**CONTRACT MANAGEMENT AND PROCUREMENT PERFORMANCE**

**IN PUBLIC UNIVERSITIES OF UGANDA:**

**A CASE STUDY OF BUSITEMA UNIVERSITY**

**BY**

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# DECLARATION

I, Omella Joshua, hereby declare that this dissertation is my original work and has never been submitted for any academic award or publication in any institution or University. Due acknowledgement has been made for the work of others authors in this report, through quotation and references.

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Omella Joshua**

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# APPROVAL

This is to certify that this dissertation entitled **“Contract Management and Procurement Performance in Public Universities of Uganda: A case of Busitema University”** was conducted under my supervision. Its final report is now being submitted to Uganda Management Institute for Examinationswith our approval.

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**Dr. MichaelKiwanuka**

# DEDICATION

This work is dedicated to my parents Mr. Okissa Mungau Elijah Tom and Mrs. Amoo Kanah who gave me the foundation for my education upon which I continue to build. Equally, I dedicate this work to my wife Achanit Angella, my children Mercy, Patricia, PatienceLinda and little Isabella whose support and inspiration enabled me to take up this research study.

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# LIST OF ABBREVIATIONS/ACRONYMS

CTB : Central Tender Board

CVI : Content Validity Index

OECD : Organization for Common Economic Development

PDE : Procurement and Disposal Entity

PPDA : Public Procurement and Disposal Act

# ABSTRACT

This study examined the influence of contract management and procurement performance in Public Universities of Uganda case of Busitema University. Specifically, the study investigated the extent to which contract governance, performance monitoring, closeout/termination influence procurement performance in Busitema University. The study used a cross-sectional study design adopting quantitative and qualitative approaches on a study sample of 120 Busitema University staff and 40 suppliers and contractors. Data was collected using a questionnaire and interview guide. The study found out that contract governance predicted 39.7% of the variance in the procurement performance while contract performance monitoring predicted 21.2% of the variance in the procurement performance and contract termination/closeout predicted 39.1% of the variance in the procurement performance. The study concluded that attainment of procurement performance indicators of value for money and internal customer satisfaction in Procurement and Disposal Entities (PDEs) depends on the establishment of contract governance mechanism, contract performance monitoring and contract termination/closeout practices. The study recommends the Accounting Officer in Busitema University in liaison with User Departments, PDU, Contract Committee and selected contractors/suppliers should use pre-contract performance conferences to illustrate and communicate the contract governance structure, establishment of quality assurance criteria to monitor quality such as delivery inspection committees within the user departments, training of user department and contract managers on contractor/supplier appraisal.

# CHAPTER ONE

# INTRODUCTION

## 1.1 Introduction

The success of contract management is strongly influenced by what happens during all the contracting processes which entails terms and conditions that have been agreed, type of relationship between customer and supplier that has been established during the tendering/ contract award phase among others (Burr, 2008). In this way, contract management is a continuum rather than distinct phases, planned for from the start to the end of the procurement process. The more complex contract management activities are, the greater the resources that can be justified and therefore quality of services rendered to that effect.

Contract management was the independent variable while procurement performance was the dependent variable. The study focused on contracts governance, performance monitoring, termination/closeout and the procurement performance of Public Universities in case study of Busitema University. This chapter presents the background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, research hypotheses, significance of the study and conceptual framework.

## 1.2 Background to the study

This section comprises of the historical background, theoretical, conceptual and contextual background as indicated below.

### 1.2.1 Historical background

The 19th century was characterized by governments in the European countries liberalizing their economies by encouraging the public to deliver services while allowing government entities to concentrate on their core activities requiring the use of contracting and the management of awarded contracts (OECD, 2005).

In addition, CIPS (2012a) reports that contract management success factors are procurement conditions that should be met if a contract is to be managed successfully. The report highlights arrangements for service delivery continue to be satisfactory to both customer and provider; expected business benefits and value for money are being realized; the provider is co-operative and responsive; the customer knows its obligations under the contract; there are no disputes; there are no surprises and satisfactory delivery progress is demonstrable. Esley, R.D. (2007) on his study on contract management and procurement performance argues that contract management is concerned with the fundamental aspect of contract management, that of ensuring that the actual services provided by the supplier or contractor is in accordance with the agreed standards and prices. The ability to measure the performance of the supplier and to provide feedback is critical to successful contract management

In the United States of America**,** contracting and monitoring of government services took precedent in 1920 when contracting/outsourcing was perceived to be the real way to do business. Contract management was characterized by placing orders from which the outsourced provider was to comply by supplying the ordered items or services with no effort directed to appointment of contract managers to monitor the performance of the suppliers and contractors leading to late deliveries affecting the achievement of value for money (Heinbuch, 1996).

In the United Kingdom, contract management was preserved for the appointed administrators was managed by government entities through call-off order procurements requiring less use of an elaborate contract management structure and appointment of contract managers to monitor supplier’s performance. Procurement performance was therefore characterized with late deliveries which constrained achievement of value for money (Dutfield, 1992). In addition, OECD (2005) there still exist weaknesses in the contract management which if well addressed promotes value for money in public procurement in these developed countries.

In Africa, specifically, Sub-Saharan African countries colonial powers introduced similar service delivery through contractors from mainly the colonizing country for civil works, supply of goods and services since the local capacity was not well developed (World Bank, 2005).

Contract management in the East Africa by 1970 was clearly undertaken by outside agents mainly the Crown Agents to supply post-colonial government’s needs through centralized supplies offices largely responsible for procurement contract management in ministries. In Kenya and Tanzania for instance, contract management was then vested in an existing structure with the Central Tender Board (CTB) overseeing contract management on behalf of government with few contract management roles being delegated to the ministerial, regional, district and local administrative units tender boards. However, an evaluation of the procurement reforms in Kenya revealed that public procurement was not operating efficiently and that the public was losing a lot of money through shoddy deals arising from poorly managed contract (Odiambo&Kamau, 2003).

Until 1990in Uganda, the CTB was the chief overseer of awarded government contracts. Given its weakness to oversee among others, effective contract management, the year 1990 saw the introduction of the Directorate of Central purchaser under statute No 3. It was charged with responsibility to procure and monitor government works, goods and services. In 1993 it was transformed into a corporation, the Central Government Purchasing Corporation. In 1997, the Swiss Procurement company was contracted by Ministry of finance to advice on among other public procurement processes including contract management but the procurement processes were still bogged with procurement under performance due to poorly managed CTB contracts leading to late and wrong deliveries and failure to achieve value for money procurements(Agaba&Shipman, 2007).

The poor contract management led to a need to reform the procurement processes and to date, there exists the Public Procurement and Disposal of Public Assets (PPDA) Act, and Regulations, 2003 and also amended PPDA Act and Regulations 2014 within which there exists provisions relating to contract management; a PPDA Authority an institution to oversee effective contract management; Local Government PPDA Regulations of 2006. There also exists an Accounting Officer, the Procurement and Disposal Entities PDE, the Contracts Committee, Procurement and Disposal unit PDU and user departments. Each of these institutions has distinct roles, duties and responsibilities in public procurement contract management aimed at effective service delivery to citizens (PPDA Act and Regulations, 2003; Local Government PPDA Regulations, 2006, amended PPDA Act & Regulations 2014) but achievement of the goal of procuring goods, services and works at the right time, place, cost, and in the right quantity and quality coupled with attainment of value for money procurement performance is still far from being achieved.

It is therefore, evident that in the public sector, managers and policy makers are embracing the role that competition can play in increasing efficiency and effectiveness, and contracting has been widely adopted as a vehicle to achieve reform in the new public management and promoting procurement performance (Hilmer, 1993; Williams, 1994). Similarly, Johnson and Duberley (2000) noted that current available literature demonstrates awareness that the implementation of contracting in sub Saharan Africa must entail new forms of management control and organizational structure which involve new patterns of intra- and extra-organizational relationships. Contract management in all countries therefore became a focus because it was a means of ensuring and serving national interest and needs following the award of the contract to best evaluated bidder. Governments world over acknowledged and recognized the need to examine contract management processes to make it accountable to all stakeholders for enhanced visibility of the procurement function performance (Agaba& Shipman, 2007).

The OECD (2005) concludes that the use of contracting in government services is increasing, as the evidence is fairly clear that contracting out can lead to efficiency gains, while maintaining or increasing service quality levels in both developed and developing countries but offer no empirical evidence on the extent to which contract management could have influenced procurement performance in Uganda or other Sub-Saharan African countries. This study was therefore intended to explore the role of contracting on procurement performance in public Universities of Uganda.

### 1.2.2 Theoretical background

The study was guided by the Principal-Agent theory by Jensen and Meckling (1976). The theory postulates a principal-agent relationship one party, the agent (seen as supplier) is required to perform some services on the behalf of the other party who is the principal. This result into a contractual relationship and because of this relationship there will be a divergence between the actual decisions made by agents and the decisions that would maximize the principal’s benefits which arises because, when making a decision, agents also seek to maximize their own self-interest. This reflects a linkage with the independent variables which is the contract management. For the case of contract management, exercising control over agents by observations of input and output during contract performance is crucial if the principal is to achieve the objective of the procurement which contributes to better performance of the procurement function (Bishop, 1990). This leads to the need to exercise public controls through standardized procedure or legally instituted methods and probably the most important method of control is through the definition of the obligations and duties of public agents to guide contract monitoring, reward, termination and closeout (Schäfer, 2003). According to the Principal-Agent Theory, by Jensen and Meckling (1976) contractual obligations and duties are designed to manage the collection and diffusion of information in a manner which is easily verified and enforced during contract performance.

In regard to the Principal-Agent Theory, this study identified the variable of contract management which demands that the Principal puts in place a contract governance structure, effectively monitors the performance of the Agent (in this case suppliers /contractors), rewards the Agent based on fulfillment of their part of the bargain, removal of delegated function in the event of failure to perform the contract through termination and contract phase out once the objective of the procurement has been achieved.

### 1.2.3 Conceptual background

Chartered Institute of Purchase and Supply (2004, pg. 3), defines a contract management as “The process of systematically and efficiently managing contract creation, execution and analysis for maximizing operational and financial performance and minimizing risk”. Another scholar, Thai (2005) defines contract management as the process of establishing a contractual governance structure, contract termination, contract monitoring and closeout with the purpose of achieving value for money and customer satisfaction with fairly elaborate contract laws, regulations, procedures, processes and guidelines.

Contract management is defined as the process of establishing a contractual governance structure, contract monitoring, contract termination and closeout with the aim of achieving value for money and customer satisfaction with fairly elaborate contract laws, regulations and guidelines (Odiambo&Kamau, 2003; PPDA Act, 2003 and amended PPDA Act & Regulations 2014 ; Thai, 2004).

Contractual governance is defined as the efforts to establish a working organizational structure by deploying the necessary personnel and coordination between the PDE and contracted firm. The governance structure is completed by allocation of clear roles and responsibilities to be performed by the stakeholders in the contract to help achieve the objectives of contracting (Bonifazi&Desouza, 2004; Briscoe & Dainty, 2005; Thai, 2004; Tsang, 2002). In this study contractual governance included two major indicators of contract implementation structure and allocation of roles and responsibilities in the performance of the contract.

Contract performance monitoring is defined as the process involving the procurement official or designated contract administration team carefully monitoring contractor performance in relation to quality, schedules, acceptance, conflict, contractor performance, changes, budgets and payments (Thai, 2004). Some scholars equally noted that in the context of contracting, performance monitoring appears to encapsulate three key areas ensuring the contractor’s work is faithful to the contract terms, identifying the extent of variation in quality and its relationship to cost factors, and determining whether clients and the contracting agency are satisfied with the service (Domberger, 1994; Hall and Rimmer, 1994). In this study contract performance monitoring referred to ensuring that the supplier complies with the quality expectations of the contract and generation of the necessary documentation of the contract performance in form of reports by the PDE.

Contract termination is defined as the separation of the contracting parties during the performance of the contract following breach or failure to perform according to the contractual obligations or provisions. Contract closure is defined as the effort to ensure that all contractual issues have been met, all changes have been incorporated into the final document, all deliverables have been received, all bailed assets and classified documents have been returned and final payment has been made. The procurement official or the contract administrator writes formal closure documents which should contain a narrative identifying and discussing the contractor’s strength and weaknesses in the performance of the contract for further consideration of the contractor (Thai, 2004; Nirmal, Young &Hae, 2006).

There has been no comprehensively developed definition of procurement performance in the public sector other than the establishment of Key Performance Indicators (KPI) in the management of the procurement function (Agaba& Shipman, 2006; Ashworth, 1991; Thai, 2004). However, proxies of value for money and customer satisfactions have been widely used as accepted measures of procurement performance (Agaba& Shipman, 2006; Ashworth, 1991; Thai, 2004). In support of the value for money indicators Foreman, (2003) contends that public procurement should be laid on the Value for money principles defined as a concept associated with deployment of resources vis-a-vis realization of some expected output values. The user department or consumer attempts to attach value to products or services received and compares the same with resources expended widely associated with the economy, effectiveness and efficiency of a product, service or process.

As such from the user or the targeted point of view, value for money is the value (output) attached to some defined cost (input) or a comparison made between the input costs against the value of the outputs and a qualitative and quantitative judgment over the manner in which the resource involved have been utilized and managed (Callender& Matthews, 2002). Value for money is based therefore not only on the acquisition price/cost (economy) but also on the maximum efficiency and effectiveness of a procurement transaction (Cameron, 2004). One might therefore wish to obtain evidence on the contribution of contract management to obtaining value for money (Agaba& Shipman, 2006).

In relation to stakeholders satisfaction Ashworth (1991) identified the achievement of right time, at the appropriate price and quality standards, in the delivery of goods, services and works to provide the client with a high level of satisfaction. The Commonwealth Procurement Guidelines (2005) emphasized that officials buying goods and services need to be satisfied that the best possible outcome has been achieved taking into account all relevant costs and benefits over the whole of the procurement cycle. In this study, procurement performance included the extent to which all works, services and goods purchased by Busitema University meet the value for money and internal customers’ satisfaction.

### 1.2.4 Contextual background

Busitema University is a public university that was established by statutory instrument No, 22, of 2007 enacted by Parliament on May 10, 2007. The University is a merger of former national college of agricultural mechanization Busitema, and the national teachers college Nagongera. It is located along Jinja-Tororo highway, 25km south of Tororo. Nagongera Campus is located along NagongeraBusolwe Road, 21km West of Tororo. Other campuses are at Mbale, Kaliro, Namasagali, Pallisa, and Arapai. The University constitutes six faculties namely, Faculty of Engineering, Health Sciences, Animal & Agricultural Sciences, Natural Resources & Environmental Sciences, Management Sciences, and Faculty of Science and Education. The Faculties provide a number of education services which include training of high standard, promoting excellence in teaching and research, equality of opportunity and contribute to local, national, and international community’s (Busitema University Profile Brochure, 2012).

As a PDE, the functions of the Procurement & Disposal Unit are supposed to facilitate Busitema University to achieve its core values and specific objectives. To perform its functions and achieve its mandate Busitema University has an established Accounting Officer, PDU, Contracts Committee, and User Departments. Each of these institutional components in the procurement institutional framework plays a significant role in contract management for improved performance of the procurement function. However, despite the institution procurement contract management framework, Busitema University has been having problems in its procurement process. For instance, requisitions are made late and failure of meeting procurement objectives (Auditor General Report, 2013).

