**CONTRACT MANAGEMENT AND SERVICE DELIVERY IN ENTEBBE MUNICIPAL COUNCIL, ENTEBBE UGANDA.**

**BY**

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**JANUARY, 2022**

# **DECLARATION**

I Mwayi Nelson declare that this dissertation under the topic **“The effect of contract management on service delivery in Entebbe Municipal Council (EMC)”** is my original work and is presented for approval for field study.

MWAYI NELSON

Signature ………………………………… Date ………………………………..

# **APPROVAL**

This dissertation has been done under my supervision and it is now ready for data collection.

Dr. LUTAAYA SADAT

(University Supervisor)

Signature…………….………………… Date……………………………………

# **DEDICATION**

I would like to dedicate this work to my family.

# **ACKNOWLEDGEMENT**

I would like to extend my sincere thanks to God almighty who sustained me throughout my stay at the University.

My appreciation further goes to my family and all my friends for the support, advice, and encouragement. I would like to thank my supervisor, Dr. Lutaaya Sadat, for the tireless effort and time devoted to me and the invaluable input. Thank you so much for your advice, guidance, and encouragement during my research.

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# **LIST OF ABBREVIATIONS/ ACRONYMS**

ADB: Asian Development Bank

CIPS: Chartered Institute of Procurement and Supply Chain

CVI: Content Validity Index

DV: Dependent Variable

EMC: Entebbe Municipal Council

IV: Independent Variable

LG: Local Government

MoLG: Ministry of Local Government

PDE: Procuring and Disposing Entity

PDU: Prourement and Disposal Unit

PPDA: Public Procurement and Disposal of Public Assets

SPSS: Statistical Package for Social Sciences

UN: United Nations

UNCCI: Uganda National Chamber of Commerce and Industry

UNESCAP: United Nations Economic and Social Commission for Asia and the Pacific

UNPA: United Nations Postal Administration

USMID: Uganda Support to Municipal Infrastructure Development

VFM: Value for Money

**ABSTRACT**

The study examined the effect of contract management on service delivery in the Entebbe Municipal Council (EMC). It was guided by three objectives i) to assess how contract administration influences service delivery in EMC, ii) to examine how performance management enhances service delivery in EMC, iii) to find out how relationship management contributes towards service delivery in EMC.

The study adopted a phenomenological approach research design; the data was categorized under both qualitative and quantitative approaches. The study population was 320 and a sample size of 175 respondents of which only 138 participated.

Results revealed that the most effective contributor to service delivery is relationship management (R Square of 82.3%), followed by performance management (R Square of 40.8%) and the least contributor is contract administration (Adjusted R Square of 29.8%). The test also revealed that EMC contract management has a statistically significant positive relationship with service delivery, hence, the null hypothesis was rejected.

In conclusion, the findings of this study revealed that contract administration plays an important role in EMC's service delivery. There was a positive relationship between performance administration and service delivery. And the findings of this study demonstrate that the crucial role of relationship management in service delivery is to enhance communication and a positive work environment between the organisation and suppliers.

The study recommends that EMC should make thorough investigations on both the business and legal backgrounds of the contractor through due diligence during bid evaluation to offset challenges in contract administration. EMC should adopt and stick to internal controls (e-GP) during their operations to remedy corruption vices such as bribery, nepotism, favoritism, among others. Establishment of an independent Contract Management Department within the Procuring and Disposing Entity (PDE) for easy tracking of the contracts in the entity should also be prioritized.

Other studies may be conducted to establish the effect of other dimensions of contract management like; contract implementation, contract coordination, Service delivery management and contract negotiation on service delivery.

# **CHAPTER ONE**

# **INTRODUCTION**

1. **Introduction**

This study examined the relationship between contract management and service delivery in the Public Sector of Uganda. It focuses on Entebbe Municipal Council (EMC), Entebbe Uganda as the case study. In this chapter, attempt is made to position and introduce the subject matter of the study. The background to the study provides an overview of what the study variables. Statement of the problem highlights the main variables under consideration. From the objectives of the study the research questions are derived, which questions, the study will attempt to answer and suggest possible solutions to the problem. Scope of the study specifies the boundaries of the study in terms of geographical location, and population type and size. Significance of the study are also outlined and the chapter is concluded the conceptual framework used to explain the relationship between the study variables.

* 1. **Background to the Study**

The background of the study is sub-divided into historical, theoretical, conceptual and contextual perspectives as indicated below;

* + 1. **Historical Background**

Contract management in Uganda’s public sector has no clear history, but it is believed that it came to life after the 1997 procurement reforms (Tumutegyereize, 2013). In 1964, Procurement practices including contract management were centralized and carried out by Crown Agents on behalf of the government. This confined decision-making to only the central government and joint procurement and contract management on behalf of all public entities was solely managed by the central government (UNCCI, 2009). This, however, came with many challenges such as; corruption, for example, many private contractors failed to break through the procurement process due to the availability of acquaintances in PDEs, competent private enterprises were disqualified under false allegations of say; missing documents, foreign companies were then pre-qualified because the procuring officials had a stake in these companies, or the foreign companies were ready and willing to part with a commission of e.g. ten percent (10%) or more of the contract (UNCCI, 2009).

To remedy these challenges, Tumutegyereize (2013) argued that the government introduced the Central Tender Board Regulations in (1977) which were later followed by the initiation of the (1997) Public procurement reforms and the 2001 introduction of the (2000) Regulations that decentralised public procurement (Tumutegyereize, 2013). The requirements of the World Bank, other donor organizations conditions for providing development aid, and other factors principally formed the basis for the initiation of these reforms (Agaba and Shipman, 2006), which later resulted in the introduction of the Public Procurement and Disposal of Public Assets Act and Regulations of (2003), Amendment of the LG Act and introduction of the LG (PPDA) Regulations (2006), the formation of the Institute of Procurement Professionals of Uganda in (2008), the amendment of the PPDA Act in (2012) and the amendment of the PPDA Regulations on (2014).

The reforms are believed to have formed a firm foundation for better service delivery, the realisation of value for money through decentralization of procurement, and project contract management. This is further argued by Tumutegyereize, (2013) who asserts that Reforms have made procurement a strategic function that has had a positive impact on the development of Uganda and created professionalism in the procurement sector which implies improvement in contract management since it lists among the primary procurement practices in the public sector as a vessel through which service delivery is emphasised.

Agaba and Shipman (2006) believe that the introduction of the regulatory system for procurement-related activities has enhanced service delivery. This, for example, has been made mandatory to all public sector officials as they are guided by the framework and principles of procurement and contract management such as accountability, transparency, fairness, economy, preference, and reservation among others to ensure value for money is achieved. The World Bank Institute, (2011) affirms that contract management has become a megatrend in many public entities especially as a result of social accountability and increased demand for service delivery by citizens. Thus, poor service delivery is tied to poor contract management which manifests due to lack of transparency and poor record-keeping (Thai, 2005) Bolton, 2006).

* + 1. **Conceptual Background**

The Asian Development Bank’s (ADB’s) Procurement Regulations (2017), as amended from time to time) recognize that one factor contributing to achieving value for money (VFM) is effective contract management. Contract management ensures that supplier, contractor, and/or consultant deliverables are met as agreed under the contract which forms a catalyst for effective service delivery as well as ensuring value for money.

According to CIPS, (2003)Contract management “is the process of systematically and efficiently managing contract creation, execution, and analysis for maximizing 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 (2013) defines contract management as the process that ensures that all parties to a contract fully meet their obligations, 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 complies with agreed contract conditions and standards (Maria, 2013). 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, 2012).’

According to SIGMA (2017), service delivery relates to all contacts with the public administration during which customers, i.e., citizens, residents, and enterprises (hereafter referred to collectively as citizens) seek data, handle their affairs or pay taxes. In this regard, ReSPA (2018) argued that orientation towards citizens' needs must encompass all contacts and all tasks performed by the public administration that affect citizens. This broad definition encompasses not only contacts between the public administration and customers but also the rules regulating those contacts (i.e., the administrative procedures). Therefore, service delivery refers to a relationship between policymakers, service providers, and consumers of those services, and encompasses both services and their supporting systems. Service delivery is a mechanism used by an organization to meet the needs and aspirations of the people it is meant to serve (MoLG, 2013).

* + 1. **Theoretical Background**

This study was guided by two theories of; the Principal-Agent Theory and the Commitment-Trust Theory.

Drawing on the Principal-Agent theory advanced by Jensen and Meckling in 1976 and is one of the main theoretical foundations for describing and analysing public governance. It portrays the relevance of collaborative contract management between the principal and agent. Therefore, this study was guided by the principal-agency theory” which states that there should be a clear understanding of the needs of the principal and the ability of the agent to meet these needs competently. In this case, the principal (Entebbe Municipal Council) must work closely with its agents (suppliers) to monitor their performance, create reward structures that reinforce desired performance (Ketchen and Hult, 2006) hence, ensuring improved service delivery.Working by the principles of the agency theory while managing contracts creates avenues for well-defined and planned contract-activity break down which, helps the principal and agents to easily meet the needs of each other in an efficient way resulting in timely execution of the contract (Oluka and Basheka, 2014).

The study was also be guided by the Commitment-Trust Theory of relationship management which says that two fundamental factors, trust, and commitment, must exist for a relationship to be successful Christopher, (2004). The theory is premised on the book “Relationship Marketing and Customer Relationship Management”, where Relationship marketing implies forming bonds with suppliers by meeting their needs and honoring commitments. Handfield (2002) suggested that rather than chasing short-term profits, businesses following the principles of relationship marketing forge long-lasting bonds with their suppliers. As a result, suppliers trust these businesses, and mutual loyalty helps both parties fulfill their needs. Heikkila (2002) defined trust as the confidence both parties in the relationship have that the other party won’t do something harmful or risky. Therefore, since contract management is primarily based on relationship management, the teachings of this theory are relevant to the current study.

* + 1. **Contextual Background**

Agwot (2020) asserts that many studies and reports have shown that contract management in Uganda still lags 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 (PPDA Annual Performance Report, 2014) which further affects program implementation and makes contractors quote high prices.

Although there are well-documented procedures on contract management in Uganda as stipulated in Public Procurement and Disposal of Public Assets Regulation 2014 (as amended); Entebbe municipal council is still losing billions of shillings as a result of poor contract management which has caused bottlenecks in the service delivery. The Public Procurement and Disposal of Public Assets Report 2013 and Auditor General Performance Report 2014 reveal that contract implementation and management is the major challenge of public entities, Entebbe municipal council inclusive (PPDA, 2013; Auditor General Performance Report, 2014).

Muhakanizi and Malta (2012) add that contract management is the most neglected stage in procurement and contractors collude with some dishonest civil servants and claim for partially delivered or non-delivered items. This aligns with the case in Entebbe Municipal Council where it recorded receivables amounting to UGX.213, 688, 889 which remained outstanding at the year-end. This is against the provision of Section 2.3.2.3 of the Local Governments Finance and Accounting Manual, (2007) which requires the Council to minimize debtors by following up the collection of debts in a timely, systematic, and vigorous manner. Thus, this failure was attributed to poor contract management and inadequate monitoring hence, contributing to poor service delivery (Audit report, 2015). Therefore, these and many other challenges have greatly hindered proper service delivery in the municipality.

## **Statement of the Problem**

The Government of Uganda, through the PPDA Act and regulations (2014) has well laid out procedures and guidelines for the successful implementation of contract management. However, many public entities are registering poor service delivery in many of their mandated fields of operation (Komakech, 2020). According to the Auditor General’s report, (2015), a lot of challenges have hampered service delivery in the municipality. For example; the municipality recorded Local Revenue Shortfalls amounting to UGX.1, 072, 191, 081, equivalent to 34% of the approved budget as a result of poor monitoring of service providers contracted to collect taxes on behalf of the municipality (Audit report, 2015).

This challenge was further reported in the Audit report of 2016 as tax collection shortages amounted to UGX.671, 056, 029 representing 23.9% of the budgeted local revenue. Thus, the under-collection of local revenue adversely affects the implementation of planned activities, thereby hampering service delivery. The report further revealed delays in the Completion of infrastructures and facilities such as the Maternity Ward at Katabi Health Centre III as the Audit inspection of the maternity ward in September 2015 revealed that works were behind schedule by three months. This was attributed to poor contract management as well as the inadequate release of Primary Health Care Development Funds hence denying the community timely services.

The audit report of 2016, further revealed service delivery failure due to understaffing, as only 64 posts were filled leaving 49 posts representing 43.3% vacant unfilled posts which represents a 43.3% staffing gap. This is against the Municipal Council’s approved staff structure of 113 posts (Audit report, 2016). According to the auditor general’s report, (2017); the municipality failed to meet the project targeted objectives of the USMID Project which intended to complete the construction of 1.08km of Lutwama, Serumaga, Selufusa, Lutwama Mwaula, and Gabunga roads, Construction of Kitoro Taxi Park and several other activities under USMID Capacity building. However, the Council did not implement the planned activities hence failure to absorb UGX.4898, 590, 269. Thus, under absorption of funds denies the citizens the much-needed services and affects the achievement of the targeted development goals. These inconsistencies were attributed to poor contracting and contract management (Audit report, 2017).

This study, therefore, aimed at identifying the primary causes of poor service delivery in the Entebbe municipal council as well as suggesting possible options that can be adopted to remedy the vices at hand to improve organisational performance and service delivery in general.

## **1.3. Purpose of the Study**

The study examined the effect of contract management on service delivery in the Entebbe Municipal Council (EMC).

## **Objectives of the Study**

The study was guided by the following objectives;

1. To assess how contract administration influences service delivery in EMC.
2. To examine how performance management enhances service delivery in EMC.
3. To find out how relationship management contributes towards service delivery in EMC.
   1. **Research Questions**

From the above study objectives, the following questions were formulated;

1. How does contract administration influence service delivery in EMC?
2. How does performance management enhance service delivery in EMC?
3. How does relationship management contribute towards service delivery in EMC?

## **1.6 Hypothesis of the Study**

H1: There is no statistical influence of contract administration and service delivery in EMC?

H2: There is no statistically significant enhancement of performance management on service delivery in EMC

H3: There is no statistical significant contribution of relationship management on service delivery in EMC

## **1.7 Scope of the Study**

The scope of the study captured the subject scope, geographical scope, and time frame within which the study was conducted.

## **1.7.1. Content Scope**

The study focused on contract management as the independent variable and service delivery in the public sector as the dependent variable. The study was discussed in terms of contract administration, performance management, and relationship management and how these dimensions affect service delivery. Service delivery was measured using attributes like; timeliness, reliability, service quality, effectiveness, cost efficiency, client satisfaction, and accessibility of services

## **1.7.2. 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 statehouse. Entebbe covers a total area of 56.2 square kilometers and which 20sq. kilometers are waters of Lake Victoria.

## **1.7.3. Time Scope**

The study focused on a period of five years i.e. 2015-2020. This period was important simply because it is where many issues regarding poor service delivery are reflected in annual reports from the auditor general about Entebbe Municipal Council. This period is of interest because; this is the period when service delivery at Entebbe Municipal Council has been preferably very low with worrying and questionable efficacy.

## **1.8. Significance of the Study**

The research findings and recommendations may be of importance to the following stakeholders:

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

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

**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 better channels for contract management, and show how the concept can be used as a powerful management tool to improve service delivery.

## **1.9. Arrangement of the Report**

**Chapter One:** Presents an 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:** This chapter presents findings on how Contract administration influences service delivery in EMC.

**Chapter Five:** This chapter presents findings on how Performance management enhances service delivery in EMC.

**Chapter Six:** This chapter presents findings on how Relationship management contributes towards service delivery in EMC.

**Chapter Seven:** This chapter presents findings of the study on Contract management in the Entebbe Municipal Council.

**Chapter Eight:** This chapter presents findings of the study on Service Delivery in the Entebbe Municipal Council.

**Chapter Nine:** Links the findings to the literature review and suggests the way forward on how contract management can influence service delivery in EMC.

**Chapter Ten:** Presents summary and conclusion to the study.

**CHAPTER TWO**

**STUDY LITERATURE**

**2.0. Introduction**

The purpose of the 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. This chapter, therefore, reviews the work of several researchers relevant to study. It reviews opinions, observations attributes, and conclusions from various researchers which offer useful material in support of the study. The study advanced understanding of contract management and service delivery. The chapter consists of the literature survey, theoretical review, literature review, and conceptual framework.

## **2.1. Literature Survey**

Banyenzaki (2016) conducted a study on contract management practices and performance of road construction projects in the Wakiso district. The objectives of the study were: to examine the role of monitoring intensity in enhancing the performance of the road construction projects in Wakiso district; to analyze the relationship between risk management and performance of the road construction projects in Wakiso district; and, to assess the role of evaluation in enhancing the performance of the road construction projects in Wakiso district. A cross-sectional design was employed where both qualitative and quantitative methods were used in the study. The targeted sample size was 132 respondents out of a total population of 241 road construction stakeholders based on Krejecie and Morgan's (1970) table for sample determination. The findings indicated that there was a significant positive relationship between monitoring intensity, risk management, evaluation, and performance of road construction projects in the study context. The performance of the road construction projects in Wakiso district was more related to the availability and use of resources which include funding, human resources, and the basic raw materials used in the construction process which results in delays, cost overruns, and poor-quality service. Based on these study findings it is therefore recommended that Wakiso district should commit more resources to evaluation and risk management to realize a higher level of service delivery in the road construction sector (Banyenzaki, 2016). The study above focused on contract management practices and performance as its study variables yet the current study focuses on contract management and service delivery. This leaves a knowledge gap which the current study intends to cover. There is also a geographical gap since the two studies focused on different case studies. The study above also indicates a time gap since it was conducted in 2016 yet the current study is to be conducted in 2021.

