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Assessment of Effectiveness of Public Procurement Process
The case study of Ministry of Finance and Economic Affairs
In Tanzania.

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ABSTRACT

Presence of a free market economy has strongly increased competition among companies, this case has led them to find new techniques on how to sell their products or services while public sector have stopped engaging in business by privatizing their production companies. Nowadays in developing countries, all government expenditure depending fully in private sector for products or services, a good example is within stationery items, construction of roads, cleaning works, transportation and so forth. These procurements have been associated with many scandals such as favourism in awarding of procurement contracts to some companies. Therefore, there is need for developing countries to rectify and control ministerial tender board acts in awarding contracts that will ensure fair competition, transparency and accountability by establishing good corporate governance codes. The aim of this thesis is to assess efficiency and effectiveness of Public Procurement Process as case study in the Ministry of Finance and Economic Affairs of Tanzania.

This study has targeted interviews and observation which have shown there is ineffective of the public procurement process that are injected by the public procurement Act No. 21 of 2004 and others are caused by inadequate budget to pay suppliers on time, limitation of skills and knowledge to the ministerial staffs and PMU staffs. Furthermore, researchers have recommended that there is a need to amend the public procurement Act No. 21 of 2004 and accommodate some key points that will enhance efficiency and effectiveness of the procurement process that will increase revenue collection and emphasizing training of user PMU staffs. However, this Act is not panacea – solution of everything but it must be dynamic to accommodate new issues as it will be raised new techniques and principles that will insure accountability and efficiency on procurement.
ACKNOWLEDGEMENT

Researchers would like to take this opportunity to thank those who have helped us in every single minute to write this research paper. First of all, we would like to thank our families for their courage, strength and advice during our research process; they are the iron angels in our stay here in Karlstad University. Also we would like to extend our grateful thanks to supervisor Mr. Dan Nordin for devoting his time to support us, his politeness and patience and lastly for his kindness and cooperation. Furthermore, we are warmly expressed our thanks to the head of Procurement Management Unity at Ministry of Finance and Economic Affairs Mr. I. Lemmah for his support and contribution to this research. Above all, Researchers would like to thank almighty God justification for our existence.

Lastly, we would like to thanks our friends who have encouraged and supported us in one way or another to ensure that we completely successful.

Thank you all.

Christian Myowela
Alemante Ergete Gorfu
<table>
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<tr>
<td>ICC</td>
<td>International Chamber of Commerce</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
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<td>MoFEA</td>
<td>Ministry of Finance and Economic Affairs</td>
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1.0 INTRODUCTION

This chapter provides general overview of the thesis. It provides a brief of the background and the research problem which constitute the foundation for this research study. Subsequently, the objective of the Study, research question, significance and lastly limitations of the study.

1.1 The background of the Study

Free market economy in developing countries has raised a huge competition among companies; this has led them to find new ways to win the market of products or services which they produce while governments have stopped engaging in business by privatizing their companies. Nowadays, private sector cater all demands of products and services to public sector that used to be produced by the government before the implementation of privatization policy, these are stationery items, construction of roads, cleaning works and so forth. These procurements have been encountered with scandals such as favourism and monopoly in awarding of procurement contracts to some companies, due to this mishap these countries have to find the best principles that will help them to control or regulate the mandatory organs for procurements, while enhancing fair competition, transparency and accountability by establishing corporate governance codes.

Tony Bovaird (2006) has asserted that there is a big changes in public purchasing in recent years where the public and private sector organizations are collaborating (both joined-up working within the public sector and closer working with organizations in other sectors) and this move create complex forms of co-ordination in the purchasing process whereby larger numbers of players needs to be involved in assuring these projects and services are successfully procured or implemented, thus each party expects to reap benefits by helping the joint venture to be more successfully.

According to Kalkota and Robinson (1999), the purchasing of goods and service in an Enterprise cost about 50% to 60% of every dollar spent and therefore the control of this cost will help the Enterprises to reduce cost of production. Also the government of Tanzania has acknowledged that the public Procurement accounts for
about 75% of the government recurrent budget (PPRA, 2005) which spent on procurement of goods, works, services and consultant services. This is a big amount of money that needs to be effectively controlled to enhance accountability by measuring time value of money within procurements. The protection of government expenditure is made by the pressure from donors by monitoring grant funds which are injected to the national budget, their main target is to insure there is integrity and accountability in the use of grant so as to meet the intended projects, which is one of the tool in eradicating poverty within developing countries. These has led the government of Tanzania to established Public Procurement Act No. 21 of 2004 so as to ensure that the public purchasing process carried out successful and with great care and enable them to realize Value for Money.

However in the recent days, there have been many scandals which relate to poor governance of purchasing, for instance Richmond-Dowans Scandals which has shown that there were a lack of transparency and accountability during the purchasing process for the emergence power supply contract. After investigating the matter, the Parliament Standing Committee found that there were some violations of the Public Procurement Act No.21 of 2004 and instructed the Tanesco (Tanzania Electricity Supply Company) to break the contract. Furthermore, Dowans Tanzania Limited sued Tanesco for breach of contract in International Chamber of Commerce (ICC) and the ruling was in favor of Dowans. Tanesco has to pay Dowans for a compensation of 65 million us dollar for the breach of contract, but various stakeholders (NGOs, Civil society) have asserted to defend Tanesco in the high court.

Researchers hope that, if stakeholders in civil society could have been engaged early in purchasing process then, all these mishaps could have been identified and solved and they could be acted as whistleblower to avoid all these cost. Eschborn (2005) acknowledge that stakeholder participation is a very powerful vehicle for the attainment of fair and sustainable resources management as well as a dynamic and crucial approach. This has been supported by Mallin, (2010) who mentioned the role of stakeholders in corporate governance by state that „the corporate governance
framework should recognize the rights of stakeholders established by the law or through mutual agreements and encourage active co-operation between corporation and stakeholder in creating wealth, job and sustainability of financially sound enterprises.

Therefore, participation of stakeholders in the public Purchasing process will increase efficiency, transparency and enable the government to achieve value for money on its public Purchasing.

1.2 The Objective of the Study
The main objective is to assess the effectiveness of the Public Procurement process and recommend the measures that should be undertaken to improve its effectiveness and efficiency.

1.3 The Research Question
Researchers have developed the following research questions which enable to achieve the objective of this study:

a) What areas in the public procurement process that hinder/impediment efficiency?

b) What areas in the public procurement process where stakeholder can participate to increase efficient and transparency?

c) What measures should be undertaken to improve effectiveness and efficiency of the Public Procurement Process?

1.4 Significance of the Study
This study will help to identify the deficient area in the public procurement process of Tanzania that needs to be rectified and vital recommendations that will be put forward by the researchers to be used to boost economy, efficiency, and effectiveness of the Public Procurement of Tanzania. Also this Study is a part of attachment for the Master study. Furthermore, it will serve as a guide and future reference point for
students who wish to undertake research on similar topic and probably may require to test the viability of the findings hence increase their knowledge.

1.5 Limitation

This study has based only on assessment of effectiveness of public Procurement process. Some of challenges that has been faced by researchers were as follows firstly, there were no previous research that have been conducted in the area of purchasing in Karlstad university “literature bank” but researchers have tried their best to initiate it for benefit of future researchers, secondly, time was not enough for researcher to travel to Tanzania and respondents were not filled on time and lastly, we did not find enough funds for a trip to Tanzania where the case study was targeted. Besides all these obstacles we thank one of the researcher has been working in this field for long time in Tanzania and he has been observed a lot about it, thus the option of distance questionnaires enable us to meet respondents by e-mail and call though Skype in Tanzania.

The key words: participation, Procurement, Stakeholder, Transparency and Value for money.
2.0 METHODOLOGY

This chapter comprises the methodological choices encountered during research period. In addition with the explanation of scientific methods, also it will include design, data collection methods and analysis of the data.

2.1 Research Philosophy
There are two types of research philosophies as mentioned by Bryman & Bell (2007, p.16, 22) which support to identify the appropriate research approach and research strategy to address the research questions. First philosophy is Ontological philosophy where it’s more concerned with the nature of the world and human being in the social context (Bryman & Bell 2007, p.22). Also the Ontology philosophy has been divided into two aspects which are Objectivism and Constructionism, where Objectivism emphasizes on social phenomenon and their meanings exist independent to the social actors while Constructionism emphasizes that social phenomena and their meaning are continually being accomplished by the social actor (Bryman & Bell 2007).

Secondly research philosophy is Epistemological philosophy which provides genuine knowledge of the social world (Bryman & Bell 2007, p.16) and helps to find the acceptable knowledge in a particular field of study (Saunders et al. 2009, p.112). However this research considered interpretivism view as suggested by Bryman & Bell (2007, p.21) that interpretative research must be brought into operation to make it being understood and also according to the nature of our thesis topic is relies on Qualitative research where researcher made a lot of interpretations based on knowledge he/she possessed (Bryman & Bell 2007, p.18) such as good governance knowledge, purchasing procedures knowledge, value for money and so forth. They have used such knowledge and compared it with what is happening at the field (operation).

