. Pearson's linear correlation coefficient and regression analysis were used to relate the study variables. Findings revealed that there was no significant relationship between both advertisement and community involvement, while bid evaluation was significantly and positively related to procurement performance in Soroti Municipal Council. Recommendations were that: Soroti municipal Council should not attach much emphasis to advertising and community involvement as predictors of procurement performance in on their own, though these could be used alongside other strategies. The stakeholders in Soroti Municipal Council should put more strategies to uphold bid evaluation as a way to promote procurement performance. It's from the above background therefore that the researcher recommended the need to adhere to procurement rules as stipulated in the PPDA act 2003 of Uganda, having a clear view towards bid evaluation of all government projects and use of stakeholder umbrella which helps in identifying stakeholders and measuring their impact towards projects. Finally, due to predominance of the government and public partnerships in infrastructure development especially in developing countries, I suggested further areas of research in this area, and to find out verify the findings from this study.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the study**

The aspect of public accountability and value for money phenomenon world over including Africa has increasingly attracted concern from a wide spectrum of stakeholders. It is therefore not surprising that a number of studies by scholars in different contexts have been carried out to this effect, with many of them; sometimes having conflicting outcomes. Ensuring value for money is one of the ultimate aims/objectives of the Public Procurement and Disposal of Public Assets Authority (PPDA) as well as all public sector organizations since there is definitely going to be accountability.

As a result of this, Carpineti, et al. (2006) lamented that with efficient procurement practices, both the public and the private sectors play a key role in modern economies as they ensure reduction of wasteful activities. Achieving such efficacy is an ambitious task as procurement faces numerous challenges, especially due to the work structure, the legal framework and the political environment procurers' face.

Stuart & Barry (2008) posit that procurement is part of the supply chain philosophy and indeed they added that in many organizations it is established that procurement occupies a strategic role that recognizes the fact that buying gives both value for money and cost reductions. Besides it may cover all of the following aspect; the acquisition of what is needed by spending money externally so as to satisfy the needs of both internal and external customers, expediting, providing information and services to parties involved. Dobler & Burt, (1996) also echoed that to public sector organizations, procurement is a process or concept which encompasses a wider range of supply activities than involved in purchasing functions

and typically includes a broadened view of the traditional buying role with more buyer participation in related material activities. They went further to say that the activities include conducting of all purchasing functions, management of investment recovery activities and salvage of surplus activities, purchase inbound transportation and so on.

Another view is that procurement represents a very large fraction of total economic activities. The value of public procurement transactions in EU countries is about 16% of their Gross Domestic Product (GDP) while in the United States it is around 20 %. (Dimitri et al, 2006). This may account for the reason why in (2003) the government of China enacted the first national regulation on government procurement, called The Government Procurement Law (GPL) which applies to the purchase of goods, services and construction projects by state bodies.

In this study the main variable is procurement performance in local government entities while the independent variable is competitive tendering. Several theories can be used to explain the relationship between competitive tendering and procurement performance. However, the Complexity Theory underpins this particular study. This Theory is a framework for leadership that enables the learning, creative, and adaptive capacity of complex adaptive systems (CAS) in knowledge-producing organizations or organizational units. This is evidenced by the activities of the Public Procurement and Disposal of Public Assets Authority (PPDA) of Uganda, with systems like; the Contracts committee, Evaluation Committee and the Negotiation Committee. (PPDA Act, 2003). This framework seeks to foster CAS dynamics while at the same time enabling control structures appropriate for coordinating formal organizations and producing outcomes appropriate to the vision and mission of the system. It seeks to integrate complexity dynamics and bureaucracy, enabling and coordinating, exploration and exploitation, CAS and hierarchy, and informal emergence and top-down control. Complexity Leadership Theory suggests that the role of managers



should not be limited to aligning worker preferences with centralized organizational goals. (Uhl-Bien, Marion & McKelvey, 2007). McKenzie & James, (2004) posit that parts at a micro-level in a complex system affect emergent behavior and overall the outcome at the macro-level. Mason, (2007) defines complexity as the measure of heterogeneity or diversity in the internal and external environmental factors such as departments, customers, suppliers, socio-politics and technology.

Lyson & Farrington, (2006) define procurement as the process of obtaining goods or services in any way, including borrowing, leasing and even force or pillage. Based on the above discussions so far, it's quite clear that procurement in many public sector organizations is of keen interest since it is aimed at obtaining value for money in organizations and state spending. Public procurement was the process through which an organization/government purchases goods, works and services using state funds.

The independent variable in this study is, competitive tendering also known as open tendering is defined as a process where equal opportunity is given to qualified suppliers to bid for contracts, (Lyson & Farrington, 2006). In reaction to the above statement Dimitri et al, (2006) argue that although competitive procurement is also referred to as open tendering, it is instructive that it is opened to only qualified suppliers to guarantee good contracts execution.

The term tender refers to a formal offer to supply goods or services for an agreed price. From a purchasing perspective competitive tendering is a purchasing procedure whereby potential suppliers are invited to make a firm and unequivocal offer of the price and terms on which they will supply specified goods and services, which on acceptance, shall be the basis of a subsequent contract (Lysons & Farrington, 2006).

Tenders in local governments can be in form of national competitive tendering (NCT), international competitive tendering (ICT), and two stage tendering and restricted tendering

(Public Procurement and Disposal of Public Act 2003, Sections 80 – 85). These are the various competitive methods of procurement available at the disposal of all the public sector organizations when it comes to the acquisition of goods, works and services of which Soroti Municipal council is not an exception. It is very obvious these days that even most private sector organizations make use of the above mentioned methods to achieve value for their money.

In Uganda and local governments in particular; public accountability has always raised increasing concern. Again motivated by the need to control costs and streamline the whole procurement process, centralization versus decentralization has captured the interest of many researchers, practitioners and public Administrators. Indeed in recent years, public and even private procurement players have set up several initiatives and networks aimed at sharing best procurement practices.

For example, Carpineti et al, (2006) identified some organizations in this category like the International Federation of Purchasing and materials management (IFPMM), the International purchasing and supply Education and Research Association (IPSERA), the Public Procurement Network (PPN), and the EU Public Procurement Learning lab (EU Lab, 2003-2005). However, for the Republic of Uganda, the Public procurement and Disposal of Public Assets Act (2003) designates this role to a body called the Public Procurement and Disposal of Public Assets Authority (PPDA, 2003). These initiatives were taken to ensure that the best procurement procedures (competitive tendering) are adhered to.\

### **Composition of a Contracts Committee**

According to the Public Procurement and Disposal of Public Assets Act (2003) sec.27, 28, 29, 30, and 31, The Members of the Contracts Committee shall be nominated by the Accounting Officer and approved by the Secretary to the Treasury. The following officers of

a procuring and disposal entity are not eligible for nomination to the Contracts Committee of that procuring and disposal entity—the head of the procurement and disposal unit; the head of the finance department, but not the head of the accounts department, where the positions are held by different officers; and the staff of the department of internal audit.

Where the Accounting Officer nominates Members of the Contracts Committee, but before the nomination is approved by the Secretary to the Treasury in accordance with subsection, there is an emergency situation in respect of which a procurement activity has to be performed, the Accounting Officer shall perform the role of the Contracts Committee. Where an Accounting Officer performs the role of the Contracts Committee following subsection, the Accounting Officer shall submit a report of the procurement activity carried out, to the Authority and give a copy to the Secretary to the Treasury. The head of the procurement and disposal unit shall attend the meetings of the Contracts Committee to offer clarification on any submissions to be considered by the Contracts Committee.

The Accounting Officer shall inform the Authority of the composition of the Contracts Committee and the qualifications of its members not later than fourteen days from the date of its appointment. Members of the Contracts Committee shall be appointed with regard to their technical competence and skills required for the discharge of the functions of the Contracts Committee. The tenure of the members of the Contracts Committee shall be three years and a member may be re-appointed for only one further term. Where the Secretary to the Treasury is satisfied that it is not practicable to apply subsection (6), the Secretary to the Treasury shall exempt the concerned procuring and disposing entity from the application of the subsection.

### **Functions of a Contracts Committee**

A Contracts Committee shall be responsible for— adjudication of recommendations from the Procurement and Disposal Unit and award of contracts; approving the Evaluation Committee;

approving negotiation teams; ensuring that before it is approved, a procurement is in accordance with the procurement plan; approving bidding and contract documents; the following activities, for the purposes of disposal of the public assets of a procuring and disposing entity— assessing and verifying the public assets identified by a user department or by the Board of Survey for disposal; causing the assets identified under subparagraph to be valued in accordance with regulations made under this Act; and approving the reserve price for the public assets to be disposed of; approving procurement and disposal procedures; ensuring that best practices in relation to procurement and disposal are strictly adhered to by procuring and disposing entities; ensuring compliance with this Act; and liaising directly with the Authority on matters within its jurisdiction.

The Contracts Committee shall make a report in respect of the activities under subsection and submit the report to the Accounting Officer for approval. (PPDA 2003)

The Contracts Committee shall authorize the choice of a procurement and disposal procedure; solicitation documents before issue; technical, financial or combined evaluation reports; contract documentation in line with the authorized Evaluation Report; and any amendment to an awarded contract; recommend for the delegation of a procurement or disposal function by the Accounting Officer whenever the necessity arises; and award contracts in accordance with applicable procurement or disposal procedures as the case may be.

In Uganda, the Public procurement and Disposal of Public Assets Act, (2003) as amended, is the hand book within which the various tendering methods and procedures are highlighted. The researcher based his arguments on the tendering methods/practices (competitive tendering) which are tools for ensuring value for money in the public sector procurements.

The Public Assets Act, (2003) empowers Municipal Councils and local governments in Uganda to fund for some of their projects using the Internal Generated Funds (IGF), the

District Tax Generated funds, funds from the World Bank and other donor agencies including NGO's and conditional grants from the central government. It is well noted that the assemblies system of tendering and award of contracts are based on the terms and conditions outlined in the public procurement Act 1. However, if these conditions are compromised and contracts are being tendered for and awarded with strings attached, (Technical know who or kick backs) then the purpose for which the Act was enacted will be in vain.

Thus there wouldn't be competitive contractual deals and once this happens it will pave way for contractors to misappropriate our limited resources thereby providing shoddy works/projects which will in turn need to be renovated or re-awarded when they are abandoned by these selfish contractors. Hence value for money cannot be achieved but rather causes financial loss to the state if it is a state financed project.

An effective means of ensuring value for money in the award of contracts is by allowing all able or qualified contractors or suppliers to bid or tender for contracts (competitive tendering) per section 46 of the PPDA Act 1 (2003). Regulation 40 (3) of the LG – PPDA, 2006 prescribes circumstances under which direct procurement should be undertaken. Poor tendering by non-advertising of contracts was as well shown On 27<sup>th</sup> June 2008, where Soroti Municipal Council asked Pal agencies to continue collecting revenue from the Bus/Taxi park until final decision would be taken by the Administrative Review Committee that was set up to handle the complaint that had been made concerning the award of tenders. This was done against the background that 'Pal agencies' was the one who had the contract to collect revenue the previous financial year. (Soroti Municipal Council v Pal Agencies (U), 2012)

## **1.2 Statement of the problem**

Research indicates that procurement performance plays a crucial role in various organizations including local government entities. Carpineti et al. (2006) posit that, with efficient

procurement practices, public and private sector entities in modern economies ensure reduction of wasteful activities. Stuart & Barry (2008) posit that procurement is part of the supply chain philosophy and in many organizations procurement occupies a strategic role that caters for both value for money and cost reductions. Procurement represents a large fraction of total economic activities accounting for the reason why in (2003) the government of Uganda introduced the first national regulation on government procurement, PPDA Act (2003).

Research indicates that the procurement performance of the public sector in Uganda is faced with a number of challenges. For example, in FY 2013/14, Soroti Municipal council contracted local firms to work on a number of projects, but their sub-contractors failed to meet the expected completion date which was 30/06/2015. Most of the firms still failed to complete their projects despite multiple contract extensions and some contracts were eventually cancelled. Etop News Paper, (2008). Community demonstrations were held, blocking the roads calling the attention of police to order for investigation on the road works During FY 2013/14. The matter then required urgent attention and if this trend continued unchecked, then there would be little hope for socio-economic development and improvement of people's standard of living. PPDA in its report has rated the performance Soroti Municipal Council for the Financial Year 2012/13 as highly unsatisfactory with overall weighted average risk of 83%, (PPDA Audit report, 2015). PPDA further noted that evaluation of some procurement was not conducted in a fair and transparent manner. This study therefore sought to examine effect of competitive tendering on the procurement performance, specifically in Soroti Municipal Council.

### **1.3. Objectives of the study**

The objectives were categorized into two, namely the general objective and the specific objectives.

#### **1.3.1. General objective**

The purpose of this study was to examine the relationship between competitive tendering and procurement performance in Soroti Municipal Council.

#### **1.3.2. Specific objectives**

The specific objectives of this study are:

- i. To examine the relationship between advertising methods and procurement performance in Soroti Municipal Council.
- ii. To establish the role of Community involvement in procurement performance in Soroti Municipal Council.
- iii. To examine the effect of bid evaluation on procurement performance in Soroti Municipal Council.

### **1.4 Research Hypotheses**

**$H_1$ .** Advertising methods have a positive and significant effect on procurement performance in Soroti Municipal Council.

**$H_2$**  Community involvement has a positive and significant effect on procurement performance in Soroti Municipal Council.

**$H_3$**  Bid evaluation has a positive and significant effect on procurement performance in Soroti Municipal Council.

## **1.5 Scope of the study**

### **1.5.1 Geographical Scope**

This study was carried out in Soroti Municipality, located in the eastern district of Soroti, in Uganda.

### **1.5.2 Content Scope**

The study specifically handled the different advertising methods in the competitive award, Community involvement as well as monitoring and evaluation and their effects on public sector procurement performance.

### **1.5.3 Time scope**

The study was based on the procurement performance in the period of 2010 to 2017. This is a point in time where Soroti Municipal Council was faced by a number of issues including court battle; many direct and uncalled for procurements, and many others. (Report of the auditor general, June 2016).

## **1.6 Significance of the study**

This research work is of significance to the researchers who want to upgrade and broaden knowledge in the various competitive tendering processes which is accepted to be the most suitable method for ensuring values for money in all procurement activities. Additionally it serves as a guide for further studies for students who are pursuing the same program.

The research is of immense importance to the organization under study when it comes to the procurement of goods, works and services using state funds and also to all public sector organizations as well as other private companies which seek value for money in their day to day purchases since it will serve as a reference note.



This research is to serve as a guide to designer of the curriculum for training relating to Public Procurement and Disposal of Public Assets Authority (PPDA) and other training institutions, especially when they want to organize workshops, seminars and so on for public sector organizations on how to improve upon their procurement functions.

### **1.7 Structure of the report**

The dissertation consists of eight chapters as shown below.

**Chapter One:** This gives the introduction and background, statement of the problem, General objective of the study, research objectives, research hypotheses and significance of findings, scope of the study and the theoretical framework as well as research structure as aligned.

**Chapter two:** In this area, focus is on the study literature which mainly consists of literature review and survey that guided the researcher in the development of a conceptual framework in the study.

**Chapter three:** It provides the methods, procedures and techniques that were used in carrying out this research. Here, the study population, sample size, sampling methods, data collection methods, validity and reliability.

**Chapter four:** presents findings on the first objective which is to examine the relationship between advertising and the award of contracts in Soroti Municipal council.

**Chapter five: presents** the second objective which is to examine the role of community involvement in project performance in Soroti Municipal Council.

**Chapter six: In this,** presentations relate to the findings and analysis for objective three which was to examine the effectiveness of bid evaluation in Soroti Municipal Council.

**Chapter Seven:** Presents the discussion findings of the study on competitive tendering and procurement performance of projects in Soroti Municipal Council.

**Chapter Eight:** Presents the summary, conclusions drawn from the results of the study and gives recommendations.

## **CHAPTER TWO**

### **STUDY LITERATURE**

#### **2.1 Introduction**

This chapter presents the literature survey, review of related literature theoretical review, conceptual framework, and gaps identified. The review of literature is presented following the order of the research objectives. The review of literature involves conceptualization and theorization of study constructs in relation to the independent and the dependent variables. Empirical results of previous studies are also presented to identify the gaps to be filled by this study

#### **2.2 Literature survey**

Procurement performance has attracted a lot of research and a number of factors have been identified and investigated in different contexts. For example, Tumutegyereize, (2013), researched on public procurement reforms, the case of Uganda Presented at the CIPS Pan African Conference. The study was meant to promote economy and efficiency in procurement in Uganda. The objectives of the study were: To ensure public procurement is conducted in a fair, transparent and non-discriminatory manner to obtain value for money; to contribute towards the creation of a sound business climate in Uganda.

The study found out that there was: increase in autonomy of the entities and a wider participation of all stakeholders in the decision-making process; independence and segregation of roles among the various stakeholders; streamlined implementation of procurement decisions; recognition of procurement planning as crucial to the success of the procurement function; a set of rules to govern procurement practices promotion of ethics and integrity in procurement. However, some professionals were not doing a professional job and

couldn't be disciplined. PPDA does not have the mandate to discipline these professionals other than recommending for disciplinary action by the appointing authorities; inappropriate procurement practices causing delays at PDE level and attributed to the procurement law and regulations; there are high incidences of vested interests, from the different stakeholders and insider dealings. This study didn't clearly address the fact that the competitive tendering is crucial to the performance of procurement at all level of management.

Byaruhanga, (2011) who researched on; contractor selection, monitoring and performance of road infrastructure projects in Uganda, discovered that road infrastructure is a crucial driving force for economic growth in any country; and sustained access to roads is essential to improve living standards (Benamghar & Iimi, (2011). Productivity, welfare, and security of people are greatly influenced by the infrastructure development in any country (Arrows, 2010). Production costs, employment creation, market access, and investment depend on the quality of infrastructure, especially road transport (Wasike, 2001). In Uganda, the government instituted reforms in the road sector in 1996 which culminated into the creation of the Road Agency Formation Unit (RAFU) in 1998. In 2006 the government of Uganda through the Act of Parliament established the Uganda National Roads Authority (UNRA). In this research also, the findings didn't clearly bring out the importance of the competitive tendering in procurement performance.

Moronda, (2016) research on; the factors affecting tendering the process in public sector. This study aimed at reveal factors effecting tendering process in public sector: The case of ministry of health and social welfare in ministry of Health and Social Welfare. This paper was set to minimize the problems encountered during the tendering process in the public sector.

The researcher described in detail the procedures of tender in practically at the Ministry. For effective tendering process in Public system, it beliefs of the researcher that using PPA 2011, (PPA, 2013) and Standard Bidding Document are the best means to be used by the Ministry of Health and Social Welfare for achieving the goal of better system of tendering process. The researcher in this case as well didn't indicate the importance of competitive tendering to the performance of procurement especially in local government entities, which gap should be filled by this study.

### **2.3 Literature review**

The review of literature is done in respect to the objectives of the study. The first objective in this study was to examine the relationship between advertising methods and the procurement performance in Soroti Municipal Council. This sub-section therefore presents the review of literature related to this first objective in this study.

#### **2.3.1 Advertising methods and procurement performance**

The relationship between advertising and procurement performance has had considerable research attention. Some studies assert that public procurement, procedures are usually codified within standing orders that usually prescribe a cash limit above which tenders must be invited, the forms of contract to be used and to whom and under what circumstances responsibility for the evaluation of tenders may be delegated, such as to senior officers. In general, the procedure for open tenders involves. The issue of public advertisement plays a crucial role in inviting tenders and disseminating relevant information to various stakeholders on the tendering procedures, PPDA Act (2003).

The issue of tender documentation to those responding to the advertisement, which will normally include: A letter of invitation and instructions to tender, pricing document/ form of

tender, Specification /schedule rates, Contract conditions or conditions of purchase, any relevant supporting invitation and pre-addressed tender return label. The documentation will include a date by which tenders must be submitted and any received after the deadline will be excluded from the evaluation process, Lysons and Farrington (2006). On the date arranged for the opening of tenders, appointed officers from the procurement department and an external department such as the treasures departments will attend.

The Chartered Institute of Purchasing and Supply (CIPS, 2011) published that the spending power of public sector enterprise is enormous as it seeks to provide a range of social amenities like roads. Schools, health services ,emergency services etc and for that matter subject to directives , requires those bodies to use the open tendering procedures, which means they must advertise the invitation to tender according to defined rules designed to secure maximum publicity.

