Framework Agreements and Cost Reduction in Public Procuring Entities in Tanzania A Case of Selected Procuring Entities in Manyara Region

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This study was conducted to assess the effectiveness of framework agreements on cost reduction in public procuring entities in Tanzania, taking Manyara region as a case study. The study adopted a case study research design, random probability sampling and purposive or judgmental sampling technique from 142 respondents from public procuring entities in Babati Urban, Babati Rural, Kiteto, Simanjiro, Hanang and Mbulu District Councils. Objective one and two were analysed through binary logistic regression while the third objective was analysed through ordinal logistic regression analysis technique to establish the strength of relationship and association between the variables. The study revealed that framework agreements were considered as legal instruments in cost reduction at procurement processes. The findings further revealed that, procurement technique frequently applied were statistically significant influencing cost reduction in public procuring entities. Likewise, it was revealed that complying with legal instrument is very bureaucratic in nature which can increase more procuring expenses. On top of this, the study found and concludes that, the use of procurement techniques and frequent application of these led to cost reduction thus, effectiveness of framework agreement is realised. Lastly the study found and concludes that, framework agreement features such as information sharing, negotiation focus, trust, customer access and respect to suppliers influences good supplier relationship with public procuring entities in study area. Among others, the study recommended that the study framework agreement to be main system used by all procuring entities in Tanzania. The study further recommends for more amendments to shorten/facilitate the process so as to save time and minimise costs associated with the process. The study also recommends these features to be maintained and other which lead to good relationship to be introduced and used in all public procuring entities.