2.2. Research Approach
There are two research approach as mentioned by Saunders et al (2009, p.124), first approach is a deductive research approach which mainly used in the field of natural
sciences, where they start by developing theories or hypotheses and then tested them. This process may be repeated until they get final one. The major characteristic of deductive approach is trying to explain casual relationship between variables and mainly concerned with quantitative data (Saunders et al. 2009, p.124, 125). Also it can be used where researcher wants to test the relevancy of the given theory in the different environment (Long et al, 2000). According to Bryman & Bell (2007, p.14), Deductive process can be mapped as:

**Theory → Observations/findings**

Secondly approach is Inductive research approach, where researchers use grounded theory approach to analyze the data with an aim to generate new theory or build theory (Saunders et al., 2009, p.125). Researcher may use various methods to collect and analyze those data in order to establish different view of phenomena (Saunders et al. 2009, p.126) and it is more common within social science. According to Bryman & Bell (2007, p.14), Induction process can be mapped as:

**Observations/findings → theory**

This research study used both deductive as well as inductive approach. In the beginning, researcher used a Stakeholder theory, transparency, corporate governance, and Value for Money. Also, researcher discussed and compared Procurement Procedures from various countries such as Pakistan and Rwanda so as to find the best principles that can be used to make amendment of Tanzania Public Procurement Act. researcher created an interview guide questions basis on constructed theoretical framework. Thereafter, the empirical findings of Public Procurement Process of this research have been tested with the constructed theoretical framework in order to contribute knowledge for the effectiveness of public procurement process. This study has diagnosed of some the theoretical problems of Public Procurement process of Tanzania and recommended measures that would help to increase value for money. Bryman & Bell (2007, p.14) have mapped this process of research as:
Theoretical → Observations/findings → theory

2.3. Research Strategy

According to Bryman & Bell (2007) the research strategies can be either qualitative or quantitative. Quantitative research strategy normally involves statistical data or numerical data which demonstrates deductive relationship between theory and research. Its normal gives preference to natural science approach especially positivism while conducting research (Bryman & Bell 2007, p.28, 348).

Qualitative research strategy is more concerned with words rather than statistical figure or numerical data. However, this demonstrates inductive view to the relationship between theory and research. It finds the acceptable knowledge in a particular field of study and applies it to interpret the findings. Its normal used in social science research which gives emphasis on understanding social world by examining the interpretation of the world (Bryman & Bell 2007, p.28, 29, & 402).

This study used a qualitative research, as it given more detailed information on the topic in comparison to the quantitative method. Furthermore, Public Procurement Processes are highly subjective that depends on country, culture and organization. According to Bryman & Bell (2007, p.404) there are various ways to conduct qualitative research such as through participant observations, qualitative interviewing, the collection and qualitative analysis of text and documents and Focus groups. This study, researcher used participant observations, interviewing various respondents, and analysing various text and documents concerning public procurement of Tanzania.

2.4. Research Design

According to Saunders et al. (2009, p.136) research resign is a general plan of research which clarifies the process of answering the research question. This has been supported by Bryman & Bell (2007, p.40) who showed that research design provides clear framework for collection and analysis of data. Also they mentioned
five types of research designs which are experimental, cross-sectional or social survey, longitudinal, case study and comparative designs.

This study employed case study design. Resercher considered a single case of Ministry of Finance in Tanzania and conducted a detail and intensive analysis of the research. According to Bryman & Bell (2007, p.62) there is a tendency of associating case studies often with qualitative research. However, some of advantage that might be accrue from using case study design such as gaining insights in a wide sense, it describe a unit of analysis and allows conducting a thorough investigation and empirical enquiry of the organization and assessing the change process (Yin,2003). It also useful for answering cause and effect questions which has enabled us to understand in depth some aspects of stakeholder, value for money, procurement, participation, transparency in relation to Public Procurement process so as to give up a holistic approach to context. Therefore, this design of the case study as mentioned by Eisenhardt, (1989) must includes selection of cases, crafting instruments and protocols, and establishing a procedure for analyzing the source material.

However, case study methodology has been criticized for its fail to providing a generalized conclusion but Hamel et al., (1993) and Yin (1994; 2003) forcefully argued that the relative size of the sample, whether it includes one or multiple cases, does not transform a multiple case into a macroscopic study. However, even a single case could be considered acceptable, provided it met the established objective, protocols, and establishing a procedure for analyzing the source material.

2.5. Data Collection
Data are the means from where relevant information can be collected in the process of addressing research questions (Ghauri & Gronhaug 2005, p.91). There are mainly two sources for the collection of data i.e. primary and secondary. Re-analyzing the data which has been already collected for some other purpose is known as secondary data. Secondary data includes both published materials i.e. books, journal, articles, organizational reports, organization website as well as unpublished materials like raw data, internal documents etc. (Saunders et al. 2009, p.256). In contrast to this, if
author or researcher is involved in the process of collecting new data in order to address their research problem then the data is termed as primary data (Bryman & Bell 2007, p.326).

This study considered both primary as well as secondary data. Researcher used secondary data to review various published reports and documents from Ministry of Finance and Economic Affairs, also Public Procurement Act No. 21 of 2004 as well as websites regarding to Public Procurements procedures and value for Money model. All these collected data and documents were qualitative analysis (Bryman & Bell 2007, p.404). Interview were administered to some of staff especially management department (Saunders et al. 2009, p.318). According to Saunders et al (2009, p.318) interview can be formalized and structured or informal and unstructured conversation. Also Bryman & Bell (2007, p. 472) have mentioned three main types of interview i.e. structured, semi-structured and unstructured or in-depth interview. This study used unstructured interview and semi-structured interview.

Our research design on Public Procurement process mainly based on semi-structured interviewing, some of advantage that accrue from using it as mentioned Bryman & Bell (2007, p.213) are as follows:- it allows covering vast contextual area, it vary the sequence of questions, it ask more general and probing questions as well as further questions in the conversations. The guideline questions were sent to the respondents through email as attached in Appendix 1.

2.6 Sampling
Researcher used purposive sampling as it allows researcher to choose a case which will help to illustrate some feature or process that researcher is interested (Silverman, 2006) and therefore this research has chosen procurement process as case. According to Perry (1998) case studies are said to be the most suitable method for a blend of induction and deduction reasoning processes, while Hoffmann (1999) defines abduction, deduction and induction as different steps of a case study process of inquiry where Ghauri et al., (1995) differentiated that Induction is based on empirical evidence while deduction is based on logic and therefore, in an inductive
approach which has a rich and detailed description will be obtained from an extensive in-depth source material collection process (Gummesson, 2000; 2007b; 2008) while deduction has been used to draw conclusions through logical reasoning from a given assumption or premise, in the form of a research question or purpose of the study. In this study researcher collected primary data through observation and interviews to some of procurement stakeholders from Tanzania whom researcher had access with them.

The researcher managed to conduct interviews through skype and email to employees from Procurement Process unit at Ministry of Finance and Economic Affairs who have knowledge of procurement process as supported by Saunders et al (2009) which gave us great chance to acquire our intention as shown in the table No.1 on below.

<table>
<thead>
<tr>
<th>Serial No.</th>
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<th>Status/Position</th>
<th>No. of Respondent</th>
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<tr>
<td>1</td>
<td>PMU</td>
<td>Principal supplies Officer</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior supplies officers</td>
<td>2</td>
</tr>
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<td></td>
<td></td>
<td>Supplies Officers</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>User Department</td>
<td>Budget officers</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Engineers</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Suppliers /Service provider/ contractor</td>
<td>Businessmen</td>
<td>4</td>
</tr>
</tbody>
</table>

(Source: Authors, 2011)

The main source of materials for this research is texts that have been generated from organizations documents and reports, official Internet as a source of information, other relevant documents (published and unpublished), Tanzanian public procurement act No. 21 and its regulations.
2.7 Analysis of Data

This research has chosen and identified meaningful pieces of information relating to the topic of study which in turn has been used to communicate or interpret findings that has reflected knowledge of the facts and has developed an understanding of a specific study for instance, the role of stakeholders in the Procurement process (Gummesson, 2000). This research has used qualitative content analysis as Hsieh & Shannon (2005) asserted that its appropriate when existing theory or research literature on a phenomenon is limited and the research has paid particular attention to the reliability of its measures as it ensure that different researchers use them in the same way to validity of its findings (Selltiz et al., 1964).

According to Strauss and Corbin (1998:22), theory is a set of well-developed categories that are systematically related through statements of relationship to form a theoretical framework that explains some relevant social or other phenomenon. According to Silverman (2006) concepts are clearly specified idea deriving from a given model e.g. Shelley Arnstein (1969) that used the metaphor of a ladder to describe eight different developments stages and uses various empirical evidence to justify my augments, researcher used stakeholder theory to see how Procurement management unity conduct its procurement process.

Resercher used triangulation as it is used to compare findings from different settings and assemble the context-free “truth (Silverman, 2006) base on finding, this research compared findings with concepts or model developed in literature review and see if there were any different or other role have been asserted rather than stated before and suggested the solution needed for further study.
3. THEORITICAL FRAMEWORK

This chapter describes the theories that are very significant to the research questions and they provide insight knowledge for answering the research questions presented and also clarifying the researched area. Furthermore, they act as a primary tool for analyzing empirical findings which will used to find the gap between theories and empirical on analysis stage.

3.1 Purchasing
According to Lyson and Farrington (2006) have defined the Purchasing as the process of acquisition of goods or services in return for monetary or equivalent payment, while

3.2 Procurement
Is the process of obtaining goods or services in any way, including borrowing, leasing and even force or pillage, or in a narrow view of procurement is just activities that involving buying of goods, works and services (Lyson and Farrington, 2006).

