

MOSHI CO-OPERATIVE UNIVERSITY

**COMPETITIVE TENDERING AND PERFORMANCE OF
PROCUREMENT IN GOVERNMENT INSTITUTIONS: A CASE
OF MOYO DISTRICT LOCAL GOVERNMENT**

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OF MOYO DISTRICT LOCAL GOVERNMENT**

By

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENT FOR THE AWARD OF MASTER OF ARTS
IN PROCUREMENT AND SUPPLY MANAGEMENT OF
MOSHI CO-OPERATIVE UNIVERSITY**

NOVEMBER, 2021

DECLARATION AND COPYRIGHT

I, **Catherine Masudio**, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other higher learning Institution for a similar or any other academic award

Signature _____ **Date** _____

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CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Moshi Co-operative University a Research dissertation titled “**Competitive Tendering and Performance of Procurement in Government Institutions: A case of Moyo District Local Government**” in partial fulfilment of the requirements for the award of a degree of Master of Arts in Procurement and Supply Management of Moshi Co-operative University.

(Supervisor`s Name)

(Supervisor`s Signature)

Date: _____

DEDICATION

I would like to dedicate this work to whoever has supported me financially, morally, spiritually and given me physical encouragement to ensure the success of my study. May the Almighty father reward you all abundantly.

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First and foremost, I would like to acknowledge the East African Community (EAC) and German Development Bank (KFW) through the Inter University Council of East Africa (IUCEA) and Adroit Consult International for granting me the opportunity and privilege to be among the selected few to benefit from the EAC-KFW scholarship program to study a Masters' degree. I do not take this for granted. Thank you!

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LIST OF ABBREVIATIONS AND ACRONYMS

ADB	:	Asian Development Bank
CT	:	Competitive Tendering
EAC	:	East African Community
GDP	:	Gross Domestic Product
GPP	:	Government Procurement Portal
KNH	:	Kenyatta National Hospital
LG	:	Local Government
MDLG	:	Moyo District Local Government
OECD	:	Organization for Economic Co-operation and Development
PCA	:	Principal Component Analysis
PDU	:	Procurement and Disposal Unit
PMU	:	Procurement Management Unit
PPA	:	Public Procurement Act
PPDA	:	Public Procurement and Disposal of Assets
PPP	:	Public Private Partnerships
PPR	:	Public Procurement Regulation
PPRA	:	Public Procurement Regulatory Authority
PSC	:	Public Service Commission
SAQ	:	Self-Administered Questionnaires
SPSS	:	Statistical Package for Social Sciences
UBOS	:	Uganda Bureau of Statistics
UNDP	:	United Nations Development Programme
UNOPS	:	United Nations Office for Project Services
VIF	:	Variance Inflation Factor
WB	:	World Bank

ABSTRACT

Procurement functions in both public and private entities aim at achieving value for money through the use of best procurement practices and methods that improve performance and ensure Organisation efficiency. Whichever procurement method is used, it must identify the most economically advantageous tenders and authorities must still comply with general principles of equal treatment, transparency, non-discrimination and competition. It is against this background that this study sought to assess the impact of competitive tendering on performance of procurement using a case of Moyo District Local Government. It specifically sought to examine the effect tender advertisement, bid evaluation, transparency, and fair tendering procedures had on performance of procurement. Case study design was adopted with a base sample of 80 respondents drawn using simple random and purposive sampling techniques. Self-administered questionnaires and documentary review were used for collecting data related to the specific objectives. Multiple regression analysis was used to test the relationship between the variables. The study found that in effect of tender advertisement on performance of procurement, access to several suppliers in a short time was significant at $\beta=0.680$, $p<0.05$). In effect of bid evaluation on performance of procurement, approved criteria ($\beta=0.249$, $p<0.05$) and document compliance ($\beta=0.293$, $p<0.05$) were significant. In influence of transparency on performance of procurement, publication of procurement plans ($\beta=0.258$, $p<0.05$), access to key procurement information ($\beta=0.193$, $p<0.05$) and open communication ($\beta=0.169$, $p<0.05$) were significant. In role of fair tendering procedure on performance, equal opportunity ($\beta=0.395$, $p<0.05$) and bidder inclusiveness ($\beta=0.565$, $p<0.05$) were significant. The study concluded that competitive tendering influences performance of procurement and thus gave a number of recommendations to MDLG including embracing electronic advertisement through government procurement portals to reduce costs and access several suppliers, conducting ethics and integrity trainings to members involved in the procurement process, provision of whistleblowing procedures and measures for protecting whistleblowers, and provision of timely and sufficient procurement information through publications. The study also recommended further studies on other procurement methods to determine their influence on performance of procurement.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of Study

The desire to achieve value for money has been the pillar of government procurement as well as private sector procurement over the years, as transparency is important in any procurement operation carried out hence, the call for use of the best procurement practices like open competitive tendering; which is also considered to be one of the best tools for ensuring value for money in any organization be it public or private (Ackah, Agboyi, Adu & Enu, 2014). Governments world over receive numerous deals of essential services ranging from health, education, defense to infrastructure and in order to make these services available, they strive to employ the best possible procurement strategies to obtain supplies, services and or works (Nsiah-Asare & Prempeh, 2016). Kisurkat (2017) argued that it is easy to predict the social and economic effects of government procurement in public agencies.

Therefore, investing tax-payer money wisely by the use of best procurement practices promotes government-provided programs to operate for the good of all those targeted and also increases taxpayers' dependence on governments, their current procedures and regulations (Kisurkat, 2017). According to Waruguru (2015), Government procurement bodies and agencies such as the European Union, Canada, Australia, the United Kingdom (UK), the United States of America (USA) have similar experiences with procurement and supply at various levels, each with procurement procedures set out in such a way.

According to Dza, Fisher, and Gapp (2013), the Asian Development Bank (ADB) and the Organization for Economic Co-operation and Development (OECD) reported that government procurement contributes to 20% of world government spending and nearly 10% of gross domestic product (GDP) across Africa, while contributing to 70% of government spending. Akenroye, Owens, Elbaz, and Durowoju (2020) found that government business activities also have economic and political consequences in the procurement by governments of supplies, facilities and works using public resources through their agencies, normally solicited through avenues such as national foundation funds, national budgets, loans and revenues from state economic activities. Nevertheless, some key weaknesses have been discovered in the scrutiny of

government purchasing processes in a number of countries both in developed and underdeveloped economies, such as the inability of the supply manual to cover failures related to awarding procedures that eventually contributed to mistrust in the entire mechanism and allegations of unethical dealings at awarding boards (Waruguru, 2015). Overall, measuring and determining performance of the procurement function is critical for all organizations because performance evaluation allows procurement activities to be tracked, regulated, and managed (Murray, 2019). Therefore, performance assessment promotes better performance by recognizing and motivating procurement workers through reports of actual performance (Farmer, Baily, Crocker, Jessop & Jones, 2015).

According to Balaeva, Yakovlev, Rodionova and Esauloy (2020), optimizing procurement costs is crucial for both developed and developing world governments to increase procurement efficiency; costs that are shared by all actors in the procurement process, including vendors and procurement regulators, as well as public sector customers. Nsiah-Asare and Prempeh (2016) echoed that since these expenses are paid for directly from the state budget, the higher the costs, the less resources available for core operations. Therefore, the use of equitable tendering processes is paramount in order to save money and ensure resource efficiency in state owned institutions (Balaeva *et al.*, 2020). Notably in most developing countries including Uganda, the issue of public disclosure and accountability has always been a source of concern, especially in local government procurements. So, government procurement has drawn the attention of a number of researchers and practitioners in an effort to devise means to reduce cost and streamline procurement processes (Darby, 2020; Otim, 2018).

While there are a variety of standards that can be used to evaluate purchasing efficiency, Ogubala and Kiarie (2014) asserted that the efficiency of the process is crucial, as delays in lead times can cause the organization's production process to be delayed. However, in order to meet set deadlines, the issue of public advertising is crucial in inviting tenders and disseminating relevant information to different stakeholders on tendering procedures (Tremblay & Boyle, 2018). Deep, Gajendran, Jefferies and Davis (2018) asserted that in the procurement process, the proper alignment of project priorities with contractor targets is crucial. To complete a project successfully, the customer must depend on the unwavering consistency and reliability

of contractors in a procurement process involving several contractors and/or subcontractors (Stritch, Darnall, Hsueh & Bretschneider, 2018).

Notably, a variety of steps and laws have been developed by governments to be followed by purchasing entities as guidelines intended for attaining objectives of a consistent procurement and tender system (Githinji & Moronge, 2018). In Uganda, this is achieved in compliance with Section 46 of the Public Procurement and Disposal of Assets (PPDA) Act 2003 by exploiting equal opportunities for all able and competent suppliers to tender for procurement undertakings by open tendering (Otim, 2018). This has been part of the reform to institute an open, accountable and value-addition mechanism introduced by the Government. Pursuant to the above, competitiveness and, subsequently, competitive tendering has been seen as the most productive and successful way to satisfy government requirements in order to provide the expected beneficiaries with anticipated results, thereby providing a greater option for consumers as a method of selection while attempting to procure supplies, services and/or works (Kusumarukmi & Adi, 2018).

Nonetheless, Competitive tendering also faces a lot of restrictions and challenges, considering that many stakeholders and emerging technologies are generally involved (Kusumarukmi & Adi, 2018). Hanak and Muchova (2015) noted that public tender process often has to deal with various obstacles, especially in local governments, ranging from corruption, incompetent bidders, non-viable tender costs to dilatory processes ultimately making competitive tendering seem like an undesirable procurement choice. Therefore, this study sought to further examine the role competitive tendering plays in procurement performance in public institutions, and hence took the lead role by covering Moyo District Local Government (MDLG).

1.2 Statement of the Problem

The PPDA regulatory framework in Uganda strives to achieve value for money in public service delivery as approximately 60% of the national budget is spent on procurement (Basheka & Tumutegyereize, 2013). However, according to the results of the PPDA Annual Report (2019), agencies failed to perform within the expected deadlines in 55% of the sampled procurements, and 33.3% of the contracts signed were not completed within the contractual duration, with these irregularities being more pronounced in Local Government entities and attributed to low levels of

competition, delayed payment of providers, collusion between bidders and perceived high levels of corruption in public procurement.

Following the audit report for MDLG (2018), the PPDA Authority pursued 59 allegations, of which segregation of bidders, disregard of selection protocols, non-adherence to evaluation standards in bidding documents, deceptive and restrictive definition of specifications, and conflict of interest were among the main grounds for investigations. All these allegations according to Waruguru (2015) contravene the principles of transparency, fairness, accountability and open competition. In addition, the report claimed that due to inadequate advertising, the institution received less than three (3) bids in 31% of its procurements, which suggested low bidder involvement in the entity's procurement process (PPDA Authority, 2018).

Despite efforts made by the Government of Uganda in implementing a number of reforms to address inefficiencies in public procurement processes like the enactment of PPDA Act 2003 and establishment of Local Government regulations of 2006 to guide procurement processes; collaborations with Civil Society Organizations in monitoring public procurements; improvements in audit functions and compliance checks; and re-defining the roles of key stakeholders to address structural weaknesses in the law, local government entities' tendering are still flawed by poor quality works, costly projects and delayed deliveries.

Although some studies have been conducted by researchers and academicians to establish the association between tendering and procurement performance in both public and private entities, for instance studies by Otim (2018), Waruguru (2015), Githinji and Moronge (2018), Ackah et al (2014), this subject matter still attracted a greater interest for further research owing to the importance it holds in public procurement, particularly in achieving and ensuring value for money. This study therefore sought to investigate, specifically in MDLG, the impact of Competitive Tendering on performance of procurement.

1.3 Objectives of Study

1.3.1 Main Objective

The main objective of the study was to assess the impact of competitive tendering on performance of procurement in government institutions using a case of Moyo District Local Government.

1.3.2 Specific Objectives

- i. To determine how tender advertisement affects performance of procurement in Moyo District Local Government.
- ii. To examine the effect of bid evaluation on performance of procurement in Moyo District Local Government.
- iii. To determine the influence of transparency on performance of procurement in Moyo District Local Government.
- iv. To examine the role of fair tendering procedures on performance of procurement in Moyo District Local Government.

1.4 Research Questions

- i. How does tender advertisement affect performance of procurement in Moyo District Local Government?
- ii. What is the effect of bid evaluation on the performance of procurement in Moyo District Local Government?
- iii. What is the influence of transparency on performance of procurement in Moyo District Local Government?
- iv. What is the role of fair tendering procedures on performance of procurement costs in Moyo District Local Government?

1.5 Significance of the Study

Findings of this study have policy implication for the government and policy makers. A large portion of about 70 percent of local government budget passes through the procurement system (Mbabazi *et al.*, 2007), therefore failing to procure products and services in a cost-effective and timely manner jeopardizes the achievement of key LG goals. Thus, the study raises awareness of competitive procurement practices in Moyo district and other Ugandan local government entities, as well as propose policy changes to improve service quality through competitive tendering.

Furthermore, the results of this study are expected to be invaluable to researchers and scholars in terms of establishing a basis for future researchers interested in investigating how open competitive tendering or other procurement methods affect procurement efficiency. Aside from providing existing literature for future competitive tendering studies, the result of this study is of great interest to procurement practitioners in both the private and public sectors, as they contribute to the body of information on the theory and experience of effective public procurement practices.

Finally, the research contributes to advance the East African Community (EAC) Scholarship agenda, which seeks to cultivate potential change agents who will align with the integration agenda and be able to share economic and development-oriented expert knowledge in order to promote EAC regional integration.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter covered the literature survey, theoretical reviews and conceptual framework relevant to the study objectives. Specifically, the chapter looked at review of literature in relation to the study variables, the theories relevant to the study, empirical review of previous studies which are presented to identify the gaps to be filled by the study, and lastly conceptualization of study constructs in relation to the independent and dependent variables.

2.2 Literature Review

2.2.1 Competitive Tendering

Following Kisinga (2020), open competitive tendering is defined as the procurement process by which a procurement body, irrespective of nationality, invites qualified persons to formally tender for the provision of supplies, services and/or works through advertising nationally and internationally (PPA, 2016). It is used by companies and government agencies that require the delivery of products or services on a large-scale basis. Interested vendors send their bids for consideration within a specified period (Corporate Finance Institute [CFI], n.d).

The bids are sealed to increase the confidentiality of each vendor's proposal. After the expiry of the bid submission period, the recipient of the bids then selects the bidder with the lowest or best terms for the RFP. The selection process is to be done in an open bidding process. The process is aimed at increasing the competitiveness of the bids, avoiding preferential treatments, and enabling the company to get the best offer. For a vendor to be selected to fulfill the supply of products and/or services, they must demonstrate their capability, history, and readiness to execute the project (CFI, n.d).

Open competitive tendering is often considered to promote competition, provide transparency and give all suppliers the opportunity to win business (Murray, 2011). It should also be noted that unless otherwise stated in Public Procurement Regulation (PPR, 2013), it is stipulated that participation in the invitations to tender or proposal and awarding of contracts is open and on equal terms to natural persons, firms or

companies or semi-public or public agencies and foreign countries; civil society organizations, cooperative societies, community-based organization, farmers' associations and other legal individuals governed by private or public law; joint ventures, consortium or association of firms.

2.2.2 Procurement Performance

Procurement Performance relates to the qualitative or quantitative evaluation/measure of defined corporate/operational procurement targets and the degree to which they are being accomplished with minimal costs (Philly *et al.*, 2017). According to Ahmadi *et al.* (2018), measures such as reduction in lead times, number of orders placed, price savings and decreased operating costs can be calculated by quantitative targets. Nasra (2014) postulates that if a company shifts its emphasis to become more competitive, procurement efficiency is a key driver for improving the quality of services, otherwise its absence or use of improper means can act as a barrier to change and can lead to degradation of the procurement function. Similarly, Hamza, Gerbi and Seid (2017) stated that there is a link between procurement process, efficiency, effectiveness and performance. Performance is a key driver for competitiveness and for improvement of quality of services. Assessment of procurement performance helps organizations to reduce cost, enhance profitability, assured supplies, quality improvements and competitive advantage.

