**PROCUREMENT MANAGEMENT AND PERFORMANCE OF LOCAL GOVERNEMENTS IN UGANDA: A CASE STUDY OF ENTEBBE MUNICIPAL COUNCIL, ENTEBBE, UGANDA.**

**BY**

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# DECLARATION

I **Balaba Eclovis** declare that this dissertation under the topic “***Procurement management on performance of local governments in Uganda basing on a case study of Entebbe Municipal Council, Entebbe Uganda***” is my original work and is presented for approval for field study.

Signature: …………………………..

Balaba Eclovis

# APPROVAL

This dissertation has been approved for the award of the Degree of Master of Procurement and Logistics Management of Nkumba University.

Dr. Lutaaya Sadat

Signature

………………

Date:.…/……./……

# DEDICATION

I would like to dedicate this work to my lovely family and dear friends.

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My appreciation goes to my supervisor Dr. Lutaaya Sadat, for the tireless effort and time he devoted to me and his invaluable input. Thank you so much for your advice, guidance and encouragement during my research.

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# ABSTRACT

The study examined the contribution of procurement management on performance of local governments in Uganda basing. It focused on a case study of Entebbe Municipal Council. It was guided by three objectives i) *to* assess how procurement planning influences the performance of Entebbe Municipal Council*, ii) to* find out how needs assessment influences the performance of Entebbe Municipal Council*, iii) to* ascertain how contract management influences the performance of Entebbe Municipal Council.

The study adopted a combination approach of the two phenomenological and the positivism approaches; the data was categorised under both qualitative and quantitative approaches. The study population was 138 and a sample size of 103 respondents of which only 89 participated.

Results revealed that the highest contributor to performance is contract management (R Square of 70.9%), followed by needs assessment (R Square of 71.6%) and the lowest contributor is procurement planning (R Square of 69.5%). The test also revealed that EM procurement management has a statistically significant positive relationship with performance since all p values were below the alpha of 0.05 and as such the null hypothesis was rejected.

In conclusion the study notes that while procurement management was recognized as a key enabler to the performance of Entebbe Municipality, it was not effectively upheld among the organizations. The study concluded that indeed, procurement management had a significant influence on the performance.

In recommendation, it is suggested that special emphasis should be put in developing key personal competences which are not clear in public sector organization reform Agenda. Furthermore, the local government should effectively plan and analyze the need assessment to gain the greatest competition power and there is also need to follow up the past performance records of the organisation. So that the organisation can easily evaluate, control and improve production or services that they provide.

# CHAPTER ONE

# INTRODUCTION

# Overview

This chapter presents the background to the study, statement of the problem, purpose of the study, research objectives, research questions, and hypotheses of the study, scope of the study, the significance of the study and the arrangement of the study.

# Background of the study

This study set out to examine the contribution of procurement management on performance in local governments. It focused on Entebbe Municipal Council, Entebbe Uganda as the case study.

The study of procurement management and performance warrants research because it is observed that local governments today are in search for better options so as to realise value for money which is seen as the ultimate principle of public procurement. Basheka, (2016) noted that developing countries have been awakened on the importance of effective management of the public procurement process at both central and local government levels, and its subsequent contribution to improved governance of the public sector. Procurement; a function that was traditionally viewed as a clerical and reactive task has since positioned itself among core organizational functions, and its management is becoming increasingly critical for the well-functioning of any organization more than ever before.

Kyohangirwe (2018) explains that the historical trend of Procurement; a function that was traditionally viewed as a clerical and reactive task has since the 1970s been conducted by central tender boards. Many developed and developing countries have embarked on public sector management reforms which has positioned procurement management among the core organizational functions. In 1997, Uganda initiated procurement reforms which culminated into the enactment of the PPDA Act, 2016 and although the Act, was set up to have national (Central and Local) coverage, only the Central Government procurement was under PPDA Act 2016 up to February 2006, when the Local Government Act, Cap 243 section 91 – 94 were amended to harmonise the higher local government (HLG) procurement institutional arrangement, regulations and procedures with those of the PPDA Act, 2016. This is currently the principal law governing Procurement and Disposal in both Local governments and central government which must be adopted by all practitioners in procurement management.

Procurement is the term most commonly employed to refer to the purchasing of goods and services for the day-to-day operations of a business. Procurement is an essential part of any organisation’s ability to function effectively and efficiently (Steven R Leonard, 2017). Procurement encompasses all activities involved in obtaining goods and services and managing their inflow into an organisation (Gebauer and Segev, 2018). Traditionally the corporate function of procurement is divided into strategic and operational tasks. Whereas the strategic tasks include sourcing activities, supplier management, and design and implementation and buying procedures, operative tasks embrace all transaction-oriented activities such as the excitement of purchase orders (Kaufmann, 2017; Gebauer and Segev, 2019). This is in line with CIPs, (2020) which defines Procurement as the business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives. Therefore, procurement management is the practice of coordinating all the activities involved in the procurement process with the aim of achieving value for money.

Richard and Robinson (2017) define performance as the actual output or results of an organisation as measured against its intended outputs or objectives. It is further noted that organizational performance encompasses three specific areas of firm outcomes which include financial performance (profits, return on assets, and return on investment), product market performance (market share) and shareholder return (total shareholder return, economic value). Torgar (2015) adds that organizational performance is a broad contrast which captures what organisations do, produce, and accomplish for the various constituencies with which they interact. The study will adopt the definition by Richard, et al (2017) as it clearly explores the working dimensions of the dependent variable.

The study was guided by the Stewardship Theory and the Theory of Legitimacy. The Stewardship Theory was developed by Donaldson and Davis in 1991 and 1993 respectively. The ideal motive which directs managers to accomplish their job is the desire to perform excellently. This theory is based on the assumption that managers are stewards whose behaviours are aligned to the objectives of the principals. It implies that managers have an intrinsic satisfaction when firm performance improves and organization success is attained. The implication of the theory is that managers are also motivated by non- financial factors like challenging work, the opportunity to exercise responsibility and authority as well as gaining recognition from peers and their managers. The Stewardship theory is fit for this study as it describes the ultimate role of managers and it indicates that they have an intrinsic satisfaction when firm performance improves and organization success is attained.

On the other hand, the theory of Legitimacy was advanced by Max Weber in 1990. This theory affirms that institutions have the command to explain their operations to their respective key actors, especially if it is a public entity should state its benefits to the society (Wilmshurst & Frost, 2017). Suchman (2015) stated that Theory of Legitimacy (LT) is a generalized assumption or perception that the activities of any organization which are workable, appropriate and viable in system which are based on social beliefs, values, definitions and norms. Based on the context of procurement in public entities like the Entebbe Municipal council, there is likelihood of existence of issues like cronyism, corruption, as well as nepotism which can affect the practice of legitimacy theory. The study therefore employed legitimacy theory to be able to examine whether the procurement officers make disclosure of practice of procurement in order to build a better status with the respective government, key players together with the entire society.

Public procurement management includes the broad management functions of planning, organization, and leadership, staffing, controlling, and communicating procurement processes and activities across the spectrum of the ‘upstream’ supply chain activities of both public and private organizations (Banyenzaki, 2016**)**. Entebbe Municipal council as a Procuring and Disposing Entity is headed by the Town Clerk as the Accounting officer. In order to comply with the Local Government PPDA regulations of 2006 and support improvement in service delivery, the PDU was officially established in February, 2008 following the recruitment of the necessary personnel. To some extent, there has been significant improvement in procurement and procurement management processes, however, the Audit report, (2015) indicated weaknesses of the council in its procurement management practices as local revenue shortfalls were realized which a sign of poor planning and budgeting of public funds. Delays in completion of procurement projects was also revealed in the report as the construction of a maternity ward at Katabi HCIII under project reference Ente.752/Wrks/2018-2018/00014 at contract sum of UGX 185,328,120 was delayed by over 3 months from the expected stop date. The start date was 22nd April 2018 and expected completion date was 30th June 2015. Audit inspection of the maternity ward in September, 2015 revealed that works were behind schedule by three months.

According to the audit report (2017), failure to Implement Budget as approved by Parliament was another shortfall identified by the auditor general. It was observed that out of the budgeted revenue of UGX.18,052,571,161 the Municipal Council received UGX.13,471,492,611 (75%) resulting into a shortfall of UGX.4,581,078,550 (25%). The report further observed that, a number of planned outputs (Construction of Kitoro Taxi Park, Roads Maintenance and solar street lights among others) were not implemented.

# Problem statement

The government of Uganda put in place well documented procedures and guidelines on procurement management as stipulated in Public Procurement and Disposal of Public Assets Regulation 2018 (as amended); however, many challenges are still evidenced in the public procurement systems of Uganda.

According to the Audit report, (2015), weaknesses of the council in its procurement management practices were reflected in many projects. For example; delays in completion of procurement projects were noted about in the report as the construction of a maternity ward at Katabi HCIII under project reference Ente.752/Wrks/2018-2018/00014 at contract sum of UGX 185,328,120 was delayed by over 3 months from the expected stop date. The start date was 22nd April 2018 and expected completion date was 30th June 2015. Audit inspection of the maternity ward in September, 2015 revealed that works were behind schedule by three months.

The audit report, (2015) further revealed low absorption of funds resulting from failure to procure key retooling equipment for surveying, engineering and environmental analysis due to lack of technical capacity to procure such specialized equipment. This as a consequence, resulted into under-utilization of public resources which is a violation of the procurement principle of efficiency. It was revealed that by 30th June 2015, only UGX.466,119,813 had been utilized on the funds (UGX. 911,117,034) that were disbursed for procurement of services (capacity building) and works (infrastructure development). Thus, failure to utilize the funds in a timely manner delays implementation of planned activities and hence service delivery an indicator of poor performance.

In addition, the audit report (2017), revealed that, a number of planned outputs (Construction of Kitoro Taxi Park, Roads Maintenance and solar street lights among others) were not implemented. The Opening of silver Kadduke Road (0.28km), Kitubulu Road (0.32km), Nakibuka close (0.07km), Namukasa rise (0.2km), Moroto Road (0.2km), Maintenance of street lights for both Division A&B and Periodic maintenance of Kitoro Service Lane (0.2km) were not implemented. Routine maintenance of Tamale Sali, kitoro, Berkery with a planned output of 29km, registered an actual output of 26km leaving an output variance of 3km was partially implemented. The audit report, (2017) further revealed that Completion of 1.08km of Lutwama Serumaga Selufusa Mwaula and Gabunga roads were underperformed amidst the availability of funds. Thus, failure to implement procurement of works activities indicated above denies services to the beneficiary communities, hence registering poor performance (audit report, 2017).

Thus, these challenges have denied services to the beneficiary communities and defeats the purpose for which budgeting and budgetary controls are instituted. The failure to implement all the planned procurement activities has led poor performance of Entebbe municipal council. Therefore, this study intends to identify the potential causes of such challenges and suggest possible solutions towards the challenged identified.

# Purpose of the study

The study examined the contribution of procurement management on performance of local governments in Uganda. It focused on a case study of Entebbe Municipal Council.

# Objectives of the study

1. To assess how procurement planning influences the performance of Entebbe Municipal Council.
2. To find out how needs assessment influences the performance of Entebbe Municipal Council.
3. To ascertain how contract management influences the performance of Entebbe Municipal Council.

# Research questions

1. How does procurement planning influence the performance of Entebbe Municipal Council?
2. How does needs assessment influence the performance of Entebbe Municipal Council?
3. How does contract management influence the performance of Entebbe Municipal Council?

# Hypothesis of the study:

Ho1: There is no significant relationship between procurement planning and performance in EMC.

Ho2: There is no significant relationship between needs assessment and performance in EMC.

Ho3: There is no significant relationship between contract management and performance in EMC.

# Scope of the study

The scope of the study is divided into three sections as follows;

## Geographical scope

The study was carried out at Entebbe Municipal Council head offices located in Entebbe, Wakiso District approximately 37 kilo meters southwest of Kampala. It’s found on the Lake Victoria peninsula along the Kampala-Entebbe main road opposite the state house. Entebbe covers the total area of 56.2 square kilometers and of which 20sq. kilometers are waters of Lake Victoria.

## Content scope

The study focused on procurement management as the independent variable and performance in the public procuring institutions as the dependent variable. The study was discussed in terms of procurement planning, needs assessment and contract management and how these dimensions affect performance which is measured in terms of productivity, JIT operations, efficiency and effectiveness in Entebbe Municipal Council.

## Time scope

The study focused on a period of five years that is 2015-2020. This period is important simply because it is where many issues regarding poor performance reflected in annual reports from the auditor general’s reports of (2015, 2016 and 2017) about Entebbe Municipal Council.

# Significance of the study

The study findings are likely to benefit a number of stakeholders in the following ways:

**The researcher**

This study may provide knowledge and experience required for further research. But most importantly, upon submission of this research study to the school of business administration, may be a partial fulfillment of the award of the master’s degree in procurement and logistics management of Nkumba University.

**To Entebbe Municipal Council**

The study findings may be of practical significance to Entebbe Municipal Council in providing a better understanding of contract management and how to improve the process to meet the expectations of the stakeholders, as well as provide valuable information for future interventions. The study may also inform policies towards setting up of better channels for procurement management, and show how the concept can be used as a powerful management tool to improve overall performance.

**Other researchers**

This study may contribute to the body of knowledge. This is because it can be used as a reference material by other researchers. The study may also identify areas related to procurement management field that require more research, hence a basis of further research.

# Arrangement of the report

This proposal is arranged in three chapters.

**Chapter one:** Presents introduction to the study which include; the background of the study, the problem statement, and purpose of the study, the objectives of the study, the research questions and the hypothesis of the study, the significance of the study, the scope of the study, the setting and the arrangement of the report.

**Chapter two:** Presents study literature which highlights literature survey, theoretical review, literature review and the conceptual framework analysis.

**Chapter three:** Presents research methodology. It highlights the research design, Study Population, Sample size determination, Sample selection Sampling techniques, Data sources, Data collection Methods, Data collection Instruments, Data processing, analysis, presentation and interpretation.