The PPDA Act (2003) forestalls that when laid down criteria is followed it can be deduced that the organization will have a range of qualified suppliers willing to offer a variety of goods and services within which an organization can make the most appropriate selection from and once the best selection is made through competition it will mean that the best product will be supplied at an agreed price and on time, thus value will be delivered to the organization. Open tender is similar to that of Act 663 (2003) and also known in Ghana as the competitive tendering method, qualified suppliers are invited to compete for a contract advertised in the press or on the internet with the lowest tender generally being accepted, although the advertisers usually state that they are not bound to accept the lowest or any tender. On the other hand restricted open tender is a method where prospective suppliers are also invited to compete for a contract, the advertising of which is restricted to appropriate technical journals or local newspapers. Selective tendering is where tenders are invited from

suppliers on an approval list that have been previously vetted regarding their competence and financial standing.

Serial tenders is where Prospective suppliers are requested on either an open or selective basis to tender for an initial scheme on the basis that, subject to satisfactory performance and unforeseen financial contingencies, a programme of work will be given to the successful contractor, the rates and prices for the first job being the basis for the rest of the programme.

Some advantages may include:

The procurement problem has attracted much attention both in policy and in academic circles. The main focus of academic economists has been on procurement by the public sector, in part because of its sheer importance to the economy (Holmstrom, 1991). For example, procurement by federal, state and local government accounts for more than 10 percent of Gross Domestic Product in the United States. Many private sector transactions are also governed by procurement contracts. Prominent examples include electronics components, custom software, automobile production, and building construction.

When considering the procurement of goods and services, the procurer is faced with many challenges. First, she has to choose what exactly should be procured, and how to transmit her needs to the potential suppliers. Second, a contract must be laid out that includes contractual obligations and methods of compensation. Third, the procurer needs to decide how to award the procurement contract between the potential suppliers (Kerr, 1975).

Laffont, Jacques & Tilore, (1993), posit that; most notably it is viewed as a procedure that stimulates and promotes competition. By its nature, open competitive tendering invites potential suppliers from many venues. Furthermore, in the face of competition from many potential suppliers each one has strong incentives not to inflate his price. Indeed, fair market price discovery is often touted as a beneficial result of such tendering. Open competitive

mechanisms are also known for their transparency, making it easier to prevent corruption both in the public and private sectors where procurement managers may have incentives to rig the system in return for bribes and other benefits. These characteristics, as well as arguments for equal opportunity, provide a justification for statutes such as the Federal Acquisition Regulations (FARs) that strongly favor the use of competitive tendering in the U.S. public sector.

The use of negotiations with single source suppliers is also common in high tech and software and used for defense procurement as well. This offers a frame work to compare competitive tendering with negotiations and relate these award mechanisms to the payment procedures chosen in the contract. In particular, it tries to shed light on when competitive tendering with fixed price contracts will be preferred to negotiating cost plus contracts, and when not. To put this in perspective, Laffont et al., (1993) observed that most of the economic analysis describes the procurement problem as follows: The supplier has information about production costs that the procurer does not have. The procurer then has to consider clever ways to infer the suppliers costs, such as offering the supplier many potential projects to choose from, and having the supplier select the one that will be produced. In contrast, Levin et-al (2006), scholars and practitioners of engineering and construction management argue that the central problem in procurement is not that suppliers know so much more than procurers at the onset of the project, but that instead both procurers and suppliers share uncertainty about many important design changes that occur after the contract is signed and production begins. These changes are usually a consequence of design failures, unanticipated conditions, and changes in regulatory requirements. An illustrative example of the significance of ex post adaptation is the building of the Getty Center Art Museum in Los Angeles, which is a 24 acre, \$1 billion dollar facility that took over 8 years to construct (Engineering New-Record 1994, 1997).



A more recent and much more contentious example is the “big dig” in Boston, where 12,000 changes to more than 150 design and construction contracts have led to \$1.6 billion in cost overruns, much of which can be traced back to unsatisfactory design and site conditions that differed from expectations, Sweet, (1994). These observations suggest that the procurement problem may indeed be primarily one of smoothing out or circumventing adaptations after the project begins rather than information revelation by the supplier before the project is selected. Here we argue that the form of contracts and award mechanisms can be tailored in a way to help mitigate this procurement problem. In particular, a trade-off between incentives to reduce cost and incentives to facilitate changes and share information will be the key force in our arguments of contractual choice.

The intuition for prescriptions stems from a tension between providing incentives to lower costs and avoiding costly and wasteful renegotiation that follows requests for changes. The strong incentives to reduce costs that are offered by fixed-price tendered contracts will lead the parties to the transaction to dissipate valuable surplus when changes need to be renegotiated (Beach, Keast & Pickernell, 2012). This efficiency loss will often be due to haggling over prices when there is true lock-in of the current supplier who wishes to use the need for changes to his advantage. Cost-plus contracts, in contrast, discourage cost-saving efforts but ease the process of renegotiating changes and adaptation to the contract’s original requirements. We continue to argue that the choice of payment procedures, such as fixed price and cost plus contracts, is tied in with the follow-up decision that a procurer faces: whether to award a procurement contract by competitive tendering or by negotiating with a potential supplier. In fact, Lou (2012) expresses the idea that “low powered” incentives are good to accommodate adaptations and write that “low powered incentives have well known adaptability advantages.

That, after all, is what commends cost plus contracting. But, such advantages are not had without cost –which explains why cost plus contracting is embraced reluctantly.” It turns out that in many cases cost plus contracting is indeed embraced (McAfee, Preston & McMillan, 1996).

### **2.3.2 Community Involvement and procurement performance**

Many studies in different contexts have examined the relationship between community involvement and projects performance confirming the significant relationship these two variables have. For example, IFAC (2013) asserts that public sector entities are run for the public good, so there is a need for openness about their activities and clear, trusted channels of communication and consultation to engage effectively with individual citizens and service users, as well as institutional stakeholders.

IFAC (2013) further explains that creating boards, commissions, or advisory groups is an effective way to encourage citizen, user, and/or volunteer involvement in governing a public sector entity. PPDA Act (2003), clarifies that at the local level, boards and commissions increase awareness of a government’s activity among average citizens; cultivate and educate a pool of potential elected officials; provide needed feedback and reality checks for the governing body; and provide some of the more detailed and common aspects of governance that allows the elected governing board to focus on the more strategic issues

Regulatory Impact Analysis (RIA) is a fundamental tool to assist governments in assessing the impact of regulation. Public sector activities frequently involve trade-offs between different possible uses of resources in order to maximize the benefit to society. RIA is used to measure the likely benefits, costs, and effects of new or existing regulation. RIA is best used as a tool to help improve the quality of administrative decision making while also facilitating openness, public involvement, and accountability (World Bank, 2014).

The Organization for Economic Co-operation and Development (OECD) has developed guidance and undertaken extensive research surrounding the issues and experiences associated with RIAs. Further information can be found at [www.oecd.org/gov/regulatory-policy/ria.htm](http://www.oecd.org/gov/regulatory-policy/ria.htm).

Public works are widely used throughout Asia, Africa, and Latin America for poverty alleviation, social insurance, infrastructure development at various levels of labour intensity or most commonly, all three objectives (Trent & Monezka, 2005). South Africa's programs share these objectives but add those of sustainable job creation, institutional capacity building, and community empowerment. The South African programs are unusual in that they envisioned long term poverty alleviation—rather than a short term horizon most often held by public works and other safety-net programs—by attempting to generate skills that enhanced people's ability to secure employment after the project has ended. The emphasis on community participation was part of this long-term horizon, the intention of which was to develop community skills in organization and management to enable communities to access new development resources and engage broader political processes.

Because community participation was central to many aspects of the new government's Reconstruction and Development Programme (RDP), our study of public works in the Western Cape Province provides one window onto the broad developmental changes and challenges faced by South Africa since its transition to democracy in 1994. At the same time, although aspects of the South Africa experience are unique to its political economy and to the application of a participatory approach to public works programs, this experience has revealed insights, dilemmas, and possibilities relevant to the wider context of participatory or “community-driven” development projects, which have become an increasingly important part of the development landscape, (World Bank, 2014).

The extent to which labour-intensive public works programs achieve their objectives depends on institutions at several levels, and how these institutions perform in the context of the information they have access to, the incentives they face, and the changes required by new program objectives and a new political dispensation. Based on a study of seven public works programs in Western Cape Province, this report thus looks at key institutions, their role-players and their relationships in the implementation of public works projects. The primary emphasis is on people in communities and community based project steering committees (PSCs), (Weele, 2010).

Participatory development, where local people are engaged in some active way in development planning and implementation, has a long history and a respected place among development intellectuals, policymakers, and practitioners throughout the “first” and “third” worlds.<sup>3</sup> Participatory development, however, means very different things to different people: from “local people doing what planners wanted” (Guijt, 1991), to the “education for participation” approach of Paulo Freire where “men and women will analyze and critically interpret their world and their problems, and will be able to acquire the skills necessary to respond to them in a cooperative and democratic way” (McDonald, 1995). It can involve notions of individual empowerment as well as influencing wider processes of political change, and even redefining the term “development” itself.

Support for participation has instrumentalist, philosophical, and political underpinnings. The instrumentalist foundation involves a recognition that top-down, technocratic forms of development imposed on diverse local realities often result in failure; that local people best understand their own needs; and that involving local people can be cost-effective in terms of reduced capital costs and increased involvement in operation and maintenance. The philosophical-political foundation involves the belief that poor people should be empowered and should have more command over their lives (Chambers, 1995); and that they should be

empowered “to determine choices in life and to influence the direction of change” (Moser, 1989).

### **2.3.3 Bid evaluation and procurement performance**

The relationship between bid evaluation and procurement performance has been focus to a number of studies due varied reasons. Value for money is taking into account the optimum combination of whole life cost and quality necessary to meet the customer’s requirement (Baily, 2008). According to Malcolm, (1994) the form of ownership has often been taken as a significant aspect which differentiates organizations, as the public sector imposes obligations with respect to public accountability which lead to prescribe methods of tendering and prescribe policies towards the selection of suppliers.

In addition, the research echoed that the national legal requirements and government policies regarding competitive tendering procedures supplemented by directives of the European community and by regulations arising from General Agreement on Tariffs and Trade (GATT) are obvious means of ensuring value for money in public sector organizations. Thus the process of obtaining competitive quotations or bids together with the use of negotiating tactics are seen to be the route to follow in order to obtain the best price for what is required as purchasers may buy a package of value which embodies features of quality, delivery and services and costs. However, all these imply rigorous monitoring of procurement activities at all its stages, (Manelli, Alejandro & Vincent, 1995).

IFAC (2013) posits that public sector entities should ensure that effective mechanisms exist to monitor service delivery throughout all stages in the process, including planning, specification, execution, and independent post-implementation review. Lyson and Farrington (2006) established that where monitoring and review mechanisms have not been properly

implemented prior to execution, there is a high probability that performance assessment will be unreliable and accountability weak.

Thus it implies that a product or service will meet customers need and expectation at a competitive price (Lysons & Farrington, 2006). From Baily et al., (2006) there was a widely held belief that government and public sector procurement decision making is based upon 'the lowest price. This is not now the case since purchasing decisions must be made on the basis of best 'value for money criteria as in factors including. Costs over the lifetime of the goods or services, status and standing of suppliers ,exact details of equipment, goods or services offered, financial aspects including payment terms basis of contractual price, transport and Operating cost.

The Chartered Institute of Purchasing and Supply (CIPS, 2011), published that the spending power of public sector enterprise is enormous as it seeks to provide a range of social amenities like roads. Schools, health services ,emergency services etc and for that matter subject to directives , requires those bodies to use the open tendering procedures, which means they must be monitored and evaluated at all stages to tender according to defined rules designed to secure maximum value for money..

When the laid down criteria is followed and monitored it can be deduced that the organization will have the best quality of goods and services within which an organization can make the most appropriate selection from and once the best selection is made through competition it will mean that the best product will be supplied at an agreed price and on time, thus value will be delivered to the organization. Gershon, (1999), echoed that articulating value for money principles include; having a procurement strategy, plan early and agree requirements, actively manage contracts. Think about the supply chain, seek continuous improvement and monitor performance. Lamming & Cox, (1999), identified one of the

competences of procurement unit/practitioners as the ability to procure (by ownership or control) or those resources that will allow the company to appropriate and accumulate value (profit, and value for money) for itself.

According to Lyson, (1993), purchasing was generally regarded either as a routine clerical function or as a service function concerned with spending but he however outlined two important factors(roles) which has made many private and public sectors to recognize purchasing as a key activity. These are: Purchasing and profitability and Purchasing and professionalism. The term profitability has a wider meaning than pecuniary gain and can be extended to cover any thing that is advantageous or beneficial to an organization (Lysons, 1993).

The way profitability can be enhanced in every organization is, in one sense, the theme of the procurement unit. The researcher went on to talk about ways through which procurement can enhance profit in an organization. These are: ensuring that the cost of bought- out goods and services are advantageous to the organization, thus: knowing what ought to be paid allowing for a fair profit, negotiating price reductions, controlling price increases, consolidating purchases to obtain quantity discounts obtaining discount for prompt payment and developing long- term supply agreements in return for larger discounts, (Yang, 2010).

Efficient purchasing/procuring recognizes the distinction between prices and value, (Lyson, 1993). He again echoed that procurement can secure value for money by: Initiating value analysis exercises with designers and end users to reduce costs by modifying components or substituting materials without detriment to the end product. Scrutinizing the terms and conditions of contracts for the supply of goods and services to ensure that these are as favorable as possible to the purchaser. Tenders will be initiated, listed and entered on an analysis sheet or spreadsheet showing details of prices, rates, carriage charges, delivery,

settlement terms and other information necessary for their evaluation. Then tenders will be evaluated on an agreed basis such as lowest bid or most economically advantageous tender, but the public body is under no obligation to accept the lowest or any of the tenders received. The successful tenderers will be notified. Unsuccessful tenderers will also be notified, although they will not be automatically given reasons for their tender not being accepted-this information should be available if it is requested.

According to Lyson, (1993), the evolution of professionalism in purchasing has led to the establishment of institutions concerned with promoting the concept of professional purchasing. Such institutions include the Chartered institute of purchasing and supply in Great Britain, the National Association of Purchasing Management in the USA and the International Federation of Purchasing and materials Management to which national purchasing associations throughout the world are affiliated.

According to Baily, (2008), purchasing was seen as a service function often subordinated to production or engineering in the manufacturing industry. This idea according to the same authors were that, specialist supplies staff could do the bidding of the more strategic elements of the organization and employ their skills at a secondary support level but it was realized that purchasing might contribute more effectively at a strategic as well as at an operational level. This idea that procurement was merely a support activity has been somewhat discredited with a developing recognition that purchasing involve issues such as ‘the make/buy’ decision or strategic commercial relationship gave the function a central and strategic role in the competitive organization.

In early 1990s the Institute of purchasing and supply was granted a royal charter which was a landmark in the development of purchasing and supply function; Thus now regarded as a truly professional activity, as it contributes immensely in both the private and the public



sectors (Baily et al., 2008). *Buying price*; this is probably a factor (role) associated with the procurement responsibilities. The unit has an important role in judging the correct price for any purchases as seen in the commodity market.

They stated categorically that since price is affected by cost in the long run, an important function of the procurement is to work with colleagues and suppliers to eradicate unnecessary cost such as over specification, unnecessary packaging etc. *Contribution to specification*; The procurement unit has a part to play in working towards the optimum specification. This implies not only an attractive product for marketing to sell or for production to manufacture but one which includes services, materials or component which are economic to purchase and this in turn presupposes that they are attractive for the supplier to produce or provide. So any weak procurement function which simply purchases what, for example production asks for is missing the opportunity of contributing in this way; thus garbage in, garbage out. (Baily, et al., 2008).

*Quantity and timing*; another important point affecting materials cost is timing. One aspect of this relates to assurance that deliveries of necessary materials will be made to meet activity schedules. In the case of any changes in materials flows which are inevitable procurement unit has a role in announcing the changes as soon as possible with its related cost to the appropriate function and work effectively with them to reduce the impact as well as the number of occurrences. *Product development*; with regards to product development, where the product life is shorter, the importance of getting the product right, for the first time and on time, increases.

Procurement will have to keep colleagues informed on the latest product development as well as supply market development. *Continuous supply*; More so another duty of the unit is to ensure continuity of supply by maintaining effective relationships with the existing sources

and by developing other sources of supply either as alternatives or to meet emerging or planned needs.

In addition to the above mentioned points, Lamming & Cox., (1999), itemized the under listed points to be part of the procurement function. Thus: To find a professional but still essentially reactive ways of purchasing what is currently offered within an existing supply market. This however buttresses the fact that the procurement function is more or less a professional job as taught of previously. Should have the ability to analyzed and understand the structure of power and leverage that operates within an existing supply chain.

Lastly to have the ability to understand the functionality that flows through the supply chain and to be able to create new supply chain power structures. It can be analyzed from the outlined factors above that indeed the procurement unit have vital roles to play in the total operations of an organization and so it is about time top management together with all the functional units realize the need as well as the importance of the procurement department and also bear in mind that there is more to the procurement functions than just procuring. Lysons K. & Farrington B., (2006).

## **2.4 Theoretical Review**

Several theories provide the basis for this study, however in this study three theories were used to explain the relationship between competitive tendering and procurement performance in Soroti Municipal Council. Stewardship and Agency theories are the opposite, but used to test which of them is more relevant to procurement performance.

### **Complexity theory**

The first Theory identified as relevant to underpin this study is the Complexity. According to Mckenzie & James (2004), the complexity theory posits that parts at a micro-level in a

complex system affect emergent behaviour and overall outcome at the macro-level. Mason, (2007), defines complexity as the measure of heterogeneity or diversity in internal and external environmental factors such as departments, customers, suppliers, socio-politics and technology.

Complexity theory forms the basis for explaining organizational change approaches and behavior in coping with continuous change (Foster, 2005; Sullivan, 2004; Sherif, 2006). The complexity theory provides a conceptual foundation that can help in prioritizing system performance levels and examining how they proactively and collectively seek to solve and adapt solutions, (Styhre, 2002; Price, 2004).

This implies that changes are produced on the basis of several interconnected causes and effects and an understanding of the complexity paradigm makes organizational endeavors subject to surprises and hard to predict, thereby making the attainment of organizational effectiveness non-obvious, (Fioretti & Visser, 2004). As a result, decision makers are more conscious of the limits of their knowledge and abilities. This allows organizational leaders to engage in the learning process with the complex systems they face.

Complexity theory has been utilized in studies of organizational transformation, corporate strategy, organization culture, and organization design, to mention but a few. It has been used by a number of scholars to explain the inter-relationships between managerial variables in many organizations. For example,

### **Agency Theory**

Agency theory is one of the most widely used theories in management (Arthurs & Busenitz, 2003; Daily, Dalton and Rajagopalan, 2003; Wasserman, 2006). Broadly, agency theory is about the relationship between two parties, the principal (owner) and the agent, (manager;

Eisenhardt, 1989). More specifically, it examines this relationship from a behavioural and a structural perspective.

This Theory suggests that; given the chance, agents will behave in a self-interested manner, behaviour that may conflict with the principal's interest (Chrisman et al., 2004; Wiseman, Cuevas-Rodríguez, & Gómez-Mejía, 2012). As such, principals will enact structural mechanisms that monitor the agent in order to curb the opportunistic behaviour and better align the parties' interests (Cruz et al., 2010).

Firm performance by way of cost minimization and greater efficiencies is the desired outcome of the agency theory perspective, (Corbetta & Salvato, 2004). When the ownership and management of a firm are separated, theory suggests that agency problems are created, and agency costs are incurred to alleviate these problems, (Karra, Tracey, & Phillips, 2006; Lee and O'Neill, 2003; Wasserman, 2006).

To elaborate, separation of ownership and management is a key component of agency theory; the principal authorizes or delegates work to the agent, and the agent is expected to act in the best interest of the principal (Wiseman et al., 2012). An agency problem is created when the interest of the principal and agent are misaligned and the principal lacks the information to accurately assess the behaviour of the agent (Eisenhardt, 1989; Karra et al., 2006; Lee and O'Neill, 2003; Ross, 1973). Agency problems can take the form of moral hazard or adverse selection (Chrisman et al., 2004; Karra et al., 2006). Moral hazard refers to the situation where the agent lacks effort in the scope of the employment relationship, (Chrisman et al., 2004).

It is considered a form of opportunistic behaviour that includes free-riding, shirking, and perk-consumption, (Chrisman et al., 2004; Chua et al., 2009; Karra et al., 2006). Adverse

selection refers to the situation where the agent lacks the ability and skills to competently behave in the scope of the employment relationship, (Schulze et al., 2001).

