

**PUBLIC PROCUREMENT PROCEDURES AND EMPLOYEE
PERFORMANCE IN THE HEALTH SECTOR: CASE STUDY
OF BUTALEJA DISTRICT, UGANDA.**

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**A RESEARCH REPORT PRESENTED TO THE COLLEGE OF
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DECLARATION

"This proposal is my original work and has not been presented for a degree or academic award in any university or institution of learning".

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APPROVAL SHEET

This Research report entitled the, "*Public Procurement Procedures and Employee Performance in the Health Sector in Butaleja District Uganda*". Has been Prepared and submitted by *HABANDA HERMAN BSP/32958/102/DU* in partial fulfillment of the requirements for the award of the degree in supplies and procurement management and has been carried out under my supervision.

Supervisor: Dr. Kinyatta Stanley

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Date.....*27/10/2014*

DEDICATION

I hereby do dedicate this work to my parents Mr. Guloba Peter and Mrs. Kanna Guloba for the support they have awarded me during the production of this work.

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discriminatory manner thereby contributing towards the creation of a sound business climate. These objectives are supported by the introduction of a code of ethical conduct.

According to the CIPS ethical purchasing practices journal, (2008), every organization requires an ethical policy or code of conduct where the buyer should universally apply the practice and involve all the stakeholders in the process. The principles are integrity, professionalism, high standards optimal use of resources and compliance with legal and other obligations and offer guidance in relation to declarations of interest, confidentiality and accuracy of information, fair competition, business gifts and hospitality.

According to the PPDA newsletter, in the real time practice, employees engaged in the procurement function have had many challenges in the following the set procedures which includes time consuming and require a lot of paperwork to accomplish one simple procurement. Obtaining a quorum for the meeting to discuss issues pertaining to one procurement entity, faces a challenge especially for small procurement entities. There is also loose teamwork and cooperation between the procurement and disposal unit and user departments especially when sourcing for providers. (Akutuhwera D.T, 2009).

1.2 Statement of the problem

The current procurement procedures in all countries worldwide desire one entity to have numerous and multi stage documentation in the cycle thereby implying generation of many forms for a single procurement, which in turn make the providers acquire the sense of neglect of some of the procedures at the expense of timely procurement.

The Uganda government budget framework paper, (2009) indentifies issues that hinder implementation of activities including but not limited to, lengthy procurement procedures that cause low absorption of funds, poor contacting in both construction and service provision, inadequate service providers due to difficulties in recruitment as well as retention of qualified personnel.

Akutuhwera D, (2009), outlines the challenges faced in the procurement function which includes among others bureaucracies involved in the procurement process in terms of reliance on many documents and forms which lead to unnecessary paperwork and delays even for small value procurements. Relatedly, the forms have a bearing on time

management this leads to some staff to overlook the procedures. Kakulu A, (2009), too enumerated challenges faced in following the procedures to the dot which is time consuming and tedious and where some practitioners have a tendency of getting tempted to overlook some procedures especially when working with loads implying that the PPDA has to reduce on the cumbersome documentation.

In view of the above trends of events, it is necessary to assess the relationship that exists between the progress of the public procurement procedures and the quality of performance of the staff at the health sector.

1.3 Purpose of the study

The purpose of the study is to assess the interrelationships that exist in the sequence of activities in the procurement process for the health sector and the staff attitude towards performance of the sector procurements. This relationship helped the study to find out the optimal option in procedures for the procurement of the sector.

1.4 Research objectives

The objectives of the study are:

1. To determine the extent of standard procedures in the public procurement in the health sector in Butaleja district, Uganda.
2. To determine if there is a relationships existing between the health sector procurement procedures and the staff attitudes towards performance in the health sector in Butaleja district, Uganda.
3. To develop the execution strategies/program of procurement procedures in public sector in Butaleja District, Uganda.

1.5 Research questions

1. How consistent is the sequence of the procurement procedures in the public procurement?
2. What effect do the procurement procedures impact on the quality of performance of staff in the procurement entity?
3. What are the most prudent ways of managing public procurements without compromising the quality of performance of the staff?