According to Public Procurement Act (PPA No. 21, 2004) defined that “Procurement as buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity spending public funds on behalf of a ministry, department or regional administration of the Government or public body and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation and award of contracts”.

3.3 Public Procurement
According to Mamiro (2009) defined that Public Procurement is a comprehensive process stretching from procurement planning, budget allocation, bids invitation, bids evaluation, contract award, contract management, performance evaluation, auditing and reporting.
PPA (No. 21, 2004) defined that “procurement process" means the successive stages in the Procurement cycle, including planning, choice of procedures, measures to solicit offers from renderers, examination and evaluation of those offers, award of contract and contract management”.

Therefore, the Procurement process (cycle) consists the following phase:

- **Needs assessment phase/ Demand determination**
  
  Need of goods or services must be defined carefully according to user and should be specific, avoid ambiguous terminology or statement and should not be defined according to certain supplier product to avoid favourism. It is important to ensure that needs match with the budget, and also avoid overestimating to favor a particular provider and should be approved by User before going to the next stage (Transparency International, 2006).

However, Transparency International (2006) has mentioned some red flags or indicators of potential manipulation during this stage as follows: First, presence of non-transparent procedures and decision-making which cannot be
monitored and controlled by the public; and Secondly, provisional of inadequate access of the public at large (including in particular the civil society) to information about government procurements, processes and decisions, and lastly, Absence of opportunity for public discussion of government procurement programmes and decision making.

b) Preparation phase/Process design & bid documents preparation

The Procurement Management Unity should prepare bidding documents or terms of reference that will not to favor a particular service provider or supplier/ contractor/ consultant so to hinder competition or restricted some of potential bidders. Therefore, terms and conditional, specification should be fair, unambiguity and allow competition among prosperity bidders and the bid document should be approved by Tender Board, independent organ or stakeholder’s representative to ensure there is fair competition and Transparency. Also clarifications should be distributed to all bidders at right time and submission deadline date, time and place for delivering bid document should be stated clearly(ibid).

However, some of red flags or indicators of potential manipulation during this stage are as follows:- firstly, there is absence of or non-compliance with, a procurement plan; secondly, they are contracts for similar goods are not packaged but split; thirdly, they don’t provide justification for direct contracting or they provide a fake one given; fourthly, they deviate from standard bidding documents; fifthly, their technical specifications are weak and do not allow for evaluation of the contractors quality of performance; sixthly, their bid specifications are narrow or appear tailored; seventhly, they provide restricted advertising or insufficient notice given;

Eighthly, there is advance release of bid documentation or relevant information to one bidder; ninthly, they provide vague or unclear pre-qualification requirements or insufficiently advertised; eleventh, they provide inadequate time given for preparing applications; twelve there is lack of publicly known
standard evaluation procedures; thirteen, they exclude experienced applicants on minor technicalities; fourteen, they required suppliers to be pre-registered on a government-approved roster; fifteen, they failed to answer requests for clarification in good time; Sixteen, they are employer provide contract cost estimate to only selected bidders;

seventeen, they fail to keep accurate minutes of pre-bid meetings, including questions and answers; Eighteen, they provide different location for receiving bids and opening them; Nineteen, they submit bids and accept after the submission deadline; twenty, there don’t open bids in public; twenty one, they don’t record during the bid opening ceremony names of attendees, names of bidders and prices offered; twenty two, they fail to provide secure storage of, and restricted access to, bids received; and lastly, they don’t have transparent procedures for handling complaints and determining remedies (Transparency International, 2006).

c) Contractor selection and award phase
The bid document should be immediately opened after the deadline time for submission at presence of stakeholders and each submitted bid must readout its name of bidder, Bid price and if they have met other important criteria that they normal cause the bidder to be drop out at primary stage of evaluation. The bid evaluation should be carried out correctly and fairly, and according criteria set in. Evaluation report should be reviewed by impartial authority to check the reasonableness of the evaluators actions and the results of the evaluation and decision making process should be publicly disclosed, and allows bidders to raise their objections in advance if they consider the criteria not to be appropriate and this will avoid the cost associated with awarding contract to wrong contractor/supplier when it become revealed later while they have already stated implementing it.
d) Contract Implementation phase

Negotiation of the contract should reflect term and conditions of contract set in the bid document and should be fair and transparency. Change of the contract must be avoided unless otherwise must receive proper approval and should not be substantial changes that render the bidding process useless. There should set up an independent monitoring system that will check contract implementation as for compliance with agreed specifications including quality and quantity (ibid).

e) Final accounting and audit (when applicable)

The payment must be made according to work carried out and attached with certificates which certify he work which has been carried and also should be audited before final payment. Performance auditing should be conducted to review the original cost estimate and benefit projections, compare them with the actual final cost of the project and the actual benefits (e.g. projected vs. actual traffic counts etc.), and assess whether the original justification of the project proposal have been achieved (ibid). However, if there are major discrepancies discovered in the process, the reasons and the responsible officials should be investigated and held accountable.

3.3 Value for Money

Value for Money (VFM) can be referred as the maximum benefit that organization obtaining from the goods and services it acquires and/or provides, within the resources available to it (Imperial college of London, 2010). This can be possible by achieving the optimum balance between economy, efficiency and effectiveness which also referred to 3Es as spending less, spending well and spending wisely. Good value constitutes quality of goods or services, resource use, fitness for purpose and timeliness. Therefore, this concept associate with deployment of resources vis a vis realization of some expected output values or association of the value that user department or consumer gets/receives from uses of products or services in comparison with resources expended. This Concept is supported by Heald (2003)
who showed that the objective of public procurement is to provide high quality public services that represent value for money for the taxpayers.

Economy can be referred by doing something with fewer resources which enable the organization to make some savings in term cost, using the right method that can enable to obtain the economies of scale.

Efficiency can be referred by doing the same as it was before but with fewer resources including time range and it can be measured in term of productivity, how much is earned considering the relation to the inputs that have been imposed, numerous complaint have been raised by customer for unsatisfied services that are delivered by procurement management units at different.

Effectiveness can be referred to doing more than before with the same resources as now (or less) which measures the impact that has been achieved that can be expressed either quantitative or qualitative. Examples include how many people were prevented from participating in procurement process (quantitative) which is caused by biasness criteria? And therefore, the outcomes should be equitable across communities, so effectiveness measures should include aspects of equity, as well as quality "fair and transparency (Improvement Network, 2011).

Therefore, Value for Money (VFM) is high when there is an optimum balance between all three elements such as when costs are relatively low, productivity is high and successful outcomes have been achieved.

Figure No.2: Value for money Model (Source: Improvement Network, 2011)
Queensland (2000) guideline for better purchasing has referred the Value for Money as achieving the best return and performance for the money being spent and it can be viewed in terms of the following:

Firstly, by considering the government priorities it’s purchasing of goods and services for instance, through using purchasing product portfolio approach as developed by kraljic’s (1983).

Secondly, by considering non-cost factors such as fitness for purpose, quality, service and support; and availability of maintenance service and support, and compliance with specification where relevant which enable the user to get benefit and use them for long time; and

Lastly, cost-related factors including whole-of-life costs which is assessed by considering acquisition costs such as freight, legal fees, warehousing costs, initial training costs etc.; operating costs such as fuel or energy costs, safety costs, performance monitoring costs, cleaning costs etc; maintenance costs such as consumables, spare parts, repair labour, loss of productivity or revenue during maintenance etc; alteration/refurbishment costs such as upgrade costs, modification costs, re-training costs etc; support costs such as insurance, rates and taxes, management fees etc; and lastly, disposal such as residual value, disposal method costs etc. While other cost is transaction costs which are arise from managing the total purchasing process from establishing the need for the purchase; planning for the purchase; identifying sources of supply; approaching the market to seek supply; selecting suppliers; ordering and processing payments; and managing relationships with suppliers including supplier performance monitoring and management or is cost associated with acquiring, using, holding, maintaining and disposing of the goods or services (Queensland, 2000).

Therefore, through using kraljic’s (1983) developed purchasing product portfolio approach helps to procurement organization to prioritize and choose the right strategy to obtain given product.
Chart No.1: The Purchasing Portfolio Approach, Purchasing impact on financial result

<table>
<thead>
<tr>
<th>High Supply risk</th>
<th>Low Supply risk</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage Products</td>
<td>Strategic Product</td>
<td>Routine Products</td>
<td>Bottleneck products</td>
</tr>
<tr>
<td>• Alternative source of supply available</td>
<td>• Critical for product’s cost price</td>
<td>• Large product variety</td>
<td>• Monopolistic market</td>
</tr>
<tr>
<td>• Substitution Possible</td>
<td>• Dependence on supplier</td>
<td>• High logistics complexity</td>
<td>• Large entry barriers</td>
</tr>
<tr>
<td>Competitive Bidding</td>
<td>Performance based partnership</td>
<td>• Labor intensive</td>
<td>Secure supply + search for alternatives</td>
</tr>
<tr>
<td>Category management + e-procurement solution</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Weel, 2005).

First, Strategic Product which is applied to those items of high-tech, high-volume products which are often supplied to customer specification and only one source of supplier is available and the organization need to establish strong relationship with supplier by have partnership; (Weel, 2005).

