



**AN ASESMENT OF THE EFFECT OF PUBLIC PROCUREMENT  
REFORMS ON SERVICE DELIVERY IN RUKUNGIRI DISTRICT LOCAL  
GOVERNMENT, UGANDA**

**BY**

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**DECLARATION**

I, Aggrey Muramira, hereby confirm that the work comprising this research report, is my original work and, to the best of my knowledge, has never been submitted for any Master's degree in any university or institution.

Sign.....

Date.....

## APPROVAL

We acknowledge to have supervised Aggrey Muramira in his dissertation in partial fulfilment of the requirements for the award of the Master of Management Studies Degree of Uganda Management Institute.

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## **DEDICATION**

I dedicate this report to my dear family.

## **ACKNOWLEDGEMENTS**

Academic advancement requires commitment and dedication, but also causes inconvenience that call for a great deal of patience and support from all those involved. On that account, I am obliged to thank the management and staff of Rukungiri District for their support which enabled me to complete this study on time. Without the time they spared to take on additional assignments during my absence, respond to questionnaires and accept to be interviewed, this study would not have been completed on time.

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### LIST OF ABBREVIATIONS

ADB	-	Africa Development Bank
AG	-	Auditor General
BVT	-	Best Value Theory
CBR	-	Centre for Basic Research
CTB	-	Central Tender Board
FOC	-	Full and Open Competition Theory
GCPC	-	Government Central Purchasing Corporation
IGG	-	Inspector General of Government
IPSA	-	Institute of Purchasing and Supplies Authority
ITC-ILO	-	International Training Center of the International Labour Organization
OECD	-	Organization for Economic Cooperation and Development
PDE	-	Procuring and Disposing Entity
PPDA	-	Public Procurement and Disposal of Public Assets Authority
PPDAA	-	Public Procurement and Disposal of Public Assets Act
PPOA	-	Public Procurement Oversight Authority
RoU	-	Republic of Uganda
SPSS	-	Statistical Package for Social Scientists
UMI	-	Uganda Management Institute
UNCITRAL	-	United Nations Commission for International Trade Law
USD	-	United States Dollars

- UT - Urgency Theory
- WB - World Bank

## **ABSTRACT**

This report presents findings of the study that explored the effect of public procurement reforms on government procurement standards in terms of compliance and how this has affected the quality and timeliness of service delivery standards in Uganda using Rukungiri District as a microcosm unit of study. The specific objectives were to assess the effect of compliance with procurement rules and procedures; evaluate the effect of procurement oversight; and, assess the effect of staffing and functionality of procurement committees on the attainment of procurement objectives in Rukungiri District and their overall effect on service delivery. A cross-sectional research design was used to evaluate the effect of legal, integrity, institutional and intervening factors on procurement efficiency, both at institutional and national level. The sample for the study comprised 130 respondents out of the total accessible population of 134. Of these, 34 were district officials involved at some level of implementation of procurement reforms as well as politicians, and 96 respondents were purposively and randomly selected from the other clusters in line with Krejcie and Morgan (1970) sample determination criteria. The study generated an average response rate of 81.5 % which, according to Tsui et al, is very good (Tsui, Ashford, St, & Xin, 1995). Findings show that post reform adherence to the provisions of the procurement law in Rukungiri district has improved, though the current staff structure and staffing levels generally do not contribute to the attainment of the objectives of the procurement law. The study recommends wholesome training for departmental and procurement staff in project planning and management, competence and integrity improvement, strengthening audit oversight function and outlaw political interference.

Provision of financial support for departments to outsource expertise in complex specifications and improving staff remuneration to fend off the temptation to take bribes are considered critical.



## **CHAPTER ONE**

### **INTRODUCTION**

#### **Introduction**

A new law to regulate Public Procurement was introduced in Uganda in 2003. Among other things, its locus was premised on ensuring efficiency, transparency, accountability and value for money in Public Procurement through coherent and uniform application of the procurement law (Ntayi, 2009). With the objectives realised, it was expected that procurement-related corruption would be eliminated, and hence fair competition permitted among other players. This was expected to result in maximizing service delivery (Vision, 2005). This study examined the relational effect of the recently-introduced procurement law on service delivery in Rukungiri District with a view of guiding both future studies and policy on the subject. Chapter 1 addresses the background to the study, statement of the problem, purpose of the study, objectives of the study, the research questions and hypotheses. It also covers the conceptual framework, significance, justification, as well as scope of the study. At the end of the chapter, operational definitions to terms and concepts used are given.

#### **1.1 Background to the Study**

##### **1.1.1 Historical Background**

The last decade of the 20<sup>th</sup> century witnessed a global paradigm shift in the importance attached to regulation of public procurement. Governments the world over awoke to the sober realization that procurement costs were becoming the greatest impediment to service delivery. At the same time, the constantly reducing procurement budgets due to donor funding cuts necessitated a more



efficient approach to public procurement management. Hence, the general thinking in support of the view that good procurement systems result in more quality public goods and services that directly meet the needs of the end user for less money, albeit at a high speed of delivery, gained credence (Arrowsmith & Trybus, 2003). The realization prompted the United Nations Commission on International Trade Law (UNCITRAL) to introduce a model public procurement law in order to guide countries in the process of reforming the legal and institutional framework of their public procurement systems. In further support to this effort, the International Training Centre of the International Labour Organization (ITC-ILO) started offering requisite courses in collaboration with the World Bank (WB) and the Organization for Economic Co-operation and Development (OECD) as early as 1990 (World Bank, 2004). As a result, various countries undertook ambitious procurement reform programmes partly due to domestic imperatives, but also because of the influence of international development institutions arising out of the growth of international trade agreements on procurement.

The global pre-procurement reform period was characterized by purchasing as a function done in the accounts department for many organisations. Many companies, particularly in America, later learnt that in order to reduce the cost of doing business, hence increasing returns on investment, there was a need to change the way they were acquiring material inputs. This shift in thinking triggered the beginning of procurement reforms the world over. For example, until the late 1990s, most African economies had neglected public procurement with no specific governing regulatory framework in place. However, with the spread of the procurement reform movement in the early 1990s, most countries started to embrace procurement as a financial management tool. In Kenya, for instance, public procurement, which used to be undertaken by external entities such as Crown

Agents in the 1970s, was passed on to various ministries through regulations compiled in a manual under the Ministry of Finance. Due to financial constraints, however, government realized that regulations as they existed, were still deficient in ensuring efficiency and effectiveness in service delivery and were becoming an obstacle to accessing donor funding (International Trade Centre, 2001). In 1997, a study was hence commissioned to assess the country's procurement system, which identified comprehensive review and reform of the public procurement sector as the preferred option to guide public procurement going forward. Kenya, thus established the Public Procurement Oversight Authority (PPOA) to oversee the implementation of the procurement reforms.

South Africa, on the other hand, came up with the Institute of Purchasing and Supplies (IPSA) to champion the cause for procurement professionalism as the first reform in public procurement. In South Africa today, the goal of continuous improvement in public sector procurement is greatly emphasized through establishment and continuous evolution of sound management practices. As a result, the basic principles governing public administration as enshrined in the South African constitution today advance a clear framework for the development of sound legal, organizational and institutional mechanism for efficient and effective public procurement systems (International Trade Centre, 2001). The achievements realized so far in public procurement in South Africa have derived their success from this foundation.

In Uganda, the post-independence procurement system was similarly centralized with the Central Tender Board at the Ministry of Finance responsible for awarding contracts above the USD 1,000 threshold. Operating alongside were other tender boards for the police, the military and districts

while procurement on behalf of ministries was undertaken by the Central Purchasing Corporation. While these arrangements offered the advantages of consolidated purchasing and central control, the inability by the Central Tender Board to cope with expansion in government procurement due to increasing service delivery requirements was already leading to serious backlogs on tender submissions and procurement requisitions in the early 1990s (Agaba & Shipman, 2007).

As a result, the Uganda Government started a procurement reform programme in 1997 with a view of addressing problems associated with the protracted nature of the old procurement system. The discussion focusing on this transition was held in Entebbe under the chair of the head of the Central Tender Board (CTB). In attendance were the Central Purchasing Corporation (GCPC), ministries, parastatals and the district tender boards. Out of the conference, a task force on public procurement reform was formed and commenced operations in 1998; at the end of which significant recommendations included replacement of the Central Tender Board by contracts committees at all levels, creation of a national regulatory body to guide procurement in the public sector and creation of a legal framework through which all public procurement activities would be implemented. The Public Procurement and Disposal of Public Assets Act, 2003 (PPDAA) (Government, 2003), the Public Procurement and Disposal of Public Assets Authority (PPDA) and Regulations of 2006 were the main products of this reform programme.

Although the reforms were expected to lead to efficiency and effectiveness in service delivery with a robust, timely, and participatory, corruption-free procurement system, actual results have not been encouraging. Recent studies on corruption in local governments have consistently pointed to the procurement process and award of tenders as the most abused and used channel for political

corruption (Ntayi, 2009; CBR, 2005). According to the PPDA's 2010 procurement integrity report, whose excerpts are contained in the PPDA Executive Director's interview carried in the *New Vision* of 19 September 2012, various procurements in Uganda have been a subject of appeals and complaints regarding shoddy works, corruption and outright flouting of procurement procedures (Sabiiti, 2012). On the other hand, the impact of the reforms on service delivery in African countries has not been intensely investigated.

Whereas it is generally accepted that public procurement is often influenced by a broad range of secondary objectives like favouring a particular class of suppliers, local or international preference in procurements, preference for local materials, to name but a few, the procedure used to make the final choice should be based on a clear and well-defined legal and institutional framework to allow for uniformity in the selection of providers. Otherwise, failure can easily result in serious trade distortions. Whereas the current procurement law embodies the same principle of uniformity under preferential procurement, its application by actors in public procurement has not necessarily eliminated or resulted in reduced distortions under public procurement.

In general, the fair and transparent procurement system that would deliver value for money which public procurement reforms were designed to bring about remains more mythical than real (*Business Week*, 2006). Like in South Africa and Kenya, the reforms were conceived out of the failure of existing procurement system to cope with expansion in government procurement requirements and to effectively and efficiently deliver public services to intended beneficiaries. The reforms were anticipated to deliver coherence and uniformity in Public Procurement, as well as improve efficiency, transparency, accountability and value for money. As a result, procurement-related corruption would be eliminated, hence permitting fair competition among

players. This would in turn lead to maximization of service delivery. Despite this understanding, though, and in spite of government's effort to reform the procurement sector, public procurement in Uganda remains in the doldrums of inefficiency, corruption and poor service delivery (Kabanda, 2012).

### **1.1.2 Theoretical Background**

The study was undergirded by the Best Value Theory (BVT) advanced by Tellis and Gary (1990) and the Agency Theory (AT) advanced by Eisenhardt and Kathleen (1989). On the other hand, public procurement reforms in the form of legal, integrity and institutional reforms as well as service delivery were operationalised by the Contract Theory advanced by Bolton, Patrick and Dewatripont (2005) and the Principal/Agent Theory advanced by Stieglitz (1987) respectively.

The Best Value Theory contends that accounting for and pursuing the aspirations of the public and local stakeholders rests on transparency and accountability by those in positions of responsibility while attempting to gain the highest quality and efficiency possible at a commensurate price for a specified project in a specified timeframe. Accordingly, effective service delivery in public procurement is best measured by the speed and time of realization of a given procurement while adhering to set laws and guidelines. The reason for adopting this theory was because its parameters perfectly fit the inquiry with regard to measurement of public service delivery in terms of the quality, quantity, consistency, cost and time to the intended beneficiaries.

The other theory that guided this study was the Competitive Procurement Theory (CPT) also known as Full and Open Competition (FOC) advanced by Dobbin, cited by Lucy & Lysons (2000). Its locus is that business should be conducted with integrity, fairness and openness. This requires

open communication with the buying and selling institutions thus giving firms equal chance to compete for contracts and win. The theory advocates open competition as a performance measure of transparency. Adopting this theory was useful in measuring the effect of the legal and integrity framework on transparency and cost in service delivery in public procurement.

The Contract Theory is concerned, majorly, with how to achieve balance between competency and rewards in contract management. It advances the need for effective communication between principal and agent in order to make clear to the agent the needs of the principal and the required competences to meet them. Once clarified, the theory demands that the agent receives adequate reward for his effort. This theory works on the principle of trust between the principal and agent, with mutual satisfaction as a bi-product of efficient functioning of the relationship. Therefore, once government has identified a need, it must clearly define it so that potential and actual providers deliver what is expected of them and not just anything near what is required. This requires existence of and total adherence to existing legal and institutional mechanisms through which activities are planned, monitored and service delivery measured. The Contract Theory is closely linked with the Principal/Agent Theory, which asserts that government as a principal should always constrain the actions of contractors, which aim at maximizing profits at the cost of service delivery through ex-ante penalties, tied to ex-post monitoring.

The Contract and Principal/Agent Theories advance that government, as the principal, should clearly state contractual requirements in line with existing procurement management practices while the contractors, as agents, should provide required services in the quality, quantities and time specified. In the same way, government should pay for ordered supplies, works and services

promptly. In the event of failure by any of the parties, courts should be called in to resolve the problem.

The above Theories combined were selected because of their suitability in informing the line of inquiry in general and the statement of the problem particular to this study. In addition, the rationale for the study, questions and hypotheses, selection of instruments, and choice of methods were better developed and tested based on the above theories. Ultimately, the theories formed the platform on which findings were discussed in terms of how they relate to the selected line of inquiry as developed in the conceptual framework.

### **1.1.3 Conceptual Background**

Procurement, purchasing, supply and logistics management are used interchangeably nowadays. Most people, though, agree that procurement is the management of an organization's resources in such a way that the supply of all goods, services and works as well as the capabilities and knowledge necessary for the running, maintaining and managing the organization's primary and support activities is acquired at the least cost, in the shortest time and in the best quality and right quantities possible and in accordance with established rules and procedures.

According to the Public Procurement and Disposal of Public Assets Act, 2003 [31], public procurement is the acquisition of goods, services and works from the private sector using public funds (RoU, 2003). The process includes purchasing, hiring, leasing or any other means of involving suppliers in the provision of goods and services to the public (Ntayi, 2009). Telgen (2007) advances that public procurement aims at ensuring availability of relevant services whenever needed, appropriate use of available resources, efficient use of available funds,

accounting to relevant stakeholders that the funds were utilized to realize procurement goals, ensuring value for every shilling spent and facilitating realization of policy objectives (social, economic and political).

Public procurement reforms, therefore, are policy attempts at changing organizational, institutional and legal structures that manage the public procurement process (Basheka, 2009). Basheka contends that public procurement reforms are meant to create a responsive system that encourages effective and efficient performance of the public sector. As a process, it aims at transforming government procurement into systems with the capacity to achieve efficient and effective delivery of the right goods and services, in the right quantities, from the right suppliers, at the right price, to the right place, in the right time. However, reports of inefficiency in public procurement have become commonplace and keep pointing to procurement reform failures (Kabanda, 2012).

In this study, however, public procurement reform was viewed as the broad policy changes in the manner government interacts with the private sector to purchase public goods, services and works with a view of making the process more efficient, timely and cost effective and in accordance with the established regulatory and legal framework in order to achieve service delivery. As a process, it aims at transforming government procurement into systems with the capacity to achieve efficient and effective delivery of the right goods and services, in the right quantities, from the right suppliers, at the right price, to the right place, at the right time.

The study adopted the definition advanced by Thai (2001) for legal procurement reforms as the laws and regulations established by policy makers within which procurement professionals and



programme managers implement their authorized and funded procurement activities. Legal reforms were viewed as those policy changes aimed at ensuring adherence to the provisions of the principal procurement law as amended. It is the whole body of laws that govern public procurement from initial conception and definition of public needs through to the end of a contract.

Institutional reforms were understood as those policy change attempts in the public procurement support infrastructure in form of procurement planning, budgeting and staffing. It is the completely cross-functional departmental interplay that enables acquisition, utilization and accounting for public goods from initial conception and definition of public needs through to the end of a contract.