In another study conducted by Komakech (2020) conducted a study on Contract Management and Service Delivery in Local Governments in Uganda. The main objective of the study was to examine the relationship between contract management and service delivery in Local Governments in Uganda taking Serere District Local Government as a case study. The study used a case study and correlation research design where both qualitative and quantitative approaches were used. Questionnaires and interviews were used to collect data from a sample of 134 respondents of which ninety (90) returned their well-filled questionnaires giving a response rate of 67.2%. The findings revealed that there was no significant relationship between contract administration and service delivery (r=0.158, p<0.136). The results also show a significant relationship between delivery management and service delivery (r=0.532, p<0.000). However, none of the variables were highly inter-related. The researcher concludes that delivery management is more significant in contract management than contract administration accounting for 28.3% variation in service delivery in Uganda's Local Governments. The researcher recommends the local government’s political and administrative stakeholders as well as the policymakers in Uganda to have keen attention to the main component of contract administration (procurement planning) which is the foundation for effective service delivery in the entity. The study also agitates for the establishment independent Contract Management Department within the Procuring and Disposing Entity (PDE) for easy tracking of the contracts in the entity; the need for continuous improvement for every procurement conducted, and the need to eliminate informal structure by enhancing communication between the entity and contractor.

Based on the study above, there is a time gap since the above study focused on the 2020 period yet the current study is conducted in 2021. There is also a contextual gap since the above study used a case study and correlation research design yet the current study is going to use a cross-sectional research design. There is also a geographical gap since the above study focused on Local governments in the Serere district yet the current study is focusing on Entebbe municipal council. Thus, the current study intends to cover the gaps identified above.

## **2.2. Theoretical Review**

This section presents a review of relevant theories about contract management and service delivery. The theoretical review demonstrates a clear understanding of theories and concepts that are relevant to the study.

## **2.2.1. Principal-Agent Theory**

The study was informed by the Principal-Agent Theory was advanced by Jensen and Meckling in 1976. This theory is one of the main theoretical foundations for describing and analysing public governance. Hudson (2013) points out that one common version of principal-agent theory seeks to define the two fundamental tasks which have to first be dealt with by the principal to choose and control their agent. The first task entails the selection of the best agents as well as creating incentives to get the desired results from them. The second task demands that the principal monitor if their agent’s performance is as agreed (Gailmard, 2012). The principal-agent theory has a limitation for assuming a problem may arise when the principal and the agent have conflicting goals or when verification of what the agent is doing is expensive or difficult for the principal. In this case, Ewert and Bester (2012) introduced asymmetric information of a moral hazard problem and an issue of adverse selection.

## **2.2.2. Commitment-Trust Theory**

The Commitment-Trust Theory of relationship management says that two fundamental factors, trust, and commitment, must exist for a relationship to be successful (Christopher, 2004). The theory was mentioned by Annekie Brink and Adele Berndt in their book “Relationship Marketing and Customer Relationship Management”. Relationship marketing involves forming bonds with suppliers by meeting their needs and honoring commitments. Handfield (2002) suggested that rather than chasing short-term profits, businesses following the principles of relationship marketing forge long-lasting bonds with their suppliers. As a result, suppliers trust these businesses, and mutual loyalty helps both parties fulfill their needs. Heikkila (2002) defined trust as the confidence both parties in the relationship have that the other party won’t do something harmful or risky.

Businesses develop trust by standing behind their promises. Commitment involves a long-term desire to maintain a valued partnership. Williams (2006) concluded that desire causes the business to continually invest in developing and maintaining relationships with its customers. Through a series of relationship-building activities, the business shows its commitment to the suppliers. According to Martin (2003), the results of a relationship based on commitment and trust are cooperative behaviors that allow both parties to fulfill their needs. Buyers not only get the product or service they’re paying for, but they also feel valued.

The Principal-Agent Theory is more relevant for this study because it brings out the relationship between a principal who has specific objectives and an agent who is mandated with the implementation of activities geared towards achieving those objectives. These agency relationships provide public managers with incentives to disclose information voluntarily, allowing their activities to be monitored (Lambright, 2018). This study examined the contribution of contract management on service delivery in public sector organisations based on Principal-Agent theory.

**2.3. Literature Review**

**2.3.1. Contract management and Service delivery**

The success or failure of any alternative service delivery arrangement likely depends on how well governments can manage the entire contract process, from assessing the feasibility of contracting through implementation to monitoring and evaluation (Hernona & Nitecki, 2001). Effective contract management requires mitigating specific problems that can plague the contract process. Successful contract management is defined as existing when the arrangements for service delivery continue to be satisfactory to both customer and provider and expected business benefits and value for money are being realized (Prier & McCue, 2007).

**2.3.1.1. Contract management**

Contract management involves the procurement function of coordinating the awarded contract in liaison with the user departments to ensure effective service delivery by the service provider (Odhiambo & Kamau, 2003; Prier & McCue, 2007). It is a process that enables both parties to a contract to meet their obligations to deliver the objectives required in the contract (Thai, 2004). According to Rundquist (2007), contracts management includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing on any changes or amendments that may arise during its implementation or execution. It can be summarized as the process of systematically and efficiently managing contract creation, execution, and analysis to maximize financial and operational performance and minimise risk. According to the United Nations ESCAP, the contract management process not only helps to fix responsibilities but also allows timely response to any deviation in project implementation or operation from the provisions in the contract agreements and thus helps to avoid disputes between the parties at later stages (UN-ESCAP, 2011). It further reveals the three key aspects of contract management which include:

**Contract administration** involves the establishment of administrative processes to ensure that all the procedures and documentation relating to the contract are effectively managed. The major activities in contract administration include variation management, maintaining the integrity of the contract, and financial administration (Rundquist, 2007). Clear administrative procedures for these activities help to ensure that all parties to the contract agreement clearly understand their responsibilities and time and procedure of action (Sanger, 2013).

**Service delivery management** has two major elements: risk management and performance management. Risk management involves keeping the exposure of the project to potential risks at an acceptable level by taking appropriate action in time (Jean, 2009). Performance management is concerned mainly with ensuring the quantity and quality of service delivery as per the contract, resource utilization, and performance improvement in the future to reflect technological and other new developments as appropriate (Rundquist, 2007).

**Relationship management** between the private party and the government implementing agency over the long contract tenure of a PPP project is vital for its success. Building an effective and mutually beneficial relationship does not imply that either party has to compromise its contractual rights and obligations (UN-ESCAP, 2011).

In his study, Dessler (2005) acknowledged the relevance of performance management as a primary attribute of contract management. In his view, service delivery management, relationship management, and contract administration were not enough to reflect the wholesomeness of contract management. He, therefore, referred to performance management as a contract management element that is consequently concerned with how people work, how they are managed and developed to improve their performance, and ultimately how to maximize their contribution to the organization. Armstrong & Baron (2005) urged that performance management is underpinned by the notion that sustained organization’s success will be achieved through a strategic and integrated approach to improving the performance and developing the capabilities of individuals and wider teams. It is a means of settings better results from an institution’s team individuals by understanding and managing performance within an agreed framework of planned goals, standards, and competence requirements.

Empirical evidence from previous studies suggested that the performance measurement systems (PMS) such as Balanced Scorecard failed to deliver the expected results in terms of improving the communication of strategy throughout the firm under research (Krause, 2003). Performance management has been used to reinforce the desired attitude and behavior of the employees as well as the integration of the processes for better organisational outcomes for the past few years (Mohrman, Mohrman & Worley 1990). Furthermore, large amounts of money and time have been spent to engage in these exercises which would focus on one single important variable, namely the people or their employees (Yancey & Austin 2000).

Therefore managing performance involves monitoring performance about; Key performance indicators, the targets of development priorities, objectives as laid down in the integrated development plans, the subsequent measuring and reviewing of performance at least once a year as prescribed by the Local Government Act. (Municipal systems act 32 of 2000).

**2.3.1.2. Service Delivery.**

Service delivery refers to a relationship between policymakers, service providers, and consumers of those services, and encompasses both services and their supporting systems. Service delivery is a mechanism used by an organization to meet the needs and aspirations of the people it is meant to serve (UNPA, 2013). According to Asha (1999), service delivery is a dynamic concept and should change as the needs of the individuals change. Zeithaml, Parasuraman, and Berry (1990) defines service delivery as the provision of services by governments or an organization or a group of individuals and making sure they reach those people and places they are intended to. Bebko's (2000) definition focuses on ensuring that services reach where they are supposed but falls short of including quality of services or whether they are beneficial to the people getting these services. On the other hand, Hernona and Nitecki (2001) observed that organizations recognized that the managerial approach that service delivery implies is a way to improve their ability to meet their mission of serving users. Service providers deliver services to benefit their customers and perhaps to attract new ones.

Improvement of service requires an understanding of the benefit, the customers, and the actions of the service provider, and then using that knowledge for planning purposes. The application of service delivery concepts encourages service improvement. In the same vein, Yong (2000) emphasized that service delivery involves a process that generates benefits by facilitating a change in customers, a change in their physical possessions, or a change in their intangible assets. As for Jean (2009), service delivery is significant in the timeliness and responsiveness of the services offered by organizations. It is equally significant in the quality of service offered and a general assessment bases on the suitability to purpose and standards that it is designed to meet or offer. In this study, it was measured in terms of efficiency in service delivery, the effectiveness of service delivery, and reliability in service delivery.

**2.3.2. Contract Administration and Service delivery**

Contract administration involves those activities performed by organizational officials after a contract has been awarded to determine how well the organization and the contractor performed to meet the requirements of the contract (Hewitt, Money & Sharma, 2002; Jap, 1999; Lyons, Krachenberg & Henke, 1990). It encompasses all dealings between the organization and the contractor from the time the contract is awarded until the work has been completed and accepted or the contract terminated, payment has been made, and disputes have been resolved (Nucharee, 2009). As such, contract administration constitutes the primary part of the contract process that assures the organization gets what it paid for.

In contract administration, the focus is on obtaining supplies and services, of the requisite quality, on time, and within budget (Jin, 2004). While the legal requirements of the contract are determinative of the proper course of action of organizational officials in administering a contract, the exercise of skill and judgment is often required to protect effectively the service beneficiaries’ interest (Monczka et al., 2005).

The importance of contract administration to the success of the contract, and the relationship between customer and provider, should not be underestimated. Clear administrative procedures ensure that all parties to the contract understand who does what, when, and how to ensure better service delivery (Nucharee, 2009). Good contract administration assures that the end-users are satisfied with the product or service being obtained under the contract.

Contract administration to ensure better service delivery requires appropriate resourcing. It may be that the responsibility falls on a nominated individual (Anderson & Narus, 1990). If not, and the responsibility is shared across a contract management team, all members of the team must deal promptly with contract administration tasks, particularly during the early stages of implementation if better service delivery is to be realized.

Several weaknesses have been identified in contract administration practices used by organizations/agencies. The principal problem is that contracting officials often allocate more time to awarding contracts rather than administering existing contracts (Morgan & Hunt, 1994). This often leads to problems in contractor performance, cost overruns, and delays in receiving goods and services. Several other deficiencies have been noted such as unclear roles and responsibilities of the contracting officer's technical representatives, excessive backlog in contract closeout and incurred costs audits, improperly trained officials performing contract oversight, unclear statements of work that hinder contractor performance, and inadequate guidance on voucher processing and contract closeout (Kannan & Tan, 2006).

**2.3.3. Performance Management and Service Delivery**

Performance as described by Langdon (2000) implies the action of doing things, using things, attending to conditions, processing, communicating, and achieving results. Bates and Holton (1995) also defined performance as a multi-dimensional construct, the measurement of which varies depending on a variety of factors. This was further confirmed by Fletcher (2001) who relates contextual performance to dealing with attributes that go beyond task competence and foster behaviors that enhance the climate and effectiveness of the organization. Thus, performance can be defined as the outcomes of works as a result of reason and resources (inputs) such as materials, ideas, knowledge, and equipment.

According to Armstrong& Baron (2005), performance management is underpinned by the notion that sustained organization’s success will be achieved through a strategic and integrated approach to improving the performance and developing the capabilities of individuals and wider teams. (Armstrong & Baron, 2005). It is a means of settings better results from an institution’s team individuals by understanding and managing performance within an agreed framework of planned goals, standards, and competence requirements.

Therefore managing performance involves monitoring performance about; Key performance indicators, the targets of development priorities, objectives as laid down in the integrated development plans, the subsequent measuring and reviewing of performance at least once a year as prescribed by the Local Government Act. (Municipal systems act 32 of 2000).

According to Alan Fowler (1988), the performance of employees can be much more variable than that of plant or equipment, Overtime it can also improve or deteriorate. People learn by experience and even if no positive action is taken to help the new employee improve most will raise their performance levels as they become more knowledgeable and discover for themselves ways of getting their jobs done more efficiently.

Sanger (2013) asserts that leaving performance improvement to chance has at least four serious sort comings; Employees may eventually reach an acceptable standard but will take far longer to do so than if positive development action was taken, the standard which becomes the norm may well be below the level which could be achieved given positive action, employees response to change in the organization’s needs may be very slow, the performance of some employees will deteriorate as they lose interest to fail to adjust to changing circumstances. Positive action to raise and maintain employee standard of performance in their present jobs and to develop the qualities required for the future is one of the most vital management tasks (Sanger, 2013).

Governments across the world have implemented an array of instruments intended to encourage public managers, and citizens, to drive public service performance upwards. From the use of target-setting, league tables, and performance information across entire policy fields to the promotion of performance planning and management techniques, within public organizations, governments have increasingly placed their faith in the power of performance management (Talbot, C., 2010).

Despite its prevalence, many commentators argue that performance measurement in the public sector distorts the priorities of service delivery organizations and inhibits genuine innovation, often to the detriment of service users. Contrasted with this negative account, however, the small but growing number of empirical studies of the impact of performance management largely points towards its benefits for public service performance, especially at the policy field level. Van Dooren, W., Bouckaert, G., and Halligan, J. (2010) also suggest that citizens can use performance information to hold politicians to account, particularly when public organizations are perceived to be performing poorly.

According to the research findings of Andrews, (2014);

“The research evidence on performance management in the public sector highlighted four findings that are relevant to Public Service Governance and Delivery:

* Performance management techniques such as the use of targets and benchmark competition improve the effectiveness of public services and have a positive impact on outcomes.
* Performance management at the field level is particularly effective, so long as there are sufficient comparator organizations to allow performance competition and comparative learning between organizations.
* Performance management is particularly well-suited to delivering improvement in performance indicators that have a high degree of public acceptance, such as exam results and hospital waiting times.
* There is less hard evidence that performance management produces efficiency savings, so alternative means for promoting cost-cutting innovations may be required.”

**2.3.4. Relationship Management and Service Delivery**

Effective contract management relies on good communication based on mutual respect, trust, understanding, openness, and accountability. Keeping the relationship between you and your supplier open and constructive helps in resolving or easing tensions and identifying issues early (New Zealand Government Procurement Solutions, 2011).

According to Gummesson (2006), relationship management is the asset of the organization through which an organization can gain access to the resources of others, acquire the supplies that it needs, or solve its problems and thus generate revenue. Davis & Walker (2004) observed that relationship-based procurement is dependent on joint problem-solving activities. According to Jefferies, Rowlinson & Cheung (2006), relational contracting approaches have become more popular than before. SIGMA (2011) explains that among the many factors that influence contract relationship, mutual trust and understanding, openness and excellent communication, and a joint approach to managing delivery makes a more significant contribution to service delivery in local governments.

Basingstoke and Deana Plan (2013) points to contract management as an area subject to vendor protests and litigations. Consistent with Oluka & Basheka (2014), relationship management may be constrained by dispute resolution by the courts which is costly and unreliable. As a result, relationships should be managed professionally and be based on cooperation and mutual understanding, taking into account the need for probity and ethical behavior (Commonwealth of Australia, 2012) to reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior, and enhance confidence in public contracting through better service delivery.

Contact Relationship management improves contractor(s)/ service provider(s) performance; and ensures that parties contract to manage their resources while complying with procurement laws, guidelines, and regulations. Commonwealth of Australia, (2012) noted that relationship management underpins overall successful contract management. Contributing to the same debate, Commonwealth of Australia (2012) studies revealed that effective contract management is not only about holding contractor(s)/ service provider(s) to account for each minute detail of the contract but to promoting a relationship that supports the objectives of both parties.

According to Ahimbisibwe, Muhwezi, and Eyaa (2012), organizations should build collaborative and long-term relationships with their suppliers to avoid opportunism. This is supported by Jefferies, et al., (2006) research in the Australian construction industry which found collaboration and teamwork as crucial in sharing up-to-date information between contracting parties. Collaboration and increased professionalization of processes will increase the likelihood that public procurement will deliver reduced costs and appropriate service quality (Barrett A, & Rees D, 2016). Queensland Audit Office (2013) indicates that the reduction in the number of contracts in entities reduces administrative overheads and improves the consistency of contract management activities hence more effective and efficient use of resources (value for money) in entities. Keeping good relations with suppliers provides high-quality goods, (including works and services), saves procurement time, eliminates unwanted procurement renewals, increased productivity, improves competition, reduces legal fees, and reduces costs especially where the suppliers are reliable (Higham, 2016).

Sako et al (2016) demonstrate how supplier relationship management can have a positive impact on the net profits of a firm. First, the revenue streams of an organisation are positively affected by methods such as buyer-supplier relationship management. This can improve product quality, which enables organisations to charge higher prices and achieve higher levels of customer satisfaction, increasing sales. Jack and Powers (2015) agree with this notion and concluded that strategic buyer-supplier relationships are positively correlated with the quality of products and services. The cost of goods sold is positively affected by strategic buyer-supplier relationships, because of increased efficiency and effectiveness in processes. Furthermore, improved planning and reduction in material costs through less expediting of materials can be achieved.