**Chapter four:** Present findings on procurement planning and performance of public procuring entities.

**Chapter five:** Present findings on needs assessment and performance of public procuring entities.

**Chapter six:** Present findings on contract management and performance of public procuring entities.

**Chapter seven:** Presents findings on performance.

**Chapter eight:** Presents the discussion of findings.

**Chapter nine:** Presents summary, conclusion and recommendations to the study.

# CHAPTER TWO

# STUDY LITERATURE

# Introduction

This chapter is divided in four key sections. Section one deals with the literature survey which is concerned with local studies that have been conducted in the area of procurement management and contractors’’ performance. Section two deals with the review of relevant theories that underpin the study; section three reviews relevant empirical literature in line with the study objectives and section four presents the conceptual framework.

# Literature Survey

The purpose of literature survey is to analyze what has been covered of the problem under study within Uganda, the key findings, and gaps left and propose how the current study intends to fill that important void in research.Below is a review of the major studies.

Nantege (2011) conducted a study on procurement management on the financial performance of banks in Uganda with a case study of FINA Bank Uganda Ltd. Specifically the study reviewed procurement planning, controls and monitoring and how they affected the performance of banks. It was hypothesized in the study that procurement planning, controls and monitoring positively affect the performance of banks. Empirical data was collected from the staff of FINA Bank Uganda and the study had 33 respondents from the targeted population of 35; this sample was selected using purposive sampling. The empirical data was analysed both quantitatively and qualitatively to examine the relationships between procurement management and bank performance. The key findings of the study indicated that the three procurement management attributes that is procurement planning, controls and monitoring positively affected the performance of the bank. This was because there were significant relationships that were established from the study between these variables and the financial performance of the bank.

The study above indicates a time gap since it was carried out in 2011 yet the current study is being conducted in 2021. The case study area of the latter is FINA Bank Uganda Ltd yet the former focuses on Entebbe Municipality, this leaves a geographical gap which the current study intends to cover. The latter also leaves a knowledge gap as its variables focused on procurement management and financial performance of banks in Uganda yet the former focuses on procurement management and performance of local governments in Uganda.

Kyohangirwe (2018) conducted a study on procurement management and service delivery in Mbarara Municipality. These results examine the nature of the effect of planning in the procurement unit relative to the quality of output the municipality can show. Targeting the sample of 140 respondents, the main data collection instrument of the study was the research questionnaire. The research questionnaire was designed using the Likert scale and it tapped data on the study variables. And data analysis involved the use of such tools as frequencies, correlations and regressions to address the research study objectives. Results indicated that the research instrument Results indicated that there are positive relationships between the Procurement Planning elements and service delivery. The correlations show that the Procurement planning is positively related to the service delivery of the institution. This was a clear indication that if the procurement planning process is managed efficiently and professionally, then this causes an inevitable improvement in the Service Delivery of the institution. The research study thereafter suggests a number of workable recommendations for instance the use of training Programmes to improve the use of the controls in managing the resources of the municipality and the overall productivity of the employees to cooperation with other key bodies such as other local governments. This shall help the municipality adopt ideas which have proved to be very effective for other local governments that are quite successful in the delivery of service.

The study above reveals a time gap since it was conducted in 2018 yet the current study is being conducted in 2021. There is also a knowledge gap since Kyohangirwe’s study focused on procurement management and service delivery yet the current study focuses on procurement management and performance. The study above also reveals a geographical gap since its area of focus was Mbarara Municipality yet the current study focuses on Entebbe municipality.

# Theoretical Review

This section presents the review of relevant theories about procurement management and performance of public procuring and disposing entities. The theoretical review demonstrates a clear understanding of theories and concepts that are relevant to the study.

## Stewardship Theory

This theory was developed by Donaldson and Davis in 1991 and 1993 respectively. The theory is fit to guide the study because it’s ideal motive which directs managers to accomplish their job is the desire to perform excellently. This theory is based on the assumption that managers are stewards whose behaviours are aligned to the objectives of the principals. It implies that managers have an intrinsic satisfaction when firm performance improves and organization success is attained. The implication of the theory is that managers are also motivated by non- financial factors like challenging work, the opportunity to exercise responsibility and authority as well as gaining recognition from peers and their managers.

It is critical for the organization to build a structure which allows for symphony between principles agents. Turning to the firm’s leadership, the structure which allows for symphony between principles is where there is CEO duality. In such a scenario the powers of the chairman of the board (responsible for board processes) and CEO (responsible for operational issues of the organization) are vested in one office. Donaldson and Davis indicated that such a structure allows an ambiguity in the CEO role as power and authority over lower ranking managers and other board members is then vested in one office. Procurement functions can enjoy the consistency in leadership style, unity of direction as well as command.

## Theory of Legitimacy

This theory affirms that institutions have the command to explain their operations to their respective key actors, especially if it is a public entity should state its benefits to the society (Wilmshurst & Frost, 2017). Suchman (2015) stated that Theory of Legitimacy (LT) is a generalized assumption or perception that the activities of any organization which are workable, appropriate and viable in system which are based on social beliefs, values, definitions and norms. Based on the context of procurement in public entities like the Entebbe Municipal council, there is likelihood of existence of issues like cronyism, corruption, as well as nepotism which can affect the practice of legitimacy theory. The study therefore employed legitimacy theory to be able to examine whether the procurement officers make disclosure of practice of procurement in order to build a better status with the respective government, key players together with the entire society.

# Literature review

## Procurement Planning and performance

Rono (2018) states that procurement planning is a process whereby procurement practitioners sketch out in advance, an arrangement with a diagram plan as to what, which, when and how purchases are to be conducted in a given period. Agreeably, Mamiro (2020) in his study findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement and this leads to shoddy works and delays in construction contracts.

The legal requirements that guide public entities in planning have to be adhered as defined in section 58 of the PPDA Act (PPDA, 2018) as shown in the figure below. The planning function encompasses defining an organisation ‘s goals, establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate the activities (Robbins 2019).

Procurement planning provides a framework for the execution of the requirement and user departments usually expect their requirements to be delivered within the shortest time possible (Nassuna, 2017). Within the budget confines, user departments would normally choose a procurement method which achieves their immediate expectations than the legally acceptable procurement method (Lynch, 2018). Guyana (2020), asserts that procurement needs are normally initiated late leading to late implementation of projects; it is a procurement strategy that is done at a procurement planning stage and it is an important factor of production. Thus, without respecting time, procurement activities are currently faced with problems of delays that is normally brought about by poor procurement planning.

According to Kuuse (2018), it is important to establish the delivery schedules in line with the contractual obligations and that this is done at the procurement planning stage. Costs and deadlines need to be respected in order to act as a control measure.

Figure 2. 1: The public procurement planning process in Uganda



According to Mwanje (2016), procurement processes require timely completion of the project; despite this standard, most entities in Uganda accumulate arrears as a result of poor procurement planning. Unplanned activities normally lead to spending outside the budget according to the 2018 PPDA Annual report (PPDA, 2018). All the expectations of stakeholders need to be studied and assessed so that they are feasible and implementable by the procurement units. The legal requirements that guide public entities in planning have to be adhered to in Uganda as per section 58 of the PPDA Act amended (Nassuna, 2017).

Sabiti et. al., (2011) conducted a study in Uganda on developing public procurement performance measurement systems in developing countries noting how proper planning may influence procurement performance. The study by Sabiti et. al., (2011) established that the key to accountability is the capacity to select the best contractors within the public sector. The internal contractor selection process of government, procurement and personnel have long received sustained attention as the centerpiece of reforms to promote accountability (World Bank, 2017). In Oluka‘s (2018) study on the challenges of procurement, it was pointed out that restricted tendering is a procurement method that limits the request for tenders to a select number of contractors (Oluka, 2018). According to the PPDA regulations of 2017, the restricted procurement method is a two-stage process (PPDA, 2017). In the first stage, the employer advertises their project and invites contractors to express interest to be placed on a selected list of contractors who will be invited to bid for the project (Oluka, 2018).

Planning must be done so that the chain of procurement is complete (Mwanje, 2016). This strategy is widely recommended for most construction clients (Murdoch & Hughes, 2015). In the studies conducted by Merna and Smith (2020), Trickey (2017) and Smith (2018), competitive tendering was seen as the best way to select a bidder with the lowest price. It was argued in the above studies that using lowest price as yardstick for selecting contractors ensures that the client gets value for money through free and fair competition.

Pilcher (2017) notes that planning involves drawing up a shortlist of contractors deemed to have the appropriate qualifications to carry out the proposed work satisfactorily while negotiated or direct tendering is where the client invites a single contractor to submit a tender for a particular project. There is a tendency for entities to prefer using competitive methods of procurement given that they tend to promote transparency, economy and efficiency, and limit favoritism Lynch (2018). However, according to the study conducted by Masterman (2017), there is development of non-traditional procurement systems which seem to be the favorite to most clients of public procurement.

## Needs assessment and performance

Procurement Planning entails the identification of what needs to be procured (which is the result of a Needs Assessment), how the organizations need can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be deployed, setting the time frames, and the accountability for the full procurement process. According to (Ezeh, 2017) Needs Assessment is “a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants. This is important in procurement; because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations).

A good needs assessment will lead to a well thought out project selection through a workshop or challenge session for all the stakeholders involved in a project or service delivery including the beneficiaries of the project or service. This creates an opportunity for stakeholders to carry out a robust Peer review of the project concept and design selection to assure them that what is being proposed is the best solution for the beneficiary’s situation. This model can also be applied to public sector projects to achieve the same results if government projects must succeed.

According to the (PPOA, 2019), the beginning of the procurement process is need realization and identification of the requirements. This is informed by the inventory status, projects plan, production schedules, work plans, capital or operational requirements budgets and the procurement plan. Establishment of the requirements is the foundation for conducting market survey to ascertain aspects such as prices, new products or alternative or substitute products, new sources of supply, nature of competition and environmental aspects that may affect the supply market.

Public service agencies strive to maximize overall ‘value for money’ for citizen’s This requires consideration of issues such as client satisfaction, the public interest, fair play, honesty, justice and equity (Korosec and Bartle, 2017). Recent theorists also point to the importance of public administration as a moral and ethical concern and recognize that administrative action is permeated by moral choices and are therefore models of not only technical and professional competencies but also of moral behavior (Schlosser, 2017).

Efficient public procurement systems are essential to the best performance of public procurement units within public institutions. However, public procurement needs assessment is a key element to the overall efficiency of public sector management because it can contribute to a better allocation of resources and improved performance of PDUs in the public sector. Weak and corrupted procurement plan often lead to a waste of public financial resources, time wastage and higher transaction costs and, therefore, undermine development efforts. The effective procurement planning should acknowledge complexity, identify the right needs and organize the work, manage timetable effectively, follow sound bid evaluation method and develop a smart, fair contract. Effective procurement planning requires organized teamwork: authorities, responsibilities, schedule, and resources (Arrowsmith and Hartley, 2017).

Basheka (2018) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of any public procurement entity’s operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in a PDU. Mullins (2018) asserts that the contribution of procurement needs assessment in facilitating an efficient and effective service delivery in the public sector is generally undisputed in both developed and developing countries. Its contribution to performance of local governments can be both at institutional and departmental procurement levels. Mullin’s study revealed a significant positive relationship between procurement needs assessment as a variable of public procurement planning and performance in PDEs (Mullins, 2018). These results are compared to international research findings, and suggestions are offered for management, policy making, and future research.

Adell, Esquerra and Estevan (2019) indicated that needs assessment encourages innovation through procurement. They further found that need assessment provides transparency and clarity during procurement process and guarantee the product quality by the third-party certification. They further pointed out in their report that most countries which included Spain, UK, Denmark, Portugal and Sweden that participated in procurement assessment have a Green/ Sustainable Public Procurement (GPP/SPP) strategy or action plan.

A Green/ Sustainable Public Procurement (GPP/SPP) strategy or action plan minimizes the environmental impacts purchasing. However, the level of commitment varies from one organization to another. Customer request, legal requirement, market demand, and business needs are the fundamental approaches of setting project performance process. A well-defined project can reduce the risk of changes and delay during project scope definition. A scope definition can be arrived at with effective needs identification which can alleviate the risk of inadequate design that can lead to expensive changes or even project failure (Fageha and Aibinu, 2018).

According to Ezeh, 2017 Procurement Planning entails the identification of what needs to be procured (which is the result of a Needs Assessment), how the organizations need can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be deployed, setting the time frames, and the accountability for the full procurement process. Needs Assessment is “a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants. This is important in procurement; because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations) are directed towards developing and implementing a feasible and applicable solution for identified projects.

The meaning of procurement and purchasing is very similar, but people have moved to a different wording to identify a change in the organization (Basheka, 2018). A few years ago, it was known as purchasing, but consciously changed to procurement. One way of getting people’s attention to this was to change the name. But having done that, purchasing, by definition becomes the transactional piece and procurement becomes the strategic piece. Supply chain management is a procurement tool that was born out of necessity. Demands for newer and more innovative goods and services, limits on resources, and the increasingly complex, interrelated nature of the global market place have each created pressure on public managers to optimize new and innovative process methodologies to meet procurement needs (Basheka, 2014

Burt and Doyle (2018) identified a number of strategic objectives of the e-purchasing function. These objectives were continuous quality improvement, total inventory management, time-based competition, technology access and control, and risk reduction. Organizational performance varies according to various elements of the organization, including strategy, structure, environment, organizational learning, and resource (Cho et al. 2017). Accordingly, different measurements have been adopted by different researchers for measuring performance. Measure performance as operational performance, which include cost efficiency, profitability and productivity. Morash et al. (2019) classified their measurement based on demand-oriented capabilities (that is delivery reliability, responsiveness to target market, and post-sale customer service) and supply-oriented capabilities (that is geographical coverage and reduction in total distribution cost).

## Contract management and performance

Contract management aims at ensuring enforcement of contract terms while giving attention to achievement of stated output and outcome of the contract (Davidson & Sebastian, 2019). According to agency theory, the divergence of interests between principal and agent can be mitigated by instituting proper contract management procedures and by monitoring activities to limit opportunistic actions which are aspects of inter-functional coordination (Kultys, 2016).

According to CIPS, (2016)Contract management “is the process of systematically and efficiently managing contract creation, execution and analysis for maximising operational and financial performance and minimizing risk”. Contract management is the monitoring and control of contractor performance to ensure optimal outcomes from a contract. It includes establishing communication pathways and protocols, monitoring progress toward delivery of contract deliverables, managing payments, controlling variations, measuring contractor performance, and closing out the contract (Asian Development Bank, 2018).

