



**PROCUREMENT MANAGEMENT AND SERVICE DELIVERY IN
UGANDA'S LOCAL GOVERNEMENT: A CASE STUDY OF MBARARA
MUNICIPALITY**

BY

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DECLARATION

I, **CATHERINE KYOHANGIRWE**, wish to declare that this dissertation is my original work and has not been published or presented for any other degree award to any University or Institution before.

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DATE

APPROVAL

This dissertation “PROCUREMENT MANAGEMENT AND SERVICE DELIVERY IN MBARARA MUNICIPALITY, WESTERN UGANDA”.

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DEDICATION

I dedicate my work to my my parents, Mr. & Mrs. Muzaare, my husband Mr. Mwebe Drake and my children Martha, Esther and Catherine for their love.

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ABSTRACT

The purpose of this study was to assess how procurement management effects service delivery in Mbarara Municipality. This results examines the nature of the effect of planning in the procurement unit relative to the quality of output the municipality can show. Targeting the sampel of 140 respondents, the main data collection instrument of the study was the research questionnaire. The research questionnaire was designed usign the likert scale and it tapped data on the study variables. And data analysis involved the use of such tools as frequencies, correlations and regressions to address the research study objectives. Results indicated that the research instrument Results indicated that there are positive relationships between the Procurement Planning elements and service delivery. The correlations show that the Procurement planning is positively related to the service delivery of the institution. This was a clear indication that if the procurement planning process is managed efficiently and professionally, then this causes an inevitable improvement in the Service Delivery of the institution. The research study thereafter suggests a number of workable recommendations for instance the use of training Programmes to improve the use of the controls in managing the resources of the municipality and the overall productivity of the employees to cooperation with other key bodies such as other local governments. This shall help the municipality adopt ideas which have proved to be very effective for other local governments that are quite successful in the delivery of service.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The study examined the effect of procurement management on service delivery in Western Uganda; a case study is Mbarara Municipality. Procurement management was the independent variable, while service delivery the dependent variable. Procuring and Disposing Entities depend on a range of goods and services which they purchase to deliver services. These range from basic and low value items to high value and complex items. In This changing environment, organizations have turned to effective management of the procurement function to acquire the required items more efficiently and economically in order to realize improved service delivery. Procurement takes the biggest percentage of the budget of up to 70% at both local and national levels. It accounts for up to 13% of the Gross Domestic Product (GDP), which therefore makes it an essential function of service delivery (Odhiambo, 2007).

This chapter presents the background to the study, the statement of the problem, the purpose the general objective, the specific objectives and the research questions, the hypotheses, the scope, the justification and significance of the study as well as operational definitions of terms and concepts.

1.2 Background to the study

1.2.1 Historical background

Procurement; a function that was traditionally viewed as a clerical and reactive task has since positioned itself among core organizational functions, and its management is

becoming increasingly critical for the well-functioning of any organization including public institutions both at the local and central levels, along with decentralization and the increasing range of functions performed by governments in most countries (Schiavo, 2000). Since the 1980s, developed and developing countries have embarked on public sector management reforms. The role and institutional character of the state has been questioned, and the public sector has been under pressure to adopt private sector orientations as a result of the New Public Management paradigms.

The Organization for Economic Cooperation and Development (OECD) estimated the value of the government procurement market to be US\$2,000 billion in 1998, which was equivalent to 7% of world gross domestic product (GDP) and 30% of world merchandise trade. It has been estimated that between US\$30 to US\$43 billion could be available in the procurement marketplace in Sub-Saharan Africa (Wittig, 1999). Consequently, developed and developing countries have need for a well-functioning public procurement system to enable public sector institutions fulfill their mandate of service delivery

In most developed and developing countries, public procurement takes place within a framework of international obligations, such as the World Trade Organisation's Agreement on Government Procurement or the Procurement Directives made under regional agreements such as the European Union or the North America Free Trade Agreement. However, in recent years, the impetus for reform has increased, partly in consequence of requirements set by the World Bank and other Development partners as conditions for providing development aid but principally because of the inefficiencies

of the unreformed systems which have become self-evident and are likely to affect service delivery (Edgar, and Nigel, 2006).

The 1996 Country Procurement Assessment Report (CPAR) on Tanzania, by the World Bank, identified a number of flaws in the country's public procurement system, and recommended urgent reforms. Some of the findings of this report were reflected in the enactment of the Public Procurement Act 2001, which consolidated all procurement legislation, and sought to move the legal framework towards international standards. The CPAR 2003 updating the 1996 report, identified a number of further areas for improvement , some of which required fundamental reform to address them, these included: Central Tender Board, decentralization, Capacity building and most of the key recommendations were given effect by the Public Procurement Act 2004, which came into force in May 2005, replacing the 2001 Act. This was not an exception in Uganda hence reforms.

Prior to the inception of the procurement reforms in Uganda in 1998, procurement was centralized with contracts above the threshold of two million Uganda shillings being awarded by the Central Tender board in the Ministry of Finance. There were such separate tender boards in Central Government as well as local governments like Mbarara Municipality. Development, however, realized that public procurement was an obstacle to effective service delivery and development. Due to the failures by the Central Tender Board to cope with the rapid expansion of government activities especially in decentralized style (Mukasa, 2009). As a result, the public procurement reforms were designed and commenced in 1998. These reforms came up with a number of recommendations that led to formation of a legal framework through which all

operations in the public procurement are to be effected, thus the “Public Procurement and Disposal of Public Assets (PPDA) Act 2003” with the respective PPDA authority.

Despite the reforms Ntayi, (2009) observes that, millions of dollars get wasted due to inefficient and ineffective procurement policies, procedures and structures as well as failure to impose sanctions for violation of procurement rules resulting in poor service delivery. Developing countries have been awakened to the importance of effective public procurement management at both central and local government levels, and its subsequent contribution towards improvement of service delivery to the communities.

1.1.2 Theoretical background

The study was guided by the Principle Agency theory which according to Jensen and Meckling (1976, p. 308), as quoted by Cliff McCue and Eric Prier, (2003) is “a contract under which one or more persons (principals) engages another person (the agent) to perform some service on their (principal’s) behalf which involves delegating some decision-making authority to the agent” in their presentation on Page 308. When executing the tasks within the principal-agent relationship, the agent must choose actions that have consequences for both the principal and the agent.

In the study context, the public through the elected councilors are the principals on behalf of the citizens, while the municipal council employees (members on the contracts and evaluation committees & Procurement and Disposal Unit (PDU) staff are the agents (Peter, 2010). The author further clarifies that the underlying theory of the models stipulates that the principal is a stakeholder (a person or organization) that purposes to undertake a specific task and serve a particular functional role within public purchasing. In turn, the person or organization delegated to manage these

responsibilities on behalf of the principal is the agent. Whether or not these entities are of the same government or represent different governments, it leaves open the potential that government entities may or may not have similar goals. Consequently, the agency relationships modeled here suggest that governments, if not outright competitive, could be at cross-purposes so that there may be times when public procurement is not mutually advantageous, but service delivery should be seen to be apparent.

However, Mccue and Prier, (2004) contend that there is a chain of agencies involved in public procurement. The existence of these layers of agency might explain why public purchasers often feel pulled in different directions by trying to serve multiple masters. Unlike purchasers found in the private sector, public purchasers face numerous and divided loyalties based upon the presence of both immediate and extended principals whose goals are often in conflict. Sensing that they have divided loyalties, they feel caught between competing demands for their time and efforts, yet they do not fully understand their predicament nor do they have a solution to their dissatisfaction leading to compromise on procurement standards thus affecting the quality of service delivery. The agency theory provides the background relationship in the principal-agent context. It helps to identify and explain the role of the procurement managers to include; procurement planning, sourcing and contract management as the independent variables in the study, and how they impact quality, cost, time and value for money as measures of service delivery.

The Theory of Constraints (TOC), a philosophy of management and improvement originally developed by Goldratt, (1997) explains the relationship between procurement management and service delivery in Mbarara Municipality. It is based on the fact that, like a chain with its weakest link, in any system, there is most often only one or so

aspects of that system that limit output ability of the entire system to achieve more of its goals. Procurement management can be the constraint to service delivery. For the system to attain any significant improvement that constraint must be identified and the whole system must be managed with the constraint in consideration (Mabin, 2000). Theory of constraint (TOC) provides an integrated problem-solving methodology that addresses not only the construction of solutions, but also the need for communication and collaboration that successful implementation requires.

Goldratt outlines principles that help create an environment favorable to the prescriptive part, helps organizations answer three management questions regarding systems and their constraints: that is; where is the constraint? What should we do with the constraint? How do we implement the change? To illustrate the effect of procurement management on service delivery, the study will adopt the theory of constraints which is based on the fact that, like a chain with its weakest link, in any system, some aspects affect the system to limit output ability of the entire system to achieve more of its goals just as procurement management can be to service delivery.

1.1.3 Conceptual background

Procurement is an internal service provided by a team of professionals (James, 2002). It operates as an interface between the organizations external providers, market place and the organizations operational processes he further suggests that besides the impressive cost savings, procurement management can also save valuable time and can streamline the workforce. In order to achieve smoother, faster and other benefits procurement management offers, organizations must be willing to go through many changes both in technology, personnel, and attitude. Without these changes, the procurement

management, which is a prerequisite for improved service delivery may not be effective.

Procurement systems seek to attain practices like; non-discrimination, transparency, efficiency, economy, accountability, confidentiality, publication of opportunities and information among others (Rene, 2006). Sourcing is the proactive management of a supply market to ensure access to adequate resources required for the long term needs of the firm. It can be from single or multiple sources; Short, medium, or long-term contracts (Monczka et al., 2005). It entails an understanding of the differentiations in purchasing, the sector in which the buying organization operates; the supply market; the product market; the product or service that is being purchased and the buying situation (Telgen. *et al.*, 2005). Improved public service delivery may be realized through reduced number of complaints, timely delivery of services, usability and accessibility to quality services provided (PPDA, 2007).

In this study, procurement management was conceptualized as the independent variable and service delivery the dependent variable. To achieve effective service delivery, the procurement function in government entities is a precondition. Effort was taken to determine if there is any relationship between the two variables.