Karungani (2019) carried out a study on the influence of Buyer-Supplier Relationships on Supply chain performance of Foreign based development agencies in Kenya. The study found that, next to supplier development management and continuous improvement, the buyer-supplier relationship is a critical component of strategic alliances. Building further upon this argument, an example is provided where quality assurance is obtained through the development of strategic partnerships between manufacturers and suppliers. Furthermore, Karungani (2019) states that long-term interactive supplier relations and early involvement of suppliers in product development phases are necessary for achieving fruitful strategic alliances. This does imply that suppliers are required to be well-informed about the buyer’s processes and operations, however. To sum up, it can be concluded that the reviewed relationship management literature presents numerous advantages that benefit both the buying firm and the supplying firm, as revealed by Haftom, (2017). Therefore, the contract relationship management model is a very important component to successful service delivery in local government’s world over.

## **2.4. Conceptual Framework**

In the conceptual framework, the independent variable (IV) is hypothesized to influence service delivery in which the dimension of contract management is used. Service delivery, on the other hand, is conceptualized as a dependent variable (DV) and is measured in terms of; timeliness, reliability, service quality, effectiveness, cost efficiency, client satisfaction, and accessibility of services. The relationship of these variables is illustrated in figure 2.1 below.

## **Figure 2.1: Conceptual framework showing the relationship between contract management and service delivery.**

**Independent Variable Dependent Variable**

**Contract management**

**Contract Administration**

* Formal governance of the contract
* Implementation of procedures
* Operation of routine administrative and clerical functions

**Performance management**

* Setting objectives
* Measurement of Performance
* Feedback of results
* Rewards based on outcomes
* Amendments to Objectives and Activities

**Relationship management**

* Good communication
* Openness and accountability
* Joint problem solving
* Mutual trust and understanding

**Service Delivery**

* Timeliness
* Reliability
* Service quality
* Effectiveness
* Cost efficiency
* Client satisfaction
* Accessibility of services

**Intervening Variables**

Existing policy

Management structure

Management style

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

# **CHAPTER THREE**

# **RESEARCH METHODOLOGY**

# **3.0. Introduction**

This chapter presents issues relating to the research design that shall be adapted for the study; highlighting the study population, sample size as well as the sampling procedure or techniques. The methods and tools used for data collection, procedures to be followed during the collection of data, and data analysis techniques are also discussed in this chapter.

## **3.1. Research Design**

A research design is a structure, or the blueprint, of research that guides the process of research from the formulation of the research questions and hypotheses to reporting the research findings (Cooper and Schindler, 2010). This study used a descriptive and case study research design. Descriptive research design is a design that is used when the researcher wants to describe specific behavior as it occurs in the environment (Creswell, 2017). Surveys do not manipulate variables nor arrange for events to happen, but focus only on conditions or relations that exist, opinions held, processes that are going on, evident effects, or trends that are developing (Katamba and Nsubuga, 2014). The researcher used descriptive because it was one of the suitable methods to obtain information concerning current situations. A case study design is selected to get the required data since a case study is a complete study in itself that can provide focused and valuable insights into phenomena that may otherwise be vaguely known or understood (Cooper and Schindler, 2010).

## **3.1.1. Research Approach**

The research approach is important because it can be used to test the validity of the research hypothesis. In the research approach, the researcher used a phenomenological approach which enabled the researcher to understand how respondents understand contract management and service delivery that is to mean the work experiences of respondents.

## **3.1.2. Research Strategy**

This study relied on a case study approach since it was difficult to establish what goes on concerning contract management and service delivery in the public sector. For the reason of effective access, Entebbe Municipal Council was selected.

## **3.1.3. Research Duration**

A cross-sectional research design was adopted for this study. This is where data was gathered just once from a cross-section of sources for purposes of answering questions. The cross-sectional design required the researcher to use several data collection methods and collect information from a cross-section of respondents.

## **3.1.4. Research Classification**

The study used quantitative and qualitative research which are generally associated with the positivist paradigm. It involved collecting and converting data into numerical form hence the use of statistical calculations where conclusions were drawn. To predict the possible relationship between the variables, the study used various instruments such as self-administered questionnaires and interview guide forms.

## **3.2. Study Population**

The study targeted a population of 320 respondents at the Entebbe Municipal Council. These included the managers, human resource department, procurement department, suppliers, monitoring and evaluation, and production staff. This category of respondents was chosen because it was expected to have relevant and valid information about the study variables and how they are operationalized in Entebbe Municipal Council.

**Table 3.1: Population of the Study**

|  |  |  |  |
| --- | --- | --- | --- |
| **Institution** | **Category** | **Population Size** | **Percentage** |
| **Entebbe Municipal Council** | Administration | 31 | 9.7% |
| Finance | 25 | 7.8% |
| Works | 30 | 9.4% |
| Procurement | 10 | 3.1% |
| Production And Marketing | 20 | 6.3% |
| Community Development Office | 15 | 4.7% |
| Audit Section | 10 | 3.1% |
| Community (end users) | 179 | 55.9% |
| **Grand Total** |  | **320** | **100%** |

***Source: Primary data, 2021 and modified by the researcher (2021)***

## **3.3. Sample Size and Selection**

Kothari, (2004) described sample size as the total number of units or items used to represent the characteristics of the whole population Sample size must satisfy some requirements such as representativeness, flexibility, efficiency, and reliability. To undertake this study, the researcher collected data from 175 persons.

**Table 3.2: Sampling Frame**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Institution** | **Category** | **Population Size** | **Percentage** | **Sample Size** | **Sampling Technique** |
| **Entebbe Municipal Council** | Administration | 31 | 9.7% | 17 | Purposive |
| Finance | 25 | 7.8% | 14 | Simple random |
| Works | 30 | 9.4% | 16 | Simple random |
|  | Procurement | 10 | 3.1% | 6 | Simple random |
|  | Production & Marketing | 20 | 6.3% | 10 | Simple random |
|  | Community Development Office | 15 | 4.7% | 8 | Simple random |
|  | Audit Section | 10 | 3.1% | 6 | Simple random |
|  | Community (end users) | 179 | 55.9% | 98 | Convenience Sampling |
| **Grand Total** |  | **320** | **100%** | **175** |  |

***Source: Primary data, 2021 & Krejcie and Morgan (1970)***

## **3.4 Sampling Design**

According to McCabe (2005), sampling methods are important in identifying the population of interest. In this study, the following are the sampling methods employed

## **3.4.1.** **Purposive Sampling**

The researcher used the purposive method of sampling to select respondents from various departments; these were 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.

## **3.4.2. Simple Random Sampling**

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

## **3.4.3. Convenience Sampling**

Convenience sampling involves getting participants wherever they could be found and typically wherever it is convenient. The convenience sampling method was applied by engaging random community members that were found at the municipality premises during the data collection period and were asked questionnaire questions concerning the study variables.

## **3.5. Data Sources**

According to Weiner, (1995), data collection is a standout amongst the most essential stages in carrying on research. It helped in figuring out what sort of data is needed.

## **3.5.1. Primary Data**

Primary data is data that is collected by a researcher from first-hand sources. In this study, primary data was collected directly from primary sources to gather a richness of information from the most reliable and informed respondents about the current situation of the study problem.

## **3.5.2. Secondary Data**

Secondary data is data gathered from studies, surveys, or experiments that have been run by other people or for other research. The current study gathered information from secondary sources because it has a pre-established degree of validity and reliability which needs not be re-examined by the researcher.

## **3.6. Data Collection Methods**

Data collection is defined as the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer queries, state research questions, test hypotheses, and evaluate outcomes (Nemanja. 2009). The researcher used the following methods for the collection of data for this study.

## **3.6.1. Survey.**

According to Allen (2010), a questionnaire is a data collection method consisting of a series of questions and other prompts to gather information from respondents. The study used this data collection method because it is limited to the fact that respondents can read questions and respond to them and it saves time.

## **3.6.2. Face to Face Interviews.**

Andrea (2014) states that the interview method of data collection is a verbal conversation between two people to collect relevant information for research. This method was used because it produces data based on information priorities, opinions and ideas focused on informants. Therefore, respondents had an opportunity to expand on their ideas, explore their views and also identify what they regard as their crucial factors. The purposes of the interview are to explore the views, experiences, beliefs, and/or motivations of individuals on specific matters and are particularly appropriate for exploring issues where participants do not want to talk about such issues in a group environment.

**3.7. Data Collection Instruments**

According to Abawi (2014), the following are important in collecting valid and reliable information of the study

## **3.7.1. Self-Administered Questionnaire**

This tool allowed the collection of quantified data from a large number of respondents. The researcher prepared a set of questions about the field of inquiry. The designed questionnaire included mostly closed-ended, although there were some open-ended questions. The questionnaire was used because it is cheap to administer to the respondents that are scattered over a large area of the hospitals, within a short period. A questionnaire also allowed respondents to feel free to give information and respondents answer the questions at their own time sometimes without the influence of the researcher (Amin, 2005). The questionnaire was designed using the Likert scale format of Strong Agree to Strong Disagree.

## **3.7.2 Interview Guide**

The researcher used structured and face-to-face interviews because they provided first-hand information; data was collected because it is less costly and can clarify questions. In this method, an interview guide was drafted upon which questions were asked and then notes responses corresponding to the asked questions.

## **3.8. Data Quality Control**

## **3.8.1. Validity of the Instruments**

The validity of the instruments was determined by ensuring that questions conformed to the designed research topic. The researcher used judgment by consulting with the supervisor and colleagues to ensure relevance, wording, and clarity of questions in the instrument, and their relevant comments on all items found unsuitable were removed.

**Content validity Index**

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

**Objective 1:** Contract administration and service delivery: Two experts rated the item “2” and Eight experts rated it “4”

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

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

**Objective 2:** Performance management and service delivery; One expert rated the item “2” and nice experts rated it “3”.

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

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

**Objective 3:** Relationship management and towards service delivery; Three experts rated the item “1” and four experts rated it “3” while 3 rated the item “4”

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

CVI= 7/10, this means that the content validity ratio is 0.70

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

It can be concluded that based on the content validity ratio results of the variables above, the overall CVI is equal to 0.80 thus all items were considered valid for this current study.

## **3.8.2. Reliability of the Instruments**

Reliability is the degree to which an assessment tool produces stable and consistent results (Fraser, 2004). This is important because it enabled the researcher to make meaningful conclusions about the study. The reliability of the questionnaire items was tested using Cronbach’s alpha coefficient test. Only factors that loaded above 0.7 were considered in the final questionnaire for data collection, this is because 0.7 is above average and therefore acceptable to make conclusions. The reliability of the instruments was tested using Cronbach’s Alpha under SPSS; the results are presented in the table below;

**Table 3.3: Reliability Statistics of Contract administration**

|  |  |
| --- | --- |
| Cronbach's Alpha | N of Items |
| .992 | 10 |

***Source: Primary data, (2021)***

**Table 3.4: Reliability Statistics of Performance management**

|  |  |
| --- | --- |
| Cronbach's Alpha | N of Items |
| .988 | 10 |

***Source: Primary data, (2021)***

**Table 3.5: Reliability Statistics of Relationship management**

|  |  |
| --- | --- |
| Cronbach's Alpha | N of Items |
| .993 | 10 |

***Source: Primary data, (2021)***

**Overall Reliability results**

**Table 3.6: Reliability Statistics of Relationship management**

|  |  |
| --- | --- |
| Cronbach's Alpha | N of Items |
| .997 | 30 |

***Source: Primary data, (2021)***

The researcher established the reliability results for Contract administration, which comprised of 10 items was .992 as indicated in table 3.7

The researcher established the reliability results for Performance management, which comprised of 10 items was .988 as indicated in table 3.8

The researcher established the reliability results for Relationship management, which comprised of 10 items was .993 as indicated in table 3.9

The overall reliability test results were represented by r<0.997 which is above average as recommended by Selkar (2003).

## **3.9. Data Collection Procedure**

Before going for data collection, the researcher followed all the professional guidelines of researchers including the acquisition of an introductory letter from the School of Business Administration and Information Technology, Nkumba University, and permission from the Manager Human Resources of Entebbe Municipal Council to research the health facility. At the same time, the researcher before engaging particular respondents, the researcher requested oral or written consent. Then the questionnaire and interview guides were distributed and conducted among the respondents and key informants, respectively. After a specified time scale agreed with participants, the researcher collected the filled instruments. The collected data was at this point set for editing, coding, and analysis.

## **3.10. Data Processing and Presentation**

The quantitative collected data was edited, coded, and cross-checked for completeness using Ms. Excel and exported to Statistical Package for Social Sciences (SPSS) version 25 for analysis. The quantitative data were presented in form of numeric using tables and charts representing frequencies and percentages of results. In regards to qualitative data, the researcher presented the findings in a narrative form by directly reporting respondents' responses through quotations.

## **3.11. Data Analysis**

Data was analysed after referring to the available literature to compare and contrast opinions presented to statistical analysis to generate descriptive statistics to draw conclusions and make recommendations. The data collected was presented and used in explaining the relationship between the two variables of the research study; contract management and service delivery. The researcher then presented the findings quantitatively in numeric and qualitatively in form of a narrative in a research report.

## **3.12. Research Ethical Considerations**

Permission to conduct this study came from relevant authorities including Business administration and information Technology Nkumba University and Human Resource Office of EMC. In addition to that, the respondents were assured of the confidentiality of the information that they provide to the researcher. In this study, the researcher observed not to be biased and subjective towards the study during interview sessions, the researcher never induced his feeling towards the interviews, leaving them to give their views about the research objectives.

Respect for all intellectual property where all primary sources were properly documented, referenced and Authors acknowledged. Further still as respondents filling the questionnaires were left free to answer what they know without some subjective directions on answering the questionnaires. However, data collection was on a single basis, to avoid data that is influenced by group members. Moreover, confidentiality will be observed, no name was mentioned of any respondent or interviewee was mentioned in this study. The study was an ethical-free zone.

## **3.12. Limitations of the Study**

1. **Low-response:** The researcher faced a problem of non-response from the respondents about particular questions especially through interview sessions. The researcher overcame this limitation by administering many questionnaires as possible to eliminate the higher likelihood of low response.
2. **Inflexible design:** The survey that was used by the researcher from the very beginning, as well as the method of administering it, could not be changed throughout the process of data gathering. This inflexibility was viewed as a weakness of the survey method.
3. The study was conducted in EMC as a case study. This means that the study had geographical limitations. However, the researcher used a quantitative data collections approach to collect enough data from a large number of respondents.

# **CHAPTER FOUR**

# **CONTRACT ADMINISTRATION AND SERVICE DELIVERY IN ENTEBBE MUNICIPAL COUNCIL**

## **4.0. Introduction**

This part shows the general background information about the respondents of the study. This includes; gender, age bracket, level of education, level of education, and working experience. The analysis is based on the data collected using questionnaires and interview guides which were answered by the target respondents. These findings were analyzed using SPSS version 23, Microsoft Excel, and Microsoft word and presented in tables and percentages as it gives a clear understanding of the study findings. It ends with inferential statistics testing for the hypothesis of the study.

## **4.1. Response Rate**

The response rate in survey research refers to the number of people who answered the survey divided by the number of people in the sample. It is usually expressed in the form of a percentage. Therefore, the response rate is viewed as an important indicator of survey quality. According to Amin (2005), posits that higher response rates assure more accurate survey results.

**Table 4.1: Response Rate**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Research Tools** | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Respondent | 138 | 78.9 | 78.9 |
| Not responded | 37 | 9.3 | **100.0** |
| **Total** | **175** | **100.0** |  |

***Source: Primary data (2021)***

Out of the 175 questionnaires distributed, only 138 respondents filled and returned the questionnaires representing a 78.8% response rate which is acceptable in making conclusions since it is above 70 or 70%. The 138 filled questionnaires are the basis of reporting in this chapter and the subsequent chapters.

**4.2. Demographic Characteristics of the Respondents**

The demographic characteristic of the sample that was considered important for this study are; gender, age bracket, level of education, level of education, and working experience as indicated in the tables below.

## **4.2.1. Gender of the Respondents**

The respondents were asked to identify the sex in which they belonged, responses to the question are summarized in Table 4.2

**Table 4.2: Respondents’ Gender**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Male | 83 | 60.1 | 60.1 | 60.1 |
| Female | 55 | 39.9 | 39.9 | 100.0 |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to results in Table 4.2, it is revealed that 60.1% of the respondents were males while 39.9% were females. This means that most of the duties and activities at the municipality are performed by males. The results also imply that all respondents were well represented in terms of gender and hence the study did not suffer from gender bias. Creswell (2014) contends that data collection that integrates responses from both genders is consistent than data from a single-gender.

# **4.2.2 Age of the Respondents**

Respondents were asked to identify the age group that they belonged to, results to the question are summarized in Table 4.3.

**Table 4.3: Age of Respondents**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | 20-30 | 32 | 23.2 | 23.2 | 23.2 |
| 31-40 | 39 | 28.3 | 28.3 | 51.4 |
| 41-50 | 43 | 31.2 | 31.2 | 82.6 |
| Above 50 | 24 | 17.4 | 17.4 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

As seen in Table 4.3, results show that the majority of the respondents 31.2% were aged between 41-50 years, 23.2% were aged between 20-30 years, and 28.3% were aged between 31-40 years. The results show that the lowest number of respondents 17.4% were aged above 50 years. The results imply that all respondents were adults and mature enough to understand both concepts of contract management and how it can influence service delivery hence providing valid information.

# **4.2.3. Period of Service at Entebbe Municipal Council (in years)**

The respondents were asked to identify the period of stay in years in EMC. The results are summarized in Table 4.4;

**Table 4.4: Period of Service at Entebbe Municipal Council (in years)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Below 2 years | 24 | 17.4 | 17.4 | 17.4 |
| 2 – 5 | 57 | 41.3 | 41.3 | 58.7 |
| 6-10 | 39 | 28.3 | 28.3 | 87.0 |
| Above 10 | 18 | 13.0 | 13.0 | 100.0 |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

The results in Table 4.4 indicate that majority of the respondents had spent a period between 2 – 5 years in Entebbe municipality, while the minority (13.0%) had spent a period of above 10 years. The results can be concluded to mean that all respondents had spent a recognizable number of years within the municipality and as such were presumed to have a clear understanding of how contract management has influenced service delivery.