Busitema University has seen a number of vendors violate contracts that have been signed to deliver goods and services that are meant to better her services for instance some suppliers failed to supply some of the required items as per the specifications given and some supplied after delay. In another scenario, Suppliers have delayed to execute their assigned roles as per signed contracts, supply of assorted training materials for recess term have been partially delivered andof poor quality (PPDA, 2013). It is based on such contextual perspective of contract management and procurement performance that the study was based.

## 1.3 Statement of the problem

Effective contract management is believed to enable organizations to keep track of their contract obligations, commitments and responsibilities as well as their customers and service providers in a manner that does not only save time for the corporations but that also supports business strategies and procedures. In the same pursuit, Busitema University has engaged in contract management strategies that are intended to promote her service delivery. Such as contract governance in terms of contract implementation structure, roles and responsibilities, contract performance monitoring in terms of quality monitoring and documentation. With the help of its PDU, Busitema University has seen the procurement of assorted scholastic materials, assorted drugs, furniture, teaching aids and civil works among others in accordance procuring rules and regulation (PPDA Act, 2003 and Amendment Act, 2014). In addition, successful bidders have been transparently awarded with contracts done through contract governance, contract performance monitoring as well as contract termination and closeout which had yielded positive services to key clients.

In spite of the commitment to contract commitment illustrated above, performance of Busitema University is still far below expectation. For instance during FY 2014/2015, the tender to supply assorted training materials was poorly managed which resulted into suppliers undersupplying assorted training materials which were of poor quality and overpriced, this compromised the quality of services like training of students (Auditor General Report, 2014). Further still, Busitema University tendered to construct a lecture block at Nagongera campus to provide teaching space for its clients which was also managed poorly, resulting in loss of public funds since the contractor was advanced some money( worth UGX 30M) and disappeared up to now (Auditor General Report, 2015). This trend of contract mismatches have undermined the intended objective of Busitema University and equally compromising the quality of expected services. The study therefore, examined the influence of contract management on procurement performance of Public Universities in Uganda: A case of Busitema University.

## 1.4. Purpose ofthe study

The study was to examine the influence of contract management on performance of Uganda’s Public Universities using a case of Busitema University

## 1.5 Specific objectives of the study

The study was guided by the following objectives;

1. To examine the influence of contract governance on procurement performance in Busitema University
2. To establish the influence of contract performance monitoring onprocurement performance in Busitema University
3. To assess the influence of contract termination and closeout on procurement performance in Busitema University

## 1.6 Research questions

The study strived to answer the following research questions namely:

1. How does contract governance influence procurement performance at Busitema University?
2. To what extent does contract performance monitoring influence procurement performance at Busitema University?
3. How does contract termination and closeout influence procurement performance at Busitema University?

## 1.7 Hypothesis of the study

1. Contract governance significantlyinfluenceson procurement performance in Uganda’s Public Universities.
2. Contract performance monitoring significantly influences on procurement performance in Uganda’s Public Universities.
3. Contract termination and closeout significantly influences on procurement performance in Uganda’s Public Universities.

## 1.8 Conceptual framework

The conceptual framework shows the relationship between contract management and procurement performance.

Independent Variable Dependent Variable

**Contract Management Procurement performance**

**Contract governance**

* Contract implementation structure
* Roles &responsibilities

**Contract performance monitoring**

* Quality monitoring
* Documentation

**Contract termination/closeout**

* Termination
* Closeout

**Procurement performance**

* Value for money
* Internal customer satisfaction

*Source: Adopted with modifications from the Principal-Agent theory by Jensen and Meckling, (1976).*

Figure 1 Conceptual framework showing the relationship between the study variables

The conceptual framework shows that contract management is the independent variable and its dimensions include contract governance, performance monitoring, and termination/closeout while procurement performance is the shown as the dependent variable measured in terms of value for money and internal customer satisfaction with suppliers. The assumption is that a sound procurement contract management was associated with better procurement performance while poor contract management was associated with poor procurement performance. Thus, the conceptual framework depicts a many to one relationship.

## 1.9. Scope of the Study

### 1.9.1 Content scope

The study focused on how contract management influences procurement performance. Contract management was restricted to aspects of contract governance, performance monitoring, termination /closeout. Procurement performance was restricted to value for money and internal customer satisfaction with supplies, services and works provided by the contractors, suppliers, and service providers.

### 1.9.2. Geographical scope

The study was conducted at Busitema University, a Public University that is located along Jinja-Tororo highway, 25 km south of Tororo 21 km West of Tororo, Uganda. The reason for the selection of this locality was that the entity standards out to be one of the prominent higher institution of learning which engages in massive procurement of goods, works, supplies, and services that are required to better the delivery of its education services. Secondly, the University is within the locality of the researcher and can therefore be accessed for information.

### 1.9.3 Time scope

The research focused on a period of 2010-2016; the time Busitema University was experiencing problems with procurement performance aspects of value for money and internal customer satisfaction with supplies, services and works as indicated in the PPDA Audit Reports FY, 2011/ 2012, 2012/2013, 2013/2014, and Auditor General Report, 2015.

## 1.10 Significance of the study

The study may be useful in the following ways;

To Busitema University and other parastatals, the study offers an opportunity to express their concerns in contract management which higher authorities need to address to enable them effectively delivery their mandate. The study also provides an opportunity by the management of Busitema University to appreciate the importance of contract governance, performance monitoring, termination and closure and how they influence the performance of the procurement function.

To the government of Uganda and PPDA Authority, the study may offer and help document contract management practices in a government parastatal that may be used to enhance the public procurement policies and regulations to enhance achievement performance of the procurement function.

It is anticipated that the study may educate PPDA Authority on some of the frequent challenges that public institutions of learning encounter resulting from the delay to release public funds to aid timely procurement and therefore delivery of services how best such can be closed to better performance.

To the academia, the study generates new knowledge in the area of public procurement contract management and quality procurement performance in the public sector of a developing country.

## 1.11Justification for the study

Poor procurement performance at Busitema University results into loss of taxpayers’ money, inefficiencies, a lack of value for money in procured goods/services, and unreliability goods and services. Yet no study has been conducted in University to address the problem. Thus, this study was important in that it throws more light on the contract management at Busitema University, which might be useful to rectify problems that were identified during the study to improve on procurement performance.

## 1.12 Definitions of key terms and concepts

**A contract:** This refers to a formal agreement signed and endorsed by key beneficiaries for specific services or between a procuring, disposing entity and a provider.

**Contract management:** It refers to a number sequences followed in awarding a contract that is how systematically and efficiently contracts are created, executed and analyzed to minimize any potential threats or risks to intended procurement of goods and services. In the study, the concept will focus on how governance structures are established, monitoring performance, termination and closeout of the contract in accordance with the procurement rules and regulations (PPDA Act, 2003 and Amendment Act, 2014).

**Contract governance:** This refers to how Busitema University staff manages contracts made with customers, vendors, partners among others. It focuses further on how its personnel get involved in negotiating, supporting, and managing effective contracts among other activities. Contract governance entails contract implementation structure as well as roles and responsibilities

**Contract performance monitoring:** This refers to quality assurance and documentation of contract performance (Thai, 2005). It entails two indicators of namely quality monitoring and documentation.

**Contract termination/closeout:** This refers to the efforts made by key PDU personnel to cancel or terminate the contract of a supplier in cases where they fail to delivery. The concept will entail termination and closeout (Nirmal et al., 2006).

**Procurement performance** in this study refers to the achievement of value for money and internal customer satisfaction with supplies (Foreman, 2003; Thai, 2004).

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Introduction

This chapter presents a review of related literature on contract management and procurement performance based on what other scholars have observed world over. The first section presents the theoretical review. This is followed by a review of related literature in relation to contract management and thereafter the specific objectives of contract governance, performance monitoring, contract termination and closeout and procurement performance.

## 2.2 Theoretical review

O'Donnell et al., (2003) and Liang et al., (2007) while using institutional theory concurs with the institutional theory and highlights that governments entities are always under constant internal and external pressure to comply with existing normative and coercive terms in their strive to deliver the much needed public social services. The institutional theory informs this study that Busitema University in its contract management needs to put in place effective contract governance, performance monitoring, and termination/closeout provisions as required by the procurement law (PPDA Act, 2003andAmendment Act, 2014) and as a norm in all public entities to receive legitimacy.

A related theory to contract management is the contracting theory proposed by Macaulay (1963) which asserts that contracts vary considerably depending on the contracting parties, scope of contract and type of relationship. Macaulay (1963) asserts that a complete contract comprises numerous documents that specify responsibilities, key performance indicators, compensation principles and management routines that the parties to the contract will perform.

In support of the contracting theory, Barthelemy and Geyer (2004) noted that in contracting performance requirements are preferred and more frequent than process requirements, but often combinations are used if the contracts have to achieve the desired results which are usually achieved through process control, performance monitoring in the contractual relationship. The contract theory and practice underpinned this study as it espouses the concepts of contract monitoring a responsibility Busitema University should undertake to ensure the goods, works and services are procured from the right place, at the right time and cost, from the right sources and in the right quality and quantity.

## 2.3 Contract management and procurement performance

According to Lin, et.al, (2007) Contract management, aims at the establishment of the governance structure, contract performance monitoring, contract termination and contract closures after the objective of contracting has been achieved. Zou, et al (2007) further argued that performance agreement should be supported by creating a governance structure that enables productive discussions and offering leverage and incentives to promote the customer’s goals. Through knowledge of each party’s rights and responsibilities under the agreement, the executives have a context in which to negotiate and can use consistent, negotiated processes to resolve issues as much as possible. The study found out that Busitema University has a good contract governance mechanism which involves users in managing contracts and has got a Contracts Committee which makes checks and balances to ensure good procurement performance. ;

### 2.3.1 Contract governance and procurement performance

Mchopa at al., (2014) acknowledge that when a procurement entity procures works, the focus is on ensuring works are completed on time, quality is satisfactory, risks are minimized and cost is minimum. Hence, the focus of the procuring entity is always on how they can effectively manage costs, quality, time and risks which might have impact on implementation process and final outcome.

Power, Bonifazi and Desouza, ( 2004) noted that the organizations expend resources on the outsourcing strategy, selecting vendors and negotiating contracts without realizing that this is only the ante to get into the outsourcing game. They need to understand how to manage the ongoing contracting relationship. The governance plan is the glue that holds the contracting relationship together. It includes descriptions of the contracting efforts, the identifications of key shareholders, schedule of activities, roles and responsibilities , budgets, performance measurements, work products, resources, required skills and knowledge, change control process, quality assurance, configuration management, communication plan and tools, equipment, facilities and security. Thus, this study’s best interest will establish the extent to which contracts with Busitema University will set key stakeholders in the contract and how they will configure to improve on the procurement performance.

According to Lin, et al., (2007) integration can be reinforced with knowing the parties’ contractual rights and responsibilities as point of reference for evaluation of parties’ performance of their contractual obligations. Various scholars have suggested that partners can use safeguards as a cost effective form of governance between parties, specifically informal ones such as goodwill trust or embeddedness in addition to formal control and trust (Yang et al., 2011; Klein &Rai, 2009). The tangible benefits can be considerable as these informal safeguards are generally lower cost governance mechanisms than alternate forms that would involve complex legal contracts, extensive monitoring costs, and security bonds while intangible benefits can be considered as feeling and reacting as a team player (Sambasivan et al., 2011).The use of safeguard seems not to be widely known in the public service contracting governance that this study was interested in establishing the extent to which contracting safeguards have been established in contract governance mechanisms and if there were any tangible benefits derived in these contractual relationships.

Furthermore, Mitambo (2009) argues that contract management is not given much of the deserved attention as it happens that some of the contracts end without proper approval or endorsement of the relevant authorities. The approach for management is also associated with unapproved variation of works, poor quality of products together with late deliveries, unclear understanding to who is responsible for management of procurement contracts and inadequate post-implementation evaluation of completed contracts (Hanga, 2008). This trend of issues has affected the overall delivery of quality services and therefore, this intended study was to focus on determining how Busitema University has been able to manage contract governance.

Aluonzi et al., (2016) argue that successful and efficient contract management practices are those that meet the needs of the company’s (client’s) stakeholders, achieve optimum conditions and value in regard to the allocation of scarce tax payers’ resources, ensure rational and efficient use of funds available, stimulate valuable competition and manage the risk and potential liabilities to the buyer, thereby improving on the performance. Thus, enforcement of existing regulatory measures must be enforced to avoid pitfalls of inefficient contract management process and eventual poor performance.

Traditional construction supply chain arrangements usually exist only for the duration of the project and can vary significantly with successive projects (Briscoe and Dainty, 2005; Dainty et al., 2001). Such short-termism inevitably leads to diversity and instability and an adversarial focus on cost reduction between client and contractor. There is a heavy reliance on a fragmented and largely sub-contracted workforce, which increases the complexity of the supply chain and limits opportunities for process integration. However, Briscoe and Dainty (2005) maintain that most long-term relationships involve only the main contractor, with clients being reluctant to engage fully with sub-contractors and suppliers. This leaves the main contractor to form their own relationships with sub-contractors but frequently there is insufficient trust to enable effective long-term partnering to take place (Davis, 2008; Faisol et al., 2006). The use of subcontracting during the performance of the contract may be inevitable that this study examined the extent to which contract between Busitema University and its contractors had provided for subcontractors and its effect on procurement performance.

There is a growing body of literature which suggests that when effective construction supply chain management is based on partnership arrangements, the problems that often plague such projects can be addressed more effectively (Love et al., 2004; Oakland and Marosszeky, 2006; Matthews et al., 2000). Thus, Beach et al. (2005) and Dainty et al. (2001) call for a multiple stakeholder-led construction supply chain model that emphasizes inter-organizational collaboration, cooperation and learning.

In the same vain, Kumaraswamy et al., (2000) suggest that a holistic approach to construction procurement embodied in a more effective partnering approach involving a broad range of stakeholders will help to overcome the limitations of traditional approaches. However, Reeves and Ryan (2007) caution that clear guidelines for partnership arrangements must be clearly established ex-ante to avoid downstream problems in projects.

According to Farlam (2005) noted that in order to maximize partnership working within a contract, a project structure which will enable strong working relationships to develop at all levels between the local authority, the service users the service provider, and, for contracted function, is needed. The local authority should be aiming for a structure with clear lines of communication and reporting procedures, and for a balanced relationship, i.e. one that is not so adversarial that the relationship does not disintegrate, nor one that is so lenient that the service provider does not deliver the requisite level of service. This study therefore examined the form of contract structure and the strength of the contract lines of communications and their effect on procurement performance. This study therefore examined the extent to which efforts has been undertaken to develop partnership kind of arrangement and how the use of partnership governance during contract performance could have contributed to procurement performance on a government parastatal.

Rafiq (2003) identified some challenges in contracting organizational structuring related to lack of clarity in roles and responsibilities and suggests key questions such as who are all the stakeholders that need to contribute? Who owns what aspects of which agreements? How does this division of labour get communicated among the contracting team? It is clear that using a structured approach to procurement relationships as illustrated in Rafiq (2003) paper and predicated on co-dependency enables significant value gains for both contracting parties. The traditional master-slave relationship is fast becoming redundant and so it should be. Smart organisations leverage significant gain in procurement value through strong partnering relationships with a few key suppliers in a co-dependent model. Procurement models are proven mechanisms for delivery of mutual benefits to both parties.