1.1.4 Contextual background

Mbarara Municipality as a Procuring and Disposing Entity is headed by the Town Clerk as the Accounting officer. In order to comply with the Local Government PPDA regulations of 2006 and support improvement in service delivery, the PDU was officially established in February, 2008 following the recruitment of the necessary

personnel. The PDU function was formerly managed under the department of Finance and Administration in an adhoc manner.

It is headed by the Senior Procurement Officer assisted by the Assistant Procurement Officer. They are supported by the other 8 departments which contribute to the procurement process through planning, budgeting, contract monitoring and administration and reporting among others. To some extent, there has been significant improvement in procurement and procurement management processes, however, the PPDA report of 2008/09 on the entity reported that the procurement plans for the year were not complete, (some contracts were not included in the plan), 13% of the contracts did not have bid submissions from the contracting firms, and in some areas especially works, the entity did not rotate the providers as required.

The report further notes that some companies were not given equitable opportunities to bid, 50% of the bids did not have contract management records, while 13% of the contracts did not have any bids submitted by the contracting firms. These flaws impact on the integrity of procurement processes, may stifle competition, the highlighted concerns are likely to affect service delivery.

1.3 Statement of the Problem

Procurement Management is key for effective service delivery (Caulker, 2011). It has been verified that the procurement function is very critical for the success of every organisation. (Basheka, 2008). In spite of the efforts by the government of Uganda and the development partners to improve performance of the procurement functions of the various PDEs, public procurement is still characterized by substandard work, poor quality goods and services. Failure to comply with the regulations, or implement the

recommended performance standards has led to irregular and subjective decisions (PPDA 2006). These decisions have been costly to the entities thus affecting service delivery. The researcher therefore sought to find out how procurement management affects service delivery. The PPDA report of December, 2010 revealed that Mbarara Municipality; “had an incomplete procurement work plan, did not use of PPDA Standard Bid Documents, record of bid submission and opening did not use the relevant Local Government PP Forms, the entity used inappropriate criteria for prequalification, and no record of acceptance of ethical code of conduct for evaluation committee members. This state of affairs could have been as a result of poor procurement management and may be responsible for poor service delivery. Non delivery of service may lead to value for money queries, discontent and lack of trust from the community towards their leaders, and hence social, economic and political impulsiveness.

1.4 Purpose of the study

The purpose of this study was to assess how procurement management effects service delivery in Mbarara Municipality.

1.5 The objectives of the study

The study was intended to achieve the following objectives:

- I. To assess how Procurement Planning affects service delivery in Mbarara Municipality.
- II. To assess the effect of solicitation on service delivery in Mbarara Municipality.
- III. To assess the effect of contract management on service delivery in Mbarara Municipality

1.6 Research questions

- I. What is the effect of procurement planning on service delivery in Mbarara

Municipality?

- II. What is the effect of solicitation on service delivery in Mbarara Municipality?
- III. How does contract management affect service delivery in Mbarara Municipality?

1.7 Research hypotheses

- I. Procurement planning has a significant effect on service delivery in Mbarara Municipality.
- II. Procurement Solicitation affects service delivery in Mbarara Municipality.
- III. Contract management affects service delivery in Mbarara Municipality.

1.8 Conceptual Framework

Independent variable:

Procurement management

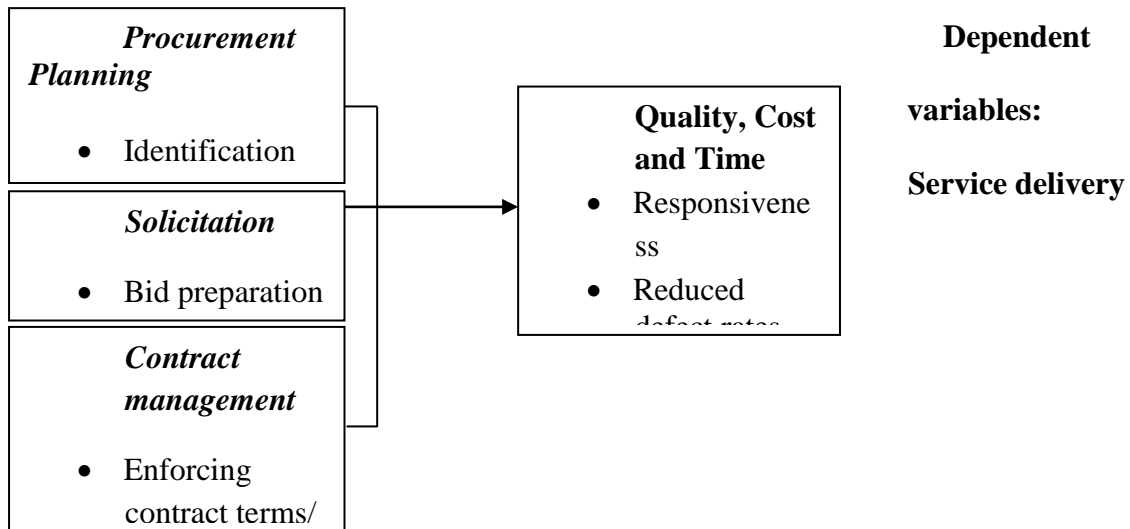


Fig 1: The conceptual framework showing the relationship between procurement management and service delivery

Source: Designed and developed by researcher with reference to the work of Patrick Bajari and Lewis (2009).

Procurement is one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract. Sometimes it is more appropriate for a public body to fund a service through the provision of a grant, but then

it will have less control over the precise outcomes to be delivered. To achieve effective procurement planning, needs identification and budgeting for the requirements should be adequate and objective, inadequate choice of the procurement process, lack of stakeholder involvement and poor timing should be given attention. He argues that all procuring entities should be concerned about procurement planning and manage the risks involved if they are to realize effective service delivery (Basheka, 2008).

In a typical procurement process solicitation is the activity in which most costs pertaining to communication and documentation are incurred. The law requires open tenders to be advertised in news papers of national wide circulation (for national competitive bidding) or international trade journals or magazines for international competitive bidding. Evaluation should be throughout the period covering submission deadline and award of contract. It is characterized by a series of meetings of the evaluation teams and committees that if not properly managed, the process can be quite costly. According to the guideline issued by PPDA, procuring entities are required to exercise proper planning, but experience has shown as gathered by Reginald, (2009) that some of the most wasteful costs generated during bid evaluation are those pertaining to the incompetence of the evaluation teams. This is where value for money is at stake and the potentialities for appeals and litigation are found.

Contract management is the process of ensuring that the supplier/ contractor honors their negotiated contract terms. It requires attention to detail and the ability to process information from various parts of the project to ensure planned desires are met. Effective contract management practices result in reduced operating costs, stronger bargaining position during the next occasion of negotiations in case of any, and

efficient service delivery. It includes ensuring compliance, acting as the contact or issues relating to service quality and dispute resolution as well as managing any payments or clauses negotiated into the contract.

Service delivery as noted by Oboth, (2001) is a system or arrangement of periodical performance of supplying public needs. Recently, there is much greater awareness of the need to change a system based on 'Value for Money' and 'Best Value' is high on the government's agenda. As a result, public clients have been seeking better value for money with more attention being paid to the whole life cost of projects. They want lower costs for high quality service there by accelerating 'systematic' changes in the level of service delivery. Service design and operating characteristics should meet established standards. Good service is therefore equated with operation within a tolerance degree (Balunywa, 1998). The question is can the service achieve the core purpose for which it is intended? If it performs as expected and intended it will be considered good service and therefore value for money.

1.9 Significance of the study

The study will guide PDUs and management of different public sector institutions to effectively influence Procurement Management systems to enhance efficiency and effectiveness in service delivery.

To the other researchers, the study will contribute to the knowledge base and provide a basis for further research in the field of and Procurement Management and Service Delivery in Uganda.

The findings of the study will guide legislators at different levels to formulate policies to guide Procurement Management decisions to improve service delivery.

1.10 Justification of the study

Given the fact that there is little research that has been done in the area of Mbarara with respect to service delivery and procurement management, the researcher found it needful to direct her research efforts towards the area of Mbarara.

Furthermore, with its strategic location, a regional referral Hospital, and a public University, Mbarara Municipality was perceived to be among the fast growing Local Governments in Uganda, in terms of economic developments, improved living conditions, education, health and other service sectors. However, there is still a very poor road network, health centers are not sufficiently equipped with the necessary drugs, access to safe and clean water is still below standard, garbage is not well managed, to mention but a few. This therefore poses a question as to whether everything possible is being done as required to exploit the available opportunities to deliver improved quality service. This thus gave the need to assess whether procurement management has an effect on service delivery among other factors in the area of Mbarara.

1.11 Scope of the study

The study was carried out in, Mbarara Municipality Uganda for the three divisions of Kakoba, Kamukuzi and Nyamitanga. It focused on the observance of the procurement and procurement management activities and service delivery. Service delivery will be measured by establishing contract timeliness and how they are adhered to, quality conformance, cost parameters and their reasonableness, and value for money.

The study focused on the quality of works on Municipal roads, status of health services and the services rendered there in, access to safe water and other projects. It covered

one financial year 2008/2009 because it is the year when the PDU of the entity came to be, and PPDA carried out an audit in December 2010 on the entity for the year. The study covered the period through to 2009/2010 to assess whether the above efforts towards procurement management were or/and are of any effect on service delivery.

1.12 Operational definitions

Sourcing

This activity in the procurement process enables the identification of capable suppliers for any given organization. It involves answering questions like what are we procuring? Where should it be purchased? How should it be purchased?

Procurement means acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any type of works, services or supplies or any combination' up to the time a user consumes or utilises the goods, works or services **PPDA Act, (2003)**.

Procurement planning is a systematic process of setting achievable procurement objectives of acquiring works, services and supplies that are required to meet organizational needs in an efficient, cost effective and timely manner in accordance with established or agreed procedures.

Accounting Officer is a person who controls and is personally accountable to the appropriate authority for the regularity and propriety for all resources of the Entity.