Second strategy for leverage products is applies to those products that can be obtained from various suppliers at standard qualities grade and small change in price has a relatively strong effect on the product’s cost price and taking advantage of competition the organization need to use competitive bidding (tendering) which will enable to get better price ; (ibid)

Third strategy for bottleneck products is applied to those items that represent relatively limited value in terms of money but they are vulnerable in regard to their supply but they can obtain only from one supplier, then the organization need to find
the alternative supplier or product so as to avoid monopoly which sometime may charge high price; and

Lastly strategy for routine products is applied to those items which have few technical or commercial problems and they usually have a small value per item and there are many alternative suppliers. Then government can prequalify supplier who can contacted by given organization when arise through national shopping or entering framework contract and avoid cost of holding or maintaining stock (ibid).

The coming points can also be categorized as the methods to boost the economy:

- Reducing costs through better procurement method and process;
- Reducing inputs for instance, number of tender per year by aggregating procurement (assets, energy, and materials) for the same outputs;
- Maintaining greater outputs with improved quality (eg, extra service or productivity, reduce substandard item- 100% inspection, delivered in conformity with specification for the same inputs;
- Introducing proportionally more outputs or improved quality in return for an increase in resources for instance, increased number of the suppliers to participate in tender which give fewer prices than estimate price.

Therefore, from the above Value for Money model, we will be using it as an instrument for making judgment / assessment for economy, effectiveness and efficiency of the public purchasing process as case study of Ministry of Finance and Economic Affairs in Tanzania.

3.4 Transparency

Transparency has meant by Transparency International (2006) as the laws, regulations, institutions, processes, plans and decisions that are made accessible to the public at large or at least to “representatives” of the public so that processes and decisions can be monitored, reviewed, commented upon and influenced by the stakeholders, and decision makers can be held accountable for them.
Transparency also means that all the stakeholders of a major investment are fully informed and consulted about all aspects of the project. For instance, in road construction projects, it is essential that the affected population at large be allowed and indeed encouraged to participate in the process, and thus, transparency requires that the government or project agency (the “principal”) voluntarily and proactively provide full public information through the print and electronic media about the potential options, plans, designs, and programmes.

There are several countries such as Chile, Colombia, Mexico, and New Zealand, and major municipalities (e.g., Seoul, South Korea) that have recently placed their entire Procurement system— including Procurement opportunities, bid documents, relevant laws and procedures, and results of the tenders—on the Internet and allow free access to everyone who wants to see the information. Also in Pakistan, the bid evaluation reports and contract information are put on the Internet as soon as the contract has been awarded. This enables anyone to check on a real-time basis whether the contracts are offered by the principal at a given time, under what conditions, who the competitors are (ibid).

Therefore, transparency needs to saturate at all steps in the procurement cycle, from the earliest decision making by the respective authority about a new purchase or investment throughout the entire process of preparing the “project” economically and technically, the selection of the consultants, suppliers or contractors, the awarding and execution of the contracts and the final accounting and auditing phase (ibid).

However, the transparent process may be appeared to be time-consuming and costly at the outset, but it is irreplaceable and will, in fact, save time as well as costs in the longer run. Projects which were prepared in secrecy or with severely limited information for the stakeholders, often eventually run into public resistance or turn out to be tainted by corruption and are then sometimes held up for years (ibid).
3.5 Stakeholder Theory

Freeman (1984:46) defined a stakeholder as any group or individual who can affect or is affected by the achievement of the organizational objectives. According to Eschborn (2005) stakeholder is “everybody who is affected by a decision” is applied and thus there is need that there is regular, active and successful participation.

Therefore, the public Procurement stakeholders include any groups or individual who can either affect or is being affected by the decision of the public procurement process, procurement management unity has responsibility to ensure that it create while maintaining value for various stakeholders such as suppliers, service providers, contractors, tenderer, civil society, customers, local communities, and general public. This will generate credibility to build organization image, retaining goodwill, reputation while maintaining strong relationship with stakeholders, finally there will be a clear channel directing on which methods are suitable in creating and realizing value for money of its procurement.

Andrew et al. (2004) considered the stakeholders as representatives of citizen so according to Marshal (1965) who defined citizenship as a bundle of rights conventionally granted by governments to individuals such are civil rights (freedom from abuses), social rights (freedom to enjoy welfare) and political rights. This gives more opportunity to civil society group and other stakeholders to active participation in all society issues such as public purchases to safeguard public assets and ensuring value for money.

Malin (2010) highlighted the role and right of stakeholder in enhancing good governance will depend on the legal provision that will act mechanisms for as enhancing stakeholder participation and that stakeholder should have access to relevant information in order to participate effectively and therefore, participation of the stakeholders in Procurement process will be depend on the public Procurement act which must state what are the role and rights of the various stakeholders.
The theory of stakeholders, it considers a wider group rather than just the shareholders and thus, governance structure provide some direct representation of the stakeholder groups such as employees (co-workers), provider of credit, suppliers, customers, local communities, environmental groups, (NGOs), government (ibid).

3.6 Participation
Eschborn (2005) referred participation as people organize themselves, accept responsibilities and become involved in local decision-making or accepting to be represented by them once their members are elected into their positions. Therefore, people can be possible participate in benefit and output, in decision making, implementing the programmes and also in control and evaluate results of Procurement while Simon French and Clare Bayley (2011) asserted that participation process is the combination of a sequence of activities interacting with the public and stakeholders leading up to a decision. Thus participation of public Procurement process is the active participation of all stakeholders or their representatives from the need specifying to the completeness or deliverance of given goods or services or works.

In order for Stakeholder or Participatory approaches to be successful implemented, it depend on the following

a) There is a need to identify all stakeholders in the public Procurement process while trying to identify their balance interest to the government.

b) Empowerment of stakeholders so that they can be active to participate in the given Procurement by providing knowledge, privileges to engage in certain tenders or favoring local supplier to boast up, (Eschborn, 2005).

c) whether a more “bottom-up” or a “top-down” approach is dominant where user is the one who is defining their requirement and not leaders, so they will be actively participate because they know that such Procurement will help to solve their problem or they will have ownership, (ibid).

d) legal frame work, there is need for participation public Purchasing process have to be clarified either by law (as in most cases) or by allowing
stakeholders to co-design the participatory process jointly with government. There is need to clear jurisdictional boundaries and responsibilities of various stakeholders and they must be able to participate in decision making on issues which are relevant for them (Eschborn, 2005).

e) Stakeholder motivation, according to Eschborn (2005) proposed that some reasonable personal expenses should be granted by the relevant body, in order to avoid participation becoming a privilege for the rich and de facto excluding the poor. Suppliers/contractor can identify their representative who will participate fully in a given tender and they will contribute to pay him, also for case of independent review system where every company submitted complaint may be charged and that can be used to pay for independent reviewer, this is also practising in Rwanda.

Fisheries Management Journal (2006) identified nine core principles for effective stakeholder participation which may overlap when put into practice as follows: a) using an open and clearly defined decision-making process; b) making key information readily available and understandable; c) actively conducting outreach and soliciting stakeholder input; d) involving stakeholders early and throughout the decision-making process; e) fostering responsive, interactive communication between stakeholders and decision makers; e) using formal and informal participation methods; and including all stakeholder interests

However, Eschborn (2005) mentioned some of challenges that hinder stakeholder participation such as lack of resources to facilitate participation, lack of capacity to effectively participate (capacity of the stakeholders themselves), low motivation to participate (no immediate benefits perceived by potential stake-holders), too much bureaucracy by government agencies frustrates stakeholders, limited empowerment from higher levels (top down approaches) and lack of enabling legislation and other enabling conditions (e. g. decentralization of power to local levels particularly for making internationally significant decisions etc.)
Strategic Approach that can be used to public Purchasing policy or entities to ensure that there is active participation of all Stakeholders in Purchasing as in the circle (Fisheries Management, 2006)

Figure No.3 Stakeholder Participation Cycle (Source, Fisheries Management, 2006)

3.7 Corporate Governance

Corporate governance or good governance is multi disciplinary including accounting, finance, economics, law, management and organizational behavior and thus many people have defined it based on area of their study. However, Malin (2010) has quoted from Ward (2005) referred corporate governance or good governance as the structures, systems and process that provide direction, control and accountability for an enterprise or organization while Cadbury Report (1999) emphasis the important of corporate governance is to align as nearly as possible the interests of individuals, corporations/ organizations and society which view on stakeholders rather than shareholder.
Many countries have developed different codes, at different areas depending on the problem they are facing and they use them to address it and ensure that they are not happened again. However, development corporate code is not panacea but they should be dynamic to accommodate the new issues that rise in the given society at given time. Some of the advantage that Malin (2010:8) has mentioned which an organization may be accrues if they will adapt good corporate codes are as follow: firstly, it provides an adequate and appropriate system of control which operate within a company that hence safeguard of the organization’s assets; secondly, it prevents any single individual who are powerful and influence to dominate the others; third, it describe the relationship and responsibility various stakeholders in the organization; fourthly, it ensure that the company is well managed in the best interest of the shareholders and the other stakeholders; and lastly, it tries to encourage both transparency and accountability.
4.0 EMPIRICAL FINDINGS

This chapter present empirical findings of the research area that consist of Procurement management Unity, Tender board, Complaint Review System, procurement Process which is based on the interviews, observation and documentation conducted with various procurement stakeholders at MoFEA.

4.1 Tanzania Procurement Code

Tanzania is one the countries which has developed code on public procurement so as to ensure that resources in procurement are effectively and efficiently utilized for the benefit of the whole society (Tanzanian). This code is called Public Procurement Act No.21 and its regulations i.e. Regulation No.97 of 2005 which regulate procurement of Goods, Works, Non-consultant services and disposal of public Assets by Tender and Regulation No.98 which regulate Selection and Employment of Consultants so as to ensure that all procurement and disposal are conducted in a good manner that ensure there is maximize competition which enable to achieve economy, efficiency, transparency and value for money (PPA No.21,Sec 58(2).