This Theory suggests that the principal has two options for reducing agency problems (Eisenhardt, 1989), both of which can curb the agent's opportunistic behaviour. The first is to create a governance structure that enables the monitoring and assessment of the actual behaviour of the agent, (Anderson & Reeb, 2004; Chrisman et al., 2007). This structure includes for example, reporting procedures, additional management, or a board of directors (Donaldson & Davis, 1991).

The second is to create a governance structure where the contract is based on the actual outcome of the agent's behaviour, (Eisenhardt, 1989). An example of this type of structural mechanism is compensation incentive pay, (Chrisman et al., 2007), where pay is provided as an incentive for high performance. Risk is thus shifted to the agent, creating the motivation for the agent's behaviour to align with the principal's interest (Davis et al., 1997; Eisenhardt, 1989). In essence, the principal makes a choice between establishing governance structures based on the agent's actual behaviour or the outcomes of that behaviour, (Eisenhardt, 1989).

### **Stewardship Theory**

Stewardship theory is also about the employment relationship between two parties, the principal (owner) and the steward, (manager; Davis et al., 1997; Donaldson and Davis, 1991).

It too examines this relationship from a behavioural and a structural perspective. Theory suggests that stewards will behave in a pro-social manner, behaviour which is aimed at the interest of the principal and thus the organization (Davis et al., 1997; Zahra et al., 2009). This behaviour is fostered by the quality of the relationship between the principal and steward and

the environment and ideals of the organization, (Corbetta & Salvato, 2004; Davis et al., 1997).

Maximum firm performance, such as sales growth or profitability, is the desired outcome of a stewardship perspective, (Davis et al., 1997; Tosi et al., 2003). Theory suggests this outcome is achieved when both the principal and the manager in the employment relationship select to behave as stewards (Davis et al., 1997). At the heart of stewardship theory is the assumption that the principal-steward relationship is based on a choice. When both parties choose to behave as stewards and place the principal's interest first, theory suggests a positive impact on performance because both parties are working toward the same goal, (Davis et al., 1997; Eddleston & Kellermanns, 2007).

The choice of stewardship behaviour is impacted by both psychological and situational factors, (Corbetta & Salvato, 2004; Davis et al., 1997; Vallejo, 2009). Psychological factors such as intrinsic motivation, high identification, and personal power can steer the behavioural choice to stewardship (Davis et al., 1997; Zahra et al., 2008). Intrinsic motivation exists within individuals and provides satisfaction in and of it, (Ryan & Deci, 2000); it is a psychological attribute of stewardship theory because steward managers are motivated by intangible, higher order rewards, (Davis et al., 1997; Lee & O'Neill, 2003). Individuals who have high levels of identification with their organization are more likely to choose stewardship because they feel a strong sense of membership with their organization (Lee & O'Neill, 2003; Vallejo, 2009; Zahra et al., 2008). Stewardship theory applies a personal power perspective, describing power based on interpersonal relationships that develop over time, (Davis et al., 1997), which in turn influence and empower steward managers.

These psychological factors facilitate the choice of stewardship, which ultimately have a positive impact on firm performance. Situational factors depict the organizational structure

and include the management philosophy and culture, (Craig & Dibrell, 2006; Davis et al., 1997; Donaldson & Davis, 1991; Zahra et al., 2008). Theory suggests that involvement-oriented, collectivist, low power distance cultures help influence the choice of stewardship behaviour, (Davis et al., 1997). An involvement oriented management philosophy is portrayed by an environment where employees are trusted with challenges, opportunities, and responsibility, (Davis et al., 1997; Eddleston et al., 2012; Vallejo, 2009).

In organizations typified by collectivism, individuals put the goals of the collective ahead of individual personal goals; the emphasis is on belonging, identifying, and displaying loyalty due to the tight-knit social framework present in the organization, (Davis et al., 1997; Nicholson, 2008).

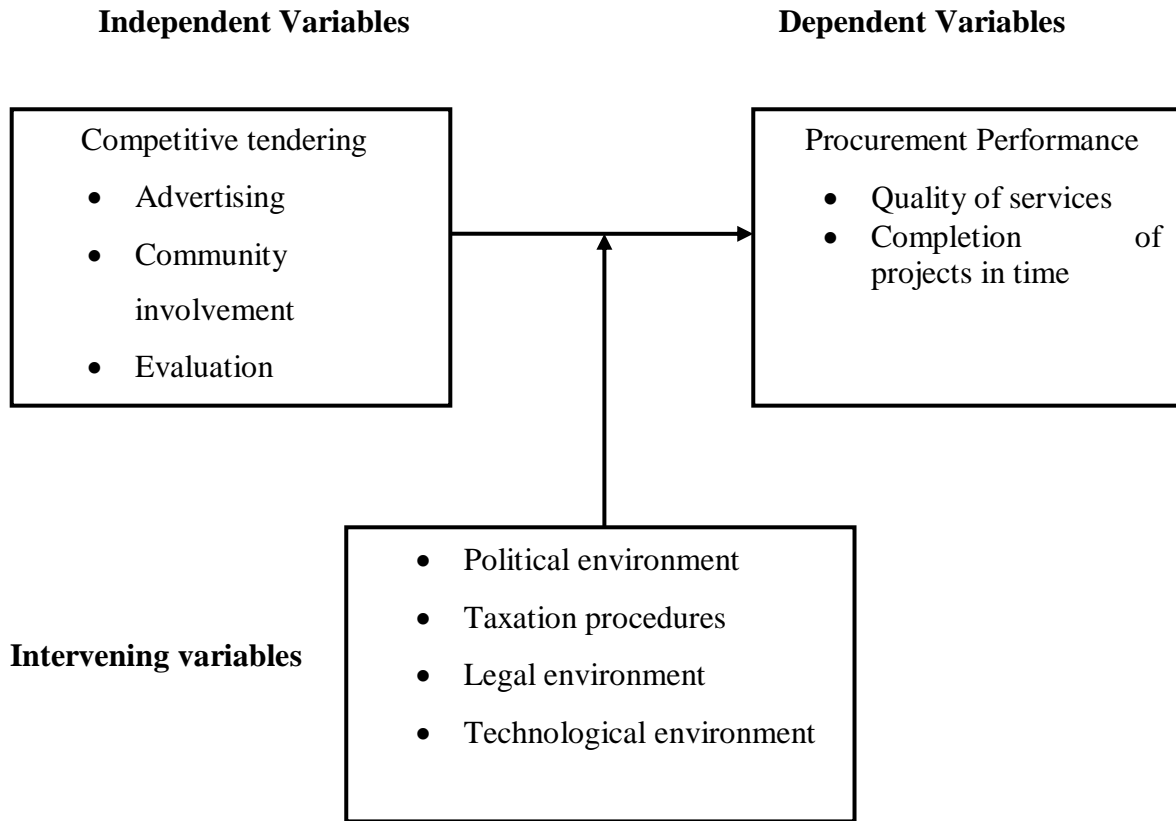
Low power distance describes an environment where equality is perceived between different levels of the organizational hierarchy, (Davis et al., 1997). An organizational structure that accommodates and influences the choice of stewardship behaviour helps facilitate maximum performance for the firm.

The underlying assumption of stewardship theory is based on the humanistic model of man due to its foundation in sociology and psychology, (Donaldson & Davis, 1991). This model assumes that individuals are motivated by higher order needs fulfilment, (Davis et al., 1997). In the principal-steward relationship, a steward will put the interests of the principal a head of self-serving interests, (Corbetta & Salvato, 2004; Davis et al., 1997; Davis et al., 2010; Zahra et al., 2009).

A principal will create an organizational structure where these stewardship endeavours can flourish. As such, a stewardship structure is seen as collectivistic and cooperative, resulting in positive benefits for the organization, (Davis et al., 1997).

## 2.2 Conceptual Framework

Figure 2.1 Conceptual Framework



*Source: Adopted from; Erickson, (2008)*

The framework shows the relationship between competitive tendering and procurement performance. The indication is that if the advertising methods, bid evaluation and community involvement is done according to the law. Then the performance of procurement operations in the public sector will be of the right selected suppliers, more improved quality of goods and services that are completed on time. However, there are issues in the environment that usually affect the smooth running of these activities which include; the political environment, taxation procedures technological changes and the legal environment which must be taken care of.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

The chapter describes the methods and the tools that were used by the researcher in collecting data for this work and how objectives were investigated to ascertain results.

#### **3.2 Research Design**

The study adopted the cross-sectional and correlation research designs to examine the situation, as it exists in its current state, Williams, (2011). The cross-section design was selected because this allows collection of data from a cross section of respondents and once for all within a specified period of time, Hall, (2008). Besides, being snapshot data gathered represents what is going on at a particular point in time thus helping to obtain useful data in a relatively short period saving time and costs of data collection, (Bordens & Abbott, 2011). With correlation design, it involved exploration of the correlation between the dependent and independent variables, Williams, (2011). The study also used both quantitative and qualitative methods of data collection. Quantitative data was the basis for drawing statistical inferences by relating the independent and dependent variables. Qualitative data supplemented the quantitative data by providing detailed information in form of statements from interviews for in-depth analysis.

#### **3.3 Study Area**

The study was conducted in Soroti Municipal Council, in Soroti District found in Eastern Region, Uganda. It was the headquarters of one of the renown districts in Uganda, Teso District which included the current; Kumi, Bukedea, Soroti, Kaberamaido, Katakwi and Amuria. For the purpose of this study it was limited to the Soroti Municipal council since it is the prerogative of the Municipal Council to award contracts in the Municipality and

represents the seat of the Local Government. Soroti Municipal Council has three Divisions; Eastern, Northern and Western.

### **3.4 Study Population**

The target population of the study was composed 30 staff and 100 members of community of Soroti Municipal Council. Specifically, the researcher selected members from departments that take an active role in matters of procurement performance within Soroti Municipal Council whose major activities have direct influence on the topic under discussion were considered. This included the town clerk (01) Procurement and Disposal Unit (05), the Accounting unit (10), the Engineering unit (06), and the stores unit (03). The study also targeted the members of the contracts committee (05) in Soroti Municipal Council. The members of the community were those directly involved in matters of procurement management of projects benefiting from the procurement activities such as the vendors (suppliers), contractors, school head teachers, hospital managers and local council leaders, bringing the population size to one hundred and thirty (130) respondents.

### **3.5 Sample Size**

A sample is a subset of a population selected to participate in the study, it is a fraction of the whole, selected to participate in the research project, (Brink 1996: Polit & Hungler 1999). In this survey, a subset of people was selected out of the entire population of 130 based on Slovin's formula of sample size determination.

In this study, the participants were selected using purposeful non-probability sampling. Gable (1994) suggests that using non-probability methods permits selection of participants with specific characteristics to provide the opportunity to discover, understand and gain insight by selecting a sample from which the most can be learned. The participants involved

in a research study could be determined by the objective of the research and on the number of individuals possessing the characteristics necessary for the study. Behling & Law, (2006), posit that purposeful samples were usually small, and based upon investigator awareness about the particular individuals who are providing the information. Slovin's formula was used to estimate the sample for this study.

**Slovin's Formula:**

$$n = \frac{N}{1+N(e)^2}$$

Where: n = sample size

N = population size

e = margin of error \* desired

Hence

$$n = \frac{130}{1+130(0.05)^2}$$

**n=98**

Slovin's formula; Slovin, (1960), is used because the population number is known and the formula assumes a P value of 0.05 and a confidence level of 95.44 percent which is sufficient for the researcher to draw clear inferences on the population.

**3.6 Sampling Technique**

The researcher used purposive sampling in gathering relevant information for this work. Thus the researcher sampled out those units within the Municipal council for a purpose since it is not all the units in the council had a direct link with the topic under study and for that matter helped answer the researcher's questions. The use of the Purposive sampling technique mostly depended on the verdict of the researcher and the aim was to work directly with those

units/departments which have great interest in this case so that the required data could easily and conveniently be gathered. The other method of sampling was Snowball sampling (or chain sampling, chain-referral sampling, referral sampling), which is a non-probability sampling technique where existing study subjects recruit future subjects from among their acquaintances. Thus the sample group is said to grow like a rolling snowball. Table 3.1 shows the population and sample distribution that the researcher used in his work.

**Table 3.1: Distribution of the population and sample**

<b>No.</b>	<b>Department</b>	<b>Target population</b>	<b>Sample size</b>	<b>Technique</b>
1	Town clerk	01	01	Purposive
2	PDU	05	05	Purposive
3	Accounts	10	10	Purposive
4	Engineering	06	06	Purposive
5	Stores	03	03	Purposive
6	Contracts committee	05	05	Purposive
7	General Public	100	68	Snowball
<b>Total</b>		<b>130</b>	<b>98</b>	

Source: *Human resource manual (Principal Personnel office Soroti Municipal council)*

### **3.7 Sources of data**

Both the primary and the secondary sources were exploited by the researcher in obtaining facts which were relevant to this work.

#### **3.7.1 Primary Source of Data**

Data from the primary source enabled the researcher to acquire first hand information and materials on the variables under study.

Primary data is information that you collect specifically for the purpose of your research project. A primary source is a first-hand or contemporary account of an event or topic. Oral histories, newspaper or journal articles, and memoirs or autobiographies are examples of primary sources that were used as created after the event or time in question but offering first-hand accounts.

An advantage of using primary data was that, the researchers collected information for the specific purposes of this study. In essence, the questions the researchers ask were tailored to elicit the data that was helpful in the study. The researcher collected the data, using surveys, interviews and direct observations.

#### **3.7.2 Secondary Source of Data**

The secondary source expansively refers to the available data already gathered by other writers on the area or issue under study. The information was tapped from textbooks, library books, magazines and the websites which helped to provide extra information pertinent to the study. On top of it all, the secondary data matched with the literature review which was captured earlier on in chapter two (2) of this research work. This enabled the researcher to gather adequate information on the research topic.

### **3.8 Data Collection Methods**

The study used the survey method of data collection, Observation method and interview methods to collect data.

#### **3.8.1 Questionnaire design.**

A questionnaire is a set of questions on a given topic that can be filled in by an interviewer or by the person being asked the questions. A questionnaire was best used to collect information that was not available elsewhere as a secondary resource. Data was collected relatively quickly because the researcher would not need to be present when the questionnaires were completed. This was useful for large populations when interviews were impractical. However, a problem with questionnaire was that, some respondents lied due to social desirability.

While modern web questionnaires offer a range of design features (different question types, images, multimedia), the use of such elements was limited to the extent necessary for respondents to understand questions or to stimulate the response. It however, did not affect their responses, because that would mean lower validity and reliability of data. Appropriate questionnaire design was helped in lowering the measurement error that could arise also due to the respondents or the survey mode itself (respondent's motivation, computer literacy, abilities and privacy concerns.)

#### **3.8.2 Interview**

Interviews usually take place face to face and in person, although modern communications technologies such as the Internet have enabled conversations to happen in which parties are separated geographically, such as with video conferencing software, and telephone interviews can happen without visual contact. Interviews ranged from unstructured or free-wheeling and

open-ended conversations in which there was no predetermined plan with prearranged questions, to highly structured conversations in which specific questions occurred in a specified order. They followed diverse formats; for example, in a ladder interview, a respondent's answers typically guided subsequent interviews, with the object being to explore a respondent's subconscious motives. Interviews had duration in time, in the sense that the interview had a beginning and an ending.

### **3.9 Methods of collecting secondary data**

Secondary data refers to data which is collected by someone who is someone other than the user. Common sources of secondary data for social science included censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes.

Secondary data analysis saved time that would otherwise be spent collecting data and, particularly in the case of quantitative data, it provided larger and higher-quality databases that would have been unfeasible for any individual researcher to collect on their own. In addition, analysts of social and economic change consider secondary data essential, since it is impossible to conduct a new survey that can adequately capture past change and/or developments.

For example, surveys using questionnaires or interviews with groups of people in a focus group. Secondary research (desk research) involved gathering existing data that had already been produced. Some external sources included: Government sources, such as the U.S. census bureau; corporate filings, such as annual reports to the U.S. Securities and exchange commission (SEC); trade, business and professional associations; media, including broadcast, print and Internet; Universities and foundations; Audit reports; PPDA annual reports.

### **3.10 Data Collection Instruments**

The data collection instruments adopted for these works were; Self Administered Questionnaires (SAQ's), Observation Checklists and interview guides.

#### **3.10.1 Self Administered Questionnaires**

The self-administered questionnaire (SAQ) was used for the proposed study and it had the title of the study and a cover letter requesting the respondents to take part in the study. The SAQ had sub sections A, B, C, D and E. Section A had items asking questions on respondents' background variables. Section B had items developed to measure the main variable; Public sector procurement performance (DV). Section C had items developed to measure the independent variable one, advertising (IV1). Section D had items formulated to measure the second independent variable, community involvement (IV2). Section E had items developed to measure the third independent variable, monitoring and evaluation (IV3). All the items in sections B, C, D and E were weighed using a five-point Likert scale where 1= Strongly disagree, 2= Disagree, 3=Undecided, 4= Agree and 5= strongly agree.

#### **3.10.2 Interview Guide**

After developing and administering the questionnaire and the personal observation, an interview guide was used to obtain some in-depth information from some key informants like the Accounting Officer, Chairperson of the contracts committee, the Mayor of Soroti Municipal Council and some few technical personnel within the organization. This instrument enabled the researcher to collect additional facts which served as a confirmation to some of the responses that were provided in the questions and more so had the chance to ask so many questions which helped to enrich this work and further enlighten the researcher.



The interview was structured in accordance with the objectives of the study. The first three questions were handling the objectives in their order, as question four was handling the independent variable. The other three questions handled procurement performance in general, identifying the problems and calling for possible solutions.

### **3.11 Instruments for secondary data collection**

A secondary source has data that are collected by others. In general, the purpose for which the data were originally collected differs from that for which Statistics are intended for use now. The nature and degree of these differences largely determine the usability (the quality) of the source for statistical purposes.

### **3.12 Validity and Reliability**

#### **3.12.1 Validity**

According to De Vos, (1998), a valid instrument measures the concept in question, and it measures it accurately. There are three major classifications of estimating the validity of the data-collecting instrument, the self-evident measures, pragmatic measures and construct validity (Brink & Wood, 1998). In this study therefore, the validity of the measuring instrument was self-evident measures. Self-evident measures refer to the extent to which the instrument measures what it is supposed to measure, which is classified as face and content validity.

In ensuring face validity the researcher pre-tested the questionnaires with 15 respondents to ensure consistence and comprehensiveness which included supervisors and Heads of Department, other potentials were done. The instrument was accepted only when out of 15 judges, 12 respondents agreed that the content is valid showing a CVI of 80%. Further the data collection instruments was constructed in such a way that the numbers of items were

sufficient and clear enough to answer the questions related to the objectives of the study.

Where;

- $N$  = the number of items.
- $\bar{c}$  = average covariance between item-pairs.
- $\bar{v}$  = average variance.

### 3.12.2 Reliability of instruments/ tools

Reliability analysis was done, to ensure reliability for the respective multi-item constructs. This analysis was facilitated by SPSS and the Cronbach's alphas were above 0.5 rendering the instruments valid, (Hair et al., 2006). On average the reliability Cronbach Alphas on each of the multi-dimensional items that were computed with the help of SPSS were above 0.5 confirming that the instrument was reliable and valid to consistently produce stable results, (Tavakol & Dennick, 2011). The output of the reliability statistics were presented on Table 3.2:

**Table 3.2: Reliability statistics on multi item constructs on Foreign Direct Investment, Financial incentives, infrastructure and regulatory incentives.**

Variable	No. of items	Cronbach Alpha's
Procurement performance	18	0.511
Advertising	10	0.721
Community Involvement	10	0.568
Evaluation	12	0.648

*Source: Field Survey, 2018*

On the other hand, in respect to the qualitative questions in the interview guide, verification mechanisms were used during the process of research to incrementally to ensure reliability and validity, thus the rigor of the study, (Creswell, 2003).

### **3.13 Data Analysis Procedures**

Data was first processed then analyzed. Data processing involved coding before entering into the computer for storage. Summary frequency tables were generated particularly for background variables on the respondents. Data analysis was done both descriptively and inferentially. At the univariate level descriptive data analysis involved the computation of relative frequencies from the frequency tables and descriptive statistics such as means on numerical variables such as aggregate index on respondents' opinion on advertising, community involvement, bid evaluation and public sector procurement performance. At bivariate level, inferential data analysis involved the testing of hypotheses by correlating the respective numerical aggregate on the Independent Variable with an equally numeral aggregate index on public sector procurement performance (DV) using Pearson's Linear Correlation Co-efficient since the purpose of the study was to establish the relationships between the study variables. All the above tests were facilitated by statistical packages for social sciences (SPSS).