Lin et al., (2007) knowing the parties’ contractual rights and responsibilities also permit bartering when the agreement does not resolve the issue and leverage is necessary. When the contract does not address an important issue, or if the contract provisions do not provide a realistic solution to a problem, the best practice is to amend the agreement so that future issues will be addressed. In addition, supply chains need to be adapted to the newly arising requirements (Johnson & Mena, 2008) yet the integration of services by the outsourced provider into the company is of particular importance. Integration poses a special challenge to management because guiding principles, structures and processes for services have to be incorporated into the overall strategy, marketing and development, as well as into the organization itself (Baines et al., 2009). With such adaptation, a well-developed contract management process is an important tool for customers to use to maximize the value they receive from a contracting relationship following the award of the contract. The next subsections review related literature on contract governance structure, contract performance monitoring, and contract termination/closeout and procurement performance.

According to Wibowo and Patria (2007) suggest the use of project managers and noted that in public private contracting project manager’s principal responsibility will be to deliver the project end item, the asset or service within specified objectives or level of investment, schedule and risk allocation. Though responsibilities are likely to vary, they will usually include: planning, organizing and controlling project resources; selecting and organizing the project team; interfacing with stakeholders, monitoring project status, identifying technical and functional problems, solving problems and closing the project. The contract manager should establish a fully functional institutional framework consisting of a project support office, staff and relevant infrastructure. The contract manager should have clearly defined roles and tacit authority to manage the contract performance process from inception to closure. Wibowo and Patria (2007) suggestions reminds this study of the need to establish contract manager during contract performance that this study examined the extent to which Busitema University has provided for appointment of contract managers and allocations of responsibilities to help improve the performance of the procurement function.

Muhwezi and Ahimbisibwe (2015), contract management entails actively monitoring and control of the contract between the procuring and disposing entity and the contractor, to ensure delivery of a cost effective and reliable service at an agreed standard and price. Further to note, the scholars argue that contract governance is a stage in the bidding process and marks the beginning of a contractual relationship between the procuring and disposing entity and contractor. On the contrary, PPDA Capacity Building Strategy Report (2011) revealed that the overall performance under the compliance areas where procuring and disposing entities scored lowest were record keeping, contract award and contract management.

Finally, Rogers (2005) noted that organizations have begun to invest in efforts to consider how to organize their people, processes and policies into a proper foundation for building strategic alliances with their suppliers; and they realize it will take time to fine tune, and time to generate trust and co-dependency. At a minimum, organizations should immediately begin to evaluate their needs in this area by auditing their current organizational capabilities to assess gaps and dependencies. Thus managing suppliers ‘relationships may well turn out to be the most influential strategic lever organizations can use to reduce costs. This helps the organization to improve on the procurement performance.

### 2.3.2 Contract performance monitoring and Procurement Performance

The issue of contract quality seem to have taken center stage in contract monitoring of which Ovretveit (2003) noted that the purchaser’s responsibility in monitoring the contract involves receiving the provider’s quality reports, and checking the validity of these reports; taking action on poor quality; receiving complaints directly from the public; and getting feedback from the public about satisfaction with the service. Consequently, the purchasers responsibility in reviewing the contract include reviewing quality performance; agreeing changes to improve quality; and changing or proposing to change contracts, if quality performance is unacceptable and there are alternative services. In some countries, regulators or independent agencies may undertake some of these functions, such as assessing the provider’s quality system or acting on complaints. This study therefore was interested in establishing the quality considerations in contracting and the parties involved quality assurance

Yang et al (2009) argue that contracting performance is a key concept in the contracting out literature and one that is complex and multidimensional. Interestingly, the empirical results regarding contracting performance still appear to be mixed and inconclusive since it depends on different service areas and certain circumstances. It seems that satisfactory contracting performance and contract success are attributable to a variety of environmental, organizational, and contextual factors surrounding the contractual relationship between the government and contractors (Soonjin, 2015).While Partha (2015) argues that contract performance and monitoring should cover the formal governance of the contract and any permitted changes to documentation during the life of the contract. This area of contract management ensures that the everyday aspects of making the contract run effectively and efficiently are taken care of and therefore results in quality performance.

Mamiro (2010) acknowledges that it is a comprehensive process stretching from procurement planning, budget allocation, bids invitation, bids evaluation, contract award and management, performance evaluation, auditing and reporting. Due to the cost implication embodied at the different stages throughout the process ranging from need identification up to contract management and termination, Public procurement must be built on the principles of value for money and sustainability which also explains improved performance.

Khatibi and Ting (2004) specifically report on quality and noted that if a supplier/ contractor has an appropriate quality system, then monitoring quality is more manageable for a purchasing organization. Purchasers can monitor some standards directly, and some indirectly, by monitoring the provider’s quality system documents, and by using other “third-party” quality monitoring. In support, Ovretveit (2003) noted that the single most important thing that purchasers can do to improve quality is to require a supplier/contractor to have an appropriate quality system, and to have access to the system documentation.

According to Rogers (2005) for contract monitoring to be effective, the use of formal contract control mechanisms is also both relevant and prudent, especially with the new performance based formats which are predicated on less prescriptive specifications, choosing to focus instead on broader performance outcomes and organizations that adopt formal control mechanisms gain significant leverage from these regular sessions. Mechanisms that enable obtaining value for money and customer satisfaction include formal meetings with agendas, minutes and action points, held weekly and monthly. These documents are produced by the supplier with some assistance from the organization formally records, in writing, performance and progress against the contract scope and specification. The use of meetings to obtain briefing on the performance of the contract informs this study on the need probe for the use of meetings to brief the parties on the contract progress.

Oyegoke (2006) suggests on the use of performance certificates and noted that in the Finnish system, the contractor receives a payment two weeks after the certificate, i.e. 14 days; the issue of the certificate and payment is based on the schedule of payment and if the client defaults within a reasonable time frame, the client is obliged to pay the contractor annual penalty interest under interest act. In the UK practice, interim valuation is commonly used, which covers the level of work done plus certified unfixed materials on and off site. This study equally accessed the observance of the requirement to produce performance certificates as a basis for performance and its contribution to contract management. Furthermore, Lai and Yik (2006) equally noted that without involving end-users, benchmarking, performance review meeting and performance audit belong to a set of management tools that necessitate the contractor to provide performance data for benchmarking purpose; participate in meetings for reviewing his performance; and reflect compliance with contract requirements upon auditing his work. The outsourcer may directly involve or engage a consultant to participate in the conduction of benchmarking and contract performance audit, but the contractor’s performance would be reviewed in meetings by the outsourcer and, sometimes by the representatives of end-users depending on the issues of concern. Unlike in a benchmarking exercise where issues in focus can be strategic, tactical as well as operational, the usual agenda of performance review meetings would include only strategic and tactical items, whereas typically tactical and operational contract performance matters would be audited.

Lai and Yik, (2007) stressed that there is need to devise means for monitoring different levels of performance issues, different management tools would involve different stakeholders of building operate and maintain contracts for their implementation. The study indicates that balanced scorecard and benchmarking are rarely used. Customer satisfaction survey is commonly used, but quantifying the cost of such survey is difficult without proper record of relevant human and time resources. The contracting parties generally regarded performance review meeting as a useful means for resolving operational issues on an “as-needed” basis rather than a tool for communicating and formulating strategic matters of the contracts.

Conclusively, Muhwezi and Ahimbisibwe (2015) stress that in contract management, mutual trust and understanding, openness, and excellent communications between key stakeholders in contract management and monitoring like user department, contractor, contract manager, procurement and disposal unit and accounting officer are as important to the success of an arrangement as the fulfillment of the formal contract terms and conditions. On the negative note, it is important to note that, fewer records or documentation that are kept by the government entities in this regard or regarding the contract management stage (PPDA Report, 2014). Therefore, this study will assist in ensuring proper contract management leading to better performance in public universities’ case study of Busitema University. The study found out that Contract performance monitoring practices in Busitema University are such that Contract Managers do not give  reports to PDU but keep grumbling about in-efficient providers hence making it difficult for PDU to know which area needed improvement and how to rate the   providers, thereby negatively affecting procurement performance.

### 2.3.3 Contract termination-closeout and Procurement Performance

There are several scholars that have explained the concept of contract termination and closeout identified as independent variable and below is some of the literature reviewed in accordance with service delivery to this effect.

Parties to the contract are bound by their obligations to perform their part of the bargain but as Baccarini et al., (2004) noted that contracts cannot be expected to achieve a firms’ desired results unless they specify a course of action to take when a vendor is not meeting its service level obligations. Cash penalties are a common and effective way to protect an organization against repeated incidents of service falloffs. No matter how specific an SLA may be, there will inevitably be times when the firm and the vendor disagree on whether something constitutes a missed measure. For this reason, it is important to make provisions in the contract for problem resolution procedures (Berggren et. at 2001). One suggestion is creation of a bi-partisan, virtual committee that can act in these instances to deliver a fair and binding resolution to such disputes (Allen &Chandrashekar, 2000; Liz et al., 2004).

Ngwenyama, and Sullivan, (2007), specifically, found termination assistance clause requiring the Supplier/Contractor to assist in the transition to another Supplier/Contractor to avoid lock-in due to high switching costs; posting a confirmable letter of credit on a prime bank as surety of service delivery to ensure vendor solvency and adequate performance under the contract; prompt notification of changes in financial position or adverse developments to ensure vendor solvency; specification of commercially available alternative technologies to avoid vendor lock-in due to asset specificity or proprietary technology; certification of compliance with all local, state, and national laws relating to public contracting to ensure against vendor opportunism as less practiced in contracting.

Furthermore, Winters (2005) noted that for an outgoing service provider in the public sector organizations there is need to establish financial obligations; create listing of leased and owned equipment; turn over technical, training and user guides; publish final performance metrics; publish inventories related to the performance of work; issue benchmarking data; release process documents; and issue reconciled final financial statement. In a study of outsourced health services in UK, Young (2008) found out that the termination of the contract were mainly due to the contractor’s inability to perform the work to the required outcomes due to having under-priced the contract or having not understood the specific requirements of the hospital. The non-inclusion of all transaction costs swayed the decision in a direction that may not have been optimal on the basis of efficiency. This study therefore strived to establish efforts to terminate contracts and how the entity’s management of the transition to the new contract.

Partha (2015) stresses that towards the end of the contract period of a vendor, review of their roles should be done to determine whether the vendor had success in the execution of works or not. The scholar goes ahead and stresses that the status of the supply need to be checked for satisfaction and therefore based on the results be renewed or not renewed as no immediate value to be added by supplier switching. The scholar further emphasizes that tendering could be re-opened to competition and the contract may be renewed and this is likely to improve on the performance.

Zou, et. al., (2007) stressed that in China, all contracts/projects are required to be audited at practical completion stage. This audit is essentially a final account audit, and must be instigated by the client. This audit will identify final project cost and reconcile the makeup of this final price. For government funded projects, the government audit bureau conducts the audit while the non-government funded works are audited by an accredited specialist audit company. The design institute also participates in supervision of project work, specifically at pre-determined milestones such as reinforcement placement. Furthermore, any variations which are significant require design institute concurrence. It was therefore necessary to examine the contract closeout practices in Busitema University and their level of compliance to established PPDA Act regulations on contract closeout and the influence of contract closeout on procurement performance.

Further to note, Chang (2008) reported that contract termination could be attributed to a penalty clause in the contract to protect the company, is advisable if an intended service or product has to be completed by a deadline or not. The penalty clause can serve as an incentive and also protect the company against costly delays. The final decision as to whether to exclude a penalty clause should be based on the contractor’s reputation and criticality of the project hence important to better service delivery. The study therefore plans to investigate how Busitema University has been able to enforce contract termination.

Tanveer (2013) coincides that contract termination takes varying forms for instance breach of contract where a contract can end when one party breaches the terms of the contract. Such a breach can occur in several ways. For instance, where a party fails to perform as agreed upon in the contract, there is a breach of contract. Moreover, one's failure to abide by the terms of the contract constitutes a breach of contract. Additionally, one party can do something to prevent the other party from performing his or her duties under the contract. The study found out that once the main objective of the procurement has been achieved the contract completion process in accordance with the contract terms and conditions requiring the approval report by Contract Manager start to ensure that procurement performance is on track up to the end.

## 3.0 Summary

The literature suggests that contract governance aspects of contract implementation structure, performance of the roles and responsibilities during contract performance are important for attainment of value for money and internal customer satisfaction with the procurement function. However, the literature did not provide evidence on the extent to which contract governance influences procurement performance in Busitema University. This study therefore covers this knowledge gap by providing evidence on the influence of contract governance and procurement performance in Busitema University. Similarly, the literature suggests that contract monitoring emphasizing quality and contract performance documentation but fell short of providing evidence on the extent to which procurement contract performance monitoring has influenced the performance in Uganda. This study therefore, covers this literature gaps by providing evidence on the extent to which contract monitoring has influenced procurement performance in the Public Universities of Uganda. Furthermore, the literature did not provide empirical evidence on the influence of contract termination/closeout on procurement performance. This study therefore provides evidence on the influence of contract termination/closeout on procurement performance in Busitema University.

# CHAPTER THREE

# METHODOLOGY

## 3.1. Introduction

This chapter presents the research design, population of study, sample size and selection, data collection methods, data collection instruments, validity and reliability, data collection procedures, data analysis and measurement of variables.

## 3.2. Research Design

The study used a cross sectional study design adopting both quantitative and qualitative approaches. The cross sectional study design was used because the information on contract management and procurement performance was collected from a sample of the population at that point in time as justified by Amin (2005). The quantitative approach was used to quantify incidences, current conditions and to investigate the relationships between the contract management and procurement performance using information gained from the questionnaire. The qualitative approach was used to give an explanation on the study variables under investigation using interviews and documentary review (Amin, 2005). The quantitative and qualitative approach enabled obtaining data that could be used to find solutions for the research questions on contract management and procurement performance.

## 3.3. Study Population

The study was carried out on population of 220 Busitema University staff related to the procurement function and more specifically on contract management and 80 supplier contract managers giving an overall population of 300 subjects (Busitema University Human Resource and Contractors’ Database, 2016). This population was considered because they directly interact with the contract management functions as users i.e. both Academic and non-Academic, adjudicators, suppliers and coordinators of the procurement function.

## 3. 4.Sample Size and Selection

The study selected up to 169 respondents based on Krejcie and Morgan (1970) sampling table guidelines (see appendix III) to be used in this study as shown in table 1 below.

Table : Showing the Study Population for the Research

|  |  |  |  |
| --- | --- | --- | --- |
| **Population Category** | **Population** | **Sample** | **Sampling Technique** |
| Contract committee | 5 | 5 | Purposive |
| Accounting Officer | 1 | 1 | Purposive |
| PDU | 7 | 5 | Purposive |
| Contract managers | 87 | 63 | Purposive |
| Users(Academic and non-Academic) | 200 | 95 | Simple random |
| **Total** | **300** | **169** |  |

**Source:** Busitema University Human Resource and Contractors Database, 2016

## 3.5. Sampling Techniques and Procedure

The study used probability and non-probability sampling techniques. Probability sampling refers to methods of selecting individuals to include in a study where each member of the population has an equal chance of being selected while non-probability sampling technique where selection of the sample is based on the **subjective judgment** of the researcher (Amin, 2005).