The compliance of this code (PPA No.21 of 2004, Sec 2) is mandatory for all government procuring entities and to those public financed entities such pension funds.

Therefore, this research has tried to look on how this procuring entity at Ministry of finance and Economic Affairs complied with Public Procurement Act No. 21 of 2004 and also compared Public Procurement Act No. 21 of 2004 of Tanzanian with the best public procurement code from other countries such as Rwanda and Pakistan.

As good governance consist of structures, systems and process which provide direction, control and accountability for an organization, this research will try to look at composition of Public Management Unit (PMU); Tender Board (TB); Review System; Procurement Process such as procurement planning, bids evaluation, contract award and payment; and lastly, inflexibility of the Act, they are problems
and suggesting the solution on how to improve it so as to ensure effectively and efficient public procurement process which in turn will provide value for money.

4.2 Pakistan Procurement Code

Pakistan is one of the countries which trying with great effort to allow most of its stakeholders to participate in Public Purchasing Process and add value. According to Pakistan Public Procurement Rule 2004 as amended up to September 23, 2008 some of section and issue that has brought transparency are as followed.

i) **Integrity pack (IP)**. According to section 7 states that “Purchasing exceeding the prescribed limit shall be subject to an integrity pact, as specified by regulation with approval of the federal government, between the procuring agency and the suppliers or contractors”.

This consists of a pact or agreement with mutual obligations that needs to be signed by all contractors as well as by the procuring authority and the civil society organizations or representatives oversee and monitor the implementation of the IP. The selection committee prepares an evaluation report of the bids and forwards it to all the bidders Ten (10) days before the contract is awarded, this prevent evaluators from either manipulating the award or committing mistakes in the evaluation process. Also, the evaluation reports are made public, ideally on the website of the procuring agency which allows the civil society watchdogs to have the chance to monitor the contract and also provides an opportunity for bidders to learn about the contract rates, and if they are very high, get them interested in participating in future tenders. Some countries that have been applied IP in their Purchasing processes are Argentina, Colombia, Italy, Korea, Nepal, Ecuador, and Germany.

ii) **Announcement of evaluation reports** (Sec.35) state that “procuring agencies shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bid at least ten days prior to the award of the Purchasing contract”. This gives more chance for stakeholder to read the evaluation report and submit their appeal. If they found there is some abnormality before awarded of the contract, then they may submit it to the required authority.
so that they can make right decision after review appeal and award it to right supplier/contractor and add value to organization which will avoid cost associate appealing after award of contract to wrong contractor (compensation).

iii) Public access and transparency in Section 47 of the law state about - as soon as contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of the contract public. This will allow all stakeholders to see important documents of the whole process and verify the price of the contract or the price if it was fair or not and also do comparison between the price of contract and work that has been done (Value for Money).

4.3 Rwanda Procurement Code
Rwanda is one of the countries in East Africa that is doing well for bring about transparency in its public Purchasing process. Rwanda has established law No. 12/2007 OF 27/03/2007 on Public Purchasing which gives more opportunities for the various stakeholders to participate in the Purchasing process, some issues that have been addressed in the Rwanda Purchasing Law according article 4 which states five fundamental principles that governed public Purchasing are transparency, competition, economy, efficiency, fairness and accountability.

i) Accessibility of Purchasing Legislation, article 5 state that “this Law, orders, standard bidding documents and contracts shall be made available to the public”, this allow more stakeholder to see if criteria, term and conditional are fair and transparency. Therefore, its responsibility of stakeholders to take that opportunity to execute their rights of participating in it.

ii) An Independent Review Panel According to Article 21 state that “There is hereby established an Independent Review Panel at the National level and Independent Review Panels at all district levels for the purpose of conducting independent administrative reviews of complaints and challenges of the Purchasing process” The Independent Review Panels shall be composed of five (5) members drawn from public institutions, Private sector and civil society. At all time’s members from public institutions shall not exceed two (2) and Article 72- a
copy of the decision of the Independent Review Panel shall be promptly made available for inspection by the general public.

iii) **Notification of Contract Award**, Article 43 state that “the notification shall specify that the major elements of the Purchasing process would be made available to the bidders upon request and that they have seven (7) days in which to lodge a protest, if any, before a contract is signed with the successful bidder”.

iv) **Ten-year accountability**, Article 142 states that “successful bidder shall be accountable before the procuring entity for the durability of all the works carried out by him or herself. From the time of the final acceptance of works, the successful bidder and if necessary jointly with the engineer or the company which designed the works such as a road or any building shall be held accountable for any mistakes that were made in the design and construction of the works for a period of ten (10) years”

Therefore, there are many areas in the public procurement process where stakeholders can participate to increase efficient and transparency such as

Firstly, stakeholders can participate on monitoring procurement process for instance; supplier/contract can appoint their representative who will supervise to see if a criterion set in tender documents does not provide biasness, also during opening ceremony to verify compliance of every bid submitted, also verifying evaluation report;

Secondly, they can participate in tender board meeting which can have a member from trade union at given place, civil society;

Thirdly, during the reviewing of the appeal, the appeal committee can have member from civil society, chamber of commerce; and

Lastly, during the contract implementation where contract management team can include civil society, representative of the given society where contract is implemented, trade union.
4.4 Overview of Procurement Management Unit

The government of Tanzania has established procurement management unit in a division or department in each procuring entity which is responsible for the execution of all procurement and disposal by tender activities of the procuring entity and the award of contract and, support the functioning and implement the decisions of the Tender Board. Therefore, Ministry of finance and Economics Affairs have procurement management unity which has responsibility to carry out procurement function of Vote 50 and 21.

Researcher observed that the unit is headed by Head Procurement Management Unit (HPMU) and it has four subunits, firstly, Tendering desk, secondly, Services desk, thirdly, Contract Management desk and lastly, warehousing management. There was a head of each subunit and her/his subordinate. Also, there was one accountant, personal secretary and two recording officers. The unit normal procures goods, work, consultancy service and non consultancy services from various suppliers, contractors, services providers and consultants, lastly year it spent more than 9 million US dollar on procurement.

According to PPA No.21 section 34 requires the PMU staff to consist of Procurement and other technical specialists together with the necessary supporting and administrative staff. However, through their response researcher observed that most of staffs in PMU were procurement specialists which have vast knowledge on procurement but they lack technical knowledge of other fields such as Information Technology, Civil or building works, electrical works etc. They said that they normal used staff from others departments such computer department, technical audit unit and so forth but sometimes it become difficult to find them because they have been assigned other assignment into their departments. This brings some of procurement activities to be delayed until the staffs are back or unoccupied.

Therefore, PMU needs to have technical staff that would be attached to it and who would be available when they need them so as to reduce or remove the delay of some procurement activities.
4.5 Tender Board

According PPA No.21 section 33 states that “the Accounting Officer or Chief Executive of a procuring entity have overall responsibility for the execution of the procurement process in the procuring entity” such as to establish a tender board, appointing member of tender board, establishing PMU staffs, appointing the evaluation team, investigating complaints and ensuring of the implementation of the contract. According to second schedule of composition and appointment of tender board member, stated that “the Accounting Officer or Chief Executive will appoint a Tender Board Chairman who shall be one of the heads of department or a person of similar standing and he/she will also appoint six members who are heads of department or persons of similar standing within the same procuring entity”.

Response from PMU staffs showed that there are twenty one departments which are being served by PMU, among those head of departments, only six head of departments have been appointed by Accounting Officer to member of Tender Board and chairperson as according to Public Procurement Act No. 21 as followed.

Table No.2: List of Department in the Ministry of Finance and Economic Affairs

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Head of Departments</th>
<th>Ministerial Tender Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GB – government budget</td>
<td>Chairperson</td>
</tr>
<tr>
<td>2</td>
<td>EF- External finance</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>IA – Internal Audit</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>AHRM- administration and Human resource management</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>FMIS- Financial Management</td>
<td>Member</td>
</tr>
<tr>
<td>6</td>
<td>LS – Legal services</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>PD- Planning Division</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>TAU- Technical audit Unit</td>
<td>Member</td>
</tr>
<tr>
<td>No.</td>
<td>Division</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>FIU – financial interagency unit</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>DGAM- Government asset management</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>IECU – Information Education Communication unit</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>PAD- policy and research</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>PAT- finance and accounts</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>PEED- Poverty eradication and economic empowerment</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>PMU- Procurement Management Unit</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>PPU- Procurement policy unit</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>TR- Treasury register</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>TRAB- Tax Revenue Appear board</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>TRAT Tax Revenue Appear tribunal</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>INTERNAL AUDITOR GENERAL</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>PUBLIC PRIVATE PARTNERSHIP</td>
<td></td>
</tr>
</tbody>
</table>

From the above table No. 2, the appointment of these members was still questionable and it depends on discretion of Accounting.

