**THE EFFECT OF PROCUREMENT PLANNING ON SERVICE DELIVERY IN NTUNGAMO DISTRICT LOCAL GOVERNMENT**

**BY**

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**REG. NO: 14/MPP/3/023**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT SCIENCE IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTERS DEGREE IN PUBLIC PROCUREMENT MANAGEMENT OF UGANDA MANAGEMENT INSTITUTE**

**FEBRUARY, 2018**

# DECLARATION

I, Moses Makafu hereby declare that this research report is my original work and to the best of my knowledge, contains neither any material previously published by another person nor material which has been accepted for the award of a masters degree in any other University. Where other people’s work was used, due acknowledgement was made.

Signed………………………………………… Date……………………………………….

MOSES MAKAFU

14/MPP/3/023

# APPROVAL

This is to certify that this thesis titled: The effect of procurement planning on service delivery in Ntungamo District Local Government was prepared by Moses Makafu under my guidance and supervision. With my approval, it has been submitted in partial fulfillment of the requirements for the award of the Master of Public Procurement and Management degree of Uganda Management Institute, in line with the regulations of the university and meets the accepted standards with respect to originality and quality.

Sign:……………………………………… Date:………………………………………

DR. EDGAR K. MWESIGYE

Sign:……………………………………… Date:………………………………………

DR. GODFREY MUGURUSI

# DEDICATION

I dedicate this dissertation to my family. Most especially mother Mrs. Gertrude Woshoyi Namono who advised, supported and mentored me to go through education up to University level, my wife Nulu Nandudu and my children. I also dedicate this project to my friends; Ms. Winnie Namunduma and Ms. Atuhairwe Edgar for always being there when I needed someone and for motivating me to finish this research. Above all, I thank the Almighty God for guidance and provision towards completion of this research project.

# ACKNOWLEDGEMENT

First of all I thank the Almighty God for giving me good health, and guiding me through the entire course. I am greatly indebted to Dr. Edgar K. Mwesigye and Dr. Godfrey Mugurusi, for their effective supervision, dedication, availability and professional advice. I further extend my gratitude to the staff of Ntungamo District Local Government for providing the necessary information for this research report. Lastly, I acknowledge the support of my classmates at UMI, with whom I weathered through the storms, giving encouragement to one another and for their constructive criticism.

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# LIST OF ACRONYMS

CG Central Government

CIPS Chattered Institute of Purchasing and Supply

DLG District Local Government

FY Financial Year

LG PP Local Government Public Procurement

LGPPDA Local Government Public Procurement and Disposal of Public Assets

PDE Procurement and Disposal Entity

PDU Procurement and Disposal Unity

PPDA Public Procurement and Disposal Authority

# ABSTRACT

This study examined the effect of procurement planning on service delivery in Ntungamo District Local Government. The study was guided by the following specific objectives: To assess the relationship between user-needs identification and service delivery; to examine the extent to which choice of procurement methods affects service delivery; and to establish the relationship between procurement work planning and service delivery in Ntungamo DLG. The study was guided by across sectional survey research design, where both qualitative and quantitative research approaches were employed. A sample size of 149 respondents was identified for the study, using Probability and nonprobability techniques. Data were collected using questionnaires and interviews. The study results revealed that the procurement planning methods and processes affect delivery of services in Ntungamo DLG and therefore need to be critically analyzed before using them in order to attain proper and effective service delivery. It was thus concluded that procurement planning is a critical activity in the local government that help in the delivery of services and therefore top management must be in total support and a well laid down procurement plan must be in place to ensure that the procurement process is smooth as this is the only way value for money through effective service delivery can be attainable.The study recommended that the government needs to always bring in external auditors that can effectively check whether contract evaluation and awarding was done in the right process, need to strengthen the laws so that those found squandering public money through ineffective procurement process and need for the management of Ntungamo DLG to inform and give different roles to the stakeholders involved in procurement planning and orient them on how to best achieve the benefits out of this process among others.

# CHAPTER ONE

# INTRODUCTION

## 1.1 Introduction

This study investigated the effect of Procurement Planning on service delivery in Local Governments (LG), with Ntungamo District Local Government (DLG) as the centre of focus. Procurement planning was conceived and construed as the independent variable was of the study while the dependent variable was service delivery. The chapter presents the background to the study, the statement of the problem, purpose of the study, study objectives, the research questions, study hypotheses, the significance, justification, scope and operational definition of key terms and concepts.

## 1.2 Background of the Study

The background to the study was constructed according to the four perspectives approach, detailing the historical, theoretical, conceptual and Contextual aspects.

### 1.2.1 Historical Background

The importance of an effective process of public procurement management and its subsequent contribution to improved governance of the public sector procurement has been awakened over the past couple of years. Procurement function which was traditionally viewed as a clerical and reactive task but has since positioned itself among core organizational functions, and its management is becoming increasingly critical for the proper functioning of any organization (Schiavo-Campo and Sundaram, 2000). According to Basheka (2004), inadequacies in procurement planning are some of the major bottlenecks to economic progress in Africa. Moreover, a number of countries in Africa have not considered proper management of public resources as a matter of priority. Similarly, Kabaj (2003) argues that for better advancement of African countries, it is essential that they have in place procurement systems that are efficient, so as to make effective use of public resources. In the 1980s, a number of African countries adopted a number of reforms, such as decentralization, in an effort to strengthen the functioning of the public sector. Among the various reforms in Uganda, Decentralization has been viewed as the major element that would favour procurement planning since it had replaced centralized administrative structures that had misappropriated local revenues and hindered local initiatives. The PPDA Act 2003 spells out the procedures and guidelines for Procurement Management.

In its 2008/2009 report on compliance checks conducted in 25 PDEs, PPDA found gaps in procurement planning which they discovered would hinder performance and service delivery. The PDEs that were found to be compliant were those that had done it in order to comply with the budget call circular requirements issued by the Treasury in accordance to budget preparation procedures. Only 9 PDEs (36%) had approved procurement plans for FY 2008/2009 and only 6 PDEs (24%) had submitted procurement plans to PPDA. Few had framework contracts in place for procurement of respective procured or common user items.

### 1.2.2 Theoretical Background

This study was guided by two theories - the stakeholder and the agency theories. The stakeholder theory was formulated by Freeman (1984), where else, the principal – agency theory, often referred to as agency theory, which framework was formulated by Mitnick (1973). The agency theory was later developed further by Jensen and Meckling (1976) in the theory of the firm; as explained hereunder, and detailed in the theoretical review section in chapter two of this report.

#### 1.2.2.1 Stakeholder Theory

The stakeholder theory, as one of the theories that guided this study, was formulated by Freeman in 1984. Freeman chose the word Stakeholder on the basis of the traditional term - stockholder which takes only a look at the economic point of view, where the stakeholders are defined as individuals or groups affected by or can affect the achievement of an organization’s objectives (Freeman, 1984).Friedman (2006) observed that affecting or being affected seems to include individuals outside of the organization and groups that may consider themselves to be stakeholders of an organization, even when the organisation may not consider them to be such.

The stakeholder theory is a [conceptual framework](http://www.businessdictionary.com/definition/conceptual-framework.html) of [business ethics](http://www.businessdictionary.com/definition/code-of-ethics.html) and [organizational management](http://www.businessdictionary.com/definition/organizational-management.html) which addresses [moral](http://www.businessdictionary.com/definition/moral.html) and [ethical values](http://www.businessdictionary.com/definition/ethical-values.html) in the [management](http://www.businessdictionary.com/definition/management.html) of a [business](http://www.businessdictionary.com/definition/business.html) or other [organization](http://www.businessdictionary.com/definition/organization.html). Stakeholder theory suggests that the purpose of any business is to create as much value as possible for stakeholders. In order to succeed and be sustainable over time, executives must keep the interests of customers, suppliers, employees, communities and shareholders aligned and going in the same direction. Innovation to keep these interests aligned is more important than the easy strategy of trading off the interests of stakeholders against each other. Hence, by managing for stakeholders, executives will also create as much value as possible for shareholders and other financiers (Freeman, 1984).The stakeholder theory emphasizes accounting for and pursuing the aspirations of the local stakeholders by attempting to attain the highest quality and efficiency at a price people are willing to pay. The requirement of the stakeholder theory is that officials should obtain economic, efficient and effective services so as to respond to local stakeholders.

Procurement planning (a component of procurement management process) and service delivery are both aspects of organizational structure and user satisfaction resulting from quality and efficiency. In this case, the stakeholder theory serves to explain the relationship between the PDE and the service provider. While the PDE expects the supplier to deliver the right way and quality goods/services, the supplier expects timely payment.

In the public contract management process, the rights and interests of both the Government (through PDE) and the service providers are guaranteed and safeguarded. The Government strategizes to achieve effective service delivery and efficient use of limited resources through contract obligations that bind the two parties.

#### 1.2.2.1 The Principal-Agency Theory

According to Jensen and Meckling (1976), in a Principal-Agency relationship, one of the parties to the relationship engages the other to perform a given service on their behalf. In this case, the service involves some form of delegation of decision making authority to the agent.

The theory further seeks to create a favourable balance between competency and rewards (incentives). In this theory, there are two parties involved; the Principal and the Agent. In the Local Government Procurement Management system, the Principals are the Procuring and Disposing Entities (PDEs); and the Agents are the Suppliers or those entities contracted to provide services, goods or works for/and or on behalf of the Local Governments (LGs). The underlying principle of the Principal-Agency theory is that there should be a clear understanding of the needs of the Principal, and the ability of the agent to meet these needs completely (Chiappori, 2002).

The PPDA Act 2003 requires that all PDEs, both the Local Governments (LGs) and Central Government (CG) entities, should make Procurement Plans to reflect the approved budgets. The PDE, the presumed principal, needs to come up with specifications of goods, services or works under contract obligations. The prospective service provider, the presumed Agent, is on the other hand required to provide information on their ability to meet the specifications of the PDEs. The duty to verify this information provided by the agents lies with the principal. To ascertain the objectives of the contract obligation, the Agent needs to have a high degree of trust in the principal.

The relevance of the Principal-Agency theory is entrenched in the emphasis on strategic planning highlighted in the procurement processes. A well planned procurement is one that is clearly defined in the contract. In this case, the principal (PDE) and the agent (Supplier or service providers) find it easier to meet their respective obligations in the contract agreement, leading to timely execution of the contract.

### 1.2.3 Conceptual Background

Two main concepts were considered for this study; procurement planning and service delivery. The concept of Procurement Planning in the field of Procurement Management is gaining momentum in terms of recognition, both in the Private and Public Sectors as a critical Management function that helps organizations make optimal use of available resources in the acquisition of works, supplies and services.

Planning entails defining the goals of an organisation, developing a clear definition of the goals of the organisation and coming up with an all-encompassing strategy for achieving the set goals as well as a plan for integration and coordination of the necessary activities (Robbins, 2001). The function and concept of planning is the basis for the entire field of management. Once planning has been effectively conceived and implemented, it can facilitate extraction, distribution and allocation of resources (James, 2004). In general, planning helps in gathering, evaluation and interpretation of data and information that is considered essential, in an effort to come up with knowledge that is of relevance in as far as policy decision making is concerned (Leenders and Lisa, 2000). Saunders (1997) also argues that quality, delivery, cost and flexibility are key measures of procurement planning which can impact on the organisation’s competitiveness.

A procurement plan, according to Thai (2004), is the instrument used in budget implementation of the budget, which should be prepared by the User Departments, with intent to avoid excesses and see to it that procurement is only effected if there are necessary funds to pay for what is being procured. The implication here is that the different procurement plans need to be properly assimilated into the entire process of budgeting and premised on the budget in compliance with the laws of procurement.

Procurement planning is therefore the process that companies use to plan activities for a specific time frame, adopted by organisations to plan for activities of purchasing over a specified period of time. The gist of procurement planning is that when planning is done in advance, it can facilitate cost minimization, ensure efficient operations, and consequently enhance profitability (Thai, 2004).

The second concept in this study was ‘service delivery’. A service is what the public needs, such as transport, communications facilities, hospitals, or energy supplies, which are provided in a planned and organized way by the government or an official body. Service delivery is therefore a practice of providing the resources that the public or citizens need on time by a body or a service provider (Reverso Dictionary, n.d). A service Provider delivers or provides services according to the terms of service level agreements for the procurement service (CIPS Australia, 2005). According to Telgen (2007), service delivery in the service setting is measured in terms of the quality of services, the time of delivery of service, number of complaints from users, and the level of satisfaction of users among others.

Johan (2006) in an effort to emphasise the importance of service improvement argued that one who fails to plan for service delivery, plans to fail delivering services to the public. In a similar view, Basheka (2004) argues one of the main functions of procurement is procurement planning. He adds that the procurement function can facilitate effectiveness and overall success of local government operations and improved service delivery. Procurement planning is the basis for the entire process through which services in Local Governments are acquired (Mawhood, 1983).