As indicated in table 1above, the study used simple random sampling to select users in their different User Departments. In using the simple random sampling, the study used the lottery approach where names were written on a tag and one name picked at a time until the required number was reached. The study used disproportionate sampling to arrive at the number in each sample. The study used purposive sampling to select accounting officer, contract committee staff, PDU staff and contracts managers who were directly involved in the coordination of the contract management activities and therefore deemed to possess special knowledge and experiences on contract management and procurement performance.

## 3.6. Data Collection Methods

In this study, the researcher used a survey approach where both qualitative and quantitative data was collected. There several survey approaches however for the purpose of this study the questionnaire and interview guide were used as discussed below.

### 3.6.1. Questionnaire Survey

This is a formulated written set of questions used to obtain information about the study objectives or hypotheses from the study population (Amin, 2005). The questionnaire was used basing on the fact that the variables cannot be observed such as views, opinions, perceptions and feelings of the respondents on contract management and procurement performance (Sekeran, 2003). The questionnaire was used because respondents can read and it is thought to be less expensive for data collection (Amin, 2005). The respondents recorded their answers within closely defined alternatives. In this study the questionnaire was administered by personally delivering them to the respondents. The questionnaire was issued to all the 169 respondents in their different categories.

### 3.6.2. Interviewing

The researcher interviewed one of the Contracts Committee members, Head of the PDU and two Contract Managers to obtain in depth information on contract management and procurement performance. Interviews with the target respondents were conducted by meeting the respondents and asking them questions of which the researcher recorded all the responses.

## 3.7. Data Collection Instruments

This sub section presents instruments/tools that were used to collect data and includes the questionnaire and interview guide.

### 3.7.1. Questionnaire

The study used a close ended questionnaire divided into sections namely: background information, governance, performance monitoring, termination/closeouts and procurement performance. A standard Questionnaire on a five point Likert scale of 5- Strongly agree; 4- Agree; 3- Not sure; 2- Disagree; 1- Strongly disagree (See appendix I&II)was used to get quantifiable primary data from the targeted individual respondents.

### 3.7.2. Interview guide

The interview guide was structured where they comprised of a set of issues on contract governance, contract performance reporting, termination and closeout which the researcher wishes to draw data and the same questions are posed to the respondents using a guide to conduct the interview (see appendix III).

## 3.8. Validity and Reliability

### 3.8.1. Validity

Validity refers to the truthfulness of the findings or the extent to which the instrument is relevant in measuring what it is supposed to measure (Amin, 2005). The validity of the instrument was tested using the Content Validity Index considering only variables scoring above 0.70 accepted for social sciences. This involved scoring the relevance of the questions in the instruments in relation to the study variables and a consensus judgment given on each variable and the results are presented in table 3 below.

Table : Content Validity Index Results

|  |  |  |  |
| --- | --- | --- | --- |
| Variable | No of items | No of items declared valid | CVI |
| Contract governance | 13 | 11 | 0.85 |
| Contract performance monitoring | 11 | 9 | 0.82 |
| Contract termination/closeout | 10 | 8 | 0.80 |
| Procurement performance | 13 | 11 | 0.85 |

**Source:** Expert judgment

Table 2 above shows that contract governance was measured using 13 items and yielded CVI of 0.85 while contract performance monitoring was measured using 11items and yielded CVI of 0.82. Contract termination/closeout was measured using 10 items and yielded CVI of 0.80 while procurement performance was measured using 13 items and yielded CVI of 0.85. Since all variables under study yielded a CVI above 0.70, it was concluded that the instrument had a high validity hence relevant.

### 3.8.2. Reliability

Pretesting is an indispensable part of the questionnaire design and demands that the researcher examines individual questions as well as the whole questionnaire very carefully (Amin, 2005). Reliability of a measure indicates the extent to which it is without bias and therefore ensures consistent measurement across time and across the various items in the statement suggesting that the finding would be consistently the same if the study was done over again (Mugenda&Mugenda, 1999).

This study instruments was pretested for its reliability on a sample of 10 respondents from Makerere University Business School which has a similar mandate like Busitema University. The results were used to enhance its reliability using the factor loading technique to identify and improve on items loading below 0.50. In this study a Cronbach’s alpha coefficient was computed to show how reliable the data is using Statistical Package for Social Sciences (SPSS) considering only variables scoring above 0.70 accepted for social sciences (Amin, 2005) and the results are presented in table 4 below.

Table : Reliability Results

|  |  |  |  |
| --- | --- | --- | --- |
| Variable |  | No of items | Cronbach’s alpha |
| Contract governance |  | 13 | 0.85 |
| Contract performance monitoring |  | 11 | 0.79 |
| Contract termination/closeout |  | 10 | 0.78 |
| Procurement performance |  | 13 | 0.85 |

**Source:** primary data

Table 3 above shows that contract governance yielded Cronbach’s alpha value of 0.85, contract performance monitoring yielded Cronbach’s alpha value of 0.79. Contract termination/closeout yielded Cronbach’s alpha value of 0.78 while procurement performance yielded Cronbach’s alpha value of 0.85. Since all variables under study yielded Cronbach’s alpha value above 0.70 accepted for social sciences, it was concluded that the instrument was reliable thus consistently measured what it was supposed to measure.

## 3.9. Data Collection Procedure

Permission to conduct the study was sought from the management of Busitema University to conduct the study. Anonymity and confidentiality of the respondents was observed by not asking the respondents to put their names on the questionnaires. A covering letter from UMI accompanied the questionnaires.

## 3.10. Data Analysis

Data analysis involves identifying patterns, consistencies and relationships in the questionnaire and interview responses on contract management and procurement performance. Data analysis therefore involved qualitative and quantitative analysis (Amin, 2005).

### 3.10.1. Qualitative Analysis

This involved content analysis, which was used to edit qualitative data and reorganize it into meaningful shorter sentences. A thematic approach was used to analyze qualitative data where themes, categories and patterns were identified. The recurrent themes, which emerged in relation to each guiding question from the interviews was presented in the results, with selected direct quotations from participants presented as illustrations.

### 3.10.2. Quantitative Analysis

Quantitative data was presented in form of descriptive statistics using mean and standard deviations for each of the variables used in the study, correlation and regression analyses. The correlation technique included Pearson’s coefficient to show the direction of the relationship between the variable and significance tested at 99% and 95% confidence levels based on two tailed correlation and significant more than or equals to 0.05. A positive correlation indicates a direct positive relationship between the variables while a negative correlation indicates an inverse, negative relationship between the two variables. The regression analysis using ANOVA statistics of adjusted R2 values, beta, t values and significance values to determine the magnitude of the influence of the independent variables on the dependent variable was used (Amin, 2005).

## 3.11. Measurement of Variables

The questionnaire was designed to ask responses on contract management based on PPDA Regulations 2003 and amendments 2014 provisions while procurement performance was measured using procurement performance KPI suggested by Thai (2004). These were channeled into observable and measureable elements to enable the development of an index of the concept. A five- Likert scale namely: 5-Strongly agree; 4- Agree; 3- Not sure; 2- Disagree; 1- Strongly disagrees was used to measure both the independent and dependent variables.

# CHAPTER FOUR

# PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

## 4.1. Introduction

This chapter presents and analyses the study findings on contract management and procurement performance in Public Universities of Uganda case study of Busitema University. The first section presents the response rate. This is followed by a presentation of the background information about the respondents, a factor analysis and a presentation of the findings objective by objective.

## 4.2. Response Rate

A total of 169 questionnaires were distributed but 149 useable questionnaires were returned making a response rate of 88.2% which according to Amin (2005) is a reliable representation of the sample used in the population of study.

## 4.3. Background Information about the Respondents

This sub section presents the level of education, user department, position and time worked and the findings are shown in table 4.1 below.

Table : Distribution of Education level of respondents and extent to which the user departments procured received supplies of the right quality

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Education level** |  | **The materials used in your user department are procured in the right quality** | | | | | **Total** |
|  | **SDA** | **DA** | **NS** | **A** | **SA** |
| Certificate | Freq | 12 | 1 | 0 | 0 | 0 | 13 |
| % of Total | 8.1% | .7% | .0% | .0% | .0% | 8.7% |
| Diploma | Freq | 21 | 1 | 0 | 4 | 0 | 26 |
| % of Total | 14.1% | .7% | .0% | 2.7% | .0% | 17.4% |
| Degree | Freq | 55 | 4 | 1 | 13 | 2 | 75 |
| % of Total | 36.9% | 2.7% | .7% | 8.7% | 1.3% | 50.3% |
| Post graduate | Freq | 28 | 4 | 0 | 1 | 0 | 33 |
| % of Total | 18.8% | 2.7% | .0% | .7% | .0% | 22.1% |
| Others(specify) | Freq | 2 | 0 | 0 | 0 | 0 | 2 |
| % of Total | 1.3% | .0% | .0% | .0% | .0% | 1.3% |
| **Total** |  | **118** | **10** | **1** | **18** | **2** | **149** |
|  |  | **79.2%** | **6.7%** | **0.7** | **12.1%** | **1.3%** | **100%** |

P< 0.05; Chi-square χ= 11.938a, p = 0.748

**Source:** Primary data

Table 4 above shows that the majority of 50.3% had attained first degree as their highest level of education followed by 22.1% who had attained post graduate. A total of 17.4% of the respondents were diploma holders and 8.7% were certificate holders and 1.3% of the respondents had attained other qualification. Pearson’s Chi-square statistics as shown in table 5 above revealed a no significant difference between level of education and experiences of the materials in user department being procured in the right quality (χ= 11.938a, p = 0.748) suggesting that irrespective of the education level, a majority of 79.2% of the respondents felt that the suppliers did not meet the expected quality an indicator of low customer satisfaction.

Table : Distributions of user department of the respondents and the materials used in your user department are procured at the right time

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **User department** | | **The materials used in your user department are procured at the right time** | | | | | **Total** |
| **SDA** | **DA** | **NS** | **A** | **SA** |
| Suppliers | Freq | 39 | 1 | 0 | 10 | 0 | 50 |
| % of Total | 26.2% | .7% | .0% | 6.7% | .0% | 33.6% |
| University Secretary | Freq | 7 | 1 | 0 | 2 | 0 | 10 |
| % of Total | 4.7% | .7% | .0% | 1.3% | .0% | 6.7% |
| Academic Registrar | Freq | 22 | 2 | 0 | 0 | 0 | 24 |
| % of Total | 14.8% | 1.3% | .0% | .0% | .0% | 16.1% |
| Faculty of Engineering | Freq | 8 | 1 | 0 | 0 | 0 | 9 |
| % of Total | 5.4% | .7% | .0% | .0% | .0% | 6.0% |
| Faculty of Health Sciences | Freq | 3 | 4 | 1 | 0 | 0 | 8 |
| % of Total | 2.0% | 2.7% | .7% | .0% | .0% | 5.4% |
| Faculty of Animal Sciences and Mgt | Freq | 5 | 0 | 0 | 2 | 2 | 9 |
| % of Total | 3.4% | .0% | .0% | 1.3% | 1.3% | 6.0% |
| Faculty of Education Sciences | Freq | 12 | 2 | 1 | 4 | 0 | 19 |
| % of Total | 8.1% | 1.3% | .7% | 2.7% | .0% | 12.8% |
| Accounts and Finance | Freq | 16 | 0 | 1 | 1 | 2 | 20 |
| % of Total | 10.7% | .0% | .7% | .7% | 1.3% | 13.4% |
| **Total** | | **112** | **11** | **3** | **19** | **4** | **149** |
| **% of Total** | | **75.2%** | **7.4%** | **2.0%** | **12.8%** | **2.7%** | **100.0%** |

P< 0.05

Chi-square χ= 66.525a, p = 0.000

**Source:** Primary data

Table 5 above shows that data was collected from all departments of the Busitema University and selected suppliers of which majority of 50(33.6%) were suppliers while 24 (16.1%) were from the University Secretary’s department. A total of 20 (13.4%) were from the Finance and Accounts while 19 (12.8%) were from the Faculty of Education Sciences. Pearson’s Chi-square statistics as shown in table 6 above revealed a significant difference between departments and materials being used in the user department being procured at the right time (χ= 66.525a, p = 0.000) suggesting that some departments’ materials were procured and delivered late for use which affects their level of satisfaction.

Table : The position of the respondent in relation to the procurement function and extent of agreement with achievement of intended results

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Position in relation to procurement function** |  | **Busitema University always achieve its intended results as a result of contract management** | | | | | **Total** |
| **SDA** | **DA** | **NS** | **A** | **SA** |
| Contracts committee | Freq | 0 | 0 | 0 | 0 | 2 | 2 |
| % of Total | .0% | .0% | .0% | .0% | 2.0% | 2.0% |
| PDU | Freq | 0 | 0 | 0 | 3 | 0 | 3 |
| % of Total | .0% | .0% | .0% | 3.1% | .0% | 3.1% |
| Contract Manager | Freq | 0 | 0 | 0 | 3 | 0 | 3 |
| % of Total | .0% | .0% | .0% | 3.1% | .0% | 3.1% |
| User | Freq | 5 | 10 | 10 | 24 | 4 | 53 |
| % of Total | 5.1% | 10.2% | 10.2% | 24.5% | 4.1% | 54.1% |
| Contract Manager for Contractors, Suppliers and services providers | Freq | 5 | 7 | 7 | 11 | 7 | 37 |
| % of Total | 5.1% | 7.1% | 7.1% | 11.2% | 7.1% | 37.8% |
| **Total** |  | **10** | **17** | **17** | **41** | **13** | **149** |
|  |  | **10.2%** | **17.3%** | **17.3%** | **41.8%** | **13.3%** | **100%** |

Chi-square χ= 25.738a, p = 0.058

Table 6 above shows that a total of 2(2%) of the respondents were from contract committee members, 3(3.1%) each were PDU staff and contract managers, 53(54.1%) were from the user departments, and 37(37.8%) were contract managers for contractor or suppliers. Pearson’s chi-square statistics as shown in table 7 above revealed no significant difference between position in relation to procurement function and perceptions of Busitema University always achieving its intended results as a result of contract management (χ= 25.738a, p = 0.058) suggesting that 54 (55.1%) of respondents in different positions agreed that the PDE had attained a reasonable level of value for money.

Table : The time worked with Busitema University and extent of agreement with ease to provide services at the lowest cost possible.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Time worked with Busitema | It is now easier to provide Busitema services at the lowest cost possible as a result of contract management | | | | | | **Total** |
|  |  | **SDA** | **DA** | **NS** | **A** | **SA** |
| Less than 1 year | Freq | 0 | 0 | 0 | 1 | 0 | 1 |
| % of Total | .0% | .0% | .0% | 1.0% | .0% | 1.0% |
| 1-2 years | Freq | 0 | 0 | 0 | 4 | 0 | 4 |
| % of Total | .0% | .0% | .0% | 4.1% | .0% | 4.1% |
| 3-5 years | Freq | 6 | 2 | 2 | 6 | 2 | 18 |
| % of Total | 6.1% | 2.0% | 2.0% | 6.1% | 2.0% | 18.4% |
| 5-9 years | Freq | 1 | 4 | 5 | 13 | 1 | 24 |
| % of Total | 1.0% | 4.1% | 5.1% | 13.3% | 1.0% | 24.5% |
| Above 9 years | Freq | 8 | 11 | 6 | 22 | 4 | 51 |
| % of Total | 8.2% | 11.2% | 6.1% | 22.4% | 4.1% | 52.0% |
| **Total** |  | **15** | **17** | **13** | **46** | **7** | **98** |
| **% of total** |  | **15.3%** | **17.3%** | **13.3%** | **46.9%** | **7.1%** | **7.1%** |

Chi-square χ= 15.408a, p = 0.495

Table above shows that majority of 52% had worked with the Busitema University for above nine years while 24(24.5%) had worked with Busitema for 5-9 years while 18(18.4%) had worked for 3-5 years. Pearson’s Chi-square statistics as shown in table 8 above revealed no significant difference between time worked and ease of providing Busitema services at the lowest cost possible as a result of contract management. This finding suggested that based on experiences arising from the time worked with the PDE, the 53(54%) of respondents agreed that the PDE had attained a reasonable level of value for money procurements.