Van Weele, (2018) defines contract management as the process that ensures that all parties to a contract fully meet their obligations, in order to satisfy the operational objectives of the contract and the strategic business goals of the customer. Thus, a well-organized and proactively managed contract management process guarantees supplier performance as it ensures that service delivery is in compliance with agreed contract conditions and standards (Maria, 2018). Therefore, through performance monitoring of the contractor against contract requirements, the potential service difficulties are identified and alternative strategies devised, costs are monitored and kept within budget constraints, identify service improvement opportunities, meets both parties’ business requirements and manage all necessary service changes, thereby improving service delivery (Limberakis, 2017).

Contract management is a process of ensuring that a vendor adequately performs a contracted service (CIPS, 2018). Key suppliers of high value and high-risk goods and services (outsourced service providers, for instance) require close performance and relationship monitoring and this is where most resources should be employed. This may well involve monthly meetings where performance is discussed, issues resolved and new targets set as appropriate. Key supplier failure can bring significant losses to a business, and therefore it is important to ensure that the contract contains suitably robust exit clauses and contingency plans (CIPS, 2018).

With the 2016 procurement law in place, many studies and reports have shown that procurement and contract management in Uganda still lags behind by institutions to initiate procurements; bidding irregularities; requests for reviews during the procurement process; poor supervision and management of contracts; award of contracts to proven incompetent contractors who are unable to complete work in time; disputes resolutions by courts which are costly and unreliable; and unexplained delays in processing contractors’ payments (Sabiti CK, Muhumuza E, Tumtegyereize, 2018) which further affects programme implementation and makes contractors quote high prices. Muhakanizi & Malta (2018) adds that contract management is a most neglected stage in procurement and contractors collude with some dishonest civil servants and claims for partially delivered or non-delivered items.

These could be because of increase procurement budget and complexity of contract management. In Uganda, public procurement remains a strategic function since 55-70% of annual government expenditure is spend on public procurement, (Komakech RA, 2016). Mbabazi et al (2019) assert that Uganda channels about US$ 700 million a year from domestic revenue resources and donor funds through the public procurement processes. On the sad note the World Bank estimates that 10-15% of this amount (US$100 million) is wasted due to weak procurement structures, policies and procedures in which weak contract management is being highlighted as the main cause of loss. According to Basheka & Kabatereine (2018) the authors suggested that the reforms have also created a new set of challenges in service delivery.

In the event that the monitoring process is managed outside the Procurement and Supply Management (P&SM) function, it is essential to ensure the staff have sufficient authority and training to enable them to carry out their role. According to CIPS (2018), it is of critical importance that whoever carries out performance monitoring (and especially the review meeting with suppliers) has the correct skills and the full support of the P&SM function. This is particularly important when the payment mechanism in the contractual arrangement is contingent on supplier performance measures (CIPS, 2018). This recommendation presupposes that staff of an organization like Entebbe municipal council should engage in capacity building in order to enable her staff acquire the competences of handling the associated activities.

Training in contract monitoring increases the likelihood that an individual will monitor contracts reliably by giving them the appropriate background knowledge related to contracts (Hutton, 2016). Programme officials, who likely perform much of the day-to-day monitoring of vendor performance, may lack expertise in contract monitoring. When services are contracted out, the program official ‘s duties evolve from that of performing the function to that of managing a vendor (Nassuna, 2017). Programme officials’ expertise in the contracted service becomes only a portion of their job; it also becomes necessary for them to develop new skills in order to monitor a vendor performing that service (Hutton, 2016). Hutton (2016) further posits that for better administration and monitoring of contracts, management of organizations ought to formulate and have written policies and procedures on board as these serve as a guide to agencies and their personnel in ensuring a consistent, high quality contract monitoring process.

# Conceptual framework

# Figure 2.2: Conceptual framework showing the relationship between procurement management and performance.

**Independent Variable Dependent Variable**

**Performance**

* Productivity
* JIT operations
* Efficiency
* Effectiveness

**Procurement management**

Procurement planning

Needs assessment

Contract management

 **Intervening Variables**

Existing policy

Organisational strategy

Management style

***Source:*** *Model based on literature review and modified by researcher, (2021)*

The conceptual framework reflects two variables namely procurement management as the independent variable and performance of EM as the dependent variable. In other words, it’s conceptualized that performance of EM depends on procurement management.

In the conceptual framework, the elements of procurement management include procurement planning, needs assessment and contract management and can have a direct or indirect impact on procurement performance by affecting dimensions such as productivity, JIT operations efficiency and effectiveness.

# CHAPTER THREE

# RESEARCH METHODOLOGY

# Introduction

Research methodology is the systematic, theoretical analysis of the procedures applied to a field of study (Kothari, 2014). Methodology involves procedures of describing, explaining and predicting phenomena so as to solve a problem; it is the ‘how’; the process, or techniques of conducting research. In this chapter an attempt is made to point out the area, context, and design of the study. This is aimed at providing a background against which the findings of the study were assessed regarding their validity, reliability and conclusions to be made. Consequently, this chapter provides a description of the research design and the methodology which was used in collecting, processing and analyzing data, the types of respondents and the research tools used as well as procedures for data collection and methods of data analysis applied or used while carrying out the study.

# Research design

Polit et al (2019) define a research design as the researcher’s overall strategy for answering the research questions or testing the research hypothesis. Burns and Grove (2016) define a research design as a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings. Parahoo (2018) describes a research design as a plan that describes how, when and where data are to be collected and analyzed. The researcher chose an appropriate research design, with a major focus on how Entebbe municipal council is weaving its way towards improving its performance amidst ‘shouting’ challenges. The research design used by the researcher was a cross-sectional research design, data was collected at one point in time and this kind of design is preferred because it is cheaper and time friendly.

## Research approach

The study adopted a combination approach of the two phenomenological and the positivism approaches. The study based upon both quantitative and qualitative data. Phenomenological approach used to describe the social aspects of the respondents and to explain the issues relating to procurement management. On the other hand, positivism was employed to express the relationship between procurement management activities and performance of Entebbe municipal council.

## Research classification

The study used both approaches to describe various characteristics of variables in the study and gathering in-depth data about the topic. Quantitative approach was used to quantify incidences in order to describe current conditions and assess the measures employed by Entebbe municipal council in the ensuring proper procurement management and as thus improve its performance using information gathered from the questionnaires. And the qualitative approach gave explanations of events and describe findings using interviews.

# Study population

Parahoo (2018) defines population as “the total number of units from which data can be collected”, such as individuals, artifacts, events or organizations. The study targets a population of 138 respondents at Entebbe Municipal Council. These include all members directly associated with procurement in the municipal council, staff and community members or the public users of the services provided by the municipality. This category of respondents was chosen because it is expected to have relevant and valid information about the study variables and how they are operationalised in Entebbe Municipal Council.

|  |  |
| --- | --- |
| **Category of respondents** | **Study population** |
| Administration | 31 |
| Finance | 18 |
| Works | 23 |
| Procurement  | 4 |
| Production And Marketing | 8 |
| Community Based Services | 7 |
| Audit Section | 4 |
| Community members  | 43 |
| **Total**  | **138** |

 ***Source:*** *Adopted from the Audit Report (2015) and modified by the researcher (2021)*

# Sample size

Kothari, (2014) described sample size as the total number of units or items used to represent the characteristics of whole population Sample size must satisfy some requirements such as representativeness, flexibility, efficiency and reliability. The study employed Krejcie and Morgan's (1970) to get a sample of 103 from the population of 138. This technique is preferred because, according to Oso and Onen (2020), it selects samples without bias from the accessible population. It also ensured that each member of the target population has an equal and independent chance of being included in the sample.

# Sample size determination

This study adopted Krejcie and Morgan's (1970) simplified heuristics population and sample guidelines to determine the sample size. From the population of 138, a sample size of 103 staff were selected based on Krejcie and Morgan sample size table in (Appendix A).

# Table 3.1: Population stratification and distribution

|  |  |  |  |
| --- | --- | --- | --- |
| **Category of respondents** | **Study population** | **Sample size** | **Sampling technique** |
| Administration | 31 | 22 | simple random |
| Finance | 18 | 14 | simple random |
| Works | 23 | 15 | simple random |
| Procurement  | 4 | 3 | Purposive |
| Production And Marketing | 8 | 8 | Purposive |
| Community Based Services | 7 | 9 | Purposive |
| Audit Section | 4  | 4 | Purposive |
| Community (end users) | 43 | 28 | simple random |
| **Total** | **138** | **103** |  |

***Source:*** *Adopted from the Audit Report (2015) and modified by the researcher (2021)*

# Sampling methods

The sample method involves taking a representative selection of the population and using the data collected as research information. Latham (2017) states that a sample is a subgroup of a population. It has also been described as a representative “taste” of a group according to Berinstein (2017). These authors argue that the sample should be representative in the sense that each sampled unit represents the characteristics of a known number of units in the population. Two standard categories of the sampling method exist. These two categories are probability sampling and non- According to McCabe (2020), sampling methods are important in identifying the population of interest. In this study, the following are the sampling methods to be employed.

## Purposive sampling method

The researcher used the purposive method of sampling to select respondents from various departments; these are expected to have firsthand information about the study variables. This method was important because it dictated the nature of the study which aims at getting information from specific respondents.

## Simple random sampling

Simple random sampling was to be used to select respondents from the sample size. This method is important because it gave respondents an equal chance of participating in the study and as such eliminates elements of bias.

# Data sources

The researcher used both primary and secondary sources of data.

## Primary data sources

Galvan, (2018) the term primary source is used broadly to embody all sources that are original. Primary sources provide firsthand information that is closest to the object of study. Original reports of research found in academic journals detailing the methodology used in the research, in-depth descriptions, and discussions of the findings are considered primary sources of information. Another common example of primary sources are the interviews. Primary data was mainly and generally gathered from the management of Entebbe municipal council.

## Secondary data sources

Galvan (2018) defines a secondary data sourceas a source that provides non-original or secondhand data or information. Secondary sources are written about primary sources. Research summaries reported in textbooks, magazines, and newspapers are considered secondary sources. Always primary data is backed with secondary data to bring out certain topic aspects like the background, literature review and several compulsions. Reference was made from journals, brochures, publications, and several management reports of Entebbe municipal council on top of the internet.

# Data collection methods

McMillan et al (2015) contends that data collection includes a broad range of more specific techniques. Historically, much of the data collection performed in educational research depended on methods developed for studies in the field of psychology, a discipline which took what is termed a “quantitative” approach. The researcher employed three major data collection methods, namely, the survey, documentary review and the interview.

## Survey method

Survey methodology studies the [sampling](https://en.wikipedia.org/wiki/Sample_%28statistics%29) of individual units from a [population](https://en.wikipedia.org/wiki/Population_%28statistics%29) and the associated [survey data collection](https://en.wikipedia.org/wiki/Survey_data_collection) techniques, such as [questionnaire construction](https://en.wikipedia.org/wiki/Questionnaire_construction) and methods for improving the number and accuracy of responses to surveys. Survey methodology includes instruments or procedures that ask one or more questions that may, or may not, be answered. The essence of survey method can be explained as “questioning individuals on a topic or topics and then describing their responses” (Jackson, 2011). According to Scheuren (2014) the word survey is used most often to describe a method of gathering information from a sample of individuals. The researcher used a survey method to collect a large amount of data from the study population in a highly economical way. The survey method also enabled the researcher to have control over the research process.

## Documentary review

The use of documents often entails a specialized analytical approach called content analysis. The raw material for content analysis may be any form of communication, usually written materials (textbooks, novels, newspapers, e-mail messages); other forms of communication—music, pictures, or political speeches were also included. Historically, content analysis was viewed as an objective and neutral way of obtaining a quantitative description of the content of various forms of communication; thus, counting the mention of specific items were important (Berelson, 1952). As it has evolved, however, it is viewed more generously as a method for describing and interpreting the artifacts of a society or social group. The researcher used documentary review to collect supporting information to that primarily collected. The method proves to be a cheaper means of data collection which saves time and financial resources of the researcher while in the process providing reliable information for the task.

## Interview method

Kahn and Cannel (1957) describe interviewing as “a conversation with a purpose.” An interview yields data in quantity at a faster pace. The interview method was used to collect data from the employees of Jubilee Insurance Company, using a pre-determined interview guide. Questions were asked by the researcher while the respondents answer and the researcher takes notes. The researcher chose this method due to its flexibility in addition to saving time and being less costly.

# Data collection instruments

A data collection instrument refers to the device used to collect data, such as a paper questionnaire or an interviewing system.Abawi (2018) postulates that Accurate and systematic data collection is critical to conducting scientific research. Data collection Instruments allow to collect information that we want to collect about a study. The researcher used a number of data collection instruments including primary and secondary ones such as questionnaires, interview guides, reports, journals and magazines.

## Self-Administered Questionnaires

Abawi (2018) a questionnaire is a data collection instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. The questionnaire was invented by Sir Francis Galton. Questionnaires allow collection of both subjective and objective data in a large sample of the study population in order to obtain results that are statistically significant especially when resources are limited. The researcher will give out questionnaires to the different respondents that is the management and the employees of Entebbe municipal council. The Questionnaires will be handed over in person by the researcher and then collected later after being filled in by the respondents at their convenient time. For respondents with sight problems, they were assisted by the researcher himself through direct discussion and assistance in filling the questionnaires. Open ended and closed ended questions will be used and this helped in eliminating bias in answering questions. This is because it gives people time to answer the questions and it is such a cheap method in addition to saving time.

## Interview guide

The interview guide was used to collect data from the Insurance company management using a pre-determined interview guide. Predetermined questions were asked by the researcher while the respondents answer and the researcher took notes. The researcher chose this instrument due to its flexibility in addition to saving time and being less costly.