Integrity reforms, on the other hand, were viewed as policy change attempts in public procurement aimed at ensuring the existence of adequate monitoring and evaluation mechanism aimed at ensuring strict adherence to set procurement standards and procedures. Legal framework denoted policy change attempts in the principal laws and regulations governing public procurement in Uganda. The legal framework was based on the provisions of Article 206 and 176(2) of the Uganda Constitution, sections 91, 92, 93, 94 of the Local Governments Act (1997) Cap 243, the PPDA Act, 2003, and the Local Government (Procurement and Disposal of Public Assets) Regulations 2006.

The other variable/construct that guided the study was service delivery. Telgen (2007) and Lysons (2009) define effective procurement practices as those systems that aim at procuring goods and services of the right quality in the right quantities, from the right source, delivered to the right place at the least cost and price. These are the basic characteristics of service delivery in public

procurement. The researcher similarly conceptualized service delivery as the extent to which societal demands in form of public goods, services and works are procured and delivered to the intended beneficiaries in the right time, right quality, right quantity, at the right cost. Effective public procurement systems must therefore offer a high level of transparency, accountability and value for money in the application of a procurement budget (Ministry of Finance, 2007).

This study adapted the conceptual framework advanced by the African Development Bank (ADB) as modified by Edgar Agaba and Shipman, to depict vital components of an effective public procurement system. The researcher restricted himself to the legal, integrity and institutional reforms due to their importance in an effective public procurement framework. Procurement reforms were conceived as the independent variable while service delivery was the dependent variable of the study. Procurement reforms were measured in the context of institutional, legal and integrity reforms whereas service delivery was measured in terms of timeliness, cost and quantity of services as explained in the conceptual framework. .

Procuring and Disposing entity was conceived as a district, city, or municipal council as defined by the Local Government Act Cap 243 and comprising of the Accounting Officer, Contracts Committee, Procurement and Disposal Unit, User departments and Evaluation committees. For the purpose of this study, however, Rukungiri District Local Government denoted this entity.

#### **1.1.4 Contextual Background**

By the late 1990s, the failure of the existing procurement system to cope with the expansion in government procurement requirements and to deliver value for money had become generally

accepted among government and donor partners as a key obstacle to public service delivery. In December 1997, a National Public Procurement Forum comprising key decision makers was held in Entebbe to discuss the possibility of public procurement reform. The forum was tasked with coming up with proposals and a roadmap to help Government establish a strong and well-functioning public procurement system governed by a clear legal framework establishing rules for transparency, efficiency and mechanisms of enforcement, and an institutional arrangement to ensure consistency in overall policy formulation and implementation (Hunja, 2003).

Despite robust operationalisation of the reforms, the overall objective of establishing an efficient and effective Public Procurement System remains utopian at best. Although the reforms were expected to lead to a robust, timely, participatory and corruption-free public procurement system, almost no public procurement is completed on time unless it is likely to benefit an official involved (Mulyagonja, 2012). Consequently, unutilized funds, shoddy works and protracted appeals have become a common feature. In addition, the volume, value and complexity of public procurement have grown significantly since the 1990s with increase in high value procurements (Kabanda, 2012).

At the beginning of the reform programme, estimates put over 60% of public expenditure on goods in Uganda as procurement-related (Okwanye, 1997). However, at the Local Government level in general and Rukungiri District in particular, public procurement is marred by political interference, conflict of interest, lack of procurement skills and outright violation of the procurement laws through cronyism, favouritism and corruption. In addition, it is estimated that about 20% of the procurement value in Uganda is lost through corruption in public procurement (Anja, 2012). This translates into loss of hundreds of millions of shillings in services meant for the people of

Rukungiri. If not checked, the community in Rukungiri District is likely to suffer adversely due to lack of essential services (IGG, 2008).

It is against this background that the researcher found it imperative to conduct this study. It is the researcher's expectation that the findings may help government, policy makers and academicians to understand better the relationship between the current procurement reforms and service delivery and the factors at play in determining that relationship. In the final analysis, the study reviewed the situation in terms of changes that have occurred since 1997 and elucidated what needs to be done to ensure greater realization of the reform objectives.

## **1.2 Statement of the Problem**

The pre-reform period was characterized by many problems and operational challenges. As a result, many international and foreign aid organizations considered public procurement a serious obstacle to effective service delivery and development in Uganda (Basheka, 2005; Agaba & Shipman, 2007). To address these challenges, various public procurement reforms were implemented and, in turn, the Public Procurement and Disposal of Public Assets Act, 2003, the Public Procurement and Disposal of Public Assets Authority and the Public Procurement and Disposal of Public Assets Entities came into being to oversee the legal, institutional and integrity arrangement of public procurement in Uganda (Ntayi et al, 2009).

The success aforementioned notwithstanding, the core objective of achieving a quick, corruption-free procurement system remains elusive. Tens of millions in service delivery funds keep getting lost or returned to the Treasury every year due to procurement-related corruption and absorption

capacity problems. High-value government procurements have gone sour and keep being a subject of protracted and time-consuming administrative review and cases of outright violation of procurement rules and procedures have become a regular feature in Rukungiri District and the situation seems to be worsening. According to the Auditor General's Report of 2010, Rukungiri District did not account for Shs. 45,000,000, while projects worth Shs. 26,186,223 were not of the required standard (AG, 2010). If not addressed, the community in particular may end up experiencing stagnation and malaise due to lack of essentials like drugs, roads, and health centers and, in the extreme, calamities may arise due to poorly constructed infrastructure leading to loss of life.

Whereas PPDA has conducted several audit and compliance checks in fulfilment of her oversight function, no study had been systematically undertaken to assess the reason why central government releases in form of conditional grants meant for the delivery of health services in Rukungiri District is consistently returned to the national Treasury unutilised. Whereas exclusionary practices such as collusion, complexity, heightened cost, corruption and vulnerability of oversight mechanisms in public procurement have been cited as some of the causes of public procurement failure in Uganda, this study established that the district procurement process has largely been hijacked by technocrats and politicians for personal gain. The institutional, legal and integrity framework that was expected to guarantee adherence have instead been manipulated and transformed by organized cartels to frustrate the purpose for which the law was established in the first place. The above impediments, therefore, necessitated further inquiry into the relationship between the procurement reforms and service delivery in Rukungiri District with a view of stemming the financial

hemorrhage and ensure services are delivered efficiently, in the right quantities, quality and time, at the right price to intended beneficiaries.

### **1.3 Purpose of the study**

The purpose of the study was to evaluate the relationship between Public Procurement Reforms and service delivery in Rukungiri District, Uganda.

### **1.4 Objectives of the study**

1. To assess the effect of compliance with procurement rules and procedures on service delivery.
2. To evaluate the effect of procurement and value for money audit on service delivery.
3. To assess the effect of staffing and functionality of procurement committees on service delivery.

### **1.5 Research Questions**

1. To what extent has compliance with procurement rules and procedures affected service delivery in Rukungiri District?
2. To what extent has procurement and value for money audit affected service delivery in Rukungiri District?
3. To what extent has staffing and functionality of procurement committees affected service delivery in Rukungiri District?

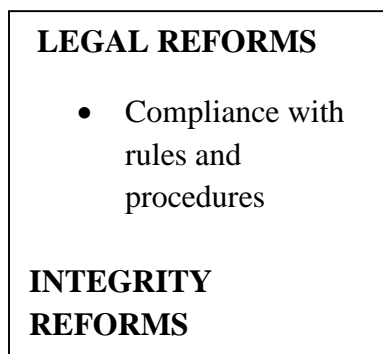
## 1.6 Research hypotheses

1. Compliance with procurement rules and procedures affects service delivery positively.
2. Procurement and value for money audits affect service delivery positively.
3. The current staffing and functionality of procurement committees affects service delivery positively.

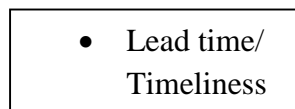
In general, it was hypothesized that implementation of legal reforms through compliance with procurement rules and procedures, integrity reforms through conducting regular and timely procurement and value for money audits and institutional reforms through staffing and timely establishment of quality and independent procurement committees, leads to improved service delivery through timely procurement and delivery of public services to intended beneficiaries in the right quantity and at the right cost, as shown in the conceptual framework below.

## 1.7 Conceptual framework

### PROCUREMENT REFORMS (Independent Variable)



### SERVICE DELIVERLY (Dependent Variable)



### INTERVENING VARIABLE



## INTERVENING VARIABLE

*Figure A: Conceptual Framework showing the relationship between Procurement Reforms and Service Delivery.*

*Source: Adapted from Agaba and Shipman, (2006) and modified by the researcher.*

The study adapted the conceptual framework advanced by the African Development Bank (ADB) as modified by Agaba and Shipman (2006), to depict vital components of an effective and efficient public procurement system. The researcher, however, modified the model by only restricting himself to the legal, integrity and institutional reforms due to their importance in determining efficiency and effectiveness in public procurement through a more focused study.

Procurement reforms were conceived as the independent variable while service delivery was the dependent variable of the study. Procurement reforms were measured in the context of institutional, legal and integrity reforms whereas service delivery was measured in terms of time, quantity and cost of services as explained in the conceptual framework.

Also analyzed was the relationship between political influence in public procurement and its effect on the quality, quantity, cost and speed of procurement outcomes as an intervening variable. The aim was to measure the extent to which service delivery is affected by factors outside the scope of the reforms undertaken.

### **1.8 Significance of the study**

This study may expand the frontiers of knowledge through provision of additional information on the theory and practice of public procurement and its effect on service delivery.



It may help policy makers in formulating the necessary policy adjustments necessary for speedy, quality public services delivered in the right quantities at the right price.

The findings may also help students of procurement, academic institutions, scholars and institutions implementing procurement reforms as critical reference material.

The Rukungiri District leadership may know their public rating in terms of how they have succeeded in service delivery and what needs to change even under the current legal, integrity and institutional framework to improve.

## **1.9 Justification of the study**

Seventy per cent of local government budgets is implemented through the procurement system (Mbabazi, 2009). Therefore, failure to procure goods and services in an efficient, timely and cost-effective manner may result in catastrophic failure by government to realize the objectives of decentralization. The study may enhance public procurement awareness, thereby exposing the flaws in the current procurement law and framework in order to precipitate necessary reforms aimed at attaining greater procurement efficiency and better controls.

## **1.10 Scope of the study**

### **1.10.1 Geographical scope**

The study was conducted in Rukungiri District, situated in southwestern Uganda. Rukungiri shares boarders Mitooma and Ntungamo districts in the east, Kabale to the south, Kasese to the north and

Kanungu district in the west. The district is made up of three counties of Rujumbura, Rubabo and Rukungiri Municipality with a total of ten sub-counties and three municipal divisions.

Rukungiri was purposively selected as a representative microcosm unit of study because of the researcher's familiarity as a former employee with a good, unbiased understanding of the goings-on in the district procurement process. In addition, the district had lately been a subject of multiple procurement audits, some of which resulted in litigation and disciplinary action against some members of staff, hence making the study more fitting.

### **1.10.2 Content scope**

The study focused on measuring service delivery in terms of time, cost and quantity by those in the public service delivery through the delivery chain, otherwise known as content scope. Findings were based on the extent to which procurement committees, management staff, politicians and private sector players comply with procurement reforms and how the relationship influences service delivery in Rukungiri District in terms of time, quantity and cost over the study time scope.

### **1.10.3 Time scope**

The study was restricted to the 2008/2009 Financial Year. This period was selected because of the magnitude of procurement disputes at the time. According to the Inspector General of Government (IGG) report of July 2009 on Rukungiri District and Town Council, procurements for the Financial Year 2008/2009 and the Auditor General (AG) annual accounts for the same period, there were significant procurement flaws in the Local Government procurement function.

### **1.11 Operational Definition to the terms and concepts**

To put this study into context, this section defines the key theoretical terms used and shows how they relate to the investigation. Various terms and theoretical dimensions have been used to define public procurement. Although there is still lack of consensus about the precise meaning and the exact boundaries of these theoretical terms, this section will clarify four background theoretical terms as used in this study.

**Public procurement:** According to the Public Procurement and Disposal of Public Assets Act, 2003 [31], public procurement is the acquisition of goods, services and works from the private sector using public funds (RoU, 2003). The process includes purchasing, hiring, leasing or any other means of involving suppliers in the provision of goods and services to the public (Ntayi, 2009).

**Procurement planning:** In this study, procurement planning, as part of the broader procurement process, was conceived as the process of determination of future procurement needs of works, services and supplies necessary to meet organizational needs in an efficient, cost-effective and timely manner in accordance with established procedures.

**Public procurement reform:** Public procurement reform was taken to denote the broad policy changes in the manner government transacts with the private sector to purchase public goods, services and works with a view of making the process more efficient, timely and cost-effective and in accordance with the established regulatory and legal framework in order to achieve greater service delivery.

**Service delivery:** Service delivery means the extent to which public needs, in form of goods, services and works, are delivered to intended beneficiaries by the Rukungiri District Local Government, taking into account the time taken from communication of a need to actual implementation and completion, at the actual cost, and in the right quantity.

**Legal framework:** Legal framework denotes the laws and regulations in place to govern public procurement in Uganda. In this study, the legal framework was based on the provisions of Article 206 and 176(2) of The 1995 Uganda Constitution, Sections 91, 92, 93, 94 of the Local Governments Act Cap 243, the PPDA Act, 2003, and the Local Government (Procurement and Disposal of Public Assets) Regulations, 2006.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter examines literature relevant to the study for the purpose of enabling the researcher to get a deeper understanding of the subject in terms of strategies, procedures and measuring instruments that have been applied before and proved useful in solving the problem. The literature was obtained from a multiplicity of sources including journals, periodicals, and books specific on the subject, internet search, previous research works, and government publications. The sources were selected due to their sufficiency in providing the researcher with a better understanding of existing knowledge on previous, relevant studies of the subject, their perspectives and the findings arising therefrom in order to determine existing gaps in knowledge that need to be filled by further research. The chapter addresses the Theoretical Review and the effect of procurement reforms on service delivery under which the relational effect of Legal, Integrity and Institutional reforms on service delivery are discussed. Also addressed is the known relational effect of the interaction between procurement planning, budgeting and communication on service delivery. At the end of the chapter, a summary of the literature reviewed is given.

#### **2.2 Theoretical Review**

According to the Best Value Theory, people's needs and expectations are best realized when senior government executives gain the highest level of efficiency and effectiveness in service delivery thought the delivery cycle. In this regard, successful procurement relies significantly on the ability and willingness of public officers involved in procurement to adhere fully and without reservation to set principles and procedures of public procurement. This study relied on this theory as advanced

by Tellis in Tellis and Gary (1990). This theory, though, disregards important ingredients of a successful procurement system, namely: availability of trained personnel in public procurement; the stage of development of the procurement regulatory framework; the existence of ambiguities associated with laws during their infancy; and, the ability of organisations to hire trained professionals.

The reason for adopting this theory, however, was to gain a comprehensive measurement of service delivery of government programmes in terms of the interplay between the various factors, whether legal, organizational and personal, as well as their bearing on actual service delivery. The challenges to service delivery under the current reform environment, the impeding factors and their possible solutions are better examined under this framework. Given the above theoretical assumptions and flaws inherent, it is important for emerging economies, scholars and academicians to consider measuring not only how the quality of procurement and procurement-related workforce influences the efficiency of the procurement process and the degree of compliance to the procurement laws, policies and regulations but also how other social, political and environmental factors and their interplay with organizational factors relate to impact on efficiency and effectiveness in service delivery through public procurement systems and processes. This is because the factors aforementioned ultimately influence the quality of procurement outcomes and the achievement of the objectives of the procurement law.

According to Thai (2001), procurement professionals and personnel have a dual responsibility. They ensure that operational agencies comply with procurement regulations and are responsible for procuring goods, services and works as authorized and funded. Their procurement experience

is a major source of feedback for procurement adjustments, improvement and reform. In order to do their work effectively, however, procurement professionals have to be well equipped with skills, competencies and morals and their organizational setup must be suitable for the procurement outcomes to be realized.