## 4.4. The extent to which Contract Governance influences Procurement Performance at Busitema University

Contract governance was one of the dimensions of procurement contract management and had two indicators of contract implementation structure, roles and responsibilities measured using 13 items scored on five (5) point Likert scale ranging from 5= strongly agree, 4 = agree, 3 = not sure, 2= disagree, 1= strongly disagree and the findings are shown in table 8 below.

Table : Mean and Standard deviation results for contract governance

|  |  |  |
| --- | --- | --- |
| **Contract Governance** | **Mean** | **S.D** |
| *Structure* |
| 1. Busitema University always appoints contract managers from the user departments to oversee the contract management process | 4.35 | 0.73 |
| 1. Possession of proven competencies/capabilities is the basis for appointment of contract managers to manage contract | 1.66 | 1.21 |
| 1. Appropriate organization structures are always provided for effective and efficient management of awarded contracts | 3.94 | 1.05 |
| 1. Effort is undertaken to identify the different stakeholders in the contract management phase | 3.98 | 0.96 |
| 1. Adequate contract work flow charts are made | 1.58 | 1.12 |
| 1. Decisions on centralized roles are adequately made to guide contract performance | 3.78 | 1.06 |
| 1. Decisions on decentralized roles are made to guide contract performance | 3.71 | 1.06 |
| 1. Busitema University always ensures that there are additional committees to supervise contracts | 1.54 | 1.09 |
| 1. There is an effort to develop partnerships with contractors or suppliers to ensure achievement of the objectives of contracting | 1.67 | 1.20 |
| *Roles and responsibilities* | | |
| 1. Different planning roles are appropriately assigned to different personnel during contract management | 3.84 | 1.08 |
| 1. Different organizing roles are appropriately assigned to different personnel during contract management | 3.85 | 0.98 |
| 1. Different contract controls roles are appropriately assigned to different personnel during contract management | 1.62 | 1.19 |
| 1. Different reporting roles are appropriately assigned to different personnel during contract management | 1.61 | 1.19 |

**Source:** Primary data

***Structure***

Table 8 shows that the respondents agreed that Busitema University always appointed contract managers from the user departments to oversee the contract management process (mean = 4.35, Standard deviation =0.73) while they agreed that appropriate organization structures where always provided for effective and efficient management of awarded contracts (mean =3.94, Standard deviation =1.05). Similarly, the respondents agreed that effort was undertaken to identify the different stakeholders in the contract management phase (mean = 3.98, Standard deviation = 0.96) while they agreed that decisions on centralized roles (mean =3.78, Standard deviation =1.06) and decentralized roles were made to guide contract performance (mean = 3.71, Standard deviation = 1.06). These findings suggested that effort was undertaken to observe effective contract governance best practices related to structure demanding the appointment of contract manager and other contract stakeholders, making decision on centralized and decentralized roles in contract management which enhances the achievement of the objective of the procurement.

However, the respondents disagreed that possession of proven competencies/capabilities was the basis for appointment of contract managers to manage contract (mean = 1.66, Standard deviation =1.21) while they disagreed that adequate work flow charts are made to effectively manage the awarded contract (mean =1.58, Standard deviation =1.12). The respondents further disagreed that Busitema University always ensured that there were additional committees to supervise contracts (mean = 1.54, Standard deviation = 1.09) yet they also disagreed that there was an effort to develop partnerships with contractors or suppliers to ensure achievement of the objectives of contracting (mean = 1.67, Standard deviation = 1.20). These findings revealed inadequate contract management structure considerations which constrain the achievement of the objective of procurement due to appointment of incompetent contract managers, lack of workflow charts which provides for work sequencing, lack of additional committees to reinforce and backup contract supervision and failure to exploit the benefits of strategic partnerships with suppliers.

***Roles and responsibilities***

Table 9 above shows that the respondents agreed that the different planning roles were appropriately assigned to different personnel during contract management (mean = 3.84, Standard deviation = 1.08) while they also agreed that different organizing roles are appropriately assigned to different personnel during contract management (mean = 3.85, Standard deviation = 0.98). However, the respondents disagreed that the different contract controls roles were appropriately assigned to different personnel during contract management (mean = 1.62, Standard deviation = 1.19) while they also disagreed that different reporting roles were appropriately assigned to different personnel during contract management (mean = 1.61, Standard deviation = 1.19).

These findings suggested that although the different contract planning and organizing roles were assigned to different personnel in the PDE, the failure to adequately provide for control and reporting roles during contract performance adversely affects contract management due to lack of clarity on contract controls and reporting responsibility. The management of the PDE needs to put in place clear control and reporting responsibilities at the different stakeholder levels for enhanced contract governance.

Asked to describe the contract governance mechanisms Busitema University has instituted for the different types of contracts with its suppliers or contractors, the PDU interviewee put it:

Busitema University has a good contract governance mechanism which involves users in managing contracts and has got a Contracts Committee which makes checks and balances; the procurement and disposal staff who monitor the contracts in conjunction with the Contract Managers. For example in the printing, supply, and delivery of 38,000 answer booklets for examinations, the contract manager reported every delivered consignment, submitted contract management documents to PDU and certified invoices for payment to be made to supplier. The PDU on receipt of the payment documents ensured that they are processed for the supplier to be paid. Thereafter, PDU reported to Contracts Committee that the placed contract was completed using the PPDA standard reporting PP Form 2.The Contracts Committee then considered the report on contracts placed and completed, and approved it for submission to PPDA.

Another interviewee who was a Contract Committee member put it:

The Contract governance mechanism in Busitema University is characterized by lack of Contract Managers and in the few cases where they are appointed, they don’t effectively carry out their roles and responsibilities. They do not liaise with the providers to ensure that   deliveries are made  in their presence for examining and testing thus poor quality items   are later discovered  thus no customer satisfaction. The example in the procurement of assorted computer consumables for use for all departments, one supplier delivered these items during the period of  examinations when the contract managers were busy monitoring and supervision of examinations from various Campuses. The supplies  were therefore not inspected and not tested. They were received by the store keeper and issued to users at the time of printing the examinations. The supplies were used and items like toner cartridges were found to be fake, some would get used up within less than two days. It was therefore noted that a reasonable degree of care and competence was not taken care of by the contract managers.

The qualitative findings are in agreement with the quantitative findings that there are some weaknesses in contract governance that in term affect procurement performance. The major weaknesses include not considering proven competencies/capabilities as the basis for appointment of contract managers, making inadequate contract work flow charts, lack of additional committees to supervise contracts, lack of partnerships with contractors or suppliers to ensure achievement of the objectives of contracting and inappropriately assigning reporting roles to different personnel during contract management. For improved procurement performance all the above weaknesses need to be worked by Busitema University to ensure improved procurement performance.

### 4.4.1. Correlation results

To test the relationship between contract governance and procurement performance, Pearson’s correlation analysis was conducted at the 2-tailed level as presented below.

Table : Correlation Matrix between contract governance and procurement performance

|  |  |  |  |
| --- | --- | --- | --- |
| **Variable** | | **1** | **2** |
| 1. Contract governance | Pearson Correlation | 1 |  |
| Sig. (2-tailed) |  |  |
| 1. Procurement performance | Pearson Correlation | .633\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| P<0.05; \*\*. Correlation is significant at the 0.01 level (2-tailed). | | |  |

**Source:** Primary data

Table 9 above shows Pearson’s correlation coefficient r = 0.633\*\* and p = 0.000 between contract governance and procurement performance in Busitema University suggesting that there was high positive statistically significant relationship between contract governance and procurement performance. The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on the establishment of contract implementation structure and allocations of roles and responsibilities among the contract stakeholders.

### 4.4.2. Regression Results between contract government and procurement performance

To establish the extent to which contract governance influence procurement performance, a simple regression analysis was conducted using the ANOVA techniques of adjusted R2 values, standardized beta values, t-values and the significance measured at 0.05 levels. The results are tabulated in the Table 11 below.

Table : Regression results between contract governance and procurement performance

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R2 | t-value | F-value | Sig | Std. Error of the Estimate |
| 1 | .633a | .401 | .397 | 9.913 | 98.258 | 0.000 | 0.768 |
| a. Predictors: (Constant), contract governance | | | | | | | |

P<0.05

**Source:** Primary data

The regression model in table 10 above shows adjusted R2 value of 0.397 between contract governance structure and procurement performance suggesting that contract governance predicted 39.7% of the variance in the procurement performance while other variables explain the remaining 60.3% of the variance. The adjusted R2 = 0.397, t = 9.913, F= 98.258 and significance 0.000 suggested that the contract governance was a strong significant predictor of the variance in procurement performance in the PDE. The study therefore accepted the hypothesis that contract governance significantly influences procurement performance.

Asked to describe to what extent does contract governance influence procurement performance in Busitema University one contract manager put it;

The contract governance pushes up the procurement cost in Busitema University. It involves a number of team players namely; Contract Manager or Contract Management team, PDU, Contracts Committee and finally the Accounting Officer; In exercising of their duties, indirect costs like allowance are paid to these team players, during site visits, pre-contract and contract progress meetings and Contracts Committee meetings. These costs if many raise the procurement cost in terms of money and time thus affecting procurement performance in the entity. The example was for the renovation of police post at Busitema Campus. There were pre-contract meetings for the entity and the provider to analyse the contract terms and conditions and know how implementation will be done. After that, there was a site visit by the provider and the technical team from the entity had to take the contractor around the site.  Thereafter there was a contract progress meeting whose minutes were presented to the Contracts Committee and top management. Thus all these meeting were for a valuable procurement to be attained but at the cost of other activities which officers put aside and attended the meetings. This was also at the expense of more funds spent as allowances to facilitate the meetings. This makes procurement performance very costly.

## 4.5. The extent to which Contract Performance Monitoring influences Procurement Performance at Busitema University

Contract performance monitoring was one of the dimensions of procurement contract management and had two indicators of quality monitoring and documentation measured using 11 items scored on five (5) point Likert scale ranging from 5= strongly agree, 4 = agree, 3 = not sure, 2= disagree, 1= strongly disagree and the findings are shown in table 12 below.

Table : Mean and Standard deviation results for contract performance monitoring

|  |  |  |
| --- | --- | --- |
|  | **Mean** | **S.D** |
| *Quality monitoring* | | |
| 1. Busitema University has a criteria for measuring quality assurance | 1.46 | 1.03 |
| 1. Busitema University always supervises its contracts by ensuring that the contractor meets the specified terms and condition of the contract | 3.95 | 1.02 |
| 1. Busitema University periodically conducts quality inspections on its running contracts | 3.46 | 1.20 |
| 1. Busitema University always gather data on the quality of service/works/goods offered by the contractors | 3.52 | 1.19 |
| *Documentation* | | |
| 1. Busitema University always makes staged reports on the quality of service/works/goods offered by the contractors | 3.60 | 1.15 |
| 1. Suppliers always submit delivery documentations to Busitema University for compliance to the terms and conditions of the contract | 4.34 | 0.75 |
| 1. Busitema University always issues goods received notes for all deliveries that comply to the terms and conditions of the contract and are taken | 4.05 | 1.03 |
| 1. Busitema University always issues goods returned notes for any deliveries that do not comply with the terms and conditions of the contract to be taken back by the suppliers. | 1.52 | 1.06 |
| 1. Busitema University always issues completion certificates to suppliers who complete their service in accordance with the terms and conditions of the contract | 1.50 | 1.06 |
| 1. Suppliers always submit payment documentations to Busitema University on completion of their duties in accordance with the terms and conditions of the contract | 4.17 | 0.95 |
| 1. Suppliers always issue payment receipts to Busitema University as evidence that the entity has implemented payment to them in accordance with the terms and conditions of the contract | 1.52 | 1.10 |

**Source:** Primary data

***Quality***

Table 11 above shows that the respondents agreed that the entity always supervised its contracts by ensuring that the contractor met the specified terms and condition of the contract (mean =3.95, Standard deviation =1.02) agreed that data on the quality of service/works/goods offered by the contractors was always gathered (mean = 3.52, Standard deviation = 1.19). The respondents also agreed that staged reports on the quality of service/works/goods offered by the contractors were made (mean = 3.60, Standard deviation = 1.15). The efforts to supervise contract by gather of data on contract quality performance and making of staged procurement contract performance reports should be commended as such contract monitoring efforts enhances the achievement of value for money and customer satisfaction due to the information it generated which could be used for quality improvement intervention.

However, the respondents disagreed that Busitema University had a criteria for measuring quality assurance during contract performance (mean =1.46, Standard deviation =1.03) while they were not sure if Busitema University periodically conducted quality inspections on its running contracts (mean = 3.46, Standard deviation = 1.20) findings which suggested that contract quality monitoring was constrained lack of a well-established quality assurance mechanisms and inadequate contract quality inspections. The management of the entity will therefore need to put in place a quality assurance mechanism for contract management and conduct regular quality inspections for enhanced contract monitoring.

***Documentation***

Table 13 above shows that the respondents agreed that;- suppliers always submit delivery documentations to Busitema University (mean = 4.34, Standard deviation = 0.75), Busitema University always issued goods received notes for all deliveries (mean = 4.05, Standard deviation = 1.03) and that suppliers always submitted payment documentations to Busitema University on completion of their duties in accordance with the terms and conditions of the contract (mean = 4.17, Standard deviation = 0.95). These findings suggested the PDE undertook to enforce contract performance documentation by demanding evidence for deliveries and issuance of receipts in honor to contractor performance of their part of the contract which contribute to attainment of value for money.

However, the respondent s disagreed that Busitema University always issued goods returned notes for any deliveries that did not comply with the terms and conditions of the contract to be taken back by the suppliers (mean = 1.52, Standard deviation = 1.06) while they disagreed that the entity always issued completion certificates to suppliers who complete their service in accordance with the terms and conditions of the contract (mean = 1.50, Standard deviation = 1.06). The failure to issue goods returned notes and contract completion certificates compromises contract performance best practices which puts attainment of value for money into precarious condition as payment may be effected for goods which were returned yet contractors my supply goods or services or works after expiry of the contract and demand for payments.

Asked to describe the contract performance monitoring practices in Busitema University one of the interviewees put it that:

Contract performance monitoring practices in Busitema University are such that Contract Managers do not give  reports to PDU but keep grumbling about in-efficient providers hence making it difficult for PDU to know which area needed improvement and how to rate the   providers. The example was of service, repair and maintenance of motor vehicles of the University. Busitema has a framework contract with some Garages. PDU noted conflict elements of resentments of Garages with users preferring a particular garage. The implication was that users were not satisfied with the performance of the other garage but there was no monitoring report submitted by the contract managers on this matter. PDU was in a dilemma concerning monitoring of this contract, and could not regard any of the two garages inefficient when there was no justification.