# Data Quality Control

Data reliability deals with the consistency of the tools used in achieving the expected results whereas data validity is the soundness of the data collected in extracting the required information from the respondents

## Reliability of the research instruments

The reliability of the data collection instruments was tested by subjecting the self-administered questionnaire to a pre-test. Ten voluntary respondents will be contacted to fill the questionnaire at the pilot stage. These were not contact again during the final data collection. The pilot data collected was pre-tested using the Cronbach alpha reliability test. Only those scales/ items that loaded up to 0.700 and above with an Eigen Value above one (01) were maintained to the final data collection instrument.

|  |
| --- |
| Table 3.2: Reliability Statistics for Procurement planning |
| Cronbach's Alpha | N of Items |
| .885 | 8 |

**Source: Primary data**

|  |
| --- |
| Table 3.3: Reliability Statistics for Needs assessment |
| Cronbach's Alphaa | N of Items |
| .884 | 8 |
|  |

**Source: Primary data**

|  |
| --- |
| Table 3.4: Reliability Statistics for Contract management |
| Cronbach's Alpha | N of Items |
| .885 | 8 |

**Source: Primary data**

# Overall Reliability results

|  |
| --- |
| Table 3.5 Reliability Statistics  |
| Cronbach's Alpha | N of Items |
| .906 | 24 |

**Source: Primary data**

## Validity of research instruments

Cook and Campbell (1979) define validity as the ‘best available approximation to the truth or falsity of a given inference, proposition or conclusion’. Validity of the research instruments was ascertained by discussing the questionnaires draft with the research supervisor. To ensure that these questionnaires are valid, they were pretested in the study area using a reasonable number of respondents who have knowledge about procurement management and performance. The supervisor and other experts in the field were be consulted about the content validity of the instruments, ambiguity of question items and their relevance. The instrument was given to raters who rated the relevance of each item and a Content Validity Index (CVI) was computed using the following formula.

CVI = R

 R + N + IR

Where;

CVI = Content Validity Index

R = Total number of items rated as relevant

N = Total number of items rated as neutral

IR =Total number of questions rated as relevant

So using the formula above, the researcher will calculate the Content Validity Index for the questionnaire.

**Content relevance scale**

1: Irrelevant item, 2: Somewhat relevant, 3: Mostly relevant, 4: Extremely relevant

**For item 1 (Procurement planning): Three experts rated the item “2” and Seven experts rated it “3”**

CVR= Proportion of experts who rated item as content valid (a rating of 3 or 4)/ Total number of experts who rated it

CVR= 5/10, this means that the content validity ratio is 0.70

**For item 2 (Needs assessment): Two experts rated the item “2” and Eight experts rated it “4”**

CVR= Proportion of experts who rated item as content valid (a rating of 3 or 4)/ Total number of experts who rated it

CVR= 8/10, this means that the content validity ratio is 0.80

**For item 3 (Contract management): Three experts rated the item “1” and Nine experts rated it “3”**

CVR= Proportion of experts who rated item as content valid (a rating of 3 or 4)/ Total number of experts who rated it

CVR= 9/10, this means that the content validity ratio is 0.90

Overall CVR= (0.70+0.80+0.90)/3= 0.80

It can be concluded that, basing on the content validity ratio results of the variables above, leads to an overall CVR of 0.80.

# Data management

Data processing is a set of methods that are used to input, retrieve, verify, store, organize, analyze or interpret a set of data. Data processing enables information to be automatically extracted from data, and could be used in computational biology and bioinformatics to organize a large set of 'omics data. The process included editing, coding and tabulation before data is analyzed.

## Qualitative data management

Qualitative data from the field was sorted, edited, organized and summarized to give it more meaning. Un-filled and incomplete questionnaires was dropped at this stage. Cleaned data was then coded, then followed by assigning numerical figures to the responses given.

## Quantitative data management

The statistical package for Social Scientists (Version 25) was used to manage quantitative data. Both frequency and statistical techniques were employed in management of the data.

# Data analysis and control

Marshall (2017) describes data analysis as the process of bringing order, structure and meaning to the mass of collected data. Shamoo and Resnik (2016) defined Data Analysis as the process of systematically applying statistical and/or logical techniques to describe and illustrate, condense and recap, and evaluate data. This process is described as messy, ambiguous and time consuming, but also as a creative and fascinating process. The findings were interpreted in light of the research objectives and literature review to answer the questions.

## Quantitative data analysis

Quantitative data was analysed using the Statistical Package or Social Sciences (SPSS Version 25). The Statistical Package for Social Sciences was used because it is a statistical software which enables generation of raw data into statistical information.

## Qualitative data analysis

Qualitative data collected was compiled, edited, coded and categorised through finding patterns, trends and relationships from the information gathered. Primary data collected like interviewees responses will be analysed for content and finding patterns which was discussed in line with the research objectives in order to establish areas of convergence and divergence. The analysis involved listing and summarizing data in compilation sheets of developed themes.

# Measurement of variables

The measurement of ordinal variables was made on a 5-point Likert scale questionnaire with a five-category response continuum of Strongly Agree (SA), Agree (A), Not Sure (NS), Disagree (D) or Strongly Disagree (SD).

# Data presentation

Data was presented using tables, frequencies, percentages and so forth where the situation was deemed fit and this enabled the researcher to identify the outstanding or significant features in the collected data which was presented in the report accompanied with genuine recommendations.

# Ethical considerations

Research ethics refers to the appropriateness of the researcher’s behaviour in relation to those who become the subject of the research work. The ethical considerations are that’ the research proposal is designed in such a way that it is in line with prevailing ethical standards.

At all stages, the researcher upheld the principle of respect for all respondents irrespective of occupation, profession, age, gender, among other characteristics. Due acknowledgement was made wherever other authors’ research work was used in this study. Confidentiality was maintained for the sake of protecting respondents who volunteered to give information pertinent to the study.

# Limitations and delimitations to the study

Low-response: The researcher faced a problem of non-response from the respondents about particular questions especially through interview sessions probably because they may be too busy. The researcher overcame this limitation by administering many questionnaires as possible so as to eliminate higher likelihood of low response.

# CHAPTER FOUR

# PROCUREMENT PLANNING AND PERFORMANCE OF EM

# Introduction

This chapter deals with the objective of the study; how Procurement Planning influences the performance of Entebbe Municipal Council. The chapter aims at determining the situation at Entebbe Municipal Council whether performance has been improved through procurement planning activities.

# Response rate

The researcher distributed 103 questionnaires to respective respondents however only 89 of these were filled and returned; this showed a response rate of 86.4%. For survey research such as the current study is above 70% therefore it is accepted rate.

# Age

Here the researcher sought to determine the age bracket in which the respondents belonged; results are highlighted in table 4.1

|  |
| --- |
| Table 4.1: Age  |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 20-29 Years | 21 | 23.6 | 23.6 | 23.6 |
| 30-39 Years | 32 | 36.0 | 36.0 | 59.6 |
| 40-49 Years | 19 | 21.3 | 21.3 | 80.9 |
| 50-59 Years | 12 | 13.5 | 13.5 | 94.4 |
| 60 and above | 5 | 5.6 | 5.6 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

Results in table 4.1 revealed that majority of respondents belonged to the age group between 30-39 years of age. This age bracket is considered to be that of active educated individuals within the bureau, however, minority of the respondents 5.6% belonged to the age bracket of 60 years and above. These results reflect that EM mostly employs young educated youth, these are assumed to have updated and valid information about talent management and as such provided accurate data.

# Gender of respondents

The researcher also sought to determine the gender in which the respondents belonged, and the results are presented in table 4.2

|  |
| --- |
| Table 4.2: Gender of respondents |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 49 | 55.1 | 55.1 | 55.1 |
| Female | 40 | 44.9 | 44.9 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

According to results in the table 4.2, results indicate that majority of respondents that is 55.1% belonged to the male gender while minority belonged to the female gender with 44.9%. The results can be interpreted to mean that most of the responsibilities in the municipality are performed by males hence they provided most of the information for the study. However, the females were also well represented and as such the study did not suffer gender discrimination in participation.

# Level of education

The researcher also needed to assess and understand the level of education attained by respondents. The results to the question are captured in table 4.3

|  |
| --- |
| Table 4.3: Highest education level attained |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Certificate | 9 | 10.1 | 10.1 | 10.1 |
| Diploma | 24 | 27.0 | 27.0 | 37.1 |
| Bachelor | 34 | 38.2 | 38.2 | 75.3 |
| Master | 15 | 16.9 | 16.9 | 92.1 |
| Others, specify | 7 | 7.9 | 7.9 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

Results in table 4.3 revealed that majority of the respondents had degree of bachelor degree as the highest level of education, this was represented by 38.2%, 27.0% had diploma, 16.9% had master degree, 7.9% of the respondents specified that they had post graduate diplomas in various fields, The results can be interpreted to mean that respondents were knowledgeable to have a clear understanding of about the study variables hence provided reliable and relevant data.

# Length of work with Entebbe Municipality

The respondents were also asked to identify the period of time that they had served at the municipality and the results are summarised in table 4.4

|  |
| --- |
| Table 4.4: Length of work with Entebbe Municipality |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 0-5 Years | 29 | 32.6 | 32.6 | 32.6 |
| 5-10 Years | 32 | 36.0 | 36.0 | 68.5 |
| Above 10 Years | 28 | 31.5 | 31.5 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

Results in table 4.4 indicate that the majority of respondents that is 36.0% had served for a period of 5-10 years, 32.6% had served for a period of 0-5 years while 31.5% had served for a period of above 10 years. This can be implied to mean that the respondents had been in the municipality for a longer time to have a clear understanding about the study variables to provide a more reliable and relevant information for the study.

# Descriptive statistics on procurement planning influences the performance

## The procurement planning for every accounting period is depends on annual budget approval

The researcher sought to determine whether the procurement planning depends on annual budget approval. The results to the question are presented in table 4.5

|  |
| --- |
| Table 4.5: Procurement planning depends on annual budget approval |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 5 | 5.6 | 5.6 | 5.6 |
| Disagree | 10 | 11.2 | 11.2 | 16.9 |
| Not sure | 4 | 4.5 | 4.5 | 21.3 |
| Agree | 34 | 38.2 | 38.2 | 59.6 |
| Strongly agree | 36 | 40.4 | 40.4 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 4.5 indicate that 5.6% strongly disagreed, 11.2% disagreed, 4.5% were not sure, 38.2% agreed while 40.4% strongly agreed. The results also showed that majority of the respondents 78.6% generally agreed to the statement, this means that the feasibility of procurement activities is linked to the annual budget which determines the capacity and institutional context of Entebbe Municipality. Respondents revealed that during budget preparation, trade-offs and prioritization is done to ensure that the budget fits the municipality policies and priorities. It was indicated that the municipality calls for a full understanding of the budget planning and preparation so as to effectively fit the needs of procurement, this is aimed at controlling government expenditures at the upstream point of budget preparation than later during the execution of the procurement activities.

## Procurement work planning is conducted by competent procurement officers at the municipality

The researcher also sought to determine whether procurement work planning is conducted by competent procurement officers. The findings are summarised in table 4.6

|  |
| --- |
| Table 4.6: Procurement planning is conducted by competent procurement officers |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 31 | 34.8 | 34.8 | 34.8 |
| Disagree | 31 | 34.8 | 34.8 | 69.6 |
| Not sure | 12 | 13.5 | 13.5 | 83.1 |
| Agree | 7 | 7.9 | 7.9 | 91.0 |
| Strongly agree | 8 | 9.0 | 9.0 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 4.6 reveal that 7.9% of the respondents agreed, 9.0% strongly agreed, 13.5% were not sure, 34.8% strongly disagreed while 34.8% also disagreed, this shows that majority of the respondent generally agreed to the statement. This can be interpreted to mean that the municipality has had issues of in competencies amongst its procurement department. During an interview session a key respondent mentioned that;

*“We have had previous cases of incompetent procurement officers who lacked adequate knowledge in procurement and placed serious implications such as breaches in the codes of conduct to the municipality, this situation caused delays and dissatisfaction in service delivery at the municipality”.*

This means that there is need for procurement professionals who can effectively manage and coordinate the procurement activities.

## All procurement plans are based on procurement needs identified

The respondents were asked whether all procurement plans are based on procurement needs identified. The responses to the question are highlighted in table 4.7

|  |
| --- |
| Table 4.7: All procurement plans are based on procurement needs identified |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 24 | 27.0 | 27.0 | 27.0 |
| Disagree | 36 | 40.4 | 40.4 | 67.4 |
| Not sure | 8 | 9.0 | 9.0 | 76.4 |
| Agree | 10 | 11.2 | 11.2 | 87.6 |
| Strongly agree | 11 | 12.4 | 12.4 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 4.7 indicate that 27.0% of the respondents strongly disagreed, 40.4% disagreed, 9.0% were not sure, 11.2% agreed while 12.4% strongly agreed to the statement. There was a combined response percentage of 67.4% of respondents who generally disagreed; this can be implied to mean that some of the procurement requirements are not always identified. Respondents revealed that the municipality has had cases where its vendors/ suppliers do not meet the approved requirements or quality of services or products they are contracted to deliver, however, it was revealed that this is mainly due to failure on the part of the municipality to thoroughly identify all procurement needs during procurement planning.

## All procurement plans are based on procurement needs assessed

The respondents were also asked whether all procurement plans are based on procurement needs assessed. The responses to the question are presented in table 4.8

|  |
| --- |
| Table 4.8: All procurement plans are based on procurement needs assessed |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 29 | 32.6 | 32.6 | 32.6 |
| Disagree | 32 | 36.0 | 36.0 | 68.5 |
| Not sure | 10 | 11.2 | 11.2 | 79.8 |
| Agree | 14 | 15.7 | 15.7 | 95.5 |
| Strongly agree | 4 | 4.5 | 4.5 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 4.8 indicate that 32.6% strongly disagreed, 36.0% disagreed, 11.2% were not sure, 15.7% agreed while 4.5% strongly agreed to the statement. Majority of the respondents 68.6% of the respondents generally disagreed to the statement; this can be used to conclude that the municipality does not effectively maximise its spending and fails to attain value contribution in a manner that would support its overall business operational strategy. Respondents also indicated that there is no standardised process which reflects a clear understanding of inputs that can help the municipal council determine clear strategies for their departmental functions and to also maybe provide meaningful forecasts, cost and budget data. This means that there is lack of provision of operational metrics which can help the municipality achieve its service delivery objectives.