User Department is any department, division, branch, or project unit of the PDE which initiates procurement and disposal requirements and is the user of the requirements.

Bidding is a process of successive activities an organization goes through in selecting the most responsive and best evaluated bid.

A Bid is an offer made by the provider/supplier to provide or to acquire works, services and supplies or a combination thereof in response to an invitation.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed the existing literature related to procurement management and service delivery in public sector institutions in Uganda. The sources included journals, research papers, text books, Government publications and documents from the World Wide Web (internet).

2.1 Theoretical Review

Service delivery has been explained by the agency theory. According to Jensen, (1976), agency relationship is a contract under which one or more persons engages another person or persons (Agent) to perform a service on their behalf which involves delegating of authority to the agent. The principal/Agent theory would imply that the citizens are the principal and Mbarara Municipality and her staff are the agent expected to deliver services to the communities Peter, (2010). Consistent with the tenets of agency theory, the view adopted here assumes that agents, purchasing officials, are rational, self-interested utility maximizers Jensen (1976), Eisenhardt (1989) urges that agency theory is very important but controversial. The researcher adopted the theory because it has been applied in many fields of research such as accounting, sociology, political science, organisational behavior among others.

In general, all principal-agent relationships are stunned by uncertainty not only in the level of an agent's knowledge, skills and abilities, but also in both the way the agent's action gets transformed into the output.

Parasuraman *et al.*, (1985) and Zeithaml *et al.*, (1990) noted that the key strategy for the success and survival of any institution is the delivery of quality services to customers. The SERVQUAL model was adopted in exploring service delivery. Parasuraman adds that SERVQUAL model is based on the perception gap between the received service quality and the expected service quality, and has been widely adopted for explaining consumer perception of service quality. Originally 10 dimensions of service quality were proposed reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the consumer, and tangibles. These have been reduced to reliability, responsiveness, empathy, assurances and tangibles. However the model suffers some short comings to include; mismatch between manager's expectations of service quality and service quality specifications, management must first understand exactly what the customer wants, because short of this, it will be impossible for management to know whether their expectations are aligned with customer specifications as a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardisation and an absence of goal setting.

Differences between expected and perceived quality, customers expect certain things from certain entities, and these may differ from what the entities intend to deliver due to influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. To achieve quality in service delivery therefore, entities must have thorough systems design, precise communication with customers, and a well-trained workforce (Shahin, 2005).

2.2 Procurement planning and Service Delivery

An effective public procurement system allowed suppliers to provide satisfactory quality, service and price within a timely delivery schedule. The basic model of public

procurement is to acquire the right item at the right time, and at the right price, to support government objectives of service delivery. Although it is simple, it involves the questions of accountability, integrity and value effects far beyond the actual buyer/seller transactions at its centre. The information so generated provides feedback to government, Contracts Committees and the local government management, which is then used as a basis to manage the public procurement function for better service delivery (Peter, 2010).

While Basheka (2008) suggests that in a decentralized context, means and measures need to be established to effectively link national and sub-national planning processes; to assure that national priorities are appropriately reflected in regional and local policies Mullins, (2003) believes that vehicles must be in place to ensure that plans are realistically linked to resource constraints, and that, once developed; plans are effectively incorporated into sub-national budgets. Mullins has argued that procurement planning is a process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entities' operations are met as required in an efficient and effective way. As a function, Basheka further explains that procurement planning endeavors to answer the following questions: (a) What do you want to procure? (b) When do you want to procure it? (c) When are you to procure and when will you use the procured goods, services and works? (d) Where will you procure them from? (e) When will resources be available? (f) Which methods of procurement will you use? (g) How will timely procurement or failure affect the user of the item(s) and the public procuring and assets disposal entity? (h) How can you be more efficient in the procurement process? and (i) Who will be involved in the procurement? (Basheka, 2008). However, Drabkin & Thai (2003) emphasise that planning is not

concerned with future decisions but rather with the future impact of decisions made today and thorough planning is critical as agencies are always facing budget constraints that cannot satisfy all capital acquisition needs.

Procurement planning involves the preparation of the work plans, specifications and budgets followed by initiation of a purchase from the user departments with the help of the PDU; After the Accounting Officer certifies availability of funds, the user departments raise a purchase requisition, according to which the provider is identified by the PDU (PPDA, 2003).

Koontz, (1996) argues that procurement planning as any other form of planning is the most important of all management functions since it involves reflection of the entire procurement activities including the proposed method of procurement that will be undertaken by the Procuring Entity within a given period.

Procurement plans should be prepared in tandem and linked with the agency strategic planning and service delivery planning cycle. PPDA regulations require that annual procurement plans are to be submitted to the Contracts committee by June each year to facilitate timely planning and timely service delivery. It should, however, be noted that once procurement plans go wrong, the whole procurement process will be affected henceforth affecting service delivery. From the findings, procurement planning affects service delivery in Mbarara Municipality. It guides identification of needs, facilitates market research and the timing of actual implementation.

2.2.1 Identification of needs/ requirements

There are various risks at every stage of public procurement including risks of integrity, accountability and compliance right from needs assessment. The author cited common

risks to include lack of adequate needs/requirements assessment, planning and budgeting of public procurement, requirements that are not adequately or objectively defined, inadequate or irregular choice of the procedure and a timeframe for the preparation of the bid that is insufficient or not consistently applied across bidders (Basheka,2008).

He argues that all these concern the function of procurement planning including needs identification and that should local government's procurement system fail to manage these risks, accountability and eventual service delivery is likely to be earnestly threatened.

2.2.2 Conducting market research

Market conditions have a great influence over the public procurement systems' effort to maximise competition. The market determines whether or not socio-economic objectives of procurement are accomplished (Thai, 2001). Market research should aim to identify relevant suppliers and products that could meet the needs of the organization. The amount of effort required for market research depends on the value/risk of the requirement. For small standard procurement activities research may be limited to searching existing rosters and previous contracts. For larger or more complex procurement, extensive market analysis is required. sources of information for market research include; internal, internet and other sources IAPWG (2006). Clifford *et al.*, (2001) suggest that market research plays an important role in the overall provision of essential market and commodity information to the end users on the specifications, alternative goods or services, pricing, procurement lead times and availability. However, it's abused in instances of few suppliers as a pretext to qualify ineligible suppliers for purposes of competition; poor market research methodology and

lack of reliable information leading to reliance on hearsay which result in loss of revenue due to collusion, over pricing and other related mal-practices.

2.3 Solicitation and service delivery

Sourcing aims at collecting and analysing information about capabilities within the market to satisfy the organization's requirements, such as obtaining updated cost information, determining the appropriate technology and alternative products, as well as identifying appropriate supplier qualification criteria (IAPWG, 2006). Regardless of the method used, supplier selection criteria formulation affects several activities including inventory management, service delivery planning and control, cash flow requirements, and service quality.

According to Telgen *et al.*, (2005); Monczka *et al.*,(2005), solicitation entails determining the sourcing strategy and no single sourcing strategy approach will satisfy the requirements of all purchases. Because of this, the procurement strategy adopted for a particular item or service will influence the approach taken during the supplier evaluation and selection process.

Whereas the, Monczka *et al.*, (2005) model, acknowledges multiple sourcing, it glosses over the discourse of using the combination of multiple sourcing with multiple lots as a tool in public purchasing strategy. Linthorst *et al.*, (2006) express that, when used appropriately, the combination of multiple sourcing with multiple lots can provide an incentive to improving service delivery. They add that the degree to which a buyer must search for information or the effort put forth toward the search is a function of how well the existing suppliers can satisfy cost, quality, or other performance variables with regard to service delivery.

Jason (2002) suggests that the main tasks in solicitation are compiling the request for proposals or tender documents and conducting the evaluation. He notes that, the evaluation criteria in the request for proposals or tender documents could be drafted to favor a particular supplier or service provider or to emphasize weaknesses of a particular competitor.

During solicitation, the author adds that it is possible that advance information could be provided to a particular favored supplier or simply misaddressing tender documents, accepting late proposals or rejecting legitimate proposals to corrupt the procurement process. These are likely to affect service delivery.

2.3.1 Bid preparation and service delivery

Aissaoui *et al.*, (2007) observe that, decision makers are facing different procurement situations that lead to different decisions. Consequently, in order to make the right choice of the service provider, the procurement process should start with finding out exactly what we want to achieve by selecting a supplier. In general the majority of decision tools are qualitative methods that assist decision makers in order to carefully identify the need for a decision and the alternatives that seem to be available.

2.3.2 Bid Evaluation and service delivery

IAPWG, (2006) suggests that, the evaluation process consists of the preliminary examination and evaluation of the offers received, and considered to be valid to assess their responsiveness to specifications and requirements as defined in the solicitation document, analyse their cost and benefit, and determine their price and value. Evaluation, together with the requirement definition and the evaluation criteria and method specified in the solicitation document, is the basis for the subsequent selection

of the offer that provides the best value for money for the organization. IAPWG further argues that evaluation is conducted by a designated evaluation team and in accordance with the relevant regulations, rules and procedures, using the evaluation criteria pre-determined in the solicitation document in order to conduct a fair and unbiased evaluation. The process needs to be transparent, and therefore each step of the process documented in an evaluation report which subsequently is the basis for the recommendation of award.

It has been noted that the purpose of supplier evaluation and selection is to determine the optimal supplier who offers the best all round package of product and services for the customer Cengiz et al., (2003). The supplier selection function and purchasing as a whole are increasingly facing new developments in e-commerce, globalization, decentralization and outsourcing. These factors among others, as correctly argued by Peter, (2010) shape the purchasing strategy, structure and people skill requirements.

But Sung, (2003) notes that, there is greater awareness of the need to change a system based on 'Value for Money' and 'Best Value' is high on the government's agenda. As a result, public clients have been seeking improved service delivery/ better value for money with more attention paid to the whole life cost of projects. Sung argues that what has been lacking is an appraisal system that can evaluate bids based on their whole life. Furthermore, the public clients who do not have a comprehensive criteria on which to base and evaluate bids may not consider all important criteria, and also do not have rational and systematic tool to evaluate and select better or more suitable service providers, although they are seeking better value for money, fairness and transparency and expanding competition.