The Competitive Procurement Theory (CPT) also known as Full and Open Competition (FOC) advanced by Dobbin (1991), on the other hand, advocates for the reduction in procurement costs, expediting transactions and increasing public product knowledge. It aims at minimizing government red tape while maximizing economies of scale to ensure services are effectively delivered to the intended beneficiaries. This theory's locus is that business should be conducted with integrity, fairness and openness. This requires open communication with the buying and selling institutions thus giving firms equal chance to compete for contracts and win.

The theory above advocates open competition as a performance measure to ensure transparency. However, findings from the previous analogy point to the influence of factors other than fairness and openness. These include political, social and economic factors that play along to influence procurement activities and outcomes in the Rukungiri District procurement system. These factors need to be analyzed further in total juxtaposition with what the theory currently addresses. Adopting the theory helped measure service delivery in terms of other factors outside the old framework. The hitherto unanticipated factors like effective communication, procurement planning and staffing and their impact on service delivery under the current legal framework were analyzed in great detail. The analogy may help expand the ideological boundaries of the current theory and practice of effective service delivery through public procurement.

## **2.3 The effect of Procurement reforms on service delivery**

### **2.3.1 The effect of Legal Procurement Reforms on Service Delivery**

A strong and well-functioning procurement system is one that is governed by a clear legal framework with established rules and procedures for transparency, backed by an effective communication and feedback mechanism that ensures consistency in overall policy formulation, implementation and review (Hunja, 2003). According to Hunja, a strong legal framework guarantees effective service delivery. Study findings, however, show that even where an appropriate set of laws and regulations exist, they may be easily side-stepped or totally ignored if no proper records are kept and where there is no culture of timely submission of reports. In any case, compliance with current procedure and some provisions of the current law, particularly the appeals mechanism, has been blamed squarely for impeding speedy procurement. Moreover, the laws must be clear and well understood by all implementers. However, newly enacted laws tend to have a lot of ambiguities and contradictions which impede effective application. The current law in public procurement is no exception to this distortion as shown in this study.

In Uganda, public procurement is guided by duplicity of laws. These include the Public Procurement and Disposal of Public Assets Act of 2003, the Local Government Public Procurement and Disposal Regulations of 2006, the Local Governments Act (1997) Cap 243, The Local Government (Financial and Accounting) Regulations of 2007, and the Local Government Public procurement and Disposal of Public Assets Guidelines of 2008 (Basheka, 2009). International procurement laws for donor-funded programmes, too, fall under this docket. According to Basheka, this legal framework sets the basic conditions for the manner in which



procurement is undertaken, the results expected and the potential efficiency gains that lead to effective service delivery. However, the study established that this framework's major drawback is that it tends to curtail procurement speed, hence impeding timely service delivery. The required time from planning to advertising as well as mandatory notices to bidders continue to affect procurement speed in Rukungiri District negatively. This is not helped by the 'devil' called administrative review. Despite its benefit, disgruntled bidders continuously manipulated the provision of administrative review to frustrate the procurement process in Rukungiri District.

### **Procurement Planning and Budgeting and Service Delivery**

Procurement planning is a critical part of the procurement process responsible for acquiring works, services and supplies that are required to meet organizational needs in an efficient, cost effective and timely manner in accordance with established procedures (Balunywa, 2009). In a local government setting, procurement planning is the responsibility of the accounting officer of the procuring entity, which is exercised through the budget desk comprising representatives from all departments in the organization. Individual departments develop sector procurement needs reached through an elaborate consultative process with the beneficiary communities. In-puts from departments are then converted into budgets for which the accounting officer seeks appropriation authorization from the policy wing before actual implementation starts.

The thinking advanced by most studies is that public procurement is essentially a bureaucratic undertaking with the only challenge being how to manage the bureaucracy. However, most studies tend to disregard the role procurement appropriation and authorization plays in determining the success or failure of any procurement. This study established that, oftentimes, critical

procurements face delays due to lack of timely planning, appropriation approval or insufficient funds, which impacts negatively on service delivery.

### **Communication and service delivery**

For any public procurement system to operate effectively, effective communication and feedback both at policy and operational levels must be emphasized. Most studies have advanced that effective communication and feedback enable the process of making necessary adjustments and improvements in the existing procurement laws and regulations. In this regard, Akampumuza et al (2009) also argue that as custodians of public procurement laws and regulations, policy makers and top government management executives should operate as organs to which feedback is directed by procurement professionals and implementers during actual application of reforms and observations passed for necessary reform adjustments. However, this study established that the current procurement reform platform provides relatively minimal interface between the policy formulating and implementing arms of the reforms. The study further established existence of serious structural flaws on how this relationship can be strengthened to allow the necessary changes in the shortest time possible.

Legal reforms in this study were conceived as those policy changes aimed at ensuring adherence to the provisions of the principal procurement law as amended, while institutional reforms were understood as those policy change attempts in the public procurement support infrastructure in form of adequate staffing and establishment of functional procurement committees. Integrity reforms on the other hand, were perceived as policy change attempts in public procurement aimed

at ensuring the existence of adequate monitoring and evaluation mechanism aimed at ensuring strict adherence to set procurement standards and procedures. Legal framework denotes policy change attempts in the principal Ugandan laws and regulations governing public procurement as contained in the provisions of Article 206 and 176(2) of the Uganda Constitution, Sections 91, 92, 93, 94 of the Local Governments Act (1997), Cap 243, the PPDA Act, 2003, and the Local Government (Procurement and Disposal of Public Assets) Regulations, 2006.

The study adapted the conceptual framework advanced by the African Development Bank (ADB) as modified by Agaba and Shipman, to depict vital components of an effective public procurement system. The research was restricted to the legal, integrity and institutional reforms due to their importance in an effective public procurement framework. As earlier noted, procurement reforms were conceived as the independent variable while service delivery was the dependent variable of the study. Procurement reforms were measured in the context of institutional, legal and integrity reforms whereas service delivery was measured in terms of timeliness, cost and quantity of services as explained in the conceptual framework. Findings show that post-reform adherence to the provisions of the procurement law in Rukungiri District has improved, though the current procurement oversight function as well as staff structure and staffing levels generally do not contribute to the attainment of the objectives of the procurement law.

### **2.3.2 The effect of integrity reforms on Service Delivery**

Effective service delivery requires much more than passing procurement laws and identification of entities to implement public procurement reform. Legislation must also include provisions to ensure proper enforcement of the rules. Procuring entities must be held accountable for the responsibilities assigned to them. This can be imposed through conducting regular value for

money and compliance audits concerning the use of public funds and application of procedures. The audits may take place ex-post, or after the fact (International Trade Centre, 1999).

The current procurement reforms introduced a mechanism to allow the government investigate and take action against corrupt practices and particularly the more serious cases of flouting public procurement regulations. For maximum effect, these mechanisms are applied to on-going public procurement transactions, and allow for injunctions to stop or correct such transactions. These reviews are also used to assure conformity with procurement norms in place. Despite this arrangement, results on the ground do not depict improved compliance. Further research is therefore necessary to understand better the inherent relationships.

Legislation also provides for an independent appeals system to address complaints from aggrieved bidders and to provide remedies against violations of the legislation. However, studies have shown that compliance with the reforms alone does not guarantee effective service delivery. A recent study of the relationship between timeliness and service delivery in the districts of Arua, Jinja, Kasese and Wakiso, established that timeliness in service delivery is relative. Lead time, from the time of the community expressing a need and the district responding with the required intervention is usually influenced by factors like availability of funds, the planning cycle and sometimes political interest/interference (Mbabazi et al, 2009). This study, in addition, established that the appeals process is largely responsible for delays in service delivery. This emerging relationship needs further inquiry.

Local government service delivery challenges are constantly evolving. Constituents expect governments to deliver quality goods and services faster and more frequently. Likewise, government employees expect systems that deliver automated and speedy routine business processes that provide timely and accurate information to support their routine activities. Yet local governments face tighter budgets and demand for more efficiency and accountability (Lawson, 2007). The needs notwithstanding, the current legal framework can at best be described as protracted in nature with multi-stage activities and responsibility centers as well as a complex appeals mechanism that tends to bog down speedy procurement and service delivery. The study indeed established that strong measures to sharpen timely and coordinated planning and information flow between departments are worryingly lacking in the current procurement reform platform. As a remedy, this study recommends installation of modern, unified information communication technology (ICT) systems at both organizational/departmental level coupled with sound strategic planning and control in order to realize timely procurement planning and execution.

### **2.3.3 The effect of Institutional Reforms on Service Delivery**

Section 24 of the PPDA, 2003, constitutes the Local Government institutional framework as follows: the accounting officer, the contracts committee, the procurement and disposal unit, user department and evaluation committee. Each department is mandated with clear, roles and responsibilities aimed at ensuring that procurement-related public expenditure achieves efficiency and effectiveness in service delivery. On the surface, the institutional setup is an embodiment of specialization and division of labour. However, this study established that in effect, the disjointed centers of procurement planning, execution, reporting and accounting impede effectiveness in

service delivery. A more efficient model needs to be thought out and this research was dedicated to doing exactly that.

In support of the findings aforementioned, a similar study by Schaeffer advances that public procurement and contract procedures play a significant role in public service provision; but in the same way account for a significant share of leakage through corruption (Schaeffer, 2002). The challenges often manifest in form of rigging results and collusion during procurement, manipulation of contract specifications, over-invoicing, under supply of materials and sometimes wholesale diversion of public funds meant for service provision.

The PPDAA, which prescribes in broad terms the public procurement framework for better service delivery, has been instrumental in eliminating ambiguity in public procurement. However, service delivery still suffers due to lack of full enforcement and application of the Act across all public procuring entities. Classified procurements still enjoy exceptional clearance outside the current procurement framework. By extension, however, only adherence to the PPDAA provides elements for efficiency and effectiveness in public procurement.

Cleaning up government procurement practices of the nature aforementioned is one issue that requires action at the highest level of government. Sadly, though, political interference and administrative collusion are two of the many intractable procurement problems at this level. Service delivery requires fighting procurement- related corruption by establishing clear, uniform and easy-to-understand laws and regulations to govern public procurement across all government entities backed by a clear enforcement mechanism. The establishment of independent regulatory agencies at both the local government and national level can be effective in limiting opportunities

for corruption in public procurement (Ntayi, 2009). For this objective to be realized, though, oversight agencies must be functional and efficient. This study, however, established that this is currently not the case because the oversight agencies are too thinly staffed to be effective. This is one area that should be strengthened if current gains are to be sustained and improved upon.

The studies about the interplay between institutional reforms in public procurement and its impact on service delivery assume the existence of competent procurement professionals or the ability of individual organizations to hire their services (Ntayi, 2009). These professionals are indeed instrumental in ensuring compliance with laws, procedures and regulations, which in turn leads to speedy and efficient procurement operations and hence improved service delivery. Whereas this assumption holds a lot of truth, this study established that like in most entities implementing procurement reforms, Rukungiri District suffers serious shortage of this human resource. It was established that like the rest of the country, the new procurement law commenced through interaction with established organizational structures and existing procurement personnel most of whom did not have the requisite competencies for effective service delivery. This distortion still subsists and requires urgent policy review and redress.

#### **2.4 Summary of literature reviewed**

From the reviewed literature, we observe that reforming public procurement is still proving to be difficult. In support of previous study findings by Hunja (2003), this study established that although many countries have implemented procurement reforms, there is still lack of evidence of complete successful realization of the outcomes initially anticipated. Some of the major obstacles so far identified range from lack of political will at the top to undue political interference during

implementation, corruption by public sector players and red tape. Some other problems are linked to inadequate procurement capacity, poor monitoring, evaluation mechanisms, and inadequate funding. All these factors have had a negative impact on service delivery. This calls for further study into government's ability to deliver public services more efficiently and effectively.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter spells out the methodology that was followed when conducting the research. It addresses the research design, study area, population, sample size and selection procedure, data collection methods, investigation procedure and analysis. At the end, the chapter addresses data quality management methods by looking at the reliability and validity of the instruments of data collection.

#### **3.2 Research Design**

A cross-sectional design and a case study method were used to undertake the study. The choice of design was in line with the study objective of obtaining data from a significant portion of the population under study, but also to enable the researcher get a clear understanding of the effect public procurement reforms have had on service delivery in local government units in general and Rukungiri District in particular. According to Mbabazi, Karuhanga and Mukokoma, (2009), a cross-sectional research design is suitable for examining multiple sources of information. In this study, different informants such as end users, opinion leaders, civil servants and service providers, both current and old were consulted. Case study suited the intended study because it enhanced accuracy of methods used in the study, hence acceptability of findings.

#### **3.3 Study Population**

Rukungiri District has a population of 308,696 as indicated in the 2005 National Population Census (Muramira, 2007). Out of this population, 24 are departmental heads in the district local

government civil service, 10 are council committee chairpersons, 10 are procurement committee members.

Because the target population, which is the ultimate population on the basis of which research generalization should be made was not easily available, the study used the sampled/ accessible population to draw the sample in line with Amin (2005). Because of the big population of service consumers, the researcher purposively selected 20 subjects who had played a known active role in the procurement process for interview in order to draw inference from their experience of the past and current procurement law. The total accessible population for the study was 135 subjects broken down as in Table 1 below.

### 3.4 Determination of Sample size

**Table 1: Accessible population and selected sample size**

<b>Category</b>	<b>Accessible Population</b>	<b>Sample size</b>	<b>Sampling technique</b>
District officials	34	33	Simple Random
Service providers (2008-11)	21	20	Simple Random
Service consumers	70	67	Simple Random
Procurement committee members	10	10	Purposive
<b>Total</b>	<b>135</b>	<b>130</b>	

**Source: District Development Plan, 2010/2015.**

The sample for this study was 130 respondents out of the total accessible population of 135. Of these, 33 were district officials as well as politicians involved at some level of implementation of

procurement reforms, while 97 respondents were purposively and randomly selected from the other clusters in line with Krejcie and Morgan (1970) sample determination criteria. The population and corresponding sample size were read off the table generated by Krejcie & Morgan (1970) using a 2.5% margin of error at 95% confidence interval, and the subjects were selected using purposive and simple random sampling techniques. In this way, the researcher generated a broad view on the subject of study at the least possible margin of error. The sample size was determined by the population categories and the desire to minimize the sampling error by increasing the confidence interval.

### **3.5 Sampling techniques and procedure**

Due to the size and heterogeneous nature of the population, stratified random sampling was used in order to stay in line with the study objectives, but also to capture only key population characteristics in the sample. The procedure involved dividing the population into homogeneous sub-groups/strata and then taking a simple random sample from each, in a number proportional to the stratum's size relative to the population. The strata population was then pooled to form a random sample. The technique was used to obtain representative samples from general staff and members of the public who are not directly involved in public procurement, otherwise categorized as public service consumers, officials at the district headquarters, politicians and members of the private sector involved in procurement as the mutually exclusive sub-groups. These sub-groups were selected due to characteristics that were considered relevant, appropriate and meaningful to the study. Stratification was favoured because it allows use of different sampling techniques for the different sub-populations, hence improved accuracy of estimations (Sekaran, 2003), but it also works well for populations with a duplicity of attributes (Barifaijo, 2010).

### **3.6 Data collection methods and tools**

The researcher applied both primary and secondary data collection methods in this study, using a combination of qualitative and quantitative approaches. Primary data was collected through both self and researcher administered questionnaire surveys and during interviews with target respondents, while secondary data was got through library research and documentary review, both at macro and transactional level. In the latter two cases, responses were recorded, reviewed and filtered before subsequent analysis. The methods selected suited the study objectives but also they are known to be reliable and easy to administer (Barifaijo, 2010). Questionnaires and interview guide were used as tools of primary data collection while electronic mail, library checklist, data compilation forms and pens were mainly used as secondary data collection tools. Primary data collection tools were selected because they are known to be flexible, valid and reliable but also because they eliminate bias; while secondary data collection tools were largely selected because of the ease and convenience of application (Mbabazi, Karuhanga & Mukokoma, 2009).

#### **3.6.1 Questionnaire survey**

Questionnaires were hand-delivered to respondents with a collection date clearly indicated while an interview guide was administered on respondents who cannot read and write. Interview guide respondents were gathered in one place at a time and asked questions while answers were recorded as given. These methods of primary data collection were favoured because they are less expensive; but, most importantly, interviews eliminate the possibility of interviewer bias, thereby offering a considered and objective view from the respondents.