## Procurement planning is dependent on activities, goods and services required

The researcher also aimed at determining whether procurement planning depends on activities, good and services required. The responses to this question are reflected in table 4.9

|  |
| --- |
| Table 4.9: Procurement planning is dependent on activities, goods and services required |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 4 | 4.5 | 4.5 | 4.5 |
| Disagree | 5 | 5.6 | 5.6 | 10.1 |
| Not sure | 13 | 14.6 | 14.6 | 24.7 |
| Agree | 27 | 30.3 | 30.3 | 55.1 |
| Strongly agree | 40 | 44.9 | 44.9 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 4.9 showed that 4.5% of the respondents strongly disagreed, 5.6% disagreed, 14.6% were not sure, 30.3% agreed while 44.9% strongly agreed to the statement. The results also showed that majority 75.2% generally agreed to the statement, this can be implied to mean that the procurement team uses gathered information to determine the approach of obtaining the goods or services required. It was revealed that after this then the team is left with the task of determining what type of contract is most appropriate. During an interview session, a key respondent revealed that

“*Determining the type of procurement contract planning is when management plans out each individual contract for the required good, services and activities and how these will be managed under the contract”.*

This means that procurement determines the metrics effective to identify required activities, goods and services in the municipality.

## Planning is conducted for the required goods

The respondents were asked whether planning is conducted for the required goods. The results are summarised in table 4.10

|  |
| --- |
| Table 4.10: Planning is conducted for the required goods |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 14 | 15.7 | 15.7 | 15.7 |
| Disagree | 11 | 12.4 | 12.4 | 28.1 |
| Not sure | 11 | 12.4 | 12.4 | 40.5 |
| Agree | 24 | 27.0 | 27.0 | 67.5 |
| Strongly agree | 29 | 32.6 | 32.5 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

According to results in Table 4.10 it is seen that 27.0% strongly agreed, 32.6% disagreed, 12.4% were not sure, and 15.7% agreed while 12.4% strongly agreed. There was a combined percentage of 59.6% of respondents who generally disagreed to the statement; this means that the procurement team at the municipality decides what they need, who will provide the products and when orders will be fulfilled. It was also indicated that many departments within the municipality are involved in the procurement team for identifying required good so as to aid in decision making processes and also maintain efficiency. Respondents revealed that during this process, a team member is assigned to each stage, such as request proposal, vender research and approval process in order to determine what procurement strategy best meets the needs of the organisation.

## Annual budget plays an important role in procurement work planning within the municipality

Respondents were asked whether the annual budget plays an important role in procurement planning. The responses to the question are summarised in table 4.11

|  |
| --- |
| Table 4.11: Annual budget plays an important role in procurement planning |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 4 | 4.5 | 4.5 | 4.5 |
| Disagree | 8 | 9.0 | 9.0 | 13.5 |
| Not sure | 12 | 13.5 | 13.5 | 27.0 |
| Agree | 29 | 32.6 | 32.6 | 59.6 |
| Strongly agree | 36 | 40.4 | 40.4 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 4.11 indicate that 4.5% of the respondents strongly disagreed, 9.0% disagreed, 13.5% were not sure, 32.6% agreed while 40.4% strongly agreed respectively. The results indicate that majority 73.0% generally agreed, this can be implied to mean that the annual budget is an important tool in financial management because it informs the procurement team what can and cannot be afforded. It was indicated that the annual approved budget serves to support the purchasing strategy of the municipality. It was also indicated that following the budget during procurement planning ensures transparency across all departments since finance is in a better position to be better equipped in finding savings against their procurement requirements. s

## Policies established ensure sound procurement management

The respondents were asked whether policies established ensure sound procurement management. The results are showed in table 4.12

|  |
| --- |
| Table 4.12: Policies established ensure sound procurement management |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 14 | 15.7 | 15.7 | 15.7 |
| Disagree | 13 | 14.6 | 14.6 | 30.3 |
| Not sure | 12 | 13.5 | 13.5 | 43.8 |
| Agree | 24 | 27.0 | 27.0 | 70.8 |
| Strongly agree | 26 | 29.2 | 29.2 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 4.12 indicate that 15.7% strongly disagreed, 14.6% disagreed, 13.5% were not sure, 27.0% agreed while 29.2% strongly agreed to the statement. The results also indicated that 56.2% generally agreed to the statement which implies that the municipality ensures to achieve sound procurement practice and preserve public trust and public interest. It was indicated that the establishment of sound procurement policies and practices is an integral part of the procurement process that ensures fundamental principle of good procurement practice. The municipality ensures open and fair procedures as established in the PPDA Act 2016 for awarding public sector contracts for goods, works and services hence procedures form a basis for establishing accountability and cost-effective use of public funds.

# Testing implied hypothesis 1

There is no significant relationship between procurement planning and performance of Entebbe Municipality.

# Correlation analysis

The hypothesis was verified using the Pearson correlation coefficient and the results of the hypothesis are given below.

|  |
| --- |
| Table 4.13: Correlations for procurement planning and performance of EM |
|  | Procurement planning | Performance of EM |
| Procurement planning | Pearson Correlation | 1 | .704\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 89 | 89 |
| Performance of EM | Pearson Correlation | .704\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 89 | 89 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). |

**Source: Primary data (2021)**

The results show that the correlation coefficient is .704(\*\*) at significance level 0.000. This implies that the performance of Entebbe Municipality is significantly attributed to procurement planning. Therefore, according to the results in table 4.13, there is a positive significant relationship between procurement planning and performance of EM. Based on these results, the alternative hypothesis that was earlier postulated is rejected.

# Regression analysis

|  |
| --- |
| Table 4.14: Model Summary |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .704a | .695 | .469 | .673 |
| a. Predictors: (Constant), Procurement planning. |

**Source: Primary data (2021)**

From the regression analysis results in table 4.14 above show 69.5% variations in the performance of EM are attributed to procurement planning. This table also provides the R and R2 value. The R value is 0.704, which represents the strong correlation and therefore, indicates a high degree of correlation. The R2 value indicates how much of the dependent variable (performance of EM) is attributed to the independent variable (procurement planning). The standard error of estimate is .673 and the adjusted R square value is .695. This value therefore, implies that procurement planning positively predicts the performance of EM. Based on these results of this regression analysis, performance of EM is dependent on procurement planning by 69.5%.

# CHAPTER FIVE

# NEEDS ASSESSMENT AND PERFORMANCE OF EM

# Introduction

This chapter presents findings on objective two; how needs assessment influences the performance of Entebbe Municipal Council. The findings are presented in descriptive tables showing percentages and are further explained using correlation and regression analysis to show the relationship between the two variables and the extent to which the independent variable affects the dependent variable. The findings under this objective are presented in the following tables;

# Descriptive statistics on procurement needs

## The process of procurement needs assessment involves all user departments at the municipality

The respondents were asked whether the process of procurement needs assessment involves all user departments at the municipality. The results are presented in table 5.1

|  |
| --- |
| Table 5.1: The process of procurement needs assessment involves all user departments |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 24 | 27.0 | 27.0 | 27.0 |
| Disagree | 28 | 31.5 | 31.5 | 58.4 |
| Not sure | 10 | 11.2 | 11.2 | 69.7 |
| Agree | 13 | 14.6 | 14.6 | 84.3 |
| Strongly agree | 14 | 15.7 | 15.7 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 5.1 indicate that majority of the respondents that is 27.0% and 31.5% disagreed and strongly disagreed respectively, 11.2% were not sure noting that the details are vague to them, 14.6% agreed while 15.7% strongly agreed. Since majority of the respondents generally disagreed, it can be implied to mean that every procurement process involves several elements involved in user departments within the municipality; these include requirements determination, supplier research, value analysis, raising a purchase request, conversation to purchase order and payment fulfillment and record keeping, this is what calls the need for involvement of all user departments. The involvement of all user departments enables the municipality to sketch out an accurate plan for procuring goods and services in a timely manner and at a reasonable cost.

## All procurement needs are assessed only when the Budget is approved

The respondents were asked whether all procurement needs are assessed only when the budget is approved. The results to the question are summarised in table 5.2

|  |
| --- |
| Table 5.2: All procurement needs are assessed only when the budget is approved |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 5 | 5.6 | 5.6 | 5.6 |
| Disagree | 8 | 9.0 | 9.0 | 14.6 |
| Not sure | 12 | 13.5 | 13.5 | 28.1 |
| Agree | 30 | 33.7 | 33.7 | 61.8 |
| Strongly agree | 34 | 38.2 | 38.2 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 5.2 indicate that 5.6% of the respondents strongly disagreed, 9.0% disagreed, 13.5% were not sure, 33.7% agreed while 38.2% strongly agreed to the statement respectively. Since majority 71.9% generally agreed to the question, it can be implied to mean that budgeting allows the municipality to control its spending. Respondents revealed that assessment of all procurement needs is done only after approval of the budget because none of the procurement personnel seat at the budgeting table, they are merely recipients of the municipality’s budget and have to make ends meet with what is allocated to them, hence assessment process. However, it was noted that all procurement officers are a vital part of the budget making process.

## The process of procurement needs identification are based demand of user departments

Here the researcher sought to establish whether procurement needs identification is based on demand of user departments. The responses to the question are summarised in table 5.3

|  |
| --- |
| Table 5.3: Procurement needs identification is based on demand of user departments |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 8 | 9.0 | 9.0 | 9.0 |
| Disagree | 12 | 13.5 | 13.5 | 22.5 |
| Not sure | 17 | 19.1 | 19.1 | 41.6 |
| Agree | 23 | 25.8 | 25.8 | 67.4 |
| Strongly agree | 29 | 32.6 | 32.6 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 5.3 indicate that 9.0% of the respondents strongly disagreed, 13.5% disagreed, 19.1% were not sure and majority of the respondents that is 58.4% generally agreed to the statement, this can be used to conclude that the municipality focuses its needs identification based on priority needs in the organisations department. Respondents revealed that some offices have more pressing needs than others, therefore, after needs identification is done based on those departments known to have more demand for services or products that can smoothly ensure the effectiveness of the municipality. During an interview session, a key respondent added that;

“*Based on the demand of user department, the municipality can choose to focus on a single priority or more than one depending on the department requirements”.*

This means that the procurement needs identification monitors the progress of procurement activities in the organisation.

## All procurement needs assessment at the municipality is determined based on the annual budget

The respondents were also asked whether procurement needs assessment is determined based on annual budget. The responses to the question are presented in table 5.4

|  |
| --- |
| Table 5.4: Procurement needs assessment is determined based on annual budget |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 14 | 15.7 | 15.7 | 15.7 |
| Disagree | 11 | 12.4 | 12.4 | 28.1 |
| Not sure | 18 | 20.2 | 20.2 | 48.3 |
| Agree | 22 | 24.7 | 24.7 | 73.0 |
| Strongly agree | 24 | 27.0 | 27.0 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 5.4 also indicate that 15.7% of the respondents strongly disagreed, 12.4% disagreed, 20.2% were not sure, 24.7% agreed while 27.0% strongly agreed to the statement. Since majority of the respondents generally agreed to the statement, it can be implied to mean that procurement budget determines what the municipality can and cannot afford depending on the set budget. The respondents also revealed that procurement needs assessment also warns when the finances are out of control and identifies when over-spending occurs that could affect the procurement process. It was also indicated through procurement needs assessment the municipality can purchase office supplies, office furniture, computers or materials to ensure achievement of

## Determination of Terms of Reference for the goods/services is in compliance with the PPDA Act 2016

The respondents were asked whether compliance with PPDA is adhered to when determining terms of reference for good and services. The responses are presented in table 5.5

|  |
| --- |
| Table 5.5: Compliance with PPDA is adhered to when determining terms of reference for good and services |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 9 | 10.1 | 10.1 | 10.1 |
| Disagree | 12 | 13.5 | 13.5 | 23.6 |
| Not sure | 14 | 15.7 | 15.7 | 39.3 |
| Agree | 27 | 30.3 | 30.3 | 69.7 |
| Strongly agree | 27 | 30.3 | 30.3 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

According to results in Table 5.5, it is indicated that 10.1% strongly disagreed, 13.5% disagreed, 15.7% were not sure, 30.3% agreed and strongly agreed respectively. Majority of the respondents generally agreed to the statement, this can be implied to mean that EM ensures that both its management and that of the supplier follow the regulations and law as prescribed under the procurement Act. Respondents revealed that during an invitation to a bid, EM legally award the contract based on the completed procurement agreement alone and does not negotiate with the bidders/suppliers. This means that the evaluation criteria are set out in detail in the PPDA Act and must be strictly adhered to by the approved suppliers.

## Determination of Terms of Reference for goods is transparent enough

The respondents were asked whether the determination of terms of reference for goods is transparent enough. The responses to the question are presented in table 5.6

|  |
| --- |
| Table 5.6: Determination of Terms of Reference for goods is transparent enough |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 10 | 11.2 | 11.2 | 11.2 |
| Disagree | 9 | 10.1 | 10.1 | 21.3 |
| Not sure | 13 | 14.6 | 14.6 | 36.0 |
| Agree | 32 | 36.0 | 36.0 | 71.9 |
| Strongly agree | 25 | 28.1 | 28.1 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

According to results in Table 5.6, it is seen that 11.2% of the respondents strongly disagreed, 10.1% disagreed, 14.6% were not sure, 36.0% agreed while 28.1% strongly agreed. Since majority of the respondents 64.1% generally agreed, it can be implied to mean that the municipality has references to transparency during determination of terms of reference for good. During an interview session, a key respondent stated that;

“*During the determination of terms of reference, the procurement officers always ensure that all parties including suppliers are in communication so that all aspects of how evaluation is to be conducted are clearly and openly described. Transparency in this sense is done through outlining all responsibilities of the suppliers, providing clear description of the resources available to the municipality to ensure success of the procurement process”.*

This means that developing an accurate term of reference in a transparent manner is a critical step in managing a high-quality evaluation.

## The Terms of References are solely determined by the procurement officers within the municipality

The researcher also aimed at determining whether the procurement officers solely determine terms of references. The results to the question are presented in table 5.7

|  |
| --- |
| Table 5.7: The procurement officers solely determine terms of references |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 25 | 28.1 | 28.1 | 28.1 |
| Disagree | 25 | 28.1 | 28.1 | 56.2 |
| Not sure | 10 | 11.2 | 11.2 | 67.4 |
| Agree | 14 | 15.7 | 15.7 | 83.1 |
| Strongly agree | 15 | 16.9 | 16.9 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 5.7 indicated that 15.7% of the respondents agreed, 16.9% strongly agreed, 11.2% were not sure, 28.1% strongly disagreed and disagreed respectively. The results also showed that 56.2% of the respondents generally disagreed, it can be implied to mean that it is not the sole responsibility of procurement officers to determine the terms of references. The respondents revealed that the procurement officers in collaboration with the chief procurement officer at the municipality establish the composition and the terms of reference for the municipality committee and this includes the types and monetary values of proposed procurement actions subject to review. It was further indicated that the terms of references are prepared by all staff with the requisite expertise and this does not only include procurement officers since it requires sufficient information that can be in possession of other staff members who do not work under the procurement department.