Monczka *et al.*, (2005) emphasise the need to identify key sourcing requirements on which a distinction is made between functional and technical specifications. Functional specifications describe what the good or service actually has to do or provide. Technical specifications describe in a very detailed manner which product or service is looked for. They include Management capability; Employee capabilities; Cost structure; Total quality performance, systems and philosophy; Process and technology capability; Environmental regulation compliance; financial stability; Production scheduling and control systems; Suppliers sourcing strategies, policies and techniques and Longer-term relationship potential (Monczka *et al.*, 2005).

2.4 Contract management and Service Delivery

A lot of good efforts and resources are spent up to the point of selection of supplier, contractor or service provider without further questioning whether what is being delivered is actually what is being paid for. There is a tendency of the available literature on procurement giving little regard to issues on contract management. Much of the focus is on how to solicit, negotiate and award a contract. Award of contract is not the closure point of a procurement process but rather the “beginning” (Lloyd, 2004). Procuring entities need to exercise proper contract management to avert the apparent loss of value during this procurement phase. contract management is founded on several economic and management theories, the most often referred to is agency theory (Eisenhardt, 1989).

The purpose of contract management is to ensure that all parties to contract fully meet their respective obligations as efficiently and effectively as possible, delivering the

outputs required from the contract and improving value for money and service delivery. It includes monitoring and documentation of performance, which depending on the organization and the goods or services procured may be the responsibility of the user department to ensure realization of quality in service delivery (IAPWG, 2006).

2.4.1 Contract Implementation Management and service delivery

Service delivery management is concerned with ensuring the service is being fully delivered as agreed, to the required level of performance and quality. In practice this means having a well-structured service level schedule or service level agreement, with clearly defined performance targets and measures combined with regular reporting (Peter, 2010). The frequency of reporting will depend on the services being provided; however, monthly reporting on the main service levels is a good rule of thumb. It is important that supplier reporting is provided in a format that makes it quick to analyse and identify service delivery issues (IAPWG, 2006).

2.4.3 Contract Administration and service delivery

Contract administration covers the formal governance of the contract and changes to the contract document. It is concerned with the mechanics of the relationship between the buying agency and the supplier. This includes the development and implementation of procedures covering the administrative and clerical activities. Good contract administration is important for the successful management of any contract. It requires appropriate resourcing, and as part of the contract management planning both the agency and the supplier need to consider the level of resourcing required for the particular contract (Fiona, 2009).

Knudsen, (1999) is to suggest that procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, inputs, outputs, resource consumption and results therefore are unable to determine their efficiency and effectiveness. This requires establishment of clear procurement procedures and performance standards. Performance standards when adopted will provide the decision-makers in the procurement and other departments with unbiased and objective information regarding the performance of the procurement function and may affect service delivery.

2.5 Summary of the literature review

This chapter discussed the literature relevant to the independent variables of procurement planning, solicitation and contract management and theories of service delivery as the dependent variable.

A study of the relationship between procurement management and service delivery by Basheka, (2008), on local government operations focused on local governments, hence relevant for this study.

Jones, (2007) suggests that lack of professional procurement expertise is one of the weaknesses that are prevalent in various countries in South East Asia, which affect service delivery.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology that was used in the study. It presents the research design, the study population, sample size and selection strategies, data collection methods and instruments, validity and reliability, data collection procedures, data analysis and measurement of variables.

3.1 Research design

The research adopted the case study approach together with a blend of qualitative and quantitative approaches. This study was also used because of its efficiency in accomplishing education oriented research studies (Gleemen and Kubat, 2006).The

qualitative approach was used to analyse the nature of procurement management and service delivery with the purpose of understanding them from the respondents' point of view. Case study analysis provided the researcher with an in depth of the stated problem. A survey of community members as the end uses, civil servants as the implementers, the PPDA and political leaders as the supervisors and the contractors as the service providers will be carried out to establish their opinion about provision and availability of quality services (Yin, 2003).

Quantitative approach was used to ensure high levels of reliability of gathered data, measurement precision and statistical power. The use of qualitative approach was important in deriving meaning out of the respondents' description and explanation of issues raised in the interview. In addition, qualitative approach helped in obtaining in-depth information about how respondents perceive the relationship between procurement management and service delivery (Bogdan, 1975).

3.2 Study population

The study population was got from within Mbarara Municipality which included respondents from administrative Departments, political leaders, the local community, service providers, other departments, as well as officials from PPDA. The key respondents comprised of 6 from senior officials of the Municipality, 3 Division chair persons, 6 councilors, 3 service providers, 2 PPDA officials and 121 residents.

3.2.1 Sample size and selection

The sample size as derived from the accessible population was 140. This was arrived at using the formula; $n = \frac{N}{1 + Ne^2}$ advanced by Yamane (1973). Where N is the target population, n is the sample size and e is the level of statistical significance. The confidence level of This study will be 5% or 0.05.

Table 1: Accessible population and size

The table below shows the distribution of the population and sample size, together with the sampling technique of the respondents who actually participated in the study.

No	Sub-Group	Accessible population	Sample size	Sampling technique
1	Heads of Departments			
	i. Procurement and disposal unit,	1	1	Census
	ii. Finance,	3	3	Census
	iii. Community development, iv. Human resource	1 1	1 1	Census Census
2	Political representatives			
	i. Chair persons/ Mayor	3	3	Census
	ii. Councilors LC IV iii. LC III	3 3	3 3	Census Census
3	Residents (83,700)	180	121	Simple random
4	Service Providers	3	3	
	PPDA Staff	2	2	Census
	Total	200	141	

Source: Population Adopted from Mbarara Municipality Manual.

From the categories indicated above, there is a total of 200 respondents and from these, the researcher targeted a sample of 141 respondents.

3.2.2 Sampling techniques and procedures

Sampling of the respondents took into consideration the homogeneous nature of the strata that comprise the population. This was in relation to selecting the councilors; each stratum was sampled independent of each other so as to maintain the homogeneity of the individual strata. The staffs from administration were selected census, simple random sampling for residents, and purposive.

Some respondents were selected using simple random sampling especially the residents, the others by purposive sampling. The councilors were selected using

stratified sampling technique whereby they were classified according to the groups of people they represent e.g. Youth, women, People with Disabilities (PWDs) and by the respective “constituencies”. Two service providers were randomly selected to represent the other Municipality service providers.

3.4.1 Data Collection Methods

Data collection was by both qualitative and quantitative methods. These included questionnaires, face to face interviews, documentary review, and observation.

3.4 .1 .1Observation

In the study, the researcher made critical observations to discover more information that other methods could not reveal. As supported by Neuman, (2006) that a field researcher carefully scrutinizes physical settings to capture its atmosphere. It was relevant for its ability to collect data on actual against self-reported behaviors and perceptions, and real-time rather than retrospective.

3.4 .1.2 Interviews

Interviews were conducted on some key important in the Municipality to get critical information about the study. The unstructured interview was supported by that broad questions asked that allowed for further questions to be asked. (Wimmer and Dominick, 2010).The main purpose of the unstructured interview was to explore into the several factors in the situation that might be common and central to the broad problem area of major concern. Interviews were useful for gaining insight and context into the problem; they allowed respondents to describe what was important to them and were useful for in-depth understanding of experiences, opinions and descriptions Peter, (2011).

3.4.1.3 Questionnaire Method

Questionnaires were used especially for the variables which cannot be observed such as views, opinions, perceptions and feelings of the respondents (Amin, 2005). They were less expensive and helped to explore complex issues in depth, many people were familiar with surveys and some felt more comfortable responding to a questionnaire than participating in an interview. Questionnaires reduced chance of evaluator bias because the same questions were asked of all respondents (Owens, 2005).

3.4.2 Data collection instruments

Data was collected using: the Observation checklists, Interview guides and the Questionnaires.

3.4.2.2 Observation checklist

This is assisted the researcher select, watch and record the status of the services delivered in Mbarara Municipality. It specified what a researcher looked out for when observing the general conditions and the quality of life of people in Mbarara Municipality. Observation gave firsthand information and helped to examine and ascertain existence of the service delivery deliverables.

3.4.2.1 Interview guides

An interview guide was used to collect data by inquiring respondents individually and groups. The interview guide had a blend of questions. They gave specific responses, and were more flexible Peter, (2011).

3.4.2.3 Questionnaires

A questionnaire is a set of questions printed in a definite order on a form (Kothari, 1996). These were self-administered questions and they contained structured or unstructured questions. Standard questionnaires contained a list of possible alternatives from which respondents selected the answer that best suited the situation. A likert scale was used with a five category response continuum that is; 5= strongly agree, 4 = Agree, 3 = not sure, 2 = Disagree and 1 = Strongly Disagree. The use of this tool was less time consuming and less expensive to administer than other instruments Taylor, (2000). Unstructured questionnaires provided for and allowed the respondents give detailed answers and to freely express themselves about the research topic. They encouraged honest answers, provided for anonymity of respondents and promoted confidentiality of the responses Mugenda and Mugenda, (1999).

3.5 Validity and reliability

3.5.1 Validity

To establish the validity of instruments, experts in the field of Procurement were sought from the Office of the Auditor General staff. The questionnaire was administered to 5 respondents to test for Content Validity in ensuring that data was collected using the instruments would yield relevant data. The Content Validity index was carried out. This involved scoring the relevance of the questions in the instruments in relation to the study variables. Further a consensus judgment was given on each variable. The Content Validity Index (CVI) was measured using the formula:

$$CVI = \frac{\text{Number of items declared valid}}{\text{Total number of items}}$$

The results of the CVI are shown in Table 2 below.

Table 2: Content Validity Index and Reliability Results

Variable	Anchor	CVI	Cronbach's Alpha
Procurement Planning	5 Point	1.000	.697
Procurement Solicitation	5 Point	0.800	.768
Contract Management	5 Point	0.800	.786

Source: Expert Judgments

Table 2 shows that procurement planning yielded CVI of 1.00, procurement solicitation yielded a CVI of 0.800, and Contract Management yielded a CVI of 0.800. Since all variables yielded a CVI above 0.70 the instrument was accepted (Amin, 2005). In conclusion of this, it was inferred that the instrument was relevant in measuring Service Delivery.