### **3.6.2 Documentary review**

A significant portion of the study though, involved collection and analysis of secondary and qualitative data. This method was mostly favoured because it is economical, a lot of information on the subject is available locally but also because it allows opportunity to study trends over time. The method involved carrying out a case and content analysis of documents in archives, libraries, documentation centres and the internet. Additionally, records of parliamentary debates (Hansards), publications by the IGG, newspapers and monthly reports from the PPDA, ministerial policy statements were reviewed. This approach helped the researcher get original information on procurement trends over time and to cross-check it against information obtained through key informant interview. Electronic mail, telephone interview and web-based surveys were also used under secondary data collection. This combination provided the researcher information from reliable sources, but also in detail and such variety as to aid meaningful comparative analysis.

### **3.6.3 Interview**

Primary data was collected mainly through interviews because they facilitate in-depth investigation through probing and clarification of questions. The researcher arranged for and conducted in-depth interview with people knowledgeable about the general subject being investigated using an interview guide. Interviews were conducted with the accounting officers, staff of the procurement unit, members of the contracts committee, evaluation committee members, staff of user departments, members of the former tender boards, district chairpersons -- both old and new, members of finance committee, audit staff and service providers -- both present and old because of their knowledge of the subject under investigation, but also to ensure greater

accuracy of responses (Sekaran, 2003). Particular interest was placed on satisfaction levels of service delivery since the introduction of the reforms.

### **3.7 Data collection instruments and procedure**

A combination of questionnaires and interview guide were used in this study as instruments of primary data collection while electronic mail, documentary checklists, pens and data compilation forms were used in collecting secondary data. Questionnaires and interview guide were preferred because of the ease of administration in confidence and to a large sample while, at the same time, allowing room for participants to feely express their views, unbiased on identified gaps, Ntayi et al (2009). The combination above allowed the researcher in depth analysis of the study variables. For the study variables, data were collected from people previously or currently involved in the procurement process.

For each of the respondent categories, interviews were conducted with accounting officers, members of the contracts and evaluation committees and staff of user departments. In addition, executive committee members - both new and old were interviewed. Particular emphasis was put on obtaining data on satisfaction levels of each category of respondent before and after the introduction of the procurement reforms. In all, 33 district officials, 20 service providers, 67 service consumers and 10 procurement committee staff were interviewed with a corresponding response rate of 33, 20, 67 and 10 respectively. The service providers were selected from a list of pre-qualified firms, both current and old, using simple random sampling technique as shown in Appendix 1 and 2 and Table 3.4 on determination of sample size.

### **3.7.1 Questionnaire**

The questionnaire was used as an instrument of primary data collection. It was constructed and pilot tested in Namutumba District because of ease of access and similarity with the area of intended study. Modifications were made basing on the demands and variables under study and subjected to prior scrutiny by the supervisor before questionnaires for field application were developed. During its construction, care was taken to ensure the length was adequate, the content relevant and questions arranged clearly and logically. The language and words were checked for clarity, and leading questions avoided at all costs. In all, care was taken to ensure the layout was smart hence easy for data collection and analysis. The choice was based on findings by Mbabazi, Karuhanga and Mukokoma (2009) that questionnaires generate detailed information through probing on important issues while, at the same time, substantiating others. This tool fits in well with the methods of data collection in this study as shown in Appendix 1.

### **3.7.2 Documentary checklist**

The documentary checklist was developed in close consultation with people knowledgeable about the subject of study. Sources of documentary literature about procurement before and after the reforms were compiled in respect to source and used as reference material during both web and library search. Relevant documents from local and international sources including procurement laws, the Local Government Act, audit reports, inspection reports, research reports, council minutes, electronic mail and press releases were also reviewed. According to Mbabazi et al, (2009) this method is a very effective for putting emphasis on key points generated through desk research. This tool fits in well with the methods of data collection in this study.

### **3.7.3 Interview guide**

An interview guide was used as a supplementary instrument of primary data collection. The investigator used a list of fixed questions for each of the four respondent categories selected. The topics were developed based on themes and dimensions as contained in the conceptual framework in order to give the interview a coherent flow. Before application, the guide was subjected to multiple testing and modification like in the case of a questionnaire aforementioned. According to Mbabazi et al (2009), this tool is a very effective in putting emphasis on key points generated through desk research while, at the same time, generating detailed information through probing on important issues and substantiating others (see Appendix 2).

## **3.8 Data presentation and analysis**

### **3.8.1 Quantitative data analysis**

Quantitative data was separated from qualitative data based on content to permit ease of analysis using different approaches. Quantitative data from questionnaires was edited and checked for consistency, totality and accuracy of responses. It was then coded, entered into the statistical package for social scientists (SPSS) software programme and analysed using descriptive statistics to generate frequency distributions. Results of analysis were used to make inferences to the variables under study. Spearman's rank correlation was used to verify the relationship between variables given that most of the data collected was ordinal in nature with minimal manifestation of interval relationships between variables.



### **3.8.2 Qualitative Data analysis**

Qualitative data, on the other hand, was analyzed using the Miles and Huberman's techniques of qualitative data analysis (Miles and Huberman, 1994). Care was taken to ensure compliance with the principles of the procurement law. These are transparency, accountability, efficiency, value for money and fair competition. Greater emphasis was put on the degree and extent to which intended objectives are being realized. This was done through inductive review for face-to-face interviews and deductive review for data from other secondary sources.

## **3.9 Data quality management and control**

### **3.9.1 Validity**

The researcher made sure that threats to validity were controlled during instrument design and data collection in order to increase design accuracy, thereby avoiding factors that might invalidate the study. Variables and dimensions of the study were tested using the design and instruments selected to ensure that the parameters chosen under theoretical framework are the right ones in terms of content domain, construct, concurrency and relationship with other variables under study. To ensure construct validity, the study used multiple sources of data (Triangulation) to establish a chain of evidence. The multiple sources were meant to ensure that there is agreement on various parameters measured. Internal validity was attained through explanation building and addressing rival explanations while external validity was measured using replication logic in multiple case studies (Mbabazi et al. 2009). Validity of instruments was measured by testing if it measures accurately what it is meant to measure. This was given great value because the scientific community is more likely to accept the findings if and only if constructed instruments are able to

contain validity. On the other hand, eliminating other potential causal relationships, by using controls and duplicate samples, helped to ensure that results stand up to rigorous questioning.

### 3.9.2 Reliability

Instruments of data collection were subjected to stringent repeated pre-application tests on a select sample of respondents from Namutumba District with the same characteristics as the target sample. The purpose of using this approach was to ensure that the instrument constructed was able to yield the same or closely similar results at all times. In addition, Cronbach Alpha Coefficient was calculated to test reliability and internal consistency of individual variables. The instruments were considered reliable after a Cronbach Alpha Coefficient of 0.696 was realized, which is considered adequate (Nunally, 1967).

**Table 2: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.696	.699	63

**Source:** *Derived from Cronbach statistical analysis of variables*

### 3.10 Data collection procedures

The researcher obtained a letter of introduction from Uganda Management Institute (UMI) for use in Rukungiri. Initially tested data collection tools were then distributed to respondents who were monitored for compliance. Responses were then checked for consistency and accuracy. Document analysis was conducted primarily as a qualitative technique. This involved carrying out a case and content analysis of documents in archives, libraries and the internet. This approach was considered

useful by the researcher in obtaining first-hand information and crosschecking information obtained through key informant interview.

### **3.11 Measurement of variables**

A list of measurement items related with the three main constructs in the model were identified and tested as generated through the literature review using earlier pre-tested measures and instruments. Their construct reliability indices were then tested using the Cronbach alpha (1951) model to establish the coefficient. A coefficient of 0.696 was realized. Since it was above 0.50, the measures were accepted as reliable in accordance with the rule of thumb for describing internal consistency.

Compliance with procurement procedure was measured basing on the PPDA Act, 2003. The procedure was further broken down to include procurement planning and budgeting, approval of procurement plan and method, soliciting for bids, evaluation and award, contracting, contract performance (delivery) and management, record keeping, payment and audit as well as post-contract performance.

Effective communication and feedback were measured basing on the relationship priority scale previously developed by Vlosky and Wilson (1994) to measure relationship commitment. Since it was positively related to the level of communication, satisfaction and trust in relationships, according to Fontenot et al (1997), they were considered to have passed the test.

Cost efficiency was measured using a semi-structured interview with employees of Namutumba District and Namutumba Town Council who were in some way involved in the procurement

process. The interviews were used to develop items that tap the construct of cost efficiency, hence providing an initial test of the measure. The results were then modified to suit this study.

A questionnaire was used to collect primary data required for this study. All item scales were anchored on a five-point likert scale with one denoting 'strong disagreement', four denoting 'strong agreement' and five denoting 'no response'. The questionnaire was pre-tested through two rounds, with the original questionnaire being pre-tested among senior district managers in the first round and using their comments and suggestions to improve the tool. The second pre-test was conducted with medium-level district and town council managers to assess the revised survey results until they were considered satisfactory.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

#### 4.1 Introduction

The chapter presents results of the analysis and interpretation of data collected and studied. The researcher used study objectives as a guide during data collection, analysis and presentation of results. Consequently, study objectives constitute the format in which the chapter sections are sequenced. The first section tackles the effect of procurement rules, procedures and regulations on procurement outcomes. The second section presents results of the interaction between established procurement integrity checks to achieve compliance with the procurement law and enhance service delivery; while the third section presents results of the relationship between the quality of procurement structures and personnel, both local and oversight and how the relationship has affected the objectives of the procurement law. Across all sections, results of the relationship between organizational intervening factors and their influence on procurement operations are juxtaposed and analysed.

#### 4.2 Response rate

**Table 3: Response rate**

Category	Sample size	Actual No.	%ge response
District officials	33	33	100%
Service providers (2008-11)	20	16	80%
Service consumers	67	47	70.2%
Procurement committee members	10	10	100%
<b>Total</b>	<b>130</b>	<b>106</b>	<b>81.5%</b>

**Source:** *Derived from Primary Data Analysis of the Instrument.*

The study generated 100% response under the categories of district officials and procurement committee members, 80% response by service providers, while 70.2% response was realized under the service consumers' category, representing an average response rate of 81.5 %. This response rate is reckoned very satisfactory according to Tsui, Ashford, Xin and Stclair (1995). The response rate covers the respondents to the questionnaire.

### **4.3 Inferential Findings to the objectives of study**

The study was mainly guided by the following research objectives:

1. To assess the effect of compliance with procurement rules and procedures on service delivery.
2. To evaluate the effect of procurement and value-for-money audit on service delivery.
3. To assess the effect of staffing and functionality of procurement committees on service delivery.

The objectives of the study were achieved through the use of descriptive statistics to determine public rating of the effect of procurement reforms on service delivery while noting the relationship between the study variables. In addition, correlation and regression analyses were conducted to assess the extent of the relational effect of the interaction between the variables and the predictor as well as the prediction level of the model of the data sets under study respectively. Descriptive statistics used were mainly means based on an ordered measuring scale of 1 – 5 (where 5 was the highest rank) as well as frequency tables. Frequency distributions were run to explore public rating on the level of compliance with the procurement principles, standards and procedures by sector players under legal reforms, the impact of procurement and value-for-money audit by the IGG and

Auditor General under integrity reforms, establishment and functionality of procurement committees under institutional reforms and the effect of political participation as an intervening variable. The variables of study were scored on the Likert scale with 1=strongly disagree, 2=Disagree, 3=No opinion 4=Agree and 5=strongly agree. Results are statistically presented in Table 4 below.

### **4.3.1 Findings on the extent of compliance with procurement rules and procedures in Rukungiri District?**

#### **4.3.1.1 Legal reforms and compliance to procedure by sector players**

Respondents were asked to rate the level of stakeholder adherence to procurement rules and procedures during public procurement. This was to establish public rating of the effect of legal reforms in public procurement on compliance with established rules and procedures as contained in the PPDA Act and regulations. Compliance was measured in form of the degree of adherence to the requirement of procurement publication, statutory due diligence on contractors, and transparency through increased public involvement in assessment of the quality of goods, services and works procured. Table 4 below presents the findings.

**Table 4: Public rating on compliance with procedure**

<b>Variable</b>	<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Procurement reforms have increased compliance with established procurement rules and procedures.	<b>Strongly disagree</b>	2	1.9
	<b>Disagree</b>	22	20.8
	<b>No Response</b>	9	8.5
	<b>Agree</b>	58	54.7
	<b>Strongly agree</b>	15	14.4

**Source:** *Derived from Primary Data Analysis of the Instrument.*

Findings from table 4 above show that 69.1% of respondents were of the view that compliance with procedures during public procurement in Rukungiri District has improved, hence supporting hypothesis H1 which states that “Procurement rules and procedures are complied with in Rukungiri District, thereby enhancing service delivery”. This implies that there has been a positive shift in compliance with the provisions of the procurement law by sector players. The findings are consistent with results of previous studies on compliance. One such study by Akampumuza, Bakunda and Flavia (2009) on compliance with the PPDA law among six public universities generated an overall Mean compliance rate of 2,615 on an average of 2.5 indicating increased compliance by sector players.

The above gains notwithstanding, numerous challenges still remain. Results from a focus group discussion comprising previous service providers indicated that serious flaws in adherence to the procurement cycle as well as the bid evaluation and award processes still existed. Majority of respondents indicated that there were cartels where favoured bidders deliberately quoted ridiculously low rates in order to pass the pre-evaluation stage and the same bids were revised upward later by the evaluation committees away from public scrutiny disguised as errors.

#### **4.3.1.2 Legal reforms and stakeholder sensitization about public procurement**

The research explored the extent to which district officials, service consumers and service providers are knowledgeable about public procurement principles, standards and procedures, both in theory and as a practice. The objective was to establish public rating on the effect of procurement



reforms on attainment of reform objectives of raising public awareness about the public procurement process, the roles of key players and stakeholders, thereby stemming procurement corruption. The above objective was achieved by carrying out correlation between the study variables, the results of which are indicated in Table 5 below. In addition, a total of three dimensions were developed and scored on a measuring scale of no, yes and somehow. Respondents were asked whether they knew what public procurement meant. Table 5 below presents the responses.

**Table 5: Stakeholder awareness**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
No	16	15.1
Yes	80	75.5
Somehow	10	9.4
Total	106	100

**Source:** *Derived from Primary Data Analysis of the Instrument.*

Results from the study show that 16 (15.1%) of respondents said no to the question of knowledge by service consumers and service providers about public procurement principles, standards and procedures, both in theory and as a practice while 80 (75.5%) said yes and 10 (9.4%) said somehow. Analytically, 24.5% of respondents did not know the meaning of public procurement as a concept or practice while 75.5% expressed awareness of public procurement. By implication, there is a positive relationship between procurement reforms and stakeholder awareness on issues pertaining to public procurement in Rukungiri District.

#### 4.3.1.3 Legal reforms and public knowledge of services accessed

Respondents were also asked about their knowledge of services that have been accessed through public procurement. The objective was to establish public rating on the effect of procurement reforms on attainment of reform objectives of raising public awareness about public procurement and expected procurement outcomes. The above objective was achieved by measuring public responses on a frequency distribution based on a three-point measuring scale of no, yes and somehow. Respondents were asked whether they knew what public procurement meant. Table 6 below presents the responses.

**Table 6: Knowledge of services accessed**

Response	Frequency	Percentage (%)
No	14	13.2
Yes	84	79.3
Somehow	8	7.5
Total	106	100

**Source:** *Derived from Primary Data Analysis of the Instrument.*

Results from Table 6 above show that public knowledge of services accessed through public procurement is high, represented by 84 positive responses (79.3%). From the responses, it is clear that public procurement reforms have led to a significant increase in public awareness of public procurement as a channel of service delivery. This awareness is manifested in the fact that the majority of respondents expressed knowledge of procurement services accessed. However, this does not explain why respondents never adequately answered the second segment of the question

which required them to give examples of services accessed. By implication, public awareness is not yet deeply entrenched as expected.

#### 4.3.1.4 Legal reforms and transparency

The researcher further explored respondents' views on the level to which transparency in public procurement has been realised. Table 7 below presents findings as presented and extracted from the instruments administered.