Mullins (2003) underscores the role of procurement planning in ensuring efficiency and effectiveness in service delivery. In fact, his study that was conducted in Kenya revealed that procurement planning is positively and significantly related to Local Government service delivery.

Mawhood (1983) noted that effective procurement planning is essential towards ensuring that the appropriate service is delivered and that there is optimization of service delivery. A procurement plan therefore enables the procuring entities to achieve optimal value for expenditures on services delivered and as well facilitate identification of relevant issues pertaining to a particular procurement.

Good procurement planning and informed decision making are essential to delivering successful results. Planning helps in the successful achievement of intended objectives and as well delivers best value-for-money over the whole-of-life of the goods or services. Effective procurement planning: establishes evidence-based, transparent decision making; provides a structured approach that allows key stakeholders to engage at the appropriate stages and influence the outcome; ensures sufficient research and analysis of the market; ensures sufficient engagement with suppliers to inform your options; and makes government an informed, intelligent customer (MBIE Policy, 2014).

A good procurement plan will go one step further by describing the process necessary to appoint suppliers contractually. Procurement is thus one part of the commissioning process and refers to a specific method of purchasing services, including tendering for a contract (Arminas, 2002).

According to PPDA Act 2003, Procurement Planning is an integral part of a procurement process involving Works/Services/Supplies required to meet organizational needs in an efficient, cost effective and timely manner, in accordance with established procedures and guidelines. A UN report (November 2003), agrees with this definition, but adds that procurement processes usually lead to a good business relationship between the procurement company and the supplier; and are based on the principles of fairness, integrity and transparency, effectiveness and best value for money.

### 1.2.4 Contextual Background

Basheka (2004) associates poor procurement planning with the stagnation in Africa’s economic development. An efficient system of public procurement necessary for Africa’s development and expresses the country’s commitment towards efficient use of public resources (Kabaj, 2003).

In Uganda, PPDA Act 2003 was passed by Parliament in December 2002 to regulate Ministries, Government agencies and Local Governments in procurement functions. The PPDA also offers guidance to stakeholders in procurement, including bidders on Government or Public Procurement and Disposal of Public Assets Authority (PPDA) as the principal regulatory body for Public Procurement and Disposal in Uganda. The Authority is governed by a Board of Directors who are responsible for executing the functions and powers of the Authority. The Board is responsible for formulating policies of the Authority, approving the Authority’s budgets and overseeing the operations of the Authority by monitoring and evaluating its performance.

The Executive Director, who is also the secretary to the Board and accounting officer, is responsible for the day to day affairs of the Authority and is in charge of overall planning in the organization, coordination of other departments and coordination with other government agencies, public relations and research, among others. The Executive Director oversees the following departments of the Authority: Legal and Compliance department; Procurement Audit and Investigations department; Training and Capacity Building department; and Finance and Administration department. The Legal and Compliance department is mandated under section 7 (c) to set standards for the public procurement and disposal sector. The department is also in charge of advisory services and monitoring compliance to the set standards. The Procurement Audit and investigations department is mandated to carry out procurement and disposal contract and performance audits, as well as Investigations. The department of Training and Capacity Building sets training standards, implements capacity building interventions in collaboration with PDEs (in Central Governments, LGs and other Government agencies), providers, training and research institutions and also sets competence level certification systems. The Finance and Administration department is responsible for the smooth management of the internal affairs of the Authority. In accordance with Section 6 (a) of the PPDA Act, the Authority is mandated to ensure the application of fair, competitive, transparent, non-discriminatory, value for money procurement and disposal standards and practices (PPDA Annual report, 2009/2010).

According to the 2006 local Government Procurement Regulations, regulation 62 (5) is about and places emphasis on matters that need to be considered during the process of planning. Thus, for Uganda Government to adopt and effectively strengthen its policies on procurement and maintain assurance that procurement and disposal activities and processes are administered with due diligence, so as to ensure compliance with the Public Procurement and Disposal policies and procedures as laid out in the PPDA Act No 1 of 2003, there is need to support and promote procurement planning in PDU units in Local Governments and other Government agencies.

Despite the laws in place, District Local Governments still face challenges attributed to poor planning. These include lack of commitment by responsible officers to play their roles and inability of PDU to manage the awarded contracts. According to Annual report of PPDA 2009/2010, Ntungamo DLG only sent one report to PPDA for the second quarter, out of the four as required by PPDA Act. In November 2013, PPDA conducted an audit of procurement and disposal activities of Ntungamo DLG in accordance with Section 7 (j) of the PPDA Act, 2003, with the overall audit objective of reviewing the entire procurement and disposal system of Ntungamo DLG. This was intended to obtain assurance that contracting and procurement activities and processes for the financial year ended 30th June 2013 were administered with due diligence and were compliant with the Public Procurement and Disposal policies and procedures as laid out in the PPDA Act No 1 of 2003. For the period under that review, the Entity had a budget of UGX 28,954,849,000.

The total actual expenditure on procurement in terms of percentage was 9.7% out of which 41.2% was the audited sample. A sample of 40 cases was selected and examined in detail. The performance of the Entity was unsatisfactory, with an overall weighted risk rating average of 57.93%. Of the 40 procurements audited, 16 were rated High Risk, 13 rated Medium risk and 11 were rated Satisfactory. The trend of the entity’s weighted performance for the last two audits shows that the entity’s performance deteriorated from 45.42% in 2009/2010 to 57.93% in FY 2012/2013. The deteriorating performance was attributed to: Inadequate constitution of the PDU, with the position of the Procurement Officer not filled; lack of adequate office space for storage facilities of the procurement records at the PDU; failure of the Works department to submit procurement requisitions for works executed under force account mechanism through PDU; absence of records to show that the guidelines for use of force account mechanism were followed at all; and lastly, absence of contain contract management records and payment records on some of the action files.

In Procurement Planning, Regulation 65 (1) of the Local Governments (Public Procurement and Disposal of Public Assets) Regulations 2006, requires procurement requirements to be documented using a requisition form (LG PP Form 1), complete with a clear indication of the procurement required, the estimated value, confirmation of funding and all the required approvals. The audit revealed that in twelve (12) procurements worth UGX 419,459,481 and accounting for 36.2% of the sample value, confirmation of funds was not done by the Accounting Officer or by officials with delegated authority on LG PP Form 1. The implication is that the procurement might have been conducted without the necessary approvals. PPDA Audit recommended that the Accounting Officer should confirm availability of funds for all procurements conducted or delegate officials to do so in writing (PPDA report, June 2014). This situation gives a wide range of dilemmas: Could there be a conflict of interest or inadequacy in planning function? Or are there other underlying factors? These questions compelled the researcher to investigate the relationships between procurement planning and service delivery in Ntungamo DLG.

## 1.3 Statement of the Problem

Local Governments (Public Procurement and Disposal of Public Assets) Regulations, 2006 require procurement to be documented in a transparent manner, so as to enable audit trails. There are mandatory documents (such as procurement planning form, LG PP form 1) that have to be completed as required by PPDA Regulations 2006.

Ntungamo DLG had put in place numerous efforts to support the effective procurement planning, including identification of user needs, choice of procurement methods and work-plan development, in an effort to promote good performance.

Despite the commitments highlighted above, the procurement performance of Ntungamo DLG was not yet at the desired level. There were regular complaints about the quality of works, goods and services, the public also expressed dissatisfaction about some of the procured services. In addition, there were numerous complaints about appointment of contracts supervisors, delayed procurements and failure to utilize funds in the financial year. It was further noted that there were increasing cases of confirmation of funds by accounting officers, which, as stipulated in the procurement planning process were among the blue prints of the poor service level in the district.

Further, the Procurement Audit report 2012/13 of Ntungamo DLG revealed that in twelve (12) procurements, value for money had not been achieved by 36.2%, due failure to confirm funds remitted by Accounting Officer or by officials with delegated authority on LG PP Form 1. More so, in fourteen (14) procurements conducted worth UGX. 285,090,190, User Departments did not formally appoint/nominate contract supervisors to supervise procurement contracts and contract implementation plans were not prepared as required by PPDA Regulation. This implies that the procurement was often times conducted without the necessary approvals, without formal appointments of contract supervisors, without contract implementation plans, all of which could have a profound impact on performance of the entity. Without procurement planning, eyebrows could be raised on the critical elements of planning, such as: identification of user needs (to aggregate needs and determine terms of reference); procurement procedures and methods(to determine whether open domestic, direct or restricted procurement methods should be applied); and work planning (to determine the funding element) were followed (Van Weel, 2005; Thai, 2004; Witting, 1999; Day, 1994).If this trend was not checked, Ntungamo DLG would continue losing a lot of money and besides, procurement would risk losing its purpose of facilitating service delivery. It was against this background that the researcher carried out an investigation into the effect of procurement planning on the service delivery in Ntungamo DLG, in order to come up with possible and workable solutions to curb the vice in Ntungamo DLG.

## 1.4 Purpose of the Study

The purpose of this study was to establish the relationship between Procurement Planning and Service Delivery in Ntungamo DLG.

### 1.4.1 Objectives of Study

The study sought to address the following objectives;

1. To assess the relationship between user-needs identification and service delivery in Ntungamo DLG.
2. To examine the extent to which choice of procurement methods affect service delivery in Ntungamo DLG.
3. To establish the relationship between procurement work planning and service delivery in Ntungamo DLG.

## 1.5 Research Questions

The study addressed the following questions;

1. What is the relationship between user needs identification and service delivery in Ntungamo DLG?
2. To what extent does choice of procurement methods affect service delivery in Ntungamo DLG?
3. What is the relationship between procurement work planning and service delivery in Ntungamo DLG?

## 1.6 Hypothesis of the Study

The study tested the following hypotheses;

1. **H1**: There is positive relationship between identification of user-needs and service delivery.
2. **H2:** Choice of procurement methods affects service delivery in Ntungamo DLG.
3. **H3:** There is a relationship between procurement work planning and service delivery in Ntungamo DLG.

## 1.7 Conceptual Framework

The conceptual frame work (Fig 1) below, illustrates two sets of variables; the independent and the dependent variables. The independent variable is Procurement Planning and the dependent variable is Service Delivery.

**Independent Variable** **Dependent Variable**

|  |
| --- |
| **Service Delivery**  **Procurement Planning**   * **Quality of Service**   + - Value for money * **Delivery Time of Services** * **Reduced Complaints**   + - Number of complaints * **User Satisfaction**   + - Usage     - Feedback   **Work Planning**   * Funds source & release * Time of release of funds * Confirmation of availability of funds     **Identification of User-needs**   * Needs aggregation * Determination of terms of reference (TOR)   **Choice of Procurement Methods**   * Open domestic procurement * Direct procurement method * Restricted procurement method |

***Source:*** *Integrated and modified from various sources* (Van Weel, 2005; Thai, 2004; Witting, 1999; Day, 1994)

Figure 2.1: Conceptual framework showing the relationship between Procurement Planning and Service Delivery.

The argument of this study is that when procurement planning is well conducted through proper identification of user needs, appropriate determination of choice of procurement methods, with a budget which incorporates the comprehensive work-planning components and effective implementation of the monitoring and evaluation component, there is likely to be service delivery improvement in the LGs. The reverse of this statement is equally true. In the absence of procurement planning, service delivery in LGs cripples. The argument of this study is summarized in the Conceptual model above (figure 2).

The service delivery in this study was conceived to be measured in terms of timeliness of service delivery, number of complaints reduced, satisfaction of the end-users and the quality of services.

## 1.8 Significance of the Study

This study may be beneficial to a number of persons and entities in the following ways. To the academia, the study will add to the existing literature and study material for other researchers who may be interested in studying about procurement planning and Public Service Delivery in Uganda.

In addition, the study will hopefully address the gaps in the procurement functions, to benefit the procurement practitioners and professionals both locally and globally, as well as scholars in the procurement and supply chain management profession. There is currently little literature written in the field of procurement, and procurement planning in particular (Basheka, 2008).

Further to that, the findings and recommendations of the study might help in addressing matters of procurement performance in the Local Government and more so, service delivery in Ntungamo DLG and other Government agencies in general. This might help the DLGs to revisit her procurement planning if they are to improve on service delivery.

The study will also hopefully help policy makers to formulate ways on how to improve service delivery in the economy.

## 1.9 Justification of the study

Procurement Planning is one of the primary functions of procurement and regarded as very critical in ensuring value for money in the procurement process. It is central to the entire procurement function for efficient and effective management. As Basheka (2008), there is limited systematic research on the entire procurement process and the effects of this process on improved governance, especially in the developing world, and Uganda in particular. This study was justifiable owing to the huge amounts of money that the Government of Uganda spends on building the procurement infrastructure and staff training, in an effort to ensure effective service delivery. Yet despite the huge investment, the service quality in some districts, such as Ntungamo DLG is still wanting, as evidenced from the numerous complaints on service provisions due to dissatisfaction among a cross section of users. This study would hopefully provide some solution to address performance gaps.