3.5.2 Reliability

The researcher pilot tested a sample of 14 questionnaires, representing 10% of the total sample size of 140. The final sampling for the study excluded the selected sample used in pre-testing. Results of the pre-tested questionnaires precluded modification on which they were reviewed to rectify errors while in the field. The degree of reliability was determined using Cronbach's Alpha Coefficient. Face validity was used to test content validity owing to time constraints. Sekaran, (2003) postulated that the higher the coefficient, the better the instrument. Amin (2005) described that if an instrument was perfectly reliable, the coefficient would be 1.00. Mugenda and Mugenda (1999) suggested that a sample of 1% to 10% should be selected on pre-testing for reliability.

Table above shows that Cronbach's alpha for Procurement Planning of 0.697, solicitation (Bidding and bid evaluation) yielded Cronbach's alpha value of 0.768,

while Contract management yielded Cronbach's alpha value of 0.786. Since the variables yielded alpha values above 0.70, the instrument was accepted for social research (Amin, 2005), and it was concluded that the instrument was reliable in measuring service delivery in Mbarara Municipality.

3.6 Procedure for data collection

After approval of the proposal, the researcher obtained a letter from Uganda Management Institute, department of Higher Degrees and then proceeded to the field for data collection. Furthermore, permission was sought from the necessary parties so as to make the data collection exercise quicker. Questionnaires were administered, interviews conducted, and observations made to gather the data in relation to the research study objectives.

3.7 Data analysis

The data collected was edited, coded and later analyzed using SPSS computer programme. Quantitative data was analyzed using frequencies, correlation analysis to show the relationships, and regression analysis to show the effect of procurement management on service delivery in public sector institutions. This involved running bivariate correlation analysis using Pearson's coefficient analysis allowing it to sort it at 2-tailed. The adjusted R^2 , t values, beta, and significance values were used to measure the influence of the independent variables on the dependent variable.

3.7.1 Quantitative Data Analysis.

The quantitative data was analyzed using the descriptive statistics with the aid of Statistical Package for Social Scientists (SPSS). This method reduced the gathered data

to computer readable form of information and enabled the researcher enter them into a database and using one form or another of packaged statistics for the social scientists, for analysis (Berg, 2004). In this study, the raw data was first sorted and condensed into systematic and comparable data. The codes used were in a range of 5, 4,3,2,1 to represent the degree of the respondents' response as ,strongly agree, agree not sure, disagree and strongly disagree respectively with statements presented in the questionnaire. The data was analyzed by running the correlations between different variables to be able to determine the relation patterns of procurement management onto service delivery. The interpretations based on the strengths of the relationships.

3.7.2 Qualitative Data Analysis.

The content analysis was employed to analyze purely qualitative data. This method was supported by (Neuman, 2011) that content analysis lets a researcher reveal the content in a source of communication. The qualitative data contained the views, suggestion, and opinion of the respondents. The themes, categories and patterns were identified. The evaluation of variables was done to determine adequacy, consistency and credibility. For some of the decisions, the researcher used personal experience and made the necessary judgments accordingly.

3.8 Measurement of variables

The variables were measured using a nominal scale with numbers assigned to each category to identify similar objects within a category from elements in another category that are different. The non-categorical data was read and interpreted to fit the respective variables. To find out how procurement management affects service delivery in public institutions, the researcher used a five point Likert scale ranging from 1=strongly disagree, 2= disagree, 3= not sure 4 = agree and 5=strongly agree to measure both the

independent and dependent variables. The characteristics of the respondents were measured at nominal and ordinal scales as appropriate.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF THE FINDINGS

4.0 Introduction

This chapter presents the analysis and interpretation of findings from the questionnaires administered, documentary reviews and interviews conducted on the relationship between procurement management and service delivery in Mbarara Municipality. The first section presents the response rate; This is followed by profile of the respondents, presentation and analysis of the study empirical findings in relation to the study objectives. The study was intended to achieve the following objectives:

- I. To assess how Procurement Planning affects service delivery in Mbarara Municipality.
- II. To assess the effect of solicitation on service delivery in Mbarara Municipality.
- III. To assess the effect of contract management on service delivery in Mbarara Municipality

4.1 Response Rate

A total of 140 questionnaires were issued out to the target respondents. Of these, 136 questionnaires were returned and analysed for responses as per table below.

Table1: Showing response rate

Targeted Number	Acquired Number	Response Rate
140	136	97.1%

The overall response rate was 97%, which according to Amin (2005) was a high and reliable response rate. Babbie (1998) suggests that 50% response is considered adequate for analysis and reporting, 60% good and 70% very good. Therefore, 97% response attained by the researcher is sufficient.

4.2 Background Characteristics of the respondents

This section presents the background information of the respondents used in the study based on the information provided in the questionnaire. The Bio data of the respondents was sought in regards to Gender, age and residence as presented below.

Table2 Profile of the respondents used in the study

Item	Description	Frequency	Percentage
Gender	Male	78	57.4
	Female	58	42.6
Age	18-25	40	29.4
	26-39	18	13.2
	40+	78	57.4
Level of education:	Diploma	33	24
	Graduate	53	39
	Post graduate	5	4
	Others	45	33
Residence	Kakoba	64	47
	Kamukuzi	47	35
	Nyamitanga	25	18

Source: Primary Data.

Table 2 shows that the majority of the respondents were male 78 (57.4%), while 58 (42.6%) were female, a finding which suggested that the male residents could have responded more to this study than their female counterparts. Mbarara Municipality administrative and legislative arms are equally dominated by males, thus the bigger percentage of male respondents. Similarly, 56% were 40 years and above, 28.6%

between 26 and 39 years while 11% were 18-25. This suggested that older aged respondents who are more concerned about the status of service delivery, and willing to express their sentiments about their grade. In terms of residence table 4.2 above shows that the majority respondents 64 (47%) resided in Kakoba Division, 35% in Kamukuzi and 18% resided in Nyamitanga Division. This finding suggested that majority of the respondents were graduates, most of whom hailed from the central business district of Kakoba Division, followed by the Kamukuzi.

4.3 Procurement management and its effect on Service Delivery in Mbarara Municipality

To have a logical assessment of the aspect, three hypotheses were set and they included; Procurement planning has a significant effect on service delivery in Mbarara Municipality. Procurement Solicitation affects service delivery in Mbarara Municipality. Contract management affects service delivery in Mbarara Municipality.

4.3.2 Procurement planning has a significant effect on service delivery in Mbarara Municipality.

Procurement planning was the dependent variable measured using indicators of availability of quality, cost, timely service delivery and value for money and responsiveness measured using 8 items scored on a five point Likert Scale ranging from (5) for strongly agree, (4) for agree, (3) for not sure, (2) for disagree, and (1) for strongly disagree.

Table 3 Showing distribution of respondents on whether procurement planning affects service delivery in Mbarara Municipality

	Item	5	4	3	2	1
1	Procurement planning and service delivery in Mbarara Municipality					
2	Procurement planning affects service delivery in Mbarara Municipality	80 59%	50 37%	6 3.7%	0 0%	0 0%
3	Procurement needs are known by all staff of particular departments of Mbarara Municipality.	1 1%	56 41%	60 44%	19 14%	0 0%
4	Annual procurement operational plans are prepared by all departments of Mbarara Municipality.	18 13%	103 76%	15 11%	0 0%	0 0%
5	Employees of Mbarara Municipality take part in procurement needs identification.	19 14%	102 75%	0 0%	15 11%	0 0%
6	All the needs identified are included in the procurement plan.	0 0%	6 4%	39 29%	62 46%	29 21%
7	Procurement plans are submitted to procurement office (PDU) in time.	10 7%	0 0%	117 86%	8 6%	1 1%
8	Procurement plans of Mbarara Municipality indicate activities' planned dates.	0 0%	40 29%	9 2%	37 34%	50 37%
	Procurements of Mbarara Municipality are implemented according to plan.	0 0%	0 0%	38 28%	30 22%	68 50%

Source: Primary data.

Table 3 above shows that the majority 80(59%) strongly agreed that procurement planning is vital for effective service delivery. This was further supported by 50 (37%) of respondents who agreed, 6(4%) of the respondents were not sure. The implication is that there is no alternative, but Mbarara Municipality like all the other entities must plan their procurements if service delivery is to be effectively realized.

60(44%) of the respondents were not sure whether procurement needs are known by all staff of Municipality departments. 56 (41%) of the respondents agreed, 19(14%) disagreed while 1(1%) strongly agreed and this was the head of PDU. These findings indicate that majority of the respondents were not sure as to whether procurement needs are known to all staff of the Municipality. This implies, lack of collective planning, effective communication and information dissemination and programs are likely to be implemented as according to the wish of the process managers not community desires.

It is further illustrated that majority of the respondents 103(76%) agree that all departments prepare annual operational plans and supported by 18(13%) of the respondents who strongly agreed, whereas 15(11%) were not sure about preparation of procurement operational plans, the heads of department revealed“... there is procurement planning in each of the departments. It being a regulatory requirement that for the budget to be approved, any government entity has to have procurement plan. This has compelled Mbarara Municipality through her administrative departments to have procurement plans in place.

19(14%) respondents strongly agreed. The rest 15(11%) disagreed. This therefore suggests that majority of the people take part in the identification of procurement needs, especially during budget conferences, therefore the procurement plans of take care of the needs of the local people, lack of implementation could be due to constraints beyond the entity .

Most of the respondents 62(45.6%) did not agree that all the needs identified are included in the procurement plan, supported by 29(21.3%) respondents who strongly disagreed with the statement, it infers that procurement plans are not based on the needs of the community, but rather discretionary on the administrators to decide, This may create conflict of interest and is a waste of resources on a budget conference if the proposed needs are not . 36(28.7%) of the respondents were not sure whether all the needs identified were included in the procurement plan, and only 6(4.4%) agreed with the assertion. This implies that not all the needs and desires of the community for service delivery are catered for in the procurements implemented by the entity.