The qualitative findings are in agreement with the quantitative findings that there are some weaknesses in contract performance monitoring that in term affect procurement performance. The major weaknesses include the lack of criteria for measuring quality assurance and non-issuance of completion certificates to suppliers who complete their service in accordance with the terms and conditions of the contract. For improved procurement performance there is need to Busitema University to establish a criteria for measuring quality assurance and also to ensure issuance of completion certificates to suppliers who complete their service in accordance with the terms and conditions of the contract.

**4.5.1. Correlation results**

To test the relationship between contract performances monitoring and procurement performance, Pearson’s correlation analysis was conducted at the 2-tailed level and the findings are presented below.

Table : Correlation Matrix between contract performance monitoring and procurement performance

|  |  |  |  |
| --- | --- | --- | --- |
| **Variable** | | **1** | **2** |
| 1. Contract performance monitoring | Pearson Correlation | 1 |  |
| Sig. (2-tailed) |  |  |
| 1. Procurement performance | Pearson Correlation | .467\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| P<0.05; \*\*. Correlation is significant at the 0.01 level (2-tailed). | | |  |

**Source:** Primary data

Table 12 above shows Pearson’s correlation coefficient r = 0.467\*\* and p = 0.000 between contract performance monitoring and procurement performance in Busitema University suggesting that there was moderate positive significant relationship between contract performance monitoring and procurement performance. The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on monitoring the quality of the contract beings implemented and documentation of all contract related transactions.

Asked to describe the extent to which contract performance monitoring influences procurement performance at Busitema University one interviewee put it:

Due to lack of contract progress reports from Contract Managers to PDU; there is poor contract performance monitoring in Busitema University. This has greatly affected PDU since it has no basis of rating providers and may not know which providers implement their roles or fail to do so. This also keeps PDU unaware if the entity fulfills its contractual obligations. In the long run, the entity’s procurement performance is affected as it may keep working with poor providers compromising the attainment of value for money and customer satisfactions.

### 4.5.2. Regression Results between contract performance monitoring and procurement performance

To establish the extent to which contract performance monitoring influenced procurement performance, a simple regression analysis was conducted using the ANOVA techniques of adjusted R2 values, standardized beta values, t-values and the significance measured at 0.05 levels. The results are tabulated in the Table 14 below.

Table : Regression results between contract performance monitoring and procurement performance

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R2 | t-value | F-value | Sig | Std. Error of the Estimate |
| 1 | .467a | .218 | .212 | 6.395 | 40.890 | 0.000 | .878 |
| a. Predictors: (Constant), contract governance | | | | | | | |

P<0.05

**Source:** Primary data

The regression model in table 13 above shows adjusted R2 value of 0.218 between contract performance monitoring and procurement performance, suggesting that contract performance monitoring predicted 21.2% of the variance in the procurement performance while other variables explained the remaining 88.8% of the variance in procurement performance. The adjusted R2 = 0.212, t = 6.395, F= 40.890 and significance 0.000 suggested that the contract performance monitoring was a strong significant predictor of the variance in procurement performance in the PDE. The study therefore accepted the hypothesis that contract performance monitoring significantly influences procurement performance.

## 4.6. The extent to which Contract Termination/Closeout influences Procurement

# Performance at Busitema University

Contract termination/closeout was one of the dimensions of procurement contract management and had two indicators of termination and closeout measured using 10 items scored on five (5) point Likert scale ranging from 5= strongly agree, 4 = agree, 3 = not sure, 2= disagree, 1= strongly disagree and the findings are shown in table 15 below.

Table : Mean and Standard deviation results for contract termination/closeout

|  |  |  |
| --- | --- | --- |
| **Contract termination/closeout** | **Mean** | **S.D** |
| ***Termination*** | | |
| 1. Busitema University contract managers or procurement and disposal unit always submit a recommendation for termination whenever they believe that the contract should be terminated | 3.52 | 1.08 |
| 1. Busitema University and its contractors make recommendations for termination of contract if all avenues for dispute resolutions have failed. | 1.50 | 1.09 |
| 1. Busitema University promptly undertakes efforts to ensure that contracts with contractor are terminated if they do not perform to expectations | 1.58 | 1.18 |
| 1. Busitema University always ensures that no contract is terminated prior to obtaining the approval of the relevant stakeholders | 3.70 | 0.91 |
| 1. Busitema University always ensures that contracts are terminated in accordance to established contract termination clauses | 3.88 | 0.98 |
| ***Contract close out*** | | |
| 1. Busitema University always ensures that all awarded contracts are phased/closed out following meeting the requirements | 3.99 | 0.98 |
| 1. Busitema University always ensures that all contract obligations are complete prior to closure of the contract | 1.40 | 0.96 |
| 1. Busitema University always ensures that any contract amendments are made before contract closure. | 3.80 | 1.01 |
| 1. Contract Audits are performed before closure of contracts | 2.90 | 1.45 |
| 1. Busitema University always conduct a vendor rating/appraisal at the end of the contract | 2.89 | 1.49 |

**Source:** Primary Data

***Recommendation for termination***

According to table 14 above, the respondents disagreed that Busitema University contract managers or procurement and disposal unit always submitted a recommendation for termination whenever they believe that the contract should be terminated (mean = 3.52, Standard deviation =1.08) , agreed that Busitema University always ensured that no contract was terminated prior to obtaining the approval of the relevant stakeholders (mean = 3.70, Standard deviation = 0.91) while they agreed that contracts were terminated in accordance to established contract termination clauses (mean = 3.88, Standard deviation = 0.98). The efforts to recommend contract termination while considering approval of the relevant stakeholders to the contract in accordance to contract termination clauses should be commended as it helps rid the entity of eventual contract none performance costs and internal customer dissatisfaction.

However, the respondents disagreed that Busitema University promptly terminated contracts on submissions for recommendation for termination of contract (mean = 1.58, Standard deviation = 1.18) a finding which suggested that then the account officer could have relaxed and delayed to terminate contract which had been recommended for termination. The accounting officer therefore need to act fast on the recommendations for contract termination to save loss of funds and initiate the process of bring on new contractors to meet the objective of procurement to meet the user department’s needs.

***Contract close out***

Table 15 shows that the respondents agreed that Busitema University always ensured that all awarded contracts were phased/closed out following meeting the requirements (mean = 3.99, Standard deviation = 0.98) while they also agreed Busitema University always ensured that any contract amendments were made before contract closure (mean = 3.80, Standard deviation = 1.01). However, the respondents disagreed that that Busitema University always established that all contract obligations were complete prior to closure of the contract (mean = 1.40, Standard deviation = 0.96) while they were not sure if contract Audits were performed before closure of contracts in Busitema University (mean = 2.90, Standard deviation = 1.45); and were not sure if vendor rating/appraisals at the end of the contract were conducted (mean =2.89, Standard deviation = 1.49). These findings revealed that although effort was undertaken to phase out contracts on meeting of the objectives of the procurement and contract expiry, there was less efforts to enforce vendor rating and audits to ascertain vendors’ and contractors’ performance to provide information for qualification of vendors and contractors for future contract or recommends areas for improvement. This study therefore inferred that the continued failure to audit vendors and contractors performance compromises the achievement of valued for money because it is the effort to audit suppliers the entity will be in position to establish the responsiveness of the supplier or contractor in meeting the objective of the procurement.

Asked to describe how Busitema University terminates its contract with a supplier or contractor in the event that the supplier or contractor does not meet the terms and conditions of contract during contract performance one interviewee informed put it:

Some Contract Managers fear to give bad reports about suppliers, service providers, and contractors; other contract managers just keep quiet; there also Contract Managers who sympathize with suppliers, contractors/service providers and submitted final payment claims to PDU and accounts for payment. For example a contract for the supply of heavy duty photocopier, the supplier delivered a machine which was found to be incomplete and according to the contract terms and conditions was given two weeks to deliver the missing parts. Thereafter, the supplier disappeared and could not be accessed on phone. The Contract manager kept silent to the inconvenience and dissatisfaction of the user who had to move to the Central Registry from the University Secretary’s office do their heavy load of photocopying! Later after the contract completion period, the supplier communicated and apologized for the disappearance and the delay. He requested to be allowed to deliver a complete machine and return the one with the missing part.

Asked describe the contract closeout practices or activities in Busitema University the interviewees informed the interviewer that the contract closeout practices in Busitema University involve:

Once the main objective of the procurement has been achieved the contract completion process in accordance with the contract terms and conditions requiring the approval report by Contract Manager start. This involves certifying payment, PDU submitting payment   recommendations to Accounting Officer who approves them for payment processing and implementation to provider.

The qualitative findings are in agreement with the quantitative findings that there are some weaknesses in contract termination/closeout that in term affect procurement performance. The major weaknesses include Busitema University and its contractors making recommendations for termination of contract before all avenues for dispute resolutions have failed, terminating contracts before undertaking all efforts to ensure that contracts with contractor are do not perform to expectations and not ensuring that all contract obligations are complete prior to closure of the contract. For improved procurement performance all the above weaknesses need to be worked by Busitema University to ensure improved procurement performance.

### 4.6.1. Correlation results

To test the relationship between contract termination/closeout and procurement performance, Pearson’s correlation analysis was conducted at the 2-tailed level and the findings are presented below.

Table : Correlation Matrix between contract termination/closeout and procurement performance

|  |  |  |  |
| --- | --- | --- | --- |
| **Variable** | | **1** | **2** |
| 1. Contract termination/closeout | Pearson Correlation | 1 |  |
| Sig. (2-tailed) |  |  |
| 1. Procurement performance | Pearson Correlation | .626\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| P<0.05; \*\*. Correlation is significant at the 0.01 level (2-tailed). | | |  |

**Source**: Primary data

Table 15 above shows Pearson’s correlation coefficient r = 0.626\*\* and p = 0.000 between contract termination/closeout and procurement performance in Busitema University suggesting that there was high positive significant relationship between contract termination/closeout and procurement performance. The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on effort to terminate a contract for breach of contract and phasing out of contracts at the expiry of the contact period or when the objective of the procurement had been achieved.

### 4.6.2. Regression results between contract termination/closeout and procurement performance

To establish the extent to which contract termination/closeout influenced procurement performance, a simple regression analysis was conducted using the ANOVA techniques of adjusted R2 values, standardized beta values, t-values and the significance measured at 0.05 levels. The results are tabulated in the Table 16 below.

Table : Regression results between contract termination/closeout and procurement performance

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R2 | t-value | F-value | Sig | Std. Error of the Estimate |
| 1 | .628a | 0.395 | 0.391 | 9.795 | 95.938 | 0.000 | .772 |
| a. Predictors: (Constant), contract governance | | | | | | | |

P<0.05

**Source:** Primary data

The regression model in table 16 above shows adjusted R2 value of 0.391between contract termination/closeout and procurement performance suggesting that contract termination/closeout predicted 39.1% of the variance in the procurement performance. The adjusted R2 = 0.391, t = 9.795, F= 95.938and significance 0.000 suggested that the contract termination/closeout practice were a strong significant predictor of the variance in procurement performance in the PDE. The study therefore accepted the hypothesis that contract termination/closeout significantly influences procurement performance.

## 4.7. Procurement Performance

Procurement performance was the dependent variable of the study and had two indicators of value for money and internal customer satisfaction measured using 13 items scored on 5-point Likert scale and the findings are presented in table.

Table : Procurement performance

|  |  |  |
| --- | --- | --- |
|  | Mean | Std. Deviation |
| ***Value for money*** |  | |
| 1. Busitema University has realized a reduction in unit cost in the delivery of its mandate as a result of contract management | 1.56 | 1.135 |
| 1. Busitema University has realized a reduction in direct cost in the delivery of its mandate as a result of contract management | 1.59 | 1.139 |
| 1. Busitema University has realized a reduction in the indirect cost in the delivery of its mandate as a result of contract management | 1.45 | .996 |
| 1. Busitema University is in position to make reasonable savings from its procurement as a result of contract management | 3.27 | 1.328 |
| 1. Busitema University is in position to enjoy favorable terms and condition in its acquisition as a result of contract management | 3.35 | 1.244 |
| 1. Busitema University always achieves its intended results as a result of contract management | 3.31 | 1.205 |
| 1. It is now easier to provide Busitema University services at the lowest cost possible as a result of contract management | 3.13 | 1.241 |
| 1. Busitema University has realized a reduction in time required to deliver on its mandate as a result of contract management | 3.08 | 1.306 |
| ***Internal customer satisfaction*** |  | |
| 1. The materials used in user departments are procured at the right price | 3.14 | 1.244 |
| 1. The materials used in user departments are procured at the right time | 1.60 | 1.173 |
| 1. The materials used in user departments are procured from the right source | 1.62 | 1.181 |
| 1. The materials used in user departments are procured in the right quality | 1.50 | 1.076 |
| 1. The materials used in user departments are procured in the right quantity | 3.60 | 1.208 |

**Source**: Primary data

Table 17 above shows that the respondents indicated that;- the entity had not realized a reduction in unit cost in service delivery( Mean = 1.56), reduction in direct costs(Mean = 1.59), indirect costs (Mean = 1.45)as a result of contract management practice. These findings revealed constraints in achieving value for money procurements.

Similarly, the respondents disagreed that the materials used in user departments were procured at the right time (Mean = 1.60), from the right place (Mean = 1.62) and in the right quality (Mean = 1.50). These findings revealed a low level of internal customer satisfaction with the procurement performance.

## 4.8. Summary of the Study Results

The general objective of the study was to examine the extent to which contract management has influenced procurement performance in Busitema University. Contract management had indicators of contract governance, contract monitoring and contract termination/closeout. A multiple regression was conducted to establish the extent to which contract management as conceptualized influenced procurement performance and also to establish which among dimensions of contract management was a more significant predictor of the variance in the procurement performance (Amin, 2005) and the findings are shown in table 17 below.

Table : Multiple regression results

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Adjusted R2 = 0.543 | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta β |
| 1 | (Constant) | -.773 | .288 |  | -2.687 | .008 |
| Contract Governance | .708 | .142 | .460 | 6.982 | .000 |
| Contract Performance Monitoring | .139 | .144 | .230 | 2.267 | .044 |
| Contract termination/closeout | .440 | .063 | .433 | 6.967 | .000 |
| a. Dependent Variable: Procurement Performance | | | |  | | |

P<0.05

**Source:** Primary Data

Table 18 above shows an adjusted R2 value of 0.543 between contract management practices of governance, monitoring and termination/closeout suggesting that contract management predicted 54.3% of the variance in procurement performance while other variables predicted the remaining 45.7% of the variance in the procurement performance. Contract governance was the highest significant predictors of the variance in the procurement performance (β = 0. 460, t =6.982, and sig = 0.000). This was followed by termination/closeout (β = 0.433, t = 6.987, and sig 0.000) and contract performance monitoring (β = 0. 230, t = 2.267, and sig 0.044). Thus any efforts to enhance procurement management should give priority to the contract governance and termination/closeout best practices without compromise of contract performance monitoring. Asked to describe experiences of value for money procurements and internal customer satisfaction in the Busitema procurement function, one interviewee put it:

There are still difficulties in the attainment of value for money attained in the procurement function in Busitema University because suppliers and contractors tend to hike prices in the process of transferring the cost burden to the entity thus leading to expensive procurements and no value adding to the entity. For instance, in the supply and delivery of Computers and their accessories where in a market survey for prices, one of the pre-qualified firms gave a relatively fair price of the required computer. After market survey and confirmation of funds, this was a micro procurement and the firm with the relatively fair price was invited to formally quote for the computer. Surprisingly, the firm was found to have increased the price within less than a month after the market survey. This increased the procurement cost since the Accounting Officer had to confirm availability of additional funds which were above micro procurement, and another procurement process had to be carried out costing time and work progress to the user who could not produce work because the procurement process did not meet the timely production of work.