1.6 Hypothesis

There is significant relationship between the documentation in the procurement and staff performance hence an urgent need to have the sequence of documentation involved in the procurement process to be reviewed.

1.5 Scope

1.5.1 Geographical scope

The study is intended to assess the extent of the procurement procedures on the procurement entity staff performance in the health sector at Butaleja District Local Government, Uganda. This is intended to cover selected public health facilities that generated data regarding their performance at a given period.

1.5.2 Content scope

The study looked at the works procurements, purchase of medicines as well as equipments and focus on the sequence of functions in the procurement applied to it ranging from the procurement planning and budgeting at the beginning of the process, the advertisement as well as procurement notices, the prequalification of prospective service providers and then the bid negotiation and review of the procurement reports as the independent variables. It also considered the value for money and availability of quality supplies and services as the dependent variable that ultimately precipitate in patients, satisfaction and employee satisfaction.

1.5.3 Time Scope.

The study was expected to take a period of two months that is to say from September 2014 to October 2014.

1.6 Significance of the study

The study is anticipated to benefit the district executives as well as the procurement team, the procurement entity and prospective business dealers. The mode benefit will be comparable in the procurement entity will be able to recognize the length of the sequence of the procurement function and hence plan for their procurement accordingly so as not to create shortcuts of flouting the procedures.

The procurement officials and the procurement entities will realize the need to review their documentation and length of the procurement function without affecting the quality of service delivery.

The local authority executives will realize their role in assessing the importance of the procurement cycle and the reports that accrue to it and hence plan the procurements in a rational manner.

1.7 Operational definitions of key terms

PPDA means the public procurement and disposal of assets authority; the body charged with the regulation of the procurement function in the public sector of Uganda.

Procurement entity means the user units/departments that require procurements of services/supplies of the economy.

Formal sector means the government bodies/ministries/departments or public sector.

Informal sector means the private firms/individuals that deal with the government bodies in efforts to acquire business ventures in the procurements.

Local authority means the grass roots governments who take their own independent decisions regarding service delivery to the public and which are officially recognized by the central government.

NAADS means the national agricultural advisory services; technical body charged with improving the agriculture production through provision of inputs and technical advice.

MOFPED means ministry of finance planning and economic development Uganda.

PDU means the procurement and disposal unit; a department charged with the duty of organizing the procurement function and headed by on senior officer.

CHAPTER TWO LITERATURE REVIEW

2.1 Introduction

In this chapter, the study looked at the various facets of the procurement function in order to have the work done for the Health sector, purchase of medicines, as well as medical equipments as inputs for the procurement as written by other scholars. The process looked at the procedures involved from the procurement planning and the stages involved in it; the advertising of bids using appropriate media; the prequalification of prospective suppliers; and finally the bid negotiations with the suppliers. This chapter also looked at outputs after a successful process leading to value for money and also availability of medicines and supplies in the health facilities; which would in turn lead to patients' satisfaction as well as employee satisfaction.

2.2 Concepts, opinion, ideas from authors/experts

Public procurement

According to the public procurement manual of the federal republic of Nigeria, the principal hallmarks of public procurement hinge on the area of economy, efficiency, fairness, reliability, transparency and accountability as well as ethical standards. A sound procurement system is one which incorporates all the above factors. (Office of Government Commerce, 2008).

In most developed countries, public procurement takes place within a framework of international obligations such as the world trade organization's agreement on government procurement or the procurement directive made under regional agreement. However in developing countries, the legalities of these international requirements do not apply. In the most recent past, the clamor for reform has increased especially in the implementation of the World Bank funded activities and other donor organizations because of inefficiencies of the unreformed systems. (Agaba E. et al, 2006).

Three problems are cited for hindering the implementation of government contracts namely; lengthy procurement procedures that cause low absorption of funds; poor contracting in both construction and service provision; and inadequate service providers

due to difficulties in recruitment as well as retention of qualified personnel. Therefore in order to reduce on delays resulting from long procurement procedures, it is imperative that all ministries, departments and authorities carry out a careful planning of activities and outputs that can be attained in a year.(Ministry of Finance, 2009).

The procurement problem can be influenced both by efficiency consideration as well as political considerations. The efficiency considerations distinguish choices across service characteristics, while political considerations are likely to involve choices across the administrative units. (Tadelis L, 2009).