As to whether procurement plans are submitted by the user departments to PDU on time, only 10(7%) agreed, 117(86%) respondents were not sure, the rest of the

respondents disagreed, with 8(6%) respondents disagreeing and 1(1%) strongly disagreeing, implying that there is no sufficient information as to the time frame within which the plans are expected to be submitted, it implies lack of information about the timing of procurement planning.

Majority of the respondents 50(36.8%) strongly disagreed with the statement that procurement plans indicate activities' planned dates. This is supported by 37(33.66%) respondents who disagreed, only 40(29.4%) agreed, and 2(2%) were not sure. Implying that PDU has insufficient information to facilitate timely procurement of planned activities, thus causing delays in implementation of plans. "In some entities it has caused the funds to be returned to the treasury due to failure to utilise them by the year end" concludes the head of PDU.

Further analysis revealed that 68(50%) respondents strongly disagreed that procurements are implemented according to plan, 30(22%) disagreed and 38(28%) were not sure. This suggests that there is poor implementation of procurement plans leading to lack focus in the implementation strategy and failure to realise value for money as the services were not delivered as and when expected, and as such fell short on effectiveness.

4.3.2 Correlation analysis between procurement planning and service delivery

To test if procurement planning had an effect on service delivery, a correlation analysis was conducted using Pearson's correlation(r) coefficient and significance (p) and the findings are shown in the correlation matrix below.

Table 4 The relationship between Procurement Planning and Service Delivery

	Procurement Planning	Service Delivery
Procurement Planning	1.000	
Service Delivery	.402**	1.000
** Correlation is significant at the 0.01 level (2-tailed). Source: Primary data.		

Table 28 above shows the correlation coefficient between procurement planning and service delivery Of 0.402** at $p < .01$, this finding suggests that procurement planning has a moderate positive effect on service delivery. When Procurement Planning measures are well managed by the Procurement Team, this translates into improved services. The better services shall be identified by Timeliness, Reliability and assurance.

4.3.3. Regression results between Procurement Planning and Service Delivery

A regression analysis was conducted to establish the extent to which procurement planning can affect the service delivery variable. Statistics such as the Adjusted R² value, F, and the levels of significance were indicated as shown in the table below.

Table 5 Showing Regression analysis between procurement planning and service Delivery

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Statistic	df1	df2	Sig. F Change
1	.474 ^a	.136	.127	.31827	.136	16.611	1	108	.000
a. Predictors: (Constant), Procurement Planning b. Dependent Variable: Service Delivery									

From the above results, the researcher noted that the Procurement Planning can predict up to 12.7 of the variance in the Service Delivery (Adjusted R Square = .127). The regression model was significant at the 99% confidence level. This indicates that the Procurement Planning can reliably be used to improve the Service Delivery.

4.4 Procurement Solicitation affects service delivery in Mbarara Municipality

The study sought to establish the effect of solicitation (Bidding and bid evaluation) on service delivery in Mbarara Municipality. This sub section presents findings from solicitation as follows.

Table 5 showing distribution of respondents on whether solicitation affects service delivery in Mbarara Municipality

	Item	5	4	3	2	1
	Procurement solicitation affects service delivery in Mbarara Municipality					
1	There is always a clear address for submission of procurement bids	49 49%	87 64%	0 0%	0 0%	0 0%
2	There is confidentiality in Bid evaluation in Mbarara Municipality.	6 4%	20 15%	36 37%	36 27%	38 27%
3	Official communication is used by of Mbarara Municipality while contacting bidders.	16 12%	52 38%	68 50%	0 0%	0 0%
4	There is no influence by the bidders or their agents to the process of evaluation of bids.	0 0%	4 3%	48 38%	36 27%	48 38%
5	A suitable accessible room, specified in the bidding documents, is always reserved for the opening of bids.	0 0%	74 54%	62 46%	0 0%	0 0%
6	For each bid opened, the items on the checklist are checked and read out aloud.	12 9%	31 23%	78 57%	15 11%	0 0%
7	The criteria specified in the bid document is used during the evaluation.	0 0%	26 19%	72 53%	22 16%	16 12%
8	contracts are always awarded to the best bidder.	0 0%	14 10%	35 26%	62 46%	25 18%
9	Successful bidders are qualified to satisfactorily perform the contract.	0 0%	14 10%	22 16%	84 62%	16 12%

Source: Primary data.

Table 5 above shows that all the respondents agree that there exists a clear address for submission of bids with 87(64%) agreeing and 49(36%) agreeing strongly. Thus it is always clear in the communication to invite bidders where the bids are to be submitted, implying transparency and openness, portraying some extent of transparency and openness as required by PPDA regulations.

It further presents majority of respondents not believing that there is confidentiality in bid evaluation. As evidenced by a significant number of respondents disagreeing of which 38(28%) strongly disagreed and 36(27%) disagreed, 36(27%) were not sure and only 26 respondents agreed, i.e 20(15%) and 6(4%) agreeing and strongly agreeing respectively. The implication is that, failure to observe confidentiality may breed corruption behaviours and conflict of interest through abuse of competitive procedures by revealing non public information to a few favoured bidders.

48(35%) respondents strongly disagreed with the statement that there is no influence by the bidders or their agents on the process of evaluation of bids, 36(27%) disagreed, this suggests that bidders or their agents influence the process of evaluation of bids. 48(35%) of the respondents were not sure and only 4(3%) of the respondents submitted that there is no influence by the bidders or their agents on the process of bid evaluation. Implying that actually bidders influence the bidding process, which as a result affects the ultimate service quality by compromising the process managers due to conflict of interest.

Most of the respondents 74(54%) agreed that a suitable accessible room, specified in the bidding documents, is always reserved for the opening of bids, the rest of the respondents 62(46%) were not sure. Findings indicate that there is always a suitable accessible room, specified in the bidding documents, reserved for the opening of bids.

The implication is that the entity always plans for the bid opening exercise and complies with the requirements of the PPDA regulations

Table 5 further shows 78(57%) of the respondents not being sure whether for each bid opened, the items on the checklist are checked and read out aloud. 31(23%) agreed, 12(9%) strongly agreed, while 15(11%) disagreed. This implies that items on the checklist are not checked or read out loud whenever bids are opened which jeopardises openness and transparency of the procurement process and service delivery.

Similarly, 72(53%) of the respondents were not sure, 26(17%) agreed, and the rest disagreed with the statement that the criteria specified in the bid document was being used during evaluation. This implies that the criteria specified in the bid document are not used during evaluation. This affects consistency, confidentiality and may lead to conflict of interest.

On whether contracts are always awarded to the best bidder the table above shows; 87(64%) respondents disagreed with the statement, 25(18%) strongly disagreed. Only 14(10%) agreed and 35(26%) were not sure. The implication is that, the contracts are not necessarily awarded to the best evaluated bidder, therefore the alternative bidders may not have the technical competence, capacity and skills to undertake the contract. This affects the time, quality and cost of the contract leading to litigation in some cases damaging the image and the subsequent contractual relationships.

And 74(62%) respondents disagreed with the assertion that successful bidders are qualified to satisfactorily perform the contract, This was supported by 16(12%) respondents who strongly disagreed. Only 22(16%) respondents indicated that they agree that the contractors have satisfactory qualifications to perform the contracts, but 14(10%) were not sure.

4.4.1 Testing hypothesis for the relationship between procurement solicitation and service delivery

To test if procurement solicitation had an effect on service delivery, a correlation analysis was conducted using Pearson's correlation(r) coefficient and significance (p) at the two tailed levels and the findings are shown in the correlation matrix below.

Table 6 showing correlation analysis between service delivery and procurement control

Correlations

	Procurement Solicitation	Service Delivery
Procurement Solicitation	1.000	
Service Delivery	.442**	1.000

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

Table 30 above shows that the Pearson’s correlation coefficient is 0.442** with the p <.01. This shows the procurement solicitation and service delivery are positively related. The results indicate that the procurement solicitation if well managed shall bring about an improvement in the service delivery in Mbarara Municipality.

4.4.2 Regression results between procurement solicitation and service delivery

A regression analysis was conducted to establish the extent to which procurement solicitation predicts service delivery.

Table 7 showing Linear Regression between Procurement Solicitation and Service Delivery

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.442 ^a	.195	.188	.28616	.195	26.187	1	108	.000

a. Predictors: (Constant), Procurement Solicitation
b. Dependent Variable: Service Delivery

Source: Primary data

The results in the table above indicated that the Procurement Solicitation can explain 18.8% of the increment or decrease in the Service Delivery variable as indicated by the level of the Adjusted R Square = 18.8%. With a regression model level of significance noted to be less than .01, the results show that the model was worth using to make reasonable conclusions and recommendations.

4.5 Contract management affects service delivery in Mbarara Municipality

The study sought to establish how contract management affects service delivery, the variable was measured in terms of; checking deliverables against specifications, maintenance of performance records, promptness with which suppliers are paid after work certification and having contract management teams.

Table 8 showing distribution of respondents on whether contract management affects service delivery in Mbarara Municipality

	Item	5	4	3	2	1
	<i>Contract management and service delivery in Mbarara Municipality</i>					
1	There are procedures for checking deliverables against specification.	0 0%	14 10%	107 79%	0 0%	15 11%
2	A record of suppliers' performance is maintained by the entity.	12 9%	31 23%	78 57%	15 11%	0 0%
3	Payment of suppliers and service providers is done promptly.	0 0%	25 18%	33 25%	64 47%	14 10%
4	The entity has a Project Management team for each contract.	0 0%	0 0%	30 22%	38 28%	68 50%

Table 8 above shows that the 15(11%) strongly disagreed and only 14(10.3%) of the respondents agreed that there are procedures for checking deliverables against specification. This means that there is not enough information as to whether there are procedures for checking deliverables against specification.