2.2.3 Public Procurement

Kenya's Public Procurement and Asset Disposal Act No.33 of 2015 describes public procurement as procurement by publicly funded procuring bodies. According to OECD (2014), governments purchase a significant variety of goods and services in order to improve citizen welfare and pursue specific social and economic objectives thus public procurement, is a key economic activity and accounts for a large percentage of GDP in most OECD member countries. Therefore, Information on procurement is essential to improve value for money, avoid mismanagement of public resources, and increase the overall quality of government services (OECD, 2014).

2.3 Theoretical Review

There are a number of theories that provide the basis for this study. However, to underpin this study two theories were applied to make a logical sense of the relationships that exist between the study variables. These included Principal Agency theory and the Institutional theory.

2.3.1 Principal Agency Theory

The principal agency theory describes the association between the principal and agent (Jensen & Meckling, 1976). It should be noted that the Procuring Entities within public procurement act as agents and stakeholders play a principal role (Panga, 2019). In this study, Principal is the local government authority represented by councilors and workers while suppliers and contactors are the agents working and managing public procurement on behalf of the council.

According to Chrisidu-budnik and Przedańska (2017), the process for contracting out tasks between the public awarding entity and the private entity assumes the form of a transaction which can be analysed from the point of view of the agency theory whereby in such a relationship, agents need to comply with laws, regulations and procedures set by the principal (Local Government Authority) in order to meet public interest as major principal in public procurement (Tukamuhabwa, 2012). Transparency of agents to principals in their dealings also plays a key role in compliance with procurement laws, regulations and guidelines in public entities and is a fundamental principle that describes how procurement operates and provide better audit mechanism in public procurement (Nyakibari, 2020).

This theory thus associates with study variables such as fair tendering and competitive procedures put in place by regulatory authorities given that all do play an integral part in procurement performance which further strengthens procurement scope and procurement decisions, hence making this theory relevant to this study. However, the analysis of public procurement from the point of view of the agency theory according to Chrisidu-budnik and Przedańska (2017) implies the need to as well note its limitations especially arising from the inequality of information on public market which can lead to an increase in agency costs, problems with the fulfillment of the subject matter of the contract and the cancellation of the public procurement proceedings through which both the principal (awarding entity) and the agent (contractor) can be affected by the asymmetry of information. Further, an agency problem may arise between agents and principals because the principals cannot adequately monitor the actions taken by the agent. Subsequently, the agent can have an incentive to pursue their own interests, rather than the best interests of the principal

(UKEssays, 2018). It is against these limitations that the study further employed institutional theory to compliment this theory.

2.3.2 Institutional Theory

Developed by Paul Lazarsfeld and Oskar Morgenstern in 1963, this theory employs sociological perspective to describe structure and behavior of the organization. Scott (2004) recommends three institutional pillars; regulative, normative and cultural cognitive. Regulative pillar emphasises the use of laws, regulations, policies and procedures as fundamental compliance basis in public procurement, normative focus on institutional norms and values as compliance basis and cultural cognitive focus on shared awareness and understanding on belief, symbols and understanding. One of the key principles of a sound procurement system is that it must be based on rules, therefore Countries should have a clear and adequate legal and regulatory framework in place to guide public procurement (Obanda, 2010).

In Uganda, public procurement is guided by the PPDA Act 2003, regulations and guidelines which are from time to time issued by the Public Procurement and Disposal of Assets Authority which must be complied to by all the public entities and providers (Okong'o & Muturi, 2017). The laws, regulations, policies, and implementing rules must promote competition, transparency, accountability and fairness and be seen as fair by all potential bidders and thus discourage discrimination and favoritism (Nyakibari, 2020). Equal treatment of bidders in the public procurement process promotes greater certainty and predictability in the awarding of contracts, which are essential to fostering healthy competition and enhancing good performance (Ware *et al.*, 2007). The strategic importance of procurement in public entities can therefore be realized only if there is enforcement on existing provisions of laws and regulations that address policies on best procurement practices (McLeod *et al.*, 2015). Thus, the institutional theory assumptions are relevant in this study because it associates with regulations and laws that guide the relationship between competitive tendering and procurement performance in the local government authority.

2.4 Empirical Literature Review

The review of existing literature has been done in respect to the objectives of the study. The main objective of the study was to assess the impact of competitive tendering on the performance of procurement and hence this review sought to present the relationship between the study variables and identify the existing gaps to be filled by this study.

By adopting a cross-sectional survey research design in Soroti Municipal Council, Otim (2018) explored the relationship between competitive tendering and procurement performance by concentrating explicitly on the interaction between advertising strategies, community engagement, bid assessment and procurement performance, respectively. The study revealed that bid evaluation was significantly and positively linked to procurement results in that when the laid down criteria is followed and monitored, it can be deduced that the organization will have the best quality of goods and services within which an organization can make the most appropriate selection from and once the best selection is made through competition it will mean that the best product will be supplied at an agreed price and on time, thus value will be delivered to the organization. Thus, the study recommended the Organisation to put more emphasis on having clear bid evaluation criteria as a way to promote procurement performance.

Also, the study emphasized the need to adhere to procurement rules as stipulated in the PPDA Act 2003 of Uganda, having a clear view towards proper bid evaluation of all government projects. Lastly, the researcher recommended further studies to be conducted in this area in order to verify the findings from the study and find out more. According to the PPDA Act 2003, a competitive procurement method should be conducted in a way that is transparent, fair and competitive. This study therefore sought to expound further on other aspects of competitive tendering not covered by this researcher, for instance fair tendering procedures and transparent supplier selection.

In their study to evaluate the impact of procurement methods on procurement performance using a case of Kenyatta National Hospital, and focusing specifically on determining the influence of International competitive tendering, national competitive tendering, restricted tendering and direct procurement on performance of procurement, Githinji and Moronge (2018) found that only national competitive tender and

international competitive tender methods had a positive and important effect on procurement performance, while both restricted tender and direct procurement were quite irrelevant. The study therefore concluded that competitive tendering leads to improved procurement performance due to its ability to attract a wide range of potential bidders from small, medium size and large enterprises thus giving all those with potential an equal chance to participate while giving the Organisation a chance to select from the best pool of bidders, and therefore recommended that policymakers should give competitive tendering an advantage over other procurement methods, especially restricted tendering and direct procurement. However, the study focused on investigating the influence of procurement methods on procurement performance generally, thus this study sought to bridge this gap by further focusing on competitive tendering and its impact on performance of procurement in particular as recommended by the study.

A study was conducted by Waruguru (2015) to evaluate the role of the tendering process in the performance of institutions by analyzing the role of transparency, accountability, efficiency and lead time arising from the tendering process in the performance of public institutions while applying a census technique. The study found that a high degree of transparency led to a significant reduction in the level of corruption during the tendering process hence contributing to good performance. High lead time variability due to tendering, however, was a major reason for the inability to meet inventory targets, thus negatively affecting performance. Based on report of the study, the researcher recommended organizations to put in place measures to improve transparency in order to magnify the overall performance of organizations. The study also recommended further research to be carried out on the role played by other alternative procurement methods on performance of public institutions and the critical success factors of tendering in public institutions, which aligns with the objective of this study. The study by Waruguru (2015) was associated with tendering process regardless of the procurement method chosen by the procuring entity, thus this study sought to expound on this area by investigating further on other aspects of the tendering process by specifically focusing on competitive tendering method of procurement.

In a bid to determine how competitive tendering can be used as an efficient method in government procurement to gain value for money, Ackah *et al* (2014) discovered that

competitive tendering was used to secure products, services and works at competitive rates in awarding most contracts. Nevertheless, it was seen that the competitive tendering process was complex, particularly for suppliers and employees with little procurement knowledge. The researcher subsequently suggested that sequences of workshops and seminars be arranged for mainly new procurement officers with little practical procurement experience so that they have more insight into the competitive tendering process and also recommended further studies in the area to widen knowledge on competitive tendering.

Namusonge, G., Mungai, C., Wahu, K.E., & Chilion, O. (2015) in their study sought to analyze the factors affecting performance of the Procurement Function in Kenyan Public Secondary Schools in Gatundu District. Using a descriptive research design, the study specifically sought to investigate how competitive bidding affects performance of procurement function, assess the extent to which aggregation of procurement impacts on the performance of procurement function and lastly investigate the effect of legal framework on performance of the procurement function. The study found that all the three variables affected procurement performance while competitive bidding was found to affect procurement performance to the greatest extent followed by the prevailing legal framework and thus concluded that indeed competitive bidding improved procurement performance in schools as respondents agreed that it reduced cost of commodities and also led to more tenders coming in. Hence, the finding of their study was relevant to the objective of the study area.

2.5 Research Gap

From the above reviewed studies, it can be derived that the basic presupposition of public procurement provides that contracts of a specified type and value should be awarded to contractors by means of an advertised, open, fair and transparent competitive procedure, ensuring equal treatment and opportunity for all candidates and tenderers. Therefore, the overall selection of the most appropriate procurement method is important because it is a crucial factor that leads to the satisfaction of clients and progress of the project. There are only restricted situations in which a practice without marketed competition is acceptable. This selection is pertinent to criterion that ensures quality, saves costs and ensure speedy delivery of end product in the shortest time. However, the reviewed studies provided inconclusive findings in relation to competitive tendering and performance of procurement in particular. This study thus

sought to fill this gap by investigating further on competitive tendering specifically as a procurement method by focusing on tender advertisement, bid evaluation, fair tendering procedures, transparency and assess their impact on performance of procurement.

2.6 Conceptual Framework

The Conceptual framework of this study explains the relationship between independent variables which is competitive tendering with dimensions which are tender advertisement, bid evaluation, fair tendering procedures and transparency in selection. The dependent variable is procurement performance with sub-variables cost optimization, quality of procurements and timely delivery as illustrated in Figure 1.

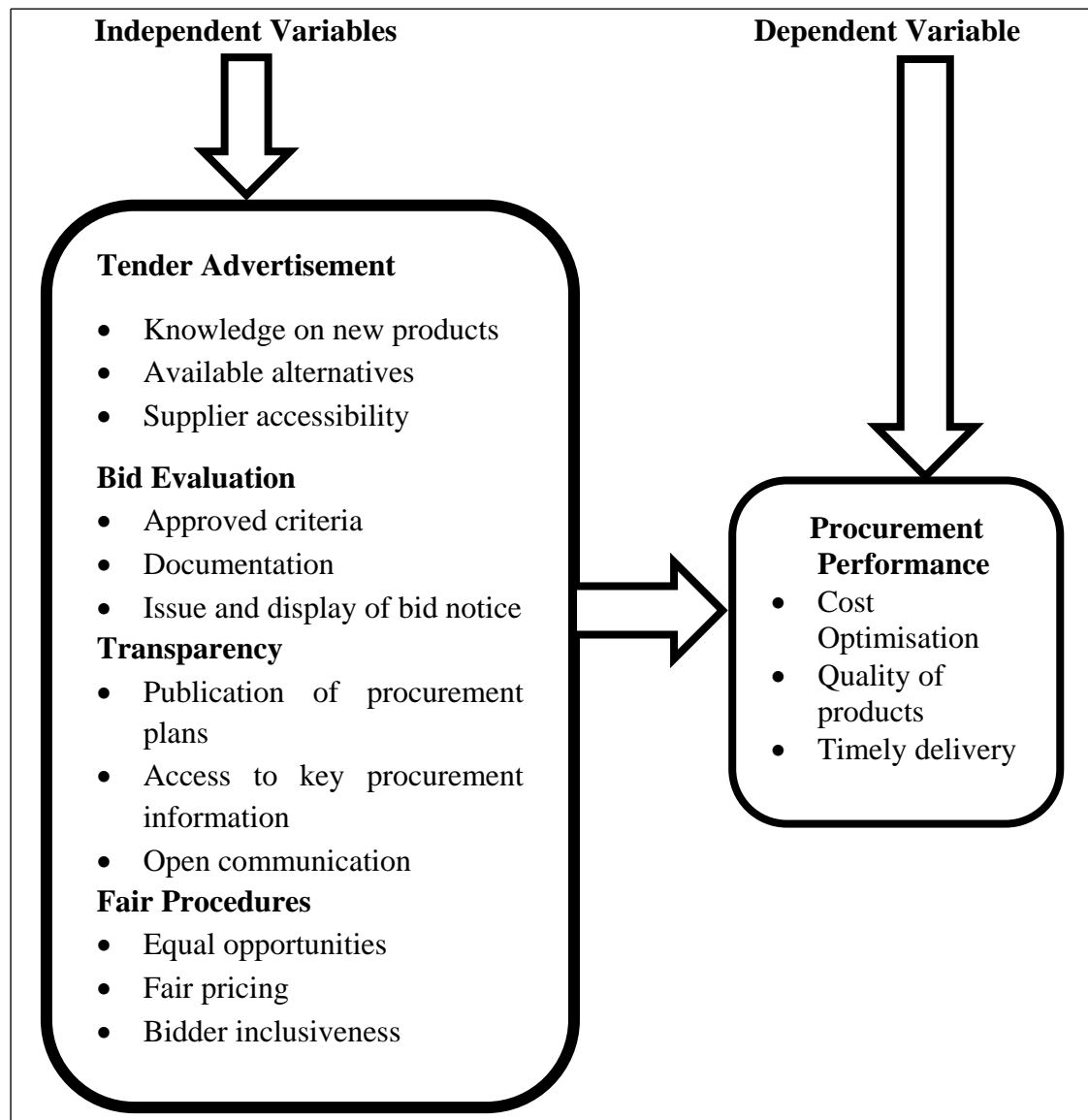


Figure 1 : Illustration of the Conceptual Framework

2.6.1 Tender Advertisement and Performance of Procurement

Competitive tendering involves a purchasing organization advertising its interest to acquire services or supplies and requests potential bidders to respond and to compete for the opportunity to win the business (Murray, 2011). Advertisement of opportunities to obtain competitive tenders improves performance of procurement as it leads to more tenders coming in and thus enabling Organisation to acquire goods, services and or works at the most economical cost, and selection of the most suitable and reliable suppliers. Therefore, the advertising element in competitive tendering makes it to be the most open way that opens avenues for many suppliers to participate and subsequently improving procurement efficiency.

2.6.2 Bid Evaluation and Procurement Performance

Government Commercial Function [GCF] (2021) defines bid evaluation as the process of assessing bids to identify the most economically advantageous tender (MEAT) submitted for a project. However, MEAT may not be the lowest cost bid and is determined by evaluating bids against published award criteria to get the right supplier to deliver works, goods or services that achieve value for money. Value for money according to Lysons and Farrington (2016) is taking into account the optimum combination of whole life cost and quality necessary to meet the customer's requirement. Therefore, when the laid down criteria for bid evaluation is followed and monitored it can be deduced that the organization will have the best quality of goods and service as the ultimate goal of supplier evaluation is to select and manage the most proper supplier for present and future business opportunities (Kim & Lee, 2015). Such a selection is made possible through competition as it will mean that the best product will be supplied at an agreed price, on time and by the best suppliers, thus value will be delivered to the Organisation (Kipkemoi, 2017).

2.6.3 Transparency and Performance of Procurement

Transparency is crucial in supplier selection to enable decision-makers and stakeholders make informed judgements about the cost, quality and socio-economic and environmental impact of the planned projects. Transparency in procurement takes form in a variety of practices, such as: publishing procurement policies; advance publication of procurement plans; advertisement of tender notices; disclosure of evaluation criteria in solicitation documents; publication of contract awards and prices paid; establishing appropriate and timely complaint/ protest/dispute mechanisms;

implementing financial and conflict of interest disclosure requirements for public procurement officials; and publishing supplier sanction lists (United Nations Office for Projects Services [UNOPS], 2011). To avoid manipulation of the decision-making process, it is paramount for public procurement entities to publish the selection criteria and the details of the method of award in full and in a timely manner before the procurement process begins, and where an open, competitive tendering process is not used, entities should explain their rationale publicly (OECD, 2013).