### **3.14 Data Presentation**

The data was thereafter presented in form of frequencies, and table.

### **3.15 Ethical Issues**

The researcher obtained informed consent from the Municipal Council authorities and from all respondents to the study. The researcher explained to the respondents, the objectives of the study, after introduction, then explained why the particular respondents are chosen, the benefits, discomforts and harms of the study, and requested for questions in relation to the study. The researcher also designed the questions in such a manner that didn't violate the rights of informants. They were also assured of confidentiality on information provided as

their personal names do not appear on research documents; instead numbers of identification would be used.

### **3.16 Limitations of the Study**

There were limitations in compiling materials for this work. The problem was the difficulties the researcher went through in trying to locate reference books at the library as the few ones available were not enough since other colleagues also needed to use them.

The study was affected by the nature of the required data. It was difficult to get the exact data especially in terms of costs. This therefore affected information gathered especially on effectiveness and efficiency of supplier selection criteria or the evaluation of projects and bids. There were uncooperative correspondents who did not want to answer the questionnaires, as others took the questionnaires and never returned even after the researcher tried to closely follow the respondents. The researcher tried to talk to the leaders of the community, who helped in the recovery of most questionnaires.

### **3.17 The characteristics of respondents**

Out of the 98 targeted sample of the respondents to the study, 87 (88.78%) returned the questionnaire indicating that there was a very good response attached to the research problem.

#### **3.17.1 The marital status**

This question was aimed at finding out the number of respondents married or not in relation the responsiveness to the problem in question.

**Table 3.3: The marital status of the respondents**

<b>Marital Status</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Single</b>	28	32.2	32.2	32.2
	<b>Married</b>	59	67.8	67.8	100.0
	<b>Total</b>	87	100.0	100.0	

*Source: Field Survey, 2018*

The indication on the table is that; 32.2 of the respondents interviewed were single as the remaining 67.8 were married. This indicates that the information is from informed respondents on issues of contracts in the municipal council.

### **3.17.2 The age of the respondents**

This question was meant to find out the age bracket of the respondents. This was important in relation to the individual experience and knowledge of the procurement process within the municipal council. The findings were given as indicated on table 3.3.

**Table 3.4: Respondents Age**

<b>Your age</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Below 30 years</b>	30	34.5	34.5	34.5
	<b>Between 31 – 45 years</b>	45	51.7	51.7	86.2
	<b>Above 46 years</b>	12	13.8	13.8	100.0
	<b>Total</b>	87	100.0	100.0	

*Source: Field Survey, 2018*

From table 3.3, thirty (30) respondents, 34.5% of the population interviewed were below the age of 30 years; forty five (45) representing 51.7% of the respondents were between the age of 31 and 45 years; twelve (12), respondents representing 13.8% were forty six years and above. This gives an indication that the respondents who took part in the research were of the active age and with the understanding of the current procurement situation in the country and the world over.

### **3.17.3 The gender of the respondents**

This represented the gender which is more active to the current procurement operations in the society.

**Table 3.5: The gender of respondents**

<b>Gender</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Male</b>	27	31.0	31.0	31.0
	<b>Female</b>	60	69.0	69.0	100.0
	<b>Total</b>	87	100.0	100.0	

*Source: Field Survey, 2018*

From table 3.4, twenty seven representing 31% of the respondents were male while the remaining sixty, (60) representing 69% were female. This implies that women are more accessible for research responses and are reliably willing to respond to the procurement operations in the country.

#### **3.17.4: Respondents as department attached**

This was meant to find out the distribution of respondents as per the department of attachment. The presentation is given on table 3.5.

**Table 3.6: The area of operation of respondents**

<b>Area of operation</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>PDU</b>	5	5.8	5.8	5.8
	<b>Accounting</b>	4	4.6	4.6	10.4
	<b>Engineering</b>	6	6.9	6.9	17.3
	<b>Stores</b>	3	3.4	3.4	20.7
	<b>Contracts committee</b>	6	6.9	6.9	27.6
	<b>General public</b>	63	72.4	72.4	100.0
	<b>Total</b>	87	100.0	100.0	

*Source: Field Survey, 2018*

Table 3.5 indicates that out of the eighty seven (87) respondents interacted with, five (5) were from the PDU representing 5.8%; four (4) who take a share of 4.6% were from the Accounts; six (6) taking 6.9% were from the engineering department, three (3) who were 3.4% were from the stores department as six (6) that is 6.9% came from the contracts committee while the bigger sample of sixty three (63) with 72% were respondents from the public who were freely willing to give information in relation to procurement situation of Soroti municipal council. This was a right selection of the required respondents.

### **3.17.5 The number of years within Soroti Municipal Council**

The aim of this question was to find out the experience of the respondents within the procurement operations in Soroti Municipal Council.



**Table 3.7 Number of years operating within Soroti municipal council**

<b>Number of years worked in Soroti Municipal Council</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>1 – 5 years</b>	21	24.1	24.1	24.1
	<b>6 -10 years</b>	6	6.9	6.9	31.0
	<b>11 -20 years</b>	45	51.7	51.7	82.7
	<b>21 – 30 years</b>	9	10.3	10.3	93
	<b>31years and above</b>	6	6.9	6.9	99.0
	<b>Total</b>	87	100.0	100.0	100.0

*Source: Field Survey, 2018*

Table 3.6 gives details relating to the number of years for which the respondents worked in Soroti municipal council. The revelations are that; 21 (24.1%) of the respondents had worked for the period between (1-5) one to five years, 6 (6.9%) worked for between six to ten years (6-10), a majority 45 (51.7%) had worked for the period of eleven to 20 years; with 9 (10.3%) who had worked for a period of twenty one to thirty years (21-30) as just 6 (6.9%) had worked for more than thirty one years in Soroti municipal council. From that distribution, the researcher that the data gathered is of a high degree as the experience of the respondents in relation to the number of years is high. A bigger percentage of the respondents were seen to have in Soroti Municipal Council for a period of more than ten years and that is experience enough to understand what happens in the council.

## **CHAPTER FOUR**

### **ADVERTISING METHODS AND PROCUREMENT PERFORMANCE**

#### **4.1 Introduction**

In government operations, advertising is so systematic that it is given ample time before the selection for the suppliers is done. The study sought to establish the relationship between competitive tendering and procurement performance in local government contracts particularly in Soroti municipal council. Accordingly procurement involves a number of procedures; however the researcher focused on three major areas of advertising methods, community involvement and bid evaluation.

Advertising is one of the ways for which organisations will be able to acquire the best quality suppliers for the goods and services for which success and profitability is attained. The following questions were then used to attract responses from the different categories of the respondents.

#### **4.2 The quality of advertisement in Soroti municipal council**

The question was meant to find out whether the way procurement adverts were handled portrays the required quality and leading to the selection of the quality providers to the contracts in Soroti municipal council. The first independent variable in this study was advertisement and it was measured using twelve items rated on a five point Likert scale.

**Table 4.1: Rating of the quality of advertisement in Soroti Municipal Council**

Item	Strongly Disagree	Disagree	Undecided	Agree	strongly Agree	Mean	Remark
Quality of Advertisement	6 (6.9)	3 (3.4)	27 (31.0)	30 (34.5)	21 (24.1)	3.66	Good
Members of the public are adequately informed	0 (0.0)	6 (6.9)	6 (6.9)	51 (58.6)	24 (27.6)	4.07	Good
The Municipal council displays information	0 (0)	9 (10.3)	12 (13.8)	42 (48.3)	24 (27.6)	3.93	Good
The frequency of advertising is adequate	0 (0)	6 (6.9)	18 (20.7)	42 (48.3)	21 (24.1)	3.9	Good
Modes of advertisement are friendly	9 (10.3)	12 (13.8)	9 (10.3)	36 (41.4)	21 (24.1)	3.55	Good
Adverts meet expected quality without defect	3 (3.4)	15 (17.2)	3 (3.4)	42 (48.3)	24 (27.6)	3.79	Good
Adverts attract better quality service	9 (10.3)	6 (6.9)	9 (10.3)	30 (34.5)	33 (37.9)	3.83	Good
Adverts are often made in lead media houses	12 (13.8)	6 (6.9)	3 (3.4)	21 (24.1)	45 (51.7)	3.93	Good
High quality adverts are preferred	3 (3.4)	3 (3.4)	9 (10.3)	36 (41.4)	36 (41.4)	4.14	Good
Advertising history is a determining factor	9 (10.3)	4 (4.6)	19 (21.8)	40 (46.0)	15 (17.2)	3.55	Good

Source: Field Survey, 2018

Table 4.1 shows that the majority 51 (58.6%) of the respondents either agreed or strongly agreed on the item that, “Quality of Advertisement in Soroti Municipal Council is good” as compared to the minority 09 (10.3%) of them who either disagreed or strongly disagreed on that item. This was good rating of that item also supported by the high mean value of 3.66 which implied that the majority of the respondents expresses that the quality of advertisements by Soroti Municipal Council was really good.

For the item that, “Members of the public are adequately informed”, Table 4.1 reveals that 75 (86.2%) of the respondents either agreed or strongly agreed on it while only 06 (6.9%) of them disagreed on it. This item rating was good and also supported by high mean value of 4.07 which confirmed that most of the respondents held the view that the public in Soroti Municipal Council were adequately informed of the issues pertaining to procurement activities.

Table 4.1 also shows that the majority 66 (75.9 %) of the respondents either agreed or strongly agreed on the item that, “The Municipal council displays information”, as compared to the minority 9 (10.3%) of them who either disagreed or strongly disagreed on that item. This item rating was good also supported by the high mean value of 3.93 which meant that most respondents expressed satisfaction that Soroti Municipal Council displayed all relevant information.

Concerning the item that, “The frequency of advertising is adequate”, Table 4.1 shows that the majority 63 (72.4%) of the respondents either agreed or strongly agreed on that item as compared to the minority 06 (6.9%) of them who either disagreed or strongly disagreed on that same item. This good rating of the item was also supported by the high mean value of 3.9 implying that most respondents had the position that Soroti Municipal Council made an adequate frequency of advertisements on procurements.

Concerning the item that, “Modes of advertisement are friendly”, Table 4.1 shows that the majority 57 (65.5%) of the respondents either agreed or strongly agreed on that item whereas the minority 21 (24.1%) of them either disagreed or strongly disagreed on that same item. This good item rating was also supported by the high mean value of 3.55 congruent to most respondents having the view that modes of advertising used by Soroti Municipal Council on procurement matters were friendly.

From Table 4.1, the majority 66 (75.9%) of the respondents either agreed or strongly agreed on the item that, “Adverts meet expected quality without defect”, while the minority 18 (20.6%) of them either disagreed or strongly disagreed on that same item. This item rating was good and also supported by the high mean value of 3.79 which meant that most respondents were in agreement that the adverts met the required standards without defects.

In respect to the item that, “Adverts attract better quality service”, the majority 63 (72.4%) of the respondents either agreed or strongly agreed on that item as compared to the minority 15 (17.2%) of them who either disagreed or strongly disagreed on that same item. This item had good rating also supported by the high mean value of 3.83 implying acceptance by most respondents that the adverts attract better quality services in Soroti Municipal Council.

Table 4.1 also indicates that, the majority 66 (75.8%) of the respondents either agreed or strongly agreed on the item that, “Suppliers have a shorter lead time”, as compared to the minority 18 (20.7%) of them who either disagreed or strongly disagreed on that same item.

This item rating was good and also supported by the high mean value of 3.93 implying that most respondents accepted that Soroti municipal Council prefers making adverts with the lead media houses.

On the item that, “High quality adverts are preferred”, table 4.1 shows that the majority 72 (82.8%) of the respondents either agreed or strongly agreed on this item while the minority 06 (6.9%) of them at least disagreed on that item. This item rating was good also supported by the high mean value of 4.14 congruent to the majority of respondents holding the view that high quality adverts were preferred in Soroti municipal Council.

For the item that, “Advertising history is a determining factor”, Table 4.1 indicates that the majority 55 (62.2%) of the respondents either agreed or strongly agreed on that item as compared to the minority 13 (14.9%) of the respondents who either disagreed or strongly disagreed on that same item. The high mean value of 3.55 confirmed the good rating of this item implying that most respondents believed that suppliers’ performance history was a determining factor in Soroti Municipal Council.

However, in order to establish an overall view on how the respondents rated advertisement, an average index (“ADV” to denote Advertisement) was computed from the ten items in Table 4.1 and the pertinent statistics were presented in Table 4.2.

**Table 4.2: Descriptive statistics on respondents self-rating of Advertisement**

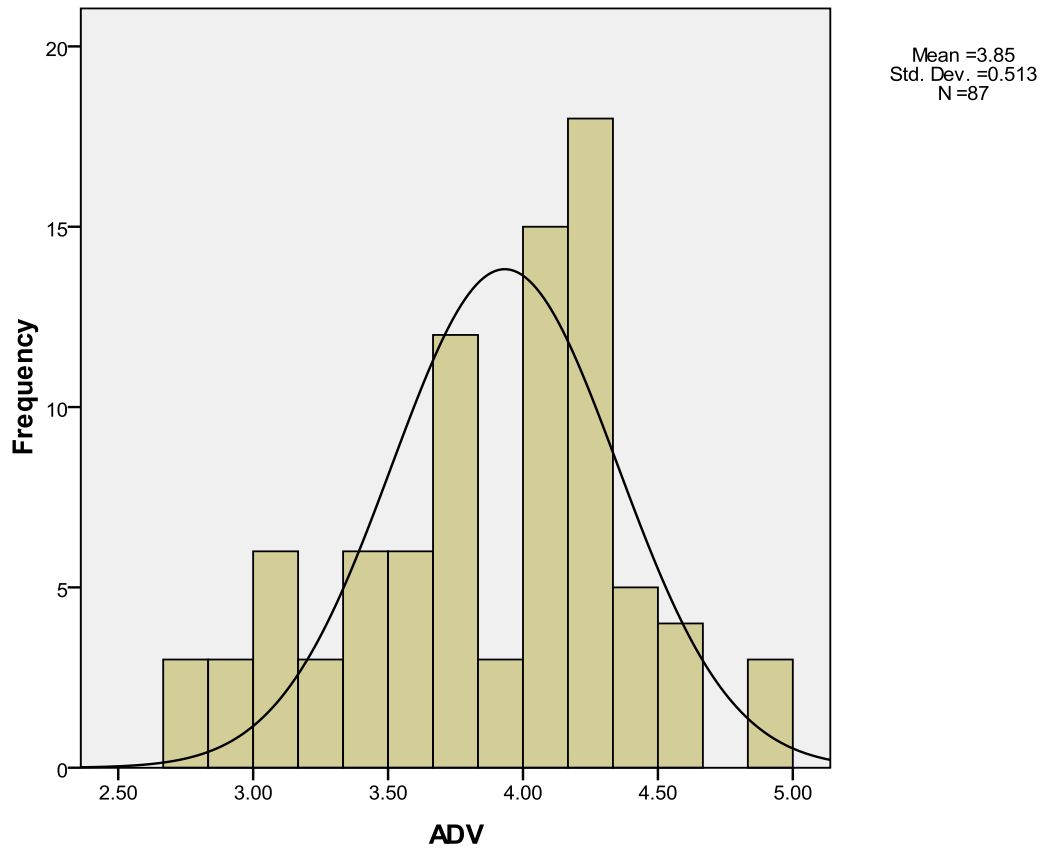
	Statistic	Std. Error
ADV Mean	3.8467	.05495
95% Confidence Lower Bound	3.7375	
Interval for Upper Bound	3.9560	
5% Trimmed Mean	3.8525	
Median	4.0000	
Variance	.263	
Std. Deviation	.51258	
Minimum	2.75	
Maximum	4.92	
Range	2.17	
Interquartile Range	.67	
Skewness	-.344	.258
Kurtosis	-.428	.511

*Source: Field Survey, 2018*

From Table 4.2 the respondents' rating of ADV was good and this was confirmed by the high mean value of 3.85 with confidence interval of 3.74 to 3.95. This implied that most respondents rated advertisement well in respect to procurement activities in Soroti Municipal Council. However, Table 4.2 also revealed that some respondents rated advertisement with the minimum of 2.75 while others scored the maximum of 5.00. The range of 2.17 suggested

disparity in scoring of advertisement by the respondents. The suggested normal distribution of respondents self-rating of advertisement was confirmed using the histogram in Figure 4.1.

**Figure 4.1: The frequency distribution of responses on Advertisement**



Source: Field Survey, 2018

When the researcher interacted with the town clerk on this issue, he had this to say:

*“Whenever we publish the bid notices, the same individuals and companies appear and apply for the contracts. Advertising therefore appears to be consuming our finances for no good reason. We just do advertise because of the requirement by law (the PPDA act, 2003).”*

In addition to this, the town clerk also said that:



*“The procedures and guidelines provide the PDE to publish public contracts to all those with the ability to perform as provided for by the selected method of procurement and the format is given. The advertisement should then reach out to everyone within a given geographical location, though a widely read, viewed or easily accessible media.”*

### **Testing Hypotheses: Bivariate Level**

The first research question was answered by establishing whether the main variable, procurement performance correlated the first independent variable advertisement. Pearson’s Linear Correlation Coefficient (PLCC) was used to establish the relationship between these variables. The pertinent correlation matrix is given on Table 4.3.

**Table 4.3: The correlation of Advertisement and Procurement Performance**

<b>Correlations</b>			
		ADV	PROC
ADV	Pearson Correlation	1	.586**
	Sig. (2-tailed)		.000
	N	87	87
PROC	Pearson Correlation	.586**	1
	Sig. (2-tailed)	.000	
	N	87	87
<b>**.</b> Correlation is significant at the 0.01 level (2-tailed).			

Source: Field Survey, 2018

Table 4.3 also revealed that Pearson's Linear Correlation Coefficient (PLCC), ( $r = 0.586$ ) between advertisement and procurement indicated a positive linear correlation between advertisement and procurement. The observed significance value ( $p = 0.000$ ) was far less than the popular significance value ( $p = 0.05$ ) confirming a significant and positive correlation at the 5% level. However, the hypothesis had only been tested at the preliminary level and had yet to be confirmed using other more powerful tests at the multivariate level using regression analysis.

## CHAPTER FIVE

### COMMUNITY INVOLVEMENT AND PROCUREMENT PERFORMANCE

#### 5.1: Introduction

Rating of community involvement and procurement performance in Soroti Municipal Council.

This study was meant to test the hypothesis that community involvement a positive and significant effect on project performance in Soroti Municipal Council. The second independent variable was community involvement which was measured using ten items which were rated on five point likert scale.

**Table 5.1: Rating of community involvement in procurement performance**

Item	Strongly Disagree	Disagree	Undecided	Agree	strongly Agree	Mean	Remark
The procurement team involves the public	3 (3.4)	6 (6.9)	6 (6.9)	30 (34.5)	42 (48.3)	4.17	Good
The public have high expectations	0 (0.0)	4 (4.6)	15 (17.2)	40 (46.0)	28 (32.2)	4.06	Good
The public demands Accountability	5 (5.7)	9 (10.3)	12 (13.8)	31 (35.6)	30 (34.5)	3.83	Good
The public contributes	3	15	9	38	22	3.70	Good

to implementation	(3.4)	(17.2)	(10.3)	(43.7)	(25.3)		
The public sustains	9	10	24	29	15	3.4	Fair
Projects	(10.3)	(11.5)	(27.6)	(33.3)	(17.2)		
The public is encouraged	3	9	24	32	19	3.63	Good
to participate	(3.4)	(10.3)	(27.6)	(36.8)	(21.8)		
There is value for	3	6	6	35	37	4.11	Good
money Seen	(3.4)	(6.9)	(6.9)	(40.2)	(42.5)		
The community follows	9	12	3	36	27	3.69	Good
The tendering process	(10.3)	(13.8)	(3.4)	(41.4)	(31.0)		
The community is	4	12	15	28	28	3.74	Good
involved in selection	(4.6)	(13.8)	(17.2)	(32.2)	(32.2)		
The community	3	12	15	34	23	3.71	Good
influences management	(3.4)	(13.8)	(17.2)	(39.1)	(26.4)		

*Source: Field Survey, 2018*

From table 5.1; the rating from each variable were that: a majority of responses 72 (82.8%) either agreed or strongly agreed on the item “The procurement team involves the public” as compared to their counter parts 9 (10.2%) who either disagreed or strongly disagreed on the same variable. This shows a good rating of this item as supported by the high mean value of 4.17 implying that most of the respondents were in agreement that the procurement team

involves the community in the procurement performance of goods and services in Soroti municipal council.