As a measure to enhance performance budgeting and improve on efficiency and effectiveness, government departments will be expected to show that they are providing good value for money. By efficiency, the departments will measure how economically there sources/inputs are converted into results or outputs. On the other hand effectiveness will focus on the extent to which the development interventions objectives were achieved or expected to be account the relative performance. (MOFPED, 2009).

In real practice of the contemporary Uganda, the business community as well as the policy implementers have a tendency of instituting shortcuts to the procurement function so as to have a quick gainful instance 'for survival'. Ensuring consistency with the above scholarly works tends to and tasking and besides involves many of others. The ideal process seems too long and tasking and besides involves many stakeholders which impact on their take home and hence flout the procedures.

Staff performance

The modern planning of the national cake requires that there should be coordination interventions of the ministries such that a healthy community will be able to productive through areas like agriculture under NAADS. However the health sector has numerous challenges ranging from staff absenteeism, lack of essential drugs and dilapidated infrastructures all of which require intervention. Therefore in order to have a strong service delivery performance in the health sector, a monitoring and evaluation functions has been shifted to the quality assurance department and participation of the senior top management in area teams has been institutionalized. (Uganda MOFPED, 2009).

It has been cited that in the procurement function, there are difficulties in establishing a proper supply chain such as bringing together all the conflicting objectives of the partners involved and also establishing effective relationship at all stages and between the supply chains. (Wood and Sangster, 2002). This incubates the scenario of each member in the cycle having a selfish thinking contrary to the organizational objectives.

Procurement planning/budgeting

The chart of responsibility of the procurement function, it is evident that a 15 stage structure is developed from the procurement plan/budget through to the contract performance evaluation where each stage has its relevant documentation by the actors. These keep oscillating between the user departments or procurement and disposal entities, the procurement and disposal unit where the professionals are placed, the contracts committees that approve at all stages or decide the best evaluations of bidders and the accounting officer who is responsible for ensuring the proper functioning of the system. (The Uganda PPDA, 2003).

The PPDA act (2003) sec. 58 provides for rational planning of the procurement function in order not to be budgeted for and may waste the entity resources including human resource. The requirements are supposed to be aggregated and documented prior to the commencement of the procurements.

The PPDA authority part 3 (2003) emphasizes application of effective competition as evidenced by the use of open bidding, or quotations. In doing so, they exhibit economy and efficiency through the consistent application of the procurement and disposal methods adopted. This is done in an ethical, impartial and independent manner.

According to Basheka (2008) procurement planning is one of the primary functions of procurement with potential to contribute to the success of local government operations and improved service delivery. It sets in the motion the entire acquisition/ procurement process of the local governments. However, despite this vital importance, very limited scientific research has been done to examine the extent to which efforts in the procurement planning can contribute to the effectiveness of the governments.

The local government finance and accounting regulations (1998) enumerates stages in the procurement cycle where a comprehensive list of potential suppliers is communicated to the various stakeholders; the suppliers are requested to provide the prices for the items of supply which are then compared with the reserve price prior to the issue of the local purchase order. Technical evaluation is done to assess the competencies and specification of the supply/service.

The PPDA (2003) too enumerates successive stages in the supply chain which begins with the approval of the estimated budget by the district council/boards. From the budget, the user departments are required to submit their requirements with clear terms of reference and specifications. The process proceeds to the confirmation of the availability of funds and further evaluation done accordingly.

The inefficient use of funds can be generated from problems across the entire procurement process from the definition of the needs and creation of the bidding documents, to a lack of transparency and competition in the process followed by announcements, bidding evaluation and award of contract to poor supervision. The negative effects of poor procurement planning are a task that is increasingly critical amidst declining local government budgets and expectation to do more with less. Basheka B (2008).

However in the real time practice, the procurement function is guided by the availability of funds to an extent that whenever these are available, the user department has no time to think of successive stages which tend to be time consuming and cumbersome.