Public availability also allows for processes to be monitored and evaluate delivery of goods and services offered in order to identify corruption, mismanagement, fraud, inefficiencies or contract violations thus saving governments money and time, and also lowers the barriers to entry for smaller businesses (OECD, 2014). As it often happens, the people who are behind the procurement process are not satisfied with what they have, therefore, the more transparency there is into who is buying or approving what, the more it will be easier to identify areas of cost savings and efficiencies (Precoro, 2019). Conversely, lack of transparency in public procurement hampers these outcomes, stifles opportunities to maximise the benefits of public procurement (Kaspar & Puddephatt, 2012). Therefore, transparency has a way of increasing accountability and improving performance. As they say, opportunity makes a thief and transparency means someone is always watching.

2.6.3 Fair Tendering Procedures and Performance of Procurement

According to Lynch (2015), there are different interpretations of fairness in public procurement other than just treating bidders equally. He posits that for there to be fairness in the public procurement process, decision-making and actions should be unbiased and there should be no preferential treatment to individuals and firms; all bids should be considered on the basis of their compliance with the terms of the solicitation documents, and a bid should not be rejected for reasons other than those specifically stipulated in the solicitation document; a contract should only be signed with the bidder whose bid is compliant and responds best to the objectives of the requirement in terms of technical capability and price; and bidders should have the right to challenge the bidding process whenever they feel that they were unfairly treated (Lynch, 2015). The provision of equal opportunities to potential suppliers improves on performance in products and services sourcing by firms. The adoption of ethical and fair public procurement practices further leads to transparency, probity and

accountability which in turn secure best value for organizational money by improving on overall procurement performance (Luketero, 2016). A fair and open bidding process also helps smaller business bid for and win government contracts, boosting competition in procurement, improving performance and encouraging economic growth (Kisurkat, 2017).

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives a description of the methods and tools that were used by the researcher in collecting data for the study, and shows how objectives were investigated to ascertain the results by looking at research design, target population, sampling techniques, data analysis and presentation.

3.2 Research Design

The study adopted a case study design because it intended to conduct an extensive investigation on the variables under study that is competitive tendering and procurement performance in order to gain additional insights into the variables. The design was relevant since it allows gathering and analyzing data for further understanding (Namukasa, 2017). As the study sought to examine the relationship between variables, a simple correlation design was also adopted as well to determine the relationship between competitive tendering and procurement performance in Moyo district. In addition, both quantitative and qualitative data collection approaches were also applied to the analysis. The quantitative approach was used because it allowed collecting numeric data on observable individual behavior while qualitative data provided comprehensive information in the form of interview statements for in-depth analysis (Otim, 2018).

3.3 Study Area

The location of the study was Moyo District Local Government and the reason for having chosen this location was based on the volume of procurement and number of works projects they complete each year. Between 70-80% of the major procurements at the district are works and all supplies are procured competitively (Kumakech et al., 2014). Thus, the study area provided an excellent opportunity to get the required data related to competitive tendering and procurement performance. Also, the researcher's ease of accessibility to the respective government offices in the district where data could be easily obtained for the subject matter was another reason for choosing the study area. And lastly, the researcher's familiarity with the geographical coverage of MDLG was another reason for choosing the study area. This knowledge made data collection easier and successful within a short period of time.

3.4 Study Population

The target population of the study was primarily representatives of the departments and stakeholders who play a crucial role in procurement output of Moyo district local Government spread across Moyo Town Council and the five Sub-Counties of Moyo District including Lefori, Metu, Moyo, Laropi, and Difule respectively, all operating under the administrative jurisdiction of MDLG. These included the PDU, Accounting department, user departments, stores department and members of contracts committee. In addition, contractors and community members actively involved in procurement management programs and profit from procurement activities such as hospital and health centre administrators, school head teachers and local council leaders were as well considered.

3.5 Sampling Technique

To choose respondents, the study used purposive sampling and simple random sampling technique. This is because it was not practically feasible to obtain information from the whole research population. Purposive sampling was used to classify people who had critical knowledge, such as the Procurement Unit, accounting unit, and contracts committee members and this method was chosen because of its potential to provide valuable information since the chosen individuals were believed to have specialized knowledge on performance of procurement units. While the user departments, stores unit and the community members were sampled using the simple random sampling technique. This technique according to Sekaran (2003) guarantees least bias and its results can be used to ensure the generalizability of the research outcomes.

3.6 Sample Size

Krejcie and Morgan (1970) table was used to determine the sample size since the population was known using statistics obtained from the Local Government Labour statistics, Moyo District (Uganda Bureau of Statistics, 2019). A total number of 80 respondents were drawn for data collection from an accessible population of 100 respondents in Moyo district as shown in the table 1. The study sample included 10 members of the procurement unit, 10 accounting personnel, 13 user departments, 10 stores unit workers, 8 contracts committee members, 18 community leaders and 11 contractors engaged in the local government. The formula below was used for obtaining the sample size;

$$S = \frac{X^2 NP}{d^2 (N-1) + X^2 P (1-P)}$$

$$d^2 (N-1) + X^2 P (1-P)$$

Where;

S = required sample size.

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05).

Table 1: Population, sample size distribution and sampling technique

Sub-county	Population size	Sample distribution
Moyo Town Council	40	32
Lefori Sub-County	12	10
Moyo Sub-County	15	12
Metu Sub-County	13	10
Laropi Sub-County	10	8
Difule Sub-County	10	8
Total	100	80

Department/Unit	Population size	Sample Size	Sampling Technique
Procurement Unit	12	10	Purposive
Accounting Unit	12	10	Purposive
User departments	16	13	Simple random
Stores Unit	13	10	Simple random
Contracts Committee	10	8	Purposive
Community leaders	22	18	Simple random
Contractors	15	11	Purposive
Total	100	80	

Source: Population obtained from the Local Government Labour statistics; Moyo District (Uganda Bureau of Statistics, 2019), Researcher modified table (2021)

3.7 Rate of Response

Structured questionnaires were distributed to a selected sample of 80 respondents from different departments/Units which included the Procurement Unit, Accounting Unit, User departments, Stores Unit, Contracts Committee, community leaders and contractors/providers while semi structured interview guides were administered to 10 key informants. Table 2 gives a summary of the rate of response.

Table 2: Rate of response

Response	Frequency	Percentage
Participated	77	96.3
Not participated	3	3.7
Total	80	100

Table 2 indicates that from the 80 questionnaires administered, 77 questionnaires were filled up indicating that a 96.3% response rate was attained. The target response of 100% could not be achieved owing to the national lockdown and restrictions that were imposed due to the Covid-19 pandemic in the same time span of data collection which made it quite a challenge to reach out to the respondents to collect the questionnaires. However, the response rate of 96.3% of the participants in the study was enough to allow the data analysis and report writing as recommended by Lindemann (2021) who argued that if the survey response rate is equal or above 80% of distributed questionnaires, then the study can draw conclusion and generalisation of the target population.

3.8 Data Collection Procedure

Data collection started after obtaining a clearance letter from Moshi Co-operative University introducing the researcher to Moyo District Local Government. The researcher then submitted a formal request to the Chief Administrative Office seeking permission and approval for data collection, after which a clearance was issued for the same. The letter was used to accompany the questionnaires and interview guides for data collection as they were issued out to the sampled respondents.

3.9 Types of Data

Both primary and secondary data were collected to analyze the variables under study. Primary data was used to obtain first-hand information directly from the source by designing questions that were directed towards obtaining raw information to be used in the study, while secondary data was obtained from already existing sources of information which included the internet and government publications like annual reports.

3.10 Data Collection Instruments

Primary data was collected using both structured and semi structured questionnaires from the sampled respondents which were all self-administered on a drop and pick up later basis to allow for ample time for the participants to answer the questions. The close-ended questions were weighed using a Likert scale of five points where 5-strongly agree, 4-agree, 3-undecided/neutral 2-disagree and 1-strongly disagree while interview guides were used in addition to the closed-ended questions to obtain in-depth information from some key informants who were critical in the organization like the procurement officers, accounting officer, chairperson of the contracts committee and

some few technical personnel within the organization. Secondary data was collected through documentary review. These instruments were selected based on the research design and methodology approach employed by the researcher.

3.11 Validity

To test and improve the validity of the questionnaire, the researcher availed the first draft of the instruments to the research supervisor who happened to be an expert in the field of the subject matter, who offered a go ahead following the requested necessary adjustments to the instrument. Then a pilot study was conducted to pre-test the questionnaires by issuing them to 10 respondents who were not part of the target population but had knowledge about the subject matter under study before distributing them to the actual respondents. These included fellow students and other procurement practitioners. The researcher went ahead to test validity through the Content Validity Index. From results obtained in table 3, the research instrument contained items relevant to the study as indicated by the Content Validity Index for all the variables which was above the acceptable threshold of 0.7.

Table 3: Validity test

Variable	Content Validity Index	Number of items
Procurement Performance	0.851	3
Tender Advertisement	0.812	3
Bid Evaluation	0.899	3
Transparency	0.842	3
Fair Procedures	0.873	3
Overall	0.855	

3.12 Reliability

Reliability was tested using Cronbach's Alpha Coefficients to determine the relevance of the questions in measuring the variables in order to make sure that the research instrument was free of any possible errors. The Cronbach's alpha is given by the following formula

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Where:

N is equal to the number of items, threshold

\bar{c} is equal to the average inter-item covariance among the items and

\bar{v} is equal to the average variance.

From results obtained in table 4, the Cronbach's alpha coefficients of all the variables were above 0.7 showing that the instrument could produce consistent results according to the rule of thumb by Burns and Burns (2008).

Table 4: Reliability test

Variable	Cronbach's Coefficient Alpha	Number of items
Procurement Performance	0.781	3
Tender Advertisement	0.814	3
Bid Evaluation	0.757	3
Transparency	0.826	3
Fair Procedures	0.752	3
Overall	0.786	

3.13 Data Analysis

Collected data was coded and analysed using content analysis for qualitative data and descriptive statistics for quantitative data and presented in form of frequency distribution tables on the specific objectives of the study which sought to determine how tender advertisement affects performance of procurement, examine the effect of bid evaluation on performance of procurement, determine the influence of transparent supplier selection on performance of procurement, and lastly examine the role of fair tendering procedures on performance. Further, multiple regression model was employed to assess the statistical relationship and change influenced by independent variables to the dependent variable. According to Kothari (2004), multiple regression analysis helps to establish whether there is any cause-and-effect relationship between one variable on one side and two or more variables on the other side, of what degree and in which direction. The model was run using the formulae;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_i \dots \dots \dots (1)$$

Where;

Y = Procurement Performance

β_0 = Constant/Y-intercept.

$\beta_1, \beta_2, \beta_3, \beta_4$ = Slopes of regression equation

X_1 = Independent variable 1

X_2 = Independent variable 2

X_3 = Independent variable 3

e_i – error term at 95% confidence level.

3.14 Normality Test

Normality tests in statistics are used to determine whether sample data has been drawn from a normally distributed population (Razali and Wah, 2011). An assessment of normality of data is a prerequisite for many statistical tests because normal data is an underlying assumption in parametric testing. In order to test for normality of the data, two statistical tests of normality – Kolmogorov-Smirnov and Shapiro-Wilk were applied as shown in Table 5.

Table 5: Results for normality test

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig.
Tender Advertisement	0.079	77	0.140*	0.955	77	0.124
Bid Evaluation	0.251	77	0.200*	0.772	77	0.118
Transparency	0.353	77	0.230*	0.636	77	0.221
Fair Procedures	0.256	77	0.070*	0.855	77	0.065
Procurement Performance	0.252	77	0.211*	0.850	77	0.204

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

From results obtained in table 5, all the variables were normally distributed since the level of significance for all variables using both tests were greater than the p-value (0.05) thus implying that the collected data were normally distributed and the null hypothesis of non-normality was rejected.

3.15 Multicollinearity Test

To test for multicollinearity, the study applied the variance inflation factor (VIF) which identifies the degree of correlation between two variables, where the VIF value between 1 and 10 implied no multicollinearity but where it was below 1 and above 10, it meant that multicollinearity existed and the study resolved the issue by combining the highly correlated variables through principal component analysis, or omitting a variable from the analysis that is highly associated with other variable. From results obtained, it was found that there was no multicollinearity among the variables as shown in table 6.

Table 6: Multicollinearity test results for the study variables

Variable	Tolerance	VIF
Tender Advertisement	0.541	1.8484
Bid Evaluation	0.652	1.5337
Transparency	0.723	1.3831
Fair Procedures	0.598	1.6722

3.16 Test for Heteroscedasticity

To test for heteroscedasticity, the Levene's test that tests the null hypothesis that the variance is equal across groups was applied. As indicated in table 7, all the variables examined were significant since all the Levene statistics were above 0.05, an indication that the homogeneity assumption was not violated.

Table 7: Heteroscedasticity test results for the study variables

Variable	Levene Statistic	Sig.
Tender Advertisement	3.126	0.621
Bid Evaluation	2.145	0.545
Transparency	1.851	0.932
Fair Procedures	1.415	0.125

3.17 Linearity Test

The degree to which a dependent variable's change is related to one or more independent variables is known as linearity (Saunders, Lewis & Thornhill, 2012). Non-linearity between independent and dependent variables causes regression findings to underestimate the relationship, making inferential analysis harder thus the concept of linearity is important. In this study linearity was tested using the scatter plot. The scatter plot in figure 2 shows that the residuals were equally distributed about zero all through as the regression standardised predictors increased. Thus, this indicates no violation of linearity among these variables as a requirement for regression.

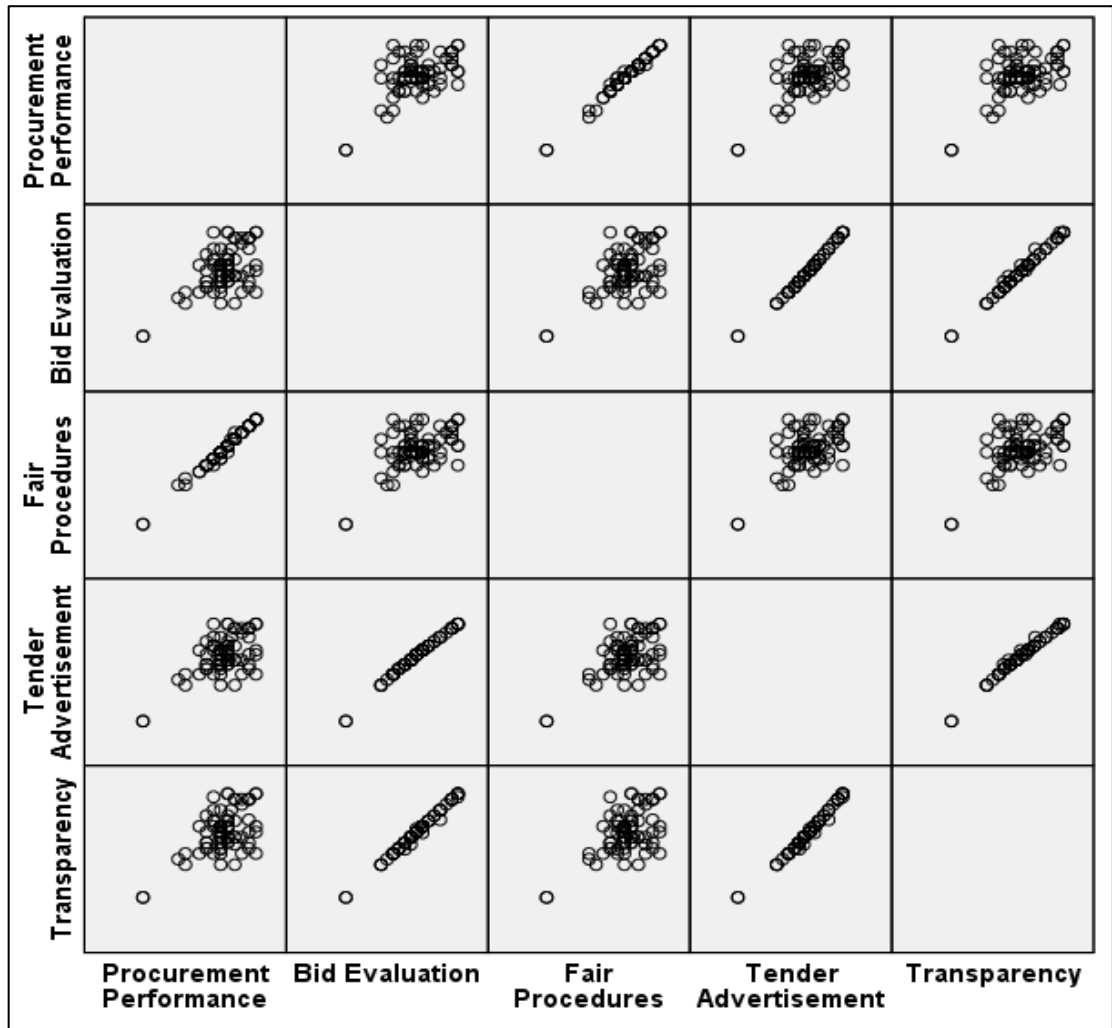


Figure 2: The scatter plot for Linearity test

3.18 Measurement of Variables

Variables were measured using a five-point Likert Scale and therefore measured on an ordinal scale, as they are numerical in nature, then variables analysed using multiple regression analysis to further establish their relationship as presented in table 8.