For the item; “The public have high expectations”, 68 (78.2%) of the respondents either agreed or strongly agreed to the item as a minority of 4 (4.6%) at least disagreed with the item. The rating here too was good as indicated by the mean value of 4.06. This shows that the public in Soroti municipal council have a high expectation of the performance of the procurement sector in the public contracts.

For the case of the item “The public demands Accountability” a majority of respondents 61 (70.1%) were positive either by agreeing or strongly agreeing to the item. There was as well a minority of 14 (16%) who either disagreed or strongly disagreed to the item. The rating was then good as implied by the big mean value of 3.83. The outcome then shows that the public demands for the accountability of procurement operations in Soroti municipal council.

The other item showed on table 5.1 was “The public contributes to implementation”. In this item, 60 (72.3%) of the respondents either agreed or strongly agreed. When related to the respondents 18(20.6%) who either disagreed or strongly disagreed, the mean value 3.7 shows that the rating of the item was good. This therefore implies that the public makes a contribution to the implementation of procurement contracts in Soroti municipal council.

Looking at the item “The public sustains Projects”, 44 (50.2%) of the respondents either agreed or strongly agreed to the item as related to 19 (21.8%) of the respondents who either disagreed or disagreed to the same item. The rating here was fair as showed by the mean value 3.4. This indicated that the sustainability of the procurement projects is on an average rate, calling for attention of the parties involved.

On the item “The public is encouraged to participate”, 51 (58.6%) of the total respondents either agreed or strongly agreed that the public is encouraged to participate on the procurement project. 12 (13.7%) of the respondents on the same item either disagreed or strongly disagreed. The majority was however were positive as supported by the good rating given by the mean value of 3.63, showing that the public is encouraged to participate in the Soroti municipal council projects.

The table 5.1 also views item that “There is value for money Seen” from which 72 (82.7%) of the respondents agree or strongly agree as related to 9 (10.3%) of the respondents who either disagree or strongly disagree on the item. The mean value 4.11 then shoe a good rating that there is value for money seen in the procurements of Soroti municipal council.

Table 5.1 reveals that a minority of 21 (24.1%) of the respondents were disagreeing or strongly disagreeing to the item “The community follows the tendering process”, on the other hand, a majority 63 (72.4%) of the respondents either agreed or strongly agreed to the item. This rating is good as supported by the mean value of 3.69. These results therefore show that the community in Soroti Municipal Council usually follows the tendering process.

There is also an indication from table 5.1 that 16 (18.4%) of the respondents either disagreed or strongly disagreed on the variable that; “The community is involved in selection”. A big number of 56 (64.4%) of them on the other hand either agreed or strongly agreed to that variable. This majority was indicating the good rating and this was defended by the mean value of 3.74. It’s therefore clear that the community is involved in the selection of suppliers in Soroti municipal council.

Table 5.1 in the last item indicates that a large number of respondents 57 (65.5%) agreed or strongly agreed that “The community influences management”. There was also a small group of the respondents 15 (17.2%) who either disagreed or strongly disagreed to the item. The

rating here was then seen as good with the support of the mean value of 3.71. This shows that the communities largely have an influence on the decisions made by the management team of Soroti municipal council.

However, in order to get the general view on how the respondents rated community involvement an average index (“COM” to denote community involvement) was computed from the ten items in Table 5.1 and the pertinent statistics were presented in Table 5.2:

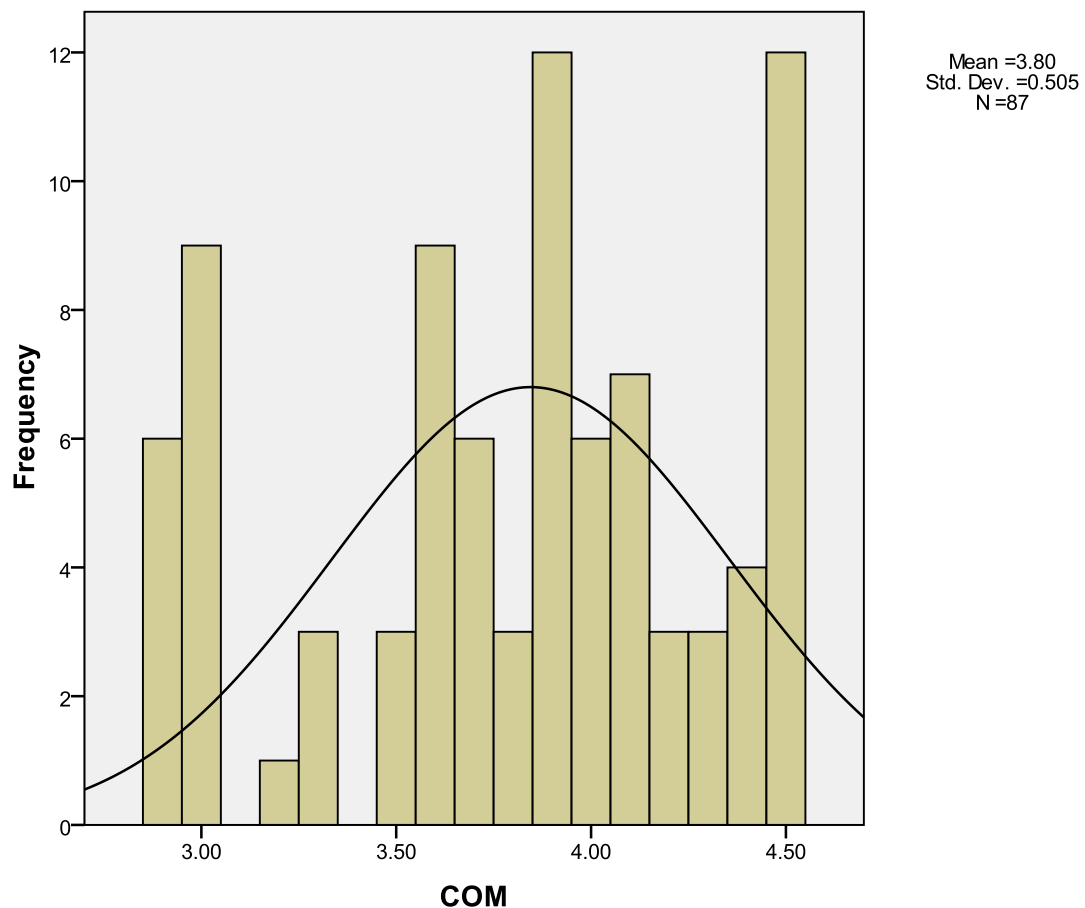
**Table 5.2: Descriptive statistics on respondents self-rating of Community involvement**

	Statistic	Std. Error
COM Mean	3.8000	.05418
95% Confidence Lower Bound	3.6923	
Interval for Mean Upper Bound	3.9077	
5% Trimmed Mean	3.8111	
Median	3.9000	
Variance	.255	
Std. Deviation	.50532	
Minimum	2.90	
Maximum	4.50	
Range	1.60	
Interquartile Range	.70	
Skewness	-.363	.258
Kurtosis	-.868	.511

*Source: Field Survey, 2018*

From Table 5.2 the respondents' rating of COM was good and this was confirmed by the high mean value of 3.80 with confidence interval of 3.69 to 3.91. This meant that most respondents rated community involvement well in respect to procurement activities in Soroti Municipal Council. However, Table 5.2 also revealed that some respondents rated communication with the minimum of 2.90 while others scored the maximum of 4.50. The range of 1.60 suggested disparity in scoring of community involvement by the respondents. The suggested normal distribution of respondents self-rating of community involvement was confirmed using the histogram in Figure 5.1.

**Figure 5.1: The frequency distribution of Community involvement**



Source: Field Survey, 2018



The accounting officer had this to say in relation to the fact that the community participated in the projects of Soroti Municipal Council;

*“We always call upon the community members especially when we need to discuss issues such as education, road construction, health and many others. They make their contributions and these are highly considered as our purpose is to serve the community. Many of the community members here understand the government procedures and keep following and consulting alongside their political leaders.”*

To confirm the above statement, the accounting officer had this to say:

*“The community members in Soroti Municipal Council are always informed of all our activities. This done through their political and other community leaders as well as through our communication partners, the radio stations like; ‘Etop’ radio, Voice of Teso radio, VERITAS Radio, and others. These give information to the community as the results are showed by their response to the programs of Soroti Municipal Council and other government programs.”*

### **Testing Hypotheses: Bivariate Level**

The second research question was answered by establishing whether the main variable, procurement performance correlated the second independent variable which was community involvement. Pearson’s Linear Correlation Coefficient (PLCC) was used to conduct this test. The pertinent correlation matrix is given on Table 5.3.

**Table 5.3: The correlation of Community involvement and Procurement performance**

<b>Correlations</b>			
		COM	PROC
COM	Pearson Correlation	1	.496**
	Sig. (2-tailed)		.000
	N	87	87
PROC	Pearson Correlation	.496**	1
	Sig. (2-tailed)	.000	
	N	87	87
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Field Survey, 2018

Table 5.3 showed that the PLCC ( $r = 0.496$ ) between community involvement and procurement performance in Soroti Municipal Council suggested a positive linear correlation between community and procurement performance in Soroti Municipal Council. The observed significance value ( $p = 0.000$ ) was less than the popular significance value ( $p = 0.05$ ) confirming a significant and positive correlation at the 5% level.

## CHAPTER SIX

### BID EVALUATION AND PROCUREMENT PERFORMANCE

#### 6.1 Introduction

Examining the effectiveness of bid evaluation in Soroti Municipal Council. The third independent variable in this study was evaluation and it was this time measured using thirteen items as well rated on a five point Likert scale.

**Table 6.1: The rating of bid evaluation effectiveness**

Item	Strongly Disagree	Disagree	Undecided	Agree	strongly Agree	Mean	Remark
The degree of M&E is adequate	3 (3.4)	6 (6.9)	15 (17.2)	41 (47.1)	25 (25.3)	3.84	Good
M&E has the capacity to perform	4 (4.6)	6 (6.9)	9 (10.3)	35 (40.2)	33 (37.9)	4.0	Good
M&E reports are Discussed	6 (6.9)	7 (8.0)	12 (13.8)	41 (47.1)	21 (24.1)	3.74	Good
Community concerns are taken in account	3 (3.4)	3 (3.4)	9 (10.3)	49 (56.3)	23 (26.4)	3.99	Good
M&E of public sector	0	3	3	38	43	4.39	Good

activities adopted	(0.0)	(3.4)	(3.4)	(43)	(49.4)		
The PDU is not on Good	0	0	12	30	45	4.38	
its own	(0.0)	(0.0)	(13.8)	(34.5)	(51.7)		
The different types of tender are used	0	3	15	33	36	4.17	Good
	(0.0)	(3.4)	(17.2)	(37.9)	(41.4)		
The bidders are equally considered in evaluation	0	3	6	36	42	4.35	Good
	(0.0)	(3.4)	(6.9)	(41.4)	(48.3)		
The contracts committee Good	0	10	9	31	37	4.09	
Follows the act	(0.0)	(11.5)	(10.3)	(35.6)	(42.5)		
Permanent suppliers are used	0	16	21	22	28	3.71	Good
	(0.0)	(18.4)	(24.1)	(25.3)	(32.2)		
Tendering documents are easily obtained	0	6	12	33	36	4.14	Good
	(0.0)	(6.9)	(13.8)	(37.9)	(41.4)		
There are no challenges faced	0	6	12	29	40	4.19	Good
	(0.0)	(6.9)	(13.8)	(33.3)	(46.0)		

Source: Field Survey, 2018

From table 6.1; a big number of respondents 66 (72.4%) either agreed or strongly agreed that “The degree of Monitoring and Evaluation is adequate” in Soroti municipal council is high. A few of the respondents 9 (10.2%) on the other hand either disagreed or strongly disagreed to the item. In general however, the item was rated good as portrayed by the mean value 3.84. These findings therefore indicate that there is adequate monitoring and evaluation of projects handled in Soroti municipal council.

For the item; “Monitoring and Evaluation has the capacity to perform” 10 (11.5%) of the respondents either disagreed or strongly disagreed, as compared to the 68 (78.1%) who either agreed or strongly agreed to the item. The bigger majority in agreement were confirmed by the mean value of 4.0 which was as well a good rating showing that the monitoring and evaluation team in Soroti municipal council has the capacity and competence to independently perform their duty.

When the item; “Monitoring and Evaluation reports are discussed” was looked at, 62 (71.2%) of the respondents either agreed or strongly agreed to the item while 13 (14.9%) of the respondents either disagreed or strongly disagreed to the item. The item rating was then good as showed by the expression of the mean value 3.74, which is a good rating. This then gives an expression that the monitoring and evaluation reports on community projects are often discussed and their feedback utilised to improve on the public sector procurement performance from time to time.

Table 6.1 as well gives an expression that a majority of the respondents, 72 (82.7%) either agreed or strongly agreed to the item that “Community concerns are taken in account”. A slight minority 6 (6.8%) were either disagreeing or strongly disagreeing to that item. The mean value of 3.99 then supports the majority implying that truly the response was good and

the community concerns were taken into account while improving on the public procurement activities in Soroti municipal council.

Still as viewed from table 6.1, a large number of respondents 81 (92.4%) were either agreeing or strongly agreeing to the fact that “Monitoring and Evaluation of public sector activities adopted” this was opposed by just 3 (3.4%) of the respondents who disagreed to that item. The overwhelming number was approved by the mean value of 4.39 indicating that the response was good, giving a light that monitoring and evaluation of the procurement sector in Soroti municipal council is done along the relevant stages promptly and the corrective measures were adopted in time.

“The PDU is on its own” was another item of discussion as shown on table 6.1. Here, an overwhelming majority of 81 (90.2%) either agreed or strongly agreed to the item without any opposition to the item. This was evidenced by the mean value of 4.38 indicating that the response was good according to the ratings and that the procurement units is on its own as a department.

The item which stated that, “The different types of tenders are used” had a response of 69 (79.3%) either agreed or strongly agreed to the item while 3 (3.4%) of the respondents disagreed. The rating was good as supported by the attached mean value of 4.17. The indication in this case is that, there are different kinds of tendering procedures used in the award of contracts in Soroti municipal council.

From table 6.1 also, 78 (89.7%) of the respondents either agreed or strongly agreed that “Open tendering is often used”. In opposition to the item, just 3 (3.4%) of the respondents disagreed. The mean value 4.35 therefore saved the majority as the results are rated as good, giving confidence that the open tendering is commonly used in the selection process of the suppliers in Soroti municipal council.

In view of the item which says that “Restrictive tendering is used”, 68 (78.1%) of the respondents were either in agreement or strongly agreeing to the item. On the contrary, 10 (11.5%) of the respondents disagreed. The rating for this item is good as given by the mean variable of 4.9, showing that restrictive tendering is used in the selection of suppliers for the contracts in Soroti municipal council.

As presented on table 6.1 also, 50 (57.5%) of the respondents say that “Permanent suppliers are used”. However, 16 (18.4%) of the total respondents disagreed. The mean value of 3.71 gives a good rating for the item showing that there is actually the element of permanent suppliers in the activities and contracts of Soroti municipal council.

For the item that, “Tendering documents are easily obtained”, 69 (79.2%) of the respondents either agreed or strongly agreed to this fact. A minority of 6 (6.9%) of the respondents on the other hand disagreed to the fact that the documents are easily obtained. The rating on the item was however good as clearly spelt out by the mean value of 4.14.

The revelation from table 6.1 on the item that “No challenges are faced” is that, 69 (79.3%) of the respondents as well either agreed or strongly agreed that there are challenges faced by Soroti municipal council in the quest to implement the correct tendering procedures. Against this item were 6 (6.9%) of the respondents who disagreed on the claim that there are challenges. The existence of the challenges was then approved by the mean value which gave a good rating of 4.19 to the item. The indication then is that while trying to do the right things in the tendering process, some members resist hence a challenge.

In order to get an overall view on how the respondents rated evaluation of procurement activities in Soroti Municipal Council, an average index (“EVA” to denote evaluation) was computed from the thirteen items in Table 6.1 and the pertinent statistics were presented in.

**Table 6.2: Descriptive statistics on respondents self-rating of Bid Evaluation**

	Statistic	Std. Error
EVAL Mean	4.0822	.04356
95% Confidence Lower Bound	3.9956	
Interval for Mean Upper Bound	4.1688	
5% Trimmed Mean	4.1258	
Median	4.0769	
Variance	.165	
Std. Deviation	.40633	
Minimum	2.77	
Maximum	4.54	
Range	1.77	
Interquartile Range	.46	
Skewness	-1.657	.258
Kurtosis	3.187	.511

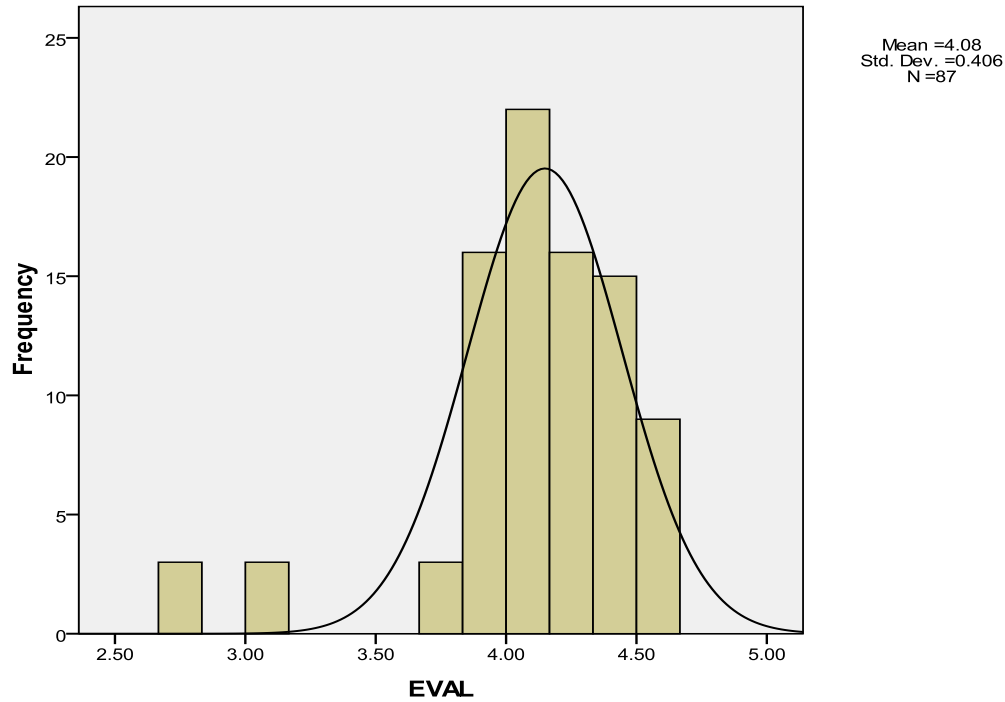
*Source: Field Survey, 2018*

From Table 6.2 the respondents' rating of EVA was good and this was confirmed by the high mean value of 3.85 with confidence interval of 3.74 to 3.95. This implied that most respondents rated evaluation well in respect to procurement activities in Soroti Municipal Council. However, Table 4.2 also revealed that some respondents rated evaluation with the minimum of 2.75 while others scored the maximum of 5.00. The range of 2.17 suggested



disparity in scoring of evaluation by the respondents. The suggested normal distribution of respondents self-rating of evaluation was confirmed using the histogram in Figure 6.1.

**Figure 6.1: the Frequency distribution of Bid Evaluation**



Source: Field Survey, 2018

In support of these quantitative findings was a discussion by the town clerk who commented that:

*“though we always have similar faces among the bid applicants, our team for evaluation is selected and given tough guidelines as this is our strong point of ensuring the contractors selected are able to give as the required value for money that can be appreciated by our clients, ‘the members of the community’. Maximum attention is put to the evaluation process as we ensure experience and expertise from our highly selected teams in the different evaluation exercises. All the applicants are subjected to equal chances according to the evaluation guidelines”*

### Testing Hypotheses: Bivariate Level

The third research question was answered by establishing whether the main variable procurement correlated with the third independent variable which was evaluation. This test was conducted using Pearson's Linear Correlation Coefficient (PLCC). The pertinent correlation matrix is given on Table 6.3.

