Determinants of Contract Risks in Public Procurement Practices A Case of Selected Procuring Entities in Morogoro District, Tanzania

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One of the big challenges facing public sectors in most developing countries to day is prevalent in exposure to procurement risk. Procurement contracts risks have retarded the achievement of procurement objectives in procuring entities. In order to maintain the achievement of expected procurement objectives the disclosure of assessing the determinants of procurement contracts risks in public procurement in Tanzania at TANESCO and MOROWASA, Morogoro District. The study used case study research design with a sample size of 96 were collected using Judgmental sampling and simple random sampling methods. Primary data were collected using questionnaires and structured interviews while secondary data was collected through documentary review. Quantitative data were analyzed through descriptive analysis and ordinal regression analysis while qualitative data were analyzed by using content analysis. The findings revealed that procurement risk identification practices were the only significant negative predictor of procurement contract risks, for procurement risk legal framework and stakeholders' involvement in procurement risk management were indicated as a significant positive determinant that leads to increase of contract risks at public procurement activities. The findings also showed a significant positive predictor of contract risks being inappropriateness use of procurement risk mitigation strategies and contract risks. The study concludes that, the determinants for contract risks in procurement undertakings are improper stakeholders' involvement in procurement risk management, non - compliance of procurement risk legal framework and inappropriateness use of procurement risk management strategies. The study recommended that procuring entities like TANESCO and MOROWASA should establish best procurement risk management practices as the tool of minimizing procurement risk in public sector. The study suggested among others, a further study to be conducted on whether if the same procurement risk management practices under the research study affects procurement performance in private sectors in Tanzania.