## 1.10 Scope of the Study

The scope was divided into three perspectives, the geographical, content and time cope:

### 1.10.1 Geographical Scope

Ntungamo DLG is located in Western region of Uganda, and covers 2,051.4sq. Kilometers. The study was carried out in Ntungamo DLG, at the District Local Government Council Offices and the three Town Councils (Rwashamaire, Kitwe and Rubaare) offices; and the fifteen Sub-counties Offices in Ntungamo District. The fifteen Sub-Counties of Ntungamo District are – Bwongera, Ihunga, Kibatsi, Nyabihoko, Itojo, Ntungamo, Nyakyera, Ruhaama, Rukoni East, Rukoni West, Rweikiniro, Kayonza, Ngoma, Rubaare, and Rugarama Sub-Counties.

### 1.10.2 Content Scope

The study focused on examining the impact of Procurement planning on the Performance of Procurement and Disposal Unit of Ntungamo DLG. The Independent variable is Procurement Planning and the Dependent variable is Performance of PDU unit.

### 1.10.3 Time Scope

The study covered the period from the financial year 2009/2010 to 2015/2016. In this period, some reports indicate that Ntungamo DLG conducted procurement activities in a manner that faulted the recommended due diligence and compliance of the Public Procurement and Disposal of Public Assets Act, 2003 (PPDA Audit Report, June 2014). Quality of service delivery was not to the desired level, there were mushrooming complaints on contract supervision and floats in planning process. These needed to be addressed.

## 1.11 Operational Definition of Terms and Concepts

For the purpose of this study, key concepts in the research were defined as below:

**Budget:** A comprehensive and coordinated plan that expresses the work plan of an organization in formal terms and helps the organization to realize its expectations, listing all the activities and operations, and expressed in a common denominator (currency), relating it to specific period (time frame) of accomplishing the tasks/activities (Kijjambu, 2016).

**Efficiency:** The level of performance in procurement process that uses minimum amount of resources or materials such as manpower, time and information to create the maximum amount of input.

**Planning:** It refers to the process of making decisions which define what is to be achieved in the future and the formation of actions plans for achievement of goals.

**Procurement:** This refers to formal method employed by Local Government (LGs)in the acquisition of goods, services, or works from the suppliers (PPDA, 2003)

**Procurement Planning:** Part of the procurement process that is responsible for the acquisition of supplies, services, or works required to meet Local Government needs in the most efficient, cost effective and timely manner.

**Procurement Procedure:** The methods (competitive or uncompetitive) or steps used by the procuring and disposing entity (PDE) to acquire goods, services or works, appropriate selection of which assists to obtain best value for money.

**Public Procurement:** The type of procurement that uses public funds.

**Service Delivery:** Practice of providing what is required to customers on time.

**Value for Money:** Maximum benefit(s) that is obtained from goods, services, or works and/ or that which Ntungamo DLG provides for its customers (service providers), within resources available.

**Work Plan:** An action plan, detailing Scope of Work, specifying objectives to accomplish over a given period of time in terms of what to be done, how to do it, who to do what and the anticipated time to accomplish the tasks.

**Work planning:** An integrated work plan of an organization in formal terms and helps the organization to realize its expectations, listing all the activities and operations, and expressed in a common denominator (currency), relating it to specific period (time frame) of accomplishing the tasks/activities.

## 1.12 Chapter summary

The problems that triggered the study was brought forward to be investigated from the three research objectives: (1) To assess the relationship between user-needs identification and service delivery in Ntungamo DLG; (2) To examine the extent to which choice of procurement methods and methods affect service delivery in Ntungamo DLG; and (3) To establish the relationship between procurement planning and service delivery in Ntungamo DLG. The objectives were formulated from the Independent Variables: user needs identification, choice of procurement methods and methods; and work planning to be measured in terms of service delivery. This chapter spelt out the scope of study, the significance of study and the justification for the study, and defined key terms and concepts to be used in this study.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Introduction

This chapter includes reviews of related literature on opinions of various scholars on the subject of procurement planning and service delivery, structured according to the specific objectives of the study. The chapter also includes a review of the relevant theories and any available literatures that address the research objectives of the study. Lastly, a summary of the literature review is given, highlighting the key gaps identified in the literature.

## 2.2 Theoretical Review

Two theories underpin this study - the stakeholder theory formulated by Freeman (1984); and the principal agency theory (often referred to as agency theory), a framework of which was formulated by Mitnick (1973) and later developed further by Jensen and Meckling (1976) in the theory of the firm.

### 2.2.1 Stakeholder Theory

The theory basically considers multiple stakeholders (as opposed to sole shareholders) when it comes to decision making, and focuses on value creation for these groups which have a stake in the firm (Laplume et al., 2008; Freeman and Parmar, 2010). According to Freeman (1984), the earliest definition of stakeholder is often credited to an internal memo report of the Stanford Research Institute (SRI) in 1963, where stakeholders were defined as those groups without whose support the organization would cease to exist. Freeman (2004) used this definition in a modified form, referring to stakeholders as groups who are vital to the survival and success of an organization. Since the latter definition is entirely organization orientated, academic circles prefer the definition of Freeman (1984) where he defines stakeholders as a group or individual who can affect or is affected by the achievement of the organization objectives.

According to Friedman (2006), there is a clear relationship between definitions of what stakeholders do and identification of who are the stakeholders. The scholar adds that the main groups of stakeholders are: customers, employees, local communities, suppliers and distributors, and shareholders. Other groups and individuals considered to be stakeholders include: the media, the public in general, business partners, future generations, past generations (founders of organizations), academics, competitors, NGOs or activists – considered individually, stakeholder representatives such as trade unions or trade associations of suppliers or distributors, financiers other than stockholders (debt holders, bondholders, creditors), competitors, and Government, regulators, and policymakers.

Stakeholder theory, states that a company owes a responsibility to a wider group of stakeholders, other than just shareholders.  [Freeman](http://en.wikipedia.org/wiki/R._Edward_Freeman) (1984), the original proposer of the stakeholder theory, recognized it as an important element of Corporate Social Responsibility (CSR), a concept which recognizes the responsibilities of corporations in the world today, whether they be economic, legal, ethical or even philanthropic.

Stakeholder theory suggests that the purpose of a business is to create as much value as possible for stakeholders. In order to succeed and be sustainable over time, executives must keep the interests of customers, suppliers, employees, communities and shareholders aligned and going in the same direction. Innovation to keep these interests aligned is more important than the easy strategy of trading off the interests of stakeholders against each other. Hence, by managing for stakeholders, executives will also create as much value as possible for shareholders and other financiers (Freeman, 1984).According to Freeman et al. (2010), stakeholder theory was designed to solve three problems which had arisen throughout the last decades: (1) improving our understanding of value creation and how it is traded; (2) connecting ethics and capitalism; and (3) help managers deal with these matters (Freeman et al., 1997 Parmar et al., 2010).

Further, stakeholder theory encompasses facets of descriptive, normative, managerial as well as instrumental theory (Freeman, 1999; Sinclair, 2010; Freeman et al., 2004). Donaldson and Preston (1995) assert that the core of stakeholder theory is normative, while Freeman (1999) argues that it is built on instrumental premises. Descriptively, organizations are claimed to have stakeholders. As such, organisations that consider their stakeholders’ interests are said to be more successful than those that do not. In addition, several assumptions underlie stakeholder theory. The whole idea stems from the presumption that business is an integral part of society rather than an institution that is separate and purely economic in nature (Freeman and Liedtka, 1997), and that the actions of management have potential to affect many people. Thus, there are groups within and outside the organization, which are affected by the organization, are interested in the organization’s success, or affect the organization in some way (Laplume et al., 2008).

The main variables of stakeholder theory comprise the organization, and its stakeholders, which usually include but are not limited to employees, suppliers, shareholder, customers, government, and competitors (Freeman, 2010), and need to be identified by each firm respectively. To determine an organisation’s stakeholders, it is necessary to assess the groups impacted by the firm’s actions and decisions, and which groups do influence the firm (Boselie, 2010).

Procurement planning (a component of procurement management process) and service delivery are both aspects of organizational structure and user satisfaction resulting from quality and efficiency. And this is where the theory is applicable. The theory explains the relationship between the PDE and the service provider. Much as the PDE expects the supplier to deliver the right way and quality goods/services, the supplier expects timely payment. Regardless of the criticisms of the theory, the theory was considered relevant and suitable for this research.

### 2.2.3 The Principal-Agency Theory

This study was also guided by the Principal – Agency theory, commonly referred to as, ‘The Agency Theory’. The agency theory is a supposition that explains the relationship between [principals](http://www.investopedia.com/terms/p/principal.asp) and agents in business. The Principal – Agency theory seeks to put in place a balance between competency and rewards (incentives). The two parties involved, the Principal and the Agent, in the case of local Government system, the Principals are the Procuring and Disposing Entities (PDEs); and the Agents are the Suppliers or those entities contracted to provide services, goods or works for/and or on behalf of the Local Governments (LGs).

The Principal – Agency theory is supported by the PPDA 2003 of Uganda. The PPDA Act 2003 requires that all PDEs, both the Local Governments (LGs) and Central Government (CG) entities, should make Procurement Plans to reflect the approved budgets. The PDE, the presumed principal, needs to come up with specifications of goods, services or works under contract obligations. The prospective service provider, the presumed Agent, on the other hand is required to provide information on their ability to meet the specifications of the PDEs. The duty to verify this information provided by the agents lies with the principal. To ascertain the objectives of the contract obligation, the Agent needs to have high degree of trust in the principal. This theory was found relevant to this study because in the context of service delivery in Local Governments, such as Ntungamo DLG, there is heavy reliance on contractors. This implies that if the relationship between the two parties is not well managed, service delivery can be negatively affected.

## 2.3 Procurement Work Planning and Service Delivery

A section of scholars believe that Procurement planning is a factor influencing service delivery. According to Mullins (2003), the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Willy and Njeru (2014) observed that adherence to procurement plans facilitates the identification and appointment of reliable and responsive suppliers. The scholars add that the existence of procurement planning enables transparency and accountability, enhanced participation and commitment among procurement personnel and timely allocation of resources, and therefore impacting positively on procurement performance.

Mawhood (1983) further emphasizes that effective Procurement Planning is an important route towards securing the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

According to Basheka (2008),procurement planning seeks to establish what an entity intends to procure, the timing of the procurement, the need for the procurement, where they intend t conduct the procurement, resource availability, procurement methods to be used, among other aspects. Basheka (2004) also argues that procurement planning is one of the primary functions of procurement, with a potential to contribute to the success of government operations and improved service delivery; and that it is a function that sets in motion the entire acquisition/procurement process of acquiring services in local governments. The strength of Basheka’s argument here is even confirmed by Mamiro (2010) when he pointed out at the setbacks due to poor procurement planning.

According to Mamiro (2010), one of the major setbacks in public procurement is poor planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of the skills of staff responsible for procurement. When planning is properly conceived and implemented, it can serve as an important mechanism for extracting, distributing and allocating resources (James, 2004). Work Planning generally enhances the gathering, evaluating and interpreting of essential data and information in order to produce knowledge relevant to good policy making. In many African countries, planning has not arrived at the level of achieving the aims described because of problems related to human and technical capacities and financial resources (Basheka, 2004). Lamming and Hampson (1996) argue that, the purchasing function is beginning to play a important role in the future strategy of businesses and will need to have policy in place that can cope with a range of issues, many of which closely affect the environment (Lamming and Hampson, 1996).

In Uganda, PPDA Act 2003 and the 2006 local Government Procurement Regulations have raised a regulatory and a watch dog flag. In the LG Procurement Regulation (2006), procurement planning was enshrined under regulation 62(5) which emphasizes issues that must be considered during the process of planning which include namely: (a) Aggregation of requirements; (b) Allocation of biddable lots; (c) Use of framework contracts in procurement where appropriate; (d) Undertaking of common or joint procurement with other PDEs (where possible); (e) Pre-qualification to cover groups of contracts; and (f) Scheduling of available resources (Basheka, 2008)

## 2.4 Identification of User Needs and Service Delivery

Needs Identification is an element of the initial processes in Procurement at the planning stage. According to Lewis Roerich (2009), Procurement is a means to satisfying business unit requirements; and establishing the business need is one of the key drivers of the entire process. Weel and Arjan (2010) assert that Procurement involves a number of activities which must be followed in order to achieve successful outcome. They note that the first step in procurement process is to identify and fully define the need in relation to the activity.