Therefore, this showed that Accounting Officer or Chief Executive Officer has been given overall responsibility for the execution of the procurement process or have domination power over the whole procurement process and he/she expected to act as stewardship to safe guard the organization assets (Malin, 2010). Sometime he/she may misuse his power or violate it and appoint all tender members or a chairman who serve his/her interest and bring a great damage to organization. This kind of power gave him/her great influence of procurement decision on which tender should be given to which company or which criteria should be put to favour his/her company or his/her friend company.
4.6 Complaint Review System

The Public Procurement Act, 2004 provides three complaints review mechanism for bidders who are not satisfied with unfair decisions made by procuring entities such as follows:

Firstly, review by the Head of Procuring Entity (Sec. 79-80); when there is Complaint or dispute between bidder and procuring entity that rose from procurement proceedings and award of contract which cannot be resolved by mutual agreement. The Act gives power the Accounting Officer or Head of Procuring Entity to investigate and reviewed decision and within thirty (30) days after receipt of the complaint or dispute to deliver a written decision and submit a copy of the administrative decision to PPRA. If the Head of a procuring entity does not issue a decision within the specified time then the supplier, contractor, service provider shall be entitled immediately to refer the complaint or dispute to Public Procurement Regulatory Authority (PPRA)

Secondly, Administrative review by the Public Procurement Regulatory Authority (Sec. 81); The PPRA has been established under Section 5 of PPA 2004 as an oversight body in the procurement functions in the country as well as regulating and monitoring procurement activities undertaken by the PEs. It has the responsibility of ensuring that there is application of fair, competitive, transparent, and non-discriminatory and value for money procurement standards and practices in public procurement system.

If the bidder does not satisfied with the decision of the Head of a Procuring Entity, then within fourteen (14) working days from the day of communication of the decision by the Head of Procuring Entity, he/she supposed to submit Application for Administrative review by the PPRA. Also PPRA within thirty (30) days after receipt of an application shall investigate and review complaint and deliver a written decision. If the bidder will not be satisfied with the decision then it will be referred to Public Procurement Appeals Authority PPAA.
Lastly, Review by the Public Procurement Appeals Authority (Section 82), the Public Procurement Appeals Authority (PPAA) has been established under Section 77 of the PPA 2004 in order to provide for an independent mechanism to deal with the handling of complaints and appeals arising in the public procurement process. It has right to dismisses the complaint or dispute, recommend remedies such as declare the legal rules or principles that govern the subject matters, annual in whole or in part an unlawful act or decision, revise an unlawful decision, require the payment of compensation for any reasonable cost incurred by the supplier and order that the procurement proceeding be terminated. It shall, within 30 days issue a written decision concerning complaint stating the reason for decision and the remedies granted if any. If the bidder will not be satisfied then the matter will be referred to the court of competent jurisdiction.

From the above procedures researcher observed that, it may take sixty to ninety days for the bidders to get his rights. However, when bidder submitting its complaint to various reviewing authority the procurement process will be proceeding or if it is in contract implementation stage, then the contract will be already completed or furnished and supplier has already being paid when the reviewing decision come out. This may cause a lot of damages to bidder who will need to be compensated by the Organization.

This necessitates the government to establish independent Review at every regional which will consist of member from civil society, chamber of commerce and executive who will have enough qualification and experience in Law and procurement. This will be required within fifteen (15) days after receipt of an application will investigate and review complaint and deliver a written decision and if bidders will not be satisfied with the decision will refer the complaint to Public Procurement Appeal Authority. The Public Procurement Appeal Authority within twenty (20) days should issue a written decision concerning complaint stating the reason for decision and the remedies granted if any. If the bidder will not be satisfied then the matter will be referred to the court of competent jurisdiction.
This will reduce complaint review days from (60-90) days to (15-35) days which is reasonable, also by removing Accounting Officer from being part of reviewing system then, he/she will work effectively to ensure contract is well managed and further more will also remove Public Procurement Regulator Authority from reviewing system and remain as regulatory and ensuring procuring entities are complying with Act (as inspector or procurement auditor).

Rwanda has established independent review in every district which has enable them to reduce the cost of compensate to the bidder whereby the problem are being early solved and also they are making evaluation report available to the public or bidders few days before award of the contract. This has enabled the tender board to make right decision whether to award the give tender or re-evaluate or re-tender due to abnormalities that might be raised by stakeholder and help organization to avoid unnecessary cost of compensation or reduce number of complaints submitted for reviewing. Pakistan procurement rule provides at ten day prior to awarding of the contract while Rwanda provides 7days before signing the contract for stakeholders see and read evaluation report so that they can lodge complaint.

The response from suppliers / bidders showed that some of stakeholders were not aware of the complaints review mechanism and even though for those who know it, they fear to complain because of being victimized by the PEs which in turn will adversely affects their business.

This requires more effort from various stakeholders to explain the important and the rights of the bidders to submit their complaints. Also anti- corruption unit need to help those who have victimized by those unethical officers.
Figure No.4: Stakeholder of Public Procurement in Tanzania

- **Bidder**
  - Submission of complaints
- **Accounting Officer**
  - Submission of bid Documents
  - Establishing
  - Submits approved bidder for notification of award
- **Tender Board**
  - Submit recommendation of Evaluation Report for Approval
- **Procurement Management Unit**
- **User Department**
  - Initiate requirement, provide input to specification & evaluation
- **Evaluation Committee**
  - submit evaluation report

Source: PPA No.21, 2004.)
4.7 Procurement Process

Researcher observed that all procuring entities are required to abide to Public Procurement Act (PPA) No. 21 and its regulations of GN 97 and 98 of 2005 which state principles and procedures that need to be followed by every public procuring entity. There are number of important processes that need to be followed by procurement practitioners as shown in figure No. 4 in order to achieve effective and efficient in procurement some of them are

i) Procurement Plan:

This is very important process that enables organization to achieve cost effective, time and quality through good cost estimation, proper specify the item to be purchased, right proposed method which enable to get right supplier who will deliver right quantity and quality at right time to the right place. All procuring entities are required by the Public Procurement Act, 2004 Section 45 to have procurement plans so as to aggregate procurement requirements and avoid emergency procurement which in turn will reduce procurement costs by taking advantages of economies of scale and integration of their procurement budgets with their expenditure programmes which gives assurance for supplier to be paid.

However, researchers have observed number of problems that have been raised by respondents on implementation of this as follows:

- Respondents from PMU staffs showed that many departments do put a lot of their requirements in procurement plan, but they submit their requirements anytime to Procurement Management Unit (PMU) for execution without having approval from Accounting Officer. But PMU requested them to seek purchasing approval from Accounting Officer and showed that if they have enough money to pay for it. These undermine application of proper method of procurement and cause repetition of work;

- Response from PMU staffs and Engineers showed that there was poor estimation of cost or unrealistic cost estimate. There is difference in pricing the same item among departments, some price it high and other low. This brings problem during consolidating of the procurement plan.
Also some of tender for the project revealed during the evaluation that their bid price of all tenderers were higher than cost estimate (budget) because of unrealistic cost, this may cause either to cancel the tender or re-scope which has transaction costs for re-do it.

Therefore, in order to avoid such problems, there is a need to have adequately skilled staffs who will be able to deliver realistic cost estimate, also there is a need for Public Procurement Regulatory Authority to establish cost estimation data base for the various products/items which will be used by every procuring entity this will enable to keep transaction costs down and enhance productivity. Furthermore, it will enable procuring entity to set their goals and measure /monitor their performance.

ii) Bids Evaluation
The response from PMU staffs showed that after suppliers/contractors submit their bids, then the bids need to be evaluated by special committee which has been approved by Accounting Officer to carry out such activities. Every bid will be examine to check if they complied with criteria stated in Tender Document. According to Public Procurement Act No. 48(1, 2) insist that the criteria to be met shall be set out in the tendering documents and if the tenderer does not meet any of these criteria, the tender shall be rejected and the lowest evaluated tender shall be examined if has capability and resources to carry out effectively the contract as offered in the tender. However in section 48 (3) state that “a procuring entity and tender board may require a tenderer which has submitted a lowest evaluated tender to demonstrate again its qualifications before the award of contract is confirmed”. This gives them chance to be satisfied with supplier/contractor if he/she has enough capacity and resources to carry out effectively and efficiently the given contract.

Respondents said that some of the suppliers were very smart in submitting their bids at low price in order to win a contract but they failed to deliver on time. Researcher observed that after receiving evaluation report from evaluation team
and presented it to the Tender Board, most of the tenders are awarded without doing post-qualification as required by the Act. However, during the implementation of the contract or deliverance of goods when the problems revealed that some suppliers have failed to deliver or if they can, they delivered substandard goods or might take long time to deliver because of the price quoted by that supplier or contract was not realistic. Furthermore, researcher has observed that the evaluation report is treated as very confidential report and no supplier or stakeholders were allowed see it, this practises hinder transparency and verification of authenticity of the evaluation report.

Therefore, there is a need to make some improvements on post-qualification of potential bidders or Suppliers and ensure that every winner of the tender must undergone due diligence before being awarded the contract, this will ensure that they are being able carry out contract. Also procuring entity should avoid stressing on affordability than excellence of products or services or works. Lastly, there a need to amend the Act to allow the evaluation report to be made available to the public day’s prior award of contract to contract, this will help tender board to make right decision based on various views of the stakeholders, such thing has been practised and shown fruitful in Mexico, Brazil and also Pakistan procurement rule provides at ten day prior to awarding of the contract for stakeholder to see evaluation report while Rwanda provides seven (7) days before signing the contract for stakeholders see and read evaluation report so that they can lodge complaint this will reduce complaints and compensation for damages.

iii) Contact Award and Management

There is number of activities that performed by both the procuring entity and the suppliers/contractors/service provider upon signing of the contract up to full discharge of the obligations of each party. This guided by Public Procurement Act No.21 of 2004, regulation 121 which gives procuring entity more responsibilities for ensuring effective management of any procurement of goods, services or works which is undertaking; to monitor progress of the
contract, timely delivery of goods and services or work program submitted, inspecting quantities and quality to ensure they comply with specifications and terms and condition of the contract.