Table 8: Measurement of variables

Objective	Indicator	Measurement	Model
Determine how tender advertisement affects performance of procurement	<ul style="list-style-type: none"> • Knowledge on new products • Available alternatives • Supplier accessibility 	5-point Likert scale	Multiple regression analysis $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_i$
Examine effect of bid evaluation on performance of procurement	<ul style="list-style-type: none"> • Approved criteria • Document Compliance • Issue and display of bid notice 	5-point Likert scale	Multiple regression analysis $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_i$
Determine the influence of transparency on performance of procurement	<ul style="list-style-type: none"> • Publication of procurement plan • Access to key procurement information • Open communication 	5-point Likert scale	Multiple regression analysis $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_i$
Examine role of fair tendering procedures on performance of procurement	<ul style="list-style-type: none"> • Equal opportunities • Fair pricing • Bidder inclusiveness 	5-point Likert scale	Multiple regression analysis $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_i$
Performance of Procurement	<ul style="list-style-type: none"> • Cost optimization • Quality of products • Timely delivery 	5-point Likert scale	

Source: Researcher construct (2021)

3.19 Ethical Considerations

In order to ensure ethical issues were considered, the study informed all respondents about the purpose of the study and assured them of confidentiality of collected information. The study further observed a high degree of respect to all respondents by asking their consent and willingness in responding to questions. Furthermore, the study observed established research and postgraduate guidelines. Data collection permit was obtained from the University and clearance sought from MDLG headquarters, which was then attached to the questionnaires before issuing to the respondents.

CHAPTER FOUR

4.0 FINDINGS AND DISCUSSION

4.1 Introduction

This chapter offers a detailed analysis of collected data from field work. It includes the demographic profile of respondents and in-depth discussion to correlate the obtained data from different respondents. The discussion of the finding was based on main objective of the study of assessing the impact of Competitive Tendering on performance of procurement in public institutions, a case of Moyo District Local Government. Specifically, the study sought to determine how tender advertisement affects performance of procurement, examine the effect of bid evaluation on the performance of procurement, determine the influence of transparency on performance of procurement, and lastly examine the role of fair tendering procedures on performance of procurement in Moyo District Local Government.

4.2 Demographic Profile of Respondents

In a bid to understand the demographic profile of the respondents engaged, the study analysed the characteristics of the study population as it helps in data interpretation. The respondents were asked about their level of education, duration of employment and level of position held in MDLG. This is because the study sought to assess the impact of competitive tendering on performance of procurement hence knowledge and experience with procurement methods and processes were paramount to determine the relation existing between variables.

4.2.1 Level of education

The level of education of the respondents was categorised into six levels which include; secondary level, certificate/diploma level, Bachelor degree level, Master degree level and any other level of education. As indicated in figure 3, the level of education attained by the respondents engaged had a Bachelor's degree and these constituted 53.2%, 22.1% of the respondents had attained a Certificate/Diploma whilst 10.4% of the respondents had obtained a Master's degree. Additionally, 7.8% of the respondents had attained secondary level education and lastly 6.5% of the respondents had other levels of education. This implied that most of the respondents engaged had sufficient skills and knowledge about procurement processes necessary to respond on the raised questions and give relevant information required effectively.

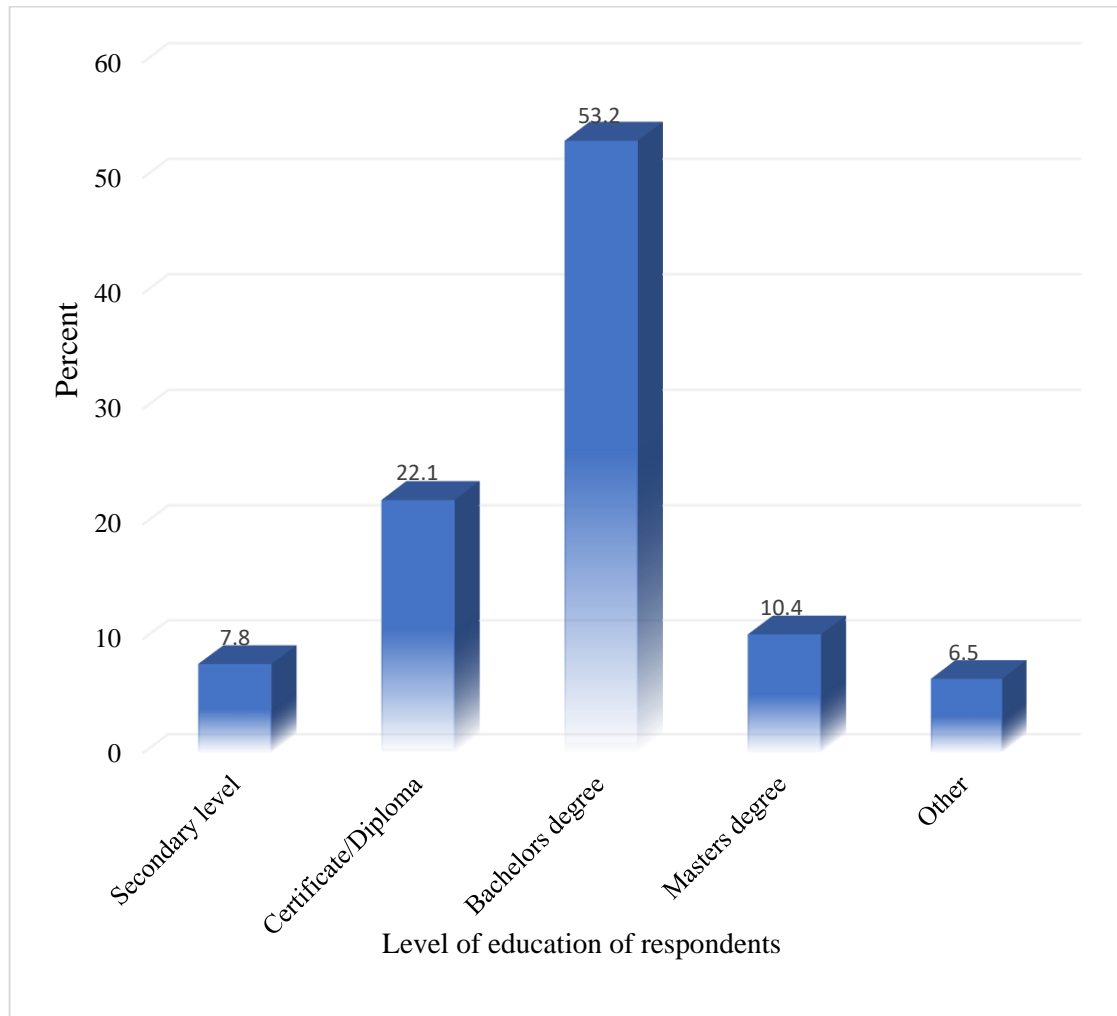


Figure 3 : Level of education of respondents

4.2.2 Employment duration

The study sought to understand the duration of employment or engagement of the respondents in MDLG in order to understand the working experience of respondents, especially in dealing with procurement related activities. The duration of employment was categorised into less than a year, between 1 to 3 years, 4 to 6 years, 7 to 9 years, 10 to 12 years and others as shown in figure 4. Looking at the period of employment from figure 4, most of the respondents engaged had been employed at MDLG for a period between 1 to 3 years cited by 31.2%. 13.0% of the respondents had been employed between 4 to 6 years, 11.7% of the respondents had been employed for less than a year, whilst 10.4% of the respondents had been employed between 7 to 9 years. 6.4% had been employed between 10 to 12 years, implying that they have at least had experiences dealing with procurement activities and processes in the district. On the other hand, 27.3% of the respondents were either directly or indirectly employed at MDLG, which is attributed to the fact that the selected sample included community

leaders, local council members and contractors/providers, who are stakeholders involved in the procurement activities and decisions of the local government. This thus implied that the selected respondents had sufficient knowledge and information about procurement processes and performance of procurement in MDLG.

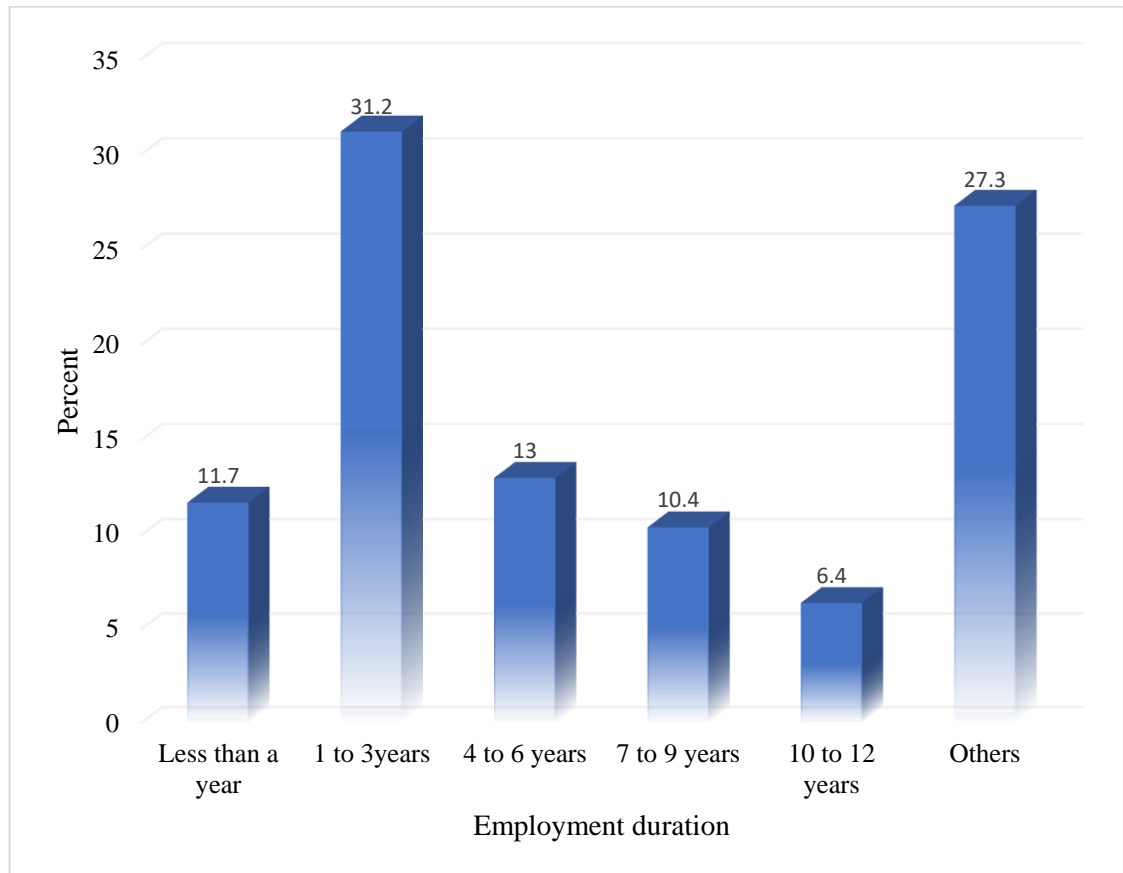


Figure 4: Employment duration of respondents

4.2.3 Level of position held

The level of position held by sampled respondents was categorised into six groups which included senior managerial, middle managerial position, departmental employee, assistant position, trainee/intern and others. As indicated in figure 5, most of them were departmental employees as indicated by 29.9% of the respondents, 27.3% of the respondents held other positions within the community or being contractors and 15.6% of the respondents were at the assistant position level. Furthermore 14.3% of the respondents were in middle managerial position level while 6.5% held Senior Managerial Positions, and 6.5% consisted of Trainees/Interns. This helped the researcher to interpret the understanding of the engaged respondents on the subject matter presented and questions posed, as well as identify key informants to obtain

additional information from, considering that most operations and activities take place at departmental level while decision making happens at managerial level.

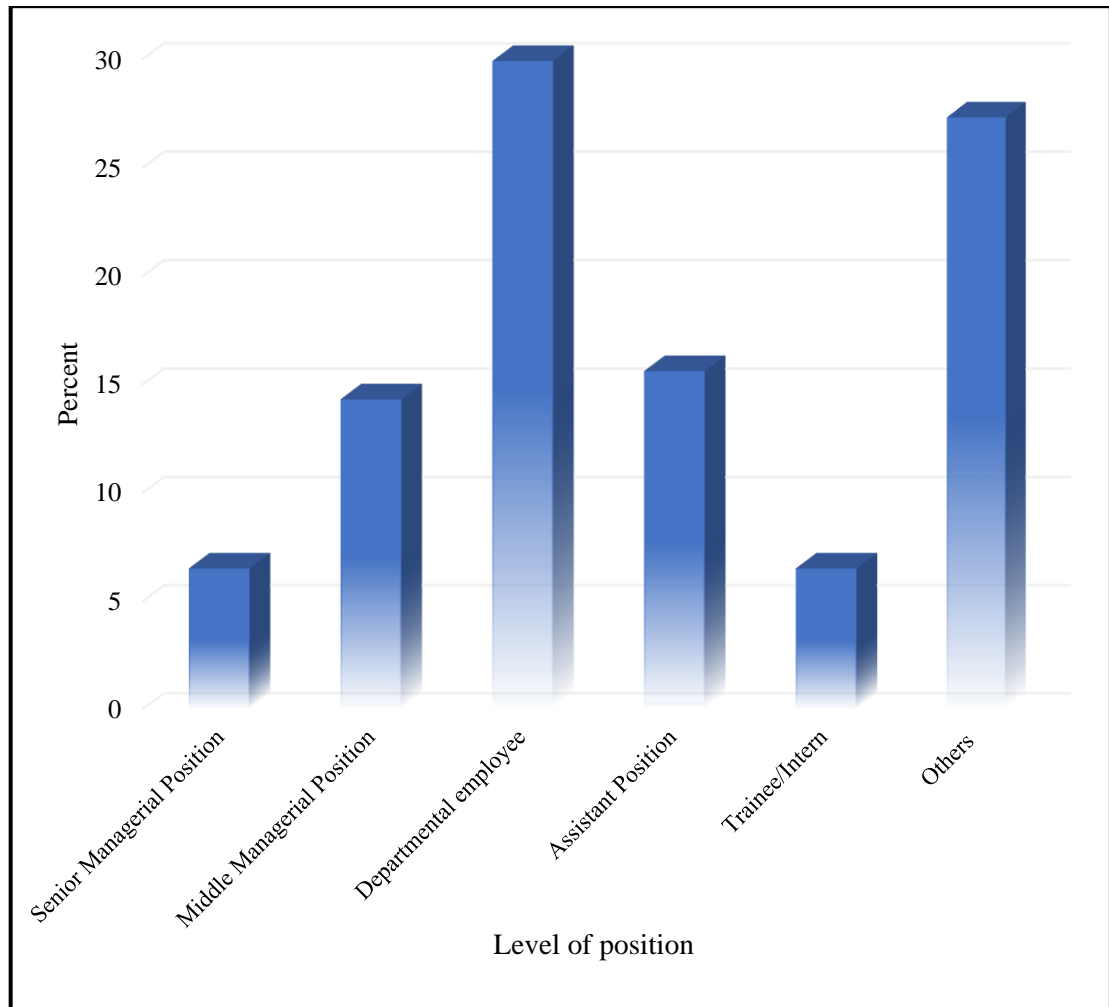


Figure 5: Level of position held by respondents

4.3 Tender Advertisement and Performance of Procurement

The first objective of this study was to determine how tender advertisement affects performance of procurement in MDLG. To achieve outcome of this, the researcher formulated sub variables on which tender advertisement was measured which included knowledge on new products, available alternatives, and supplier accessibility. Respondents were asked to state their level of agreement or disagreement through statements generated on the sub variables using a scale which was coded such that one represents SA = strongly agree, A = agree, NS = not sure, D disagree and SD = strongly disagree, ranging from 5, 4, 3, 2 and 1 respectively. A mean score close to 0 to 2.5 showed disagreement, 2.5 to 3.4 represented a neutral stand while one from 3.5 to 5 showed agreement with the issue being discussed as shown in table 9.