As Caldwell, Roehrich and Davies (2009) put it, while conducting assessment of procurement needs, departments and agencies are responsible for realistically determining the goods they need and the manner in which they will be procured by devising a mechanism for planning in detail. Batenburg and Versendaal (2006), observed that procurement needs are special in identifying procurement items, in terms of colour, size, quality and other specification with exclusion of quantity.

Kakwezi and Nyeko (2006), in their Paper at the Centre of excellence in London, stressed that contracting officer must understand completely what he or she is about to procure. Weel&Arjan (2010), complement that Management has to understand a particular order when identifying a need. In support of these observations, Lewis and Roerich (2009) shared that: the process of coming up with a need involves top managers, middle managers and other stakeholders. Lewis and Roerich (2009) identified the process as one that involves brainstorming the problem, which they consider as a priority in all departments of the institution; in addition to selecting individual start-up problem from the list of issues discussed, identifying related problems to the starter problems; establishing a hierarchy of cause and effects; establishing the guiding question, connecting the problems with best solutions you set clear descriptions, verifying identical specifications for the need in place.

Atkinson (2006) further stressed that the poor identification of needs and suppliers may lead to incorrect goods or services being sought or offered, resulting in additional time, effort and cost. This is true in line with the challenges faced at needs identification stage of procurement and disposal process. According to Benslimane, Paisent and Bernard (2005), this phenomenon can be alleviated by undertaking research to identify the potential suppliers, identify or agree to the outcome and determine best other management issues such as preliminary cost-benefit analysis.

Batenburg (2006) compliments that failure to identify needs through the process may lead to procurements that do not fully meet the needs of the agency, potentially incurring wasted time, efforts and cost or inefficiencies and sub-optional assets being procured.

Whereas most authors emphasized identification of a proper need, Department of works (2006) laid more concern on effectiveness, efficiency and transparency of procurement process as major determinants for successful procurement outcome for the Governments and development partners for both developed and low developed countries such as Uganda. Murdoch (2006) supported this line of thinking, but added that flexibility and “independence” are limited, yet are pre-requisite in procurement in Government Institutions.

## 2.5 Choice of procurement methods and Service Delivery

The choice of Procurement method, refers to the process or act of selecting or adopting a particular method or process in the procurement process (Murdoch, 2006).The processes or the methods involved in procurement of goods and services are themselves the procurement methods right from identification of needs, risk identification, detailed specifications, bidding, tendering, approval mechanisms, through to post advert, contract administration, contract evaluations to verify contractor’s performance against terms of references and contractual obligations. A good, effective and efficient PDE has to incorporate the procurement methods in a procurement plan, as not only evidence of a good procurement planning, but also to guide the unit a control tool and for evaluation purposes in measuring performance against terms of reference.

Proper and detailed specification is critical to procurement of goods of right quality and need. It identifies what is required from the contractor and he is expected to bid against the specifications given in the bid document. Specifications can be simple or complex depending on the nature of procurement (Caldwell, Roehrich and Davies, 2009). On the other hand, in order to ensure fair and impartial competition the specifications should be defined in such a manner that it allow widest possible competition and should not favour any single contractor or supplier nor put others at a disadvantage. Specifications should be generic and should not include references to brand names, model numbers, catalogue numbers or similar classifications (Caldwell, Roehrich and Davies, 2009).

In the approval mechanism, the Procurement Agency provides clear authorization and delegation of powers for different categories of procurement. Procurements are initiated once approval of the competent authorities, as per authorization and delegation of powers, is accorded (Lewis and Roehrich, 2009). When selecting the method of procurement, open competition is considered to be the best basis for efficient public procurement to ensure that value for money has been obtained. Various methods of procurement are provided in the relevant manuals, rules and regulations and policy guidelines issued by the Governments and international institutions (Caldwell, Roehrich and Davies, 2009).

The Choice of procurement methods are meant to put things in order, and ensure value for money, fairness in awards, encourage competition, and promote transparency and accountability among others. According to Lewis and Roehrich (2009), during prequalification of bidders, in case of procurement of expensive and technically complex goods, the procurement agency ensures that only technically and financially capable firms/contractors having adequate managerial capability are invited to submit bids. This is done prior to floating of tenders, invitation to proposals or offers in procurement process. Such pre-qualification is solely based upon the ability of the interested parties to perform that particular work satisfactorily.

Lewis and Roehrich (2009), emphasized that the procurement agency while engaged in pre-qualification should usually take into consideration relevant experience, past performance, capabilities with respect to personnel, equipment, financial position, appropriate managerial capability of the contractors to ensure that contract will be performed successfully. Pre-qualification process is notified and a set of pre-qualification documents is provided to all competitors. After pre-qualification process, the pre-qualified contractors are notified and they become entitled to participate further in the procurement process.

According to Caldwell, Roehrich and Davies (2009), contract administration is the implementation stage of the procurement process. A good contract administration is critical to the successful completion of a contract. A working mechanism is developed to ensure that it facilitates both parties to meet respective obligations as efficiently and effectively as possible.

A section of Scholars have however noted that much as emphasis is laid on effective and efficient choice of procurement methods, the planning efforts are wasted due to factors that hinder service delivery. According to Wogube (2011), poor service delivery and governance remains an overwhelming challenge in most African countries; and that the factors attributed to be affecting local governments include the following among others: Poor infrastructure, corruption, Risk of integrity, lack of enough funds, challenge of choice of the right service provider, Poor communication, financial mismanagement and non-compliance with financial legislation, inadequate skills, general indiscipline and misplaced priority.

In Uganda, the provision of better infrastructures has lagged being over years. There are poor roads and inadequate electricity supply and hence Uganda still stands in need of better infrastructures (Kenya, Proceedings of National Investment Conference, 2003). On integrity, the PPDA report, the National Public Procurement Integrity Baseline Survey (2006) puts it that: Public procurement, at the local government level, is believed to be one of the principle areas where corruption in Uganda takes place. On integrity of risk, it was pointed out in OECD (2007), that at every stage of public procurement, there are risks of integrity, and that during the pre-bidding period; starting from needs assessment, common risks include lack of adequate needs assessment, planning and budgeting of public procurement, requirements that are not adequately or objectively defined, an inadequate or irregular choice of the procedure and a timeframe for the preparation of the bid that is insufficient or not consistently applied across bidders.

Ahmed (2005) further in regards in regards to funds that that many local governments in Uganda, however, are unable to deliver services to residents, a practice he attributed to lack of finances or lack of capacity to provide a good service at an affordable price. So local governments should find other ways to ensure that the services are improved and reach the people most in need of them. In regard to service providers, Wogube (2011) noted that it is a challenge to get the actual providers to be accountable for quality and efficiency as well as to have the resources and management authority to do the job well; and that the general feeling in the hotspots is that political leadership lacks responsiveness to issues raised by communities, incompetent, prone to corruption and with high degree of disregard for the communities which also compromises the delivery of services in Local Governments. Financial Mismanagement and Non-Compliance with Financial Legislation, is yet another practice that has beaten the Local government Act. Most local governments are generally associated with the worst form of financial management. Corruption, financial mismanagement and non-compliance with financial legislation are common. Consequently, this result to poor performance thus the delivery of social services is compromised (Wogube, 2011). To measure the quality of service delivery, different indicators are considered: completeness and reliability (Balunywa, 1998); Safety and conformity; and accessibility and timeliness (Wogube, 2011).All these said, the choice of procurement methods, processes and methods in place is a waste of time if no appropriate measures are put in place to curb the vice that promote poor service delivery.

## 2.6 Summary of the Literature Review

In reviewing the literatures with a focus on how procurement planning influences service delivery in the LG sector, with respect to Ntugamo DLG the Stakeholder theory looked at the relationship between the stakeholders involved in the procurement; while the principal – agency theory contractual, on the other hand considered the obligations of the parties involved in the service delivery, including compliance decision element of the service delivery. The Stakeholder Theory critics argue that there are serious cracks in the foundation on which Stakeholder Theory has been built. On the other hand, Principal - Agency theory, despite all limitations, suggests implementation of following postulates is necessary: (1) company is institution of people, with distinct members, and not only one owner; (2) stakeholders have economic and noneconomic interests meaning that self-interest does not exclude interest for others; (3) company is not only based on contractual agreements and company is also association of people; and (4) role of the company is not maximization of shareholders' wealth, yet self-actualization of all stakeholders.

Although not so much literature is available on this academic area of procurement planning and procurement as a whole, available literature advises that as much as procedures can be laid down very well, poor service delivery and governance remains an overwhelming challenge in most African countries; and that the factors attributed to be affecting local governments include the following among others: Poor infrastructure, corruption, Risk of integrity, lack of enough funds, challenge of choice of the right service provider, Poor communication, financial mismanagement and non-compliance with financial legislation, inadequate skills, general indiscipline and misplaced priority.

# CHAPTER THREE

# METHODOLOGY

## 3.1 Introduction

This lays out the methodology that was used to investigate the research problem. The chapter covers: The study design, study population and sample, data collection methods and instruments, data quality control (validity and reliability), and procedure of data collection, data analysis, measurement of variables and ethical considerations.

## 3.2 Research design

The study was hinged on the cross sectional survey design owing to its potential to enable systematic description that is as factual and as accurate as possible (Ezeani, 2009). Across sectional survey is less time consuming and easy to apply. In addition, the study applied both quantitative and qualitative approaches towards data collection and analysis. Creswell (2009) argues that quantitative methods are less subjective and helpful in investigating relationships between the identified variables. On the other hand, qualitative approaches involved in-depth probe and application of subjectively interpreted data. Quantitative and qualitative approaches were adopted in sampling, collection of data, data quality control and in data analysis. The study data was collected from the respondents at a single point in time to examine the relationship between procurement planning and service delivery, the variables of interest. The questionnaires were applied to collect demographic and quantitative data, while the interview guides generated qualitative data.

## 3.3 Study population

According to Mugenda and Mugenda (2003), population in the research context refers to an entire group of individuals, events or objects having common observable characteristics - the aggregate of all that conforms to a given specification. Such participants make up the study population. The population under study was two hundred forty eight (248) people. It was made up of staff members (including health staff, but excluding Primary and secondary teaching sector); and Councilors (LC V, Sub-Counties and Divisions).

## 3.4 Sample size and Selection

The study was based on a sample size of 149 people that was drawn from a population of 248. The sample size of 149 was calculated using Krejcie and Morgan’s (1970) table. Furthermore, Krejcie and Morgan (1970) assert the need to treat each sub-group as a population and then use the table to determine the recommended sample size for each sub-group, as shown in Table 3.1 below:

Table 3.1: Showing the population, sample size and sampling techniques

|  |  |  |  |
| --- | --- | --- | --- |
| **Category of respondents by User Departments** | **Population** | **Sampling size** | **Sampling techniques** |
| **Staff:** | | | |
| Heads of departments at District | **9** | 9 | Purposive |
| Heads of departments at Sub-Counties (including Divisions); | **162** | 78 | Simple Random |
| Contracts Committee | **5** | 5 | Purposive |
| Representatives of User Departments | **10** | 10 | Purposive |
| Councilors: | | | |
| Department of Statutory Body (LCV) | **43** | 25 | Simple Random |
| Chairpersons of Works Committee | **19** | 16 | Simple Random |
| **Total** | **248** | **149** |  |

*Source: Ntungamo District Service Commission and District Records Data (2016)*

## 3.5 Sampling Techniques and Procedure

Both probability and non-probability sampling techniques were adopted in selecting the sample.

### 3.5.1 Probability Sampling

Probability sampling is a qualitative sampling technique which gives every member an equal chance of being selected. According to Amin (2005), random sampling gives every member an equal chance of being recruited into the sample. A sample frame was constructed and then the members were randomly sampled. In applying simple random sampling, all such subsets of the frame were given an equal probability. Furthermore, any given pair of elements had the same chance of selection as any other such pair (and similarly for triples, and so on). This minimized bias and simplified analysis of results. This method of sampling was applied to the Heads of Departments at sub-county levels; Department of Statutory Body and Chairpersons of works Committee.

### 3.5.2 Non Probability Sampling

The study used purposive sampling techniques. The researcher chose the Heads of Departments at the District, Representatives from user departments, and Contracts committee members, based on his own knowledge and judgment. The researcher chose the sample on the basis of the respondents’ levels of education and their experience.  According to Onen (2005) purposive sampling enables a researcher to choose participants of his own interest based on education and experience. It gave chance to the researcher to recruit into the sample respondents who were ready and had sufficient knowledge and experience on the subject under investigation.

## 3.6 Data Collection Methods

Both primary and secondary data were obtained. Primary data was gotten through self-administered questionnaires and interview guides to respondents following systematic and established academic procedures as proposed by (Ezeani, 2005).