## The specification of goods is fully managed by the municipality’s procurement officers

The researcher also aimed at determining whether the specifications of good is fully managed by municipality procurement officers. The results are presented in table 5.8

|  |
| --- |
| Table 5.8: The specifications of good is fully managed by municipality procurement officers |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 10 | 11.2 | 11.2 | 11.2 |
| Disagree | 12 | 13.5 | 13.5 | 24.7 |
| Not sure | 17 | 19.1 | 19.1 | 43.8 |
| Agree | 23 | 25.8 | 25.8 | 69.7 |
| Strongly agree | 27 | 30.3 | 30.3 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in table 5.8 indicate that 11.2% strongly disagreed, to the statement, 13.5% disagreed, 19.1% were not sure, 25.8% agreed while 30.3% strongly agreed. The results showed that majority of the respondents generally agreed which can be concluded to mean that EM is able to achieve customer satisfaction through the products/services provided. It was revealed that the quality of the products/services delivered by supplies is consistent with the quality requirement standards stipulated by the municipality, this was said to be achieved through proactive and collaborative approaches between EM and its suppliers through supplier quality management system. This means that EM ensures that its suppliers products/services conform to pre-established requirements.

# Testing implied hypothesis 2

There is no significant relationship between needs assessment and performance of Entebbe Municipality.

# Correlation analysis

The hypothesis was verified using the Pearson correlation coefficient and the results of the hypothesis are given below.

|  |
| --- |
| Table 5.9: Correlations for needs assessment and performance of EM |
|  | Needs assessment | Performance of EM |
| Needs assessment | Pearson Correlation | 1 | .744\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 89 | 89 |
| Performance of EM | Pearson Correlation | .744\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 89 | 89 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). |

**Source: Primary data (2021)**

The results show that the correlation coefficient is .744(\*\*) at significance level 0.000. This implies that the performance of Entebbe Municipality is significantly attributed to needs assessment. Therefore, according to the results in table 5.9, there is a positive significant relationship between needs assessment and performance of EM. Based on these results, the alternative hypothesis that was earlier postulated is rejected.

# Regression analysis

|  |
| --- |
| Table 5.10: Model Summary |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .744a | .716 | .700 | .7041 |
| a. Predictors: (Constant), Needs assessment. |

**Source: Primary data (2021)**

This table also provides the R and R2 value. The R value is 0.744, which represents the strong correlation and therefore, indicates a high degree of correlation. The R2 value indicates how much of the dependent variable (performance of EM) is attributed to the independent variable (needs assessment). The standard error of estimate is .7041 and the adjusted R square value is .700. This value therefore, implies that needs assessment positively predicts the performance of EM. Based on these results of this regression analysis, performance of EM is dependent on needs assessment by 70.0%.

# CHAPTER SIX

# CONTRACT MANAGEMENT AND PERFORMANCE OF EM

# Introduction

# Introduction

This chapter presents findings on objective three; how contract management influences the performance of Entebbe Municipal Council. The findings are presented in descriptive tables showing percentages and are further explained using correlation and regression analysis to show the relationship between the two variables and the extent to which the independent variable affects the dependent variable. The findings under this objective are presented in the following tables;

## The municipality has an established contract management team to enhance performance

The respondents were also asked whether the municipality has a team responsible for contract management. The results are presented in table 6.1

|  |
| --- |
| Table 6.1: The municipality has a team responsible for contract management |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 9 | 10.1 | 10.1 | 10.1 |
| Disagree | 12 | 13.5 | 13.5 | 23.6 |
| Not sure | 14 | 15.7 | 15.7 | 39.3 |
| Agree | 25 | 28.1 | 28.1 | 67.4 |
| Strongly agree | 29 | 32.6 | 32.6 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

According to results in Table 6.1, it is indicated that majority of the respondents that is 28.1% and 32.6% strongly disagreed and disagreed respectively. Since this is the majority response it can be used to conclude that EM has procurement plan and team which details how the procurement process is managed. Respondents revealed that the municipality has a team of professionals who ensure cost reduction through re-negotiations of contract terms and conditions, administrative and operational process improvements. This means that municipality ensures proper procurement planning to help save huge sums of government money and also ensuring that it is put to the best use of administrative resources

## The municipality takes control of risks that arise during contract execution with suppliers

The respondents were also asked whether the municipality takes control of risks that arise during contract execution with suppliers. The responses to the question are summarised in table 6.2

|  |
| --- |
| Table 6.2: The municipality takes control of risks that arise during contract execution with suppliers |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 14 | 15.7 | 15.7 | 15.7 |
| Disagree | 11 | 12.4 | 12.4 | 28.1 |
| Not sure | 4 | 4.5 | 4.5 | 32.6 |
| Agree | 28 | 31.5 | 31.5 | 64.0 |
| Strongly agree | 32 | 36.0 | 36.0 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 6.2 indicate that 15.7% strongly disagreed, 12.4% disagreed, 4.5% were not sure, 31.5% agreed while 36.0% strongly agreed. The results also show that 67.5% generally agreed to the statement, this can be interpreted to mean that the municipality has effective controls of handling the possibility of risks and their related effects. During an interview session, one technical respondent stated that;

*“Most business transactions, including the execution of a contract with contractors, subject an organisation to risk. With contracts in particular, there is always the risk that one side to the agreement will not perform as stipulated, causing a great deal of harm or loss to the other side. So, EM through contract administration will ensure to incorporate and monitor appropriate contract clauses, mandate rigorous reviews and also obtain pertinent insurance, all this will be done in agreement of the contractors”.*

This means that EM has been able to reduce chances of risks and their associated impact.

## Contract management ensures quick delivery of obligations at the municipality

Respondents were also asked whether there is quick delivery of obligations through contract management. The responses to the question are summarised in table 6.3

|  |
| --- |
| Table 6.3: There is quick delivery of obligations through contract management |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Not sure | 12 | 13.5 | 13.5 | 13.5 |
| Agree | 29 | 32.6 | 32.6 | 46.1 |
| Strongly agree | 48 | 53.9 | 53.9 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 6.3 indicated that 13.5% were not sure, 32.6% agreed while 53.9% strongly agreed. Majority of the respondents 86.5% generally agreed to the statement, since this is the majority response, it can be implied to mean that suppliers of the municipality are always able to perform and deliver required products and services as per the contract, this has enhanced on the level of service delivery in the municipality. It was also indicated that contract management been in full gear performance to ensure timely delivery of services and products. It was also indicated the municipality has adopted internal methods of coping with suppliers to ensure consistency in time delivery.

## Terms of reference are effectively determined by the procurement officers

The respondents were also asked whether the terms of reference are effectively determined by the procurement officers. The results to the question are summarised in table 6.4

|  |
| --- |
| Table 6.4: The terms of reference are effectively determined by the procurement officers |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 12 | 13.5 | 13.5 | 13.5 |
| Disagree | 14 | 15.7 | 15.7 | 29.2 |
| Not sure | 9 | 10.1 | 10.1 | 39.3 |
| Agree | 25 | 28.1 | 28.1 | 67.4 |
| Strongly agree | 29 | 32.6 | 32.6 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 6.4 indicated that 13.5% of the respondents strongly disagreed, 15.7% disagreed, 10.1% were not sure, 28.1% agreed while 32.6% strongly agreed. Since majority of the respondents 60.7% generally agreed, it can be implied to mean that the public procurement official determines the terms of reference. During an interview session, a key respondent expressed that;

“*The terms of reference are created during the earlier stages by the procurement team leader immediately after approval of the procurement plan. The terms of reference in the municipality are documented by the procurement team leader and presented to the town clerk and major’s office for approval”.*

This means that when the terms are approved, the members of the procurement team have a clear definition of the scope of the project.

## The municipality has effective evaluation procedures for contract management

The respondents were asked whether the evaluation procedures for contract management are effective. The responses to the question are presented in table 6.5

|  |
| --- |
| Table 6.5: The evaluation procedures for contract management are effective |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 7 | 7.9 | 7.9 | 7.9 |
| Disagree | 12 | 13.5 | 13.5 | 21.3 |
| Not sure | 17 | 19.1 | 19.1 | 40.4 |
| Agree | 23 | 25.8 | 25.8 | 66.3 |
| Strongly agree | 30 | 33.7 | 33.7 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

As seen in Table 6.5, the results indicate that 7.9% of the respondents strongly disagreed, 13.5% disagreed, 19.1% were not sure, 25.8% agreed while 33.7% strongly agreed respectively. Since majority of the respondents generally agreed to the statement, this implies that EM has an approved procedure which calls for contractors to make document review the progress and status of the work through an email or memo to the management of the municipality. EM has powerful lever for persuading a contractor to management a contract effectively. It was revealed that EM contracts have a clause which requires submission of progress or status reports which assist during the monitoring and evaluation processes. It was also revealed that through evaluation, management is able to identify the technical progress and problems encountered, upcoming challenges and plans to address these challenges.

## Proper strategic decisions and drafting of the right contract influence contract management

The respondents were also asked whether contract management is influenced by proper strategic decisions and drafting of the right contract. The results are presented in table 6.6

|  |
| --- |
| Table 6.6: Proper strategic decisions and drafting of the right contract influence contract management |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 24 | 27.0 | 27.0 | 27.0 |
| Disagree | 34 | 38.2 | 38.2 | 65.2 |
| Not sure | 7 | 7.9 | 7.9 | 73.0 |
| Agree | 13 | 14.6 | 14.6 | 87.6 |
| Strongly agree | 11 | 12.4 | 12.4 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in Table 6.6 indicate that 27.0% strongly disagreed, 38.2% disagreed, 7.9% were not sure, 14.6% agreed while 12.4% strongly agreed. The results also indicated that majority of the respondents generally disagreed to the statement; this can be interpreted to mean that the municipality has competent staff who ensure that there is good contract management. It was also indicated that drafting of the right contract is established through basic principles, have a clear scope and defined execution of terms and procedures ultimately to ensure successful communication between the suppliers and EM.

## Availability of contract Management Team qualification, knowledge and experience

Here the researcher aimed at establishing whether the municipality has a qualified contract team management, knowledge and experience. The responses to the question are presented in table 6.7

|  |
| --- |
| Table 6.7: Availability of contract Management Team qualification, knowledge and experience |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 13 | 14.6 | 14.6 | 14.6 |
| Disagree | 10 | 11.2 | 11.2 | 25.8 |
| Not sure | 17 | 19.1 | 19.1 | 44.9 |
| Agree | 22 | 24.7 | 24.7 | 69.7 |
| Strongly agree | 27 | 30.3 | 30.3 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

According to results in Table 6.7, 14.6% strongly disagreed, 11.2% disagreed, 19.1% were not sure, 24.7% agreed while 30.3% strongly agreed. Majority of the respondents that is 55.0% generally agreed to the statement, which implies that EM has qualified personnel who ensure to make rational procurement decisions, contract negotiating and interacts with many people outside the immedi­ate chain of command to ensure that organisational goals are achieved.

## Establishing and maintain a sound relationship with the contractors

The respondents were also asked whether municipality has established and maintained sound relationship with the contractors. The responses to the question are presented in table 6.8

|  |
| --- |
| Table 6.8: Establishing and maintain a sound relationship with the contractors |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 10 | 11.2 | 11.2 | 11.2 |
| Disagree | 14 | 15.7 | 15.7 | 27.0 |
| Not sure | 15 | 16.9 | 16.9 | 43.8 |
| Agree | 27 | 30.3 | 30.3 | 74.2 |
| Strongly agree | 23 | 25.8 | 25.8 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Primary data (2021)**

The results in table 6.8 indicate that 11.2% of the respondents strongly disagreed, 15.7% disagreed, 16.9% were not sure, 30.3% agreed while 25.8% strongly agreed respectively. Since majority of the respondents generally agreed to the statement, it can be implied to mean that EM has proper interactions and connections with its suppliers. Respondents revealed that EM has endeavored to build proper people management so as to gain the added value that human aspects of business can bring to business operations. It was revealed that proper supplier relationships have ensured to keep things running smoothly and ensure that both EM and suppliers work quickly to resolve issues, continually look for ways to improve operations and help each other to reap benefits from the relationship.

# Testing implied hypothesis 3

There is no significant relationship between needs assessment and performance of Entebbe Municipality.

# Correlation analysis

The hypothesis was verified using the Pearson correlation coefficient and the results of the hypothesis are given below.

|  |
| --- |
| Table 6.9: Correlations for needs assessment and performance of EM |
|  | Contract management | Performance of EM |
| Contract management | Pearson Correlation | 1 | .703\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 89 | 89 |
| Performance of EM | Pearson Correlation | .703\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 89 | 89 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). |

**Source: Primary data (2021)**

The results show that the correlation coefficient is .703(\*\*) at significance level 0.000. This implies that the performance of Entebbe Municipality is significantly attributed to contract management. Therefore, according to the results in table 6.9, there is a positive significant relationship between contract management and performance of EM. Based on these results, the alternative hypothesis that was earlier postulated is rejected.

# Regression analysis

|  |
| --- |
| Table 6.10: Model Summary |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .703a | .709 | .707 | .654 |
| a. Predictors: (Constant), Needs assessment. |

**Source: Primary data (2021)**

This table also provides the R and R2 value. The R value is 0.703, which represents the strong correlation and therefore, indicates a high degree of correlation. The R2 value indicates how much of the dependent variable (performance of EM) is attributed to the independent variable (contract management). The standard error of estimate is .654 and the adjusted R square value is .707. This value therefore, implies that contract management positively predicts the performance of EM. Based on these results of this regression analysis, performance of EM is dependent on contract management by 70.7%.

# CHAPTER SEVEN

# PERFORMANCE AT ENTEBBE MUNICIPALITY

# Introduction

Chapter seven presents the findings on performance at EM. This chapter aims at examining the service delivery at EM.

# Descriptive statistics on performance at EM.

In an attempt to explore performance used at EM, respondents were asked the following questions and responses are captured in this chapter.