Table 9: Effect of tender advertisement on procurement performance (n=77)

Statement	Mean	Std Deviation
1. Advertising offers knowledge on new products from the marketplace	3.9351	0.49571
2. Advertising enables the entity to maintain an understanding of what alternatives are available in the market	4.0390	0.49846
3. Access to many suppliers in a short period of time	3.7662	1.12269
Average	3.9134	0.70562

Respondents were asked to share their level of agreement or disagreement on the statement that tender advertisement offers knowledge on new products from the market place for the entity. A mean value of 3.9351 and standard deviation of 0.49571 was obtained as shown in table 9, implying an agreement that when tender opportunities are widely advertised, many potential bidders get to submit their bids which in turn offers knowledge and information to the procuring entity on new products from the market place and thus ensuring cost savings in conducting market research. These findings concurred with that of Beckingham (2019) who asserted that advertisement ensures the tender process delivers the most competitive value from the market place when a number of suppliers compete for the business on offer.

Respondents were also asked to share their level of agreement or disagreement on the statement that tender advertisement helps the entity to maintain an understanding of the available alternatives in the market. A mean score of 4.0390 and standard deviation of 0.49846 was obtained as shown in table 9, an indication that majority of the respondents were in affirmation of the statement as supported by finding of a study by Beckingham (2019) that advertisement creates awareness on tender opportunities, which in turn assists Organisations in maintaining an understanding of what alternatives are available in the market.

The study further sought to establish the level of agreement or disagreement of the respondents on the statement that tender advertisement enables the procuring entity to reach out to several suppliers in a short time. As shown in table 9, a mean value of 3.7662 and standard deviation of 1.12269 was obtained implying an agreement by most respondents that when tenders are widely advertised, many potential suppliers get

access to the information and thus the entity is in position to attract many suppliers to submit bids in the shortest time possible.

4.3.1 Relationship between tender advertisement and procurement performance

A multiple regression analysis was carried out to investigate whether competitive value, available alternatives and supplier accessibility could significantly affect performance of procurement. It was found that 86.5% variation in Procurement Performance at MDLG can be explained by tender advertisement (knowledge on new products, available alternatives and supplier accessibility) as shown by the $R^2 = 0.865$ as presented in table 10. Analysis of variance (ANOVA) was also applied to predict the significance of the regression model. From table 10, it was found that the model was significant in linking Procurement Performance with the predictor variables knowledge on new products, available alternatives and supplier accessibility, $F(3,73)=115.457$, $p=0.00$. While supplier accessibility ($\beta = 0.680$, $p<0.05$) significantly contributed to the model, knowledge on new products ($\beta = 0.107$, $p>0.05$) and available alternatives ($\beta = -0.213$, $p>0.05$) did not significantly contribute to the model since both their P values were greater than 0.05 ($p>0.05$). The final predictive model was:

$$Y = 1.898 + 0.107CV - 0.213AA + 0.680SA + e_i \dots \dots \dots (2)$$

The study found a positive and statistically significant relationship between supplier accessibility and procurement performance at MDLG as indicated by ($\beta = 0.680$, $p<0.05$). A coefficient of 0.680 obtained in table 10 implied that leaving other factors constant, a unit change in access to supplier through advertisement would on average result into an increase in procurement performance by 68.0%.

Table 10: Model Summary, Anova and Regression Coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
	0.930 ^a	0.865	0.858	0.30489		
ANOVA						
		Sum of squares	df	Mean Square	F	Sig.
	Regression	42.932	3	10.733	115.457	0.000 ^b
	Residual	6.693	73	0.093		
	Total	49.625	76			
COEFFICIENTS						
		Unstandardized coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.898	0.365		5.200	0.000
	Knowledge on new products	0.107	0.128	0.065	0.832	0.408
	Available alternatives	-0.213	0.173	-0.131	-1.234	0.221
	Supplier accessibility	0.680	0.062	0.945	10.900	0.000

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), knowledge on new products, Available alternatives, Supplier accessibility.

This finding concurred with that in a study by Michael (2013) who explained that Procurement advertisement must be made on media that has a good coverage so that a large pool of suppliers can compete to get the tender and through such competition the buying organization will get the best vendor and hence obtain value for money which will in turn improve performance. These findings were further supported by statements from some key informant respondent that;

“...Advertisement is a great way to reach out to many suppliers and get them to participate in the tendering process, except in this institution we have a limited way of putting across adverts which are usually done through the notice boards, and sometimes the local radio stations since not many potential suppliers in this region have access to the national newspaper which is the media recommended by the regulations for advertising competitive tender opportunities. Therefore, most of the times not many providers get the information for presence of an existing opportunity so we end up receiving few bids....” (MDLG, 20 June, 2021).

In ensuring transparency, the PPDA Act in Section 51 requires procuring entities to use open tendering as the preferred method of procurement and disposal and this according to Sections 80(2) and 81(1) should be done through advertisement of the procurement or disposal opportunity for both open domestic and international bidding processes in a wide circulating newspaper to allow a wide participation of the suppliers and contractors. However, according to some respondents from MDLG, going by this

requirement is at times quite challenging especially if the required items can be readily accessed from the local suppliers as expressed in a statement by a key informant that;

“...We are required by the law (PPDA Act and regulation) to always advertise tender opportunities for open tendering in the national newspapers in order to reach out to many potential suppliers, but this is always not feasible via costs especially if the required items or services can be readily supplied by the local suppliers within the district...” (MDLG, 06 July, 2021).

Similarly, another respondent added that,

“...tender advertisement can sometimes be time consuming and causes delay in the tendering process and subsequently delivery of a project especially if one is procuring items for which the suppliers are already known and readily available locally, but the law will not allow you to get directly to those suppliers. For example, if we advertise and do not get the minimum number of bids required by law, then the tender has to be re-advertised. I see this as a waste of time...” (MDLG, 10 July, 2021).

It can therefore be deduced that despite the requirements of the law on tender advertisement and its potential to ensure access to several suppliers in a short period of time, increasing the number of bidders may not necessarily increase competition and achieve cost savings especially where the additional bidders are known to be weaker as competition is viable where bidders are much similar (Okong’o, & Muturi, 2017).

According to the principal agency theory, most of the times the awarding entity (principal) and the contractor (agent) can be affected by inequality in information, that is, the entity knows what it needs but does not know how to obtain the service on the market to make the contract effective. Nevertheless, the institutional theory through its regulatory pillar encompasses establishment of procurement laws, regulations, policies and procedures that make it a requirement for procuring entities purchasing through competitive bidding process that tender opportunities must be advertised in a media of wide coverage and made available to every potential bidder.

4.4 Bid Evaluation and Performance of Procurement

The second objective of this study was to examine the effect of bid evaluation on performance of procurement in MDLG. In order to attain this objective, the researcher

formulated sub variables for bid evaluation which included approved criteria, document compliance and issue and display of bid notice. Respondents were asked to state their level of agreement or disagreement through statements generated on the sub variables using a scale which was coded such that one represents SA = strongly agree, A = agree, NS = not sure, D disagree and SD = strongly disagree, ranging from 5, 4, 3, 2 and 1 respectively. A mean score close to 0 to 2.5 showed disagreement, 2.5 to 3.4 represented a neutral stand while one from 3.5 to 5 showed agreement with the issue being discussed as shown in table 11.

Table 11: Effect of bid evaluation on procurement performance (n=77)

Statement	Mean	Standard Deviation
1. Evaluating bids basing on existing and approved criteria as stipulated in the bidding documents and procurement guidelines	3.8182	1.16672
2. Compliance of procurement activities documentation with existing procurement law and regulations	3.3117	1.30040
3. Timely and clear issue and display of bidder notices for process feedback	3.8182	0.64333
Average	3.6493	1.03682

Respondents were asked to share their level of agreement or disagreement on the statement that evaluating bids basing on existing and approved criteria improves performance and ensures procurement of quality goods. As shown in table 11, a mean value of 3.8182 and standard deviation of 1.6672 were obtained implying that most respondents agreed with the assertion that evaluating bids in accordance with approved criteria improves procurement performance. These findings concurred with a study conducted by Otim (2018) who explained that when the laid down criteria is followed and monitored, it can be deduced that the Organisation will have the best quality of goods and services within which it can make the most appropriate selection from and once the best selection is made, then the best product will be supplied at an agreed price and on time, thus value will be delivered to the Organisation.

Respondents were also asked to share their level of agreement or disagreement on whether compliance of procurement documentation with existing procurement law and regulations improves procurement performance. From the responses generated, a mean value of 3.3117 and standard deviation of 1.30040 was obtained as shown in table 11, signifying that overly the respondents were somehow in agreement that compliance of procurement documentation with existing procurement law and

regulations improves performance. According to a publication by GCF (2021), a good evaluation is not only about the final award decision but it is about the design and execution of the whole process, leading up to that decision, including ensuring the process is properly documented and can stand up to internal and external scrutiny. Thus, poor documentation in the bidding process is considered a loophole to the procurement process.

Further, the researcher sought to find out whether issue and display of bidder notices contributed to improving procurement performance. A mean value of 3.8182 and standard deviation of 0.64333 was obtained in table 11, implying most respondents were in agreement with the statement. According to a publication by ADB (2018), providing good feedback to bidders through bid notices can be extremely useful by helping them to understand what they did well, what they could have done better and points to consider in future.

4.4.1 Relationship between bid evaluation and procurement performance

A multiple regression analysis was performed to investigate whether approved criteria, document compliance, and issue and display of notice could significantly affect performance of procurement. It was found that 95.5% variation in Procurement Performance at MDLG can be explained by bid evaluation (approved criteria, document compliance, issue and display of notice) as shown by the $R^2 = 0.955$ as presented in table 12. Analysis of variance (ANOVA) was also applied to predict the significance of the regression model. As seen from table 12, it was found that the model was significant in linking Procurement Performance with the predictor variables approved criteria, document compliance, and issue and display of notice, $F(3,73)=303.353$, $p=0.00$. While approved criteria ($\beta = 0.249$, $p<0.05$) and document compliance ($\beta = 0.293$, $p<0.05$) significantly contributed to the model, issue and display of bid notice ($\beta = 0.062$, $p>0.05$) did not significantly contribute to the model since the P value was greater than 0.05 ($p>0.05$). The final predictive model was:

$$Y = 1.564 + 0.249AC + 0.293DC + 0.062IDN + e_i \dots \dots \dots (3)$$

Table 12: Model Summary, Anova and Regression Coefficients

MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	R	Std. Error of the Estimate	
	0.977 ^a	0.955	0.952		0.17679	
ANOVA						
		Sum of squares	df	Mean Square	F	Sig.
Regression		47.406	3	9.481	303.353	0.000 ^b
Residual		2.219	73	0.031		
Total		49.625	76			
COEFFICIENTS						
	Unstandardized coefficients	Standardized Coefficients	t	Sig.		
	β	Std. Error	Beta			
(Constant)	1.564	0.150		10.447	0.000	
Approved criteria	0.249	0.072	0.360	3.485	0.001	
Document compliance	0.293	0.041	0.472	7.192	0.000	
Issue and display of notice	0.062	0.063	0.049	0.981	0.330	

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Approved criteria, Document compliance, Issue and display of notice.

From multiple regression analysis results obtained in table 12, approved criteria and document compliance had a positive and statistically significant relationship with performance of procurement at MDLG as indicated by ($\beta = 0.249$, $p < 0.05$) and ($\beta = 0.293$, $p < 0.05$). The coefficients of 0.249 and 0.293 as obtained in table 12 implied that leaving other factors constant, a unit change in approved criteria and document compliance would on average lead to an increase in procurement performance by 24.9% and 29.3% respectively. The finding of the study was consistent with those of other existing studies that found a significant relationship between bid evaluation and performance of procurement. For instance, Otim (2018) explained that the process of obtaining competitive bids and evaluating them in accordance with set criteria are seen to be the route to follow in order to obtain the best price for what is required as purchasers may buy a package of value which embodies features of quality, delivery, cost and services. Further, tender evaluations are to be consistent with the terms and conditions prescribed in the tender documents and such evaluation are to be carried out explicitly using the stated criteria in tender documents (PPRA, 2018).

This according to the PPR (2013), should be done in consideration with tender price, cost, delivery time for goods, and terms of payment in determining the most economically advantageous tender. However, poorly prepared solicitation documents

have several negative effects to procurement process for instance causing delays in delivery of the goods, works or services required which subsequently affects procurement performance. These negative effects according to Mwandobo (2013) include among others selection of unqualified contractor, supplier or service provider which in turn results to poor performance by failing to deliver the goods, works or service on time, at right cost, and quality prescribed as supported by some key informant statement that;

“...Most of the times tender documents are issued without details on how the bids will be evaluated so bidders are not aware of the evaluation criteria being used by the procurement personnel to decide on the winner of a tender opportunity and this causes a lot of unresolved grievances among bidders...”
(MDLG, 11 June, 2021).

According to the PPDA integrity report (2017), the bid evaluation stage is the most vulnerable stage in competitive bidding process as its where most irregularities like corruption and bribery occur and appear to influence the procurement process. This concurred with a statement from another key informant that;

“...The procurement unit in this institution has a lot of discretion which makes Them susceptible to corruption during the evaluation process. Many times, bidders are chosen not because they qualify but because they passed from the behind door. I think this is why we have poor quality service delivery in Moyo...” (MDLG, 15 June, 2021).

According to a report by United Nations Development Programme [UNDP] (2011), corruption most of the times thrives in situations where important decisions are being made by individuals or small groups of individuals with a lot of discretionary power and no clear guidelines and decision-making criteria. With weak organizational governance and a lack of oversight through a supervisory board or the regulator, higher-level managers can misuse their position during the evaluation stage and grant preferential treatment to relatives and friends, or pursue private interests through unethical decisions (UNDP, 2011). Therefore, it can be deduced that proper tender evaluation using approved criteria with adequate supervision enables entities to select the appropriate suppliers or contractors which provide assurance for better performance of the contract and reduce unnecessary complaints, whereas poor evaluations affect performance negatively.