## **4.2.4. Level of Education of the Respondents**

Respondents were also asked to identify their highest level of education, responses to this question are highlighted in table 4.5.

**Table 4.5: Level of Education of the Respondents**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Cumulative Percent** |  |
| Valid | Certificate | 3 | 2.2 | 2.2 | 2.2 |
| Diploma | 11 | 8.0 | 8.0 | 10.1 |
| Bachelor’s degree | 79 | 57.2 | 49.3 | 59.4 |
| Master’s degree | 41 | 29.7 | 29.7 | 89.1 |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

The results in Table 4.5 indicate that majority of the respondents 57.2% had bachelors’ degrees and 29.7% had a degree of the master and 8% of the respondents were diploma holders while the minority 2.2% has done certificates courses in various fields. The results also indicated that the information got during the research can be depended on as the majority of the respondents were educated with the capability of internalizing issues and making independent decisions. In this regard, the information provided in this study can be relied upon since a good number of the respondents were learned and could do enough research and make informed decisions especially on the issues regarding the study variables.

**4.2. Contract administration and Service delivery in Entebbe Municipality**

## **4.2.1. The municipality has a policy on contract administration that guides practice**

The researcher saw that there was a need to find out whether the municipality had a policy on contract administration that guides practice and the responses are presented as below in table 4.6;

**Table 4.6: The municipality has a policy on contract administration that guides practice**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 11 | 8.0 | 8.0 | 8.0 |
| Disagree | 13 | 9.4 | 9.4 | 17.4 |
| Neutral | 29 | 21.0 | 21.0 | 38.4 |
| Agree | 38 | 27.5 | 27.5 | 65.9 |
| Strongly Agree | 47 | 34.1 | 34.1 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 4.6 above, it indicates that majority of the respondents generally agreed to the above matter as 34.1% strongly agreed and 27.5% also agreed. This implied that the municipality has a policy in force that informs contract administration, thus guiding practice. However, other respondents (21.0%) were not sure, while 9.4% disagreed and 8.0% also strongly disagreed with the matter above. Some respondents in this category were quoted commenting about the council which does not avail clear communication platforms where such information can be accessed by the public, hence creating doubt about the existence of such policies.

## **4.2.2. The Municipality has clear administrative procedures for contract management**

The researcher saw that there was a need to find out whether the municipality had a clear administrative procedure for contract management, and the responses are presented as below in table 4.7;

**Table 4.7: The Municipality has clear administrative procedures for contract management**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 8 | 5.8 | 5.8 | 5.8 |
| Disagree | 10 | 7.2 | 7.2 | 13.0 |
| Neutral | 21 | 15.2 | 15.2 | 28.3 |
| Agree | 48 | 34.8 | 34.8 | 63.0 |
| Strongly Agree | 51 | 37.0 | 37.0 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 5.2 above reveal that the municipality has clear administrative procedures for contract management. This is indicated as most of the respondents generally agreed to this matter were 37.0% strongly agreed and 34.8% also agreed. 15.2% were not sure and some claimed that such information is not publically disseminated by the council, hence hindering the public from accessing it. This implies that there is a communication gap in the municipality and it is believed to form a basis onto which some respondents disagreed on this matter. This was indicated by 7.2% of respondents who disagreed and 5.8% who strongly disagreed on this matter.

The majority, 52 (49.5%) generally agreed with the statement and this is an implication that the hospital’s distribution center enabled order processing and delivery of goods directly to customers under one roof.

## **4.2.3. The municipality has good relationships with its service providers**

The respondents were asked whether the municipality had good relationships with its service providers. The results attained are presented in table 4.8 below;

**Table 4.8: The municipality has good relationships with its service providers**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 28 | 20.3 | 20.3 | 20.3 |
| Disagree | 15 | 10.9 | 10.9 | 31.2 |
| Neutral | 21 | 15.2 | 15.2 | 46.4 |
| Agree | 41 | 29.7 | 29.7 | 76.1 |
| Strongly Agree | 33 | 23.9 | 23.9 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021).***

It is considered a good practice to establish strong relationships between procuring firms and service providers in all procurement types. This aligns with the findings in table 5.3 above, which indicates that the majority of the respondents generally agreed that the municipality has good relationships with its service providers as 23.9% strongly agreed and 29.7% also agreed. However, 20.3% strongly disagreed and 10.9% also disagreed on this matter.

However, while conducting interviews, one of the municipality administrators was quoted saying; *“The council always deals with the same suppliers, year in year out because they enjoy kickbacks from suppliers upon award of contract and many times it is not on merit, yet even those awarded are handpicked by superior officials that’s why they have close relationships which are against the primary intention of meeting service quality.”*

Thus, this implies that such relationships are more of a cartel but not genuine contract relationships.

## **4.2.4. The municipality always clarifies its expectations for its service providers**

The respondents were asked whether the municipality always clarified its expectations for its service providers. The results attained are presented in table 4.9 below;

**Table 4.9: The municipality always clarifies its expectations for its service providers**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 28 | 20.3 | 20.3 | 20.3 |
| Disagree | 15 | 10.9 | 10.9 | 31.2 |
| Neutral | 21 | 15.2 | 15.2 | 46.4 |
| Agree | 41 | 29.7 | 29.7 | 76.1 |
| Strongly Agree | 33 | 23.9 | 23.9 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings indicated in table 4.9 above, 13.0% were neutral on this matter due to their doubts in facts of whether clarity is emphasised upon expectations by the council from service providers. However, other respondents (30.4%) strongly agreed and 27.5% also agreed to this matter. This implies that the municipality does clarify its expectations for its service providers. 10.1% strongly disagreed and 18.8% also disagreed with claims relating to underperformance of projects, failure of supply, or even delayed completion of projects which implies that either the service providers lacked clarity in the employer’s expectations or maybe other factors prompt such inadequacies.

## **4.2.5. The municipality’s formal governance of the contract is not an inconvenience in the contracting process**

The respondents were asked whether the municipality’s formal governance of the contract was not an inconvenience in the contracting process. The results attained are presented in table 4.10 below;

**Table 4.10: This municipality’s formal governance of the contract is not an inconvenience in the contracting process**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 28 | 20.3 | 20.3 | 20.3 |
| Disagree | 15 | 10.9 | 10.9 | 31.2 |
| Neutral | 21 | 15.2 | 15.2 | 46.4 |
| Agree | 41 | 29.7 | 29.7 | 76.1 |
| Strongly Agree | 33 | 23.9 | 23.9 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to From table 4.10 above, it is revealed that 31.9% of the respondents strongly agreed and 27.5% also agreed to this matter. This implies that the municipality’s formal governance of the contract is not an inconvenience in the contracting process, thus, clear contracting processes are put in place and followed which stand away from the formal governance procedures of such contracts. However, 15.2% were neutral on this matter while 14.5% disagreed and 10.9% strongly disagreed with the matter in question. Some were quoted saying that, governance procedures cannot conflict with contracting processes since such structures are on paper but not in practice.

## **4.2.6. The municipality’s contract formal agreements specify expectations in the contracting process**

The respondents were asked whether the municipality’s contract formal agreements specified expectations in the contracting process, and the results attained are presented in table 4.11 below;

**Table 4.11: The municipality’s contract formal agreements specify expectations in the contracting process**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 11 | 8.0 | 8.0 | 8.0 |
| Disagree | 12 | 8.7 | 8.7 | 16.7 |
| Neutral | 9 | 6.5 | 6.5 | 23.2 |
| Agree | 47 | 34.1 | 34.1 | 57.2 |
| Strongly Agree | 59 | 42.8 | 42.8 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the statistics presented in table 4.11 above, it is evident that the majority of the respondents generally agreed to this matter as 42.8% strongly agreed and 34.1% also agreed. This implies that clear specifications are stated to spell out the expectations of formal agreements in the contracting process. However, 6.5% were neutral yet, 8.7% disagreed and 8.0% also strongly disagreed on this matter. It was noted that in the drafting of contract terms and conditions, the PDU at the municipality clearly states the scope of works or terms of references which are discussed extensively with the technical stakeholders in conjunction with the user departments.

## **4.2.7. The municipality’s contract formal agreements specify responsibilities in the contracting process**

The respondents were asked whether the municipality’s contract formal agreements specify responsibilities in the contracting process, the results attained are presented in table 4.12 below;

**Table 4.12: The municipality’s contract formal agreements specify responsibilities in the contracting process**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 14 | 10.1 | 10.1 | 10.1 |
| Disagree | 11 | 8.0 | 8.0 | 18.1 |
| Neutral | 26 | 18.8 | 18.8 | 37.0 |
| Agree | 39 | 28.3 | 28.3 | 65.2 |
| Strongly Agree | 48 | 34.8 | 34.8 | 100.0 |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Effective contract execution comes with proper assignment of responsibilities to all parties to the contract in question. As table 4.12 indicates, 34.8% strongly agreed and 28.3% also agreed. This implies that contracts formulated by the council assign responsibilities to each party involved in the contracting process. This allows for flexibility since each party is assigned their main area of expertise which fosters proper service delivery. This, however, was refuted by some respondents who (8.0%) disagreed and others who (10.1%) strongly agreed to the matter in question although some (28.3%) stood neutral on this matter.

One of the municipality administrative staff had this to say, *“There8 are control mechanisms to reduce the costs of doing business in the organizations, these include, segregation of duties, different tables of authority that show the different thresholds any one individual can transact/perform.”*

## **4.2.8. The municipality’s contract formal agreements specify processes for dispute resolution in the contracting process**

The respondents were asked whether the municipality’s contract formal agreements specify processes for dispute resolution in the contracting process. The results attained are presented in table 4.13 below;

**Table 4.13: The municipality’s contract formal agreements specify processes for dispute resolution in the contracting process**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 41 | 29.7 | 29.7 | 29.7 |
| Disagree | 54 | 39.1 | 39.1 | 68.8 |
| Neutral | 9 | 6.5 | 6.5 | 75.4 |
| Agree | 13 | 9.4 | 9.4 | 84.8 |
| Strongly Agree | 21 | 15.2 | 15.2 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings from Table 4.13 above indicate that majority of the respondents generally disagreed as 29.7% strongly disagreed and 39.1% also disagreed. This implies that there are no dispute resolution processes embedded in the formal agreement of contracts awarded. However, 6.5% were not aware of this matter as they stayed neutral to this whereas 9.4% agreed and 15.2% strongly disagreed. These based their argument on the fact that, much as the practice is that government identifies a party responsible for dispute resolution, it is more or less the same as embedding dispute resolution procedures in the formal contract terms.

Another administrative staff was quoted saying, *“There is more division and allocation of responsibility which focuses on improved contract management and service delivery”*

## **4.2.9. The municipality’s contracts always have clauses to ensure for any eventuality in the contracting process**

The respondents were asked whether municipality’s contracts always have clauses to ensure for any eventuality in the contracting process The results attained are presented in table 4.14 below;

**Table 4.14: The municipality’s contracts always have clauses to ensure for any eventuality in the contracting process**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 12 | 8.7 | 8.7 | 8.7 |
| Disagree | 11 | 8.0 | 8.0 | 16.7 |
| Neutral | 26 | 18.8 | 18.8 | 35.5 |
| Agree | 31 | 22.5 | 22.5 | 58.0 |
| Strongly Agree | 58 | 42.0 | 42.0 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 4.14 above, it indicates that 42.0% of the respondents strongly agreed on this matter, and also 22.5% agreed. This implies that the municipality’s contracts always have clauses that ensure any eventuality in the contracting process since the majority of the respondents seconded this argument. However, 18.8% were neutral on this matter whereas 8.0% of the respondents disagreed, and also 8.7% strongly disagreed on the subject matter.

## **4.2.10. Relationship between contract administration and service delivery of EMC**

The first hypothesis was that there was no statistically significant influence of contract administration on service delivery in EMC. Further to determine the degree of influence, a Pearson’s correlation coefficient analysis was computed as shown in table 4.15 below;

**Table 4.15: Correlations of contract administration and service delivery in EMC.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Contract administration | Service delivery |
| Contract administration | Pearson Correlation | 1 | .546\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 138 | 138 |
| Service delivery | Pearson Correlation | .546\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 138 | 138 |
| **\*\*. Correlation is significant at the 0.01 level (2-tailed).** | | | |

***Source: Primary data (2021)***

The results show that the correlation coefficient is 0.546(\*\*) at a significance level of 0.000. This implies that the service delivery of EMC is significantly attributed to contract administration. Therefore, according to the results, there is a positive significant relationship between contract administration and service delivery of EMC. Based on these results, the alternative hypothesis that was earlier postulated is rejected.

The above correlation result, therefore, disapproves the hypothesis that there was no statistically significant influence of contract administration on service delivery in Entebbe Municipal Council.

## **Table 4.16: Model Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .546a | .298 | .293 | 1.17460 |
| a. Predictors: (Constant), Contract administration | | | | |

***Source: Primary data (2021)***

From the regression analysis result in table 4.16 above 29.8% variations in the service delivery of EMC are attributed to contract administration. Table 5.10 provides the R and R2 values. The R-value is 0.546, which represents the moderate correlation and therefore, indicates a moderate degree of correlation. The R2 value indicates how much of the dependent variable (service delivery of EMC) is attributed to the independent variable (contract administration). The standard error of the estimate is 1.17460 and the adjusted R square value is .293. This value, therefore, implied that contract administration positively predicted the service delivery in EMC. Based on these results of this regression analysis, the service delivery of EMC is dependent on contract administration by 29.8%.

# **CHAPTER FIVE:**

# **PERFORMANCE MANAGEMENT AND SERVICE DELIVERY IN ENTEBBE MUNICIPAL COUNCIL**

## **5.0. Introduction**

The second objective of the study was to examine how performance management enhances service delivery in EMC. The frequency and percentage scores were computed using SPPS as presented below.

## **5.1. The municipality has a policy on performance management that informs practice**

Respondents were asked whether the municipality had a policy on performance management that informs practice, the results obtained are presented in table 5.1 as below;

**Table 5.1: The municipality has a policy on performance management that informs practice**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 23 | 16.7 | 16.7 | 16.7 |
| Disagree | 9 | 6.5 | 6.5 | 23.2 |
| Neutral | 21 | 15.2 | 15.2 | 38.4 |
| Agree | 37 | 26.8 | 26.8 | 65.2 |
| Strongly Agree | 48 | 34.8 | 34.8 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to findings in table 6.1, it is indicated that 16.7% strongly disagreed, 6.5% disagreed while 15.2% were neutral, most of the respondents generally agreed to the statement, this had a combined percentage of 61.6% and it can be concluded to mean that Entebbe Municipality to a large extent formally has a policy on performance management that informs practice. Gaining insight from the LG Regulations, (2006), some respondents quoted Section 19 (3a) which instructs municipality heads to ensure that the performance of contracts is in line with the stated legal requirements, which includes the policy on performance management that they emphasised is practiced in all contracts of the municipality.

## **5.2. The municipality carries out performance measurements on all contracts**

The respondents were asked whether the municipality carried out performance measurements on all contracts, and the results attained are presented in table 5.2 below;

**Table 5.2: The municipality carries out performance measurements on all contracts**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 30 | 21.7 | 21.7 | 21.7 |
| Disagree | 19 | 13.8 | 13.8 | 35.5 |
| Neutral | 11 | 8.0 | 8.0 | 43.5 |
| Agree | 47 | 34.1 | 34.1 | 77.5 |
| Strongly Agree | 31 | 22.5 | 22.5 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 6.2 above indicate that respondents had mixed feelings about the statement above as a combined percentage represented by 35.5% disagreed yet a combined percentage represented by 56.6% agreed to this matter while 8.0% were neutral. Many respondents against this statement claimed that many projects in the municipality do not meet deadlines as planned and others do not fully come to completion which raises questions on the performance measurements in place. However, other respondents in favor of the statement urged that performance measurements are always carried out on major contracts as a compulsory requirement.

## **6.3. The municipality has performance management systems in place**

The respondents were asked whether the municipality had performance management systems in place and the results attained are presented in table 6.3 below.

## **Table 6.3: The municipality has performance management systems in place**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 19 | 13.8 | 13.8 | 13.8 |
| Disagree | 23 | 16.7 | 16.7 | 30.4 |
| Neutral | 36 | 26.1 | 26.1 | 56.5 |
| Agree | 39 | 28.3 | 28.3 | 84.8 |
| Strongly Agree | 21 | 15.2 | 15.2 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Table 5.3 above indicates that 13.8% of the respondents strongly disagreed, 16.7% disagreed, and 26.1% were neutral while 28.3% agreed and 15.2% strongly agreed to this matter. A combined percentage of 43.5% agreed to this statement which implies that to a great extent, the municipality has Performance management systems in place. Respondents revealed that the municipality acknowledges all performance management systems designed for all public sector entities and ensures that they are applicable in all contracts executed in the municipality.

## **5.4. The Performance management system in place addresses the effectiveness of services in terms of quality and quantity**

The respondents were asked whether theperformance management system in place addresses the effectiveness of services in terms of quality and quantity. The results attained are presented in table 5.4 below;

**Table 5.4: The Performance management system in place addresses the effectiveness of services in terms of quality and quantity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 14 | 10.1 | 10.1 | 10.1 |
| Disagree | 25 | 18.1 | 18.1 | 28.3 |
| Neutral | 34 | 24.6 | 24.6 | 52.9 |
| Agree | 41 | 29.7 | 29.7 | 82.6 |
| Strongly Agree | 24 | 17.4 | 17.4 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.4 above, it indicates that 10.1% strongly disagreed, 18.1% disagreed and 24.6% were not sure. However, the majority of the respondents generally agreed. This had a combined percentage of 47.1% which implies that the performance management system in place addresses the effectiveness of services in terms of quality and quantity. Respondents revealed that; the performance management system in place acknowledges the Elements of service delivery Designs in Local Governments which are inclusive in terms of quality service delivery such as; evaluating citizens’ needs, priorities, and decisions as well as increasing understanding and acting upon socio-economic needs of the citizens to design appropriate service delivery mechanisms.