# There is improved service quality delivered by EM

Respondents were asked whether there is improved service quality delivered by EM. The results are indicated in table 7.1

|  |
| --- |
| Table 7.1: There is improved performance quality delivered by EM |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 4 | 4.5 | 4.5 | 4.5 |
| Disagree | 7 | 7.9 | 7.9 | 12.4 |
| Not sure | 11 | 12.4 | 12.4 | 24.7 |
| Agree | 28 | 31.5 | 31.5 | 56.2 |
| Strongly agree | 39 | 43.8 | 43.8 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Source: Primary data (2021)**

The results in Table 7.1 indicate that majority of respondents 75.3% generally agreed, while minority of respondents 4.5% strongly disagreed and 7.9% disagreed; however, since majority of respondents agreed, it can be implied to mean that EM has been able to improve of performance quality output that are effective and responsive to their customers.

*“EM can proudly claim to be successful in achieving improved performance through supplier performance and its commitment to continuous quality improvements and the empowerment of staff to innovate. This has been achieved with the organisation’s modernisation agendas of placing growing emphasis on collaboration and partnerships as means by which such aims can be always realised”.*

# There is effectiveness of procurement activities at EM

The respondents were also asked whether there is effectiveness of procurement activities at EM. The results are presented in table 7.2

|  |
| --- |
| Table 7.2: There is effectiveness of procurement activities at EM |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 19 | 21.3 | 21.3 | 21.3 |
| Disagree | 38 | 42.7 | 42.7 | 64.0 |
| Not sure | 7 | 7.9 | 7.9 | 71.9 |
| Agree | 9 | 10.1 | 10.1 | 82.0 |
| Strongly agree | 16 | 18.0 | 18.0 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Source: Primary data (2021)**

The results in Table 7.2 show that majority of respondents 64.0% generally disagreed while minority of respondents 18.0% strongly agreed and 10.1% agreed; however, since majority of respondents disagreed, it can be implied to mean that management at EM is reluctant in having an in-depth understanding of all requirements by all business units. Respondents stated that there are instances where the procurement team completely failed in identifying the right supplier who can meet those business unit requirements, and also failure of periodically evaluating supplier performance for the related requirements and also the team has on several instances failed to successfully negotiate contracts that can provide the highest value at minimum cost.

# Cost structures in procurement activities have reduced

The respondents were also asked whether cost structures in procurement activities have reduced. The results are presented in table 7.3

|  |
| --- |
| Table 7.3: Cost structures in procurement activities have reduced |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 25 | 28.1 | 28.1 | 28.1 |
| Disagree | 39 | 43.8 | 43.8 | 71.9 |
| Not sure | 5 | 5.6 | 5.6 | 77.5 |
| Agree | 11 | 12.4 | 12.4 | 89.9 |
| Strongly agree | 9 | 10.1 | 10.1 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Source: Primary data (2021)**

As seen in Table 7.3, it is indicated that majority of the respondents 71.9% generally disagreed while minority of respondents 10.1% strongly agreed and 12.4% agreed; however, since majority of respondents disagreed, it can be implied to mean that the organisation still incurs high costs under its procurement activities. Respondents stated that history of failure to identify the best suppliers for meeting various business requirements has over the years made the organisation to incur extra costs in evaluating better options because the entire process is repeated.

# Implementation of business objectives has ensured rapid performance at EM

The respondents were also asked whether implementation of business objectives has ensured rapid performance at EM. The results to the question are summarised in table 7.4

|  |
| --- |
| Table 7.4: Implementation of business objectives has ensured rapid performance at EM |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 9 | 10.1 | 10.1 | 10.1 |
| Disagree | 10 | 11.2 | 11.2 | 21.3 |
| Not sure | 7 | 7.9 | 7.9 | 29.2 |
| Agree | 34 | 38.2 | 38.2 | 67.4 |
| Strongly agree | 29 | 32.6 | 32.6 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Source: Primary data (2021)**

The results in Table 7.4 indicate that majority of respondents 70.8% generally agreed while minority of the respondents 10.1% strongly disagreed and 11.2% disagreed; however, since majority of respondents generally agreed, it can be implied to mean that setting organisation performance goals ensures management to meet enhanced performance levels.

*“For any organisation setting up and implementing business objectives serves as direction to ease of performance whether internally or externally by suppliers. This is obvious because the suppliers and management will have a clear picture of what is supposed to be done or produced in order to ensure that the performance level meets the expectations of management”.*

# Customer satisfaction is paramount in performance

The respondents were asked whether customer satisfaction is paramount in performance. The responses are summarised in table 7.5

|  |
| --- |
| Table 7.5: Customer satisfaction is paramount in performance |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Not sure | 12 | 13.5 | 13.5 | 13.5 |
| Agree | 42 | 47.2 | 47.2 | 60.7 |
| Strongly agree | 35 | 39.3 | 39.3 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Source: Primary data (2021)**

The results in Table 7.5 show that majority of respondents 86.5% generally agreed while minority of respondents 13.5% were not sure; however, since majority of respondents agreed, it can be implied to mean that EM’s aims and objectives include ensuring that the end users of the produced products/services are satisfied. During an interview session, a key respondent stated that;

*“Understanding the importance of customer satisfaction in public organisations such as EM is key to realizing the full potential of the government customer. With the sector's customer satisfaction ratings at an all-time low, we must consider making radical improvements in the government customer experience, this is one of the major goals of EM”.*

# Timely reports are provided to stakeholders by EM

The respondents were also asked whether reports are provided to stakeholders on time. The results are presented in table 7.6

|  |
| --- |
| Table 7.6: Timely reports are provided to stakeholders by EM |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 8 | 9.0 | 9.0 | 9.0 |
| Disagree | 10 | 11.2 | 11.2 | 20.2 |
| Not sure | 10 | 11.2 | 11.2 | 31.5 |
| Agree | 37 | 41.6 | 41.6 | 73.0 |
| Strongly agree | 24 | 27.0 | 27.0 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Source: Primary data (2021)**

The results in Table 7.6 show that majority of respondents 68.6% generally agreed while minority 9.0% strongly disagreed and 11.2% disagreed; however, since majority of respondents agreed, it can be implied to mean that decision making in terms of procurement process is simplified and fast. It was revealed that both management of EM and supplier side prepare weekly and monthly reports about the progress or challenges of the contracted work, the weekly reports are always submitted to both team managements on every Monday and the monthly reports are submitted on the 28th of every month for review. This means that decision making is made in a prompt manner

# There is efficiency in performance delivery by EM

The respondents were also asked whether there is efficiency in performance. The results to the question are presented in table 7.7

|  |
| --- |
| Table 7.7: There is efficiency in performance delivery by EM |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 12 | 13.5 | 13.5 | 13.5 |
| Disagree | 14 | 15.7 | 15.7 | 29.2 |
| Not sure | 10 | 11.2 | 11.2 | 40.4 |
| Agree | 26 | 29.2 | 29.2 | 69.7 |
| Strongly agree | 27 | 30.3 | 30.3 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Source: Primary data (2021\_**

The results in Table 7.7 show that majority of the respondents 59.5% generally agreed while minority of respondents 13.5% strongly disagreed and 15.7% disagreed; however, since majority of respondents agreed, it can be implied to mean that EM ensures to execute and perform its functions in the best possible manner with the least waste of both time and effort. During an interview session, a key respondent stated that;

*“EM has been efficient in delivering quality service that meet the demands of customers ultimately enabling customer satisfaction. This has been achieved through collaborative efforts with contracted suppliers by identifying practices and activities which are cost effective”.*

# Compliance to quality is maintained by EM suppliers

The respondents were also asked whether compliance to quality is maintained by EM suppliers. The responses to the question are presented in table 7.8

|  |
| --- |
| Table 7.8: Compliance to quality is maintained by EM suppliers |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 20 | 22.5 | 22.5 | 22.5 |
| Disagree | 11 | 12.4 | 12.4 | 34.8 |
| Not sure | 12 | 13.5 | 13.5 | 48.3 |
| Agree | 37 | 41.6 | 41.6 | 89.9 |
| Strongly agree | 9 | 10.1 | 10.1 | 100.0 |
| Total | 89 | 100.0 | 100.0 |  |

**Source: Primary data (2021)**

The results in table 7.8 indicate that majority of respondents 51.7% generally agreed while 22.5% strongly disagreed and 12.4% disagreed; however, since majority of respondents agreed, it can be implied to mean that there is supplier quality assurance at EM. Respondents revealed that this is a collaborative effort which ensures the supplier meet the agreed-upon requirements with minimum inspection or modification. It was further revealed that through compliance to quality, EM has been able to gain success in provision of products/services that satisfy customer needs

# CHAPTER EIGHT

# DISCUSSION OF FINDINGS

# Introduction

This chapter sets out to link study findings to the literature review by discussing the findings in relationship with literature review, and then suggest a way forward. Implications are, deduced, from the findings, discussed and interpreted basing on the research hypotheses of the study.

# Relevance of the Stewardship Theory

The study was guided by the Stewardship Theory which was developed by Donaldson and Davis in 1991 and 1993 respectively. The ideal motive which directs managers to accomplish their job is the desire to perform excellently. This theory is based on the assumption that managers are stewards whose behaviours are aligned to the objectives of the principals. It implies that managers have an intrinsic satisfaction when firm performance improves and organization success is attained. The Stewardship Theory is relevant to the current study because stewards are company executives and managers working for the shareholders, protects and make profits for the shareholders. The stewardship perspective suggests that stewards are satisfied and motivated when organizational success is attained. Stewardship theory recognizes the importance of structures that empower the steward and offers maximum autonomy built on trust Donaldson and Davis, (1991). It stresses on the position of employees or executives to act more autonomously so that the shareholders’ returns are maximized. Indeed, this can minimize the costs aimed at monitoring and controlling behaviors (Davis, Schoorman & Donaldson, 1997).

## Procurement planning and performance of public procuring entities

The findings under this question revealed that majority of the respondents 78.6% generally agreed to the statement that the procurement planning depends on annual budget approval, majority of the respondent generally agreed to the statement that procurement work planning is conducted by competent procurement officers, a combined response percentage of 67.4% generally disagreed to the statement that all procurement plans are based on procurement needs identified, majority of the respondents 68.6% of the respondents generally disagreed to the statement that all procurement plans are based on procurement needs assessed, majority 75.2% generally agreed to the statement that procurement planning depends on activities, good and services required, majority 75.2% generally agreed to the statement that procurement planning depends on activities, good and services required, a combined percentage of 59.6% generally disagreed to the statement that whether planning is conducted for the required goods, majority 73.0% generally agreed to the statement that the annual budget plays an important role in procurement planning and 56.2% generally agreed to the statement that policies established ensure sound procurement management.

A procurement plan must be integrated into annual sector expenditure programs to enhance financial predictability (PPOA, 2019) and Public Procurement and Disposal General Manual. Section 26 (3) of the Act and Regulations 20 and 21 make procurement planning mandatory. The procurement plans are prepared as part of the annual budget preparation process as they are necessary to inform the cash flow preparation. The annual procurement planning is an integral part of the budget processes. Therefore, it is important to appropriately plan multiyear procurement and to integrate them into the medium-term budgetary frameworks. The target group of the study is Mombasa law Court. This is a public institution which offers a variety of services to the public.

The findings are in line with Christopher *et al*, (2017) who asserts that modern procurement planning are dynamic and interconnected networks that are gradually lengthening and globe-spanning. Procurement planning integrates various firm’s operations and support functions, synchronizing production with new orders, purchasing with demand, scheduling and shipping with customer requirements. According to O’Brien, (2011) when well-implemented procurement planning in an organization, forms an efficient, quick and accurate management tool that reduces cycle time and builds reliability thereby impacting positively on an organizational performance.

Additionally, the study findings are in line with Monczka and Morgan (2017) who states procurement is an ever-growing means of conducting business in many industries around the world. In their discussion of competitive purchasing strategies required for the twenty-first century, Monczka and Morgan (2017) stated that firms must maximize the use of procurement practices-based decisions including e-procurement in every aspect of the business, linking across all members of the supply chain, increasing the speed of information transfer, and reducing non-value adding tasks. Clearly, the use of strategic based procurement has the potential to significantly impact national economies as well as the competitive position of individual firms.

Globalizing companies respond to the challenges of organizational performance through the implementation of procurement practices (Robson, 2018). Procurement planning provides the right metrics and key performance indicators that can aid the global firm when juggling performance, resources, costs and operational logistics from relocated departments and manufacturing facilities (Shah, 2018). Procurement planning provide integration to globalizing companies but they do not provide quick fix to all market penetration and other business infrastructure (Gunson, 2020). According to Singhal, (2011) disruptions in procurement practices at a global level devastate corporate performance. Poorly coordinated procurement planning does long-lasting damage to companies’ stock prices and profitability and need to be more thoroughly addressed by supply chain continuity planners (Christopher *et al*, 2018). Internationalization of business leads to increased vulnerabilities in the organizational performance though, sometimes the unpredictable result of disasters like earthquakes or terrorist acts, often could be prevented by better risk management.

## Needs assessment and performance of public procuring entities

Under this question, the findings of the study revealed that majority of the respondents generally disagreed to the statement that the process of procurement needs assessment involves all user departments at the municipality, majority 71.9% generally agreed to the statement that all procurement needs are assessed only when the budget is approved, 58.4% generally agreed to the statement that procurement needs identification is based on demand of user departments, majority of the respondents generally agreed to the statement that procurement needs assessment is determined based on annual budget, Majority of the respondents generally agreed to the statement that compliance with PPDA is adhered to when determining terms of reference for good and services, majority of the respondents 64.1% generally agreed to the statement that the determination of terms of reference for goods is transparent enough, 56.2% of the respondents generally disagreed to the statement that the procurement officers solely determine terms of references and majority of the respondents generally agreed to the statement that the specifications of good is fully managed by municipality procurement officers.

The findings to the study are in support of Ezeh (2017) who explained that procurement planning entails the identification of what needs to be procured (which is the result of a Needs Assessment), how the organizations need can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be deployed, setting the time frames, and the accountability for the full procurement process. Needs Assessment is “a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants. This is important in procurement; because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations) are directed towards developing and implementing a feasible and applicable solution for identified projects.

The study findings are also in line with Basheka (2018) who asserts that the meaning of procurement and purchasing is very similar, but people have moved to a different wording to identify a change in the organization. A few years ago, it was known as purchasing, but consciously changed to procurement. One way of getting people’s attention to this was to change the name. But having done that, purchasing, by definition becomes the transactional piece and procurement becomes the strategic piece. Supply chain management is a procurement tool that was born out of necessity. Demands for newer and more innovative goods and services, limits on resources, and the increasingly complex, interrelated nature of the global market place have each created pressure on public managers to optimize new and innovative process methodologies to meet procurement needs (Basheka, 2017).