Advertising/procurement notices in procurement

The PPDA (2003) emphasizes that after confirmation of availability of funds, the bid documents are prepared for the public to purchase. This can only be possible through wide publicity using the appropriate media as per the procurement method adopted. When the procurement function arises, it is quite difficult to have all tasks done from in house. This calls for having bids advertised for the public. According to procurement procedures. (2009, 1, 5), the following methods of procurement are established: competitive sealed bids where the specialist designs a bid form which is sent to the web

or appropriate method for the organization to be brought, filled and returned to the procurement office for further verification under sealed cover. Competitive sealed proposals to be used in highly technical and complex procurements where comparison is necessary. Fixed price bidding, where the purchase price is fixed. Competitive best value bidding, which is done after realizing that competitive sealed bidding is not practical. (Dynamic Science, 2009).

The PPDA act (2003) too indentifies the following procurement methods in addition to the above: open domestic bidding as well as international bidding where the method is open to all eligible persons or firms that can participate on equal opportunity locally and internationally to have competition and value for money. Restricted bidding (domestic and international) where personalities or providers are directly contacted for the service provision without necessarily advertising in appropriate media. It is basically the application of prequalified firms as well as consultancies which is called expression of interest. Next we have the quotation and proposals method which calls for selection of the possible best performance. Direct procurement/disposal, which is sole source procurement method used for timely procurement or disposal where circumstances do not permit the competitive method. Micro procurement used for low value procurements. (Uganda PPDA, 2003).

The bid notices are circulated to all vital places so that the eligible public providers are invited to submit their written offers to provide the service/works at free will. Therefore the private service providers are part of the procurement process in the public sector.

The PPDA regulations (2003) provide that the procurement entity has to publicize for prequalification of suppliers of various suppliers and service and on prequalification, the invitation for bids will consequently be made in an appropriate media like the local daily, public notice boards giving the entire specifications of the nature of the supply/service to be procured. In this notice, the reference number and the closing date for receiving the bids has to be fully communicated. The process of advertising is supposed to employ the standard public procurement and disposal forms issued. (ibid)

In the letter from the ministry of finance to accounting officers country wide, it was noted that low absorption of funds in the financial year 2009/10 was rampant due to late initiation of procurement requirements as per regulation 105(1) and (2) where no or inadequate funds are provided for. They were accordingly advised to have the procedures initiated even without the actual availability of money. (Muhakanizi K, 2010).

Procurement is a newly emerging academic discipline in Uganda and therefore not much scholarly works has been done on the subject of procurement planning and therefore the data used is based on the reports presented to the public procurement and disposal authority.

Ideally, publicity of the procurement function is a necessity for the smooth implementation of the public goods and services but in some cases this may be a figurehead. Besides, not all eligible suppliers have access to neither the press print nor air-wave media bearing in mind their routine busy schedules. Getting off some time for looking for the news may not be in existence.

Prequalification of suppliers in public procurement

In Malaysia, the role of the auditor general in public sector management had to be revamped over time to allow for resources to be managed properly and that the accounting systems are proper and reliable. This called for ensuring that quality service provided for at all times such that only those with the required qualities are involved in the public sector activities (Kulasingham, L.T, 2010).

Sec. 56(2) of the PPDA (2003) and regulation 48 of the same highlights the need for the procurement entity to use standard form which reveals all the details of the procurement process. In the course of the invitation for solicitation of bid documents, some areas may be clearly advertised and may call for an addendum or addenda; which are the addition of some features to the earlier advertisement. The PPDA act (2003) sec. 70 provides for the intending service providers to prove their competencies in order to be listed in the data bank for the annual providers. This saves time in soliciting for the providers whenever the need arises.

Apparently, some procurement entities may shortlist a set of suppliers who may not be offered an opportunity to carry out business due to some hidden influences despite their status of being qualified for the service provision, whereby the system is compromised.

Bid negotiations in public procurement

According to CIPS knowledge works, the ability to negotiate effectively is so fundamental that without it, an effective purchasing and supply management service cannot be provided. Therefore, the procurement professional are urged to champion negotiations with suppliers for the needs of their organization. It is a means of achieving value for money in a single source of procurement. The CIPS e-sourcing journal (2005) spells out the element of creation of contractual relationships where negotiation of terms and conditions of the contract; agreement of service levels descriptions and schedules are taken care of in the negotiation.