During an interview session, a key respondent revealed that;

*“The system in place has its challenges which render it none existing physically but only on paper. They further stated that the government performance management system suffers from serious conceptual flaws that have regularly proven to be fatal. For example, often there are no consequences for good or bad performance in government. Thus, even a good performance measurement system is a waste of time”.*

This means that performance measurement systems in government lack upfront prioritization of goals and objectives, upfront agreement on how to judge deviation from targets, and focus on the whole organisation.

## **5.5. The municipality sets objectives that inform performance**

The respondents were asked whether the municipality sets objectives that inform performance, and the results attained are presented in table 5.5 below;

## **Table 5.5: The municipality sets objectives that inform performance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 7 | 5.1 | 5.1 | 5.1 |
| Disagree | 11 | 8.0 | 8.0 | 13.0 |
| Neutral | 21 | 15.2 | 15.2 | 28.3 |
| Agree | 38 | 27.5 | 27.5 | 55.8 |
| Strongly Agree | 61 | 44.2 | 44.2 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings, as indicated in Table 5.5 above, reveal that 5.1% of the respondents strongly disagreed, 8.0% disagreed and 15.2% were neutral. However, 44.2% strongly agreed and 27.5% also agreed which implies that the majority were in agreement with the statement above. Respondents urged that municipality projects are guided by set objectives that are time-based and achieving such objectives in time is an indicator of good performance.

## **5.6. There is a reward system for good performance**

The respondents were asked whether there was a reward system for good performance. Results obtained are indicated as follows in table 5.6.

**Table 5.6: There is a reward system for good performance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 39 | 28.3 | 28.3 | 28.3 |
| Disagree | 48 | 34.8 | 34.8 | 63.0 |
| Neutral | 31 | 22.5 | 22.5 | 85.5 |
| Agree | 13 | 9.4 | 9.4 | 94.9 |
| Strongly Agree | 7 | 5.1 | 5.1 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

The findings presented in table 5.6 above indicate that 5.1% strongly agreed, 9.4% agreed and 22.5% were neutral. However, 34.8% of the respondents disagreed and 28.3% strongly disagreed on this matter. These claimed that the municipality has no reward system designed to recognize good performers as many stated that it is a mandate of all staff to perform well and deliver quality services to the public.

During an interview session, a key respondent expressed that;

*“In absence of such incentives, the staff is given their payments on time and that they are given enough time to achieve the set individual goals and objectives and yet they have the necessary skills and competencies to achieve the set individual goals and objectives given the avenues provided to all staff for capacity building which also is a sign of rewarding good performance”.*

## **5.7. Outstanding performance is always recognized and rewarded**

The respondents were asked whether the outstanding performance was always recognized and rewarded and the results are contained in table 5.7 below.

**Table 5.7: Outstanding performance is always recognized and rewarded**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 37 | 26.8 | 26.8 | 26.8 |
| Disagree | 51 | 37.0 | 37.0 | 63.8 |
| Neutral | 36 | 26.1 | 26.1 | 89.9 |
| Agree | 5 | 3.6 | 3.6 | 93.5 |
| Strongly Agree | 9 | 6.5 | 6.5 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.7 above, it is indicated that 26.8% strongly disagreed, 37.0% also disagreed with this matter. 26.1% were neutral yet, 3.6% agreed and 6.5% strongly agreed on this matter. Respondents claimed that it is occasional to see outstanding performance recognized or even rewarded in the municipality. This was as earlier stated claimed that the municipality has no reward system designed to recognize good performers as many stated that it is a mandate of all staff to perform well and deliver quality services to the public. Thus, it is not a priority to acknowledge outstanding performance, although this does not rule out the incentives such as promotions based on outstanding performance.

## **5.8. The municipality queries and sanctions staff for non-performance**

The respondents were asked whether the municipality queried and sanctioned staff for non-performance and the results attained are presented in table 5.8 below;

**Table 5.8: The municipality queries and sanctions staff for non-performance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 11 | 8.0 | 8.0 | 8.0 |
| Disagree | 30 | 21.7 | 21.7 | 29.7 |
| Neutral | 17 | 12.3 | 12.3 | 42.0 |
| Agree | 46 | 33.3 | 33.3 | 75.4 |
| Strongly Agree | 34 | 24.6 | 24.6 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 5.8 indicate that 8.0% strongly disagreed, 21.7% disagreed and 12.3% were neutral on this matter. 33.3% of the respondents agreed and 24.6% strongly agreed on this matter. This to a greater extent implies that the municipality queries and sanctions for non-performance. Respondents revealed that everyone is held accountable for all their assigned roles and in any case of non-performance, some matters may attract legal proceedings against any staff who abandoned their duties. However, other respondents against this statement urged that the municipality system suffers from serious conceptual flaws that have regularly proven to be fatal.

A key respondent during an interview session stated that;

*“For example, often there are no consequences for good or bad performance in government”.*

In addition, performance measurement systems in government lack upfront prioritization of goals and objectives, upfront agreement on how to judge deviation from targets, and focus on the whole organisation.

## **5.9. The municipality carries out capacity building to staff for performance improvement**

The respondents were asked whether the municipality carried out capacity building to staff for performance improvement. The results attained are presented in table 5.9 below;

**Table 5.9: The municipality carries out capacity building to staff for performance improvement**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 14 | 10.1 | 10.1 | 10.1 |
| Disagree | 9 | 6.5 | 6.5 | 16.7 |
| Neutral | 28 | 20.3 | 20.3 | 37.0 |
| Agree | 51 | 37.0 | 37.0 | 73.9 |
| Strongly Agree | 36 | 26.1 | 26.1 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.9 above, it indicates that 10.1% of the respondents strongly disagreed, 6.5% disagreed and 20.3% were neutral. However, 37.0% agreed and 26.1% strongly agreed on this matter. Respondents revealed that the municipality has scholarship programs that are open to all staff and community members interested in further studies as an avenue of furthering their knowledge in various disciplines. It was further revealed that the municipality also encourages active participation in training seminars aimed towards the capacity improvement of its staff.

## **5.10. The municipality carries out supplier development to improve supplier capacity**

The respondents were asked whether the municipality carried out supplier development to improve supplier capacity and the results attained are presented in table 5.10 below;

**Table 5.10: The municipality carries out supplier development to improve supplier capacity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 37 | 26.8 | 26.8 | 26.8 |
| Disagree | 49 | 35.5 | 35.5 | 62.3 |
| Neutral | 31 | 22.5 | 22.5 | 84.8 |
| Agree | 17 | 12.3 | 12.3 | 97.1 |
| Strongly Agree | 4 | 2.9 | 2.9 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 6.10 above indicate that 2.9% of the respondents strongly agreed, 12.3% agreed and 22.5% were neutral. However, 35.5% disagreed and 26.8% strongly disagreed and these formed the majority with a combined percentage of 62.3% which implies that to a greater extent, the municipality does not carry out supplier development. Respondents revealed that the contracting committee only approves well-developed suppliers for contract execution but it does not engage in developing any supplier. Thus, it is upon the suppliers to benchmark the best practices in the market and work towards building their capacity to become more competitive as well.

## **5.11. Relationship between performance management and service delivery of EMC**

The second hypothesis was that there was no statistically significant enhancement of performance management on service delivery in EMC. Further to determine the degree of enhancement, a Pearson’s correlation coefficient analysis was computed as shown in table 5.11 below;

## **Table 5.11: Correlations of performance management and service delivery in EMC.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Performance management | Service delivery |
| Performance management | Pearson Correlation | 1 | .638\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 138 | 138 |
| Service delivery | Pearson Correlation | .638\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 138 | 138 |
| **\*\*. Correlation is significant at the 0.01 level (2-tailed).** | | | |

***Source: Primary data (2021)***

The results show that the correlation coefficient is 0.638(\*\*) at a significance level of 0.000. This implies that the service delivery of EMC is significantly enhanced by performance management. Therefore, according to the results, there is a positive significant relationship between performance management and service delivery of EMC.

The above correlation result, therefore, disapproves the hypothesis that there was no statistically significant enhancement of performance management on service delivery in EMC.

# **5.12. Regression Analysis for performance management and service delivery in Entebbe Municipal Council**

## **Table 5.12: Model Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .638a | .408 | .403 | 1.14982 |
| **a. Predictors: (Constant), Performance management** | | | | |

***Source: Primary data (2021)***

From the regression analysis result in table 5.12 above 40.8% variations in the service delivery of EMC are attributed to performance management. Table 5.12 provides the R and R2 values. The R-value is 0.638, which represents the high correlation and therefore, indicates a high degree of correlation. The R2 value indicates how much of the dependent variable (service delivery of EMC) is attributed to the independent variable (performance management). The standard error of the estimate is 1.14982 and the adjusted R square value is .403. This value, therefore, implies that performance management positively predicts the service delivery in EMC. Based on these results of this regression analysis, the service delivery of EMC is dependent on contract administration by 40.8%.

# **CHAPTER SIX:**

# **RELATIONSHIP MANAGEMENT AND TOWARDS SERVICE DELIVERY IN ENTEBBE MUNICIPAL COUNCIL**

## **6.0. Introduction**

The third objective of the study was to find out how relationship management contributes to service delivery in EMC. The frequency and percentage scores were computed using SPPS as presented below.

## **6.1. There are good relationships between the municipality and service providers**

Respondents were asked whether there were good relationships between the municipality and service providers, the results obtained are presented in table 6.1 as below;

**Table 6.6: There are good relationships between the municipality and service providers**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 19 | 13.8 | 13.8 | 13.8 |
| Disagree | 21 | 15.2 | 15.2 | 29.0 |
| Neutral | 19 | 13.8 | 13.8 | 42.8 |
| Agree | 47 | 34.1 | 34.1 | 76.8 |
| Strongly Agree | 32 | 23.2 | 23.2 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 6.1 above indicate that 13.8% of the respondents strongly disagreed, 15.2% disagreed while 13.8% were neutral on this matter. However, the majority of the respondents were in agreement. This is represented by a combined percentage of 57.3% which implies that to a greater extent, there is good relationship management between the municipality and its service providers. This is a very good indicator for contract relationship management and implies there is mutual respect and trust between the entity and some contractors.

On a contrary, in an interview with one of the respondents, it was noted that; *“Most of the relationship bonds between the municipality and suppliers is a doctored character. Interest is channeled towards suppliers who offer reasonable kickbacks as well as being in a position to facilitate the contract based on terms, some of which are outside the formal contract.”*

Another respondent noted; *“Contractors have more relationship with politicians than PDU because before the bids are out, they are already aware of the outcome and when the contractor realize that the company is not getting the deal; the contractor will not participate in that procurement.”*

This implied that there is a high level of bid collusion and rigging in the municipality than it is with relationships which is bad practice since it discourages competition.This as well raises mixed reactions on the purity of the strong relationships said to be existing as stated by the respondents in favor of the motion.

## **6.2. The municipality promotes transparency and accountability in the conduct of procurement and contract management**

The respondents were asked whether the municipality promoted transparency and accountability in the conduct of procurement and contract management. The results attained are presented in table 6.2 below;

**Table 6.7: The municipality carries out performance measurements on all contracts**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 16 | 11.6 | 11.6 | 11.6 |
| Disagree | 14 | 10.1 | 10.1 | 21.7 |
| Neutral | 31 | 22.5 | 22.5 | 44.2 |
| Agree | 36 | 26.1 | 26.1 | 70.3 |
| Strongly Agree | 41 | 29.7 | 29.7 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Transparency and accountability are considered as primary principles onto which all contractual arrangements must form the basis. Findings in Table 6.2 indicate that the municipality acknowledges these principles since the majority with a combined percentage of 55.8% agreed with this matter. Amidst the loopholes as stated by the combined total of 21.7% who stood against this motion. Those in its favor urged as quoted from a few, that; *“all contracts are awarded openly and standard procedures are followed as guided by the PPDA Act, all projects are monitored following the contract management standards and assessment reports are compiled and availed for access to the entire public.”*

However, this did not nullify the claims as stated by the minority as some were quoted saying that; *“it is evident from a mere look at things and how they are executed that one can tell or even question whether transparency and accountability are a matter of substance in all municipality projects. No person is held accountable for project failure or even none- performance. It is the same people who are rotated in the system in the name of punishing them, yet we the public view it as a promotion. The offenders are promoted not terminated.”*

Thus, this implied that the level of transparency and accountability is still not very good as a result it creates an avenue for corruption inform of bribery, nepotism, favoritism which will limit competition for the provision of high-quality goods, services, and works hence poor service delivery in the municipality.

## **6.3. There is good record keeping by the municipality (PDE) and the Contract Management Team**

The respondents were asked whether there was good record keeping by the municipality (PDE) and the Contract Management Team and the results attained are presented in table 6.3 below.

## **Table 6.8: There is good record keeping by the municipality (PDE) and the Contract Management Team**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 14 | 10.1 | 10.1 | 10.1 |
| Disagree | 18 | 13.0 | 13.0 | 23.2 |
| Neutral | 16 | 11.6 | 11.6 | 34.8 |
| Agree | 29 | 21.0 | 21.0 | 55.8 |
| Strongly Agree | 61 | 44.2 | 44.2 | **100.0** |
| Total | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 6.3 above, it is indicated that there is a good record-keeping policy at the municipality. Respondents with a combined total of 65.2% agreed with this matter although 21.0% were neutral about it. Respondents revealed that all bids from contractors are filled and also captured in the computer, completed contracts are captured in the system and on paper just as documents for ongoing projects are also captured. All stages of the project are documented and such information is availed to interested stakeholders. However, some respondents against this motion represented by a combined total of 23.1% urged that many contracts happen without any record being kept, most times the focus is on the physical execution of the project but not keeping records on whatever takes place. The only documents availed are maybe the BOQs, payment vouchers, and contract documents.

## **6.4. Contractors have built confidence and trust with the municipality**

The respondents were asked whether thecontractors had built confidence and trust with the municipality. The results attained are presented in table 6.4 below;

**Table 6.9: Contractors have built confidence and trust with the municipality**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 11 | 8.0 | 8.0 | 8.0 |
| Disagree | 3 | 2.2 | 2.2 | 10.1 |
| Neutral | 21 | 15.2 | 15.2 | 25.4 |
| Agree | 49 | 35.5 | 35.5 | 60.9 |
| Strongly Agree | 54 | 39.1 | 39.1 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 7.4 above indicate that majority of the respondents were in agreement with this statement. This is represented by a combined total of 74.6% which implies that there is a substantial level of confidence and trust between the contractors and the municipality. However, some were neutral (15.2%) while others were in disagreement as 2.2% disagreed and 8.0% strongly disagreed with the statement. Considering majority vote, there is confidence and trust but, this level of confidence and trust is still low in the municipality implying both stakeholders focus on what is in the contract because each party is unpredictable hence cannot protect the interest of the other leading to high service delivery failure.

## **7.5. There is effective communication between contractors and the municipality**

The respondents were asked whether there was effective communication between contractors and the municipality, and the results attained are presented in table 7.5 below;

## **Table 7.10: There is effective communication between contractors and the municipality**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 14 | 10.1 | 10.1 | 10.1 |
| Disagree | 7 | 5.1 | 5.1 | 15.2 |
| Neutral | 24 | 17.4 | 17.4 | 32.6 |
| Agree | 44 | 31.9 | 31.9 | 64.5 |
| Strongly Agree | 49 | 35.5 | 35.5 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings, as indicated in Table 6.5 above, reveal that 5.1% of the respondents strongly disagreed, 8.0% disagreed and 15.2% were neutral. However, 44.2% strongly agreed and 27.5% also agreed which implies that the majority were in agreement with the statement above. Respondents urged that municipality projects are guided by set objectives that are time-based and achieving such objectives in time is an indicator of good performance.

## **6.6. There is a joint approach to managing the delivery of goods, services, and works**

The respondents were asked whether there was a joint approach to managing the delivery of goods, services, and works. Results obtained are indicated as follows in table 6.6.

**Table 6.6: There is a joint approach to managing the delivery of goods, services, and works**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 15 | 10.9 | 10.9 | 10.9 |
| Disagree | 18 | 13.0 | 13.0 | 23.9 |
| Neutral | 27 | 19.6 | 19.6 | 43.5 |
| Agree | 31 | 22.5 | 22.5 | 65.9 |
| Strongly Agree | 47 | 34.1 | 34.1 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 6.6 above indicate that majority of the respondents confer with the statement above as a combined total of 56.6% agreed. 19.6 were neutral while 10.9% strongly disagreed and 13.0% also disagreed on this matter.

Respondents noted; *“A team approach is considered as their default practice when it comes to managing the delivery of goods, services, and works. But it must be known from inception, that every party is well knowledgeable of what requires them to accomplish on a given project.”* Contractors and the PDU work hand in hand to ensure that service delivery is excellent, but it is a mandate of every party to the contract to deliver as required.

## **6.7. There is a professional approach to managing issues and dispute resolution**

The respondents were asked whether the outstanding performance was always recognized and rewarded and the results are contained in table 6.7 below.

**Table 6.7: There is a professional approach to managing issues and dispute resolution**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 6 | 4.3 | 4.3 | 4.3 |
| Disagree | 14 | 10.1 | 10.1 | 14.5 |
| Neutral | 18 | 13.0 | 13.0 | 27.5 |
| Agree | 42 | 30.4 | 30.4 | 58.0 |
| Strongly Agree | 58 | 42.0 | 42.0 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According Findings in Table 6.7 above indicate that there is a professional approach towards managing issues and disputes in contracts. This can be seen from the statistics where 42.0% strongly agree and 30.4% also conferred to the statement. Some were noted stating that the municipality identifies and appoints an independent party who mediates project stakeholders in case of any conflict or disagreement during project execution. However, 13.0% of the respondents were neutral on this matter while 10.1% disagreed and 4.3% strongly disagreed. This implied that the entity has a professional approach to managing issues and dispute resolution and also has means of handling conflicts in contracts between the entity and the contractors as required by the PPDA Regulations or Act.