It further shows that up to 78(57%) respondents were not sure whether there is maintenance of a record of suppliers' performance, 31(23%) agreed, 12(9%) strongly agreed, while 15(11%) disagreed. Thus most people in Mbarara Municipality did not know much about maintenance of a record of suppliers' performance, but a reasonable number agreed, implying that issues of concern with regard to their expectations on quality and value, stake holders lack of the means to get to the contractor to forward them for ratification, as a result of lack of such community involvement, some contracts have delivered shoddy work.

And 14(10.3%) of the respondents disagreed strongly in relation to prompt payment by the Municipality for the services rendered, majority 63(46.3%) disagreed, findings further indicated that 34(25%) of the respondents were not sure, and only 25(18.4%) of the respondents agreed. This means that payment of suppliers and service providers is not done promptly. This affects future contract relationships, including higher price quotations due to the time value of money considerations, refusal to bid to contract with the entity in the subsequent periods which exposes the entity to risks of higher costs and new inexperienced contractors whose competence the entity may not be certain about (Rene, 2006).

4.5.1 Testing hypothesis for the relationship between contract management and service delivery

To test if contract management had an effect on service delivery, a correlation analysis was conducted using Pearson's correlation (r) coefficients and the findings are shown in the correlation matrix below.

Table 9 showing correlation analysis between contract management and service delivery

Correlations

	<i>Contract Management</i>	<i>Service Delivery</i>
Contract Management	1.000	
Service Delivery	.516**	1.000

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

Dependent Variable: Service Delivery

Source: Primary data

Table 32 above shows the Pearson's correlation coefficient $r = 0.516^{**}$ at a level of significance that is less than .01, indicated that the two variables are positively related. Contract management issues for instance the contracts committee behaviour and selection, could very well determine whether the residences in Mbarara Municipality get value for their money or not.

4.5.2 Regression results between contract management and service delivery

A regression analysis was further conducted to explore the degree to which the contract management affected service delivery. The results are tabulated in table below.

Table 10 showing Linear Regression between contract management and service delivery

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change

1	.516 ^a	.011	.002	.31718	.011	1.222	1	108	.271
<p>a. Predictors: (Constant), Contract Management.</p> <p>b. Dependent Variable: Service Delivery</p>									

Table 33 above shows that the adjusted R Square is 0.002; this implies that contract management explains 2% variations in service delivery of Mbarara Municipality.

4.6.0. Level of service delivery in Mbarara Municipality

Table 11 showing distribution of respondents on whether services and other facilities are easily accessible.

	Item	5	4	3	2	1
	Level of Service delivery in Mbarara Municipality.					
1	Services and other facilities are easily accessible.	38 30%	46 34%	0 0%	39 29%	10 7%
2	Staff and contractors provide prompt and timely service to Mbarara community.	0 0%	14 10%	0 0%	107 79%	15 11%
3	Customer complaints are helpfully handled by people the responsible	0 0%	54 40%	0 0%	58 43%	24 18%
4	The required number of staff are employed within different sectors to effectively execute their duties.	0 0%	24 18%	21 15%	51 38%	40 29%
5	There is always value for money for the services rendered by Mbarara Municipal contractors.	0 0%	0 0%	77 57%	50 37%	9 7%
6	There are always contract management teams	9 7%	19 14%	10 7%	40 29%	58 43%

Source: Primary Data.

Findings as of table 11 above show that of the 136 respondents, 46(34%) agreed that services and other facilities are accessible, this was supported by 38(30%) who strongly agreed, findings suggest that services are easily accessed as portrayed by 84(64%) of the respondents who agreed as opposed 49(36%) that disagreed. The finding suggests that the facilities are always accessible by the community members as and when needed implying proficient service delivery.

On whether staff and contractors provide prompt and timely service the result shows that 107(78.7%) respondents disagreed and their response suggested that staff and contractors (service providers) do not provide Mbarara Municipality community with prompt and timely service, 15(11%) strongly disagreed causing an overall 89.7% in disagreement. Only 14(10%) respondents agreed. That much as the services are accessible, they are not provided timely. Therefore if the service cannot be offered as and when required, it ceases to serve and satisfy the needs of the community, thus no value for money.

Findings in the table above further show that peoples complaints are not handled helpfully, This was indicated by 58(42.7%) respondents who disagreed, and 24(17.7%) strongly disagreed. A total of 60% of the respondents indicated that their complaints were not helpfully handled, but 54(40%) agreed that their complaints are helpfully handled. The findings above indicate that complaints are not helpfully handled, despite This being vital for effective service delivery.

Majority of respondents disagreed, that is 40(29.4%) strongly disagreed and 51(37.5%) disagreed to indicate that the number of staff being employed are not enough to execute their duties effectively, 21(15.4%) were not sure while only 24(17.7%) agreed. This reflects that Mbarara Municipality does not have adequate staff to deliver the required level and quality of service.

In an interview with one of the health workers revealed, “in a day the only health centre IV in the municipality receives over 200 patients with different cases, the unmatching low levels of staffing has seen the patients wait until late for the attendants cannot effectively serve the overwhelming numbers of out patients given the fact that

we also have antenantals (including Prevention of Mother to Child Transmission PMTCT counseling), immunisation...”

With regard to whether there was value for money for the services rendered by Mbarara Municipality, it was broadly perceived that the services rendered did not offer value to the beneficiaries. This was portrayed by majority of the respondents 77(56.6%) not being sure about it, none of the respondents agreed and a significant ratio of 59(43.4%) disagreed. Implying that there was no value for money in the service being delivered by Mbarara Municipality despite the existence of a functional PDU. It is further revealed that the entity has no contract management teams, this hindered monitoring and control which in turn affected service delivery, relationship management, contract administration and transition planning.

4.6.3 Interview Results

An interview with the Town Clerk revealed that procurement planning in the area, is regarded as a strategic function by top management and that it is very important therefore applied at strategic, tactical and operational levels of the entity.

Furthermore, respondents revealed that they attend the budget framework workshops to identify their needs but never get them implemented at all.

CHAPTER FIVE

SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter covers the introduction, summary, discussions of findings, conclusions, recommendations, limitations drawn from the study findings, contributions of the study and areas recommended for future research.

5.1 Summary of Findings

The study sought to assess whether procurement management has an effect on service delivery in Mbarara Municipality. From the findings, it was revealed that procurement management affects service delivery as influenced by procurement planning; solicitation and contract management.

5.2 Relationship between Procurement Planning And Service Delivery

A correlation coefficient of 0.402** at the 99% confidence interval level significance was obtained. Furthermore, the regression analysis revealed that procurement planning is a significant predictor of the Service Delivery construct. The outcomes were significant therefore the hypothesis should be accepted. Procurement planning had a significant positive effect on service delivery in Mbarara Municipality.

5.3 Relationship between procurement solicitation and service delivery

A correlation coefficient of 0.442** at the 0.01, level of significance was obtained. From regression analysis, procurement solicitation explained 18.8% variation in service delivery, hence the results were substantial for the hypothesis to be accepted. Therefore, there was a moderate effect by procurement solicitation on service delivery in Mbarara Municipality.

5.1.3 Relationship between Contract Management And Service Delivery

This objective was to assess the degree and nature of the effect of procurement solicitation on service delivery using correlation and regression analysis. A significant and positive correlation coefficient of .516** indicated that the results were substantial and the hypothesis should be accepted. Therefore, contract management had a significant effect on service delivery in Mbarara Municipality.

5.2 Discussions Of Findings

The discussion follows the main variables under procurement management and service delivery. The variables were discussed under the themes: procurement planning, procurement solicitation, and contract management. Service delivery was discussed in relation to quality, cost, timeliness, and value for money.

5.2.1 Procurement planning has a significant effect on Service Delivery in Mbarara Municipality.

It was revealed that there is a positive relationship between procurement planning and service delivery in Mbarara Municipality. A correlation coefficient of 0.402 at 0.01, level of significance was obtained for This relationship. Procurement planning is very important and now among the core and highly prioritised functions of the organisation for the effective service delivery. Basheka (2008) adds that procurement planning is not only core, but one of the primary functions of procurement with a potential to contribute to the success of local governments' operations and improved service delivery.

Gerald (2010) argues that arranging activities in a schedule is important because it provides one with a roadmap for the project and project implementation. It enables

entities to stay on track and identify the progress of projects regarding their desired completion dates. Findings revealed that all departments had procurement plans but the planned activities are sometimes not undertaken at all or were implemented late.

It was also noted that procurement needs identification was so involving to the extent that the general public took part. The study further revealed that the annual operational plans are prepared by all departments involving departmental staff, and consolidated by the PDU, but not all identified needs were included in the procurement plan especially due to budgetary constraints..

Procurement planning has been affected by lack of and limited knowledge especially due to inadequate market research, reactive rather than proactive approach to the way of doing things, and uncertainty of users on implementation progress of their procurement plans. If effective service delivery is to be realised, there is need for proactiveness in procurement planning, extensive market research, streamlined ordering processes, thorough technical evaluations, site visits to validate requirements, build on current contract performance, and aim for continuous improvement (Wogube 2011).

5.2.2 Procurement Solicitation affects service delivery in Mbarara Municipality.

Findings revealed that procurement solicitation affected service delivery in Mbarara Municipality. A correlation coefficient of 0.442 at 0.01 level of significance was obtained for this relationship. The degree of confidentiality in the evaluation process, level of transparency in the award process coupled with non-discrimination against the bidders affected service delivery. Findings revealed that there was no transparency in the solicitation process and that there was preferential treatment for some of the bidders.

5.2.3 Contract management affects service delivery in Mbarara Municipality.

Findings revealed that there is a positive relationship between contract management and service delivery in Mbarara Municipality. A correlation coefficient of 0.516 at 0.271, level of significance was obtained for This relationship. Findings revealed that deliverables were not checked against specifications, there were no procedures for identifying poor performance and for remedial action, and payment to suppliers and service providers was not done promptly, which affected the performance of these contracts and according to the head of PDU, it discouraged the potential bidders for fear of delayed payment.