In order to curb corruption in procurement, the Malaysian government set up an open tender system for all government contracts, public accessibility to procurement data and the institution of whistle blowers as an act of parliament. This move was intended to have a consensus when engaging in the procurements by all the concerned (Kulasingham, 2010).

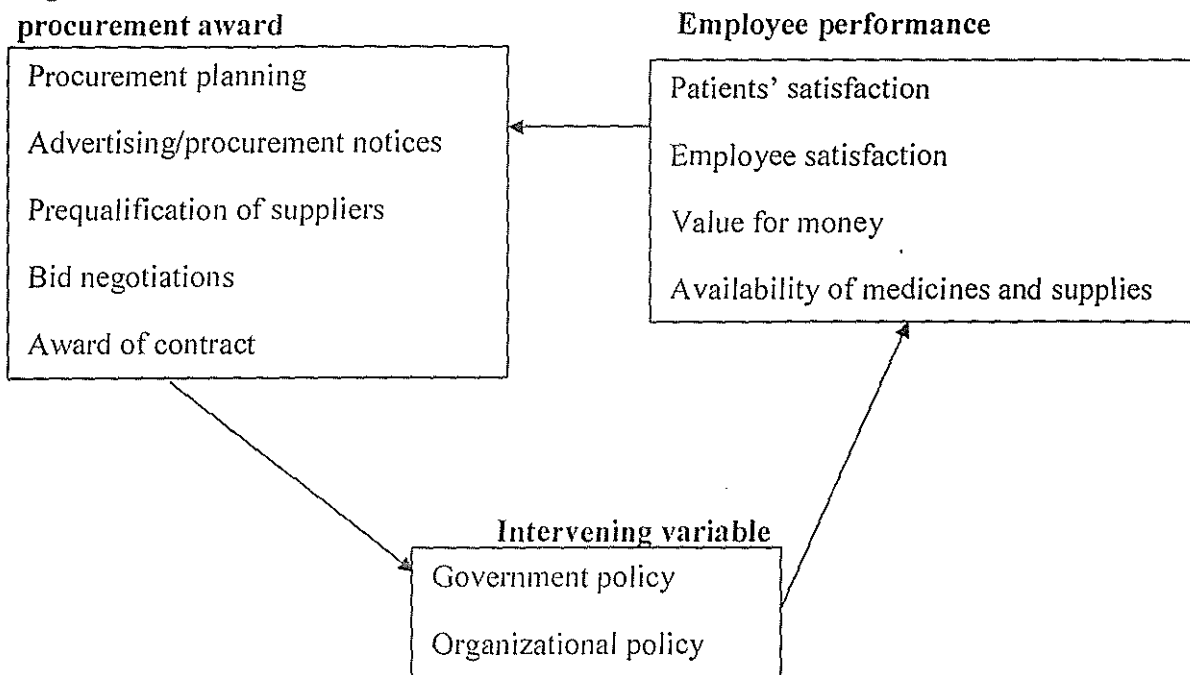
Public negotiation today takes another twist in that the negotiator will have a tendency of pushing in for personal gains rather than the organizational profitability. Public officers tend to have a win-win situation such that they enrich their coffers.

2.3 Theoretical perspectives

In the guide to a balanced scorecard of performance management it is assumed that all employees live within the environment and hence in having service delivery, one should always consider four main areas of concern namely; financial, the customer, the internal business process and lastly the learning and growth. As far as the financial are is concerned, it should be noted that the government is concerned with how effective and efficient the service delivery is fairing on. While the private entities are concerned with how profitable it is. The customers with the public organization have a greater inclination to stewardship/fiduciary responsibility of the resources. While the internal business

processes look at activities to be delivered in an excellent way to the customers. The learning and growth empowers the employees to have the ability as well as the quality of information systems that have a bearing on the organization goals. (Hopf R, et al, 2009). It should be noted that the employee is not in isolation from the organization and hence a need to be in close congruence with the organization policies and procedures in order to have an efficient and effective service delivery.