The response from various respondents showed that some contracts are not well managed, for instance some goods has been delivered to user department without presence of member from PMU staffs such as petroleum, some they used it without being inspected which brings about audit query during the payment. Respondent s from supplies officer said that some of the departments refused to accept their goods and complained that they are not fit with their requirements however, when you look at their written submitted technical specification its show exactly to what has been delivered by supplier. This shows that they lack technical knowledge on specifying their requirements.

Furthermore, it has been observed that it takes many days from awarding of contract to the signing of contract because of the requirement of the PPA Act at section 55 (6) states that “any formal contract arising out of the acceptance of a tender, offer or proposal under this Act shall be ratified by the competent State Attorney before being signed by the parties”, therefore, it takes about 5 to 10 days after submitting the contract draft to the Attorney General office to be returned for signing. However, the contract draft was prepared by legal department which has qualified legal officers. This brings unnecessary delay of the project to kick off due to repetition of the legal works.

Therefore, there is a need for Procuring entity or Procurement Management Unit to exercise proper contract management so as to avoid such loss might be caused by substandard delivers, delay of delivering or late completion of the work which has cost implication. Also there is a need of procuring entity to assign the project manager for every tender who will be responsible to ensure that the given contract is implemented effectively and efficiently.
iv) Payment of Suppliers/Contractors

Payment of the supplier or contract at right time is one of the key issues on the business arena where most of the businessmen secured loan from various banks to furnish their business contracts which they need to be paid back with interest and also, the interest will be increasing as long as you delay to pay it. But public procurement requires the user or procuring entity to ensure that funds are made available or being committed before commencement of procurement proceedings. Thus, PMU normal requires user departments to confirm if they have enough money in writing.

However, respondents from PMU staffs showed that some of the users normally reallocate their funds which were previous set aside for procuring items without notifying them. Then, when supplier delivered the goods, they refused to accept it and they claimed that they don’t have such money to pay for it. This brings a lot of the problems to Procurement management Unit and they have to find other means to solve it amicably. They normally solve it by convincing other departments to take it and pay for it which in turn led to delay of payment to the suppliers (being victimized).

Another delay in payment problem (complaint) raised by respondents from budget officers who said that all public payments are required to adherence to the Public Finance Act of 2001 (as revised on 2004) and also the payments are depending on cash basis, which occur after collection of revenues. Therefore, delays in disbursement of funds which will automatic affect the payment of suppliers/contractors. Sometime suppliers/contractors have to waiting until next allocation of fund/warranty of fund so as to be paid. This makes some of suppliers to price their products at high than real market price so as to compensate the interest cost of the loan charged by the banks.

Therefore, the government needs to speed up the payment system and adopt electronic payment which will help to pay direct to the suppliers’ accounts. Also
it need to ensure that the money set aside for payment of suppliers / contractors are available without reallocate them to other activities. This will reduce the cost of purchasing products or services by suppliers / contractor and they will quote at the prevailing price which will be so competitively and enable to achieve value for money. Furthermore, the government need to have proper planning of the cash flows based on projections and increase revenues collections by removing the loop holes for tax evasion or tax relief that are being provided to the mining sector’s investors.

4.8 Flexibility of the Procurement Code

All public procurement in Tanzania are governed by Public Procurement Act (PPA) No. 21 of 2004, Respondent from PMU staffs raised complaints about inflexibility of the this Act and said that “some of the procedures for buying small items take a long time to acquire it and there is number of process needs to be followed before you get it compared to private procurement which is straight /quick and efficient”. They proceeded that, “the process hiring of Individual Consultant or Consulting firms are very cumbersome, it starts with expression of interest, issuing of Request for Proposal (RFP), Technical evaluation of proposals then, it goes to Financial evaluation of proposals, Negotiations on key issues observed and thereafter, issuing of award, this process it goes back and forth to seek Tender Board approvals four times (during the Expression of interest, Technical Evaluation, Financial Evaluation and award)”.

Therefore, there is a need to amend the Public Procurement Act No.21 of 2004 so as to accommodate or remove some of the section which make it to be inflexible and allow the procurement officer to use their skills and knowledge of strategic procurement which is no longer used now because of these procedures and regulation that can assist the organization to attain or achieve value for money.
5.0 ANALYSIS

This chapter present an analysis of the data presented in the empirical findings and does comparison with theoretical framework which is constructed in relation to the research questions.

5.1 Corporate Governance
Malin (2010) referred corporate governance or good governance as the structures, systems and process that provide direction, control and accountability for an enterprise or organization. In order for Public Procurement Act to be recognized as means for provide good governance must demonstrate or provide procurement with structure, system and process on which the procurement should be carried out and provides control mechanism and accountability as followed.

5.1.1 Structure of Procuring Entity
Public Procurement Act No.21 provides structure of the procuring entity which starts with Accounting Officer followed by Tender Board, then Procurement management Unity, further User department and Evaluation Committee (figure No.4 in chapter four). It specifies function, responsibility and the power of each organ and insisted that each organ shall act independently in relation to their respective function and powers (PPA. No.21 of 2004, S.38).

5.1.2 As Systems
There is number of systems that are specified by Public Procurement Act No. 21 of 2004 such system are reviewing system as specified in chapter four which specify how unsatisfied tenderer (Contractor, Supplier, Service Providers or Consultant) can appeal to Accounting Officer, Public Procurement Regulatory Authority and Public Procurement Appeal Authority where they get their rights which also enable check and balance of the procurement process (figure No.1 in chapter three).
5.1.3 As Process

Public Procurement Act No. 21 of 2004 show how number of the procurement process that should be followed from need identification to the termination of contract by finishing contract or deliverance and payment which provide direction on procurement and good mechanism for assessing performance of procurement as specified in chapter four and figure No.1 in chapter three. There is interdependence between one stage to another and it should be done accordingly to make it perfect for quality assurance. For instance, the quality of item to be delivered will start with need identification stage where they need to specify it clearly “Specification”, identify right supplier, right time and inspecting all delivered items (100% inspection). So all process should be undergone.

5.1.4 Accountability

Public Procurement Act No. 21 of 2004 describe responsibility and accountability of Accounting Officer, Tender Board, Procurement management Unity, User department and Evaluation Committee (figure No.4, chapter 4) so as to avoid confusion and increase productivity. On PPA (2004) Section 72 prohibits malpractices and insists that public financed contracts shall be preceded in a transparent and accountable manner. Also when it found that there is someone has engaged in corrupt or fraudulent practices in competing for the contract in question, the entity or authority may either reject a proposal for award of such contract or declare any person or firm ineligible for a period of ten years to be awarded a public financed contract.

Therefore, from above reasons it show that Public Procurement Act No.21 of 2004 as code of corporate governance it provide direction, control and accountability for an organization.

5.2 Advantage of Corporate Governance

There are number of advantage that the organization can be accrued when it adopts good corporate governance codes as mentioned by Malin (2010) as followed:
First advantage, it provides an adequate and appropriate system of control which operates within a company/organization that hence safeguard of the organization’s assets. Public Procurement Act No. 21 of 2004 has specified how procurement should be carried by using various methods such International/national tendering, restricted tendering, single source, international/national shopping by putting threshold of each method. Also it specify how inspection and disposal of government should be carried out this prove that it safeguard the government’s assets and attained value for money.

Second advantage, it prevents any single individual who are powerful and influence to dominate the others. However, Public Procurement Act No. 21 of 2004 section 33 provide the domination power to the Accounting Officer or Chief Executive of a procuring entity who have overall responsibility for the execution of the procurement process which is very risk if for the development of organization. Thus there is a need of check and balance of power by increasing transparency in procurement process and establish formal procedures where every member of tender board need to apply and meet required qualification; also tender board should include non executive or independent member who will be appointed from civil society, trade union. Evaluation should be appointed by PMU and approved by Tender Board where Accounting Officer or Chief Executive will be remained with responsibility of ensuring that PMU have qualified staff, investigate the complaint once it will be raised by suppliers or contractors or bidders and ensuring contract is implemented accordingly. Therefore, this section should be amended to accommodate check and balance of the power in the procuring entity.

Third advantage, it describe the relationship and responsibility various stakeholders in the organization. PPA No.21 of 2004 describe the relationship and responsibility of some stakeholders in the procurement process such as Accounting Officer, Tender Board, Procurement Management Unit, User department, Evaluation Committee, Negotiation Team, Supplier or Bidders but it does not state whether the civil societies are allowed to participate in procurement process as observers as it happen in Mexico, Chile and Brazil.
Fourth advantage, it ensures that the organization /company are well managed in the best interest of the shareholders and the other stakeholders. PPA No.21 of 2004 helps the government to manage its resources in procurement of goods, works, services and consultant service for the benefits of the whole Tanzanian.