Another interviewee also noted mixed feelings in customer satisfaction in the procurement performance in Busitema University because:

During delivery of assorted training materials for recess term for computer engineering department, Contract Managers have not been testing each and every item delivered but would sample some of them. However, during usage and/or after contract closure, some items would be found unsatisfactory. There was a case of key boards and other items. This was noticed in due course of the training when the boards could not be used even at the first opening. This led to another procurement process to ensure that the items are got to enhance the training exercise. There was loss of time as the new procurement process was to be initiated to the dissatisfaction of the user and failure to attain value for money.

# CHAPTER FIVE

# SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

# 

## 5.1 Introduction

This chapter presents a summary, discussion, conclusions and recommendations of the study in contract management and procurement performance. The first section presents a summary of the study findings in relation to the specific objectives. This is followed by a discussion, conclusion, and recommendations of the study in relation to the objectives of the study. Limitations of the study, contributions of the study and recommendations for further studies are also presented in this chapter.

## 5.2 Summary of the Study Findings

This sub section presents a recap of the study findings on the extent to which contract governance, monitoring, termination/closure influence procurement performance Busitema University as found in the previous chapter.

### 5.2.1 The extent to which contract governance influenced procurement performance in Busitema University

The study found a high positive significant relationship between contract governance and procurement performance. Contract governance was a strong significant predictor of the variance in procurement performance as it predicted 39.7% of the variance in the procurement performance (adjusted R2 = 0.397, t = 9.913, F= 98.258 and significance 0.000).The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on the establishment of contract implementation structure and allocations of roles and responsibilities among the contract stakeholders.

### 5.2.2. The extent to which contract performance monitoring influenced procurement performance in Busitema University

The study found a moderate positive significant relationship between contract performance monitoring and procurement performance. Contract performance monitoring was a strong significant predictor of the variance in procurement performance as it predicted 21.2% of the variance in the procurement performance (adjusted R2 = 0.212, t = 6.395, F= 40.890 and significance 0.000). The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on monitoring the quality of the contract beings implemented and documentation of all contract related transactions.

### 5.2.3 The extent to which contract termination/closure influenced procurement

### Performance in Busitema University

The study found a high positive significant relationship between contract termination/closeout and procurement performance. Contract termination/closeout was a strong significant predictor of the variance in procurement performance as it predicted 39.1% of the variance in the procurement performance (adjusted R2 = 0.391, t = 9.795, F= 95.938 and significance 0.000). The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on effort to terminate a contract for breach of contract and phasing out of contracts at the expiry of the contact period or when the objective of the procurement had been achieved.

## 5.3Discussion of the Study Findings

This sub section presents a discussion of the study findings on the extent to which contract management dimensions of governance, monitoring, termination/closeout influences procurement performance in relation to the literature review.

### 5.3.1 Contract governance and procurement performance

These findings suggested that effort was undertaken to observe effective contract governance best practices related to structure demanding the appointment of contract manager and other contract stakeholders, making decision on centralized and decentralized roles in contract management which enhances the achievement of the objective of the procurement. However, the study found inadequate contract management structure considerations which constrain the achievement of the objective of procurement due to appointment of incompetent contract managers, lack of workflow charts which provides for work sequencing, lack of additional committees to reinforce and backup contract supervision and failure to exploit the benefits of strategic partnerships with suppliers.

The study found out that although the different contract planning and organizing roles were assigned to different personnel in the PDE, the failure to adequately provide for control and reporting roles during contract performance adversely affects contract management due to lack of clarity on contract controls and reporting responsibility. These study findings relate to what Power, et al., (2004) noted that organizations need to understand how to manage the ongoing contracting relationship through use of a governance plan which is the glue that holds the contracting relationship together. To them (ibid), contract government includes a descriptions of the contracting efforts, identification of key shareholders, schedule of activities, roles and responsibilities, budgets, performance measurements, work products, resources, required skills and knowledge, change control process, quality assurance, configuration management, communication plan and tools, equipment, facilities and security.

The study found a high positive significant relationship between contract governance and procurement performance. Contract governance was a strong significant predictor of the variance in procurement performance as it predicted 39.7% of the variance in the procurement performance. The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on the establishment of contract implementation structure and allocations of roles and responsibilities among the contract stakeholders. Lin, et al., (2007) supports the role of contract governance in enhancing the achievement of procurement performance and note that integration can be reinforced with knowing the parties’ contractual rights and responsibilities as point of reference for evaluation of parties’ performance of their contractual obligations.

Other scholars have suggested that partners can use safeguards as a cost effective form of governance between parties, specifically informal ones such as good will trust or embeddedness in addition to formal control and trust (Yang et al., 2011; Klein &Rai, 2009). The tangible benefits can be considerable as these informal safeguards are generally lower cost governance mechanisms than alternate forms that would involve complex legal contracts, extensive monitoring costs, and security bonds while intangible benefits can be considered as feeling and reacting as a team player (Sambasivan et al., 2011).

### 5.3.2. Contract performance monitoring and procurement performance

The efforts to supervise contract by gather data on contract quality performance and making of staged procurement contract performance reports. However, the study found out that contract quality monitoring was constrained lack of a well-established quality assurance mechanisms and inadequate contract quality inspections. On contract documentation, the PDE undertook to enforce contract performance documentation by demanding evidence for deliveries and issuance of receipts in honor to contractor performance of their part of the contract which contribute to attainment of value for money. However the study found failure to issue goods returned notes and contract completion certificates which compromises contract performance best practices which puts attainment of value for money into precarious condition as payment may be implemented for goods which were returned. The above study observations are supported by previous works which noted that the contracting process tends to be concerned with performance monitoring because they need to determine the most cost-effective approach to ensure that efficiency and innovation gains from outsourcing are not eroded (Avery, 2000; Hodge, 1998).

While discussing the outsourcing of public health laboratory services, Avery (2000) suggests that the agency should establish a system of performance monitoring and feedback from users and service providers. He recommends development of written performance goals and monitoring of external providers to ensure contract fulfillment in terms of performance and quality. Øvretveit (2003) noted that the purchaser’s responsibility in monitoring the contract involves receiving the provider’s quality reports, and checking the validity of these reports; taking action on poor quality; receiving complaints directly from the public; and getting feedback from the public about satisfaction with the service. Consequently, the purchasers responsibility in reviewing the contract include reviewing quality performance; agreeing changes to improve quality; and changing or proposing to change contracts, if quality performance is unacceptable and there are alternative services.

The study found a moderate positive significant relationship between contract performance monitoring and procurement performance. Contract performance monitoring was a strong significant predictor of the variance in procurement performance as it predicted 21.2% of the variance in the procurement performance. The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on monitoring the quality of the contract beings implemented and documentation of all contract related transactions. The study inferences are supported by Øvretveit (2003) who noted that the single most important thing that purchasers can do to improve quality is to require a provider to have an appropriate quality system, and to have access to the system documentation.

In support, Oyegoke (2006) reflects on the use of performance certificates and noted that in the Finnish system, the contractor receives a payment two weeks after the certificate, i.e. 14 days; the issue of the certificate and payment is based on the schedule of payment and ff the client defaults within a reasonable time frame, the client is obliged to pay the contractor annual penalty interest under interest act. Furthermore, Dean and Kiu (2002) study found out that organizations do believe that performance monitoring is related to quality outcomes. However, they expressed concern about issues of value, that is, that quality measurement activities do not exceed the benefits of contracting.

### 5.3.3 Contract termination/closure and procurement performance

The study found out that effort was undertaken to recommend contract termination while considering approval of the relevant stakeholders to the contract in accordance to contract termination clauses. However, the study found out that the account officer delayed to terminate contract which had been recommended for termination which could help the entity get of rid of eventual loss of value for money and internal customer dissatisfaction. These study findings are supported by the view that contract termination involves the separation of the contracting parties during the performance of the contract following breach or failure to perform according to the contractual obligations or provisions (Thai, 2004). Contract closure is defined as the effort to ensure that all contractual issues have been met, all changes have been incorporated into the final document, all deliverables have been received, all bailed assets and classified documents have been returned and final payment has been made (Thai, 2004; Nirmal, et al., 2006).

The study found a high positive significant relationship between contract termination/closeout and procurement performance. Contract termination/closeout was a strong significant predictor of the variance in procurement performance as it predicted 39.1% of the variance in the procurement performance. The implication was that the attainment of value for money and internal customer satisfaction procurement performance indicators significantly depends on effort to terminate a contract for breach of contract and phasing out of contracts at the expiry of the contact period or when the objective of the procurement had been achieved. These study findings are supported by Baccarini et al., (2004) who noted that contracts cannot be expected to achieve a firm’s desired results unless they specify a course of action to take when a vendor is not meeting its service level obligations. Some scholars suggest creation of a bi-partisan, virtual committee that can act in these instances to deliver a fair and binding resolution to such disputes (Allen &Chandrashekar, 2000; Liz et al., 2004). Winters (2005) suggests that for an outgoing service provider in the public sector organisations there is need to publish final performance metrics; publish inventories related to the performance of work; issue benchmarking data; release process documents; and issue reconciled final financial statement.

## 5.4 Conclusions of the Study

This sub section presents the learning points of the study findings on the extent to which contract management dimensions of governance, monitoring, termination/closeout influences procurement performance in relation to the study findings and the discussions above.

### 5.4.1 Contract governance and procurement performance

The study concluded that attainment of procurement performance indicators of value for money and internal customer satisfaction in PDEs depends on the establishment of contract governance mechanism of implementation structure and allocations of roles and responsibilities among the contract stakeholders.

### 5.4.2 Contract performance monitoring and procurement performance

The study concluded that attainment of procurement performance indicators of value for money and internal customer satisfaction in PDEs depends on effective contract monitoring of quality of the contract beings implemented and documentation of all contract related transactions.

### 5.4.3 Contract termination/closure and procurement performance

The study concluded that attainment of procurement performance indicators of value for money and internal customer satisfaction in PDEs depends on effort to terminate a contract for breach of contract and phasing out of contracts at the expiry of the contact period or when the objective of the procurement had been achieved.

## 5.5Recommendations of the Study

This sub section presents the recommendations of the study in relation to contract management dimensions of governance, monitoring, termination/closeout for enhanced procurement performance in government PDEs (PPDA Act, No.1 and Regulations, No.70 of 2003 and amendments 2014).

### 5.5.1 Contract governance and procurement performance

The study recommends that to achieve value for money and customer satisfaction procurement performance expectations, the accounting officers in Busitema University in liaison with User Departments, PDU, Contract Committee and selected contractor should always ensure illustrations and communication of a contract governance structure in the user department involved with specific contracts. The contract governance structures should be filled based on possession of proven competencies/capabilities to manage contract, adequate illustration of work flow charts, establishment of additional committees to supervise contracts, appropriate assignment of contract control and reporting roles to different personnel in privy to the contract. The use of pre-contract performance planning conferences is recommended to effectively constitute and communicate the contract governance mechanisms. Once the above is done, procurement performance is likely to improve.

### 5.5.2 Contract performance monitoring and procurement performance

The study recommends that to achieve value for money and customer satisfaction procurement performance expectations, the accounting officer in Busitema University in liaison with User Departments, PDU, Contract Committee and selected contractor should establish a quality assurance criteria to monitor quality such as delivery inspection committees within the user departments, regularly and prompt procurement contract performance audits during contract performance. Prompt documentation by issuing of goods returned notes, issuance of completion certificates, and demanding for all payment receipts to Busitema University should strictly be observed. Duplications of contract files and their storage in by the user department, PDU and office of the secretary will go a long way to effect procurement contract performance monitoring.

### 5.5.3 Contract termination/closure and procurement performance

The study recommends that to achieve value for money and customer satisfaction procurement performance expectations, the accounting officer in Busitema University in liaison with User Departments, PDU, Contract Committee and selected contractor should terminate all non-performing contracts by providing for termination clause which will be invoked to terminate contracts. On the job training for user departments and contract managers should be undertaken focusing on vendor appraisals and contract audits to enable them perform these activities at contract closure, so that the contracts are properly closed in accordance with the contract terms.

## 5.6 Limitations of the Study

The study relied on primary data collected using a standardized questionnaire and interview guide without use of secondary data to effectively triangulate and enhance the data quality on the contract management and procurement performance. Use of secondary data should have enhanced the quality and objectivity of the study findings but access to contract files was restricted given the nature of the University whose operations tend to be secretive. Similarly, there was no standardized tool on contract management and procurement performance with a known validity and reliability in public PDEs. The study therefore adopted a researcher administered questionnaire but ensured its validity and reliability were tested before rolling out the study. The study also conveniently selected suppliers which could bias the results since they were not scientifically selected.

## 5.7 Contributions of the Study

The study has helped develop managerial and operational recommendations necessary for effective contract management in Busitema University. Similarly, the study has helped develop a procurement performance assessment tool (sees appendix I) which could be adopted by practitioners and researchers to measure procurement performance with ease compared to other economic metric measures. Similarly, the study has also helped cover literature gaps by providing empirical evidence on the extent to which contract management influences procurement performance in a developing country which was still reforming its procurement system.

## 5.8 Recommendations for Further Studies

The study found out that contract management and its dimensions of contract governance, performance monitoring, and termination/closure predicted 54.3% of the variance in procurement performance while other variables predicted the remaining 45.7% of the variance in the procurement performance. Other studies need to examine the extent to which adoptions of e-sourcing procurement influences procurement performance.

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# APPENDICES

# Appendix I:

# Study Questionnaire for Busitema University Staff

**Introduction**

Dear respondent,

Dear respondent,

My name is Omella Joshua pursuing a Master in Public Procurement at Uganda management institute. I am interested in establishing the influence of contract management on procurement performance. You have been selected as a respondent in Busitema University to provide me with your views on this study. Your views will be kept and treated confidentially in line with the purpose of the study and your responses will not be used against you. So feel free and respond diligently.