**Table 6.3: The correlation of Bid Evaluation and Procurement Performance**

<b>Correlations</b>			
		Eval	Proc
Eval	Pearson Correlation	1	.804**
	Sig. (2-tailed)		.000
	N	87	87
Proc	Pearson Correlation	.804**	1
	Sig. (2-tailed)	.000	
	N	87	87
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Field Survey, 2018

Table 6.3 shows that the PLCC ( $r = 0.80$ ) bid evaluation and procurement performance suggested a significant and positive linear correlation between bid evaluation and procurement performance. Its observed significance value ( $p = 0.000$ ) was less than the popular significance value ( $p = 0.05$ ), suggesting a significant positive correlation at the 5% level. This implied that evaluation activities had strong impact on procurement in Soroti Municipal Council.

## CHAPTER SEVEN

### THE RATING OF PROCUREMENT PERFORMANCE

#### 7.1 Procurement Performance

This was dependent variable in this study and was measured using eighteen items as well rated on a five point Likert scale.

**Table 7.1: Rating of Procurement Performance**

Item	Strongly Disagree	Disagree	Undecided	Agree	strongly Agree	Mean	Remark
Assets procured have value	3 (3.4)	1 (1.1)	19 (21.8)	34 (39.1)	30 (34.5)	4.00	Good
The tendering is competitive	3 (3.4)	7 (8.0)	9 (10.3)	28 (32.2)	40 (46.0)	4.09	Good
The committee ensures timely	6 (6.9)	3 (3.4)	16 (18.4)	26 (29.9)	36 (41.4)	4.20	Good
The committee is competent	0 (0.0)	7 (8.0)	15 (17.2)	31 (35.6)	34 (39.0)	4.30	Good
The procurement team has capacity	0 (0.0)	10 (11.5)	9 (10.3)	34 (39.1)	34 (39.1)	4.06	Good

The committee operates independently	0 (0.0)	13 (14.9)	18 (20.7)	19 (21.8)	37 (42.5)	3.92	Good
Value of products Acceptable	6 (6.9)	4 (4.6)	25 (28.7)	28 (32.2)	24 (27.6)	3.69	Good
Stakeholders are satisfied	3 (3.4)	4 (4.6)	19 (21.8)	37 (42.5)	24 (27.6)	3.86	Good
Products with Recalls high	3 (3.4)	12 (13.8)	12 (13.8)	45 (51.7)	15 (17.2)	3.66	Good
Supply continuous Improvement	3 (3.4)	7 (8.0)	9 (10.3)	31 (35.6)	37 (42.5)	4.06	Good
Litigation costs from defects are minimal	0 (0.0)	7 (8.0)	15 (17.2)	39 (44.8)	26 (29.9)	3.97	Good
Procured materials fulfil expectations	0 (0.0)	6 (6.9)	15 (17.2)	33 (37.9)	33 (37.9)	4.07	Good
On time delivery against agreed	6 (6.9)	6 (6.9)	15 (17.2)	27 (31.0)	33 (37.9)	3.86	Good

Delivery time	6	4	6	38	33	4.01	Good
lowers risk	(6.9)	(4.6)	(6.9)	(43.7)	(37.9)		
Delivery time	3	4	6	34	40	4.20	Good
improves inventory	(3.4)	(4.6)	(6.9)	(39.1)	(46.0)		
Procurement	0	6	15	37	29	4.02	Good
completed on time	(0.0)	(6.9)	(17.2)	(42.5)	(33.3)		
Selection is	0	6	18	44	19	3.87	Good
Transparent	(0.0)	(6.9)	(20.7)	(50.6)	(21.8)		
Selection reduces	0	3	3	40	41	4.37	Good
failure costs	(0.0)	(3.4)	(3.4)	(46.0)	(47.1)		

*Source: Field Survey, 2018*

Table 7.1 shows that 64 (73.4%) of the respondents either agree or strongly agree that, “Assets procured have value”. This was rejected by a small minority of 4 (4.5%) who either disagreed or strongly disagreed to the item. The rating of this item was good as supported by the mean value of 4.00. This shows clearly that public assets procured by Soroti municipal council have value for money.

Concerning the item that, “The tendering is competitive”, 68 (78.2%) of the respondents either agreed or strongly agreed as indicated by the mean value of 4.09. This was a good rating for this item as the minority of 10 (11.4%) of the respondents either disagreed or

strongly disagreed to the item. Here then was a clear way to say that the tendering system is so competitive that the best services and goods are always produced for the public.

Table 7.1 also indicates that 62 (71.3%) of the respondents interviewed either agreed or strongly agreed that “The committee ensures timely completion”. Though a smaller group of 9 (11.3%) either disagree or strongly disagree, the item was still rated good as shown by the mean value of 4.20. this then portrays that the procurement committee in Soroti municipal council ensures timely completion of the projects awarded to the different suppliers.

For the item that, “The committee is competent”, only 7 (8.0%) of the respondents disagreed to the item while a clear majority of 65 (74.6%) either agreed or strongly agreed. The mean value, 4.20 then clearly gave a light that the item was rated as good and that the procurement and technical team members are very competent in their roles.

Table 7.1 reveals that the majority 64 (78.2%) of the respondents either agreed or strongly agreed to the fact that “The procurement team has capacity”. To oppose this item were a minority of respondents 10 (11.5%) who disagreed to the item. This item was still rated good as given by the mean value of 4.30, giving an indication that truly, the procurement team has the capacity to work together so as to deliver their duties to the public.

In relation to the item that, “The committee operates independently”, 57 (64.3%) of the respondents either agreed or strongly agreed, as 13 (14.9%) disagreed to the item. The mean value however, gives a good rating to this item supporting the majority who believe that the procurement committee operates independently and had no interference from the political arm of Soroti municipal council.

From table 7.1 also, 52 (59.8%) of the respondents interviewed either agree or strongly agreed that the, “Value of products Acceptable”. In the opposite, 10 (11.5%) among the

respondents either disagreed or strongly disagreed to the item. The rating of this item was then good as portrayed by the mean value of 3.69 and the percentages of the respondents with the divergent views.

In the response to the item that, “Stakeholders are satisfied”, table 7.1 reveals that; 63 (70.1%) of the respondents either agree or strongly agree as compared to the minority of the respondents 7 (8.0%) who either disagreed or strongly disagreed to the item. In this revelation, the rating is good as provided for by the mean value of 3.86 and therefore confirming that a bigger percentage of the stakeholders are satisfied with the operations by the suppliers of Soroti municipal council.

The other revelation from table 7.1 on the item that, “Products with Recalls high”, has been given by 60 (68.9%) who either agree or strongly agree to the item. This is opposed by a minority of 15 (17.2%) respondents who either disagree or strongly disagree to the item. The mean value 3.66 therefore, gives a good rating portraying that the percentage of products recalled is high, which is not a good picture for procurement in Soroti municipal council.

The item that, “Supply continuous Improvement” was responded to by the respondents in that; a majority of 68 (85.1%) either agreed or strongly agreed to the item as related to those who opposed 10 (11.4%) by either disagreeing or strongly disagreeing to the item. This item was rated good as per the mean value of 4.06, showing that there is really on the defects as per the suppliers of Soroti municipal council.

On the item that, “Litigation costs from defects are minimal”, Table 7.1 shows that the majority 65 (74.7%) of the respondents either agreed or strongly agreed on that item as compared to the minority 07 (8.0%) on that item. This was good rating of the item also confirmed by the high mean value of 3.97 which implied that most respondents expressed

that Soroti Municipal Council experienced minimal litigation costs due to defects on assets contracted for. For the item that, “Procured materials fulfil expectations”

For the purpose of the revelations on table 7.1 regarding the item that, “On time delivery against agreed” 60 (68.9%) of the respondents either agreed or strongly agreed to the item, as compared those parallel 12(13.6%) who either disagreed or strongly disagreed to the same item. Those in the positive were further supported by the mean variable of 3.86 which indicates a good rating as per our guide, insinuating that the deliveries are done on time as set the contract.

Turning to the item that “Delivery time lowers risk”, 71 (81.6%) majority of the respondents either agreed or strongly agreed to this effect. There were however a minority of 10 (11.5%) of these respondents who either disagreed or strongly disagreed to the item. The mean variable 4.01 therefore gave support to the respondents in the affirmative, confirming that delivery time in procurement processes lowers the procurement risks at all times of the procurement process.

It was also viewed as presented on table 7.1 that, 74 (85.1%) of the respondents either agreed or strongly agreed on the item that, “Delivery time improves inventory”. This was under looked by the minor group of 7 (8.0%) who either disagreed or strongly disagreed to that item. The majority was approved by the mean value of 4.2, which gave a good rating to the item and confirming that delivering items on time improves the flow of inventory in the Soroti municipal council.

Table 7.1 also gives the analysis on the item that, “Procurement completed on time” where 66 (75.8%) of the respondents who either agreed or strongly agreed as related to those who 6 (6.9%) who disagreed to the item. The majority were supported by the mean value of 4.02



which give a good rating of the item. This promotes the fact that a bigger percentage of procurements are completed within the standard time as per the guidelines.

In relation to the item that, “Selection is Transparent”, 63 (72.4%) of the respondent either agreed or strongly agreed. A minority of the respondents, 6 (6.9%) disagreed to the item as presented. The majority were then defended by the mean value of 3.87 which is a good rating and this gives an indication that the selection criteria has enhanced transparency hence reduction in corruption related costs in Soroti municipal council.

Finally, from table 7.1 is the item that “Selection reduces failure costs” with which a landslide majority of 81 (93.1%) of the respondents either agreed or strongly agreed to. On the contrary, was a minority of only 3 (3.4%) of the respondents who disagreed to the item. The mean value brought out the positive despondence with 4.37 which is a good rating of this item. This response confirms that the selection criteria have significantly reduced the failure costs of suppliers as they deliver more quality and customised goods and services to Soroti municipal council.

However, in order to get the overall view on how the respondents rated procurement in Soroti Municipal Council, an average index (“PROC” to denote procurement) was computed using the eighteen items in Table 7.1 and the pertinent statistics were presented in Table 7.2:

**Table 7.2: Descriptive statistics on respondents self-rating of Procurement Performance**

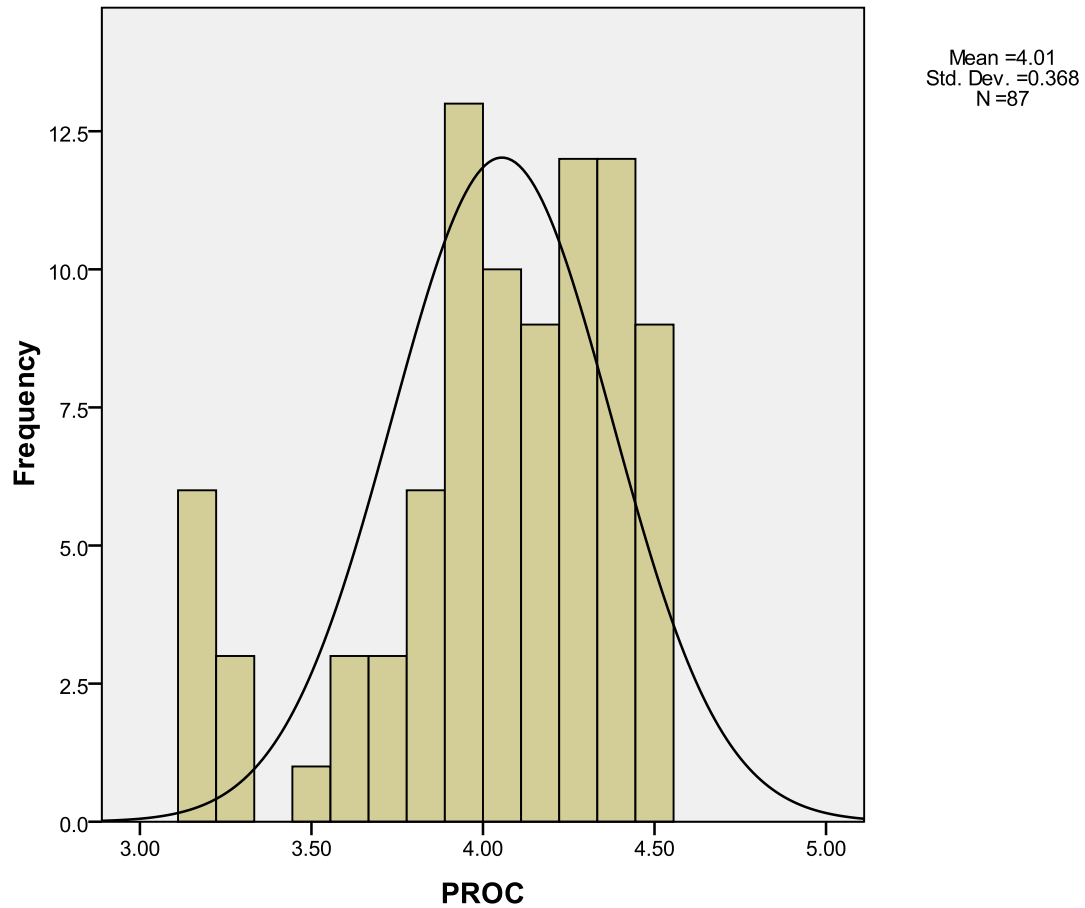
	Statistic	Std. Error
PROC Mean	4.0109	.03947
95% Confidence Lower Bound	3.9324	
Interval for Mean Upper Bound	4.0893	
5% Trimmed Mean	4.0315	
Median	4.0556	
Variance	.136	
Std. Deviation	.36811	
Minimum	3.17	
Maximum	4.50	
Range	1.33	
Interquartile Range	.44	
Skewness	-.969	.258
Kurtosis	.286	.511

*Source: Field Survey, 2018*

From Table 7.2, the respondents' rating of PROC was good and this was confirmed by the high mean value of 4.01 with confidence interval of 3.93 to 4.09. This implied that most respondents rated procurement performance well in Soroti Municipal Council. However, Table 7.2 also revealed that some respondents rated procurement performance with the minimum of 3.17 while others scored the maximum of 4.50. The range of 1.33 suggested

disparity in scoring of procurement by the respondents. The suggested normal distribution of respondents self-rating of procurement performance was confirmed using the histogram in Figure 7.1

**Figure 7.1: the Frequency distribution of Procurement Performance**



*Source: Field Survey, 2018*

The normal distribution of the respondents rating of procurement performance was also supported by the data obtained through the interviews. For example, one of the respondents in this study gave support to this effect saying that;

*“in Soroti, we feel that the PDU is one of the most important sections of the Municipal council operations. Without the PDU, I think no business can easily proceed.”*

### **7.3 Testing Hypotheses: Multivariate Level**

In this study the dependent variable, procurement (PROC) was regressed on the three independent variables: advertisement (ADV), community involvement (COM) and evaluation (EVAL). This was simultaneously done using SPSS. A mathematical model eventually was developed in the form:

$$\text{PROC} = \beta_1 \text{ADV} + \beta_2 \text{COM} + \beta_3 \text{EVAL} \dots \dots \dots (4.1)$$

In this model, any positive beta implied that the dependent variable (PROC) was positively related to the respective independent variable (IV). On the other hand, any negative beta implied that the dependent variable (PROC) was negatively related to the corresponding independent variable (IV). Each of the betas was accompanied by a significance (p) value which was used to confirm whether the given beta was significant. The relevant statistics were generated using SPSS together with the betas and their p values. Fisher’s ratio (F) and its significance (p) value were presented in Table 7.3.

**Table 7.3: ANOVA results on regression of Procurement Performance, advertisement methods, community involvement and bid evaluation.**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.703	3	2.568	53.947	.000 <sup>a</sup>
	Residual	3.950	83	.048		
	Total	11.653	86			

a. Predictors: (Constant), EVAL, COM, ADV

b. Dependent Variable: PROC

From Table 7.3, the value of F (53.95) is significant and accompanied by a significance value ( $p = 0.000$ ) which was less than 0.05 confirming that this was a good regression model. Table 7.4 gives an adjusted R square value of 0.649 which implied that the three independent variables (advertisement, community involvement and evaluation) together accounted for 64.9% ( $0.649 \times 100$ ) of the variation in the dependent variable (procurement). Table 7.4 presents the respective betas and their corresponding significances (p values).

**Table 7.4: Regression of procurement performance, advertisement methods, community involvement and bid evaluation**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.959	.245		3.920	.000
ADV	.109	.070	.151	1.548	.126
COM	.002	.067	.003	.028	.978
EVAL	.643	.075	.710	8.633	.000

Adjusted R Square = 0.649

a. Dependent Variable: PROC

According to Table 7.4, the first independent variable (ADV) was accompanied by a positive beta ( $\beta = 0.151$ ) suggesting a positive correlation between advertisement and the dependent variable (PROC). Its observed sig value ( $p = 0.126$ ) was far greater than the popular sig value ( $p = 0.05$ ), suggesting an insignificant positive correlation at the 5% level. Table 7.4 also reveals that the second independent variable (COM) was accompanied by a positive beta ( $\beta = 0.003$ ) implying a positive correlation between community involvement and the dependent

variable (PROC). Its observed sig value ( $p = 0.978$ ) was far greater than the popular sig value ( $p = 0.05$ ), suggesting an insignificant positive correlation at the 5% level. The results in Table 7.4 further revealed that the third independent variable (EVAL) was accompanied by a negative beta ( $\beta = 0.710$ ), suggesting a positive correlation between regulatory incentives and the dependent variable (PROC). Its observed sig value ( $p = 0.000$ ) was below the popular significance value ( $p = 0.05$ ), indicating a significant and positive correlation at the 5% level. Therefore using regression analysis, advertisement methods and community involvement each had an insignificant correlation with PROC while bid evaluation (EVAL) had a significant and positive correlation to PROC.

## **CHAPTER EIGHT**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **8.1 Introduction**

Chapter eight presents discussion of results of the study, conclusions drawn from findings and finally recommendations based on results. In summary, regression analysis, advertisement and community involvement each had an insignificant positive correlation with PROC respectively while evaluation had a significant and positive correlation with PROC in Soroti Municipal Council.

#### **8.2 Discussion**

##### **8.2.1 Advertisement Methods and Procurement Performance**

The first objective of this study was to examine the relationship between advertising methods and procurement performance in form of award of contracts in Soroti Municipal Council. According to regression analysis, this study established an insignificant relationship between these two variables. The finding from this study was not consistent with a number of studies conducted in other contexts which found advertisement methods to have a positive and significant correlation with procurement performance. For example, this study finding disagrees with Kerr (1975) who established that advertisements play an important role in helping to choose what exactly should be procured, and how to transmit needs to the potential suppliers.

Similarly this study was also not consistent with Laffont, et-al. (1993) who found that, advertisement was most notably viewed as a procedure that stimulated and promoted competition in the procurement procedure. By its nature, open competitive tendering invites potential suppliers from many venues through advertising. Furthermore, in the face of



competition from many potential suppliers each one has strong incentives not to inflate his price. Indeed, fair market price discovery is often touted as a beneficial result of such tendering through advertising. Open competitive mechanisms are also known for their transparency, making it easier to prevent corruption both in the public and private sectors where procurement managers may have incentives to rig the system in return for bribes and other benefits. These characteristics, as well as arguments for equal opportunity, provide a justification for statutes in support for mandatory advertisement methods such as the PPDA Act (2003).

The finding of this study also disagreed with Sweet (1994) who in his study found that advertising played a double role the procurement process and indeed be primarily one of smoothing out or circumventing adaptations after the project begins rather than information revelation by the supplier before the project is selected. Here we argue that the form of contracts and award mechanisms can be tailored in a way to help mitigate procurement problems through advertisements that give specifications of goods and services required or being marketed. In particular, a trade-off between incentives to reduce cost and incentives to facilitate changes and share information will be the key force in our arguments of contractual choice that could initially be provided through the advertisements. This study though concludes that advertising had an insignificant relationship with procurement in Soroti Municipal Council. This finding implied that advertising in itself was not a predictor of procurement and especially in the form of award of contracts in Soroti Municipal Council. However, this finding contradicts with a number of earlier studies which now leaves the question of the relationship between advertising procurement hanging and un-resolved.

### **8.3 Community Involvement and Projects Performance**

The second objective of this study was to examine the role of community involvement in project performance in Soroti Municipal Council. The regression analysis revealed that community involvement had an insignificant relationship with procurement in Soroti Municipal Council. This study finding differed from those got in other earlier studies. For example many studies in different contexts examined the relationship between community involvement and projects performance confirming the significant relationship these two variables have. For example, IFAC (2013) established that public sector entities run for the public good, so there is a need for openness about their activities and clear, trusted channels of communication and consultation to engage effectively with individual citizens and service users, as well as institutional stakeholders.