Fig: 1.1 The conceptual framework procurement award



Adapted from ACCA review on performance audit (2009)

In the above diagram, talking about the independent variable the procurement function begins somewhere when the user departments of procurement entity send their intentions to acquire the supply or service in form of works procurement, procurement of medicine and supplies, or medical equipments as the inputs for the activity. This leads to the procurement staff to collect data from the various requests and then arranges a procurement plan which details the sequence of procurement to be made at whichever time; it is then compiled in one document to be completed for. Thereafter the intentions

are advertised for prospective suppliers to place their interest. This is done using appropriate media depending on the urgency required. At the close of deadline for receiving bids, the prospective suppliers are sorted out to make a choice of the best suited ones who are then put on the prequalified list to be used in the course of the future delivery of supply rather than having the exercise being done whenever the need arises. In most organizations, the list is generated to cater for the entire fiscal period. When time for service delivery is due the procurement office calls on the prequalified suppliers who negotiate the price for the service/goods and accomplishment, there is always a need to review the progress of the contracts in form of reports given by the procurement entities.

The intervening variable will then be quality work that depicts value for money as well as availability of the essential medicines and supplies at the service centre.

The independent variable therefore will be in form of patients' satisfaction as well as the employee satisfaction and quality work.

2.5 Related studies

In 1993, a procurement and measurement action team to assess the state of federal acquisition system to identify innovation approaches for measuring performance and to develop strategies and recommendations for measuring the health of agency acquisition systems as a replacement of management reviews to lack a focus on the outcomes of the processes used and largely ineffective in dramatic and sustained improvements in the quality of the operations. (Hopf, et al, 2009).

The PPDA's compliance assessment rating tool in place cover eight legal areas and policies which include; procurement structures in terms of the staffing levels; procurement planning; solicitation and bidding procedures; reporting; performance of contracts committees; contract award and management and record keeping. (PPDA e-newsletter, 2009). These checks are destined to keep the entity and the staff in line with prudent procedures in the procurement function.

As the PPDA's benchmarks of having a transparent, competitive, value for money and non discriminative procurement, other departments to have their own procurement procedures; for example Banks have their own bid evaluations which solicit for economic

ways too. The ACCA review on performance has tended to highlight objectives of performance in the procurement function by looking at the quality standards in respect to the methods and the set norms and ultimately having service delivery at a cost effective means of acquisition.

CHAPTER THREE

METHODOLOGY

3.1 Research design

The study focused on the effects of the procurement procedures on the staff performance at the health facility and therefore was exploratory in nature to establish the relationship between the variables. The study design involved descriptive correlational study which involved the usage of both qualitative and quantitative approaches. This study was descriptive to ascertain the various procurement procedures and how they apply to the performance in procurement. It was also correlational to feel the impact of the procedures on the staff performance. In so doing the data gathered had to be numerically analyzed as well as logically interpreted hence questionnaires were employed to gather data.

3.2 Research population

The study was carried out in Butaleja District Eastern Uganda with a focus on the Health sector facilities which in total are 41 public facilities as the target population. The Research subjects were then be the government facilities which include the 1 Hospital 3 Health center IV 12 Health center III and 25 Health centers II totaling to 41. Two respondents were drawn from each of the sampled health facilities in the district one of whom were the in charge the other will be the person concerned with procurements and storage.

3.3 Sample size

Out of the total population of 41 health facilities, by Slovene's formula below we get a

sample size: $n = \frac{N}{(1+Ne^2)} = 40$ health facilities

3.4 Sampling procedure

The sample design was stratified random sample using the proportional allocation because the sampling frame is grouped into specific distinct levels of health care classes.

3.5 Research instruments

In the study, the researcher used a researcher designed questionnaire for gathering the primary data as well as an observation check list for the secondary data. The

questionnaire was very useful for collecting data regarding the effect of the variables in the procurement procedures of the study due to the underlying prior knowledge of the effects that these procedures manifest in the entire procurement function in relation to the staff performance. On the other hand the observation checklist assessed the secondary data obtained regarding the fulfillment of the procedures by the facilities. In order to check on the compliance and independence of the respondents, a t-test was used to assess the bio data.