**Table 7: Transparency levels**

<b>Variable</b>	<b>Mean</b>	<b>Std. deviation</b>	<b>Std. Error</b>
Reforms enhance transparency	3.59	1.085	0.105
Procurement publication is always adhered to	3.45	1.043	0.101
Staff exhibit transparency during procurement	2.55	.967	0.094
Effective departmental communication exists	2.83	.961	0.093
There is adequate public involvement in procurement quality assessment	2.58	1.077	0.105

**Source:** *Derived from primary data analysis of the instrument*

Transparency was measured in form of the degree of adherence to the requirement of procurement publication, departmental participation, and public involvement in assessment of the quality of goods, services and works procured. Analysis of the responses registered above mean average of 2.5 on a scale of 5. The results generated suggest that compliance with established rules and procedures on transparency in the district procurement system has registered a moderate increase relative to the pre-reform period. The findings support the law and inherent procedures in their

current form as sufficient to enhance transparency. By implication, other organizational and institutional factors are responsible for the limited transparency.

In order to assess the extent of the relational effect of the interaction between the above variables and the aforementioned study findings, a correlation was carried out between the study variables. The results are indicated in Table 8 below. A regression was also conducted to establish the prediction level of the model whose results are contained in Table 9.

**Table 8: Correlation between the study variables**

		Stakeholder awareness	Compliance with procedures.	Transparency gains	Due diligence is carried out.	Procurement publication
Stakeholder awareness	Pearson Correlation Sig. (2-tailed)	1				
Compliance with procedures	Pearson Correlation Sig. (2-tailed)	-.063 .523	1			
Transparency gains	Pearson Correlation Sig. (2-tailed)	.134 .170	.472** .000	1		
Due diligence is carried out	Pearson Correlation Sig. (2-tailed)	.206* .034	.186 .056	.372** .000	1	
Procurement publication	Pearson Correlation Sig. (2-tailed)	.145 .143	.224 .119	.223* .022	.334** .000	1

The correlation results above indicate that all relationships were positive and significant except Internal stakeholder awareness and Compliance with procedures ( $r=-0.063$ ,  $p<0.523$ ) and Internal stakeholder awareness and Staff collusion ( $r=-0.128$ ,  $p<0.190$ ). There was a positive and significant relationship between Stakeholder awareness and Due diligence ( $r=0.206$ ,  $p<0.034$ ), Stakeholder awareness and Procurement publication ( $r=0.145$ ,  $p<0.143$ ), Compliance with procedures and Transparency gains ( $r=0.472$ ,  $p<0.000$ ), Compliance with procedures and Due diligence ( $r=0.186$ ,  $p<0.056$ ), Compliance with procedures and Procurement publication ( $r=0.224$ ,  $p<0.119$ ), Transparency gains and Due diligence ( $r=0.372$ ,  $p<0.000$ ), Transparency gains and Procurement publication ( $r=0.223$ ,  $p<0.022$ ) as well as Due diligence and Procurement publication ( $r=0.334$ ,  $p<0.000$ ).

One of the mainstays behind public procurement reform was to increase transparency in public procurement, through compliance with established procurement procedures. This would in turn lead to elimination of procurement-related corruption and wastage, hence delivery of improved services as the main outcome. Most theorists behind procurement reform too advance that compliance would automatically lead to improved governance, hence better service delivery. To a great extent, the findings of this study support this assertion. In support of this view, Waswa Balunywa (2009) in the study of Internal Stakeholder Awareness and Adherence to Public Procurement Procedures in Self Accounting Organisations in Uganda, cites Kwasi (1999) as a strong advocate of the view that corruption is a crime of opportunity which creates system deficiencies that can be partly closed by ensuring that people adhere to existing regulations and procedures. This study, indeed, established that service delivery can be enhanced through

increased stakeholder awareness and adherence to established procedures regarding transparency as enshrined in the procurement law.

### Prediction Model

In order to determine the prediction level of the variables, and the extent to which particular variables explain the variance in the predictor, multiple regression analysis was conducted. The choice of model was found suitable since there was more than one variable affecting the predictor. The variables of interest were stakeholder awareness, compliance with procedures, transparency gains, staff collusion, due diligence and procurement publication. The results are contained in Table 9.

**Table 9: Prediction Potential-Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.303	.593		2.199	.030
Internal stakeholder awareness.	.189	.187	.086	1.013	.313
Adherence to procedure.	.389	.079	.413	4.906	.000
Statutory due diligence	.252	.098	.233	2.579	.011
Procurement publication.	.097	.092	.093	1.055	.294
R Square = .331	Adjusted R Square = .298		Std. Error of the Estimate = .909		

a. *Dependent Variable: The existing laws enhance transparency in public procurement.*

From the above regression results, it is evident the goodness of fit is satisfactory (Adjusted R Squared = .298). By implication, the independent variables studied explain about 30% of the variations in compliance with the law concerning transparency in public procurement in Rukungiri District.

### 4.3.2 The effect of procurement and value for money audit on service delivery

#### 4.3.2.1 Integrity reforms and Value for money Audit

The researcher explored respondents' rating of the effect of reforms on the elimination of corruption in public procurement in Rukungiri District. This was to obtain proof of the effect and adequacy of procurement and value for money audits on the fight against procurement-related corruption. Table 10 presents the findings.

**Table 10: Public rating on the impact of procurement and value for money audit**

Variable	Response	Frequency	Percentage
Procurement and Value for money Audit is felt in Rukungiri.	<b>Strongly disagree</b>	13	12.3
	<b>Disagree</b>	68	64.2
	<b>No Response</b>	13	12.3
	<b>Agree</b>	8	7.5
	<b>Strongly agree</b>	4	3.8

**Source:** *Derived from Primary Data Analysis of the Instrument.*

Procurement and value for money audit by the PPDA, IGG and Auditor General in public procurement generated a very low public rating. As indicated in Table 4.7, 76.5% of respondents felt the oversight function by the offices of Auditor General, PPDA and the Inspector General of Government (IGG) was very low, thereby rejecting hypothesis H2 which states that "responsible organs conduct timely Procurement and Value for money Audit and this has improved service delivery in Rukungiri District". This finding compares favourably with the opinion gathered from a focus group discussion comprising service providers and a select group of service consumers where more than 80% of those present felt that procurement oversight by the IGG and Auditor

General was worryingly lacking. The majority were ignorant of the role of the PPDA in procurement oversight. The level of ignorance in this regard was a clear manifestation of the total abdication of the procurement oversight by the Public Procurement and Disposal of Public Assets Authority (PPDA). One of the respondents submitted that there was a growing reduction in public interest to report cases of abuse because even where the public had raised complaints to the IGG, investigators were usually compromised by the culprits leading to no action.

#### **4.3.2.2 Integrity reforms and fair competition in public procurement**

The researcher explored respondents' rating of the effect of reforms on attainment of procurement fairness. This was to obtain proof of the effect of procurement rules and procedures on realization of open and fair participation of bidders. The dimension characteristics considered include whether publication of planned procurement is done, whether political connectivity enhances contract awards, whether senior staff influence contract awards and whether contracts are awarded to lowest bidders in procurement in the district. Table 11 presents the findings.

**Table 11: Levels of fairness of competition**

<b>Variable</b>	<b>Mean</b>	<b>Std. deviation</b>	<b>Std. Error</b>
Publication of planned procurement is done	3.45	1.043	0.08
Political connectivity enhances contract awards	3.25	1.122	0.07
Senior staff directives influence contract awards	3.30	1.374	0.13
Contracts are awarded to lowest bidders	2.97	1.117	0.11

**Source:** *Derived from primary data analysis of the instrument.*

Regarding the level and fairness of competition in the procurement process in Rukungiri District, results show that the competition for contracts had remained unfair with an inverse average mean



score of 3.26 on a scale of 4. This score is way above the average of 2.0, indicating that fair competition practices have not improved even under the new procurement reforms. Further analysis of variables under study independently showed that political and administrative corruption by those who should be custodians of the law was responsible for influence peddling, with a mean of 3.30. By implication, political and administrative corruption was responsible for low fair competition in public procurement in Rukungiri District.

#### 4.3.2.3 Integrity and elimination of corruption

The researcher explored respondents' rating of the effect of reforms on the elimination of corruption in public procurement, as a stand-alone area of interest. This was to obtain proof of the effect of procurement rules and procedures on the fight against procurement-related corruption. The dimension characteristics considered include whether staff violate procurement laws and procedures for personal gain, the adequacy of value for money audits and whether Publication of planned procurement is done as required. Table 12 presents the findings.

**Table 12: Reform rating on elimination of corruption**

Variable	Mean	Std. deviation	Std. Error
There is adequate value for money audit	2.26	0.908	0.088
Staff violate procurement laws for personal gain	3.25	1.122	0.109
Integrity is exercised during contract award	2.55	0.967	0.094
Public involvement in procurement is adequate	2.18	0.924	0.090
Publication of planned procurement is done	3.45	1.043	0.080

**Source:** *Derived from Primary Data Analysis of the Instrument.*

Results from the table above regarding public rating on elimination of procurement-related corruption showed a low public rating with an average score of 2.26 out of a maximum score of

2.5 for procurement and value for money audit and 2.18 for adequacy of public involvement. Findings further reveal that in addition to the weak oversight, staff continues to violate procurement laws for personal gain, hence exacerbating the problem of corruption in public procurement with a mean score of 3.25, way above the 2.5 average score. Hence, administrative corruption continues to entrench the problem of procurement-related corruption in Rukungiri district.

#### 4.3.2.4 Integrity reforms and efficiency

Under efficiency, respondents were asked to rate the current level of procurement efficiency in Rukungiri District following the introduction of the reforms in public procurement. The purpose was to establish public rating regarding the effect of legal reforms on efficiency in public procurement. Efficiency was broken down and measured in form of effective procurement planning, adherence to set timeframes, timely appropriation of financial resources, and timely submission of requisitions. Table 13 below presents findings.

**Table 13: Efficiency levels in public procurement**

Variable	Mean	Std. deviation	Std. Error
Procurement planning is observed	2.72	0.859	0.083
Procurement is handled in a timely manner	2.16	0.635	0.062
Delayed appropriation affects service delivery	2.71	1.004	0.098
Departments delay procurement requisitions	2.91	0.799	0.078
Goods and services are not effected on time	2.79	0.752	0.073

**Source:** *Derived from Primary Data Analysis of the Instrument.*

From Table 13 above, respondents registered a mean of 2.67 on the question of efficiency in public procurement on a scale of 5. Apart from timely procurement which scored 2.16, hence below the

average mean score of 2.5, the rest of the results point to a moderate increase in adherence to the principles enshrined in the procurement law and achievement of procurement objectives concerning efficiency in public procurement. However, when compared with performance of other variables like fighting procurement-related corruption, transparency and lack of timely procurement, the mean score under efficiency shows an improvement from the pre-reform period though there is still significant room for improvement.

### **4.3.3 The effect of staffing and functionality of procurement committees on service delivery in Rukungiri District**

#### **4.3.3.1 Procurement Committee Functionality**

The researcher further explored respondents' views on establishment and the level of functionality of procurement committees in Rukungiri District. Table 14 below presents findings as extracted from the instruments administered.

**Table 14: Public rating on establishment and functionality of procurement committees**

<b>Variable</b>	<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Procurement committees are in place and functional	<b>Strongly disagree</b>	14	13.2
	<b>Disagree</b>	61	57.5
	<b>No Response</b>	7	6.6
	<b>Agree</b>	24	22.6
	<b>Strongly agree</b>	0	0

**Source:** *Derived from Primary Data Analysis of the Instrument.*

Respondents were asked whether procurement committees in particular and management generally complied with established public procurement rules and procedures concerning procurement committee establishment and functionality. The purpose was to measure adherence to established procurement rules and procedures in terms of timely establishment and operationalization of all procurement committees. Findings show that 70.7% of respondents submitted that there was low adherence to timely establishment and operationalisation of procurement committees which function with greater independence. The above statistics shows limited compliance in this area, thereby rejecting hypothesis H3 which states that “Compliance with institutional reforms regarding staffing and functionality of procurement committees has led to improved service delivery in Rukungiri District”.

The researcher further explored respondents’ rating of the effect of political influence on service delivery through timely budget appropriation and approval. This was to obtain proof of public rating of the effect of intervening factors outside the reform programme on the quality of procurement outcomes. Table 15 below presents the findings.

**Table 15: Public rating on political participation in public procurement**

<b>Variable</b>	<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Political participation in procurement has impeded service delivery	<b>Strongly disagree</b>	11	10.4
	<b>Disagree</b>	28	26.4
	<b>No Response</b>	1	.9
	<b>Agree</b>	55	51.9
	<b>Strongly agree</b>	11	10.4

**Source:** *Derived from Primary Data Analysis of the Instrument.*

Findings show that 62.3% of the respondents felt that political participation in public procurement had impeded service delivery while 36.8% were of the view that service delivery in Rukungiri District had improved as a result. Analysis of the above data reveals that there has been a negative shift in service delivery due to delay in appropriation and approval of procurement budgets by the political arm in Rukungiri District. The above results are consistent with the majority opinion from a focus group discussion where it was found that political influence peddling continued to exacerbate the problem of corruption in public procurement in the district. In order to establish the relational effect of the study objectives concerning Compliance with rules and procedures, Procurement and value for money audit, Committees functionality and Political participation on service delivery, a correlation was conducted, the results of which are contained in Table 16 below.

**Table 16: Correlation between the study objectives**

		Compliance with rules and procedures	Procurement and value for money audit	Procurement committee functionality	Political participation
Compliance with rules and procedures.	Pearson Correlation Sig. (2-tailed)	1			
Procurement and value for money audit	Pearson Correlation Sig. (2-tailed)	.193* .047	1		
Procurement committees functionality	Pearson Correlation Sig. (2-tailed)	-.066 .504	.028 .776	1	
Political participation	Pearson Correlation Sig. (2-tailed)	-.065 .508	-.076 .436	.253** .009	1

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Correlation results above indicate that compliance with procurement rules and procedures and procurement and value for money audit had a positive and significant relationship ( $r=0.193$ ,  $p<0.047$ ). The results are in support of hypothesis H1 which states that “Procurement rules and procedures in public procurement are complied with in Rukungiri District”. This implies that an increase in procurement and value for money audit leads to a corresponding increase in compliance with procurement rules and procedures. This finding is consistent with several previous studies which advance the same position. According to Basheka (2005) and Agaba & Shipman (2007) a well functioning oversight mechanism is vital in ensuring the success of the legal, institutional and integrity arrangement of public procurement in Uganda. This argument is based on the fact that public procurement in Uganda takes place in a complex environment influenced by a variety of factors, which are institutional, political and personal. For any set of procurement objectives to be realized, therefore, strict compliance with set rules is critical and procurement oversight, both internal and external, are key to ensure full compliance by all actors.

Other variables which had no positive or significant relationship include Compliance with rules and procedure and Committee functionality ( $r=-0.066$ ,  $p<0.504$ ) as well as Compliance with rules and procedure and Political participation ( $r=-0.065$ ,  $p<0.508$ ). The results are supportive of the assertion by Mbabazi et al, (2009), citing Telgen (2007) that the current public procurement legal system focuses on an open and fair competitive system of purchasing and less on efficient procedures and results.

Enquiry into the effect of the procurement law on compliance for example revealed that the local government public procurement planning cycle is rarely followed. Findings from procurement

documents reviewed showed that the local government planning and budgeting cycle begins in the first week of October when consultative meetings begin through to June 15<sup>th</sup> when all district procurement plans should be submitted to the PDU for onward publication and implementation. According to the municipal secretary contracts committee, the above timeframes notwithstanding, most sector procurement plans had not been submitted at the time of this interview. This causes serious problems during procurement considering that advertising and publication budgets are usually small thus making it difficult for the districts to afford phased procurement publication. As a result, the need for consolidation of all procurement plans before advertising usually leads to serious delays caused by late submission of plans by user departments. The above finding is supported by the correlation results above which clearly show no relationship between Compliance with rules and procedure and Committee functionality ( $r=-0.066$ ,  $p<0.504$ ).