IFAC (2013) further entities that created boards, commissions, or advisory groups had an effective way to encourage citizens, users, and/or volunteer involvement in governing public sector entities. At the local level, boards and commissions increase awareness of a government's activity among average citizens; cultivate and educate a pool of potential elected officials; provide needed feedback and reality checks for the governing body; and provide some of the more detailed and common aspects of governance that allows the elected governing board to focus on the more strategic issues.

The findings of this study also differ a number of other studies (e.g. Subbarao et al. 1996; Subbarao 1997; Deolalikar 1995; von Braun, Teklu, and Webb 1992; von Braun 1995) who were consistent with each other to the effect that Public works are widely used throughout Asia, Africa, and Latin America for poverty alleviation, social insurance, infrastructure development at various levels of labor intensity, or most commonly, implying that community involvement and procurement had a significant correlation.

Participatory development, where local people are engaged in some active way in development planning and implementation, has a long history and a respected place among development intellectuals, policymakers, and practitioners throughout the “first” and “third” worlds. Participatory development, however, means very different things to different people: from “local people doing what planners wanted” (Guijt 1991) to the “education for participation” approach of Paulo Freire where “men and women will analyze and critically interpret their world and their problems, and will be able to acquire the skills necessary to respond to them in a cooperative and democratic way” (OEF 1986 in McDonald 1995). It can involve notions of individual empowerment as well as influencing wider processes of political change, and even redefining the term “development” itself.

Support for participation has instrumentalist, philosophical, and political underpinnings. The instrumentalist foundation involves a recognition that top-down, technocratic forms of development imposed on diverse local realities often result in failure; that local people best understand their own needs; and that involving local people can be cost-effective in terms of reduced capital costs and increased involvement in operation and maintenance. The philosophical-political foundation involves the belief that poor people should be empowered and should have more command over their lives (Chambers 1995); and that they should be empowered “to determine choices in life and to influence the direction of change” (Moser, 1989).

### **8.3 Bid Evaluation and Procurement Performance**

The third and last objective in this study was to examine the effect of evaluation on procurement. The regression analysis revealed that evaluation had significant and positive effect on procurement in Soroti Municipal Council. This implied that the more evaluation activities were done in Soroti Municipal Council, the higher the procurement practices were

also. This study finding was in agreement with a number of some earlier studies. For example, this study finding concurred with Malcolm (1994) the form of ownership has often been taken as a significant aspect which differentiates organizations, as the public sector imposes obligations with respect to public accountability which lead to prescribe methods of tendering and prescribe policies towards the selection of suppliers.

In addition, he echoed that the national legal requirements and government policies regarding competitive tendering procedures supplemented by directives of the European community and by regulations arising from General Agreement on Tariffs and Trade (GATT) are obvious means of ensuring value for money in public sector organizations. Thus the process of obtaining competitive quotations or bids together with the use of negotiating tactics are seen to be the route to follow in order to obtain the best price for what is required as purchasers may buy a package of value which embodies features of quality, delivery and services and costs. However, all these imply rigorous monitoring of procurement activities at all its stages,

IFAC (2013) posits that public sector entities should ensure that effective mechanisms exist to monitor service delivery throughout all stages in the process, including planning, specification, execution, and independent post-implementation review. This is essential whether services are produced internally, through external providers, or a combination of the two. Where monitoring and review mechanisms have not been properly implemented prior to execution, there is a high probability that performance assessment will be unreliable and accountability weak.

Thus it implies that a product or service will meet customers need and expectation at a competitive price (Lysons & Farrington, 2006). From Baily et al. (2006) there was a widely held belief that government and public sector procurement decision making is based upon

‘the lowest price. This is not now the case since purchasing decisions must be made on the basis of best ‘value for money criteria as in factors including.

Costs over the lifetime of the goods or services, status and standing of suppliers ,exact details of equipment, goods or services offered, financial aspects including payment terms basis of contractual price, transport and Operating cost.

The Chartered Institute of Purchasing and Supply (CIPS. 2011) published that the spending power of public sector enterprise is enormous as it seeks to provide a range of social amenities like roads. Schools, health services ,emergency services etc and for that matter subject to directives , requires those bodies to use the open tendering procedures, which means they must be monitored and evaluated at all stages to tender according to defined rules designed to secure maximum value for money..

When the laid down criteria is followed and monitored it can be deduced that the organization will have the best quality of goods and services within which an organization can make the most appropriate selection from and once the best selection is made through competition it will mean that the best product will be supplied at an agreed price and on time, thus value will be delivered to the organization. Gershon, (1999), echoed that articulating value for money principles include; having a procurement strategy, plan early and agree requirements, actively manage contracts. Think about the supply chain, seek continuous improvement and monitor performance.

Lamming and Cox (1999) identified one of the competence of procurement unit/practitioners as the ability to procure (by ownership or control) or those resources that will allow the company to appropriate and accumulate value (profit, and value for money) for itself.

According to Lyson (1993), purchasing was generally regarded either as a routine clerical function or as a service function concerned with spending but he however outlined two important factors(roles) which has made many private and public sectors to recognize purchasing as a key activity. These are: Purchasing and profitability and Purchasing and professionalism. The term profitability has a wider meaning than pecuniary gain and can be extended to cover any thing that is advantageous or beneficial to an organization (Lysons, 1993).

How profitability can be enhanced in every organization is, in one sense, the theme of the procurement unit. He went on to talk about ways through which procurement can enhance profit in an organization. These are: Ensuring that the cost of bought- out goods and services are advantageous to the organization, thus: Knowing what ought to be paid allowing for a fair profit, negotiating price reductions, controlling price increases, consolidating purchases to obtain quantity discounts obtaining discount for prompt payment and developing long- term supply agreements in return for larger discounts.

Efficient purchasing/procuring recognizes the distinction between prices and value (Lyson, 1993). He again echoed that procurement can secure value for money by: Initiating value analysis exercises with designers and end users to reduce costs by modifying components or substituting materials without detriment to the end product. Scrutinizing the terms and conditions of contracts for the supply of goods and services to ensure that these are as favorable as possible to the purchaser. Tenders will be initiated, listed and entered on an analysis sheet or spreadsheet showing details of prices, rates, carriage charges, delivery, settlement terms and other information necessary for their evaluation. Then tenders will be evaluated on an agreed basis such as lowest bid or most economically advantageous tender, but the public body is under no obligation to accept the lowest or any of the tenders received. The successful tenderers will be notified. Unsuccessful tenderers will also be notified,

although they will not be automatically given reasons for their tender not being accepted-this information should be available if it is requested.

According to Lyson (1993), the evolution of professionalism in purchasing has led to the establishment of institutions concerned with promoting the concept of professional purchasing. Such institutions include the Chartered institute of purchasing and supply in Great Britain, the National Association of Purchasing Management in the USA and the International Federation of Purchasing and materials Management to which national purchasing associations throughout the world are affiliated.

According to Baily et al., (2008) purchasing was seen as a service function often subordinated to production or engineering in the manufacturing industry. This idea according to the same authors were that, specialist supplies staff could do the bidding of the more strategic elements of the organization and employ their skills at a secondary support level but it was realized that purchasing might contribute more effectively at a strategic as well as at an operational level. This idea that procurement was merely a support activity has been somewhat discredited with a developing recognition that purchasing involves issues such as ‘the make/buy’ decision or strategic commercial relationship gave the function a central and strategic role in the competitive organization.

In early 1990s the Institute of purchasing and supply was granted a royal charter which was a landmark in the development of purchasing and supply function; Thus now regarded as a truly professional activity, as it contributes immensely in both the private and the public sectors (Baily et al., 2008). *Buying price*; This is probably a factor (role) associated with the procurement responsibilities. The unit has an important role in judging the correct price for any purchases as seen in the commodity market.

They stated categorically that since price is affected by cost in the long run, an important function of the procurement is to work with colleagues and suppliers to eradicate unnecessary cost such as over specification, unnecessary packaging etc. *Contribution to specification*; The procurement unit has a part to play in working towards the optimum specification. This implies not only an attractive product for marketing to sell or for production to manufacture but one which includes services, materials or component which are economic to purchase and this in turn presupposes that they are attractive for the supplier to produce or provide. So any weak procurement function which simply purchases what, for example production asks for is missing the opportunity of contributing in this way; Thus garbage in, garbage out.

*Quantity and timing*; another important point affecting materials cost is timing. One aspect of this relates to assurance that deliveries of necessary materials will be made to meet activity schedules. In the case of any changes in materials flows which are inevitable procurement unit has a role in announcing the changes as soon as possible with its related cost to the appropriate function and work effectively with them to reduce the impact as well as the number of occurrences. *Product development*; with regards to product development, where the product life is shorter, the importance of getting the product right, for the first time and on time, increases.

Procurement will have to keep colleagues informed on the latest product development as well as supply market development. *Continuous supply*; More so another duty of the unit is to ensure continuity of supply by maintaining effective relationships with the existing sources and by developing other sources of supply either as alternatives or to meet emerging or planned needs.

In addition to the above mentioned points Lamming & Cox (1999) itemized the under listed points to be part of the procurement function. Thus: To find a professional but still essentially



reactive ways of purchasing what is currently offered within an existing supply market. This however buttresses the fact that the procurement function is more or less a professional job as taught of previously. Should have the ability to analyzed and understand the structure of power and leverage that operates within an existing supply chain.

Lastly to have the ability to understand the functionality that flows through the supply chain and to be able to create new supply chain power structures. It can be analyzed from the outlined factors above that indeed the procurement unit have vital roles to play in the total operations of an organization and so it is about time top management together with all the functional units realize the need as well as the importance of the procurement department and also bear in mind that there is more to the procurement functions than just procuring.

#### **8.4 Summary of the findings**

The entire research focused on Competitive Tendering, and procurement performance of which Soroti Municipal Council was the study area. The findings were based on the questionnaires sent out, which presented the researcher with the information on what goes on in Soroti Municipal Council will be of great benefit to both management and staff.

The research reveals' that advertising doesn't affect the procurement performance in Soroti Municipal Council. This is an indicator that the procurement operations are already known by the renderers' who are always willing to compete favorably.

The involvement of the community in the tendering process in Soroti Municipal Council also leads to value for money procurement. According to the findings it was also realized that Soroti Municipal Council is able to get value for the money it spends as the competitive tendering methods are used, a revelation by the members of the community.

It was discovered during the research that Soroti Municipal Council uses competitive tendering method in awarding contracts to deserving contractors indicating that equal opportunity is given to all interested and deserving contractors to put in tenders. Hence the organization standing a better chance of selecting the qualified supplier and with ability of getting competitive pricing.

Again, as to which type of competitive tendering, it was detected that Soroti Municipal Council uses open tenders which is a step in the right direction as it is geared towards encouraging competition among bidders. More so it was revealed that the organization does not have permanent suppliers which confirm the point that they use open tendering.

Lastly it was again realized that although the competitive tendering method helps the organization to achieve value for money, they are still faced with the problem of political interference and complex nature of the whole tendering process.

### **8.5 Conclusions of the Study**

In conclusion this research work has been carried out to find out how competitive tendering procedures affect procurement performance as used in most public sector organizations when it comes to bidding and the final award of contracts to deserving bidders/contractors of which Soroti Municipal Council is not an exception.

This was to ascertain if advertisement methods used in the procurement of goods, works and services at Soroti Municipal Council has helped to achieve value for money for the organization and the state as a whole since it involves the use of state funds of which it was identified that the uses advertising doesn't affect the competitive tendering methods in contract awards.

More so it was also noticed from the analysis of the statistical data obtained from the questionnaires administered and an informal interview with one or two of the respondents that most public institutions are faced with quite a number of challenges in their attempt to use the correct tendering procedures, the processes involved are seen to be complex more especially for the contractors and those employees who have little knowledge in procurement performance as in the case of the Soroti Municipal Council.

Furthermore an analysis from another informal interview showed that procurement is given little attention at the Municipal Council level since much of their procurement activities involve works and suppliers as so much of the procurement activities are being performed by the Ministry in charge of works in collaboration with the Public Procurement and Disposal of Public Assets Authority (PPDA).

Finally it can be concluded that Soroti Municipal Council still carries out most of their duties manually which of course does not facilitate progress.

## **8.6 Recommendations**

In general, the researcher deems it necessary to make the following recommendations as resolutions to the challenges identified during the course of the study.

The researcher recommends that the Procurement unit should be given the opportunity to work collaboratively with the other departments together with the community leaders and the community as a whole so that they will also have knowledge on what goes on when it comes to the procurement of works as well as be given the due recognition since this will enable the other departments and the community realize the importance of the procurement department and Soroti Municipal Council as a whole.

Again the researcher recommends that series of workshops and seminars should be organized for both procurement officers especially new ones who have little knowledge in practical procurement and potential contractors together with the community members or leaders so that they will have more insight into what goes into the preparations or processing of tender documents and the whole competitive tendering process.

The Public Procurement and Disposal of Public Assets Authority (PPDA) should also institute measures to monitor the adherence to the public procurement Act 2003, as amended which was enacted in 2003 to guide the public procurement institutions in the country.

In addition, the researcher recommends that the Soroti Municipal Council should get computers especially for the procurement unit with a system that the bidders can easily access so that tender documents can be prepared or processed electronically to reduce the tendencies of committing human errors, work faster to enhance progress and to become technologically inclined as well as minimizing expenditure in advertising that consumes much time and resources with a minimal contribution to the value for money procurement.

All in all, the researcher encourages the management of Soroti Municipal Council to continue using the correct methods of competitive tendering in awarding contracts in spite of the challenges they face. This will continue guiding in the improvement of the procurement performance of the council making it a center of reference on the issues of competitive tendering and procurement performance.

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## **APPENDICES**

### **APPENDIX A**

Self-Administered Questionnaire for members of the procurement committee and Technical staff of Soroti Municipal Council on public sector performance in Soroti Municipal Council.

Nkumba University Kampala, School of Business Administration,

1<sup>st</sup>June2018

Dear Sir/ Madam,

I am carrying out a survey on “competitive Tendering and Procurement Performance: a case of Soroti Municipal Council” in partial fulfillment of requirements for the award of degree of Master in Procurement and Logistics Management of Nkumba University. It is against this background that you have been selected to participate in the research by completing the questionnaire. It would therefore be very helpful if you assist by answering the questionnaire according to the instructions provided at the beginning of each section. The information sought is required for academic purposes. Therefore, it will be treated with the highest level of confidentiality.

Thank you

Yours faithfully,

.....

**OTIM JOHN WILLIAM**

**Researcher**

## Section A: Background Variables

Please provide the following information about yourself.

1. Your marital status?

1 = Single; 2 = Married

2. Your age in years?

1 = Below 30 years 2 = Between 31 and 45 years; 3 = Above 46 years

3. Your sex?

1 = Male; 2 = Female

4. Area of operation/unit you belong to?

1 = PDU 2= Accounting 3= Engineering 4= Stores 5= Contracts committee

6= General public

5. Number of working years in this organization;

1= (1--5) 2= (6--10) 3= (11--15) 4= (16—20) 5= (21 and above)

## Section B: Advertising (IV<sub>1</sub>)

Please rate your opinion about advertisements by Soroti Municipal Council in relation to public sector procurement performance Where 1= Strongly disagree, 2=Disagree, 3= Undecided, 4=Agree, 5=Strongly agree.

6.	The quality of the advertisement by Soroti Municipal Council are of good quality	1	2	3	4	5
7	The members of the public and tenderers are adequately informed of up-coming projects in Soroti Municipal Council	1	2	3	4	5
8	Soroti Municipal Council displays all relevant information for the public including lists of adequately qualified tenderers in time	1	2	3	4	5
9	The frequency of adverts for public projects by Soroti Municipal Council is often adequate.	1	2	3	4	5
10	The modes and media used by Soroti Municipal Council for public procurement are user friendly to stakeholders.	1	2	3	4	5
11	The advertisement meets the expected quality without defects.	1	2	3	4	5
12	The advertisements in Soroti municipal council attract better quality service suppliers/providers.	1	2	3	4	5
13	Advertisements in Soroti municipal council are often made in lead	1	2	3	4	5



	media houses in the country.					
14	Soroti municipal council prefers using high quality advertisements.	1	2	3	4	5
15	The advertising history is a determining factor for the method and media selected.	1	2	3	4	5

**C: Community Involvement (IV<sub>2</sub>)**

Please rate the items on community involvement in Soroti Municipal Council in relation to public sector procurement performance using a scale where: 1 = Strongly disagree 2=Disagree, 3=Undecided, 4=Agree, 5= Strongly agree.

16	The Procurement Committee involves the members of the public in project procurement, implementation and monitoring.	1	2	3	4	5
17	The members of the public in Soroti Municipal Council have a high degree of expectations of performance of public sector procurement in terms of value for money	1	2	3	4	5
18	The members of the public often demand for accountability of project funds	1	2	3	4	5
19	The members of the public often support and contribute towards the implementation of projects in Soroti Municipal Council.	1	2	3	4	5
20	The public in Soroti Municipal Council take trouble to sustain	1	2	3	4	5

	community projects.					
21	The members of the public in Soroti Municipal Council are encouraged to actively participate in community projects by their local leaders.	1	2	3	4	5
22	There is value for money in Soroti Municipal Council Procurements.	1	2	3	4	5
23	The community follows the tendering procedures closely.	1	2	3	4	5
24	The community is involved in Supplier Selection.	1	2	3	4	5
25	The community influences of top management in the selection process	1	2	3	4	5

**Section D: Evaluation (IV<sub>3</sub>)**

Please rate monitoring and Evaluation activities in Soroti Municipal Council in relation to public sector procurement performance, where: 1= Strongly disagree, 2=Disagree, 3=Undecided, 4 =Agree, 5= Strongly agree

26	The degree of monitoring and evaluation of projects in Soroti Municipal Council is adequate rigorous enough	1	2	3	4	5
27	The monitoring and evaluation team in Soroti Municipal Council have the capacity and competence to independently do their duty	1	2	3	4	5
28	The monitoring and Evaluation reports on community projects are often discussed and their feedback utilized to improve the public sector	1	2	3	4	5

	procurement performance from time to time					
29	The community concerns are always taken into account while improving the quality of public sector procurement activities.	1	2	3	4	5
30	The monitoring and evaluation of public sector procurement activities is done along all the relevant stages promptly and corrective measures adopted in time.	1	2	3	4	5
31	The procurement unit/department is not operating on its own.	1	2	3	4	5
32	There are different types of tendering procedures used in awarding contracts in Soroti Municipal Council	1	2	3	4	5
33	The contracts committee follows the PPDA Act during the evaluation process.	1	2	3	4	5
34	Restricted tendering is the method used in Soroti Municipal Council.	1	2	3	4	5
35	Soroti Municipal Council uses permanent suppliers	1	2	3	4	5
36	Tendering documents in the process are easily obtained by suppliers.	1	2	3	4	5
37	There are some of the challenges faced by Soroti Municipal Council in the quest to implement the correct tendering procedures.	1	2	3	4	5

### Section E: Procurement performance (DV)

Please rate public sector procurement performance in Soroti Municipal Council in respect to competitive tendering in your opinion where: 1 = Strongly disagree 2=Disagree, 3=Undecided, 4=Agree, 5= Strongly agree.

38	Public assets procured by Soroti Municipal Council have value for money.	1	2	3	4	5
39	The tendering system is so competitive that the best services and goods are often procured for the public.	1	2	3	4	5
40	The procurement committee in Soroti Municipal Council ensures timely completion of projects.	1	2	3	4	5
41	The procurement committee members and technical team are very competent in their roles.	1	2	3	4	5
42	The procurement team has the capacity to work as a united team to deliver their duties.	1	2	3	4	5
43	The procurement committee operates independently and has no interference from politicians.	1	2	3	4	5
44	Total value of purchased products have acceptable shelf life period.	1	2	3	4	5

45	Percentage of stakeholders satisfied with supplier products/services.	1	2	3	4	5
46	Percentage of Products with recalls and rework rate.	1	2	3	4	5
47	Supply base has demonstrated continuous improvement in defect rates.	1	2	3	4	5
48	Percentage of Litigation costs resulting from defects and non contract compliance.	1	2	3	4	5
49	Procurement department procure materials and services that fulfill/exceed expectations.	1	2	3	4	5
50	On time delivery performance against agreed delivery lead times.	1	2	3	4	5
51	Supplier delivery time helps to lower business operations risks.	1	2	3	4	5
52	Supplier delivery time helps to improve inventory management.	1	2	3	4	5
53	Percentage of procurements completed within standard time guidelines.	1	2	3	4	5
54	Selection criteria has enhanced transparency hence reduction in corruption related costs.	1	2	3	4	5

55	Selection criteria have significantly reduced failure costs; suppliers deliver more quality and customized goods.	1	2	3	4	5
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Thank you for your responses and time taken to fill this questionnaire. All the information provided will be treated with confidentiality.