### 3.6.1 Questionnaire Survey method

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Neuman (2012) argues that although questionnaires are often designed for statistical analysis of the responses, this is not always the case. The researcher used the questionnaire survey method because it is practical and can facilitate collection large amounts of information from a large sample in a short period of time and in a relatively cost effective way. The questionnaires were administered to: staff at the district, sub-counties, including representatives of user departments and contracts committee; the councilors at the district, divisions and sub-counties and opinion leaders. The results of the questionnaires were quickly and easily quantified by the researcher through the use of a software package. A questionnaire was used because it is economical, a large group of respondents is covered within a short time, it also allows in-depth research, to gain firsthand information and more experience over a short period of time (Earl-Babbie, 2013). The questionnaire consisted of both closed and open-ended questions. The questionnaires were self-administered and in this case, were given to teachers, student leaders and Head teachers.

### 3.6.2 Interviews

An interview is a conversation between two or more people where questions are asked by the interviewer to elicit facts or statements from the interviewee. Interviews were used because they have the advantage of ensuring probing for more information, clarification and capturing facial expression of the interviewees (Basheka, 2012, unpublished lecture notes). In addition they also give an opportunity to the researcher to revisit some of the issues that have been an over-sight in other instruments and yet they are considered vital for the study. Personal Interviews were conducted with a selected number of respondents. Interviews were conducted with Heads of departments (09); Contracts Committee (05) and representatives of User Departments (10).

### 3.6.3 Documentary Review

Secondary data were obtained through the use of published and unpublished documents. Various publications, magazines and newspapers reports, historical documents and other sources of published information were reviewed by the researcher. According to Ragin (2011), secondary data can be helpful in the research design of subsequent primary research and can provide a baseline with which the collected primary data results can be compared to other methods. According to Ragin (2007), documents can be helpful in the research design of subsequent primary research and can provide a baseline with which the collected primary data results can be compared to other methods.

## 3.7 Data collection Instruments

The instruments used for data collection were; questionnaires, interview guide and documentary review checklist.

### 3.7.1 Questionnaire

A questionnaire is a reformulated written set of questions to which respondents record their responses, usually within rather closely defined alternatives. The questionnaire was used on the basis that the variables under study could not be observed, for instance, respondents’ views, opinions, perceptions and feelings. The questionnaire was equally used because the information had to be collected from a large sample in a short period of time yet the respondents given the fact that the respondents can read and write (Bill, 2011). In this study, a self-administered questionnaire was used to draw information regarding the study. The researcher chose the questionnaire as an instrument because the study was virtually descriptive and the tool is an easy method of data collection (Ahuja, 2005; Mugenda and Mugenda, 1999).

### 3.7.2 Interview Guide

The interview guide was used to collect the data. Interviews were person to person verbal communication in which one person or a group of people was interviewed at a time. Interviews were used because they have the advantage of ensuring probing for more information, clarification and capturing facial expression of the interviewees (Amin, 2005). In addition they also gave an opportunity to the researcher to revisit some of the issues that had been an over-sight in other instruments and yet they are considered vital for the study. Moreover, interviews enabled the collection of data that could not be directly observed or was difficult to put down in writing and to capture meanings beyond words. Interviews were personal interviews and were conducted with Heads of departments, Contracts Committee members and representatives of User Departments.

### 3.7.3 Documentary Review List

The documentary review list was used for purposes of reviewing documentary data. Documentary data was obtained through the use of published and unpublished documents. According to Amin (2005), documents can be helpful in the research design of subsequent primary research and can provide a baseline with which the collected primary data results can be compared to other methods.

## 3.8 Quality Control of Data Collection

Data quality control techniques ensured that data collected was valid and reliable; the instruments were first tested to ensure validity and reliability.

### 3.8.1 Validity

Validity is the ability to produce findings that are in agreement with theoretical or conceptual values in other words, to produce accurate results and to measure what is supposed to be measured. A research instrument is said to be valid if it actually measures what it is supposed to measure (Amin 2003). The validity of the research instrument was checked using face and content validity approaches by expert judgment. In order to ensure validity of the instrument, the drafted questionnaire was given to supervisors and colleagues for critical assessment of each item. They were requested to state the relevance or non- relevance (NR) of each item. They were also asked to check for language and clarity of the questions. The Content Coefficient Validity Index (CVI) was computed using standardized measures and appropriate adjustment was generated from the formula below; the CVI was generated from the formula.

According to Amin (2005), a validity coefficient is acceptable if it is within the statistical range of: 0.5 ≤ CVI ≤ 1 (from 0.5 to 1).In addition, the researcher took full control of data collection and documentation of sources. The proportions of relevant were computed from each expert as follows:

**Table 2: Validity Test Results**

|  |  |
| --- | --- |
|  | **CVI** |
| **Expert 1** | **0.75** |
| **Expert 2** | **0.78** |
| **Expert 3** | **0.72** |
| **Expert 4** | **0.70** |
| **Expert 5** | **0.75** |

*Source: primary data*

Since the results from the experts were all above 0.7, this implied that the questions were relevant.

### 3.8.2 Reliability of instruments

Reliability is dependability or trustworthiness of a study instrument. In the context of measuring instrument, it is the degree to which the instrument consistently measures whatever it is measuring (Amin. 2003).An instrument is reliable if it produces the same results whenever it is repeatedly used to measure trait or concepts from the same respondents even by other researchers. Reliability in this study was established by testing for both consistency and stability consistency to indicate how well the items measured the study concept (Sekeran2003). Cronbach and alpha was then computed in terms of the average inter-correlation among the items. Sekaran (2003) argues that the closer Cronbach alpha is to 1, the higher the internal consistency or reliability.

**Table 2: showing Reliability Results**

|  |  |  |
| --- | --- | --- |
| **Theme** | **No. of Items** | **Cronbach's Alpha** |
| Motivation | 20 | 0.977 |
| Staff Performance | 16 | 0.981 |

*Source: Primary data*

The results above show that Cronbach alpha values for motivation and staff performance are above 0.70. This means that the questions set were reliable as can be seen in the table above.

## 3.9 Procedure for Data collection

After obtaining clearance to carry out field data collection from Uganda Management Institute, formal authorization was got from the selected study area. A formal undertaking to protect the respondents’ identity was done using signed consent upon participation. This was preceded by training a small core of research personnel (namely 2 research assistants), who then went to the field to formally gather data sets.

## 3.10 Data Analysis

Data were analysed both qualitatively and quantitatively

### 3.10.1 Qualitative analysis

Qualitative data analysis is the range of processes and procedures from the qualitative data that have been collected into some form of explanation, understanding or interpretation of the people and situations under investigation. Qualitative data analysis is usually based on an interpretative approach (Neuendorf, 2002). Qualitative data responses were transcribed, sorted and classified. The analysis was done manually and responses were summarized in a narrative form of presentation of the major findings of the study. The technique for qualitative data analysis was content analysis.

### 3.10.2 Quantitative Analysis

Quantitative analysis is a systematic approach to investigations during which numerical data is collected and/or the researcher transforms what is collected or observed into numerical data (Yin, 2008). Quantitative data was coded and entered into Statistical Package for Social Scientists (SPSS) data editor. Descriptive statistics such as measures of central tendency were used to describe and summarize data. These included the mean, mode, and median.

## 3.11 Measurement of study variables

The variables of the study were measured using a five-likert scale. Different variables were measured at different levels, that is, variables were measured using nominal, ordinal, interval and ratio scales. The five-Likert scale ranged from 5 to 1, where 5 indicated ‘strongly agree’, and, 1, ‘strongly disagree’. Different research instruments which were proved reliable and valid to use, were appropriate to formulate the different questions measuring different items.

## 3.12 Ethical Considerations

The respondents’ names were withheld to ensure anonymity and confidentiality in terms of any future prospects. The researcher endeavored to be as objective as possible during the data collection and data analysis exercise. Interviewer bias was minimized or eliminated by the interviewer blinding himself to the outcome of interest. This minimized performance variability and decrease performance bias. In addition, this research avoided plagiarism.

# CHAPTER FOUR

# DATA PRESENTATION, INTERPRETATION AND ANALYSIS

## 4.1 Introduction

This chapter comprises of a presentation of results and their interpretation. The presentation in this chapter shows the results were analyzed according to the objectives of the study. The chapter begins with the demographic characteristics of the respondents such as age, gender and educational level which were presented using and figures. The descriptive data for the objectives are also presented using frequencies and percentages where responses were rated using a scale of 1 to 5 where 5 (strongly agree), 4 (agree), 3 (not sure), 2 (disagree) and 1 (strongly disagree).

## 4.2 Response rate in regards to this research:

**Table 4.2: Response rate**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Response rate** | **Received** | | **Non response** | | **Expected response** | |
| Frequency | Percentage | Frequency | Percentage | Frequency | Percentage |
| Sample size | 149 | 100% | 0 | 0 | 149 | 100% |

**Source:** Primary data

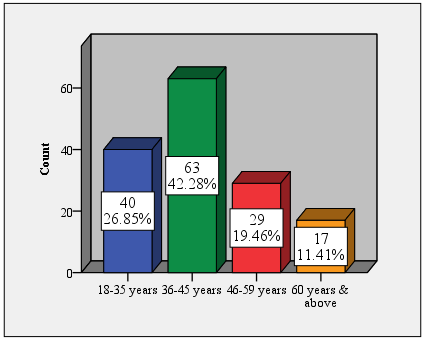
The response to the questionnaire was 100% (149), since all the respondents responded to the questionnaires and interviews. The high response rate was attributed to the high level of ethical behavior and hard work that the researcher put into. For example respondents were told that the study was strictly for study purposes and that their names would not be disclosed which gave them confidence to respond. More so, the researcher gave the research more time especially in data collection i.e. more than a month which helped him in acquiring the necessary information. With that high response rate, the findings of the study were representative of the actual population and could therefore be generalized, as observed by Sekaran (2003).

## 4.3 Demographic characteristics of respondents

The background information of respondents was deemed necessary, premised on the notion that respondents’ ability to give satisfactory information on the study variables greatly depends on their background. The background information of respondents solicited data on the samples and this has been presented below categorized into; gender, age and level of education.

### 4.3.1 Age of the respondents

The figure below shows the age of respondents who were staff members and councillors of Ntungamo DLG and the data in the figure was interpreted below



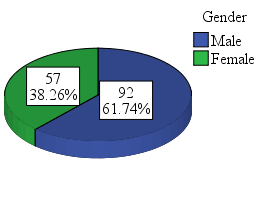
**Figure 4.2: Age of the respondents**

**Source:** Primary data

From figure 4.2, the study revealed that majority of respondents, 42.3% are between 36-45 years, followed by 26.9% who are between 18-35 years, followed by 19.5% who are between 46-59 years while those with 60 years and above constituted the minority represented by 11.4% of the total population. The high number of those above 36 years shows that the researcher was able to get valid information about procurement planning and its effects on service delivery since such respondents had been working for quite some time since age goes with experience.

### 4.3.2 Gender of respondents

The figure below shows the gender of respondents who are staff members and councillors of Ntungamo DLG and the data in the figure was interpreted below;



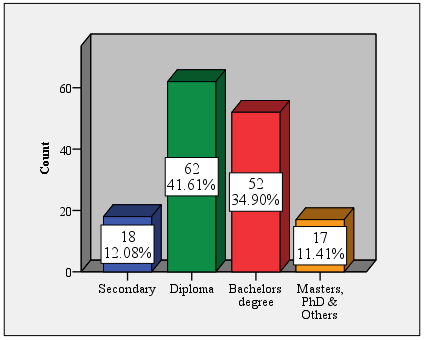
**Figure 4.3: Gender of the respondents**

**Source:** Primary data

From figure 4.3, the study results showed that majority of respondents (62%) were male while female made up 38%. This implies that there were more men employed in Ntungamo DLG compared to women. The involvement of both men and women also implies that the researcher was able to attain information about procurement planning and its effects on service delivery from different people in order to get differing views and to avoid bias.

### 4.3.3 Education level of the respondents

The figure below shows the education level of respondents who are staff members and councillors of Ntungamo DLG and the data in the figure was interpreted below:



**Figure 4.4: Level of education**

**Source:** Primary data

From figure 4.4, the study revealed that majority of respondents 41.6%held diplomas certificates, followed by 34.9% who held bachelor’s degrees, 12% held either Masters or PhDs whereas 11% had also at least attained secondary education. It can therefore be noted that majority of the respondents were qualified enough to answer the questionnaires and they had vast knowledge about procurement planning and its effects on service delivery.

## 4.4 Relationship between user-needs identification and service delivery in NDLG

The table below shows the relationship between user-needs identification and service delivery in Ntungamo DLG.