#### **4.3.3.2 Institutional reforms on value for money gains**

The researcher explored respondents' rating of the effect of reforms on the attainment of value for money gains. This was to obtain proof of the effect institutional reforms on service delivery. The dimension characteristics measured included the ability of contractors to deliver quality supplies, citizens' participation in contract monitoring and consistency of value for money audit during public procurement in the district. Table 17 overleaf presents the findings.

**Table 17: Value for money gains in public procurement.**

<b>Variable</b>	<b>Mean</b>	<b>Std. deviation</b>	<b>Std. Error</b>
Current legal reforms support value for money	2.75	1.102	0.107
Contractors deliver quality supplies	2.31	0.638	0.062
Citizens participate in contract monitoring	2.47	0.693	0.067
There is no value for money in Rukungiri	2.26	0.557	0.054
Value for money audit is done consistently	2.26	0.908	0.088

**Source:** *Derived from Primary Data Analysis of the Instrument*

Ratings for adherence to value for money principle indicate that Rukungiri District is still below average. As indicated in Table 17 above, all dimension characteristics measured registered a mean average of 2.41, well below the mean score of 2.5. This score suggests that in general, adherence to the value for money principle in Rukungiri District was low. In spite of the low overall rating though, respondents seem to believe that the current legal framework supports the value for money principle with a mean score of 2.75. The above result shows that despite the current structural and institutional weaknesses in the system generally, the reforms support value for money in public procurement.

#### **4.3.3.3 Institutional reforms and staffing**

The researcher further explored respondents' rating of the effect of reforms on the procurement staffing. This was to obtain proof of the effect of institutional reforms on the staff structure, its adequacy and general staff performance. The dimension characteristics measured included adequacy of the current staff structure, the skill level of staff, professionalism of staff, staff training



and the level of integrity exercised during public procurement in the district. Table 18 below presents the findings.

**Table 18: Evaluation of post-reform staffing**

<b>Variable</b>	<b>Mean</b>	<b>Std. deviation</b>	<b>Std. Error</b>
The procurement staff structure is adequate	2.15	0.728	0.071
Procurement is done by skilled personnel	2.35	0.704	0.068
Procurement staff are regularly trained	2.33	0.870	0.084
Procurement committees are in place and operational	2.58	0.871	0.085
Procurement staff exercise integrity	2.37	0.637	0.062

**Source:** *Derived from Primary Data Analysis of the Instrument.*

As indicated in Table 18 above, the rating for adherence to institutional reforms on the establishment and functionality of procurement committees registered an above average mean score of 2.58 (SD 0.871). According to the study composite measure, this is rated moderate. By implication, the procurement law has led to a moderate increase in adherence to the principle of establishment of functional procurement committees in Rukungiri District.

The above milestone notwithstanding, the average mean measure of staffing on attainment of the objectives of the procurement law is still low with a mean score of 2.36 (SD=0.705). According to our composite measure, this is rated very low. This indicates that the current staff structure, staff performance and staffing levels generally do not contribute to the attainment of the objectives of the procurement law. The study established the weak areas as inadequate staffing relative to the workload at hand, lack of technical capacity in the procurement unit, lack of professionalism

during execution of procurement plans, limited training opportunities for existing staff and outright lack of integrity on the part of procurement staff.

The above findings were confirmed during interviews where more than 80% of respondents reported flaws in the bid evaluation and award processes, with favoured bidders deliberately making ridiculously low bids in order to pass the pre-evaluation stage and having the same bids reviewed upward later by the evaluation committees away from public scrutiny. In addition, further scrutiny of staffing levels showed that the entire municipal procurement unit was manned by field staff who are not qualified in public procurement while the district has only two positions fully filled. The rest of the staff were co-opted from other department to work temporarily on assignment of duty.

In order to further assess the extent of the relational effect of the interaction between the above variables and the aforementioned study findings, a correlation was carried out between the study variables. The results are indicated in Table 19 overleaf. Multiple regression analysis was also conducted to determine the prediction level of the variables and the extent to which the selected model fits the data set analysed. The choice of model was found suitable due to the existence of more than one independent variable affecting the predictor. The results are contained in Table 20 overleaf.

**Table 19: Correlation between study variables**

		Contract awarded to lowest bidders	Procurement staff integrity	Procurement committees are in place	Timely plan submission to PDU	Procurement plans submission to Council	Value for money gains
Contracts are awarded to lowest bidders	Pearson Correlation Sig. (2-tailed)	1					
Procurement transparency	Pearson Correlation Sig. (2-tailed)	.200* .040	1				
Procurement committees	Pearson Correlation Sig. (2-tailed)	.114 .243	.357** .000	1			
Procurement plans to PDU	Pearson Correlation Sig. (2-tailed)	-.099 .311	.280** .004	.536** .000	1		
Timely submission to council	Pearson Correlation Sig. (2-tailed)	.218* .025	-.115 .239	-.114 .246	-.002 .988	1	
There is value for money	Pearson Correlation Sig. (2-tailed)	-.480** .000	-.130 .186	.012 .903	.031 .752	-.207* .033	1

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

The correlation results above show a positive and significant relationship between Contract awards to lowest bidders and Procurement staff integrity ( $r=0.200$ ,  $p<0.040$ ), Contract awards to lowest bidders and Timely submission of plans to Council ( $r=0.218$ ,  $p<0.025$ ), Contract awards to lowest bidders and Value for Money gains ( $r=0.480$ ,  $p<0.000$ ), Procurement staff integrity and Existence of procurement committees ( $r=0.357$ ,  $p<0.000$ ), Procurement staff integrity and Plan submission to PDU ( $r=0.280$ ,  $p<0.004$ ), Existence of procurement committees and Plan submission to PDU ( $r=0.372$ ,  $p<0.000$ ), Timely submission of plans to Council and Value for Money gains ( $r=-0.207$ ,  $p<0.033$ ). On the other hand, there was no correlation between Contract awards to lowest bidders

and existence of procurement committees ( $r=0.114$ ,  $p<0.243$ ), Contract awards to lowest bidders and Plan submission to PDU ( $r=-0.099$ ,  $p<0.311$ ), Procurement staff integrity and Timely submission of plans to Council ( $r=-0.115$ ,  $p<0.239$ ), Procurement staff integrity and Value for money gains ( $r=-0.130$ ,  $p<0.168$ ), Existence of procurement committees and Timely submission of plans to Council ( $r=-0.114$ ,  $p<0.246$ ).

### Prediction Model

Multiple regression analysis was also conducted to determine the prediction level of the variables and the extent to which the selected model fits the data set analysed. The choice of model was found suitable since there was more than one independent variable affecting the predictor. The dimension characteristics measured included the existence of procurement transparency, timely submission of procurement plans to PDU and requisitions to council, and whether there is value for money, while considering value for money was the predictor.

**Table 20: Prediction potential-coefficients of the variable model**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.557	.591		6.016	.000
Transparency.	.182	.105	.158	1.742	.085
Functional.	.244	.116	.214	2.105	.038
Submissions to PDU.	-.310	.125	-.245	-2.478	.015
Submission to Council.	.179	.089	.174	2.023	.046
Value for money gains	-.469	.096	-.418	-4.876	.000

a. *Dependent Variable: Contracts are awarded to bidders with the lowest cost price while considering value for money.*

The above results indicate that the overall regression model is significant at 1%.

#### 4.3.3.4 Institutional reforms and timeliness, consistency and cost in service delivery

Respondents' opinion on the procurement law and its effect on Timeliness, Consistency and Cost effectiveness in public procurement was sought. Service delivery was conceptualized as the variance between the actual and budgeted. Below is a comparative analysis based on interview responses and documentary review of the four parameters aforementioned.

**Table 21: Group comparative analysis of variable parameters**

Parameter	Mean	Std. deviation	Std. Error
Timeliness	2.16	0.635	0.062
Consistency	2.48	0.819	0.080
Quality	2.47	0.589	0.057
Cost effectiveness	2.41	0.659	0.064

**Source:** *Derived from Primary Data Analysis of the Instrument.*

Qualitative results reveal that service delivery in Rukungiri district is still low with an average mean score of 2.38 across all parameters measured. According to the findings, timeliness is not a priority for as long as legal procedures are observed. This observation was corroborated by findings from all members of the procurement committee who revealed that departmental procurement submissions are usually received well after the statutory June 15 deadline. This ultimately leads to delay in procurement and consequently service delivery is compromised.

The study further established that district officials are fairly consistent in executing their duties. Though consistency realized a below average mean score of 2.48, the score represents an improvement relative to the pre-reform period. This observation is consistent with findings during interviews. Results from an interview with councilors from the district and the municipality

revealed that other than for reasons of shortfalls in financial resources, planned outputs are usually realized.

The quality of work, though, was found to be relative. Review of available records revealed that the district had received awards of excellence from line ministries in quality works under the schools facility grant (SFG), construction of health facilities under the public health centres facility (PHC), and road construction especially in the municipality under Poverty Action Fund (PAF). The above successes notwithstanding, respondent ratings revealed that the overall quality of works remained low with a mean score of 2.47. It was established during interviews with staff and councilors that various factors like delay in release of funding from ministries, insufficient releases and insufficient technical and financial capacity by available contractors continued to undermine the ability of districts to execute timely and quality projects.

Respondents were further asked whether adherence to the provisions of the Local Governments Act 1997, the PPDA Act 2002 and respective regulations has led to reduction in the cost of goods, services and works procured in the district. Results indicate that there is an inverse relationship between adherence to the provisions of the procurement law and cost effectiveness in service delivery in Rukungiri represented by a mean score of 2.41. It was nevertheless established that adherence to the principal law does not translate into cost effectiveness.

According to one committee secretary, for instance, political and senior officers still interfere with the procurement process for personal gain. This observation rhymes with World Bank report findings presented in the World Trade Organization that district procurement may often be

influenced by a range of secondary objectives which may not relate and which may sometimes conflict with the principle of cost effectiveness in service delivery. As noted in their research findings on Compliance and Service Delivery in Uganda Local Government Procurement Units, Mbabazi, Karuhanga & Mukokoma, (2009) advance that selfishness of officials involved in public procurement distort output results.

The researcher further explored respondents' rating of the effect of political influence on budget appropriation and approval. This was to obtain proof of the effect intervening factors outside the reform programme and their effect on the quality of procurement outcomes. The dimension characteristics measured included the effect of Political influence on citizen participation, regular review procurement reports by Councils and whether the Council appropriates adequate procurement budgets on time. Table 22 below presents the findings.

**Table 22: Correlation between the study variables**

		Citizen involvement	Political participation	Effect of Political influence	Effect of delayed budget approval
Citizen involvement	Pearson Correlation Sig. (2-tailed)	1			
Political participation	Pearson Correlation Sig. (2-tailed)	.464** .000	1		
Political influence	Pearson Correlation Sig. (2-tailed)	.537** .000	.732** .000	1	
Delayed budget approval	Pearson Correlation Sig. (2-tailed)	.175 .073	.217* .026	.242* .012	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Correlation results above indicate that all relationships were positive and significant except citizen involvement and budget approval ( $r=0.073$ ,  $p<0.175$ ). There was a positive and significant relationship between Citizen involvement and Political participation ( $r=0.464$ ,  $p<0.000$ ), Citizen involvement and Political influence ( $r=0.537$ ,  $p<0.000$ ), Citizen involvement and budget approval ( $r=0.175$ ,  $p<0.073$ ), Effect of Political participation and Political influence ( $r=0.732$ ,  $p<0.000$ ), Effect of Political participation and delayed budget approval ( $r=0.217$ ,  $p<0.026$ ) and Political influence and delayed budget approval ( $r=0.242$ ,  $p<0.012$ ).

The findings above established that there was no proof of positive gains of the procurement law on the fight against procurement delays arising from delays in approving procurement budgets. Rukungiri District has not registered significant gains regarding elimination of protracted bureaucracy in public procurement because available evidence clearly shows that timeliness has not improved at all in this sector. Further analysis reveals that political influence peddling continues to exacerbate the problem of lack of freedom by the procurement committees in public procurement with a negative correlation ( $r=-0.035$ ,  $p<0.725$ ) in comparison with other study dimensions whose relationship is positive and significant.

The findings are consistent with previous findings by Ntayi, Oluka, Astridter and Eyaa (2009) who observed that although the reforms were expected to lead to efficiency and effectiveness in service delivery with a robust, timely, and participatory, corruption free procurement system, recent studies on corruption in local governments had consistently pointed to the procurement process and award of tenders as the most abused and used channel for administrative and political corruption.



The above-stated notwithstanding, it was established that public involvement in public procurement had significantly increased as a result of the introduction of the new procurement law. This could be attributed to the increase in public knowledge of services accessed through participation in public procurement as a result of improved procurement publication. Findings fully support the competitive procurement theory also known as full and open competition (FOC) advanced by Dobbin (1991), which advocates for increasing public product knowledge as a means of attaining transparency in public procurement. This theory's locus is that business should be conducted with integrity, fairness and openness. This requires open communication with the buying and selling institutions, thus giving firms equal chance to compete for contracts and win.

## **CHAPTER FIVE**

### **SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary, discussion, conclusions and recommendations of the study. It presents the effect of legal, integrity and institutional reforms in public procurement on service delivery in Rukungiri District. Findings indicate a moderate level of service delivery measured in timeliness, quantity and cost-effectiveness hence failure to achieve most set procurement targets. Arising from the responses, below we present a discussion of the findings, conclusions and suggested recommendations.

#### **5.2 Summary findings**

##### **5.2.1 The effect of legal reforms on service delivery in Rukungiri District**

The study established that there has been a general positive movement in compliance with established public procurement rules and procedures by sector players in Rukungiri District, particularly procurement committees and management when compared with the pre-reform period. Particular areas of improvement were procurement publication and transparency gains. This implies that there has been a positive shift in compliance with the provisions of the procurement law by sector players in the sectors aforementioned. The findings are consistent with results of previous studies on compliance by Akampumuza, Bakunda and Flavia (2009) on compliance with the PPDA law among six public universities. In this study, it was established that increased compliance by sector players resulted in increased stakeholder awareness about public procurement.

The study established that public involvement in public procurement has significantly increased as a result of introduction of the new procurement law. This can be attributed to increase in public knowledge of services accessed participation in public procurement through improved procurement publication. Findings fully support the competitive procurement theory also known as full and open competition (FOC) advanced by Dobbin (1991), which advocates for increasing public product knowledge as a means of attaining transparency in public procurement. This theory's locus is that business should be conducted with integrity, fairness and openness. This requires open communication with the buying and selling institutions thus giving firms equal chance to compete for contracts and win.

The gains notwithstanding, and despite robust implementation, procurement reforms have generated mixed results in a number of other critical areas, with anticipated outcomes largely not being realized as previously anticipated. The question apparent therefore is why the failure? Whereas most critiques tend to universally blame this failure on exclusionary practices, collusion, complexity, heightened cost, corruption and vulnerability of oversight mechanisms in public procurement, this study established that the district procurement process has indeed been hijacked by technocrats and politicians for personal gain. These findings are in line with previous findings by Akampumuza, Kayongo, Bakunda Zeija (2009) which identified technical and political collusion in undermining the procurement process as one of the main causes of reform failure.

It was also established that the local government public procurement planning cycle is rarely followed. According to documentary review, the local government planning and budgeting cycle begins in the first week of October and ends on June 15 , with phase one of implementation, but this had not started by the time of the interviews in January. The findings support results from a focus group discussion comprising both current and previous service providers which indicated that

serious flaws in adherence to the procurement cycle as well as the bid evaluation and award processes still exist.

Compliance with the legal requirement to conduct due diligence on all contractors is not complied with according to 67% of respondents. This represents a complete digression from the provisions of the PPDA Regulations concerning the procedure necessary before an award decision is made. Transparency too was found to be low. This, together with compliance with established rules and procedures on transparency in the district procurement system has remained significantly below the average.