However, one respondent revealed, *“Sometimes the law is not followed and the dispute(s) is managed through intimidation especially from the political wing where they could be expecting the contractor to give ‘kintu kidogo” (kickback) and contractor refuse to honor the request because it is against the procurement law, the contractor payment will delay for more than three (3) months and if not the work will be termed as substandard/ shoddy even if the work is extremely good and there is value for by scrapping them off the pre-qualification list.”* Such illegalities intensify conflicts instead of solving them.

## **6.8. The contract clauses and practices promote and demonstrate clear problem and conflict resolution mechanisms**

The respondents were asked whether the contract clauses and practices promoted and demonstrated clear problem and conflict resolution mechanisms and the results attained are presented in table 6.8 below;

**Table 6.8: The contract clauses and practices promote and demonstrate clear problem and conflict resolution mechanisms**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 4 | 2.9 | 2.9 | 2.9 |
| Disagree | 3 | 2.2 | 2.2 | 5.1 |
| Neutral | 31 | 22.5 | 22.5 | 27.5 |
| Agree | 39 | 28.3 | 28.3 | 55.8 |
| Strongly Agree | 61 | 44.2 | 44.2 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings as indicated in table 6.8 above, the majority of the respondents generally agreed to the statement with a combined rate of 72.5%. 22.5% were neutral and 2.2% disagreed while 2.9% strongly disagreed. Respondents noted that; the law on procurement and contract management encourages practitioners to incorporate conflict resolution mechanisms in contract clauses and as a practice, a standard process must be acknowledged and followed every time the need arises. This, however, created mixed reactions as some respondents refuted the fact that such standards are upheld on all contracts. These cited that on the scale of 10, only 4 to 5 contracts recognize those standards as stipulated by the law. Hence the municipality has not fully achieved this matter.

## **6.9. There are regular contract management reviews for all relevant parties**

The respondents were asked whether there are regular contract management reviews for all relevant parties. The results attained are presented in table 6.9 below;

**Table 6.9: There are regular contract management reviews for all relevant parties**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 14 | 10.1 | 10.1 | 10.1 |
| Disagree | 17 | 12.3 | 12.3 | 22.5 |
| Neutral | 28 | 20.3 | 20.3 | 42.8 |
| Agree | 40 | 29.0 | 29.0 | 71.7 |
| Strongly Agree | 39 | 28.3 | 28.3 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 6.9 above indicate that reviews are done on the contracts completed or in progress by the responsible persons in the municipality. A combined rate of 57.3% agreed on this and commented that; *“external experts from various ministries such as works, health and education come and review reports for ongoing projects, site visits, and administrative checks are also done to ensure services are delivered to the public”.* However, apart from the 20.3% who were neutral, 12.3% disagreed and 10.1% strongly disagreed on this matter while claiming that, if reviews were done, how come some projects have not been completed for example the isolation center for special case patients which has overstayed but no one is held responsible for its delay. Thus, the municipality has to design lucrative measures to scale down such inconsistencies.

## **6.10. The roles and responsibilities of the contract manager/ entity and contractors are clearly defined**

The respondents were asked whether the roles and responsibilities of the contract manager/ entity and contractors were clearly defined and the results attained are presented in table 6.10 below;

**Table 6.10: The roles and responsibilities of the contract manager/ entity and contractors are clearly defined**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 9 | 6.5 | 6.5 | 6.5 |
| Disagree | 12 | 8.7 | 8.7 | 15.2 |
| Neutral | 17 | 12.3 | 12.3 | 27.5 |
| Agree | 34 | 24.6 | 24.6 | 52.2 |
| Strongly Agree | 66 | 47.8 | 47.8 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to table 6.10 above, it is indicated that a few respondents were against this statement with a combined rate of 15.2% while 12.3% were neutral. However, 24.6% agreed and 47.8% strongly agreed on this one. It was noted that contracts as designed by the PDU, draw clear lines of responsibilities to all parties involved in the contract. This was backed by comments pointing to the absence of conflict arising from a collision in roles. Thus, all parties are well conversant with what is required of them based on the clarity of work stipulated in the contract.

## **6.11. Relationship between relationship management and service delivery of EMC**

The second hypothesis was that there was no statistically significant contribution of performance management on service delivery in EMC. Further to determine the degree of contribution, a Pearson’s correlation coefficient analysis was computed as shown in the table below;

## **Table 6.11: Correlations of relationship management and service delivery in EMC.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Relationship management | Service delivery |
| Relationship management | Pearson Correlation | 1 | .907\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 138 | 138 |
| Service delivery | Pearson Correlation | .907\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 138 | 138 |
| **\*\*. Correlation is significant at the 0.01 level (2-tailed).** | | | |

***Source: Primary data (2021)***

The results show that the correlation coefficient is 0.907(\*\*) at a significance level of 0.000. This implies that the service delivery of EMC is significantly attributed to relationship management. Therefore, according to the results, there is a positive significant relationship between relationship management and service delivery of EMC. Based on these results, the alternative hypothesis that was earlier postulated is rejected.

The above correlation result, therefore, disapproves the hypothesis that there was no statistically significant contribution of relationship management on service delivery in EMC.

## **6.12. Regression Analysis for relationship management and service delivery in Entebbe Municipal Council**

## **Table 6.12: Model Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .907a | .823 | .4821 | .42566 |
| **a. Predictors: (Constant), Relationship management** | | | | |

***Source: Primary data (2021)***

From the regression analysis result in table 6.12 above 82.3% variations in the service delivery of EMC are attributed to relationship management. Table 6.12 provides the R and R2 values. The R-value is 0.907, which represents a strong correlation and therefore, indicates a high degree of correlation. The R2 value indicates how much of the dependent variable (service delivery of EMC) is attributed to the independent variable (relationship management). The standard error of the estimate is .42566 and the adjusted R square value is .821. This value, therefore, implies that relationship management positively predicts the service delivery in EMC. Based on these results of this regression analysis, the service delivery of EMC is dependent on relationship management by 82.3%.

# **CHAPTER SEVEN**

# **CONTRACT MANAGEMENT IN ENTEBBE MUNICIPAL COUNCIL**

## **7.0. Introduction**

Chapter seven presents the findings on contract management at EMC. This chapter aims at examining the contract management at EMC.

## **7.1. There is an existing contract management policy that informs practice**

Respondents were asked whether there was an existing contract management policy that informs practice, the results obtained are presented in table 7.1 as below;

**Table 7.11: There is an existing contract management policy that informs practice**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 10 | 7.2 | 7.2 | 7.2 |
| Disagree | 17 | 12.3 | 12.3 | 19.6 |
| Neutral | 28 | 20.3 | 20.3 | 39.9 |
| Agree | 39 | 28.3 | 28.3 | 68.1 |
| Strongly Agree | 44 | 31.9 | 31.9 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 7.1 above indicate that majority of the respondents were in favor of the statement since a combined rate of 60.2% were positive on this matter. Some respondents were quoted saying that; the municipality acknowledges the guidelines provided for under the local government regulations (2006) and they put into practice the standards as listed in Part VIII on contract management as envisioned in the Regulations. However, 20.3% were neutral while 12.3% disagreed and 7.2% strongly disagreed.

One was quoted saying that; *“since many projects have been left to rot without completion and others have deliberately been not performed even when contractors were awarded contracts awaiting implementation, the question of whether the municipality accords the existing policy the respect it deserves still stays un-answered.”* Thus, this gap is yet to be catered for by the in-charge committee in the municipality.

## **7.2. Clear lines of responsibility and authority in contracting are established**

The respondents were asked whether clear lines of responsibility and authority in contracting were established. The results attained are presented in table 7.2 below;

**Table 7.12: Clear lines of responsibility and authority in contracting are established**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 12 | 8.7 | 8.7 | 8.7 |
| Disagree | 16 | 11.6 | 11.6 | 20.3 |
| Neutral | 21 | 15.2 | 15.2 | 35.5 |
| Agree | 38 | 27.5 | 27.5 | 63.0 |
| Strongly Agree | 51 | 37.0 | 37.0 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 7.2 above clearly indicate that majority of the respondents were positive about this matter with a combined rate of 64.5% generally agreeing. This implies that clear lines of responsibility and authority in contracting are established which confers with the earlier claims from respondents that; there has been no conflict attributed to no clarity of roles. Although 15.2% were neutral, 11.6% disagreed and 8.7% strongly disagreed. This erodes the morality of observing the established lines of responsibility and authority in the municipality.

This was evidenced as some respondent was quoted saying; *“since public bidding attracts political influence, many times political heads influence activities to be done and who is to do them in certain contracts where they have an interest.”*

## **7.3. There is sufficient authority delegated along with responsibility during contracting**

The respondents were asked whether there was sufficient authority delegated along with responsibility during contracting and the results attained are presented in table 7.3 below.

## **Table 7.13: There is sufficient authority delegated along with responsibility during contracting**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 17 | 12.3 | 12.3 | 12.3 |
| Disagree | 25 | 18.1 | 18.1 | 30.4 |
| Neutral | 22 | 15.9 | 15.9 | 46.4 |
| Agree | 36 | 26.1 | 26.1 | 72.5 |
| Strongly Agree | 38 | 27.5 | 27.5 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 7.2 above are indicated in table 7.3 above. However, 15.9% were neutral while 18.1% disagreed and 12.3% strongly disagreed. As envisioned in the LG Regulation, (2006), respondents in favor of the statement above claimed that; *“the municipality fronts the guidelines as stipulated in the law and therefore, every position of authority is fully allowed to exercise its powers as delegated in the law. For example, the authority of the contract manager is sufficiently exercised as he is fully authorized to execute his mandate in line with section 53 of the PPDA Contracts Regulations, (2014)”.*

Some were quoted saying that; *“it is hard to exercise outright authority in government entities, many political figures are interested in such deals which erode authoritative power in the municipality as some decisions are taken by politicians to satisfy their interests.”*

## **7.4. Contracting tasks are spelled out**

The respondents were asked whether contracting tasks were spelled out. The results attained are presented in table 7.4 below;

**Table 7.14: Contracting tasks are spelled out**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 4 | 2.9 | 2.9 | 2.9 |
| Disagree | 10 | 7.2 | 7.2 | 10.1 |
| Neutral | 12 | 8.7 | 8.7 | 18.8 |
| Agree | 34 | 24.6 | 24.6 | 43.5 |
| Strongly Agree | 78 | 56.5 | 56.5 | 100.0 |
| **Total** | 138 | 100.0 | 100.0 |  |

***Source: Primary data (2021)***

According to findings in table 7.4 above, a few respondents were against this matter as only 2.9% strongly disagreed and 7.2% also disagreed while 8.7% were neutral. Therefore, this implies that contracting tasks are spelled out in all projects of the municipality. This is represented in a combined rate of 81.1%. It was noted that; depending on the contract design used, it is ensured that all tasks have to be spelled out to meet the specifications as stated by the user departments and for the sake of community projects, recognised standards are incorporated in the contracts and clearly defined to meet service quality.

## **7.5. Contracting schedules are spelled out**

The respondents were asked whether contracting schedules are spelled out, and the results attained are presented in table 7.5 below;

## **Table 7.15: There is effective communication between contractors and the municipality**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 5 | 3.6 | 3.6 | 3.6 |
| Disagree | 9 | 6.5 | 6.5 | 10.1 |
| Neutral | 13 | 9.4 | 9.4 | 19.6 |
| Agree | 33 | 23.9 | 23.9 | 43.5 |
| Strongly Agree | 78 | 56.5 | 56.5 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 7.5 above indicate that a few respondents with a combined rate of 10.1% generally disagreed. 9.4% were neutral while 23.95 agreed and 56.5% strongly agreed on this matter. Since the majority of the respondents were in favor of the statement, it implies that the municipality to a greater extent spells out contracting schedules. This, therefore, indicates that some gaps are still evident in the contract scheduling process carried out by the municipality.

This was noted as a few respondents stated that; *“contract scheduling is always done in all contracts although time allocations for different activities in the contracts are either under estimated or not well defined since many projects are performed beyond the scheduled period.”*

# **7.6. There are standard operating procedures for EMC’s contract implementation**

The respondents were asked whether there were standard operating procedures for EMC’s contract implementation. Results obtained are indicated as follows in table 7.6.

**Table 7.6: There are standard operating procedures for EMC’s contract implementation**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 4 | 2.9 | 2.9 | 2.9 |
| Disagree | 2 | 1.4 | 1.4 | 4.3 |
| Neutral | 31 | 22.5 | 22.5 | 26.8 |
| Agree | 64 | 46.4 | 46.4 | 73.2 |
| Strongly Agree | 37 | 26.8 | 26.8 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to table 7.6 above, it is indicated that the majority of the respondents confirmed the existence of standard operating procedures for contract implementation in the municipality. This was represented were 73.2% of the respondents generally agreed to this fact although a few (22.5%) were neutral while 1.4% disagreed and 2.9% strongly disagreed. This implied that the management of EMC is well aware of the operating standards as regards contract management and they only need to bridge the missing links to have a smooth flow of operations throughout the contract management process to provide quality services to the public.

One respondent was noted saying*; “the municipality puts in practice the guidelines of contract management as the LG Regulations (2006) spell out as well as the PPDA Contracts Regulations, (2014). The municipality also has bye-laws that inform the culture of doing things in the community which is also recognised by contractors while executing their contracted projects.”*

## **7.7. EMC’s procedures for contract implementation are always adhered to**

The respondents were asked whether EMC’s procedures for contract implementation were always adhered to and the results are contained in table 7.7 below.

**Table 7.7: EMC’s procedures for contract implementation are always adhered to**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 10 | 7.2 | 7.2 | 7.2 |
| Disagree | 3 | 2.2 | 2.2 | 9.4 |
| Neutral | 28 | 20.3 | 20.3 | 29.7 |
| Agree | 69 | 50.0 | 50.0 | 79.7 |
| Strongly Agree | 28 | 20.3 | 20.3 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

To a greater extent, it is believed that the municipality adheres to the contract implementation procedures in place since a combined rate of 70.3% generally agreed to this matter. However, to some extent, some respondents (7.2% strongly disagreed) and (2.2% disagreed) refuted the truth in this matter as they claimed that some contracts are altered from the standard procedure as they are being implemented. This implies that some weaknesses still manifest in the municipality regarding adherence to the operating procedures in place.

This was noted as a few respondents pointed out that*; “it is against the law to perform contracting activities outside the provided guidelines. As a practice, all contractors have to perform their duties in line with the procedures stated under the law and as a duty, the contracts committee on behalf of the municipality has to ensure that contract implementation procedures are followed. Any deviation may arise into fresh negotiations or even amount into the breach of contract.”*

## **7.8. EMC’s process risk assessment spans the entire organization**

The respondents were asked whether EMC’s process risk assessment spanned the entire organization and the results attained are presented in table 7.8 below;

## **Table 7.8: EMC’s process risk assessment spans the entire organization**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 12 | 8.7 | 8.7 | 8.7 |
| Disagree | 8 | 5.8 | 5.8 | 14.5 |
| Neutral | 21 | 15.2 | 15.2 | 29.7 |
| Agree | 61 | 44.2 | 44.2 | 73.9 |
| Strongly Agree | 36 | 26.1 | 26.1 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings as indicated in table 7.8 above, 15.2% of the respondents were neutral, 44.2% agreed and 26.1% strongly agreed. However, 5.8% disagreed and 8.7% strongly disagreed. Since the majority generally agreed to the statement, this implies that at a certain level, EMC’s process risk assessment spans the entire organization. This confirms that, even though the municipality claims to have well-established risk assessment processes, there are still gaps in the implementation as well as creating awareness on how to apply such processes throughout the entire organisation.

However, a few respondents who disagreed with this matter claimed that; *“the municipality does not communicate standard risk management structures to be followed across the board. Commonly, specific departments design their risk assessment procedures which are short-termed and aimed at remedying current problems (risks) that emerge at a time.”*

## **7.9. EMC handles its stakeholders’ interests in contracting satisfactorily**

The respondents were asked whether EMC handled its stakeholders’ interests in contracting satisfactorily. The results attained are presented in table 7.9 below;

**Table 7.9: EMC handles its stakeholders’ interests in contracting satisfactorily**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 8 | 5.8 | 5.8 | 5.8 |
| Disagree | 14 | 10.1 | 10.1 | 15.9 |
| Neutral | 17 | 12.3 | 12.3 | 28.3 |
| Agree | 58 | 42.0 | 42.0 | 70.3 |
| Strongly Agree | 41 | 29.7 | 29.7 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Stakeholders are primary to all contracting arrangements. To ensure effective service delivery, all stakeholder interests must be considered and fulfilled sufficiently. EMC as well commends this principle since the majority of the respondents in table 7.9 above generally agreed to this matter with a combined rate of 71.7%. However, 12.3% were neutral whereas 10.1% disagreed and 5.8% strongly disagreed. This low rate of disagreement indicates that consideration of stakeholder interests in contracting is prioritized by the municipality although not to 100% satisfactory levels. It was noted that from the dissatisfied group, many community demands are overlooked when it comes to executing projects, for example; unfair compensations to property owners, delivery of substandard projects, or even complete none- performance of contracted projects.