Procurement Planning entails the identification of what needs to be procured (which is the result of a Needs Assessment), how the organizations need can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be deployed, setting the time frames, and the accountability for the full procurement process. According to (Ezeh, 2017) Needs Assessment is “a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants. This is important in procurement; because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations) are directed towards developing and implementing a feasible and applicable solution for identified projects.

According to the (PPOA, 2019), the beginning of the procurement process is need realization and identification of the requirements. This is informed by the inventory status, projects plan, production schedules, work plans, capital or operational requirements budgets and the procurement plan. Establishment of the requirements is the foundation for conducting market survey to ascertain aspects such as prices, new products or alternative or substitute products, new sources of supply, nature of competition and environmental aspects that may affect the supply market.

## Contract management and performance of Public Procuring Entities

The study findings under this section indicate that is 28.1% and 32.6% strongly disagreed and disagreed to the statement that the municipality has a team responsible for contract management, 67.5% generally agreed to the statement that the municipality takes control of risks that arise during contract execution with suppliers, majority of the respondents 86.5% generally agreed to the statement that there is quick delivery of obligations through contract management, majority of the respondents 60.7% generally agreed that the terms of reference are effectively determined by the procurement officers, majority of the respondents generally agreed to the statement that the evaluation procedures for contract management are effective, majority of the respondents generally disagreed to the statement that contract management is influenced by proper strategic decisions and drafting of the right contract, 55.0% generally agreed to the statement that the municipality has a qualified contract team management, knowledge and experience and majority of the respondents generally agreed to the statement that municipality has established and maintained sound relationship with the contractors.

The study findings are in line with Nyaga and Mwangangi (2019) who explains that contract management is one of the aspects of the public procurement act. It comprises of a set of activities related to contract handling including invitation to and evaluation of bids; awarding and implementation of contracts; measurement, and payment calculation. This also entails monitoring contract associations, handling related issues, integrating essential contract modifications or changes. Furthermore, contract management focuses on ensuring that all contacting parties conform to all the terms and conditions of the contract, as well as recording and agreeing with any needed changes in the contract implementation (Nyaga & Mwangangi, 2019). Since contract management is a procedure, it comprises undertakings required to achieve in order to recognize its benefits.

The most important contract management activities include contractor monitoring and acceptance management; managing contract relationships; contract administration; dispute resolution; and contract closure (Eriksson & Westerberg, 2017). Contractor monitoring and acceptance management is all about making sure that all contracting parties achieve them as per agreed contractual terms. Managing relationships within the contract helps the procuring entity to improve supplier performance through supplier development, early supplier involvement and payment of suppliers on time (Olendo & Kavale, 2017).

Additionally, Namusonge (2016) asserts that contract management focuses on keeping an updated contact form, planning and monitoring changes in contract; ensuring that contractor is paid on time; monitoring use of assets; coming up with reports; and use of appropriate procedures in contract termination. Dispute resolution involved dealing with all conflicts arising from contract through use of the most appropriate conflict resolution methods. Lastly, contract closure occurs after all terms and condition of the contract have been met and achieved by all contracting parties. Proper management of procurement contracts helps an organization to maintain long term relationship with suppliers. This leads to the ability of an organization to acquire quality goods and services, timely delivery, increased revenue and improves customer satisfaction (Aluonzi, Oluka & Nduhura, 2016).

# CHAPTER NINE

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

# Introduction

This chapter comprises of the summary of findings, conclusion and recommendation of the study according to the study objectives. The recommendations are on a basis of the findings and relates to advice and the interventions that the researcher feels should be brought to the attention of Entebbe Municipality to improve on its performance. Lastly, the chapter will present areas of further studies that are crucial for further exploration.

# Summary of findings

## Procurement planning and performance of Entebbe Municipality

The findings revealed that the feasibility of procurement activities is linked to the annual budget which determines the capacity and institutional context of Entebbe Municipality, the municipality has had issues of in competencies amongst its procurement department, the municipality has had cases where its vendors/ suppliers do not meet the approved requirements or quality of services or products they are contracted to deliver, the municipality does not effectively maximise its spending and fails to attain value contribution in a manner that would support its overall business operational strategy, procurement team uses gathered information to determine the approach of obtaining the goods or services required, that the procurement team at the municipality decides what they need, who will provide the products and when orders will be fulfilled, the annual budget is an important tool in financial management because it informs the procurement team what can and cannot be afforded and the municipality ensures to achieve sound procurement practice and preserve public trust and public interest.

## Needs assessment and performance of Entebbe Municipality

The study findings about this question indicated that every procurement process involves several elements involved in user departments within the municipality, budgeting allows the municipality to control its spending, the municipality focuses its needs identification based on priority needs in the organisations department, procurement budget determines what the municipality can and cannot afford depending on the set budget, EM ensures that both its management and that of the supplier follow the regulations and law as prescribed under the procurement Act, the municipality has references to transparency during determination of terms of reference for good, it is not the sole responsibility of procurement officers to determine the terms of references and EM is able to achieve customer satisfaction through the products/services provided.

## Contract management and performance of Entebbe Municipality

The study findings about this question indicated that EM has procurement plan and team which details how the procurement process is managed, the municipality has effective controls of handling the possibility of risks and their related effects, suppliers of the municipality are always able to perform and deliver required products and services as per the contract, the public procurement official determines the terms of reference, EM has powerful lever for persuading a contractor to management a contract effectively, the municipality has competent staff who ensure that there is good contract management, EM has qualified personnel who ensure to make rational procurement decisions, contract negotiating and interacts with many people outside the immedi­ate chain of command and EM has proper interactions and connections with its suppliers.

## Performance at EM

The findings show that EM has been able to improve of performance quality output that are effective and responsive to their customers, management at EM is reluctant in having an in-depth understanding of all requirements by all business units, the organisation still incurs high costs under its procurement activities, setting organisation performance goals ensures management to meet enhanced performance levels, EM’s aims and objectives include ensuring that the end users of the produced products/services are satisfied, decision making in terms of procurement process is simplified and fast, EM ensures to execute and perform its functions in the best possible manner with the least waste of both time and effort and there is supplier quality assurance at EM.

# Conclusions

Based on the study findings it can be concluded that procurement management was measured in terms of procurement planning, needs assessment and contract management. In this regard, the results show that the element which contributes more to the performance of Entebbe Municipality is contract management with an Adjusted R Square of 70.7%, followed by needs assessment which scored an Adjusted R Square of 70.0% and the lowest was procurement planning which scored an Adjusted R Square of 46.9%.

Additionally, it is concluded that while procurement management was recognized as a key enabler to the performance of Entebbe Municipality, it was not effectively upheld among the organizations. The study concluded that indeed, procurement management had a significant influence on the performance. It was however noted that the planning of contracts for efficient delivery was not sufficiently undertaken and this could affect the anticipated results of the entire procurement management process.

# Recommendations

## Procurement planning and performance

Special emphasis should be put in developing key personal competences which are not clear in public sector organization reform Agenda. Such profile can be used for major human resource functions such as recruitment and selection, performance management and training and development of procurement officers with an aim of ensuring quality employees.

Procurement officers should be established where representatives from centres of expertise and various procuring entities should meet regularly to inform test and develop policies and where appropriate operationalize issue.

## Needs assessment and performance

The researcher recommended that the local government should effectively plan and analyze the need assessment to gain the greatest competition power.

The local government should also plan well and find out for these factors, like why, when, and where to pay the product.

There is also need to follow up the past performance records of the organisation. So that the organisation can easily evaluate, control and improve production or services that they provide. And it would help that the firm be able to that they financially measure and consider the budgetary planning and control.

## Contract management and performance

The government through the appropriate regulatory agencies has the mandate to ensure that proper monitoring is done on the way contracts are managed in state corporations as a way of ensuring accountability and fairness in the entire process.

The management of the corporations should also be at the forefront of ensuring that there is proper documentation of the contracts and that the contracts are efficiently and keenly administered for adequate adherence to the procedures and guidelines.

The public sector should endeavor to fulfill all the requirements and obligations of a bidding contract. These involve clauses, conditions, commitments and milestones that need to be tracked and managed to maximize business benefits, reduce associated risks and costs.

# Areas of further research

This investigation at the end was able to conclude that proper management of procurement does impact procurement performance in local governments. It was discovered that proper procurement management with variables such as procurement planning, needs assessment and contract management had a great impact on procurement performance within local governments.

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# APPENDICES

# APPENDIX I: QUESTIONNAIRE

Dear respondent,

You are kindly requested to fill in the following questions to enable the researcher accomplish the study about ***“The contribution of procurement management on performance in the public sector, focusing on Entebbe Municipal Council as the case study***”**,** leading to the award of a Degree of Master of Procurement and Logistics Management. Therefore, the study is an academic work and thus the information given will confidentially be used for that purpose. You are kindly requested to give your own views, as no response is wrong, you may not disclose your name.

**Guidelines**

For **Section A**, kindly tick in the box that corresponds with your appropriate opinion/response or where appropriate, fill in the spaces provided.

For **Sections B, C, D**, and **E**, tick in the appropriate box that corresponds with the ranking of your levels of disagreement or agreement with the statements based on the Likert Scale given as:

***1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, and 5 – Strongly Agree***

**SECTION A: Background Information**

1. **Age [years]**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 18 - 25 |  | 26 - 35 |  | 36 - 45 |  | 46 - 55 |  | Over 55 |  |

1. **Gender/Sex**

|  |  |  |  |
| --- | --- | --- | --- |
|  Male |  |  Female |  |

1. **Level of Education**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Masters** |  | **Bachelors** |  | **Diploma** |  | **Certificate** |  | **Others …………............** |

1. **Length of work period with Entebbe Municipality**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Below 1 year |  | 1 – 3 |  | 4 - 6 |  | Above 6 |  |

**SECTION B: Procurement Planning influences the performance**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Statement** | **1** | **2** | **3** | **4** | **5** |
| 1.  | The procurement planning for every accounting period is depends on annual budget approval |  |  |  |  |  |
| 2. | Procurement work planning is conducted by competent procurement officers at the municipality |  |  |  |  |  |
| 3. | All procurement plans are based on procurement needs identified |  |  |  |  |  |
| 4. | All procurement planned are based on procurement needs assessed |  |  |  |  |  |
| 5. | Procurement planning is dependent on activities, goods and services required |  |  |  |  |  |
| 6. | Planning is conducted for the required goods |  |  |  |  |  |
| 7. | Annual budget plays an important role in procurement work planning within the municipality |  |  |  |  |  |
| 8. | Policies established ensure the sound procurement management  |  |  |  |  |  |

**SECTION C: Needs assessment and performance**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Statement** | **1** | **2** | **3** | **4** | **5** |
| 1. | The process of procurement needs identification involves all user Departments at the municipality |  |  |  |  |  |
| 2. | All procurement needs are assessed only when the Budget isApproved |  |  |  |  |  |
| 3. | The process of procurement needs identification are based demand of user departments |  |  |  |  |  |
| 4. | All procurement needs assessment at the municipality is determined based on the annual budget |  |  |  |  |  |
| 5. | Determination of Terms of Reference for the goods/services is incompliance with the PPDA Act 2016 |  |  |  |  |  |
| 6. | Determination of Terms of Reference for goods is transparentEnough |  |  |  |  |  |
| 7. | The Terms of References are not solely determined by theprocurement officers within the municipality |  |  |  |  |  |
| 8. | The specification of goods is fully managed by the municipality’sprocurement officers |  |  |  |  |  |

**SECTION D: Contract management and performance**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Statement** | **1** | **2** | **3** | **4** | **5** |
| 1. | The municipality has an established contract management team to enhance performance |  |  |  |  |  |
| 2. | The municipality takes control of risks that arise during contract execution with suppliers. |  |  |  |  |  |
| 3. | Contract management ensures quick delivery of obligations at the municipality. |  |  |  |  |  |
| 4. | Terms of reference are effectively determined by the procurement officers |  |  |  |  |  |
| 5. | The municipality has effective evaluation procedures for contract management  |  |  |  |  |  |
| 6. | Proper strategic decisions and drafting of the right contract influence contract management  |  |  |  |  |  |
| 7. | Availability of contract Management Team qualification, knowledge and experience  |  |  |  |  |  |
| 8. | Establishing and maintain a sound relationship with the contractors.  |  |  |  |  |  |

**SECTION B: Performance**

|  |  |  |
| --- | --- | --- |
| **No.** | **Statement** | **Scale**  |
| 1 | There is improved service quality delivered by EM | 1 | 2 | 3 | 4 | 5 |
| 2 | There is effectiveness of procurement activities at EM | 1 | 2 | 3 | 4 | 5 |
| 3 | Cost structures in procurement activities have reduced  | 1 | 2 | 3 | 4 | 5 |
| 4 | Implementation of business objectives has ensured rapid performance at EM | 1 | 2 | 3 | 4 | 5 |
| 5 | Customer satisfaction is paramount in performance. | 1 | 2 | 3 | 4 | 5 |
| 6 | Timely reports are provided to stakeholders by EM. | 1 | 2 | 3 | 4 | 5 |
| 7 | There is efficiency in performance delivery by EM | 1 | 2 | 3 | 4 | 5 |
| 8 | Compliance to quality is maintained by EM suppliers | 1 | 2 | 3 | 4 | 5 |

# APPENDIX II: INTERVIEW GUIDE

**Section A: Procurement Planning influences the performance**

1. Does procurement planning for every accounting period depend on annual budget approval?
2. Are all procurement plans based on procurement needs identified?
3. Is there planning for the required goods?

**Section B: Needs assessment and performance**

1. Does the process of procurement need identification involve all user Departments at the municipality?
2. Does the process of procurement need identification-based demand of user departments?
3. Are The Terms of References solely determined by the procurement officers within the municipality?

**Section C: Contract management and performance**

1. Does the municipality have an established contract management team to enhance performance?
2. Has contract management ensured quick delivery of obligations at the municipality?
3. Does the municipality have effective evaluation procedures for contract management?

# **APPENDIX A:** The Krejcie and Morgan's sample size calculation (1970)