### **5.2.2 The effect of integrity reforms on delivery of services in Rukungiri**

Ratings for adherence to value for money principle indicate that Rukungiri District is still below average. Quality of work, though, was found to be relative with reviewed records indicating that the district has received awards of excellence from line ministries in quality works under the School Facilities Grant (SFG), construction of health facilities under the Public Health Centres facility (PHC) and road construction especially in the municipality under the Poverty Action Fund (PAF). The above successes notwithstanding, respondent ratings revealed external oversight function by the IGG, PPDA and Auditor General is still low. This finding is consistent with a previous study by Mbabazi on adherence to the principal law and its effect on cost effectiveness in which Mbabazi advances that adherence to the principal law does not necessarily translate into cost effectiveness (Mbabazi, Karuhanga & Mukokoma, 2009).

Fairness in public procurement in terms of unimpeded competition for contracts has remained low. This score indicates that fair competition practices have not improved even under the new procurement reforms. Further independent analysis of variables under study revealed that political and administrative corruption is responsible for this decline with technocrats and politicians blamed for hijacking the district procurement process for personal gain.

There was no proof of positive gains of procurement law on the fight against procurement-related corruption again due to weak procurement and value-for-money audit oversight by the Auditor General, IGG and PPDA. Results regarding public rating on elimination of procurement-related corruption showed that Rukungiri District has not registered significant success regarding elimination of corruption in public procurement. Further independent analysis of variables under study revealed that political and administrative corruption seems to be highly responsible for this flaw.

### **5.2.3 The effect of institutional reforms on service delivery in Rukungiri**

The study findings indicated that the current staff structure, staff performance and staffing levels generally do not seem to contribute to the attainment of the objectives of the procurement law. The weak areas were seen as inadequate staffing relative to the workload at hand, lack of technical capacity in the procurement unit, lack of professionalism during execution of procurement plans, limited training opportunities for existing staff, outright lack of integrity on the part of procurement staff and lack of fully constituted procurement committees.

The study further established that district officials are fairly consistent in executing their duties. Though consistency realized a below-average mean score, the result represents an improvement

relative to the pre-reform period. This observation was consistent with findings during interviews with service providers from the district and the municipality from which it was established that other than for reasons of shortfalls in financial resources, planned outputs are usually realized. However, when reforms were measured basing on effect on service delivery in terms of Timeliness, Quantity and Cost effectiveness in public procurement they were found to have had minimal impact. Service delivery was conceptualized as the variance between the budgeted and actual deliverables in public procurement.

According to the findings, timeliness is not a priority for as long as legal procedures are observed. Qualitative results based on interview responses and documentary review of the four parameters aforementioned revealed that service delivery in Rukungiri District is still low across most parameters.

It was established that the critically required political oversight function is itself compromised. There was no proof of positive gains from the procurement law on the fight against procurement delays arising from delays in approving procurement budgets. Rukungiri District did not registered significant gains regarding elimination of protracted bureaucracy in public procurement over the study period because available evidence clearly showed that timeliness has not improved at all in this sector.

Further analysis revealed that political influence peddling continues to exacerbate the problem of lack of freedom by the procurement committees in public procurement. The findings are consistent with previous findings by Ntayi, Oluka, Astrid ter and Eyaa, (2009) who observed that all recent studies on corruption in local governments have consistently pointed to the procurement process and award of tenders as the most used and abused channel for administrative corruption.

## **5.3 Discussion**

### **5.3.1 The effect of legal reforms on service delivery in Rukungiri District**

The study established that there has been a reasonable degree of improvement in compliance with established public procurement rules and procedures by procurement committees in particular in Rukungiri District. According to some respondents, there were flaws in the bid evaluation and award processes, with some bidders favoured, while the majority of contractors submitted that the evaluation and award process was not fair at all. The average mean scores on all parameters of compliance were low. The findings are consistent with previous findings by Ntayi, Oluka, Astrid ter Eyaa (2009) who observed that although the reforms were expected to lead to efficiency and effectiveness in service delivery with a robust, timely and participatory, corruption-free procurement system, recent studies on corruption in local governments had consistently pointed to the procurement process and award of tenders as the most abused and used channel for administrative corruption.

An improvement in conformity with specifications leading to enhanced satisfaction levels of user departments was noted. The reforms made it mandatory for user departments to get involved in drafting project specifications and bills of quantities. Through broad participation, departments have taken a lead in determining procurement levels and standards which has in turn led to improvements in satisfaction. The findings are consistent with previous study outcomes on satisfaction levels of user departments by Akampumuza et al (2009). In this study, Akampumuza observes that the introduction of reforms in public procurement made it mandatory for user departments to be involved in determining specifications and evaluation. As a result, checks and

balances improved leading to improved service delivery. This has largely been due to better guidance on procedure from the law on inclusion of different stakeholders in the procurement process coupled with increased independence of sector players and clear guidelines on specifications. However, there still remains a significant need to strengthen measures to increase efficiency in public procurement.

Stakeholder awareness about public procurement has significantly increased as a result of the introduction of the new procurement law. This can be attributed to the increase in public knowledge of services accessed through increased transparency in public procurement. Findings fully support the competitive procurement theory also known as full and open competition (FOC) advanced by Dobbin (1991), which advocates for increasing public product knowledge as a means of attaining transparency in public procurement. This theory's locus is that business should be conducted with integrity, fairness and openness. This requires open communication with the buying and selling institutions thus giving firms equal chance to compete for contracts and win. However, most of the respondents were not able to adequately enlist by example what services they access. Even the few who made an attempt only pointed out roads, garbage and schools as the procured services. By implication public awareness is not yet deeply entrenched as expected. Developing countries therefore need to develop new frameworks to increase public awareness given the central role it plays in ensuring efficiency and effectiveness in service delivery in public procurement.

The above gains notwithstanding though, further enquiry revealed that the local government public procurement planning cycle is rarely followed. The results contradict previous findings by Balunywa who advanced that government procurement is essentially a bureaucratic undertaking with the only challenge being how to manage the bureaucracy (Balunywa, 2009). However, these



studies tend to disregard the role other factors like procurement appropriation and authorization play in determining the success or failure of any procurement. They tend to advance a rather simplistic operational view in which local government procurement planning is the responsibility of the accounting officer of the procuring entity, exercised through the budget desk comprising representatives from all departments in the organization, a cycle in which individual departments develop sector procurement needs reached through an elaborate consultative process with the beneficiary communities which are then converted into budgets for which the accounting officer seeks appropriation authorization from the policy wing before actual implementation starts. In an interview with the secretary of the municipal contracts committee, it was found out that most sector procurement plans had not been submitted at the time of the interview. Oftentimes, critical procurements face delays due lack of adequate appropriation approval or insufficient funds, which impacts on service delivery negatively.

Adherence to the legal requirement to conduct due diligence on all contractors was found to be low, with most of the respondents saying it is not done -- contrary to the provisions of the public procurement regulations. This represents a complete digression from the provisions of the PPDA Regulations concerning the procedure necessary before an award decision is made. This problem is largely attributed to deliberate failure by procurement committees to conduct prior due diligence before award decisions are made in order to bypass system safeguards. In general, the study revealed that technocrats often flout procurement rules, procedures and guidelines for personal gain.

Transparency was found to be low. Transparency was measured in form of the degree of adherence to the requirement of procurement publication, intra-departmental communication, departmental participation, and public involvement in assessment of the quality of goods, services and works

procured. The results are supported by findings by Akampumuza et al (2009) who argued that as custodians of public procurement laws and regulations, policy makers and top government management executives should operate as organs to which feedback is generated, arising out of observations made by procurement professionals and implementers during actual application of reforms. The findings notwithstanding, the majority of respondents interviewed support the law and inherent procedures in their current form as sufficient to enhance transparency. By implication, other organizational and institutional factors should be addressed if organizations are to address the limited transparency and hence gaps in public procurement.

Regarding the level and fairness in the procurement process in Rukungiri District, results show that competition for contracts has remained low and unfair. Study results indicate that fair competition practices have not improved even under the new procurement reforms. Further independent analysis of variables under study revealed that political and administrative corruption is largely responsible for the decline. By implication, schemes to address political and administrative corruption in public procurement should be developed in order to enhance the gains so far realized. The findings are supported by Ntayi who asserts that recent studies on corruption in local governments have consistently pointed to the procurement process and award of tenders as the most abused and used channel for political corruption (Ntayi et al, 2009).

### **5.3.2 The effect of integrity reforms on delivery of services in Rukungiri District**

Adherence to value-for-money principle in Rukungiri District is still below average. All dimension characteristics measured scored well below the composite average score. Results suggest that in general, adherence to the value-for-money principle in Rukungiri District is low. Ratings are in

line with similar recent findings by the PPDA's 2010 procurement integrity report, whose excerpts are contained in the PPDA Executive Director's interview carried in the *New Vision* of 19 September 2012. According to the report, various procurements in Uganda have been subjected to appeals and complaints regarding shoddy works, corruption and outright flouting of procurement procedures (Sabiiti, 2012).

There was no proof of positive gains of the procurement law on the fight against procurement-related corruption. Results regarding public rating on the elimination of procurement-related corruption show a low public rating. This implies that Rukungiri District has not registered significant success regarding the elimination of corruption in public procurement because available evidence clearly shows that the new procurement law has not dented corruption in this sector. Findings further reveal that political influence peddling continues to exacerbate the problem of corruption in public procurement. This position is supported by findings in a similar study by Hunja (2003) who observed that although many countries have implemented procurement reforms, there is still lack of evidence of successful realization of the outcomes initially anticipated. Some of the major obstacles so far identified range from lack of political will at the top to undue political interference during implementation, corruption by public sector players as well as red tape. These factors need to be investigated further if anticipated reform gains are to be realized.

The quality of work, though, was found to be relative. A review of available records revealed that the district has received awards of excellence from line ministries for quality works under the School Facilities Grant (SFG), construction of health facilities under the Public Health Centres Facility (PHC) and road construction especially in the municipality under the Poverty Action Fund

(PAF), to name but a few. The above successes notwithstanding, respondent ratings revealed that quality of works still remains low. It was further established during interviews with staff and councilors that various factors ranging from delay in release of funding from ministries, to insufficient releases and insufficient technical and financial capacity by available contractors continue to undermine the ability of districts to execute timely and quality projects.

The study established that adherence to the principles of efficiency in public procurement is still low. In order to gauge the post-reform level of procurement efficiency in Rukungiri District, efficiency was broken down and measured in form of effective procurement planning, adherence to set timeframes, timely appropriation of financial resources, and timeliness in submission of procurement requisitions. The purpose was to broadly establish public rating on the effect of legal reforms on efficiency in public procurement. These findings are supported by the best value theory advanced by Ellis and Garry (1990) which holds that people's needs and expectations are best realized when senior government executives gain the highest level of efficiency and effectiveness in service delivery through the delivery cycle. According to Ellis, successful procurement significantly relies on the ability and willingness of public officers involved in procurement to adhere fully and without reservation to set principles and procedures of public procurement. Future reforms need to address issues of staff adherence.

### **5.3.3 The effect of institutional reforms on service delivery in Rukungiri District**

The study findings established that the effect of staffing on the attainment of procurement objectives is low mainly due to inadequacy of the staff structure relative to the mandate and lack of fully constituted procurement committees. The dimension characteristics measured included

adequacy of the current staff structure, the skill level of staff, professionalism of staff, functionality of procurement committees, staff training and the level of integrity exercised during public procurement in the district. Results indicate that the current staff structure, staff performance and staffing levels generally do not contribute to the attainment of the objectives of the procurement law. The areas of weakness identified were mainly inadequate staffing relative to the workload at hand, lack of technical capacity in the procurement unit, difficulty in establishing fully functional committees, lack of professionalism during execution of procurement plans, limited training opportunities for existing staff and outright lack of integrity on the part of procurement staff.

The procurement law and its effect on service delivery in terms of Timeliness, Consistency, Quality and Cost effectiveness in public procurement was also measured and found to be low. Service delivery was conceptualized as the variance between the actual and budgeted public services. Qualitative results based on interview responses and documentary review of the four parameters aforementioned revealed that service delivery in Rukungiri is still low across most parameters. According to the findings, timeliness is not a priority for as long as legal procedures are observed. This observation was corroborated by findings from all members of the procurement committee who revealed that departmental procurement submissions are usually received well after the statutory June 15 deadline. This ultimately leads to delay in procurement and consequently service delivery is compromised. The findings are further supported by recent studies on corruption in local governments which have consistently pointed to the procurement process and award of tenders as the most abused and used channel for political corruption (Ntayi et al, 2009; CBR, 2005).

The study further established that district officials are fairly consistent in executing their duties. This observation is consistent with findings during interviews and previous studies. An interview with councilors from the district and the municipality revealed that other than for reasons of shortfalls in financial resources, planned outputs are usually realized in the right quantities and quality. The findings are supported by Arrowsmith, who advanced that most governments implemented procurement reforms due to the general thinking that good procurement systems result in more quality public goods and services that directly meet the needs of the end user for less money, albeit at a high speed of delivery (Arrowsmith & Trybus, 2003).

The critically required political oversight function is itself compromised. Study findings established that there was no proof of positive gains of procurement law on the fight against procurement-related corruption and protracted delays in budget approval as well as review of procurement reports. Correlation results regarding public rating on the elimination of procurement delays through timely budget approval and review of reports showed a negative and insignificant relationship due to continuous delays by councils in passing budgets and total failure to review procurement reports. Findings instead revealed that political influence peddling continues to exacerbate the problem of corruption in public procurement in comparison with other study dimensions which scored well.

#### **5.4 Conclusions**

This study sought to establish the effect of public procurement reforms on service delivery in Rukungiri District. Findings indicate a moderate level of service delivery measured in terms of timeliness, consistency, quantity and cost-effectiveness. Below, are study conclusions.

#### **5.4.1 The effect of legal reforms on service delivery in Rukungiri District**

Legal reforms have not affected service delivery in Rukungiri District. Except for an improvement in conformity with specifications and compliance with established public procurement rules and procedures, the local government public procurement planning cycle is rarely followed, due diligence on all contractors is not carried out, compliance with established rules and procedures on transparency in the district procurement system has remained low and competition for contracts has remained unfair. In general, the study revealed that technocrats often flout procurement rules, procedures and guidelines for personal gain. The hypothesis that “Compliance with procurement rules and procedures positively affects service delivery” is therefore rejected.

#### **5.4.2 The effect of integrity reforms on delivery of services in Rukungiri District**

To a great extent, integrity reforms have not delivered the desired effect on service delivery in Rukungiri District. The current staff structure and staffing levels in all oversight agencies generally are deemed insufficient to make a significant contribution to the attainment of the objectives of the procurement law and service delivery. The study therefore depicts an inverse relationship between procurement oversight and service delivery, hence the notion that oversight has not translated into cost-effectiveness. By implication, the hypothesis that “Procurement and Value for money Audits positively affect service delivery” is also rejected.

### **5.4.3 The effect of institutional reforms on service delivery in Rukungiri District**

Institutional reforms in public procurement have not affected service delivery in Rukungiri District as anticipated. The current staff structure, staff performance and staffing levels generally are deemed insufficient to contribute to the attainment of the objectives of the procurement law and its effect on service delivery in terms of Timeliness, Consistency, Quality and Cost-effectiveness in public procurement is still low. According to the findings, timeliness is not a priority for as long as legal procedures are observed. The study depicts an inverse relationship between adherence to the provisions of the procurement law and cost-effectiveness in service delivery, hence the notion that adherence to the principal law does not translate into cost-effectiveness. The hypothesis is therefore rejected.

There is evidence that other intervening factors like budget appropriation as well as approval and timely review of action reports have a significant effect on the attainment of the procurement outcomes. Rukungiri District did not registered significant gains regarding elimination of protracted bureaucracy in public procurement over the study period because available evidence clearly showed that timeliness over critical budget approval and remedial actions arising from review of procurement and implementation reports is lacking in this sector.

## **5.5 Recommendations**

### **5.5.1 The effect of legal reforms on service delivery in Rukungiri District**

#### **Public sensitization on roles and responsibilities in public procurement**



Results from the study indicate that public awareness on issues pertaining to public procurement in Rukungiri District has improved. Further analysis however revealed that procurement is more understood as a concept and less as a practice and channel of service delivery. Given the importance of public awareness to the success of any policy, government should dedicate more effort and resources in sensitizing the public in order to make current gains in public awareness more sustainable. In addition, deliberate policy actions to strengthen procurement oversight should be introduced to stem sector staff collusion in order to sustain the gains so far realized.