## **7.10. EMC consults its stakeholders to make informed contract decisions**

The respondents were asked whether EMC consulted its stakeholders to make informed contract decisions and the results attained are presented in table 7.10 below;

**Table 7.10: EMC consults its stakeholders to make informed contract decisions**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 6 | 4.3 | 4.3 | 4.3 |
| Disagree | 9 | 6.5 | 6.5 | 10.9 |
| Neutral | 21 | 15.2 | 15.2 | 26.1 |
| Agree | 38 | 27.5 | 27.5 | 53.6 |
| Strongly Agree | 64 | 46.4 | 46.4 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 7.10 indicate that majority of the respondents strongly agreed with at a rate of 46.4% and 27.5% also agreed while 15.2% were neutral on this matter. However, a few respondents disagreed (6.5%) and others strongly disagreed (4.3%). This, therefore, implies that, to a greater extent, EMC consults its stakeholders to make informed contract decisions. Respondents revealed that, on many occasions, megaprojects involve a community voice as representatives are boarded during decision-making. On a contrary, it was also noted that in some instances, contracts commence without the knowledge of some stakeholders which may exclude their interests from being fulfilled, hence failing service delivery.

# **CHAPTER EIGHT**

# **SERVICE DELIVERY IN ENTEBBE MUNICIPAL COUNCIL**

## **8.0. Introduction**

Chapter seven presents the findings on service delivery at EMC. In an attempt to explore service delivery used at EMC, respondents were asked the following questions, and responses are captured in this chapter.

## **8.1. There is an existing service delivery policy that informs practice**

Respondents were asked whether there was an existing service delivery policy that informed practice, the results obtained are presented in table 8.1 as below;

**Table 8.16: There is an existing service delivery policy that informs practice**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 19 | 13.8 | 13.8 | 13.8 |
| Disagree | 26 | 18.8 | 18.8 | 32.6 |
| Neutral | 31 | 22.5 | 22.5 | 55.1 |
| Agree | 38 | 27.5 | 27.5 | 82.6 |
| Strongly Agree | 24 | 17.4 | 17.4 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 8.1 indicate that majority of the respondents generally agreed to the statement with a combined rate of 44.9%. It was noted that the municipality acknowledges the decentralised service delivery framework of 2013 which provides the service delivery principles that must be emphasized by all local governments of Uganda to ensure excellent service delivery to the public. 22.5% were neutral about this as some claimed that, such information is not disclosed to the public which makes it hard for the community to know the recommended service standards to which they are entitled and also creates doubts of whether such policy frameworks do exist. However, a combined rate of 32.6% generally disagreed with this statement. Thus, this implies that all projects aimed at providing public services are based on specifications for such contracts but no policy gives a benchmark for service standards.

Some were quoted saying; *“The municipality has no independent service delivery policy that stands out to inform service standards in the community.”*

## **8.2. The public is involved in assessing the quality of goods, services, and works**

The respondents were asked whether the public was involved in assessing the quality of goods, services, and works. The results attained are presented in table 8.2 below;

**Table 8.17: The public is involved in assessing the quality of goods, services, and works**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 18 | 13.0 | 13.0 | 13.0 |
| Disagree | 16 | 11.6 | 11.6 | 24.6 |
| Neutral | 8 | 5.8 | 5.8 | 30.4 |
| Agree | 37 | 26.8 | 26.8 | 57.2 |
| Strongly Agree | 59 | 42.8 | 42.8 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 8.2 above, it is indicated that the majority of the respondents agreed to this statement. This is represented by a combined rate of 69.6%. 5.8% were not sure while 13.0% strongly disagreed and 11.6% also disagreed on this matter. It was, therefore, noted that users of the services provided by the municipality are to some extent allowed to gauge the quality of services delivered.

One respondent was quoted saying; *“Public opinion on service delivery is considered as a vessel through which the local government can gather feedback from the service users and therefore, this is given priority.”* However, a few respondents in disagreement were quoted claiming that, there are no systematic structures through which the public can convey their take on the quality of services delivered by the local government. This, therefore, implies a weakness which the municipality must remedy in time.

## **8.3. The beneficiaries of public services have easy access to these services**

The respondents were asked whether the beneficiaries of public services have easy access to these services and the results attained are presented in table 8.3 below.

## **Table 8.18: The beneficiaries of public services have easy access to these services**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 9 | 6.5 | 6.5 | 6.5 |
| Disagree | 20 | 14.5 | 14.5 | 21.0 |
| Neutral | 8 | 5.8 | 5.8 | 26.8 |
| Agree | 34 | 24.6 | 24.6 | 51.4 |
| Strongly Agree | 67 | 48.6 | 48.6 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 8.3 indicate that majority of the respondents were in support of this statement were 24.6% agreed and 48.6% strongly agreed to this matter. It was noted that public facilities like hospitals established by the municipality are freely accessed by all users, the municipality also has well-connected road infrastructures that create movement convenience considering all common land transport modes which have worked in favor of the public at large. However, 5.8% were neutral yet 14.5% disagreed and 6.5% strongly disagreed. This was based on claims that accessing the facility is free but accessing the services in the facility is a major issue. For example, in some public hospitals, antenatal services are highly-priced which discourages the low-income earners from using such public facilities.

One respondent was noted saying; *“Entebbe when compared to other municipalities, is well resourced with facilities which are free from any restrictions from community access. Public hospitals are of standard capacity and freely accessed and the good road network has further boosted convenience in accessing such public service centers to the community.”*

## **8.4. There is Value for Money for goods/services/ works procured**

The respondents were asked whether there was Value for Money for goods/services/ works procured. The results attained are presented in table 8.4 below;

**Table 8.19: There is Value for Money for goods/services/ works procured**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 7 | 5.1 | 5.1 | 5.1 |
| Disagree | 39 | 28.3 | 28.3 | 33.3 |
| Neutral | 14 | 10.1 | 10.1 | 43.5 |
| Agree | 41 | 29.7 | 29.7 | 73.2 |
| Strongly Agree | 37 | 26.8 | 26.8 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According Table 8.4 above clearly indicates that the services offered by the municipality fulfill the principle of value for money. This is represented by a combined rate of 56.5% while 33.4% generally disagreed on this matter. This, therefore, implied that, regardless of the acknowledgment of the statement above by the majority of the respondents, there is still a challenge that needs to be ironed out by the municipality management committee and its entire team.

A respondent was quoted saying; *“Corruption has by far eroded morality in all government procurements, Entebbe municipality inclusive. Many projects are overstated amidst a scarcity of funds in the interest of fulfilling personal interests. Political influence in many contracts has also failed the principle of value for money since many evaluation reports are doctored with ideal information and statistics yet practice reflects the contrary.”*

## **8.5. Community priority needs are considered during service delivery**

The respondents were asked whether community priority needs were considered during service delivery, and the results attained are presented in table 8.5 below;

## **Table 8.20: Community priority needs are considered during service delivery**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 28 | 20.3 | 20.3 | 20.3 |
| Disagree | 19 | 13.8 | 13.8 | 34.1 |
| Neutral | 12 | 8.7 | 8.7 | 42.8 |
| Agree | 40 | 29.0 | 29.0 | 71.7 |
| Strongly Agree | 39 | 28.3 | 28.3 | 100.0 |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Effective service delivery is realized when community needs are prioritized by the service providers. Table 8.5 above indicates that 29.0% agreed to this statement and 28.3 also strongly agreed which gives a combined rate of 57.3%. This implies that to a greater extent, community needs form a basis for decision-making before service delivery. It was noted that, through community representatives, the municipality learns about the pending issues in the community and they are used to inform the annual plan and budget of the municipality as well as choosing the projects to execute. However, a combined total of 34.1% generally disagreed with this matter which implies some gaps still exist in service delivery.

## **8.6. Contracts are awarded to bidders with the lowest cost price while considering Value for Money**

The respondents were asked whether contracts were awarded to bidders with the lowest cost price while considering Value for Money. Results obtained are indicated as follows in table 8.6.

**Table 8.6: Contracts are awarded to bidders with the lowest cost price while considering Value for Money**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 17 | 12.3 | 12.3 | 12.3 |
| Disagree | 19 | 13.8 | 13.8 | 26.1 |
| Neutral | 11 | 8.0 | 8.0 | 34.1 |
| Agree | 48 | 34.8 | 34.8 | 68.8 |
| Strongly Agree | 43 | 31.2 | 31.2 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to table 8.6 above, it is indicated that the majority of the respondents were in favor of the statement understudy and a combined rate of 66% all were positive on this matter. This was noted that standard bidding procedures are considered while selecting the most economically advantageous tender or the best-evaluated bidder and the PPDA Act is the default guide used by the municipality in all procurements. The minority (26.1%) who were against this statement cited issues to do with political influence being part of most of the contracts awarded to suppliers which belittles the structures established in place to inform contracting practices. Thus, the municipality has to eliminate all tendencies of corruption to operate a vice-free procurement system that acknowledges the principle of value for money in totality.

## **8.7. Delayed payments to contractors do not affect the delivery of goods, services, and works**

The respondents were asked whether delayed payments to contractors did not affect the delivery of goods, services, and works, and the results are contained in table 8.7 below.

**Table 8.7: Delayed payments to contractors do not affect the delivery of goods, services, and works**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 24 | 17.4 | 17.4 | 17.4 |
| Disagree | 79 | 57.2 | 57.2 | 74.6 |
| Neutral | 3 | 2.2 | 2.2 | 76.8 |
| Agree | 13 | 9.4 | 9.4 | 86.2 |
| Strongly Agree | 19 | 13.8 | 13.8 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 8.7 above, the majority of the respondents generally disagreed with this statement with a combined percentage of 74.6%. However, a few (23.2%) who generally disagreed pointed to issues of contracting terms and conditions in force that may necessitate such arrangements. This implied that it is only in certain circumstances that delayed payments may not affect the delivery of services, although it is not a good practice.

One respondent was quoted saying; *“The only consideration in any commercial transaction is price. Therefore delays or any failure to pay directs affects the operations of the contractors which affects the delivery of goods, services, and works projects. He, further noted that it would be prudent for the municipality to make timely payments to service providers as a motivating tool to push them to do better and on time.”*

One respondent revealed that; “*Some contracts are held under cost-reimbursable contract designs which cater for emergency procurements, therefore the service provider can commence work without pay in anticipation that it will come at a certain time.”*

## **8.8** **Delayed delivery of goods/services/completion of works does not affect service delivery**

The respondents were asked whether delayed delivery of goods/services/completion of works did not affect service delivery and the results attained are presented in table 8.8 below;

## **Table 8.8: Delayed delivery of goods/services/completion of works does not affect service delivery**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 76 | 55.1 | 55.1 | 55.1 |
| Disagree | 48 | 34.8 | 34.8 | 89.9 |
| Neutral | 3 | 2.2 | 2.2 | 92.0 |
| Agree | 5 | 3.6 | 3.6 | 95.7 |
| Strongly Agree | 6 | 4.3 | 4.3 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Findings in Table 8.8 above clearly indicate that few (7.9%) respondents were in support of this statement. However, a reasonable number of respondents (89.9%) generally disagreed on this matter. This implied that the municipality must be in a position to meet public demands in real-time as well as embarking on the completion of hanging projects.

Some were quoted saying; *“Service delivery is measured according to the speed of delivery, completion of tasks and quality output. Therefore, any delay in delivery or even completion of projects immensely frustrates service users which distorts service delivery.”*

## **8.9. There is timely delivery of goods, services, and works in the municipality**

The respondents were asked whether there was the timely delivery of goods, services, and works in the municipality. The results attained are presented in table 8.9 below;

**Table 8.9: There is timely delivery of goods, services, and works in the municipality**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 38 | 27.5 | 27.5 | 27.5 |
| Disagree | 62 | 44.9 | 44.9 | 72.5 |
| Neutral | 7 | 5.1 | 5.1 | 77.5 |
| Agree | 10 | 7.2 | 7.2 | 84.8 |
| Strongly Agree | 21 | 15.2 | 15.2 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

Statistical data in table 8.9 above clearly indicates that the majority of the respondents disagreed with a combined rate of 72.4%. It was noted that many contracts have failed to be completed within the scheduled period or even below. It is a common practice for government entities to extend projects beyond the scheduled time. Many respondents attributed this problem to budgetary shortfalls and the general absence of funds. However, a few (22.4%) generally agreed as they related to the speed of delivery some government entities in the municipality emphasise such as; National Medical Stores in the distribution of drugs. This entity was acknowledged as a flag bearer in the area amongst the entities which ensure timely delivery of supplies to users. Thus, the prevalence of this practice needs to be supported and benchmarked in all local government units in the municipality.

## **8.10. There is improved service delivery in the municipality**

The respondents were asked whether there was improved service delivery in the municipality and the results attained are presented in table 8.10 below;

**Table 8.10: There is improved service delivery in the municipality**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 25 | 18.1 | 18.1 | 18.1 |
| Disagree | 14 | 10.1 | 10.1 | 28.3 |
| Neutral | 8 | 5.8 | 5.8 | 34.1 |
| Agree | 47 | 34.1 | 34.1 | 68.1 |
| Strongly Agree | 44 | 31.9 | 31.9 | **100.0** |
| **Total** | **138** | **100.0** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 8.10 above, a substantial number of respondents generally agreed to the statement above with a combined rate of 66% which implies that the municipality has improved service delivery in the community. It was revealed that more infrastructures have been established such as roads and the recent completion of the Entebbe market as well as the taxi park. This was believed to have boosted the level of economic activities in the area as well as provided employment to many previously redundant staff. However, a combined rate of 28.2% generally disagreed on this matter while claiming that, a lot of completed projects are shoddy works and substandard, yet there is more that has not been done. This, therefore, indicates a gap which the municipality has to bridge accordingly to ensure quality and reliable service delivery in the community.

# **CHAPTER NINE**

# **TOWARDS HARMONISING CONTRACT MANAGEMENT AND SERVICE DELIVERY**

## **9.0. Introduction**

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

## **9.1. Relevance of the Principal-Agent Theory to the study**

The study was informed by the Principal-Agent Theory which was proposed by Jensen and Meckling in 1976. The study findings represent a significant relationship between contract management (contract administration, performance management, and relationship management) and service delivery because the significance values for all three elements are below 0.05. The theory is therefore relevant with the implications of agency problems that underscore the bedrock of analyses that can be generated regarding contractual arrangements. Such arrangements are ideally intended to be mutually beneficial to both principals and agents despite risks such as adverse selection, asymmetric information, and moral hazard. Some economists have evaluated principal-agent theory to infer components of a “second-best contract”. Here, a principle is established to determine how both parties i.e. the principals (as employers) and the agent (as employees) can share the outputs. The intent by the former is to glean the maximum amount of input not easily observed and exerted by the agents and others.

The model informs that actors are perceived as rational utility maximizers. This means that actors seek out their self-interests. In the context of public sector organizations, government and public officials may serve as principals and are likely to act in their interests by putting forward their priorities in light of their organizational goals and objectives. By so doing, the government as principals may want to ensure that contract agreements reflect these priorities and expect their agents (contingent employees) to accomplish them within their contracts. Subsequently, contracts that are created are executed with the intent to accomplish public sector organizations’ strategic goals, visions, purposes, objectives, agendas, and mandates.

## **9.2. Contract administration and Service delivery**

The results showed that the majority of respondents that is 61.6% generally agreed to the statement that EMC has a clear policy on contract administration that guides practice aimed towards meeting quality service delivery. Also, the majority of the respondents that is 71.8% generally agreed to the statement that the Municipality has clear administrative procedures for contract management. In addition, it was also revealed that the majority of the respondents that is 53.6% agreed that the municipality has good relationships with its service providers. It was also revealed that a combined percentage of 57.9% generally agreed to the statement that the municipality always clarifies its expectations for its service providers. There was a combined percentage of 59.4% who generally agreed to the statement that the municipality’s formal governance of the contract is not an inconvenience in the contracting process. It was also noted that 76.9% generally agreed to the statement that the municipality’s contract formal agreements specify expectations in the contracting process. Results also showed that 81.2% generally agreed that the municipality’s contract formal agreements specify obligations in the contracting process. However, the majority of the respondents generally disagreed (68.8%) with the statement that the municipality’s contract formal agreements specify processes for dispute resolution in the contracting process.

These findings are supported by Kennedy and Nucharee, 2009) who opined that Clear administrative procedures ensure that all parties to the contract understand who does what, when, and how to ensure better service delivery and that it must ensure that the end-users are satisfied with the product or service being obtained under the contract. Contract administration involves those activities performed by organizational officials after a contract has been awarded to determine how well the organization and the contractor performed to meet the requirements of the contract (Hewitt, Money & Sharma, 2012). It encompasses all dealings between the organization and the contractor from the time the contract is awarded until the work has been completed and accepted or the contract terminated, payment has been made, and disputes have been resolved (Vickery in Nucharee, 2009). As such, contract administration constitutes the primary part of the contract process that assures the organization gets what it paid for.

Additionally, Jin (2004) asserts that in contract administration, the focus is on obtaining supplies and services, of the requisite quality, on time, and within budget (Jin, 2004). While the legal requirements of the contract are determinative of the proper course of action of organizational officials in administering a contract, the exercise of skill and judgment is often required to protect effectively the service beneficiaries’ interest (Monczka et al., 2005). The importance of contract administration to the success of the contract, and the relationship between customer and provider, should not be underestimated. Clear administrative procedures ensure that all parties to the contract understand who does what, when, and how to ensure better service delivery (Kennedy in Nucharee, 2009). Good contract administration assures that the end-users are satisfied with the product or service being obtained under the contract.

Kannan and Tan (2006) also explain that contracting officials often allocate more time to awarding contracts rather than administering existing contracts as well as incorporating dispute resolution mechanisms in contract agreements which often leads to problems in contractor performance, cost overruns, and delays in receiving goods and services a contributor to poor service delivery. Therefore, if the performance of Ugandan contractors in project delivery must be improved, it is pertinent to seek ways and factors to improve their performance in project delivery. Identifying ways and factors of improving contractor`s performance in project delivery, the client/ the procuring entity will benefit most as contractors will deliver projects without a risk being placed on the client who is saddled with the ownership and occupation risks. Following the above revelation and in response to the non-performance of contractors in project delivery, the reasons for the underperformance of contractors in Uganda in particular for the ministry of trade, Industry, and Cooperatives.