Table4.3: Relationship between user-needs identification and service delivery in Ntungamo DLG

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement** | **N** | **Mean** | **St. Dev** | **Mean Rank** |
| Needs identification is done in Ntungamo DLG to enhance better service delivery | 149 | 4.25 | 0.615 | 1 |
| The need is clearly defined by the responsible Procurement Personnel in the Procurement Unit | 149 | 4.16 | 0.680 | 1 |
| Thorough needs assessment is undertaken by the respective Head of Departments (HoDs)/Unit Heads for the required goods and services | 149 | 4.02 | 0.952 | 1 |
| Identified needs are approved by Procurement Committee before any purchase is made | 149 | 4.16 | 0.861 | 1 |
| The different user departments adequately undertake to identify required goods to be procured | 149 | 4.25 | 0.781 | 1 |
| The different User departments adequately undertake to identify required works to be procured in the FY | 149 | 4.31 | 0.650 | 1 |

**Source:** Primary data

Table 4.3 above shows therespondents’ views regarding user-needs identification and service delivery in Ntungamo DLG using means and standard deviations. The scores of disagree and strongly disagree were (equivalent to mean score of 0 to 2.4 on the continuous Likert scale). The score of ‘not sure’ was (equivalent to a mean score of 2.5 to 3.4 on the continuous Likert scale). The score of ‘agree and strongly agree’ were (equivalent to a mean score of 3.5 to 5.4 and on a continuous Likert scale). A standard deviation of >1.5 implied a significant difference on respondents’ views regarding the relationship between user-needs identification and service delivery.

Regarding statement one, of the total number of 149 respondents, general responses scored a mean of 4.25, a standard deviation of 0.615 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed that needs identification is done in Ntungamo DLG to enhance better service delivery. This implies that the local government only critically follows the procurement process by first identifying the need so as procure only what is needed.

Regarding statement two, of the total number of 149, general responses scored a mean of 4.16, a standard deviation of 0.680 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed that the need is clearly defined by the responsible Procurement Personnel in the Procurement Unit. This therefore implied that the PDU is responsible for making sure that the identified needs are clearly defined so as to reduce any discrepancies that might occur if the needs are not clearly defined.

Regarding statement three, of the total number of 149, general responses scored a mean of 4.02, a standard deviation of 0.952 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed that thorough needs assessment is undertaken by the respective Head of Departments (HoDs)/Unit Heads for the required goods and services. This implied that all stakeholders were engaged in the process of needs assessment in the local government so as to enhance transparency in the procurement process.

Regarding statement four, of the total number of 149, general responses scored a mean of 4.16, a standard deviation of 0.861 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed that identified needs were approved by Procurement Committee before any purchase was made.

Regarding statement five, of the total number of 149, general responses scored a mean of 4.25, a standard deviation of 0.781 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed thatthe different user departments adequately undertake to identify required goods to be procured. This showed the need for institutions and any other entities to always make sure that the user department identifies what is needed so as to avoid issues of procuring goods that are not needed or which are not up to the standard.

Lastly, regarding statement six, of the total number of 149, general responses scored a mean of 4.31, a standard deviation of 0.650 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed thatthe different User departments adequately undertake to identify required works to be procured in the FY.It can thus be concluded that there is a positive relationship between user-needs identification and service delivery since respondents agreed with the statements put across.

## 4.5 The extent to which choice of procurement methods affect service delivery in Ntungamo DLG

Table 4.4: Extent to which choice of procurement methods affect service delivery inNtungamo DLG

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement** | **N** | **Mean** | **St. Dev** | **Mean Rank** |
| Procurement methods are written down to guide the process of procurement in the procurement plan | 149 | 4.44 | 0.503 | 1 |
| Bid documents has functional specifications of the procurement in bid documents | 149 | 4.33 | 0.477 | 1 |
| Technical abilities of suppliers are evaluated before contract is awarded | 149 | 4.27 | 0.580 | 1 |
| Performance standards and requirements are clearly specified in the bids for contracts | 149 | 4.22 | 0.420 | 1 |
| Ntungamo DLG regularly solicits for quotations from a number of service providers where value allows or circumstance does not allow restricted bidding | 149 | 3.71 | 0.815 | 2 |
| Periodic Supplier Audits are undertaken to correct compliance errors | 149 | 3.40 | 1.009 | 3 |
| In Ntungamo DLG, direct procurement through Sole source department where exceptional circumstances prevent use of competition, is used | 149 | 4.02 | 0.657 | 1 |
| There is competent bid evaluation committee appointed, and approved by contracts committee, on recommendation of the PDU to evaluate bids | 149 | 4.31 | 0.468 | 1 |
| Evaluation is considered in accordance with methodology and criteria stated in the solicitation bid | 149 | 4.62 | 0.490 | 1 |
| Supplier Evaluation is periodically done to ensure good quality of goods and services | 149 | 4.56 | 0.503 | 1 |

**Source:** Primary data

Table 4.4 above shows analysis on the extent to which choice of procurement methods affected service delivery in Ntungamo DLG using means and standard deviations. The scale was: Strongly agree (5), agree (4), not sure (3), disagree (2) and strongly disagree (1). The scores of disagree and strongly disagree have been taken to present a variable which mattered to a *Small Extent* (equivalent to mean score of 0 to 2.4 on the continuous Likert scale: (0≤ S.E <2.4). The score of ‘not sure’ was considered to represent a variable that mattered to a *Moderate Extent* (equivalent to a mean score of 2.5 to 3.4 on the continuous Likert scale: (2.5≤ M.E <3.4). The score of ‘agree and strongly agree’ have been taken to represent a variable that mattered to a *Large Extent* (equivalent to a mean score of 3.5 to 5.4 and on a continuous Likert scale: (3.5≤ L.E <5.4).

From table 4.3 above, the respondents scored all the statements in the range of *Large Extent*, except “Periodic Supplier Audits are undertaken to correct compliance errors” which scored a mean of 3.4 (*Moderate Extent*).The following therefore show that to a greater extent respondents agreed that the choice of procurement methods affect service delivery in Ntungamo DLG:

Respondents agreed that evaluation is considered in accordance with methodology and criteria stated in the solicitation bid (mean 4.62, SD 0.49). This implies that NDLG follows different criteria stated in the bid document when evaluating suppliers to enhance transparency. Respondents agreed that supplier evaluation is periodically done to ensure good quality of goods and services (mean 4.56, SD 0.50). Respondents also agreed that procurement methods are written down to guide the process of procurement in the procurement plan (mean 4.44, SD 0.5).

Respondents further agreed that bid documents have functional specifications of the procurement in bid documents (mean 4.33, SD 0.48). Respondents also agreed that there is competent bid evaluation committee appointed, and approved by contracts committee, on recommendation of the PDU to evaluate bids (mean 4.31, SD 0.47). Respondents agreed that technical abilities of suppliers are evaluated before contract is awarded (mean 4.27, SD 0.58).

Respondents further agreed that performance standards and requirements are clearly specified in the bids for contracts (mean 4.22, SD 0.42). Respondents also agreed that in Ntungamo DLG, direct procurement through Sole source department where exceptional circumstances prevent use of competition, is used (mean 4.02, SD 0.66). Lastly, the respondents agreed that Ntungamo DLG regularly solicits for quotations from a number of service providers where value allows or circumstance does not allow restricted bidding (mean 3.71, SD 0.82). However, most of the respondents were not sure whether periodic supplier audits are undertaken to correct compliance errors represented by (mean of 3.40 and SD 1.00).

It can be deduced from the findings that respondents agreed that consideration of evaluation in accordance with methodology and criteria stated in the solicitation bid (mean 4.62, SD 0.49) and periodical supplier evaluations done to ensure good quality of goods and services (mean 4.56, SD 0.50) were the choices of procurement methods that had the greatest effect on service delivery in Ntungamo DLG.

## 4.6 Findings on the relationship between procurement work planning and service delivery in Ntungamo DLG

# Table 4.5: Results on procurement work planning Ntungamo DLG

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement** | **N** | **Mean** | **St. Dev** | **Mean Rank** |
| Ntungamo DLG has procurement work plan which spells out contract management plan | 149 | 3.80 | .878 | 2 |
| Top management support procurement work planning process in Ntungamo DLG | 149 | 3.70 | 1.112 | 2 |
| Ntungamo DLG usually prepares a well laid down procurement work plan before any procurement is done | 149 | 3.93 | 1.021 | 2 |
| PDU prepares a consolidated procurement work plan subject to the approved annual budget | 149 | 4.09 | .830 | 1 |
| The consolidated procurement work plan is strictly followed | 149 | 3.93 | 1.208 | 2 |
| In Ntungamo DLG, all procurement requisitions are usually within the approved procurement work plan | 149 | 4.22 | 0.618 | 1 |
| Procurement work plan helps Ntungamo DLG to set targets against which to measure performance in the service delivery | 149 | 4.25 | 0.544 | 1 |

**Source:** Primary data

Table 4.5 above shows analysis of results on procurement work planning and service delivery in Ntungamo DLG using means and standard deviations. The scores of disagree and strongly disagree were (equivalent to mean score of 0 to 2.4 on the continuous Likert scale). The score of ‘not sure’ was (equivalent to a mean score of 2.5 to 3.4 on the continuous Likert scale). The scores of ‘agree and strongly agree’ were (equivalent to a mean score of 3.5 to 5.4 and on a continuous Likert scale). A standard deviation of >1.5 implies a significant difference onthe relationship between procurement work planning and service delivery in Ntungamo DLG.

Regarding statement one, of the total number of 149 respondents, general responses scored a mean of 3.80, a standard deviation of 0.878 and a mean rank of 2 out of 5. Such a mean response implies that generally, the respondents agreed that Ntungamo DLG had a procurement work plan which spells out contract management plan.

Regarding statement two, of the total number of 149, general responses scored a mean of 3.70, a standard deviation of 1.112 and a mean rank of 2 out of 5. Such a mean response implies that generally, the respondents agreed that top management supported procurement work planning process in Ntungamo DLG.

Regarding statement three, of the total number of 149, general responses scored a mean of 3.93, a standard deviation of 1.021 and a mean rank of 2 out of 5. Such a mean response implies that generally, the respondents agreed that Ntungamo DLG usually prepared a well laid down procurement plan before any procurement was done.

Regarding statement four, of the total number of 149, general responses scored a mean of 4.09, a standard deviation of 0.830 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed thatPDU prepares a consolidated procurement work plan subject to the approved annual budget.

Regarding statement five, of the total number of 149, general responses scored a mean of 3.93, a standard deviation of 1.208 and a mean rank of 2 out of 5. Such a mean response implies that generally, the respondents agreed thatthe consolidated procurement plan is strictly followed.

Regarding statement six, of the total number of 149, general responses scored a mean of 4.22, a standard deviation of 0.618 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed that in Ntungamo DLG, all procurement requisitions were usually within the approved procurement work plan.

Lastly, regarding statement seven, of the total number of 149, general responses scored a mean of 4.25, a standard deviation of 0.544 and a mean rank of 1 out of 5. Such a mean response implies that generally, the respondents agreed that procurement work plan helps Ntungamo DLG to set targets against which to measure performance in the service delivery. It can therefore be concluded that there is a positive relationship between procurement work planning and service delivery.

## 4.7 Procurement work planning and quality of service delivery (Qualitative)

Respondents were further asked whether procurement work planning enhanced quality of services to the local person and most of them noted that procurement work planning greatly enhances quality of services to the local person in different ways. For example, they noted that procurement work planning clearly spells out what needs to be achieved through user departments’ specifications, which greatly enhances service delivery. Others noted that through procurement work planning, the local government is able to set the right priorities that need to be achieved; this enhances service delivery. Lastly, the others pointed out that through procurement work planning, the risks that would arise and disrupted service delivery are easily dealt with. One of the senior employees in Ntungamo DLG had this to say:

Through effective procurement work planning coupled with stakeholder involvement in the planning process like the community leaders and the local government heads, we are able to identify what the community needs and from what is required, we look for the priority or what needs to be done urgently. This helps us to plan how we can deliver such a service, at what cost, where to get such a service and the right persons to deliver such a service which has always helped us in delivering the right services to the people in the community.

## 4.8 Influence of political forces on high value contracts (Qualitative)

Respondents were further asked if they think that high value contracts are influenced by political forces and most of the interviewees said yes. The reasons for their answers were that high value contracts involve a lot of money of which most people in the political arena want to get so as to acquire wealth. Others noted that the increased corruption and poor accountability and audits greatly influence the value of contracts. One of the councilors in Ntungamo DLG had this to say:

Due to the high increase of corruption tendencies coupled with poor checks and balances, political forces are always interested in the high value contracts in the local government since they know that they law will not catch up to them. Remember that these high value contracts involve a lot of money and due to the greediness of most political forces, they want to acquire more wealth and since they are the one responsible for checks and balances in the local government, they always make sure that they get such contracts since they know that they are the one after all who will do the audits and obviously, they can’t hold themselves accountable.