### **Training and capacity building**

There is a need for intensive and wholesome training for departmental and procurement staff in project planning and management. In the current dynamic and competitive world where timeframes determine the level and extent of success or failure in terms of service delivery, full knowledge will help the public sector to become agents of economic transformation.

### **Facilitation and empowerment of monitoring and regulatory bodies**

Adherence to the legal requirement to conduct due diligence on all contractors is an integral and indispensable component of successful public procurement. Failure to validate the ability of contractors to deliver grossly compromises the benefits of effectiveness and efficiency in public procurement and service delivery. Relevant measures should be instituted to sharpen the audit oversight function of regulation and monitoring in order to translate observance of the procurement law into value for money.

### **Timely funding be emphasized**

The major hindrance cited for lack of consistency in delivering quality services were factors like delay in release of funding from ministries, insufficient releases and insufficient technical and financial capacity by available contractors continue to undermine the ability of districts to execute timely and quality projects. Government should prioritize timely funding for the sector and emphasize optimal utilization of resources.

### **Improve supervision and staff remuneration**

It was established that there are flaws in the bid evaluation and award processes, with some bidders having their bids revised by the evaluation committees away from public scrutiny to achieve unfair compliance. In fact, the majority of responses from contractors submitted that the evaluation and award process is not fair at all. In view of the above, measures to strengthen procurement supervision and employee remuneration should be put in place to stem the possibility of staff inducement due to poverty.

### **Strengthen management and ICT applications**

Further enquiry revealed that the local government public procurement planning cycle is rarely followed. As a result, the need for consolidation before advertising usually leads to serious delays caused by late submission of plans by user departments. We recommend that strong measures should be instituted to sharpen timely and coordinated planning and information flow between departments. Installation of modern, unified information communication technology (ICT)

systems at departmental level coupled with sound strategic planning and control can be beneficial in ensuring timely procurement planning and execution.

### **Increase procurement competition**

Fairness in competition for contracts has remained low with in Rukungiri District. Hence fair competition practices have not improved even under the new procurement reforms. Political and administrative corruption has been largely blamed for the decline. The study therefore recommends that schemes to address political and administrative corruption in public procurement should be developed in order to enhance the gains so far realized through instituting stringent punitive action for offenders and conspirators.

### **Explicitly outlaw political participation in public procurement**

There was no proof of positive gains of procurement law on the fight against procurement-related corruption. Rukungiri District did not register significant success regarding elimination of corruption in public procurement largely due to political influence peddling. There is a need therefore to make it explicitly unlawful for political leaders to interfere with the procurement process.

## **5.5.2 The effect of integrity reforms on delivery of services in Rukungiri District**

### **Enhancement of compliance audit**

Procurement efficiency in Rukungiri District and adherence to the principles enshrined in the procurement law and achievement of procurement objectives concerning efficiency in public procurement value-for-money principle is still low. There is a need to strengthen the supervision of procurement entities and value-for-money audit of all implementing agencies. This requires provision of more funding and adequate staffing for oversight agencies like the PPDA, IGG and Auditor General's Office.

### **5.5.3 The effect of institutional reforms on service delivery in Rukungiri District**

#### **Improve staffing and staff development**

Though procurement committees were in place and functional, the current staff structure, staff performance and staffing levels were found inadequate to contribute to the attainment of the objectives of the procurement law. The study established the weak areas as inadequate staffing relative to the workload at hand, lack of technical capacity in the procurement unit, lack of professionalism during execution of procurement plans, limited training opportunities for existing staff and outright lack of integrity on the part of procurement staff. There is therefore an urgent need for officials to undergo intensive training to improve competence and integrity. Financial support for departments to outsource expertise should be considered for complex specifications.

#### **Sensitization on Budget appropriation and approval and timely review of action reports.**

Political sensitization should be conducted to ensure local councils understand the critical role that timely budget approval and review of reports plays in ensuring service delivery is realized in a consistent, timely and cost-effective manner. Alternative remedial action should be included in

the law to redress anticipated delays in the event of political gridlock during execution of this critical function.

### **5.6 Limitations of the study**

The study was conducted at a time when public perception of the performance of the public sector in service delivery was at its lowest owing to the numerous cases of corruption involving public officials. This could have led to some respondents giving judgemental responses based on sentiments of the time. Likewise, the environment could have deterred respondents from volunteering factual information. We believe, however, that the assurance that was provided that the study was merely for academic purposes helped in minimizing the impact of this challenge.

The locus of the study was limited to Rukungiri District in Uganda by sample and method. Hence, generalization of findings is limited to Uganda as a country. Nevertheless, we believe that findings provide a basis for further empirical research that can be replicated in another country. As stated at the very beginning of the study, not much empirical research on this subject has been conducted and published in Uganda. This afforded the study limited scholarly literature on the basis of which to develop the study. However, in-depth interviews helped reduce the likely impact of this problem.

### **5.7 Areas recommended for future research**

The study deals wholly with procurement in the public sector. Future research can look at the private sector and draw lessons to inform modern procurement systems that address inherent challenges and shortcomings.

The study was limited in scope. Emphasis was put on a few variables that the researcher considered critical but also manageable in the given time and resources. Future research could address other inherent variables that have a significant effect on the procurement law and outcomes.

### **5.8 Contributions of the study**

The findings may help government and policy makers in understanding better the relationship between the current procurement reforms and service delivery and the factors at play in determining the relationship. It exposes the flaws in the current procurement law and suggests possible solutions to overcome current challenges. The study will help ease the needed review process for policy makers.

Procurement as a practice and field of study has not been intensely investigated in Uganda. This study will contribute greatly to bridging this gap in knowledge as additional reference material for academic purposes. It is estimated that resource hemorrhage through procurement-related corruption accounts for a significant portion of wastage in developing countries. The study findings are our modest contribution in recouping public resources for productive use.

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## APPENDICES

### Appendix 1: Research Questionnaire

Dear respondent,

I am undertaking a study on the effect of public procurement reforms on service delivery in local governments in Uganda. This study is being conducted for academic purposes and findings arising there from will be used exclusively for that purpose. Because of your social standing and arising from your involvement and knowledge in public procurement, you have been chosen to be part of this study.

I am therefore requesting you to answer all questions truthfully. All information provided will be treated with utmost confidentiality.

I thank you.

#### **(A). Personal Information**

##### **1. Name of your Local Government**

1. Rukungiri District
2. Rukungiri Municipal Council
3. Other (Specify).....

##### **2. Gender**

1. Male
2. Female

**3. Marital Status**

- 1. Married
- 2. Single
- 3. Single
- 4. Widowed

**4. Religious affiliation**

- 1. Protestant
- 2. Roman Catholic
- 3. Moslem
- 4. SDA
- 5. Others (Specify).....

**5. Education Level**

- 1. Masters
- 2. Bachelor
- 3. High school
- 4. Other (Specify).....

**6. Category of respondent**

- 1. Politician
- 2. Administrator
- 3. Opinion Leader
- 4. Contractor
- 5. Other (Specify).....

**(B). Conceptual issues:**

7(a) Do you know what Public procurement means?

- (i) No
- (ii) Yes
- (iii) Some how

(b) If yes, what is it

.....  
.....

8(a) Do you know any services that have been accessed by your department/locality through public procurement

- (i) No
- (ii) Yes
- (iii) Some how

b) If yes, name them

.....  
.....  
.....

9(a) Are you informed about the on-going procurement exercise.

- (i) No

- (ii) Yes
- (iii) Some how

b) If yes, how do you get informed

.....

.....

c) If yes, what role do you play?

- (i) Passive
- (ii) Active
- (iii) No role
- (iv) I do not know
- (v) Other (Specify)

.....

.....

**10. Are you involved in public procurement in your Local Government?**

Yes	<input type="checkbox"/>
-----	--------------------------

No	<input type="checkbox"/>
----	--------------------------

**11. If 'Yes', at what level are you involved.....**

**(C) Public Procurement Reforms**

**For the following questions about the effect of public procurement reforms on service delivery, please encircle the most appropriate response in accordance with the under listed scales.**

<b>SCALE</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>No response</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>Item</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>(I) Compliance with public Procurement Rules, Procedures and regulations</b>					
<b>12.</b>	All goods, services and logistics are procured in accordance with established procurement rules and procedures.					
<b>13.</b>	The present legal framework adequately supports efficiency and value for money in public procurement.					
<b>14.</b>	The existing laws enhance transparency in public procurement.					
<b>15.</b>	Technocrats deliberately flout procurement laws and procedures for personal gain.					
<b>16.</b>	Due diligence is carried out on all contractors in accordance with public procurement and disposal rules and regulations					
<b>17.</b>	Planned and ongoing procurement is published as stipulated.					
	<b>(II) Integrity</b>					
	<b>(a) Contract management</b>					
<b>18.</b>	Contract management rules and procedures are effectively implemented and monitored by all organs and agencies concerned.					
<b>19.</b>	Procurement and Disposal unit always monitors performance of contractors					
<b>20.</b>	Supervisors effectively and regularly monitor and supervise contracts and logistics management in Rukungiri					

21.	Procurement and value for money audit by the PPDA, IGG, Auditor General and internal auditors is felt in Rukungiri.					
22.	Contractors deliver quality supplies, good and works with minimum supervision					
	<b>(b) Staffing</b>					
23.	The current procurement and disposal unit staff structure is adequate enough to handle the procurement function/mandate					
24.	Procurement staff regularly participate in procurement ethical training programmes					
25.	The procurement unit is manned by skilled and experienced staff in public procurement					
26.	Procurement staff exhibit a high level of integrity and transparency while handling procurement activities					
27.	Public procurement and disposal authority regularly conducts training for procurement officers					
28.	Procurement and disposal unit staff are registered with professional bodies like CIPS					
	<b>(III) Institutional</b> <b>(a) Compliance with the Procurement process</b>					
29.	The Accounting Officer always provides adequate					
30.	The number of procurement and disposal unit staff is adequate enough to handle timely procurement					
31.	Payments to contractors are always effected on time					



32.	Special consideration is given to time from procurement planning, contract execution, completion, delivery and payment process					
33.	There is effective communication between all procurement organs in Rukungiri.					
34.	Procurement plans are approved and submitted on time to the procurement unit					
	<b>(b) At what point are departments and citizen involved in public procurement?</b>					
35.	While making policies on procurement (Policy formulation)					
36.	While making public procurement spending decisions					
37.	During contract signing and at the time of monitoring service delivery					
38.	During accountability for public resources					
39.	Only when demanding public service outcomes					
40.	At the level of procurement planning					
41.	During evaluation of bids					
42.	During award of contracts					
43.	Only during contact performance monitoring					
44.	At the time of performance evaluation and feed back					
	<b>(IV) Political interference in public procurement</b>					
45.	Political interference in public procurement is a major impediment to service delivery in Rukungiri					
46.	Being politically well placed enhances one's chances of being awarded a contract/ tender in Rukungiri					

47.	We usually receive directives from ‘above’ during evaluation and award of contacts					
48.	Political interference always affects service delivery					
49.	Delayed appropriation and approval of procurement budgets is a common impediment to service delivery					
	<b>(V)Timeliness and consistency in service delivery</b>					
50.	Delayed preparation of annual and quarterly procurement is a common impediment to service delivery					
51.	Delayed appropriation and approval of annual and quarterly work plans and budgets by Council is a common impediment to service delivery					
52.	Delayed initiation of requisitions by user departments contributes greatly to poor service delivery					
53.	Timeliness is adhered to in public procurement in Rukungiri					
54.	Goods, services and works are often supplied on time thus contributing to quality service delivery					
55.	Do you agree with the view that there is consistency in timely delivery of goods, services and works in Rukungiri?					
56.	Delayed payment to contractors is responsible for the delay in delivery of services, goods and works in Rukungiri					
	<b>(VI) Quality and Cost effectiveness in public procurement</b>					
57.	The quality of public goods, services and works in Rukungiri is high					

58.	There is no value for money for goods, services and works procured in Rukungiri					
59.	Contracts are awarded to bidders at the lowest cost price while considering value for money					
60.	Cost effectiveness has not been achieved in many projects due to inflated prices by technical officers					
61.	The public is involved in assessing the quality of goods, services and works procured					
62.	Quality control measures under the new public procurement reforms are adequate to guarantee value for money					

**63.** Do you think citizen involvement in public procurement is adequate to guarantee a corruption free system of public procurement and improved service delivery?

Yes	
-----	--

No	
----	--

**64.** Do you think the current procurement framework is adequate to enable citizens work as important pillars in fighting public procurement corruption and improving service delivery? Give reasons.....

**65.** In your opinion, what do think should be done to improve service delivery in public procurement.....

.....

## **Appendix 2: Interview Guide**

This interview guide is designed for four categories of respondents. These will comprise members of the procurement committees, local government officials, service consumers and contractors, both current and old.

### **1.0 Members of the procurement committees**

- 1.1 Have you ever participated in the procurement exercise?
- 1.2 What committee do you belong to?
- 1.3 What role do you play on the committee?
- 1.4 Is there freedom and liberty to debate?
- 1.5 How do you comment on your level of achievement?
- 1.6 Are you comfortable with the current procurement law?
- 1.7 Do the recent procurement reforms guarantee service delivery?
- 1.8 What are some of the challenges in the procurement exercise?
- 1.9 Is the system free and fair?
- 1.10 Do you monitor service delivery?
- 1.11 Do you experience political pressure during the procurement exercise?

### **2.0 Local Government officials**

- 2.1 What is your comment about the quality of works, goods and services procured?
- 2.2 Are you consulted during procurement?
- 2.3 Do you contribute positively during procurement?

- 2.4 Are the members of the procurement committees competent enough?
- 2.5 Is the procurement exercise free and fair?
- 2.6 Do you know of any services secured through public procurement?
- 2.7 What is your comment about recent changes in public procurement?
- 2.8 Do service providers perform as per contract obligations?
- 2.9 Is cost effectiveness achieved under the current procurement law?

### **3.0 General Service consumers and contractors**

- 3.1 Do you know what procurement means?
- 3.2 If yes, what does it mean?
- 3.3 Are you informed about the on-going procurement exercise?
- 3.4 Do you know any member of the procurement team?
- 3.5 Is there consistency in service delivery in the district?
- 3.6 Do you know of any problems in the procurement team?
- 3.7 Is timeliness in procurement observed in Rukungiri district?
- 3.8 Are you comfortable with the quality of services procured?

### **Appendix 3: Work plan and timeframe**

<b>Activity Description</b>	<b>Duration in days</b>	<b>Dates</b>
Proposal submission/defense	Fourteen Days	25th-Sep-2012 To 8 <sup>th</sup> -Oct-2012
Recruitment of Assistants	Two Days	10t-Oct-2012 To 12 <sup>th</sup> -Oct-2012
Dissemination of Instruments	Two Days	13 <sup>th</sup> -Oct-2012 To 15 <sup>th</sup> -Oct-2012
Conducting Interviews	Six Days	15 <sup>th</sup> -Oct-2012 To 21 <sup>st</sup> -Oct-2012

Data sorting, cording and Analysis	Ten Days	21 <sup>st</sup> -Oct-2012 To 1 <sup>st</sup> -Nov-2012
Secretarial works	Five Days	29 <sup>th</sup> -Oct-2012 To 3 <sup>rd</sup> -Nov-2012
Dissertation and defense	Fourteen Days	5 <sup>th</sup> -Nov-2012 To 19 <sup>th</sup> -Nov-2012

#### Appendix 4: Budget

Description	Quantity	Unit Cost (Ugx)	Total Cost (Ugx)
Travel expenses	120 Liters (Petrol) X 2	3,550	852,000
Stationery	4 Reams	8,000	32,000
Administrative expenses	6 Days	50,000	300,000
Subsistence costs	6 Days	50,000	300,000
Computer programme	One	80,000	80,000
Printing Costs	1 Cartridge	140,000	140,000
Binding costs	4 Books	20,000	80,000
Research assistants	2X6 Days	50,000	600,000
Internet soft ware	1 Modem	100,000	100,000
<b>Total</b>			<b>2,484,000</b>