**Section A: Background**

* + - 1. Your Level of education: Certificate 1=Diploma; 2=Degree; 3=Postgraduate; 4=others (specify)………………………..
      2. Your User Department: 1=University Secretary’s office; 2=Faculty of Education; 3=Academic Registrar; 4= Accounts and Finance; 5=Faculty of Health Sciences; 6=Faculty of Engineering; 7=Faculty of animal management;
      3. Your position in relation to the procurement function: 1=Contracts Committee; 2=PDU; 3=Contract Managers; 4=User Departments (Heads of Depts. both Academic & Non Academic) 5=Contract Managers for Suppliers, Service Providers, and Contractors
      4. Years you have worked with the organization : 1=Less than 1 year; 2=1 -2 years; 3=3 -5 years; 4= 5 -10 years;5=Above 10 years

**Section B: Contract Governance**

Indicate the extent to which you agree with the following observations on contract governance in the University on a scale 5 = Strongly Agree (SA) 4 = Agree (A) 3 = Not Sure (NS) 2 = Disagree (D) 1= Strongly Disagree (SD).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Contract Governance** | **SA** | **A** | **NS** | **DA** | **SD** |
| **Structur*e*** |
| 1. Busitema University always appoints contract managers from the user departments to oversee the contract management process |  |  |  |  |  |
| 1. Possession of proven competencies/capabilities is the basis for appointment of contract managers to manage contracts |  |  |  |  |  |
| 1. Appropriate organization structures are always provided for effective and efficient management of awarded contracts |  |  |  |  |  |
| 1. Effort is undertaken to identify the different stakeholders in the contract management phase |  |  |  |  |  |
| 1. Adequate work flow charts are made to effectively manage the awarded contract |  |  |  |  |  |
| 1. Decisions on centralized roles are adequately made to guide contract performance |  |  |  |  |  |
| 1. Decisions on decentralized roles are made to guide contract performance |  |  |  |  |  |
| 1. Busitema University always ensures that there are additional committees to supervise contracts |  |  |  |  |  |
| 1. There is an effort to develop partnerships with contractors or suppliers to ensure achievement of the objectives of contracting |  |  |  |  |  |
| **Roles and responsibilities** | | | | | |
| 1. Different planning roles are appropriately assigned to different personnel during contract management |  |  |  |  |  |
| 1. Different organizing roles are appropriately assigned to different personnel during contract management |  |  |  |  |  |
| 1. Different contract controls roles are appropriately assigned to different personnel during contract management |  |  |  |  |  |
| 1. Different reporting roles are appropriately assigned to different personnel during contract management |  |  |  |  |  |

**Section C: Contract Performance Monitoring**

Indicate the extent to which you agree with the following observations on contract performance monitoring in Busitema University on a scale

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Performance monitoring** | **SA** | **A** | **NS** | **D** | **SD** |
| **Quality** |
| 1. Busitema University has a criteria for measuring quality assurance during contract performance |  |  |  |  |  |
| 1. Busitema University always supervises its contracts by ensuring that the contractor meets the specified terms and condition of the contract |  |  |  |  |  |
| 1. Busitema University periodically conducts quality inspections on its running contracts |  |  |  |  |  |
| 1. Busitema University always gather data on the quality of service/works/goods offered by the contractors |  |  |  |  |  |
| 1. Busitema University always makes staged reports on the quality of service/works/goods offered by the contractors |  |  |  |  |  |
| **Documentation** | | | | | |
| 1. Suppliers/ contractors always submit delivery documentations to Busitema University for compliance to the terms and conditions of the contract |  |  |  |  |  |
| 1. Busitema University always issues goods received notes for all deliveries that comply to the terms and conditions of the contract and are taken |  |  |  |  |  |
| 1. Busitema University always issues goods returned notes for any deliveries that do not comply with the terms and conditions of the contract to be taken back by the suppliers. |  |  |  |  |  |
| 1. Busitema University always issues completion certificates to suppliers who complete their service in accordance with the terms and conditions of the contract |  |  |  |  |  |
| 1. Suppliers always submit payment documentations to Busitema University on completion of their duties in accordance with the terms and conditions of the contract |  |  |  |  |  |
| 1. Suppliers always issue payment receipts to Busitema University as evidence that the entity has implemented payment to them in accordance with the terms and conditions of the contract |  |  |  |  |  |

**Section D: Termination/closeout**

Indicate the extent to which you agree with the following observations on contract termination/closeout in Busitema University on a scale 5 = Strongly Agree (SA) 4 = Agree (A) 3 = Not Sure (NS) 2 = Disagree (D) 1= Strongly Disagree (SD).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Contract termination/closeout** | **SA** | **A** | **NS** | **D** | **SD** |
| **Recommendation for termination** |  | | | | |
| 1. Busitema University contract managers or procurement and disposal unit always submit a recommendation for termination whenever they believe that the contract should be terminated |  |  |  |  |  |
| 1. Busitema University and its contractors make recommendations for termination of contract if all avenues for dispute resolutions have failed. |  |  |  |  |  |
| 1. Busitema University promptly undertakes efforts to ensure that contracts with contractor are terminated if they do not perform to expectations stipulated |  |  |  |  |  |
| 1. Busitema University always ensures that no contract is terminated prior to obtaining the approval of the relevant stakeholders |  |  |  |  |  |
| 1. Busitema University always ensures that contracts are terminated in accordance to established contract termination clauses |  |  |  |  |  |
| **Contract close out** | | | | | |
| 1. Busitema University always ensures that all awarded contracts are phased/closed out following meeting the requirements |  |  |  |  |  |
| 1. Busitema University always ensures that all contract obligations are complete prior to closure of the contract |  |  |  |  |  |
| 1. Busitema University always ensures that any contract amendments are made before contract closure. |  |  |  |  |  |
| 1. Contract Audits are performed before closure of contracts in Busitema University |  |  |  |  |  |
| 1. Busitema University always conduct a vendor rating/appraisal at the end of the contract |  |  |  |  |  |

**Section E: procurement performance**

Indicate the extent to which you agree with the following observations on procurement performance in Busitema University on a scale 5 = Strongly Agree (SA) 4 = Agree (A) 3 = Not Sure (NS) 2 = Disagree (D) 1= Strongly Disagree (SD).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Procurement performance** | **SA** | **A** | **NS** | **D** | **SD** |
| ***Value for money*** |  |  |  |  |  |
| 1. Busitema University has realized a reduction in unit cost in the delivery of its mandate as a result of contract management |  |  |  |  |  |
| 1. Busitema University has realized a reduction in direct cost in the delivery of its mandate as a result of contract management |  |  |  |  |  |
| 1. Busitema University has realized a reduction in the indirect cost in the delivery of its mandate as a result of contract management |  |  |  |  |  |
| 1. Busitema University is in position to make reasonable savings from its procurement as a result of contract management |  |  |  |  |  |
| 1. Busitema University is in position to enjoy favorable terms and condition in its acquisition as a result of contract management |  |  |  |  |  |
| 1. Busitema University always achieves its intended results as a result of contract management |  |  |  |  |  |
| 1. It is now easier to provide Busitema University services at the lowest cost possible as a result of contract management |  |  |  |  |  |
| 1. Busitema University has realized a reduction in time required to deliver on its mandate as a result of contract management |  |  |  |  |  |
| ***User satisfaction*** | | | | | |
| 1. The materials used in user departments are procured at the right price |  |  |  |  |  |
| 1. The materials used in user departments are procured at the right time |  |  |  |  |  |
| 1. The materials used in user departments are procured from the right source |  |  |  |  |  |
| 1. The materials used in user departments are procured in the right quality |  |  |  |  |  |
| 1. The materials used in user departments are procured in the right quantity |  |  |  |  |  |

Thank you for your cooperation

# Appendix II:

# Study Questionnaire for suppliers and contractors

**Introduction**

Dear respondent,

My name is Omella Joshua pursuing a Master in Public Procurement at Uganda management institute. I am interested in establishing the influence of contract management on procurement performance. You have been selected as a respondent in your company to provide me with your views on this study. Your views will be kept and treated confidentially in line with the purpose of the study and your responses will not be used against you. So feel free and respond diligently.

**Section A: Background**

1. Your Level of education: Certificate [ ] Diploma [ ] Degree [ ] Postgraduate [ ] Others (specify)………………………..

2. Your position in relation to the company: Owner [ ] Contract Manager [ ] Officer [ ]

3. Years you have been doing business with Busitema University: Less than 1 year [ ] 1 -2 years [ ] 3 -5 years [ ] 6 and above [ ]

**Section B: Contract Governance**

Indicate the extent to which you agree with the following observations on contract governance in Busitema University on a scale 5 = Strongly Agree (SA) 4 = Agree (A) 3 = Not Sure (NS) 2 = Disagree (D) 1= Strongly Disagree (SD).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Contract Governance** | **SA** | **A** | **NS** | **DA** | **SD** |
| *Structure* |
| 1. Busitema University always appoints contract managers from the user departments to oversee the contract management process |  |  |  |  |  |
| 1. Possession of proven competencies/capabilities is the basis for appointment of contract managers to manage contract |  |  |  |  |  |
| 1. Appropriate organization structures are always provided for effective and efficient management of awarded contracts |  |  |  |  |  |
| 1. Effort is undertaken to identify the different stakeholders in the contract management phase |  |  |  |  |  |
| 1. Adequate work flow charts are made to effectively manage the awarded contract |  |  |  |  |  |
| 1. Decisions on centralized roles are adequately made to guide contract performance |  |  |  |  |  |
| 1. Decisions on decentralized roles are made to guide contract performance |  |  |  |  |  |
| 1. Busitema University always ensures that there are additional committees to supervise contracts |  |  |  |  |  |
| 1. There is an effort to develop partnerships with contractors or suppliers to ensure achievement of the objectives of contracting |  |  |  |  |  |
| *Roles and responsibilities* | | | | | |
| 1. Different planning roles are appropriately assigned to different personnel during contract management |  |  |  |  |  |
| 1. Different organizing roles are appropriately assigned to different personnel during contract management |  |  |  |  |  |
| 1. Different contract controls roles are appropriately assigned to different personnel during contract management |  |  |  |  |  |
| 1. Different reporting roles are appropriately assigned to different personnel during contract management |  |  |  |  |  |

**Section C: Contract Performance Monitoring**

Indicate the extent to which you agree with the following observations on contract performance monitoring in Busitema University on a scale 5 = Strongly Agree (SA) 4 = Agree (A) 3 = Not Sure (NS) 2 = Disagree (D) 1= Strongly Disagree (SD).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Performance monitoring** | **SA** | **A** | **NS** | **D** | **SD** |
| *Quality* |
| 1. Busitema University has a criteria for measuring quality assurance during contract performance. |  |  |  |  |  |
| 1. Busitema University always supervises its contracts by ensuring that the contractor meets the specified terms and condition of the contract |  |  |  |  |  |
| 1. Busitema University periodically conducts quality inspections on its running contracts |  |  |  |  |  |
| 1. Busitema University always gather data on the quality of service/works/goods offered by the contractors |  |  |  |  |  |
| 1. Busitema University always makes staged reports on the quality of service/works/goods offered by the contractors |  |  |  |  |  |
| *Documentation* | | | | | |
| 1. Suppliers always submit delivery documentations to Busitema University for compliance to the terms and conditions of the contract |  |  |  |  |  |
| 1. Busitema University always issues goods received notes for all deliveries that comply to the terms and conditions of the contract |  |  |  |  |  |
| 1. Busitema University always issues goods returned notes for any deliveries that do not comply with the terms and conditions of the contract to be taken back by the suppliers. |  |  |  |  |  |
| 1. Busitema University always issues completion certificates to suppliers who complete their service in accordance with the terms and conditions of the contract |  |  |  |  |  |
| 1. Suppliers always submit payment documentations to Busitema University on completion of their duties in accordance with the terms and conditions of the contract |  |  |  |  |  |
| 1. Suppliers always issue payment receipts to Busitema University as evidence that the entity has implemented payment to them in accordance with the terms and conditions of the contract |  |  |  |  |  |

**Section D: Termination/closeout**

Indicate the extent to which you agree with the following observations on contract termination/closeout in Busitema University on a scale 5 = Strongly Agree (SA) 4 = Agree (A) 3 = Not Sure (NS) 2 = Disagree (D) 1= Strongly Disagree (SD).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Contract termination/closeout** | **SA** | **A** | **NS** | **D** | **SD** |
| ***Recommendation for termination*** |  | | | | |
| 1. Busitema University contract managers always submit a recommendation for termination whenever they believe that the contract should be terminated |  |  |  |  |  |
| 1. Busitema University and its contractors make recommendations for termination of contract if all avenues for dispute resolutions have failed. |  |  |  |  |  |
| 1. Busitema University promptly undertakes efforts to ensure that contracts with contractor are terminated if they do not perform to expectations stipulated |  |  |  |  |  |
| 1. Busitema University always ensures that no contract is terminated prior to obtaining the approval of the relevant stakeholders |  |  |  |  |  |
| 1. Busitema University always ensures that contracts are terminated in accordance to established contract termination clauses |  |  |  |  |  |
| ***Contract close out*** | | | | | |
| 1. Busitema University always ensures that all awarded contracts are phased/closed out following meeting the requirements |  |  |  |  |  |
| 1. Busitema University always ensures that all contract obligations are complete prior to closure of the contract |  |  |  |  |  |
| 1. Busitema University always ensures that any contract amendments are made before contract closure. |  |  |  |  |  |
| 1. Contract Audits are performed before closure of contracts in Busitema University |  |  |  |  |  |
| 1. Busitema University always conduct a vendor rating/appraisal at the end of the contract |  |  |  |  |  |

# Thank you for your cooperation

# Appendix III:

# Interview Guide

Dear respondent,

My name is Omella Joshua a Master in Public Procurement at Uganda management institute. I am interested in establishing the influence of contract management on procurement performance. Kindly spare some few minutes to respond to the following questions. Information received from you is for academic purposes and will be kept confidential. You will not be victimized for whatever answer you have given and to ensure this; you are not required to identify yourself anywhere in the interview:

1. Describe your experiences of value for money procurements and internal customer satisfaction in the Busitema University procurement function.
2. Describe the contract governance mechanisms Busitema University has instituted for the different types of contracts with its suppliers or contractors.
3. To what extent to does contract governance influence procurement performance in Busitema University?
4. Describe the contract performance monitoring practices in Busitema University
5. To what extent does contract performance monitoring influenced procurement performance in Busitema University.
6. How does Busitema University terminate its contract with suppliers or contractor in the event that the supplier or contractor does not meet the terms and conditions of contract during contract performance?
7. Describe the contract closeout practices or activities in Busitema University
8. To what extent does contract termination/closeout influence procurement performance

**Thank you for cooperation**

# Appendix 1V: Determining Sample Size from a given Population by Small Sample Technique forSelection of Sample

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***N*** | ***S*** | ***N*** | ***S*** | ***N*** | ***S*** |
| 10 | 10 | 220 | 140 | 600 | 234 |
| 15 | 14 | 230 | 144 | 650 | 242 |
| 20 | 19 | 240 | 148 | 700 | 248 |
| 25 | 24 | 250 | 152 | 750 | 254 |
| 30 | 28 | 260 | 155 | 800 | 260 |
| 35 | 32 | 270 | 159 | 850 | 265 |
| 40 | 36 | 280 | 162 | 900 | 269 |
| 45 | 40 | 290 | 165 | 950 | 274 |
| 50 | 44 | 300 | 169 | 1000 | 278 |
| 55 | 48 | 320 | 175 | 1050 | 285 |
| 60 | 52 | 340 | 181 | 1100 | 291 |
| 65 | 56 | 360 | 186 | 1150 | 297 |
| 70 | 59 | 380 | 191 | 1200 | 302 |
| 75 | 63 | 400 | 196 | 1250 | 306 |
| 80 | 66 | 420 | 201 | 1300 | 310 |
| 85 | 70 | 440 | 205 | 1350 | 313 |
| 90 | 73 | 460 | 210 | 1400 | 317 |
| 95 | 76 | 480 | 214 | 1450 | 320 |
| 100 | 80 | 500 | 217 | 1500 | 322 |
| 110 | 86 | 550 | 226 | 1550 | 327 |

Note.—*N* is population size.

*S* is sample size.

Source: Krejcie and Morgan (1970)

# Appendix V: Introductory Letter

# Appendix VI: Field Research Letter