## 4.9 Ethical procurement behaviors practiced in Ntungamo DLG NDLG (Qualitative)

Respondents were asked whether ethical behaviors were practiced in Ntungamo DLG. Majority of the interviewed respondents noted that some ethical considerations like involvement of all decision makers in the procurement process were followed. However, they also noted that most of these ethical considerations especially to do with the selection criteria and the evaluation criteria plus the award of contracts were not followed. One of the councilors in Ntungamo DLG had this to say:

However much there are many ethical procurement behaviors supposed to be followed and practiced in the local government, not all ethical behaviors are practiced. For example ethical behaviors especially on the supplier selection, evaluation criteria and awarding of contracts are not followed since every person in the procurement process always aims at getting the best deal where they can gain at the expense of the masses and the law.

## 4.10 Replacement of district tender board with contracts committees (Qualitative)

Respondents were further asked whether they think that replacement of the district tender board with contracts committees had brought in some improvements in the service delivery in the district. To this, most of the interviewed staff noted that to a greater extent there have been some improvements. The reason for the improvements was that these contracts committees had enough expertise about handling of the procurement process compared to the district tender board since the contracts committees were usually chosen on merit. Others noted that there were some improvements because the district tender board has people who are greedy for money and it was always hard to get accountability from them. One of the senior staff in Ntungamo DLG had this to say:

It was really a good idea to replace the district tender board with the contracts committees because the people on the contracts committees are usually chosen on merit and have enough expertise and knowledge about the procurement process compared to the district tender board where the selection of people on that board is not very clear which has greatly improved on the service delivery in Ntungamo DLG.

**Secondary data, 2017 from Ntungamo District Local Government, Audit books**

## 4.11 The state of service delivery in Ntungamo DLG in 2017, Audit books

### 4.11.1 Rehabilitation of boreholes

The district entered into a contractor with Multiple Industries Limited for the supply of borehole spare parts. Borehole spare parts worth **UGX.48, 865,700** were supplied to the district and payment made in May 2017.

Analysis of expenditure under Water Department revealed that no expenditure had been incurred to repair, monitor or supervise boreholes in the district. Further Inspection of stores in August 2017 revealed that the borehole spare parts were still in the store. Therefore the main objective for purchasing the spare parts was not achieved.

### 4.11.2 Non supply of a Motor vehicle

Section 2.3.1.1 of the LGFAM, 2007 requires that assets purchased must be those that are required by the local government and careful identification of the necessary assets should be carried out via a capital investment appraisal exercise.

It was noted that the district entered into a contract with Toyota Uganda for the supply of a Hilux pick up double cabin for the Education department and **UGX 196,499,943** was paid to the supplier on the 14th June 2017. However, physical inspection of the assets in August2017 revealed that the motor vehicle was not supplied to the district and neither were its details entered in the assets register. Therefore there is a risk of the district losing funds and not achieving the intended objective of the purchase.

### 4.11.3 Grounded Vehicles

Section 2.3.1.5 of the LGFAM, 2007 requires assets that are not in use to be disposed of in accordance with the procedures in the LGPPDA, 2006. However, a physical inspection of the district parking yard revealed a number of district vehicles that had been grounded and in a deplorable state. Failure to timely dispose of assets results in further loss of value which results in the assets generating less revenue to the District. The vehicles appeared to have been long abandoned as shown in the pictures below;



**Researcher’s analysis:** From the above, it can be seen that however much effective procurement planning has been enhanced, there are still challenges of service delivery in the local government which is likely to continue affecting the performance of the local government, if not dealt with thoroughly.

## 4.12 The state of procurement in Ntungamo DLG according to audit books of 2017

### 4.12.1 Irregular contract award

Regulations 84 (1) of PPDA,LG Regulations 2006 states that a procurement and disposal unit shall submit a recommendation for award of a contract to the contracts committee after completion of the evaluation process and any post-qualification and negotiation process.

To the contrary, it was noted that 3 procurements worth **UGX. 228,793,003** were awarded irregularly as they didn’t meet the evaluations criteria set out in the standard bidding documents. Such awards could lead to incompetent firms taking contracts and subsequently delivering shoddy works.

### 4.12.2 Un-authorized direct procurements

Section 40 (1) of the Local government Public procurement and disposal of Public assets regulations 2006, requires use of direct procurement method where exceptional circumstances prevent use of competition. The regulations further require a Contracts Committee to approve a direct procurement method prior to the commencement of the procurement. Contrary to the above regulation, the district consumed supplies and services worth **UGX170, 552,695,** using direct procurement method without justification and approval by the Contracts Committee. Direct procurements lead to loss of government revenue as they are mainly made in cash and not taxed and, value for money may not be achieved. More still, serving of personal interests may not be ruled out.

**Researcher’s analysis:** From the above report, it can be noted that there were a lot of irregularities in the procurement planning of the local government which could be as a result of incompetence of the Contracts Committee or the increasing corruption tendencies that deter such authorized people from following the right methods and criteria of selecting suppliers.

# CHAPTER FIVE

# SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONAND RECOMMENDATIONS

## 5.1 Introduction

This chapter summarizes all findings reported in chapter four according to questions of the study, makes a discussion of the study findings, draws conclusions, suggests recommendations and lastly, proposes some areas for further research.

## 5.2 Summary of major findings

This section presents a summary of the key study findings on the relationship between user-needs identification and service delivery, the relationship between the choice of procurement methods and service delivery and the relationship between procurement work planning and service delivery in Ntungamo DLG.

### 5.2.1 Relationship between user-needs identification and service delivery in Ntungamo DLG:

The findings revealed that there is a positive relationship between user-needs identification and service delivery. This was manifested where respondents agreed that needs identification is done in Ntungamo DLG to enhance better service delivery represented by (M=4.25; SD=0.615). The respondents also agreed that the needs are clearly defined by the responsible Procurement Personnel in the Procurement Unit for effective service delivery and that thorough needs assessment is undertaken by the respective Head of Departments (HoDs)/Unit Heads for the required goods and services represented by(M=4.16; SD=0.680. The study further revealed that identified needs are approved by Procurement Committee before any purchase is made to enhance service delivery, that the different user departments adequately undertake to identify required goods to be procured for the FY and that the different User departments adequately undertake to identify required works to be procured in the FY.

### 5.2.2 Extent to which choice of procurement methods affects service delivery in Ntungamo DLG

The findings revealed that to a greater extent, the choice of the procurement methods affects service delivery. For example respondents agreed that the local government evaluation is considered in accordance with methodology and criteria stated in the solicitation bid represented with (M=4.62; SD=0.49). The study findings also show that supplier evaluation is periodically done to ensure good quality of goods and services; that procurement methods are written down to guide the process of procurement in the procurement plan andthat bid documents have functional specifications of the procurement in bid documents represented with (M=4.56; SD=0.50). It was also noted that therewas a competent bid evaluation committee appointed, and approved by Contracts Committee, on recommendation of the PDU to evaluate bidsand that performance standards and requirements were clearly specified in the bids for contracts, among others. However, most respondents were not sure whether periodic supplier audits are undertaken to correct compliance errors represented with (M=3.40; SD=1.00).

### 5.2.3 Relationship between procurement work planning and service delivery in Ntungamo DLG:

The findings revealed a positive relationship between procurement work planning and service delivery in Ntungamo DLG. For example most of the respondents agreed that Ntungamo DLG had a procurement work plan which spelt out the contract management plan, leading to better service deliverywith (M=3.80; SD=0.878). It was also noted that top management supported procurement work planning process in Ntungamo DLG for effective service delivery. Respondents agreed that Ntungamo DLG usually prepared a well laid down procurement work plan before any procurement was done, in order to effect service delivery. Notably still, results indicated that PDU prepared a consolidated procurement work plan subject to the approved annual budget, which is a prerequisite for better service delivery. The study revealed that the consolidated procurement plan was strictly followed to enhance service delivery and that the procurementwork plan helped Ntungamo DLG to set targets against which to measure performance in the service delivery.

## 5.3 Discussion of findings

This section presents a discussion of findings on the relationship between user-needs identification and service delivery, the relationship between the choice of procurement methods and service delivery and the relationship between procurement work planning and service delivery.

### 5.3.1 Relationship between user-needs identification and service delivery in Ntungamo DLG

The study findings revealed that needsidentification was done in Ntungamo DLG to enhance better service delivery. The findings are in line with the literature put across byAtkinson (2006) who stressed that the poor identification of needs and suppliers may lead to incorrect goods or services being sought or offered, resulting in additional time, effort and cost. This is true in line with the challenges faced at needs identification stage of procurement and disposal process.

The study findings also revealed that it is important for the different user departments to adequately undertake the initiative to identify required goods to be procured so as to avoid procurements that do not meet the users’ needs hence leading to better service delivery.The findings were also in line with the literature put forward by Batenburg (2006) who compliments that failure to identify needs through the process may lead to procurements that do not fully meet the needs of the agency, potentially incurring wasted time, efforts and cost or inefficiencies and sub-optional assets being procured.

### 5.3.2 Extent to which choice of procurement methods affect service delivery in Ntungamo DLG

The study findings revealed that it is important to consider evaluation in accordance with methodology and criteria stated in the solicitation bid. The findings were in line with the literature put forward by Roehrich (2009) who emphasized that the procurement agency while engaged in pre-qualification should usually take into consideration relevant experience, past performance, capabilities with respect to personnel, equipment, financial position, appropriate managerial capability of the contractors to ensure that contract will be performed successfully. Pre-qualification process is notified and a set of pre-qualification documents is provided to all competitors. After pre-qualification process, the pre-qualified contractors are notified and they become entitled to participate further in the procurement process.

The study findings also showed thatrespondents agreed that periodical supplier evaluations were supposed to be done to ensure good quality of goods and services.The findings are also in line with the literature put forward by Davies (2009) who argued that the choice of procurement methods are meant to put things in order, and ensure value for money, fairness in awards, encourage competition, and promote transparency and accountability among others.

### 5.3.3 Relationship between procurement work planning and service delivery in Ntungamo DLG

The study findings revealed that procurementwork planning helped Ntungamo DLG to set targets against which to measure performance in the service delivery. The findings are therefore in line with the literature put across by Willy and Njeru (2014) who observed that adherence to procurement plans facilitates the identification and appointment of reliable and responsive suppliers, and that the existence of procurement planning enables transparency and accountability, enhanced participation and commitment among procurement personnel and timely allocation of resources, and therefore impacting positively on procurement performance.

The findings also correspond with the literature put forward by Mawhood (1983) who emphasizes that effective Procurement Planning is an important route towards securing the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People; and that a procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

## 5.4 Conclusion

From the study findings, it can therefore be concluded that there are several methods of procurement that need to be critically analyzed before using them in order to attained proper and effective service delivery. Furthermore, it can be concluded that user-needs identification is a very important activity in the procurement process that needs to be given critical attention by the stakeholders involved in the procurement process because without the right needs identification, services that are not needed will be provided which can greatly deter the level of service delivery in the local government.

It can be concluded that the choice of the procurement methods greatly influences service delivery. For example it was noted that the local government evaluation was considered in accordance with methodology and criteria stated in the solicitation bid, that supplier evaluationwas periodically done to ensure good quality of goods and services, that procurement methods were written down to guide the process of procurement in the procurement plan andthat bid documents have functional specifications of the procurement in bid documentsamong others.

Lastly, it can be concluded that procurement work planning is a critical activity in the local government that can greatly facilitate the delivery of services. Therefore, it is necessary thattop management be in total support and a well laid down procurement work plan must be in place to ensure that the procurement process is smooth as this is the only way value for money through effective service delivery can be attainable.

## 5.5 Recommendations

From the above discussions of finding sand conclusion, the following measures were recommended in response to the effect of procurement planning on service delivery in Ntungamo DLG.

The study revealed that there were inconsistences in the procurement, process especially by the political forces that tried to influence the awarding of high value contracts. Therefore, the study recommends that the government should always bring in external auditors that can effectively check whether contract evaluation and awarding is done in the right process so as to enhance fairness in the whole process of procurement planning.

There is need to strengthen the existing laws and regulations, so that those found squandering public money through ineffective procurement process are brought to book and disciplined accordingly. This will reduce on the high corruption and embezzlement tendencies that have eaten up the local government and reduced on service delivery.

The study results showed that user-needs identification is important in enhancing service delivery. It is therefore recommended that the local government gets all the needs of the user department and scrutinize them so that the needs that are of a higher priority are dealt with first as this will help in the right allocation of resources, leading to improved service delivery.

Further, there is need for the management of Ntungamo DLG to inform and assign different roles to the stakeholders involved in procurement planning and orient them on how to best achieve the benefits out of this process.