3.5.1 Validity and reliability of the instruments

The t-test was applied to the sample to establish the significance of the procedures on the performance of staff. The questionnaire was developed in accordance with the guidelines of Sekaran (2009) and was pretested before it was operationalized to check and test the reliability minimizing the ambiguities of the results collected. A content validity index (CVI) test and was used with the following responses made: strongly agree, agree, disagree and strongly disagree.

3.6 Data gathering procedures

The questionnaire was generated and printed out by the researcher in advance. A letter of introduction was presented to the Chief Executive of the District for seeking permission to carry out the study. These sets of questionnaires were then distributed to the stakeholders to the health facilities under the study sample. An agreeable time frame was granted to the respondent after which the instruments collected for further action. As soon as the questionnaires were distributed, the researcher looked for the secondary data using the secondary instrument from the relevant central office to establish data from the records kept. This process allowed the researcher to have minimum time wastage in the data collection.

3.7 Data analysis

The primary bio data was presented on the pie charts as percentages of the responses. The importance of the bio data is to establish the degree of independence and reasoning of the respondents. In order to assess the objectives of the interrelationships of the procurement procedures in the public procurement the researcher intends to have data tabulated using frequency tables and bar graphs. The objective of the effects of the procurement

procedures on staff performance addressed using schedules generated by the respondents in order to determine the degree of agreement between the variables. The secondary data was analyzed in a narrative way so as to establish what goes on in the procurement department in terms of sequence of procedures and the responsibilities embedded in.

3.8 Ethical considerations

In the study it is assumed that prior permission was sought from the District Executives, the introduction letter from the School of Business and Management with a self introduction will outline the confidentiality and the respondents were asked for their consent and assurance of the information so gathered was met. It is also assumed that the results of the study were purely for academic purposes which may be used by the authorities at their wish. In the study it is assumed that the political climate would remain stable and the data was treated confidentially.

3.9 Limitations of the study

The study is designed to acquire responses from the public officers regarding their attitudes to the set norms. It was assumed that the responses would not compromise their job security as far as criticisms regarding the procedures. It was also assumed that the sample would be representative of the entire population so as to capture the pertinent issue in the study. It was also assumed that there would be no extra cost of obtaining the data which might compromise on the quality depending on the consideration put in place.

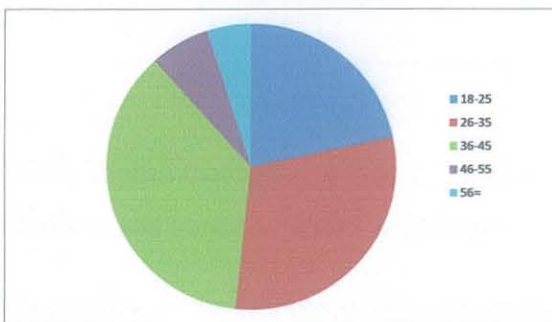
CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.0 Introduction

Out of the seventy eight questionnaires distributed, sixty respondents complied representing 76.9%. This was attributed to the harsh weather conditions that hindered accessibility of some Health facilities at the time of collection of responses. Five classes of age brackets were made as under.

Fig : 4.1 – Pie chart showing the ages.



This represents a majority of decision makers that fall in the ages of 28 to 45 years which is the climax age of civil service.

The gender was balanced at 28 males against 32 females which was relatively balanced.

Out of the respondents, four classes were made regarding their nature of work in their organization where 20 were Clerical class, 16 were nurses, 1 doctor, and 23 paramedical staff, implying that most decision makers at the Health facilities are paramedical staff.

Table 4.2 Consistence of sequence of the procedures

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	23	32	5	0

Question three was requiring that personal opinion reveal whether the sequence of procedures had an effect on the procurement and the responses were tending towards the contrary that an effect on value for money is not realized if not followed as under.

Table 4.3 Sequence of procedures affecting value for money

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	6	3	38	13

In the sequent question, a confirmation that the procedures are a common time waster was responded to as under.

Table 4.4 Procedures as a time waster

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	4	16	25	15

Implying that they are not a mere wastage of time but a necessity.