**APPENDIX B**

Interview Guide to the Accounting officer Soroti Municipal Council on procurement performance in Soroti Municipal Council.

1. In your opinion how do you rate the level of advertisements made by Soroti Municipal Council in Soliciting for quality services and goods?

.....  
.....

2. How do you rate the level of community involvement in project identification, planning and implementation in Soroti Municipal Council?

.....  
.....

3. What is your view on the level of monitoring of contracts in Soroti Municipal Council in relation to the public sector procurement performance?

.....  
.....

4. In your view how do you rate the public sector procurement performance in Soroti Municipal Council?

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

5. What is your opinion on the levels of independent operation by the procurement committee?.....

.....  
.....

6. What do you observe as the major impediments to better performance of the public sector procurement performance in Soroti Municipal council?

.....  
.....

7. What solutions would you suggest for the major challenges to public sector procurement performance?

.....  
.....

*Thanks for your time.*

## APPENDIX C: WORKING TABLES

### The characteristics of respondents

Marital Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	28	32.2	32.2	32.2
	Married	59	67.8	67.8	100.0
	Total	87	100.0	100.0	

Source: Field Survey, 2018

Your age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 30 years	30	34.5	34.5	34.5
	Between 31 - 45 years	45	51.7	51.7	86.2
	Above 46 years	12	13.8	13.8	100.0
	Total	87	100.0	100.0	

Source: Field Survey, 2018

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	27	31.0	31.0	31.0
	Female	60	69.0	69.0	100.0
	Total	87	100.0	100.0	

Source: Field Survey, 2018



<b>Area of operation</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>PDU</b>	5	5.8	5.8	5.8
	<b>Accounting</b>	4	4.6	4.6	10.4
	<b>Engineering</b>	6	6.9	6.9	17.3
	<b>Stores</b>	3	3.4	3.4	20.7
	<b>Contracts committee</b>	6	6.9	6.9	27.6
	<b>General public</b>	63	72.4	72.4	100.0
	<b>Total</b>	87	100.0	100.0	

Source: Field Survey, 2018

<b>Number of years worked in Soroti Municipal Council</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>1 - 5 years</b>	21	24.1	24.1	24.1
	<b>6 -10 years</b>	6	6.9	6.9	31.0
	<b>11 -20 years</b>	45	51.7	51.7	82.7
	<b>21 - 30 years</b>	9	10.3	10.3	62.1
	<b>31years and above</b>	6	6.9	6.9	69.0
	<b>Total</b>	87	100.0	100.0	100.0

Source: Field Survey, 2018

<b>Members of the public are adequately informed of up-coming projects</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	6	6.9	6.9	13.8
	<b>Agree</b>	51	58.6	58.6	72.4
	<b>Strongly Agree</b>	24	27.6	27.6	100.0
	<b>Total</b>	87	100.0	100.0	

Source: Field Survey, 2018

<b>Soroti Municipal council displays all relevant information for the public</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	9	10.3	10.3	10.3
	<b>Undecided</b>	12	13.8	13.8	24.1
	<b>Agree</b>	42	48.3	48.3	72.4
	<b>Strongly Agree</b>	24	27.6	27.6	100.0
	<b>Total</b>	87	100.0	100.0	

Source: Field Survey, 2018

<b>Frequency of adverts is adequate</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	18	20.7	20.7	27.6
	<b>Agree</b>	42	48.3	48.3	75.9
	<b>Strongly Agree</b>	21	24.1	24.1	100.0

<b>Frequency of adverts is adequate</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	18	20.7	20.7	27.6
	<b>Agree</b>	42	48.3	48.3	75.9
	<b>Strongly Agree</b>	21	24.1	24.1	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Modes of media for advertising are user friendly to the public</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	9	10.3	10.3	10.3
	<b>Disagree</b>	12	13.8	13.8	24.1
	<b>Undecided</b>	9	10.3	10.3	34.5
	<b>Agree</b>	36	41.4	41.4	75.9
	<b>Strongly Agree</b>	21	24.1	24.1	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Procured products meet quality standards and register low defects</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	15	17.2	17.2	20.7
	<b>Undecided</b>	3	3.4	3.4	24.1
	<b>Agree</b>	42	48.3	48.3	72.4
	<b>Strongly Agree</b>	24	27.6	27.6	100.0

<b>Procured products meet quality standards and register low defects</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	15	17.2	17.2	20.7
	<b>Undecided</b>	3	3.4	3.4	24.1
	<b>Agree</b>	42	48.3	48.3	72.4
	<b>Strongly Agree</b>	24	27.6	27.6	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Council suppliers offer better service levels</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	9	10.3	10.3	10.3
	<b>Disagree</b>	6	6.9	6.9	17.2
	<b>Undecided</b>	9	10.3	10.3	27.6
	<b>Agree</b>	30	34.5	34.5	62.1
	<b>Strongly Agree</b>	33	37.9	37.9	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The council suppliers have shorter lead time</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	12	13.8	13.8	13.8
	<b>Disagree</b>	6	6.9	6.9	20.7
	<b>Undecided</b>	3	3.4	3.4	24.1
	<b>Agree</b>	21	24.1	24.1	48.3
	<b>Strongly Agree</b>	45	51.7	51.7	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The Council prefers supplier organizations with high quality performance accreditation</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	3	3.4	3.4	6.9
	<b>Undecided</b>	9	10.3	10.3	17.2
	<b>Agree</b>	36	41.4	41.4	58.6
	<b>Strongly Agree</b>	36	41.4	41.4	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Litigation history of suppliers is a determinant for supplier selection</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	9	10.3	10.3	10.3
	<b>Disagree</b>	4	4.6	4.6	14.9
	<b>Undecided</b>	19	21.8	21.8	36.8
	<b>Agree</b>	40	46.0	46.0	82.8
	<b>Strongly Agree</b>	15	17.2	17.2	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Supplier overall price has impact on selection</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	18	20.7	20.7	27.6
	<b>Agree</b>	51	58.6	58.6	86.2
	<b>Strongly Agree</b>	12	13.8	13.8	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The Council selection criteria assists in streamlining procurement process</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	7	8.0	8.0	11.5
	<b>Undecided</b>	12	13.8	13.8	25.3
	<b>Agree</b>	28	32.2	32.2	57.5
	<b>Strongly Agree</b>	37	42.5	42.5	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The procurement committee involves the members of the public in project procurement and monitoring</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	6	6.9	6.9	10.3
	<b>Undecided</b>	6	6.9	6.9	17.2
	<b>Agree</b>	30	34.5	34.5	51.7
	<b>Strongly Agree</b>	42	48.3	48.3	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The members of the public in Soroti Municipal Council have high expectations of performance</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	4	4.6	4.6	4.6
	<b>Undecided</b>	15	17.2	17.2	21.8
	<b>Agree</b>	40	46.0	46.0	67.8
	<b>Strongly Agree</b>	28	32.2	32.2	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The members of the public often demand for accountability</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	5	5.7	5.7	5.7
	<b>Disagree</b>	9	10.3	10.3	16.1
	<b>Undecided</b>	12	13.8	13.8	29.9
	<b>Agree</b>	31	35.6	35.6	65.5
	<b>Strongly Agree</b>	30	34.5	34.5	100.0
	<b>Total</b>	87	100.0	100.0	

<b>the members of the public often support and contribute towards public projects</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	15	17.2	17.2	20.7
	<b>Undecided</b>	9	10.3	10.3	31.0
	<b>Agree</b>	38	43.7	43.7	74.7
	<b>Strongly Agree</b>	22	25.3	25.3	100.0
	<b>Total</b>	87	100.0	100.0	

<b>the public in Soroti municipal Council take trouble to sustain projects</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	9	10.3	10.3	10.3
	<b>Disagree</b>	10	11.5	11.5	21.8
	<b>Undecided</b>	24	27.6	27.6	49.4
	<b>Agree</b>	29	33.3	33.3	82.8
	<b>Strongly Agree</b>	15	17.2	17.2	100.0
	<b>Total</b>	87	100.0	100.0	

<b>the members of the public are encouraged to actively participate in community projects by their leaders</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	9	10.3	10.3	13.8
	<b>Undecided</b>	24	27.6	27.6	41.4
	<b>Agree</b>	32	36.8	36.8	78.2
	<b>Strongly Agree</b>	19	21.8	21.8	100.0
	<b>Total</b>	87	100.0	100.0	

<b>There is value for money in public procurement in Soiroti Municipal Council</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	6	6.9	6.9	10.3
	<b>Undecided</b>	6	6.9	6.9	17.2
	<b>Agree</b>	35	40.2	40.2	57.5
	<b>Strongly Agree</b>	37	42.5	42.5	100.0
	<b>Total</b>	87	100.0	100.0	



<b>The competitive tendering methods used in Soroti Municipal Council help in achieving value for money</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	9	10.3	10.3	10.3
	<b>Disagree</b>	12	13.8	13.8	24.1
	<b>Undecided</b>	3	3.4	3.4	27.6
	<b>Agree</b>	36	41.4	41.4	69.0
	<b>Strongly Agree</b>	27	31.0	31.0	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The community is involved in supplier selection</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	4	4.6	4.6	4.6
	<b>Disagree</b>	12	13.8	13.8	18.4
	<b>Undecided</b>	15	17.2	17.2	35.6
	<b>Agree</b>	28	32.2	32.2	67.8
	<b>Strongly Agree</b>	28	32.2	32.2	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The community influences the top management in the selection process</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	12	13.8	13.8	17.2
	<b>Undecided</b>	15	17.2	17.2	34.5
	<b>Agree</b>	34	39.1	39.1	73.6
	<b>Strongly Agree</b>	23	26.4	26.4	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The degree of M &amp; E of projects in Soroti municipal council is adequately rigorous</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	6	6.9	6.9	10.3
	<b>Undecided</b>	15	17.2	17.2	27.6
	<b>Agree</b>	41	47.1	47.1	74.7
	<b>Strongly Agree</b>	22	25.3	25.3	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The M &amp; E team in Soroti municipal Council has capacity and works independently</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	4	4.6	4.6	4.6
	<b>Disagree</b>	6	6.9	6.9	11.5
	<b>Undecided</b>	9	10.3	10.3	21.8
	<b>Agree</b>	35	40.2	40.2	62.1
	<b>Strongly Agree</b>	33	37.9	37.9	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The M &amp; E reports in Soroti municipal Council are often discussed</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	6	6.9	6.9	6.9
	<b>Disagree</b>	7	8.0	8.0	14.9
	<b>Undecided</b>	12	13.8	13.8	28.7
	<b>Agree</b>	41	47.1	47.1	75.9
	<b>Strongly Agree</b>	21	24.1	24.1	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The community concerns are often taken into account while improving the quality of projects</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	3	3.4	3.4	6.9
	<b>Undecided</b>	9	10.3	10.3	17.2
	<b>Agree</b>	49	56.3	56.3	73.6
	<b>Strongly Agree</b>	23	26.4	26.4	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The M &amp; E activities are done along all the procurement stages and corrective measures adopted</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	3	3.4	3.4	3.4
	<b>Undecided</b>	3	3.4	3.4	6.9
	<b>Agree</b>	38	43.7	43.7	50.6
	<b>Strongly Agree</b>	43	49.4	49.4	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The PDU is on its own</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Undecided</b>	12	13.8	13.8	13.8
	<b>Agree</b>	30	34.5	34.5	48.3
	<b>Strongly Agree</b>	45	51.7	51.7	100.0
	<b>Total</b>	87	100.0	100.0	

<b>There are different types of tendering procedures used in awarding contracts in Soroti municipal council</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	3	3.4	3.4	3.4
	<b>Undecided</b>	15	17.2	17.2	20.7
	<b>Agree</b>	33	37.9	37.9	58.6
	<b>Strongly Agree</b>	36	41.4	41.4	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Open tendering is commonly used in selection process</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	3	3.4	3.4	3.4
	<b>Undecided</b>	6	6.9	6.9	10.3
	<b>Agree</b>	36	41.4	41.4	51.7
	<b>Strongly Agree</b>	42	48.3	48.3	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Restricted tendering is the method used in Soroti Municipal Council</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	10	11.5	11.5	11.5
	<b>Undecided</b>	9	10.3	10.3	21.8
	<b>Agree</b>	31	35.6	35.6	57.5
	<b>Strongly Agree</b>	37	42.5	42.5	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Soroti Municipal Council uses permanent suppliers</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	16	18.4	18.4	18.4
	<b>Undecided</b>	21	24.1	24.1	42.5
	<b>Agree</b>	22	25.3	25.3	67.8
	<b>Strongly Agree</b>	28	32.2	32.2	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Tendering documents are easily accessible to suppliers</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	12	13.8	13.8	20.7
	<b>Agree</b>	33	37.9	37.9	58.6
	<b>Strongly Agree</b>	36	41.4	41.4	100.0
	<b>Total</b>	87	100.0	100.0	

<b>There are some challenges faced by Soroti Municipal Council in the quest to implement correct tendering procedures</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	12	13.8	13.8	20.7
	<b>Agree</b>	29	33.3	33.3	54.0
	<b>Strongly Agree</b>	40	46.0	46.0	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Soroti Municipal council uses only the two stage tendering process for selecting its supplies</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	3	3.4	3.4	6.9
	<b>Undecided</b>	12	13.8	13.8	20.7
	<b>Agree</b>	34	39.1	39.1	59.8
	<b>Strongly Agree</b>	35	40.2	40.2	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Public assets procured by Soroti Municipal Council have value for money</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	1	1.1	1.1	4.6
	<b>Undecided</b>	19	21.8	21.8	26.4
	<b>Agree</b>	34	39.1	39.1	65.5
	<b>Strongly Agree</b>	30	34.5	34.5	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The tendering system is so competitive that the best services and goods are often procured for the public</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	7	8.0	8.0	11.5
	<b>Undecided</b>	9	10.3	10.3	21.8
	<b>Agree</b>	28	32.2	32.2	54.0
	<b>Strongly Agree</b>	40	46.0	46.0	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The procurement committee in Soroti Municipal Council ensures timely completion of projects</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	6	6.9	6.9	6.9
	<b>Disagree</b>	3	3.4	3.4	10.3
	<b>Undecided</b>	16	18.4	18.4	28.7
	<b>Agree</b>	26	29.9	29.9	58.6
	<b>Strongly Agree</b>	36	41.4	41.4	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The procurement committee members and technical team are very competent in their roles</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	7	8.0	8.0	8.0
	<b>Undecided</b>	15	17.2	17.2	25.3
	<b>Agree</b>	31	35.6	35.6	60.9
	<b>Strongly Agree</b>	34	39.0	39.0	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The procurement team has the capacity to work as a united team to deliver their duties</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	10	11.5	11.5	11.5
	<b>Undecided</b>	9	10.3	10.3	21.8
	<b>Agree</b>	34	39.1	39.1	60.9
	<b>Strongly Agree</b>	34	39.1	39.1	100.0
	<b>Total</b>	87	100.0	100.0	

<b>The procurement committee operates independently and has no interference from politicians</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	13	14.9	14.9	14.9
	<b>Undecided</b>	18	20.7	20.7	35.6
	<b>Agree</b>	19	21.8	21.8	57.5
	<b>Strongly Agree</b>	37	42.5	42.5	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Total value of purchased products have acceptable shelf life period</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	6	6.9	6.9	6.9
	<b>Disagree</b>	4	4.6	4.6	11.5
	<b>Undecided</b>	25	28.7	28.7	40.2
	<b>Agree</b>	28	32.2	32.2	72.4
	<b>Strongly Agree</b>	24	27.6	27.6	100.0
	<b>Total</b>	87	100.0	100.0	

<b>A higher percentage of stakeholders is satisfied with supplier products/ services</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	4	4.6	4.6	8.0
	<b>Undecided</b>	19	21.8	21.8	29.9
	<b>Agree</b>	37	42.5	42.5	72.4
	<b>Strongly Agree</b>	24	27.6	27.6	100.0
	<b>Total</b>	87	100.0	100.0	



<b>A percentage of products with recalls and rework is high</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	12	13.8	13.8	17.2
	<b>Undecided</b>	12	13.8	13.8	31.0
	<b>Agree</b>	45	51.7	51.7	82.8
	<b>Strongly Agree</b>	15	17.2	17.2	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Supply base has demonstrated continuous improvement in defect rates</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	7	8.0	8.0	11.5
	<b>Undecided</b>	9	10.3	10.3	21.8
	<b>Agree</b>	31	35.6	35.6	57.5
	<b>Strongly Agree</b>	37	42.5	42.5	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Percentage of litigation costs resulting from defects and non-contract compliance is minimal</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	7	8.0	8.0	8.0
	<b>Undecided</b>	15	17.2	17.2	25.3
	<b>Agree</b>	39	44.8	44.8	70.1
	<b>Strongly Agree</b>	26	29.9	29.9	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Procured materials and services exceed the expectations</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	15	17.2	17.2	24.1
	<b>Agree</b>	33	37.9	37.9	62.1
	<b>Strongly Agree</b>	33	37.9	37.9	100.0
	<b>Total</b>	87	100.0	100.0	

<b>There is on time delivery of materials and services</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	6	6.9	6.9	6.9
	<b>Disagree</b>	6	6.9	6.9	13.8
	<b>Undecided</b>	15	17.2	17.2	31.0
	<b>Agree</b>	27	31.0	31.0	62.1
	<b>Strongly Agree</b>	33	37.9	37.9	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Supplier delivery performance helps to lower operations risks</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	6	6.9	6.9	6.9
	<b>Disagree</b>	4	4.6	4.6	11.5
	<b>Undecided</b>	6	6.9	6.9	18.4
	<b>Agree</b>	38	43.7	43.7	62.1
	<b>Strongly Agree</b>	33	37.9	37.9	100.0
	<b>Total</b>	87	100.0	100.0	

<b>Supplier delivery time helps to improve inventory management</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Strongly Disagree</b>	3	3.4	3.4	3.4
	<b>Disagree</b>	4	4.6	4.6	8.0
	<b>Undecided</b>	6	6.9	6.9	14.9
	<b>Agree</b>	34	39.1	39.1	54.0
	<b>Strongly Agree</b>	40	46.0	46.0	100.0
	<b>Total</b>	87	100.0	100.0	

<b>percentage of procurements is completed within standard time guidelines</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	15	17.2	17.2	24.1
	<b>Agree</b>	37	42.5	42.5	66.7
	<b>Strongly Agree</b>	29	33.3	33.3	100.0
	<b>Total</b>	87	100.0	100.0	

<b>selection criteria has enhanced transparency hence reduction in corruption related costs</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Disagree</b>	6	6.9	6.9	6.9
	<b>Undecided</b>	18	20.7	20.7	27.6
	<b>Agree</b>	44	50.6	50.6	78.2
	<b>Strongly Agree</b>	19	21.8	21.8	100.0
	<b>Total</b>	87	100.0	100.0	

**Selection criteria have significantly reduced failure costs; supplier delivery more quality and customized**

**goods**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<b>Disagree</b>	3	3.4	3.4	3.4
	<b>Undecided</b>	3	3.4	3.4	6.9
	<b>Agree</b>	40	46.0	46.0	52.9
	<b>Strongly Agree</b>	41	47.1	47.1	100.0
	Total	87	100.0	100.0	

**Correlations**

		ADV	PROC
ADV	Pearson Correlation	1	.586**
	Sig. (2-tailed)		.000
	N	87	87
PROC	Pearson Correlation	.586**	1
	Sig. (2-tailed)	.000	
	N	87	87

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

**Correlations**

		COM	PROC
COM	Pearson Correlation	1	.496**
	Sig. (2-tailed)		.000
	N	87	87
PROC	Pearson Correlation	.496**	1
	Sig. (2-tailed)	.000	
	N	87	87

Correlations			
		COM	PROC
COM	Pearson Correlation	1	.496**
	Sig. (2-tailed)		.000
	N	87	87
PROC	Pearson Correlation	.496**	1
	Sig. (2-tailed)	.000	
	N	87	87
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		EVAL	PROC
EVAL	Pearson Correlation	1	.804**
	Sig. (2-tailed)		.000
	N	87	87
PROC	Pearson Correlation	.804**	1
	Sig. (2-tailed)	.000	
	N	87	87
**. Correlation is significant at the 0.01 level (2-tailed).			