Furthermore, it is worthwhile to note that Contracting forums, regular bid trainings as well as pre-award approval checklists for competence are vital and good reporting mechanisms to encourage continued interaction and communication between the entities and their contractors for continued clarification of the expectations and obligations. However, most government entities in Uganda lack consistency and standardization in contract management procedures, as a result of short of options due to lack of market research, implementation gaps have continued to be evident, thus the need for entities and contractors to agree to work together from the start of requirements process because it plays a critical role in acquisition strategy and requirements development for consistency (Peter 2010).

5.4 Conclusions

From the findings, regarding the hypotheses that were considered, the following conclusions were reached;

5.3.1 Relationship between procurement planning and service delivery

There is a positive relationship between Procurement Planning and Service Delivery in Mbarara Municipality. That means that when the procurement plan of the municipality incorporates the element of service in its items, then the institution is more likely to meet and deliver the basic services to the people.

5.3.2 Relationship procurement solicitation and service delivery.

There is a moderate relationship between procurement solicitation and service delivery in Mbarara Municipality. This implies that when standard bids are used in the procurement transactions, the nature of the services in the municipality will be of a greater quality than what the people are currently experiencing.

5.3.3 Relationship between contract management and service delivery

There is a significant positive relationship between contract management and service delivery in Mbarara Municipality. This is a reflection that when the contracts are managed as per the standard contract principles, this will help reduce mismanagement of funds, and therefore the funds will be put to the services that should be delivered.

5.4 Recommendations:

5.4.1 Procurement planning and service delivery.

Relative to the conclusion, it is recommended that policy makers at central and local government levels should devote considerable time and other resources towards procurement planning given its importance in service delivery and the policy of enforcing compliance to development of procurement plans should be supported;

The local government stakeholders should also invest in training the technical staff on how to prepare and operationalise accurate procurement plans, and ensure that policy makers and leaders at lower local governments are involved while approving and implementing procurement plans enable them deliver effective services to the people they lead.

The procurement regulatory authorities in collaboration with ministries of local governments should ensure compliance through rigorous monitoring and application of punitive measures to those entities that may not comply with the legal requirements (Basheka 2008)

5.4.2 Procurement solicitation and service delivery.

A transparent system with clear rules and mechanisms to ensure compliance with rules (unbiased specifications, objective evaluation criteria, standard solicitation documents, equal

information to all parties, confidentiality of offers, etc). Transparency ensures that any deviations from fair and equal treatment are detected early, and makes such deviations

less likely to occur. It thus protects the integrity of the process and the interest of the organization (IAPWG, 2006).

There is need for commitment to integrity by PDEs in the solicitation process through being transparent to the extent required and confidential about non public information, treat all bidders equal and comply with the regulations.

5.4.3 Contract management and service delivery.

The supervision should be strengthened at all stages of contracting, and delivery of services, The focus should be on quality outputs through a mechanism to check on the work of the PDUs and other officers' influence on the procurement processes; and to empower providers and beneficiaries to complain for any non conformance noticed.

Contract Management Committees need to be instituted to ensure checks and balances are in place to serve the needs of the communities, identifying performance gaps and report for remedial action, ensure that suppliers are paid on time to achieve quality, timely and cost effective service delivery.

5.5 Limitation of the study.

The study was conducted on a sample basis and therefore the findings cannot be generalised to represent the whole population or larger groups.

There are other factors that affect service delivery other than procurement management.

The study covered only limited period of time (2008-2010) which may not have been representative of the facts about the same parameters in the different periods.

The scope of the study was wide and of the researcher considered for instance contract management and service delivery, the results could have been more explicit.

5.6 Areas recommended for future research

This study focused on procurement management and service delivery in Mbarara Municipality; Western Uganda. Future research could consider other government Ministries, departments and regions.

Future research can be carried out on the contribution of civil society on transparency and integrity of public procurement entities and agencies.

There is need to study the feasibility of outsourcing supplier evaluation and selection in public sector entities.

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APPENDIX i
QUESTIONNAIRE

Dear respondent,

This questionnaire is to collect data on an ongoing Masters study at Uganda Management Institute. The study is to assess how purchasing management affects service delivery in Mbarara Municipality in Western Uganda. You have been selected to participate in this study as one of the respondents. Please fill this questionnaire as honestly as possible. Your answers will be treated with utmost confidentiality.

Thank you for your valuable time.

Yours faithfully,

Catherine Kyohangirwe

Resercher

SECTION A

1. Background information

Please tick

- a. Sex of respondent: F M
- b. Residence: Kamukuzi Nyamitanga Kakoba
- c. Age 18-25 26-39 40 and above
- d. Level of education: Diploma Graduate Post graduate Others
- e. Please tick in the box that corresponds to the choice of your opinion. 5 options have been provided and rated as; 5= strongly agree, 4 = Agree, 3 = Disagree, 2 = Disagree and 1 = strongly Disagree.

A	Procurement planning and service delivery	5	4	3	2	1
1	There is procurement planning in all departments at Mbarara Municipality.	5	4	3	2	1
2	The procurement needs are known by all staff of particular departments.	5	4	3	2	1
3	Annual operational Plans are prepared by all departments.	5	4	3	2	1
4	I take part in needs identification for my department.	5	4	3	2	1
5	All the needs identified are included in the procurement plan.	5	4	3	2	1
6	The procurement plans are submitted in time to procurement office (PDU).	5	4	3	2	1
7	Procurement plans indicate activities' planned dates.	5	4	3	2	1
8	Procurements are done according to plan.	5	4	3	2	1
	Solicitation (Bidding and bid evaluation) and service delivery.	5	4	3	2	1
9	There exists a clear address for submission of bids	5	4	3	2	1
10	There is confidentiality in Bid evaluation	5	4	3	2	1
11	Official communication is used while contacting bidders or their agents.	5	4	3	2	1

12	There is no influence by the bidder or its agents to the process of evaluation of bids.	5	4	3	2	1
13	A suitable accessible room, specified in the bidding documents, is always reserved for the opening of bids.	5	4	3	2	1
14	For each bid opened the items on the checklist are checked and read out aloud.	5	4	3	2	1
15	All discounts and alternatives are read out during bid opening.	5	4	3	2	1
16	Only the criteria specified in the bid document is used during the evaluation.	5	4	3	2	1
17	The contracts are always awarded to the best bidder.	5	4	3	2	1
18	The best evaluated bidder always wins the contract.	5	4	3	2	1
19	Successful bidders are qualified to satisfactorily perform the contract.	5	4	3	2	1
	Contract management and service delivery	5	4	3	2	1
20	There are procedures for checking deliverables against specification.	5	4	3	2	1
21	There are procedures for identifying poor performance and for remedial action.	5	4	3	2	1
22	There is maintenance of a record of suppliers'	5	4	3	2	1

	performance.					
23	Payment of suppliers and service providers is done promptly.	5	4	3	2	1
24	The entity has a Project Management team for each contract.	5	4	3	2	1
	Service delivery					
25	Services, and other facilities are accessible to you.(eg. piped water, health care)	5	4	3	2	1
26	Staff and contractors provide you with prompt and timely service.	5	4	3	2	1
27	Your complaints are promptly handled.	5	4	3	2	1
28	The required number of staff are employed to effectively execute their duties. (eg sufficient nurses etc)	5	4	3	2	1
29	There is value for money for the services rendered.	5	4	3	2	1

Thank you!

APPENDIX II

INTERVIEW GUIDE FOR PDU

- Do requesting activities provide contracting with clear purchase description, authenticated signatures, reasonable delivery date, certification of funds etc?
- Do you have the opportunity to visit the activities you support to gain a better understanding of their operations?
- Do you assist the requesting activities in planning their requirements?
- Do you keep the requesting activities informed regarding delays, estimated delivery dates, etc., for supplies/services they have requested
- Do you occasionally take a supplier's representative to the requesting activities to discuss cost-saving proposals?

For the service providers

- Do you have any ideas for working more efficiently and effectively?
- What challenges have you encountered while contracting with Mbarara Municipality?
- Describe your working relationship with the user departments and their personnel?
- Is the head of PDU mentoring and performing oversight support?

For users/ Project Officers/Program Manager

- Are you aware of the standard for processing procurement actions by the PDU? Is the quality of supplies or services that the PDU obtains for your activity suitable to your needs?, explain. Does the Procurement Officer who handles your requirements visit

your activity? If so, how often? Are the PDU staffs familiar with and understand the operations of your activity?

- Does the PDU assist you in planning your requirements? Explain.
- Do the PDU staffs keep you informed regarding delays, estimated delivery dates, etc., for suppliers or services requisitioned?
- Does the PDU occasionally bring or direct a supplier's representative to your activity to discuss procurements

Questions for Accountants and Financial Managers

- Do the requesting activities furnish you with the receiving reports and delivery documents timely in order for you to take advantage of discounts or to make payments in accordance with timely Payment requirements?
- Are you furnishing evidence of payment to the PDU, so contract files can be closed out? 4. Are copies of original signed and vendor's delivery records forwarded to you at the end of each month or billing cycle, whichever is applicable?
- Do you notify the PDU when there are discrepancies between the purchase document and vendor's invoices?
- Is sufficient funding available for orders and contracts placed?

APPENDIX III

OBSERVATION CHECKLIST

No.	Particulars	Yes	No
	Procurement Planning and Service Delivery	Yes	No
1	There is a procurement plan integrating needs for all departments	Yes	No
2	The procurement plans cover community needs as identified at Budget conferences	Yes	No
3	Plans are communicated to all users on a timely basis	Yes	No
4	Implementation of projects is according to the procurement plans	Yes	No
	Soliciting and service delivery	Yes	No
5	Standard bid forms are used	Yes	No
6	Time limits/ deadlines are adhered to	Yes	No
7	Bids are solicited from prequalified suppliers	Yes	No
8	Bids are opened publically	Yes	No
9	Contracts are awarded to successful bidders	Yes	No
	Contract Management And Service Delivery	Yes	No
10	Contracts implemented as per specifications	Yes	No
11	Contract monitoring reports	Yes	No
12	Community involvenet (feed back from local contract mgt committe)	Yes	No
13	PDU, user and other departments monitor contracts (reports)	Yes	No
14	Certificates of completion are issued before payments are effected	Yes	No
15	Contractors are paid on time.	Yes	No