Lastly advantage, it tries to encourage both transparency and accountability. Public Procurement Act No.21 of 2004 at section 58 (2) insisted that all procurement will be conducted to maximize competition and achieve economy, transparency and value for money. However, there is a need to increase such transparency by allowing civil societies or bidder representatives to participate in monitoring procurement process; then evaluation report should be made available to stakeholders days before awarding decision to tender board; representative from trade union of tendered organization should be appointed as member of tender board; procurement contract should be available to the public and contract management team should include members from civil society at given area of implementation, trade union representative and lastly, there is a need to establish formal procedures for selection or appointment of the tender board members and chairman.

Therefore, from the above analysis of the advantages stated by Malin (2010), Public Procurement Act No.21 of 2004 accrued some of the advantages and missing others as long as this Act is not panacea and it need to be dynamic. Thus, there is a need to do some amendments on this Act so as to get there remaining advantages for the benefit of the whole Tanzanian.

5.3 Stakeholder Theory

From assessment made in this 5.1 above from Public Procurement Act No. 21 of 2004 and its regulation, the Public Procurement function is based on stewardship perspective rather than stakeholder perspective which need now to change so as to solve the weakness of stewardship theory and demand of tax payers who want government to provide value for money for every procurement and avoid unethical behaviours.
5.4 Value for Money
This can be referred as the maximum benefit that organization obtaining from the goods and services it acquires and/or provides, within the resources available to it and it can be possible by achieving the optimum balance between economy, efficiency and effectiveness which also referred to as spending less, spending well and spending wisely (Imperial college of London, 2010) based on the empirical findings the following were observed.

5.4.1 Economy
This can be achieved by doing something with fewer resources which enable the organization to make some savings in term of the whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods or services. However, we have observed the followings:

Firstly, there are some unplanned procurements which hinders usage of the right procurement method that could enable the organization to take advantages of economies of scale and reduce transaction cost for instance, some departments submit their requirements anytime as they wish and which were not in Annual Procurement Plan that lead to split procurement which is contrary to PPA, 2004 section 45 (d) which insist on avoidance of splitting of procurement to defeat the use of appropriate procurement methods unless such splitting is to enable wider participation of local consultants, suppliers or contractors.

Secondly, there is poor cost estimation which cause by lack of enough knowledge of some budget officer and lack of cost data base, this lead to cancellation of some tender before awarding contract due lack of enough funds to meet the contract price of the project. However, Organization has already incurred cost of paying evaluators, preparation documents, sittings allowance for tender board member, PMU staffs that could be saved when such cost of project could be known before initiated the procurement process.
Thirdly, due to delay of payment to the suppliers and contractor that have supplied their goods, services and works that caused by lack of enough cash budget that has caused suppliers to charge high price compared to prevailing market price to compensate interest that are being charged by Banks. Such hidden cost could be avoided if supplier could be paid earlier and attract many suppliers compete for Government tenders.

And lastly, Lack of technical specialist at procurement management unit who can help them to prepare proper technical specification of various technical items and suppliers delivered according to specification and found later that delivered items does not fit exactly intended purpose (substandard) and reduce the value for money.

5.4.2 Efficiency
This can be attained by doing some of the same in past time with action of using fewer resources, measurement can be overlooked in the essence of productivity on how much inputs have been rendered by pointing out the relationship of the complaints raised by customers for unsatisfactory services, that are provided by procurement management units at different time and periods. However, we have observed the following in efficiencies

Firstly, there is delay in reaching independent reviewing decision caused by bureaucratic and delay of contract singing after awarding which are mainly caused by the repetition and ratification for the draft contract. These mishaps went aside the aim of contract accomplishment in the intended financial periods and acquired budget for the projects, which tend to create optional amendment to the coming financial year, finally it allows misinterpretation in the book of accounts within government financial records for the current year, that formulate the need for special deposit accounts for the projects which were not procured.

Lastly, there is poor linkage of the information flow from ministerial departments to the procurement management unit, for instance jam cancellation of items to be
procured without notification to procurement management unit. This obstacle limit the performance of PMU in delivering best services at fixed time, farther more workload to PMU staffs is doubled when cancellations are made at a last minutes.

5.4.3 Effectiveness

This can be achieved by doing more than before with the same resources as now, which measures the impact that has been achieved, theses achievements can be expressed either in quantitative or qualitative. However, the study have sited some points that can limit the effectiveness.

Firstly, there is lack of formal procedures for the appointment of tender board members, hence members are not categorized by technical knowhow and a chairman become monotonous to the decision making, confidence of board member can be weaken or loosed to impose independent decision on the evaluation of bidders because some of decision can encounter directly the chief Accounting Officer.

Secondly, Transparency is limited in case of tender evaluation report and procurement contracts, when the process is treated as confidential document, finally it contain misconception which harm the effectiveness of public procurement to be assessed or observed by general public.

Therefore, from above findings show that there is ineffective of the public procurement process that led to failure of the procuring entity to achieve value for money on its procurements.
6.0 CONCLUSION

This chapter comprises the author’s conclusion on the researched topic. It provides comprehensive answers to the research questions presented in chapter one and furthermore, gives reflection and suggestion for further research or study.

6.1 Conclusion

The purpose of this research is to assess the effectiveness of the Public Procurement process and recommend the measures that should be undertaken to improve its efficiency and effectiveness. The thesis has analysed various public procurement practices at MoFEA, researchers sited number of factors contribute to ineffective of the public procurement process resulting to failure of the procuring entity to achieve value for money on its procurements. Therefore, three questions were formulated based on this purpose as follows:

6.2 Recommendations for improve efficiency and effectiveness of Public Procurement Process

There are number of measures that can be taken to improve efficiency and effectiveness of public procurement process as follows:

Firstly, there is a need for procurement expert to have multiple skills in various fields such as law, business administration, technical etc. This can be done through in service training to various academics, attending short courses that can expand their knowledge and skills to handle various procurement such as construction works, consultancy.

Secondly, there is a need to educate user department on important of procurement plan, term of reference, specification and good flow of information so that they need to inform PMU when they cancel their item to be procured as soon as possible so as to avoid procurement process cost such advertisement cost, printing cost, allowance for staffs.
Lastly, there is a need to amend the Public Procurement Act No.21 of 2004 so as to address the following issues

a) Domination power of Accounting Officer or Chief Executive Officer can be reduced or removed by establishing formal procedure of appointment of Tender Board Members;

b) Reviewing system by removing Accounting Officer and Public Procurement Regulatory Authority, and establish independent review committee in every regional of Tanzania which will work with Public Procurement Appeal Authority and reduce the time that will take to get right;

c) Amending the PPA, 2004 by allowing stakeholder to participate in procurement process free and increasing transparency in reaching tender awarding decision by allowing stakeholders to see the evaluation report before awarded the contract and also allow them to see the contract document;

d) Allowing the Legal officer to ratify the contract to the certain limit and beyond that limit may be needed to send to State Attorney, this will speed up procurement processes so as to avoid delay which caused by repetition of the ratification process; and

e) Evaluation report to be made available to the public days before awarding of the given tender and also procurement contracts to be available to the public to see it when they need it.

Therefore, if the government will amend the Public procurement Act No.21 of 2004 and accommodate the above recommendation, it will help to improve efficiency and effectiveness of public procurement process and achieve value for money on its procurements.

Furthermore, researchers would like to invite other researchers from Karlstad University and others place to conduct research on public procurement because of its role that purchasing play in organization or government expenditure.
Hopeful this research will helpful to researcher who will conduct research and they will get starting point even though we missed such opportunity.
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APPENDIX I

REQUEST FOR INTERVIEW OPPORTUNITY

TITLE: ASSESSMENT OF EFFECTIVENESS OF PUBLIC PROCUREMENT PROCESS A CASE STUDY OF MINISTRY OF FINANCE AND ECONOMIC AFFAIRS IN TANZANIA

Dear Respondents,

We are master students at Karlstad University in Sweden pursing a Master of Business Administration – Management.

We are doing a research study on ‘Assessment of Effectiveness of Public Procurement Process a Case Study of Ministry of Finance and Economic Affairs in Tanzania’.

We would like to request for your assistance to answer our questions which have been attached with this covering letter so as to facilitate our Master Thesis. The information so provided will be solely used for academic purpose, and on top of that anonymity and confidentiality of every respondent will be highly secured.

 Regards,

Christian Myowela
Alemante Ergete Gorfu.

QUESTIONS:

1. Do you have Procurement Plan?
2. Do have technical specialist in your procurement management unit and if you don’t have then how do handle procurement of technical items?
3. Do you have a tender board? If yes, how do members of tender board are being appointed?
4. Is there any formal procedure for appointment of tender board members and a chairman?
5. Is there a check and balance of power within the procuring entity? Can you explain how it is done?
6. Do you think that all user departments have enough knowledge procurement plan and cost estimation?
7. How do you communication with user department?
8. Do you think this communication is effective?
9. Do you have any communication problems?
10. Do you pay your suppliers on time?
11. What are problems that you might be faced if you are not paid on time?
12. How do you have any problems that relate to contract?
13. Do you have any procurement complaint review system? If yes, do you think it is effective?
14. Do you have cost data base? If you don’t, how do you estimate the cost of items to be purchased?
15. Do you think that there are any obstacles in purchasing of goods and services? If u say yes, explain it briefly.
16. Do you think that the PPA No. 21 of 2004 is flexible and provide enough transparent? If no, explain? If yes explain?
17. What area in the procurement process that hinder efficiency and effectiveness of the public procurement?
18. What measures should be taken to improve the public procurement process?
19. Is there any need for civil society to participate in monitoring procurement process?
20. Do stakeholders allowed to see evaluation report before and after awarding of the tender?