

**Contracts Management and Value for Money in Public Procurement of Works  
A Case of MUCCoBS  
By**

**Alban Mchopa, Happiness Huka, Faustine Panga and Cecilia Ruoja**

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**Abstract**

Contract management is an important activity in public procurement, especially on executing projects fostering community development while aiming at value for money. On the contrary, reports from the CAG and PPRA have shown that public funds have been wasted because of poor contract management which hinders achievement of value for money. Hence, despite its importance, limited studies have been conducted to exhaust the problem. The reviewed studies concentrated much on the identification of the factors that cause poor performance of procurement contracts and contract management, in general, without assessing how procurement contracts are formulated and implemented while contributing to the achievement of value for money. Thus, this study aimed at assessing the effectiveness of procurement contracts management towards achieving value for money in procurement of works. Specifically, the study intended to describe the nature of procurement contracts for works, to evaluate the adequacy of terms and conditions of formulated procurement contracts for works as required by PPA 2004, examine the effectiveness of procurement contracts for works implementation as per terms and conditions in order to achieve value for money and determine the contribution of effective contract management during procurement of works on the achievement of value for money. The study was undertaken by using a case study design whereby purposive and random sampling techniques were used to pick a sample of 60 respondents while questionnaires, interviews and documentary review were used to collect data. Data were analysed through applying qualitative techniques that involved the use of "interpretive" and "reflexive" approaches, while quantitative techniques involved utilisation of descriptive statistics and cross-tabulation techniques. Findings showed that contracts contained all the necessary required terms and conditions to guarantee value for money and it was established that contracts were effectively executed and managed adequately when compared to the terms. Also, it was determined that management of time, quality and costs resulted into effective contract management which contributes highly to the achievement of value for money. However, in some contracts there were signs of ineffectiveness that include variations, inadequate use of defect liability period and extensions of time which jeopardised the

achievement of value for money. Therefore, it was concluded that effective management of procurement contracts was essential for achievement of value for money, and basing on the reviewed contracts for works (10 contracts) the studies case (MUCCoBS - now MOCU) had achieved value for money above average scale by considering qualitative (non-monetary) measures. However, basing on the weaknesses found above, it is recommended that the College should enhance supervision, avoid unnecessary variation prepare quality plans and perform defects inspection for completed works during defect liability period in order to enhance the achievement of value for money.