Equally important is the need to avail adequate resources like money, expertise and human resource by Ntungamo DLG to help in proper procurement planning.

It is further recommended that Ntungamo DLG should put up a team with high expertise who are responsible for proper procurement planning. This will greatly facilitate achievement of value for money on services offered.

Lastly, management of Ntungamo DLG should consider having motivational benefits that can encourage workers or stakeholders involved in procurement planning do it transparently and effectively. This will help to control the likely procurement vices, such as corruption and the like.

## 5.6 Areas for Further Research

Since this study explored the effect of procurement planning on service delivery in Ntungamo DLG, the study recommends that a similar study should be done on other areas concerning this topic and these areas of further research needed include the following:

* The effect of procurement planning on service delivery in private institutions.
* The benefits of proper procurement planning on improved service delivery in the public sector.
* The factors affecting procurement planning on service delivery in public sector organizations.
* The challenges hindering the smooth implementation of procurement planning in enhancement of service delivery.

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# APPENDICES

## Appendix 1: Questionnaire

I am Moses Makafu by names, a Master degree student at Uganda Management Institute. Currently I am at the stage of conducting a research study in partial fulfillment of the requirements for the award of a Master degree in Public Procurement Management of Uganda Management Institute. My research study is on “The effect of Procurement Planning and Service Delivery in District Local Government (DLG)”, with Ntungamo District Local Government (DLG) as a Case Study.

You have been identified as one of the Resourceful and important key respondent on this study. I am therefore kindly requesting you to spare a bit of your precious time and participate in this exercise by giving your opinion as answers to this questionnaire.

I would like to assure you that the information you will provide will be kept and treated with utmost confidentiality and will be used only for academic purposes in addition to adding to the body of knowledge in the Public Procurement Management as a profession.

Kindly tick the relevant box:

**PART A: BACKGROUND INFORMATION**

1. Age:

(a): 18 – 35 years ( ) (b): 36 – 45 years ( )

(c): 46 – 59 years ( ) (d): 60 years and above ( )

2. Gender:

(a): Male ( ) (b): Female ( )

3. Highest education level attained:

(a): Secondary ( ) (b): Diploma ( )

(c): Bachelor Degree ( ) (d): Master Degree, PhD and Others ( )

**In the subsequent Sections: B, C, D and E, kindly tick in the appropriate boxes provided to indicate your level of agreement or disagreement with the statements using the scale 1 – 5 as explained here below:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SCALE** | **1** | **2** | **3** | **4** | **5** |
| Strongly Disagree | Disagree | Not Sure | Agree | Strongly Agree |

**SECTION B: PROCUREMENT WORK PLANNING**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **Parameter** | **SCALE** | | | | |
| **1** | **2** | **3** | **4** | **5** |
| 1 | Ntungamo DLG has procurement plan which spells out contract management plan |  |  |  |  |  |
| 2 | In Ntungamo DLG, procurement begins with “planning” |  |  |  |  |  |
| 3 | Ntungamo DLG usually prepares a well laid down procurement plan before any procurement is done |  |  |  |  |  |
| 4 | Views from User departments are incorporated into the procurement work plan in Ntungamo DLG |  |  |  |  |  |
| 5 | There Procurement budget for the PDU in Ntungamo DLG |  |  |  |  |  |
| 6 | The Procurement plan clearly specifies sources of funds and releases for services to be procured |  |  |  |  |  |
| 7 | The plan for Procurement of services has timelines for release of funds |  |  |  |  |  |
| 8 | Whenever funds are released or procurement, the Chief Administrative officer confirms the releases |  |  |  |  |  |

**SECTION C: USER NEEDS IDENTIFICATION**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **Parameter** | **SCALE** | | | | |
| **1** | **2** | **3** | **4** | **5** |
| 9 | Needs identification is done in Ntungamo DLG |  |  |  |  |  |
| 10 | The need is clearly defined by the responsible Procurement Personnel in the Procurement Unit |  |  |  |  |  |
| 11 | Thorough needs assessment is undertaken by the respective Head of Departments (HoDs)/Unit Heads for the required goods and services |  |  |  |  |  |
| 12 | Identified needs are approved by Procurement Committee before any purchase is made |  |  |  |  |  |
| 13 | The different user departments adequately undertake to identify required goods to be procured for the FY |  |  |  |  |  |
| 14 | The different User departments adequately undertake to identify required works to be procured in the FY |  |  |  |  |  |

**SECTION D: CHOICE OF PROCUREMENT METHODS/PROCESSES**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **Parameter** | **SCALE** | | | | |
| **1** | **2** | **3** | **4** | **5** |
| 15 | Procurement methods are written down to guide the process of procurement in the procurement plan |  |  |  |  |  |
| 16 | Bid documents has functional specifications of the procurement in bid documents |  |  |  |  |  |
| 17 | Bids specify technical specifications for procurements and disposals |  |  |  |  |  |
| 18 | Performance standards and requirements are clearly specified in the bids for contracts |  |  |  |  |  |
| 19 | Ntungamo DLG regularly solicits for quotations from a number of service providers where value allows or circumstance does not allow restricted bidding |  |  |  |  |  |
| 20 | Ntungamo DLG ensures open domestic bidding through adverts |  |  |  |  |  |
| 30 | In Ntungamo DLG, direct procurement through Sole source department where exceptional circumstances prevent use of competition, is used |  |  |  |  |  |
| 31 | There is competent bid evaluation committee appointed, and approved by contracts committee, on recommendation of the PDU to evaluate bids |  |  |  |  |  |

**SECTION E: SERVICE DELIVERY**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **Parameter** | **SCALE** | | | | |
| **1** | **2** | **3** | **4** | **5** |
|  | ***Quality of Service*** | | | | | |
| 31 | Ntungamo DLG has policies that guide the quality of Services to be procured |  |  |  |  |  |
| 32 | Ntungamo DLG has realized a reduction in direct cost associated with the delivery of services |  |  |  |  |  |
| 33 | Ntungamo DLG has realized a reduction in indirect cost associated with the delivery of decentralized public goods and services |  |  |  |  |  |
| 34 | Ntungamo DLG has realized progress in achieving targets in decentralized service delivery |  |  |  |  |  |
| 35 | Ntungamo DLG can now achieve quality of service that is wanted by and for the citizens of the district |  |  |  |  |  |
| 36 | Ntungamo DLG is able to make reasonable savings from its procurement activities |  |  |  |  |  |
| 37 | Quality of service delivery is compromised due to interference by politicians |  |  |  |  |  |
| 38 | There is value for money for the services delivered by service providers/contractors |  |  |  |  |  |
| 39 | Ntungamo DLG has a favourable rating on quality service achievements compared to other LGs |  |  |  |  |  |
|  | ***Delivery Timeof service provision*** | | | | | |
| 40 | Service Delivery is always within the time frame specified in the contract agreement |  |  |  |  |  |
| 41 | Staff and contractors always provide prompt and timely service |  |  |  |  |  |
| 42 | There is full commitment to timely service provision |  |  |  |  |  |
| 43 | Penalties are instituted against service providers that do not adhere to timeframe schedules in the contract agreements |  |  |  |  |  |
| 44 | Domestic bidding is good for timely service delivery |  |  |  |  |  |
|  | ***Complaints*** |  |  |  |  |  |
| 45 | The number of complainants on service delivery has reduced |  |  |  |  |  |
| 46 | Client’s complaints are carefully handled |  |  |  |  |  |
| 47 | There are public complaints associated with poor quality of service |  |  |  |  |  |
|  | ***User Satisfaction*** |  |  |  |  |  |
| 48 | The community in Ntungamo DLG are generally satisfied with the services offered by those responsible for their service delivery |  |  |  |  |  |
| 49 | The Public facilities, goods and services are maximally utilized by the community of Ntungamo DLG |  |  |  |  |  |
| 50 | Feedback from the community in Ntungamo DLG are positive on the goods and services procured from service providers |  |  |  |  |  |

**Thank you very much for your time and participation**

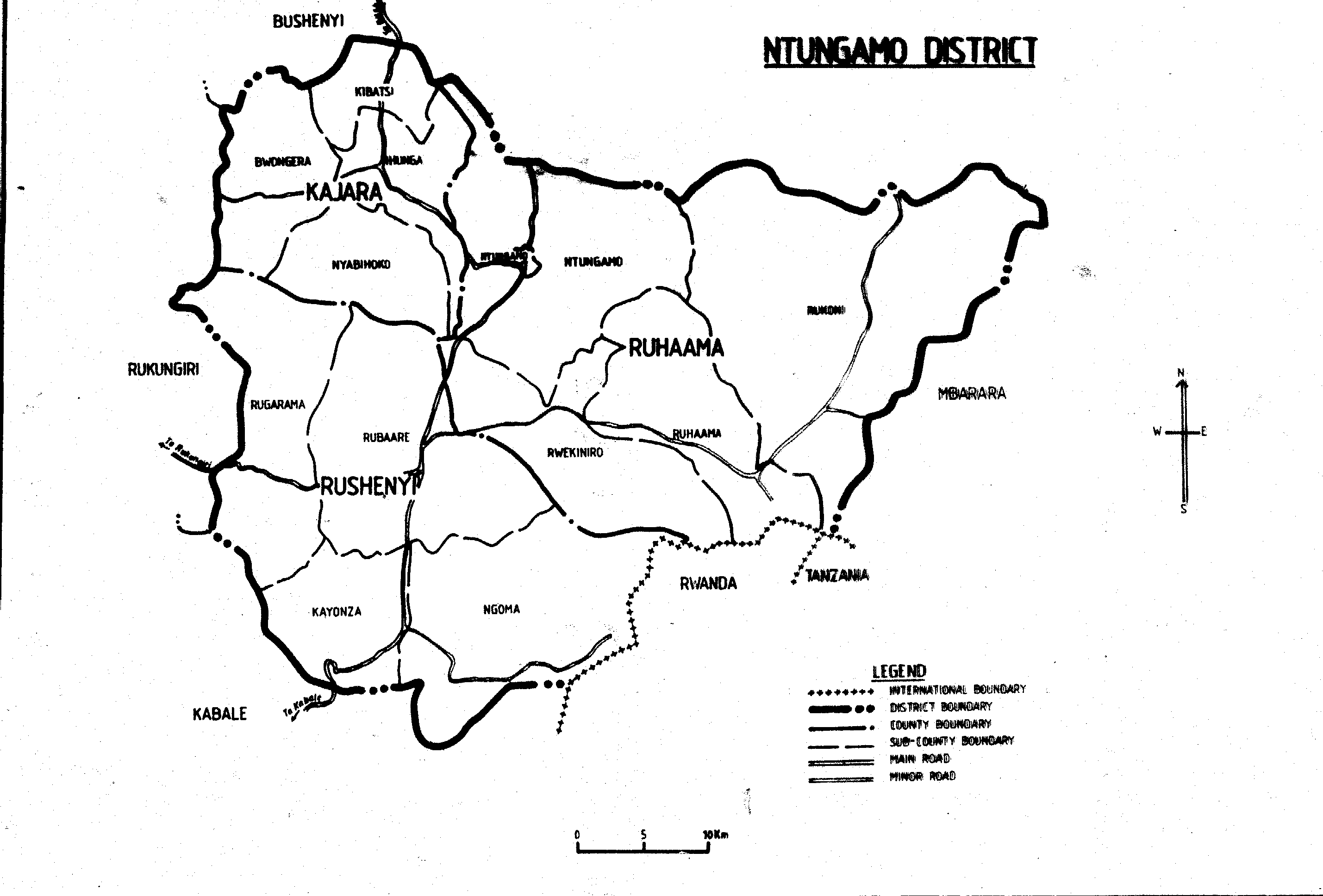
## Appendix II: Interview Guide

**Interview Guide**

1. Can procurement planning enhance quality of service to the local person in Ntungamo District? Please explain your answer
2. In your opinion, do you find procurement planning an important aspect in achieving affective service delivery? Kindly explain.
3. A cross section of people think that high value contracts are influenced by political forces. What is your take on this? If in support of the notion, kindly explain how these forces can hamper effective service delivery.
4. Do you think that all activities are done within approved work-plans and budgets?
5. Are ethical procurement behaviors practiced in Ntungamo DLG? Explain some ethical procurement behaviors you have observed.
6. Do you think replacement of District Tender Board with Contracts committees has brought in some improvements in the Service Delivery in Ntungamo DLG?
7. Who are the Key players in the procurement planning in Ntngamo DLG? Kindly explain the role of each player.

**Thank you very much for your time and participation**

## Appendix III: Map of Ntungamo District



## Appendix IV: Introductory Letter

## Appendix V: Field Research Letter

## Appendix VI: Anti Plagiarism Report