Theoretically, agency theory was useful in explaining the effect of bid evaluation on performance of procurement since the agency theory assumes that the efficiency of the principal's operations depends on the agents' acts and decisions thus, people involved in the tendering process and delivery of end products must possess the necessary competence to be in position to make such required decisions on behalf of the awarding entity to ensure a smooth process and effective performance. From the point of view of effectiveness in public procurement, it is of particular importance that the agent (contractor) has to first rely on the actions of the awarding entity (principal) which must be guided by the use of approved criteria, existing laws, regulations, policies and procedures as fundamental compliance basis in public procurement processes.

4.5 Transparency and Performance of Procurement

In this objective, the study sought to determine the influence of transparency on performance of procurement in MDLG. It was measured using three sub variables which included publication of procurement plans, access to key procurement information and open communication. Respondents were asked to state their level of agreement or disagreement through statements generated on the sub variables using a scale which was coded such that one represents SA = strongly agree, A = agree, NS = not sure, D disagree and SD = strongly disagree, ranging from 5, 4, 3, 2 and 1 respectively. A mean score close to 0 to 2.5 showed disagreement, 2.5 to 3.4 represented a neutral stand while one from 3.5 to 5 showed agreement with the issue being discussed as shown in table 13.

Table 13: Influence of transparency on procurement performance (n=77)

Statement	Mean	Standard Deviation
1. Timely publication of procurement plans and budgets for public access.	3.3247	1.38071
2. Access to key procurement information by the public	3.8701	1.15109
3. Open communication between the entity and the community to promote competition in tendering process	3.2338	1.42253
Average	3.4762	1.31811

Respondents were asked to share their perception on the statement that publication of procurement plans and budgets for public access and scrutiny improved procurement performance. A mean value of 3.3247 and standard deviation of 1.38071 were

obtained as shown in table 13, implying that respondents were somehow in agreement with the statement publication of procurement plans and budget for public access improves performance of procurement.

Further, the study sought to find out whether access to key procurement information by the public improved procurement performance in MDLG. Results presented in table 13 showed that a large number of respondents agreed that access to key procurement information by the public improved performance as shown by a mean value of 3.8701 and standard deviation of 1.15109 that were obtained on the same as shown in table 13. This finding was in alignment with that of Kaspar and Puddephatt (2012) who asserted that transparency can improve access to public procurement opportunities through disclosure, publication and dissemination of information on available tenders hence saving valuable time and money on finding and processing bids, which creates conditions for open competition which in turn, translate into improved effectiveness and efficiency of the Organisation. Conversely, lack of transparency in public procurement hampers these outcomes, stifles opportunities to maximise the benefits of public procurement for government and the broader civil society (Kaspar & Puddephatt, 2012).

The study also sought to establish the level of agreement or disagreement of the respondents on the statement that open communication between the entity and the community promotes competition in tendering process, leading to efficiency in procurement performance. A mean value of 3.2338 and standard deviation of 1.42253 were obtained as shown in table 13, implying that respondents mostly had a neutral stand on the statement under discussion. Yukins & Elegbe (2018) explained that transparency is a means of ensuring open communications among an existing network of contractors, officials and stakeholders and that transparency allows an appropriate review of procurement activities, supported by appropriate documentation and disclosure as relevant procurement information needs to be made publicly available to all interested parties, consistently and in a timely manner, through readily accessible and widely available sources at reasonable or no cost, absence of which hinders effective competition.

4.5.1 Relationship between transparency and procurement performance

A multiple regression analysis was carried out to investigate whether Publication of procurement plan, access to key procurement information, and open communication could significantly affect performance of procurement. It was found that 94.8% variation in Procurement Performance at MDLG can be explained by transparency (publication of procurement plan, access to key procurement information and open communication) as shown by the value of $R^2 = 0.94.8$ as presented in table 14. Further, Analysis of variance was applied to predict the significance of the regression model. From table 14, it was found that the model was significant in linking Procurement Performance with the predictor variables publication of procurement plan, access to key procurement information, and open communication, $F(3,73)=329.131$, $p=0.00$. While publication of procurement plan ($\beta = 0.258$, $p<0.05$), access to key procurement information ($\beta = 0.193$, $p<0.05$) and open communication ($\beta = 0.169$, $p>0.05$) all contributed significantly to the model with P values less than 0.05 ($P<0.05$). The final predictive model was:

$$Y = 1.893 + 0.258PPP_1 + 0.193AKPI_2 + 0.169OC_3 + e_i \dots \dots \dots (4)$$

Results obtained from the regression analysis in table 14 showed that publication of procurement plan, access to key procurement information and open communication all had a positive and significant relationship with Procurement Performance at MDLG. This finding concurred with that in a study by Michael (2013) who explained that stakeholders of procurement process should be able to see through the process of procurement as this will build confidence of the bidders that whatever that is being done in the procurement process is according to the established guidelines and regulations. This will thus result in whoever is capable participating once a tender is advertised as they are assured of a transparent selection process.

Table 14: Model Summary, Anova and Regression Coefficients

MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
	0.974 ^a	0.948	0.945	0.18905		
ANOVA						
		Sum of squares	df	Mean Square	F	Sig.
	Regression	47.052	3	11.763	329.131	0.000 ^b
	Residual	2.573	73	0.036		
	Total	49.625	76			
COEFFICIENTS						
		Unstandardized coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1.893	0.088		21.416	0.000
	Publication of Proc plan	0.258	0.061	0.441	4.204	0.000
	Access to Proc Info	0.193	0.069	0.275	2.801	0.007
	Open communication	0.169	0.082	0.237	2.055	0.043

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Publication of procurement plan, Access to proc information, open communication.

According to Singleton (2014), one of the key requirements for competitive selection is for the process to be transparent. That is, all of those participating in the process, bidders and project sponsors alike, should be fully aware of the rules of the game and be able to readily determine whether or not those rules are being followed. PPDA integrity report (2018) explains that although procurement reforms have generally brought about transparency, at evaluation stage, most of the times the bidders are not informed of the criteria used in the selection, neither is the evaluation report availed to the competitors. This coincides with some key informant statements that;

“...Sometimes I think information regarding the tendering process is only given to few and specific suppliers because some of us are always in dilemma of what is going on and what to expect. I wish the district authorities would work on the means of disseminating necessary information so that it is easily accessible to whoever needs to access them...” (MDLG, 02 July, 2021).

Waruguru (2015) in her study explained that there is a sharply growing demand for transparency as one of the fundamental moral claims in democratic societies with people’s right to have access to government information, with transparency being one of the practical measures taken to curtail corruption by promoting citizen’s vigilance yet, in most cases only limited information is availed for public accessibility by government organs which hinders access to required information. This finding further aligned with one of the key informant statements that;

“...Transparent procedures help people to know whether what is being done is right or wrong, but here it is quite difficult since almost every procurement information is classified confidential so you just settle for whatever information that is availed to you since most of the times you will not be given the information you’re looking for even if you request for it...”(MDLG, 13 July, 2021).

Literature on transparency advises that organizations should be transparent to increase the degree of trust so as to improve performance, though some scholars urge caution in doing so citing the negative aspects of transparency, such as violation of privacy, direct cost of disclosure, and revelation of sensitive information (Waruguru, 2015). Therefore, sound procurement systems that stress various principles such as; transparency and publicity will effectively promote transparency and accountability in the processes of purchasing and supply thereby improving the overall procurement performance (Luketero, 2016).

theories underpinning this study in that agents are supposed to be transparent in dealings with their principal in order to provide a better audit mechanism. Likewise, transparency in public procurement plays a key role in compliance with procurement laws, regulations and guidelines in public entity and is a fundamental principle that guides the procurement process in public entities.

4.6 Fair Tendering Procedures and Performance of Procurement

The fourth objective of this study was to examine the role of fair tendering procedures on performance of procurement. In order to achieve the outcome of this objective, the researcher further formulated sub variables on fair tendering procedures which included provision of equal opportunity, fair pricing/quotations and bidder inclusiveness upon which statements were generated and questions presented for respondents to state their level of agreement or disagreement whereby one represents SA = strongly agree, A = agree, NS = not sure, D disagree and SD = strongly disagree, ranging from 5, 4, 3, 2 and 1 respectively. A mean score close to 0 to 2.5 showed disagreement, 2.5 to 3.4 represented a neutral stand while one from 3.5 to 5 showed agreement with the issue being discussed as indicated in table 15.

Table 15: Role of fair tendering procedures on procurement performance (n=77)

Statement	Mean	Standard Deviation
1. Giving bidders equal opportunity to participate	3.5974	1.18388
2. Fair tendering procedures enhance the right prices/quotes for the procurement and ensures cost savings	4.0260	0.39650
3. The fair tendering procedures are all inclusive for all bidders hence every bidder stands a chance in the procurement process	4.6753	0.49846
Average	4.0995	0.69294

The researcher sought to find out respondents' level of agreement or disagreement on the statement fair tendering procedure gives every potential bidder an equal opportunity to participate in the bidding process which subsequently promotes competition and improves performance. A mean value of 3.5974 and standard deviation of 1.18388 were obtained as shown in table 15 on the same, implying an agreement to the statement by a good number of respondents. The results obtained in this finding aligned with that of Yukins & Elegbe (2018) who asserted that fairness is all about affording bidders equal opportunity and treatment, and distributing rights and obligations fairly between suppliers, bidders, consultants and contractors and having credible mechanisms for addressing procurement-related complaints and providing recourse.

The study also sought to establish the level of agreement or disagreement of the respondents on the statement that fair tendering procedures ensures fair pricing and quotations for the procuring entity from the potential suppliers hence ensuring procurement cost savings. Still viewed from table 15, a mean value of 4.0260 and standard deviation of 0.39650 were obtained as supported by agreement level of majority of the respondents. This implied that when the procurement process is conducted in a manner that ensures fairness, the entity will be in position to achieve cost savings through fair price quotations from bidders.

The researcher further sought to establish the opinion of respondents on the statement that fair tendering procedures ensure inclusiveness for all potential bidders in the bidding process which generates value for the entity and improves procurement. The statement was highly supported by a mean value of 4.6753 and standard deviation of 0.49846 as shown in table 15. This implied that when bidders are made part of the procurement process and are aware of what happens at every step of the process, they

will become confident to place their bids and participate in the entity's procurement processes when opportunities are advertised, and also make timely deliveries.

4.6.1 Relationship between fair tendering procedures and procurement performance

A multiple regression analysis was carried out to investigate whether equal opportunity, fair pricing, and bidder inclusiveness could significantly affect performance of procurement. It was found that 93.5% variation in Procurement Performance at MDLG can be explained by fair tendering procedures (equal opportunity, fair pricing and bidder inclusiveness) as shown by the value of $R^2 = 0.935$ as presented in table 16. ANOVA was also applied to predict the significance of the regression model.

From table 16, it was found that the model was significant in linking Procurement Performance with the predictor variables equal opportunity, fair pricing and bidder inclusiveness, $F(3,73)=259.591$, $p=0.00$. While equal opportunity ($\beta = 0.395$, $p<0.05$) and bidder inclusiveness ($\beta = 0.565$, $p<0.05$) significantly contributed to the model with P values less than 0.05, fair pricing ($\beta = 0.128$, $p>0.05$) did not significantly contribute to the model since the P value of 0.128 was greater than 0.05 ($p>0.05$). The final predictive model was:

$$Y = -0.732 + 0.395EO + 0.128FP + 0.565BI + e_i \dots \dots \dots (5)$$

The results obtained from the regression analysis in table 16 revealed that equal opportunity and bidder inclusiveness had a positive and significant relationship with Procurement Performance at MDLG as indicated by ($\beta = 0.395$, $p<0.05$) and ($\beta = 0.565$, $p<0.05$) A coefficient of 0.395 and 0.565 obtained implied that leaving other factors constant, a unit change in equal opportunity and bidder inclusiveness would on average lead to an increase in procurement performance by 39.5% and 56.5% respectively. According to Haythorne and Deyong (2019), at the core of any procurement are two fundamental elements: the description of what bidders are required to submit as a bid, and the description of how the owner will judge the bids to select the winner.

Table 16: Model Summary, Anova and Regression Coefficients

MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
	0.967 ^a	0.935	0.932	0.21141		
ANOVA						
		Sum of squares	df	Mean Square	F	Sig.
Regression		46.407	3	11.602	259.591	0.000 ^b
Residual		3.218	73	0.045		
Total		49.625	76			
COEFFICIENTS						
	Unstandardized coefficients	Std. Error	Standardized Coefficients	t	Sig.	
	B		Beta			
(Constant)	-0.732	0.625		-1.171	0.245	
Equal opportunity	0.395	0.055	0.579	7.210	0.000	
Fair pricing	0.128	0.083	0.063	1.539	0.128	
Bidder inclusiveness	0.565	0.095	0.349	5.944	0.000	

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Equal opportunity, Fair pricing, Bidder inclusiveness.

Intuitively, all bidders should be invited to submit the same information, and the owner should use the same criteria in judging the bids. Consequently, ensuring a fair and uniform procurement process provides all the players with equal and fair opportunities to flourish which allows for selection of the most competent suppliers and thus ensuring cost savings. And the most important of these principles according to McCrudden (2017) is the principle of equal treatment, which means that all competitors should have an equal opportunity to compete for the contract without discrimination against any participant. This was further supported by a statement from a key informant respondent who reiterated that;

“...When fair tendering procedures are observed, everyone has an equal chance of being given an opportunity, especially if they qualify for the tender award. I wish the district authorities put more emphasis on fairness. Am sure it will save the district a lot of costs in having to deal with poor quality work and cases from aggrieved providers...”(MDLG, 16 June, 2021).

Singleton (2014) intimated that there should be no undisclosed preferences, no secret preferences and no discussions or decisions made in back rooms as presence of these would make the process unfair to other bidders who are unaware of different set of existing rules behind closed doors, although they are familiar with published rules, as further backed by this statement from another key informant who said;

“...When the tendering procedures are disclosed and made public, we see this as the entity being fair and equal to all bidders as one is aware of what to expect as the outcome of a given process and also, more bidders are encouraged to bid for tenders because they all know that they have equal chance in the process. I think this also helps the entity to get competitive prices to select from...” (MDLG, 23 June, 2021).

Similarly, Singleton (2014) asserts that those evaluating bids as a matter of fairness must follow tender conditions put in place and be without any conflict of interest, as presence of this will lead to a bias of favouring a bidder and threatening the tendering process as a whole, as supported by this key informant statement that;

“...I believe competition is healthy for every business, including the procurement process. But when the selection process favours only a few individuals, then fairness loses its meaning. Sometimes you have to know someone from the procurement office to be able to get any opportunity, which I think is not fair....” (MDLG, 27 June, 2021).

Therefore, the duty of fairness as put forward by Haythorne & Deyong (2019), is an obligation to treat all bidders equally and to refrain from making decisions in an arbitrary manner as its a duty to treat bidders fairly, rather than a promise to reach a fair outcome by ensuring that no bidder receives an unfair advantage over any other. These findings aligned with the assumptions of the institutional theory that an institution should have laws, regulations, policies and procedures which must guide its operations. One of the key principles of a sound procurement system is that it must be based on rules which must be clear and adequate to guide public procurement, which must as well promote fairness and be seen as fair by all potential bidders and thus discourage discrimination and favoritism (Nyakibari, 2020). Equal treatment of bidders in the public procurement process promotes greater certainty and predictability in the awarding of contracts, which are essential to fostering healthy competition and enhancing good performance.

4.7 Performance of Procurement

In order to measure performance of procurement which is the dependent variable in this study, the respondents were asked to provide their level of agreement or disagreement on statements generated by the researcher on indicators of procurement performance which included cost optimization, quality of procurements and timely delivery. Descriptive statistics was used to analyse the results generated using a five-

point Likert scale whereby one represents SA = strongly agree, A = agree, NS = not sure, D disagree and SD = strongly disagree, ranging from 5, 4, 3, 2 and 1 respectively. A mean score close to 0 to 2.5 showed disagreement, 2.5 to 3.4 represented a neutral stand while one from 3.5 to 5 showed agreement with the issue being discussed as shown in table 17.