## **9.3. Performance management and Service delivery**

The results indicated that a combined percentage of 61.6% generally agreed to the statement that the municipality has a policy on performance management that informs practice. It was also indicated that a combined percentage of 64.1% generally agreed to the statement that the technique is responsive to technical and financial requirements. However, the results also showed that respondents 56.6% of respondents generally agreed with the statement that the municipality carries out performance measurements on all contracts. It was also revealed that a combined percentage (43.5%) of respondents generally agreed that the municipality has Performance management systems in place. It was also established that a combined percentage of 71.7% generally agreed to the statement that the municipality sets objectives that inform performance. However, it was noted that the municipality has no reward system for good performance since the majority of the respondents generally disagreed with a combined percentage of 63.1%. The majority of the respondents that is 57.9% generally agreed to the statement that the municipality queries and sanctions staff for non-performance. It was also revealed that the majority of the respondents generally agreed (63.1%) that the municipality carries out capacity building to staff for performance improvement.

The results can be linked to Maila (2006) who opines that effective performance management and efficient service delivery can be achieved through monitoring and evaluation of performance. Performance goals should be measurable, clear, achievable, and aligned to individual careers, organisational objectives, and legislative requirements. Performance measures should be quantified and include but are not limited to quantity, quality, time, cost, and risk to facilitate performance evaluation. Performance progress should be monitored and assessed on an ongoing basis against individual and organisational goals. To understand the concept of performance management (especially in the public service), it is important to trace its origins and how it links with service delivery.

According to Future Watch (2004) “Legislation, policy and regulations drive the delivery of public services. Inappropriate policies and regulations can produce a red tape that severely hampers public service delivery.” Employee performance should be managed to get the best output possible, which should help in attaining the organisation’s strategic objectives. This will then make it possible to recognise and reward excellent performance through performance appraisals.

Fogg (2008), also asserts that developing skills is an essential requirement to meeting the growing and ever-changing demands which must become a management priority. He further indicates that the development process links current job performance and future development. It begins with the current job and then relates to future goals and plans for reaching those goals. Development is normally twofold, focusing on imparting new skills and on the other hand addressing improvement of current skills levels. Development should not only focus on “people’s skills but developing their attitudes and approaches as well” (Kourdi, 2007).

## **9.4. Relationship management and Service delivery**

The results for this question revealed that a combined percentage of 57.3% generally agreed with the statement that there are good relationships between the municipality and service providers. It was revealed that 55.8% generally agreed to the statement that the municipality promotes transparency and accountability in the conduct of procurement and contract management. A combined percentage of 65.2% generally agreed to the statement that there is good record keeping by the municipality (PDE) and the Contract Management Team. The majority of respondents 74.6% generally agreed to the statement that Contractors have built confidence and trust with the municipality. A combined percentage of 67.4% generally agreed to the statement that there is effective communication between contractors and the municipality. A combined percentage of 72.4% generally agreed to the statement that there is a professional approach to managing issues and dispute resolution. The majority of respondents 57.3% generally agreed to the statement that there are regular contract management reviews for all relevant parties.

The results can be linked to the Commonwealth of Australia (2012) which noted that relationship management underpins overall successful contract management. Contributing to the same debate, Commonwealth of Australia (2012) studies revealed that effective contract management is not only about holding contractor(s)/ service provider(s) to account for each minute detail of the contract but to promoting a relationship that supports the objectives of both parties.

The findings are further linked to Gummesson (2006) who revealed that relationship management is the asset of the organization through which an organization can gain access to the resources of others, acquire the supplies that it needs, or solve its problems and thus generate revenue. Davis & Walker (2004) add to this by noting that relationship-based procurement is dependent on joint problem-solving activities.

The findings are further linked to Jefferies, Rowlinson, and Cheung (2006) who posit that relational contracting approaches have become more popular than before and that among the many factors that influence contract relationship, mutual trust and understanding, openness and excellent communication, and a joint approach to managing delivery makes a more significant contribution to service delivery in local governments.

The findings are also in support of good government/business relationships that can serve the role of facilitator in the contract implementation process (Kamarck, 2012). Networking with private sector organizations is posited to be more efficient than traditional governance structures. Both governmental agencies and suppliers are now advocating partnerships between governmental buyers and business sellers to facilitate the implementation of contracts. With the increasing procurement of high-tech systems and services, collaborative and relational exchanges will be required to realize the strategic goals for both government agencies and private businesses.

# **CHAPTER TEN**

# **TOWARDS SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

## **10.0. Introduction**

This chapter comprises the summary of findings, conclusion, and recommendation of the study according to the study objectives. The study is about contract management and service delivery. The recommendations are on a basis of the findings and relate to the interventions that the researcher feels should be brought to the attention of EMC to improve service delivery. The study ends by presenting the areas that the researcher considers vital for further studies.

## **10.1. Summary of findings**

## **10.1.1. Contract administration and Service delivery**

The results showed that the municipality has a policy in force which informs contract administration, thus guiding practice, there is a communication gap in the municipality and it is believed to form basis onto which some respondents disagreed on this matter, the municipality does clarify its expectations for its service providers, the municipality’s formal governance of the contract is not an inconvenience in the contracting process, thus, clear contracting processes are put in place and followed which stand away from the formal governance procedures of such contracts, clear specifications are stated to clearly spell out the expectations of informal agreements in the contracting process, contracts formulated by the council clearly assign responsibilities to each party involved in the contracting process, there are no dispute resolution processes embedded in the formal agreement of contracts awarded and the municipality’s contracts always have clauses that ensure for any eventuality in the contracting process.

## **10.1.2. Performance management and Service delivery**

The findings revealed that Entebbe Municipality to a large extent formally has a policy on performance management that informs practice, many projects in the municipality do not meet deadlines as planned and others do not fully come to completion which raises questions on the performance measurements in place, the municipality has Performance management systems in place, the performance management system in place acknowledges the Elements of service delivery Designs in Local Governments which are inclusive in terms of quality service delivery, municipality projects are guided by set objectives which are time based and achieving such objectives in time is an indicator of good performance, the municipality has no reward system designed to recognize good performers as many stated that it is a mandate of all staff to perform well and deliver quality services to the public, everyone is held accountable for all their assigned roles and in any case of non-performance, some matters may attract legal proceedings against any staff who abandoned their duties and the municipality has scholarship programmes that are open to all staff and community members interested in further studies as an avenue of furthering their knowledge in various disciplines.

## **10.1.3. Relationship management and Service delivery**

The results showed that there is good relationship management between the municipality and its service providers, the level of transparency and accountability is still not very good as a result it creates an avenue for corruption inform of bribery, nepotism, favoritism, all bids from contractors are filled and also captured in the computer, completed contracts are captured in the system and on paper just as documents for ongoing projects are also captured, there is a substantial level of confidence and trust between the contractors and the municipality, Contractors and the PDU work hand in hand to ensure that service delivery is excellent, but it is a mandate of every party to the contract to deliver as required and the law on procurement and contract management encourages practitioners to incorporate conflict resolution mechanisms in contract clauses and as a practice, a standard process must be acknowledged and followed every time need arises.

## **10.2. Conclusions**

## **10.2.1. Contract administration and Service delivery**

The findings of this study revealed that contract administration plays an important role in EMC's service delivery. The positive relationship indicated that good contract administration leads to better service delivery while poor contract planning leads to poor service delivery. This shows that if contract administration is well handled in organizations, service delivery will be poor.

## **10.2.2. Performance management and Service delivery**

This study like other studies conducted elsewhere demonstrates the importance of performance administration in service delivery of organizations. The positive relationship between performance administration and service delivery emphasizes that activities after a contract has been awarded to determine, should be performed well for the contracting organization and the contractor to meet the contract requirements.

## **10.2.3. Relationship management and Service delivery**

Given the positive relationship between relationship management and service delivery, the findings of this study demonstrate that the crucial role of relationship management in service delivery is to enhance communication and a positive work environment between the organisation and suppliers.

## **10.3. Recommendations**

## **10.3.1. Contract administration and Service delivery**

The study recommends that EMC should make thorough investigations on both the business and legal backgrounds of the contractor through due diligence during bid evaluation to offset challenges in contract administration. It can achieve this through setting clear, measurable, and achievable contract objectives within the available resources, knowledge, and time.

The Municipality should enforce the establishment of an independent Contract Management Department within the Procuring and Disposing Entity (PDE) for easy tracking of the contracts in the entity; need for continuous improvement for every procurement conducted, and the need to eliminate informal structure by enhancing communication between the entity and contractor.

## **10.3.2. Performance management and Service delivery**

EMC should establish clear key performance indicators to all its stakeholders to ensure better service delivery to the community. It can achieve this through setting clear, measurable, and achievable contract objectives within the available resources, knowledge, and time.

It should also consult all its stakeholders and develop its contract strategy in harmony with the organization’s overall procurement strategy to ensure the contractors meet the minimum performance criteria.

Clear lines of responsibility and authority in contracting such as clear contracting obligations and contracting schedules should be spelled out and sufficient authority should be delegated along with responsibility during contracting.

## **10.3.3. Relationship management and Service delivery**

EMC should adopt and stick to internal controls (e-GP) during their operations to remedy corruption vices such as bribery, nepotism, favoritism, among others.

EMC should always conduct pre-bid/pre-proposal meetings during the bidding period, since they serve as a ground to clarify on the Bidding procedure, Terms of Reference and Contract terms and conditions of a particular procurement.

EMC should develop a standard contractors’ evaluation process which can help in ensuring that contractors are evaluated fairly, this will reduce some subjectivity or human error and enhance communication between the two parties.

## **10.4. Areas of further research**

This study focused on a few dimensions of contract management about service delivery. Other studies may be conducted to establish the effect of other dimensions of contract management on service delivery. The other dimensions of contract management that can be investigated include contract implementation, contract coordination, Service delivery management, and contract negotiation.

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**APPENDICES**

# **APPENDIX I: SELF ADMINISTERED QUESTIONNAIRE**

Dear Respondent:

You are kindly requested to fill in the following questions to enable the researcher to accomplish the study about Contract Management and Service Delivery in Entebbe Municipal Council, Entebbe Uganda, leading to the award of a Degree of Master of Procurement and Logistics Management of Nkumba University. 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 views, as no response is wrong, you may not disclose your name.

Thank you so much for your cooperation.

**Section A: BACKGROUND INFORMATION**

BIODATA (Please do provide the following information. Indicate appropriate code inbox)

|  |  |  |  |
| --- | --- | --- | --- |
| 01 | Sex | Male …………………………1  Female ………………………2 | Enter the correct code |
| 02 | Age | 20-30 years…...…...…………1  31-40 years…...…...…………2  41-50 years…...…...…………3  Above 50 years….…….……..4 | Enter the correct code |
| 03 | Period of service at Entebbe Municipal Council (in years) | Below 2 years………..……....1  2-5 years ………………...…..2  6-10years…….…………...….3  Above 10 years…….………..4 | Enter the correct code |
| 04 | Highest Level of Education | Certificate .….….………..…..1  Diploma ……..……………....2  Bachelors ……………..…......3  Master’s Degree…….….…..…4  Others specify………………..5 | Enter the correct code |

**For sections B, C and D use the scale/ranking below to tick in the box that corresponds with the number that best indicates your opinion on the statement or question.**

1. Strongly Disagree; **2-**Disagree; **3-**Neutral; **4-**Agree; and **5-**Strongly Agree

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **SECTION B: Contract administration and service delivery in Entebbe Municipal Council.** | **1** | **2** | **3** | **4** | **5** |
| 5. | The municipality has a policy on contract administration that guides practice |  |  |  |  |  |
| 6. | The Municipality has clear administrative procedures for contract management |  |  |  |  |  |
| 7. | The municipality has good relationships with its service providers |  |  |  |  |  |
| 8. | The municipality’s formal governance of the contract is not an inconvenience in the contracting process |  |  |  |  |  |
| 9. | The municipality’s contract formal agreements specify expectations in the contracting process |  |  |  |  |  |
| 10. | The municipality’s contract formal agreements specify obligations in the contracting process |  |  |  |  |  |
| 11. | The municipality’s contract formal agreements specify responsibilities in the contracting process |  |  |  |  |  |
| 12. | The municipality’s contracts always have clauses to ensure for any eventuality in the contracting process |  |  |  |  |  |
|  | **SECTION C: Performance management and service delivery in Entebbe Municipal Council.** |  |  |  |  |  |
| 13. | The municipality has a policy on performance management that informs practice |  |  |  |  |  |
| 14. | The municipality carries out performance measurements on all contracts |  |  |  |  |  |
| 15. | The municipality has performance management systems in place |  |  |  |  |  |
| 16. | The performance management system in place addresses the effectiveness of services in terms of quality and quantity |  |  |  |  |  |
| 17. | The municipality sets objectives that inform performance |  |  |  |  |  |
| 18. | The municipality carries out supplier development to improve supplier capacity |  |  |  |  |  |
| 19. | The municipality carries out capacity building to staff for performance improvement |  |  |  |  |  |
| 20. | Outstanding performance is always recognized and rewarded |  |  |  |  |  |
| 21. | The municipality queries and sanctions staff for non-performance |  |  |  |  |  |
|  | **SECTION D: Relationship management and towards service delivery in Entebbe Municipal Council.** |  |  |  |  |  |
| 22. | There are good relationships between the municipality and service providers |  |  |  |  |  |
| 23. | The municipality promotes transparency and accountability in the conduct of procurement and contract management |  |  |  |  |  |
| 24. | There is good record keeping by the municipality (PDE) and the Contract Management Team |  |  |  |  |  |
| 25. | Contractors have built confidence and trust with the municipality |  |  |  |  |  |
| 26. | There is effective communication between contractors and the municipality |  |  |  |  |  |
| 27. | There is a joint approach to managing the delivery of goods, services, and works |  |  |  |  |  |
| 28. | There is a professional approach to managing issues and dispute resolution |  |  |  |  |  |
| 29. | The contract clauses and practices promote and demonstrate clear problem and conflict resolution mechanisms |  |  |  |  |  |
| 30 | The roles and responsibilities of the contract manager/ entity and contractors are clearly defined |  |  |  |  |  |
|  | **SECTION E: Contract Management in Entebbe Municipal Council** |  |  |  |  |  |
| 31 | There is an existing contract management policy that informs practice |  |  |  |  |  |
| 32 | Clear lines of responsibility and authority in contracting are established |  |  |  |  |  |
| 33 | There is sufficient authority delegated along with responsibility during contracting |  |  |  |  |  |
| 34 | Contracting tasks schedules are spelled out |  |  |  |  |  |
| 35 | There are standard operating procedures for EMC’s contract implementation |  |  |  |  |  |
| 36 | EMC’s procedures for contract implementation are always adhered to |  |  |  |  |  |
| 37 | EMC’s process risk assessment spans the entire organization |  |  |  |  |  |
| 38 | EMC handles its stakeholders’ interests in contracting satisfactorily |  |  |  |  |  |
| 39 | EMC consults its stakeholders to make informed contract decisions |  |  |  |  |  |
|  | **SECTION F: Service Delivery in Entebbe Municipal Council** |  |  |  |  |  |
| 40 | There is an existing service delivery policy that informs practice |  |  |  |  |  |
| 41 | The public is involved in assessing the quality of goods, services, and works |  |  |  |  |  |
| 42 | The beneficiaries of public services have easy access to these services |  |  |  |  |  |
| 43 | There is Value for Money for goods/services/ works procured |  |  |  |  |  |
| 44 | Community priority needs are considered during service delivery |  |  |  |  |  |
| 45 | Contracts are awarded to bidders with the lowest cost price while considering Value for Money |  |  |  |  |  |
| 46 | Delayed payments to contractors do not affect the delivery of goods, services, and works |  |  |  |  |  |
| 47 | Delayed delivery of goods/services/completion of works does not affect service delivery |  |  |  |  |  |
| 48 | There is timely delivery of goods, services, and works in the municipality |  |  |  |  |  |

***Thanks for your participation.***

# **APPENDIX II: INTERVIEW GUIDE**

**Section A: Contract administration and service delivery in Entebbe Municipal Council.**

1. Does the municipality have a policy on contract administration that guides practice?
2. Does the Municipality have clear administrative procedures for contract management?
3. Does the municipality have good relationships with its service providers?
4. Does the municipality always clarify its expectations for its service providers?
5. Do the municipality’s contracts always have clauses to ensure any eventuality in the contracting process?

**Section B: Performance management and service delivery in Entebbe Municipal Council.**

1. Does the municipality have a policy on performance management that informs practice?
2. Does the municipality carry out performance measurements on all contracts?
3. Does the municipality have Performance management systems in place?
4. Is there a reward system for good performance in the municipality?
5. Does the municipality carry out capacity building to staff for performance improvement?

**Section C: Relationship management and towards service delivery in Entebbe Municipal Council.**

1. Are there good relationships between the municipality and service providers?
2. Does the municipality promote transparency and accountability in the conduct of procurement and contract management?
3. Is there effective communication between contractors and the municipality?
4. Is there a joint approach to managing the delivery of goods, services, and works?
5. Do the contract clauses and practices promote and demonstrate the clear problem and conflict resolution mechanisms?

**Section D: Contract Management in Entebbe Municipal Council**

1. Is there an existing contract management policy that informs practice in EMC?
2. Does the municipal council have established lines of responsibility and authority in contracting?
3. Is there sufficient authority delegated along with responsibility during contracting?
4. Are there standard operating procedures for EMC’s contract implementation?
5. Does EMC consult its stakeholders in making informed contract decisions?

**Section E: Service Delivery in Entebbe Municipal Council**

1. Is there an existing service delivery policy that informs practice in Entebbe municipal council?
2. Is the public involved in assessing the quality of goods, services, and works in the municipality?
3. Do the beneficiaries of public services have easy access to these services in the municipality?
4. Is there Value for Money for goods/services/ works procured in the municipality?
5. Is there timely delivery of goods, services, and works in the municipality?

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