Table 17: Procurement performance indicators (n=77)

Statement	Mean	Standard Deviation
1. When the procurement unit operates efficiently, optimization of procurement costs is achieved	4.3896	0.67191
2. Contractors' compliance with the product and performance criteria is an indication of quality delivery	4.3247	0.96575
3. Little to no delays in executing procurements and big percentage of procurements are completed within standard time guidelines	4.7013	0.46069
Average	4.4719	0.69945

On the statement that when the procurement unit operates efficiently optimization of procurement costs is achieved, majority of the respondents were in agreement with the statement as shown by a mean value of 4.3896 and standard deviation 0.67191 in table 17. Further, most respondents were in agreement with the statement that contractors' compliance with product and performance criteria is an indication of quality deliver as denoted by a mean value of 4.3247 and standard deviation 0.96575 obtained as shown in table 17. Also, majority of the respondents agreed to the statement that when there is little or no delays in executing procurements and big percentage of procurements are completed with standard time guidelines, it's an indication of good performance.

An average mean of 4.4719 and standard deviation 0.69945 obtained implied that respondents were in agreement that cost optimization, quality products and timely deliveries are indicators of good procurement performance. These findings concurred with that in a study conducted by Kisurkart (2017) who explained that the standard statement of objectives for the procurement function is that it should obtain the right materials at the right quantity, for delivery at the right time and place, procured from the right source (a supplier who is reliable and will meet its commitments in a timely fashion), with the right service and at the right price both in the short term and long term. Attainment of these objectives can be measured through the quality of goods procured, delivery performance, price of good and cost of procurement operations and selection of suppliers who are both responsive and responsible (Kisurkart, 2017).

CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusion and recommendations for further studies.

5.2 Summary of Findings

The main purpose of the study was to assess the impact of competitive tendering on performance of procurement in government institutions, a case of Moyo District Local Government and specifically sought to determine how tender advertisement affects performance of procurement, examine the effect of bid evaluation on performance of procurement, determine the influence of transparency on performance of procurement, and lastly examine the role of fair tendering procedures on performance of procurement in MDLG. The study had an excellent response rate of 96.3% from a target sample size of 80 respondents consisting of employees and other procurement stakeholders in MDLG. Multiple regression model was used by the help of SPSS software to generate the statistical derivatives to depict the correlation and regression out comes between the independent variables and dependent variable. Below is a summary of the findings from the study objectives:

5.2.1 Effect of tender advertisement on performance of procurement

Response received from the field revealed that advertisement offers knowledge on new products from the market place for MDLG, enables the entity to maintain an understanding of what alternatives are available from the market place and that several suppliers are reached in the shortest time possible. However, results from the regression analysis revealed that only access to many suppliers in a short time had a positive and statistically significant relationship with procurement performance while knowledge on new products and available alternatives did not have any influence on procurement performance. From information obtained from respondents, the study also found that advertising tender opportunities are costly to the organisation, can sometimes be time consuming and causes delay in the tendering process and subsequently delay in delivery of projects.

5.2.2 Effect of bid evaluation on the performance of procurement

The study established through respondent opinions that observing set evaluation criteria necessitates the selection of the best bidders who offers the right products/services at the right prices. Further, many respondents were in agreement that compliance to documentation, and issue and display of bid notices improved procurement performance. However, results obtained from the regression analysis revealed that only approved criteria and compliance to documentation had a positive and statistically significant influence on procurement performance while issue and display of bid notice had no impact on procurement performance. The study through opinions obtained from respondents further found that the procurement unit in MDLG has a lot of discretion which makes them susceptible to corruption during the evaluation process hence awarding contracts to unworthy bidders, subsequently resulting into poor quality deliveries. It also revealed that not all the bid evaluation documentations and processes used during the tendering process comply with existing laws and regulations.

5.2.3 Influence of transparency on performance of procurement

The study showed that respondents were in agreement that publication of procurement plan, access to key procurement information and open communication ensures an open tendering process through which responsive and reliable suppliers are selected to provide quality goods, works and or services which are delivered on time, as further revealed by results obtained from regression analysis that established a positive and statistically significant relationship between transparency and procurement performance . It was also evident from the responses that open communication during tendering process ensures that suppliers are informed and make them responsive, which ensures high response rate to tender opportunities and effective participation in the tendering process. However, the study found that the public and stakeholders in MDLG find it quite a challenge getting access to key procurement information as publication of the required information is hardly done by the entity. This according to some respondents was attributed to the fact that most procurement information is considered to be confidential so sometimes information is only given to a few and specific people hence the level of transparency in the selection process is limited.

5.2.4 Role of fair tendering procedures on performance of procurement

It was evident from the responses that fair tendering procedures enhance the selection of bidders who offer the most economically advantageous tenders which ensures cost savings for the entity when bidders are included and given equal opportunity to participate in the bidding process, as further revealed by results obtained from the regression analysis showing that equal opportunity and bidder inclusiveness had a positive and statistically significant relationship with procurement performance. The regression analysis however revealed that fair pricing did not have any influence on procurement performance. Also, respondents further revealed that sometimes the principle of fairness is not observed in MDLG as the selection process favours only a few suppliers which turns out to be costly for the entity when shoddy and poor-quality deliveries are made.

5.3 Conclusion

Despite the loopholes revealed by this study on aspects of competitive tendering like instances of non-compliance to set evaluation criteria, time consuming and costly processes, deviation from the principle of fairness and limited access to key procurement information in MDLG which all hinder effective competition and procurement performance, the study found that proper bid evaluation, effective advertisement of tender opportunities, fair tendering procedures and transparent selection procedures promoted competition in the bidding process. The study thus concluded that competitive tendering as a method of procurement offers easy access to a wide supplier base and ensures selection of the right suppliers, contractors and service providers, and further facilitates purchase of quality goods at reduced costs, which are delivered on time by suppliers who are responsive and can be relied upon by the procuring entity, thus effectively contributing to improving procurement performance.

5.4 Recommendations of the Study

Following the summary of findings and conclusion, the researcher recommends the following in line with findings of the study on impact of competitive tendering and performance of procurement;

In order to reduce tender advertisement costs, the researcher recommends MDLG through its Procurement and Disposal Unit to combine several tenders that are similar

in one advert and design the adverts in a such a way to fit minimum necessary space in the nationwide media through which advertisements are to be made. This can be made possible by having in place a consolidated procurement plan for the entity with clear timelines for procurement of the items in the plan. Furthermore, MDLG should embrace electronic advertisement of tenders through Government of Uganda Procurement Portal (GPP) which is easily accessible to many suppliers especially with the current prevailing digital era where almost every activity happens through the internet.

In order to deal with the pitfalls of abuse of discretion that hinder proper bid evaluations, the researcher recommends MDLG to thoroughly vet and ensure that procurement officials and members of tender evaluation boards have the requisite procurement knowledge to enable them handle the procurement process efficiently, and also provide adequate ethics and integrity training to both new and continuing employees before handing over authority to them. This can be done by making it a compulsory step to pass through such training sessions for anyone joining the entity as well as those being promoted to a much higher authority in, addition to continuous assessment of employee capabilities. Furthermore, proper and frequent audit mechanism should be put in place to ensure that bids are being evaluated basing on existing and approved criteria stipulated within the bidding documents, and that all procurement documentations are in place and comply with required minimum standards set by the law (PPDA Act, 2003) and local government regulations.

The researcher also recommends MDLG to provide timely and sufficient information to the public and other stakeholders involved in the procurement process most especially about upcoming contracts and status of ongoing procurement processes. This can be done through publication of such information on public notice boards and online government procurement portals for easy accessibility for whoever will be interested in the information. However, in order to ensure that an appropriate degree of information is disseminated, MDLG should also consider striking a balance between ensuring competition and accountability, and respecting confidentiality of information, together with protecting trade secrets which may otherwise be used by some malicious contractors to distort competition in current or future procurement processes if disclosed to the public.

Lastly, the researcher recommends MDLG to provide specific standards on whistleblowing procedures and measures for protecting whistleblowers, in addition to existing standards that apply in the whole public service so that reporting matters concerning unfair treatment is made easy for the public. These standards in particular should aim to ensure that officials' private interests do not improperly influence the performance of their public duties and responsibilities as most common cases of unfair dealings arise from conflict of interest which is associated to personal, family or business interests and activities, gifts and hospitality, disclosure of confidential information, and future employment.

5.5 Recommendation for Further Studies

The procurement function is constantly evolving and this implies that there are a variety of methods that are employed to acquire goods, services and or works depending on the nature and volume of procurements. Regardless of the method used, there will always be implications for an entity in terms of cost, quality and time thus affecting performance. This study only focused on assessing the impact of one of the many procurement methods on performance of procurement that is, Competitive tendering by specifically examining the effects and influence of tender advertisement, bid evaluation, fair tendering procedures and transparent supplier selection on performance of procurement. Thus, the researcher recommends further studies on other procurement methods to determine their influence on procurement performance.

5.6 Theoretical Implications of the Study

The results of the study contribute to strengthening the existing body of literature by confirming empirically that open competitive tendering influences the performance of procurement in government institutions, particularly local government entities. The study contributes to principal agent theory empirically by establishing the specific influence of open competitive tendering indicators on creating value in the contracting process for projects in local government entities. The study further extended the theoretical discourse on the principal agent theory by empirically illustrating the magnitude of the relationship between open competitive tendering and performance of procurement in local government entities.

The study also contributes to the institutional theory by establishing the empirical relationship between open competitive tendering and performance of procurement

particularly by relating open competitive tendering variables to laws, regulations and guidelines to be followed in the contracting process for local government projects in order to ensure efficiency and effectiveness in procurement processes. This knowledge can thus be used by other researchers to develop more empirical relationship among other procurement methods and performance variables in both public and private sector procurements.

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APPENDICES

Appendix I : Self-Administered Questionnaire (SAQ)

Dear respondent,

Am called Catherine Masudio, a Masters of procurement and supply management student at Moshi Co-operative University in the United Republic of Tanzania. I am carrying an academic research project (dissertation) to examine the role Competitive Tendering plays in Procurement Performance in Public Institutions, a case of Moyo District Local Government. I hereby kindly request for your participation in this study since your views and opinions are extremely important to the accomplishment of this study. It should be noted that all information given will be treated with absolute confidentiality and used solely for the reason for which it is intended, that is academic. Thank you for your cooperation and time.

Part A: Demographic Information of the Respondents

Please tick an appropriate answer in the box provided in each question

1. Education level of the respondent
 - Certificate
 - Diploma
 - Bachelor's degree
 - Master's degree
 - PhD
 - Other
2. For how long have you been employed at Moyo District Local Government?
 - Less than a year
 - 1 to 3 years
 - 4 to 6 years
 - 6 to 8 years
 - Above 8 years
 - Not employed at MDLG
3. What level of position do you serve at in Moyo District Local Government?
 - Senior Managerial Position
 - Middle Managerial Position

- Departmental employee
- Assistant Position
- Trainee/Intern
- Other (Community member or contractor)

Part B: To determine the effect of tender advertisement on performance of procurement in Moyo District Local Government

For each of these parts, please select an appropriate answer in the statement below based on scale; SD-Strongly disagree, D-Disagree, N-Neutral, A-Agree & SA-Strongly Agree where SD=1, D=2, N=3, A=4 and SA=5.

4. To what extent do you agree the following aspects of tender advertisement improves performance of procurement?

S/n	Statement	SD	D	N	A	SA
1	Advertising offers knowledge on new products from the market place for the entity when several tenders are submitted with information on new products.					
2	Advertising enables the entity to maintain an understanding of what alternatives are available in the market					
3	Access to many suppliers in a short period of time					

Part C: To examine the effect of bid evaluation on performance of procurement in Moyo District Local Government

5. To what extent do you agree that the following aspects of bid evaluation significantly improves performance of procurement? (Where SD=1, D=2, N=3, A=4 and SA=5).

S/n	Statement	SD	D	N	A	SA
1	Evaluating bids basing on existing and approved criteria as stipulated in the bidding documents and procurement guidelines					
2	Compliance of procurement activities documentation with existing procurement law and regulations					
3	Timely and clear issue and display of bidder notices for process feedback					

Part D: To determine the influence of transparent supplier selection on performance of procurement in Moyo District Local Government

6. To what extent do you agree that the following indicators of transparency improves performance of procurement? (Where SD=1, D=2, N=3, A=4 and SA=5).

S/n	Statement	SD	D	N	A	SA
1	Timely publication of procurement plans and budgets for public access.					
2	Access to key procurement information by the public					
3	Open communication between the entity and the community to promote competition in tendering process					

Part D: To examine the role of fair tendering procedures on performance of procurement in Moyo District Local Government

7. To what extent do you agree that the following indicators of fair tendering procedures significantly improves performance of procurement? (Where SD=1, D=2, N=3, A=4 and SA=5).

S/n	Statement	SD	D	N	A	SA
1	Every potential bidder is given an equal opportunity to participate					
2	Fair tendering procedures enhance the right prices/quotes for the procurement and ensures cost savings					
3	The fair tendering procedures are all inclusive for all bidders hence every bidder stands a chance in the procurement process					

Part F: Procurement Performance

8. To what extent do you agree that cost optimization, quality products and timely deliveries are indicators of procurement performance? (Where SD=1, D=2, N=3, A=4 and SA=5).

S/n	Statement	SD	D	N	A	SA
1	When the procurement unit operates efficiently, optimization of procurement costs is achieved					
2	Contractors' compliance with the product and performance criteria is an indication of quality delivery					
3	When there are no delays in executing procurements and big percentage of procurements are completed within standard time guidelines					

Appendix II : Interview Guide

1. In your opinion, what is your view on Competitive Tendering in terms of;

- a) Tender advertisement
- b) Bid evaluation
- c) Fair tendering procedures
- d) Transparent supplier selection

2. In your opinion, what is your view on performance of procurement in Moyo District Local Government?

3. In your view and experience from having worked with Moyo District Local Government, what are the challenges and loopholes of using Competitive tendering as a method of procurement?

4. In your view, do you think the procurement function in Moyo district local government is performing up to the expected levels as required by established standards?

Yes

No

You may kindly explain further

5. Do you feel the Procurement Process in Moyo District Local Government is competitive and transparent?

Yes

No

Please kindly explain further

6. In your opinion, do you think the entity complies and adheres to policies, laws, regulations and guidelines established to guide competitive tendering practices aimed at ensuring good performance in the procurement function of Moyo district?

Yes

No

Kindly explain further

In your view, what should be done so the procurement process and performance in Moyo District Local Government can be improved?

Thank you for your time and co-operation

Appendix III : Clearance letter for data collection

UNITED REPUBLIC OF TANZANIA



MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

MOSHI CO-OPERATIVE UNIVERSITY (MoCU)
CHUO KIKUU CHA USHIRIKA MOSHI



DIRECTORATE OF RESEARCH AND POSTGRADUATE STUDIES

P. O. Box 474, Moshi, Tanzania, Tel: +255 272764005,
Email: drps@mocu.ac.tz, Website: www.mocu.ac.tz

Our Ref. No: MoCU/UGS/3/41
Your Ref. No:

Date: 28th April, 2021

Moyo District, Local Government,
P.o. Box 01,
UGANDA.

SPO
Could you give the necessary support for the student as information received on 7/6/2021

RE: RESEARCH ASSOCIATES, STAFF AND STUDENTS CLEARANCE

The purpose of this letter is to introduce to you Ms. Catherine Masudlo who is a Student of the Moshi Co-operative University (MoCU). The person mentioned above is planning to undertake research activities in your areas as part of the requirements for his/her studies at this University.

This request is in accordance with the Government Circular No. MPEC/10/1 of 7 July, 1980 read together with Article 5(2) (e) of the Moshi Co-operative University (MoCU) Charter, which empowers the Vice Chancellor of the Moshi Co-operative University (MoCU) to issue permit(s) for undertaking research in the country to University students, staff, and research associate(s) on behalf of the Government and Commission for Science and Technology in Tanzania.

I, therefore, request that the student/visiting scientist/researcher mentioned above be given the necessary assistance so that he/she can accomplish his research undertakings. The main assistance he/she needs is permission to meet different people from your area so that he can interview them.

The main objective of the research is: "COMPETITIVE TENDERING AND PERFORMANCE OF PROCUREMENT IN GOVERNMENT INSTITUTIONS: A CASE STUDY OF MOYO DISTRICT LOCAL GOVERNMENT, UGANDA"

The areas selected for conducting the research is MOYO DISTRICT, LOCAL GOVERNMENT. If there are restricted areas, it is upon you to restrict the researcher from visiting them.

The expected date of commencement is 28/04/2021 up to 28/04/2022. If there are any queries, please contact the undersigned.

Looking forward to your kind co-operation.

Sincerely yours,

[Signature]
Prof. Alfred S. Sife
VICE CHANCELLOR

c.c. Researcher

General: Moshi Co-operative University, Sokolne Road, P. O. Box 474, Moshi, Tanzania, Tel: +255 272751833 Email: info@mocu.ac.tz, Website: www.mocu.ac.tz

CENTRAL REGISTRY
MOYO DISTRICT LOCAL GOVERNMENT
07 JUN 2021
RECEIVED
Sign: *[Signature]*

Cleared to proceed.

Appendix IV : Publishable Manuscript

TRANSPARENCY AND PERFORMANCE OF PROCUREMENT IN LOCAL GOVERNMENT INSTITUTIONS IN UGANDA: A CASE OF MOYO DISTRICT LOCAL GOVERNMENT

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Intended Journal of Publication: Journal of Co-operative and Business Studies (JCBS)

**TRANSPARENCY AND PERFORMANCE OF PROCUREMENT IN LOCAL
GOVERNMENT INSTITUTIONS IN UGANDA: A CASE OF MOYO
DISTRICT LOCAL GOVERNMENT**

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¹Postgraduate student, Moshi Co-operative University

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ABSTRACT

The key requirement for competitive selection is for the process to be transparent and that stakeholders of procurement process should be able to see through the process of procurement as this will build confidence of bidders at all levels and improve procurement performance. This study thus sought to determine the influence of transparency on performance of procurement in local government institutions. Case study design was adopted while purposive and simple random sampling techniques were used to sample 80 respondents from Moyo District Local Government. Qualitative data was analysed using content analysis while quantitative data was analysed using descriptive statistics and multiple regression model. Findings indicated that publication of procurement plan and budget was significant to at $\beta=0.0258$, $P<0.05$. Access to key procurement information was significant at $\beta=0.193$, $p<0.05$. Open communication was also significant at $\beta=0.169$, $p<0.05$. The study concluded that ensuring transparency while conducting procurement processes improves performance in terms of cost optimization and purchase of quality products which are delivered on time. The study recommended MDLG to provide timely and sufficient information to the public and other stakeholders most especially about upcoming contracts and status of ongoing procurement processes through publication on public notice boards and online government procurement portals for easy accessibility.

Keywords: *Transparency, Procurement, Performance of procurement, Local Government*

1.0 INTRODUCTION

In order for decision-makers and stakeholders to make informed decisions about the cost, quality, and socio-economic and environmental effect of planned projects, transparency is critical.(Korir, 2015). According to United Nations Office for Projects Services [UNOPS] (2011), publication of procurement policies, prior publication of procurement plans, advertisement of tender notices, disclosure of assessment criteria in tender documentation, developing accurate and effective grievance redressal channels; requiring public procurement authorities to disclose their financial and conflict of interest; posting supplier penalty lists and publication of procurement contracts and amount paid are all examples of procurement transparency (UNOPS, 2011). The procurement process according to Cheseto, Gudda and Mbuchi (2019) should thus protect integrity by ensuring that no misconducts occur and that there's informed decision-making, which requires public entities to make decisions based on reliable data and ensure that requirements are met.

According to the Organisation for Economic and Co-operation Development [OECD] (2013), it is paramount for public procurement entities to publish the selection criteria and the details of the method of award in full and in a timely manner before the procurement process begins. And where an open, competitive tendering process is not used, entities should explain their rationale publicly in order to avoid manipulation of the decision-making process (OECD, 2013). As it often happens, the people who are behind the procurement process are not satisfied with what they have, therefore, the more transparency there is into who is buying or approving what, the more it will be easier to identify areas of cost savings and efficiencies (Precoro, 2019). Conversely, lack of transparency in public procurement hampers these outcomes, stifles opportunities to maximise the benefits of public procurement (Kaspar & Puddephatt, 2012). Therefore, transparency has a way of increasing accountability and improving performance. As they say, opportunity makes a thief and transparency means someone is always watching.

Overall, public procurement represents on average 13% to 20% of GDP according to data by World Bank (2020) while global expenditure in procurement is estimated at nearly 9.5 trillion US dollars.While according to the United Nations Office on Drugs and Crime, 10 to 25 percent of a public contract's overall value may be lost due to corruption (United Nations [UN], 2013). With such vast amounts of money at stake,

public procurement arguably poses the greatest risk for malpractices in the procurement process (Morgner & Chêne, 2014). Therefore, better management of the public procurement sector with increased transparency is critical for achieving economic growth and boosting shared prosperity for all (WB, 2020).

Most governments have sought to make government procurement data more transparent and accessible to the general public. In respect of this, Tanzania for instance has already started to roll out a new e-procurement system while Uganda is also working on adopting the Open Contracting Data Standard (OCDS) and is in the process of launching an e-procurement system (Adam, 2019). In both countries, the public procurement agencies—the Public Procurement Registry Authority (PPRA) in Tanzania and the Public Procurement and Disposal of Public Assets Authority (PPDA) in Uganda—are important drivers of public procurement transparency (Adam, 2019). Public availability also allows for processes to be monitored and evaluate delivery of goods and services offered in order to identify corruption, mismanagement, fraud, inefficiencies or contract violations thus saving governments money and time, and also lowers the barriers to entry for smaller businesses (OECD, 2014). Transparency therefore promotes participation of citizens, helps to foster better accountability, and aids in the fight against corruption, all of which contribute to strengthen governance (Tejedo-Romero & Araujo 2018).

Efforts to improve transparency have recently switched from the national to the local level. Increasing local transparency has been identified as a critical component in addressing some of the barriers to long-term development (Adiputra, Utama, & Rossieta, 2018). Despite the fact that transparency in public administration is widely endorsed, the focus has been on the national and provincial governments, with the local government being overlooked (Galera *et al.*, 2014). Nevertheless, at the local levels, the availability and accessibility of public information is crucial to the overall perception of government transparency (Armstrong, 2011). Local government, without a doubt, is a significant government body with the highest administrative, legislative, and adjudicative authority in their jurisdictions (Araujo, & Tejedo-Romero, 2016).

2.0 METHODOLOGY

The study adopted a case study design because it intended to conduct an extensive investigation on influence of transparency and performance of procurement in order to gain additional insights into the variables. The design was relevant since it allows gathering and analyzing data for further understanding (Namukasa, 2017). The study was conducted in Moyo District Local Government since it was one of the local government entities in Uganda highlighted by the PPDA Audit report (2018) with high level of malpractices and irregularities in the procurement process. Structured and semi-structured questionnaires were administered to a total of 80 respondents comprising of 10 members of the procurement unit, 10 accounting personnel, 13 user department members, 10 stores unit workers, 8 contracts committee members, 18 community leaders and 11 contractors selected from across Moyo Town Council and the five Sub-Counties of MDLG including Lefori, Metu, Moyo, Laropi, and Difule respectively using purposive and random sampling techniques. From the 80 questionnaires administered, 77 questionnaires were filled up indicating that a 96.3% response rate was attained.

Variable constructs were measured using a Five-point Likert scale coded such that SA meant Strongly Agree, A meant Agree, NS meant Not Sure, D meant Disagree and SD meant Strongly Disagree ranging from 5, 4, 3, 2 and 1 respectively. Some of those literature reviewed (Kaspar & Puddephatt, 2012; Korir, 2015; Chesseto, Gudda & Mbuchi, 2019) identified early publication of procurement plans and budget, easy access to key procurement information and open communication through establishing appropriate and timely complaint/ protest/dispute mechanisms as transparency dimensions in public procurement. These were thus adopted in this study as the predictor variables while the outcome variables were cost optimization, quality procurements and timely deliveries as identified by Ahmadi *et al.* (2018) and Hamza, Gerbi and Seid (2016).

Qualitative data was coded and analysed using content analysis while quantitative data was analysed using descriptive statistics. Further, multiple regression model was employed to assess the statistical relationship and change influenced by transparency to performance of procurement. According to Kothari (2004), multiple regression analysis helps to establish whether there is any cause-and-effect relationship between one variable on one side and two or more variables on the other side, of what degree

and in which direction, thus this model was relevant in testing the relationship between the variables. The model was run using the formulae;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_i$$

Where;

Y = Procurement Performance

β_0 = Constant/Y-intercept.

$\beta_1, \beta_2, \beta_3, \beta_4$ = Slopes of regression equation

X_1 = Publication of procurement plan

X_2 = Access to key procurement information

X_3 = Open communication

e_i – error term at 95% confidence level.

Reliability and validity of data

Both validity and reliability were tested using Content validity Index (CVI) and Cronbach's Alpha Coefficient to determine the relevance of the questions in measuring the variables to make sure the research instrument was free of any possible errors. From results obtained in table 1, the research instrument was reliable as it contained items relevant to the study as indicated by the Content Validity Index for all the variables which was above the acceptable threshold of 0.7 (Kothari, 2004). The Cronbach's alpha coefficients of all the variables were as well above 0.7 showing that the instrument could produce consistent results as put forward by Burns and Burns (2012).

Table 18: Validity and reliability test

Variable	Content Validity Index	Cronbach's Coefficient Alpha	Number of items
Procurement Performance	0.851	0.781	3
Transparency	0.842	0.826	3

3.0 FINDINGS AND DISCUSSION

Respondents were asked to state their level of agreement or disagreement through statements generated on the study variables. It was measured using mean score index adopted from Linyiru (2015) where a mean score close to 0 to 2.5 showed disagreement, 2.5 to 3.4 represented a neutral stand while one from 3.5 to 5 showed agreement with the issue being discussed. From results obtained in Table 2, an average mean value of 3.4762 and standard deviation 1.31811 were obtained for all the

statements on transparency showing that the influence of transparency on performance of procurement was to a moderate extent.

Table 19: Influence of transparency on procurement performance (n=77)

Statement	Mean	Standard Deviation
4. Timely publication of procurement plans and budgets for public access.	3.3247	1.38071
5. Access to key procurement information by the public	3.8701	1.15109
6. Open communication between the entity and the community to promote competition in tendering process	3.2338	1.42253
Average	3.4762	1.31811

Relationship between transparency and procurement performance

A multiple regression analysis was carried out to investigate whether Publication of procurement plan, access to key procurement information, and open communication could significantly affect performance of procurement. It was found that 94.8% variation in Procurement Performance at MDLG can be explained by transparency (publication of procurement plan, access to key procurement information and open communication) as shown by the value of $R^2 = 0.94.8$ as presented in table 3. Further, Analysis of variance was applied to predict the significance of the regression model. From table 3, it was found that the model was significant in linking Procurement Performance with the predictor variables publication of procurement plan, access to key procurement information, and open communication, $F(3,73) = 329.131$, $p=0.00$. While publication of procurement plan ($\beta = 0.258$, $p<0.05$), access to key procurement information ($\beta = 0.193$, $p<0.05$) and open communication ($\beta = 0.169$, $p>0.05$) all contributed significantly to the model with P values less than 0.05 ($P<0.05$). The final predictive model was:

$$Y = 1.893 + 0.258PPP_1 + 0.193AKPI_2 + 0.169OC_3 + e_i$$

Table 20: Model Summary, Anova and Regression Coefficients

MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
	0.974 ^a	0.948	0.945	0.18905		
ANOVA						
		Sum of squares	df	Mean Square	F	Sig.
Regression		47.052	3	11.763	329.131	0.000
Residual		2.573	73	0.036		
Total		49.625	76			
COEFFICIENTS						
		Unstandardized coefficients		Standardized Coefficients	t	Sig.
		β	Std. Error	Beta		
(Constant)		1.893	0.088		21.416	0.000
Publication of Proc plan		0.258	0.061	0.441	4.204	0.000
Access to Proc Info		0.193	0.069	0.275	2.801	0.007
Open communication		0.169	0.082	0.237	2.055	0.043

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Publication of procurement plan, Access to proc information, open communication.

Results obtained from the regression analysis in table 3 showed that publication of procurement plan, access to key procurement information and open communication all had a positive and significant relationship with Procurement Performance at MDLG. This finding concurred with that in a study by Michael (2013) who explained that stakeholders of procurement process should be able to see through the process of procurement as this will build confidence of the bidders that whatever that is being done in the procurement process is according to the established guidelines and regulations. This will thus result in whoever is capable participating once a tender is advertised as they are assured of a transparent selection process.

According to Singleton (2014), one of the key requirements for competitive selection is for the process to be transparent. That is, all of those participating in the process, bidders and project sponsors alike, should be fully aware of the rules of the game and be able to readily determine whether or not those rules are being followed. PPDA integrity report (2018) explains that although procurement reforms have generally brought about transparency, at evaluation stage, most of the times the bidders are not informed of the criteria used in the selection, neither is the evaluation report availed to the competitors. This coincides with some key informant statements that;

“...Sometimes I think information regarding the tendering process is only given to few and specific suppliers because some of us are always in dilemma of what

is going on and what to expect. I wish the district authorities would work on improving the means of disseminating necessary information so that it is easily accessible to whoever needs to access them...” (MDLG, 02 July, 2021).

Waruguru (2015) in her study explained that there is a sharply growing demand for transparency as one of the fundamental moral claims in democratic societies with people’s right to have access to government information, with transparency being one of the practical measures taken to curtail corruption by promoting citizen’s vigilance yet, in most cases only limited information is availed for public accessibility by government organs which hinders access to required information. This finding further aligned with one of the key informant statements that;

“...Transparent procedures help people to know whether what is being done is right or wrong, but here it is quite difficult since almost every procurement information is classified confidential so you just settle for whatever information that is availed to you since most of the times you will not be given the information you’re looking for even if you request for it...”(MDLG, 13 July, 2021).

Literature on transparency advises that organizations should be transparent to increase the degree of trust so as to improve performance, though some scholars urge caution in doing so citing the negative aspects of transparency, such as violation of privacy, direct cost of disclosure, and revelation of sensitive information (Waruguru, 2015). Therefore, sound procurement systems that stress various principles such as; transparency and publicity will effectively promote transparency and accountability in the processes of purchasing and supply thereby improving the overall procurement performance (Luketero, 2016).

4.0 CONCLUSION AND RECOMMENDATIONS

The study sought to determine the influence of transparency on performance of procurement in local government institutions using a case of MDLG. The study found that timely publication of procurement plans, access to key procurement information and open communication during tendering process all significantly influenced performance of procurement. From the interviews, the study found that the public and stakeholders in MDLG find it quite a challenge getting access to key procurement information as publication of the required information is hardly done by the entity. This according to some respondents was attributed to the fact that most procurement

information is considered to be confidential so sometimes information is only given to a few and specific people hence the level of transparency in the selection process is limited. It was therefore concluded that ensuring transparency while conducting procurement processes improved performance in terms of cost optimization, purchase of quality products which are delivered on time.

The study recommended MDLG to provide timely and sufficient information to the public and other stakeholders involved in the procurement process most especially about upcoming contracts and status of ongoing procurement processes through publication of such information on public notice boards and online government procurement portals for easy accessibility. The study will have implications to local government institutions, the PPDA in Uganda, regulatory agencies and other government agencies involved in public procurement activities. Others who can benefit from this study and use it as a source of knowledge are, policy makers, researchers and scholars with interests in public procurement.

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