Question five, regarding the multiplicity of procedure and how they cater for emergencies, the responses were as under

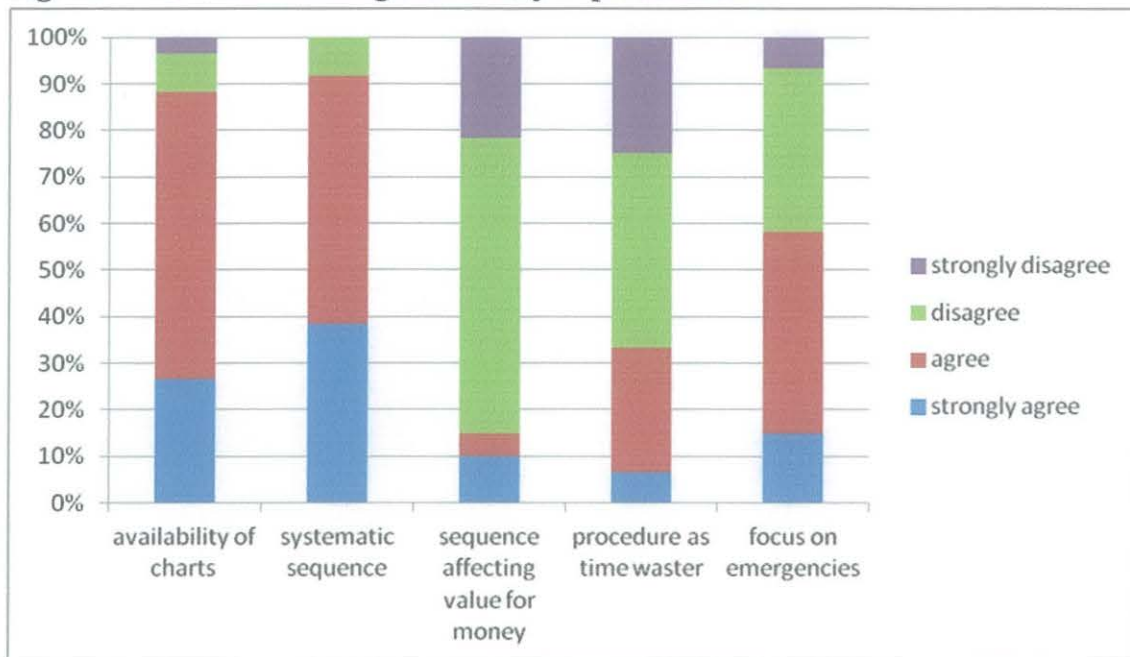
Table 4.5 procedure catering for emergencies

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	9	26	21	4

This implies that the procedures do not really consider emergency situations in the procurement cycle.

The following graph depicts the responses towards the first objective of determination of the extent of procurement procedures in the public sector procurement,

Fig: 4.3 – Bar chart showing consistency of procedures.



The respondents were asked whether they were aware of the procurement cycle and the stages involved therein, and the responses were as follows:

Table 4.6 Staff aware of procurement cycle.

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	7	28	23	2

The majority of the respondents concurred with the researcher that the sequence in the cycle was known to all.

When it came to the application of the procurement function by both parties, the responses generated were as under:

Table 4.7 Application of the procurement function by both parties

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	7	27	20	6

The respondents concurred with the investigator that both the procurement department and the user department both carry out the function amicably and hand in hand.

In the eighth question, whether the procurement takes a long time, the responses generated were as follows:

Table 4.8 Procurement taking a long time

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	16	30	11	3

This implies that there is a lot taken to achieve a single procurement.

In order to have more expansion on time frame, the investigator wanted to find out whether it was the length of the procedures that elongate the time and the following were the responses:

Table 4.9 procurement cycle as a potential time waster.

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	15	28	15	2

The respondents were disgusted with the numerous procedures which need to be reduced.

The investigator wanted to find out if adherence to the procedures could lead to the stakeholders' satisfaction and it was discovered that the only way out to satisfaction is having strict adherence towards the procedures as under:

Table 4.10 Strict adherence to procedures leading to satisfaction

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	16	40	4	0

The aggregate responses towards the second objective of determination of the relationships existing between the procedures and staff attitudes towards the performance of the health sector can be graphically represented as under.

The last question regarding the procurement officials who are likely to be compromised in order to delay and lengthen the procedures was responded to as under:

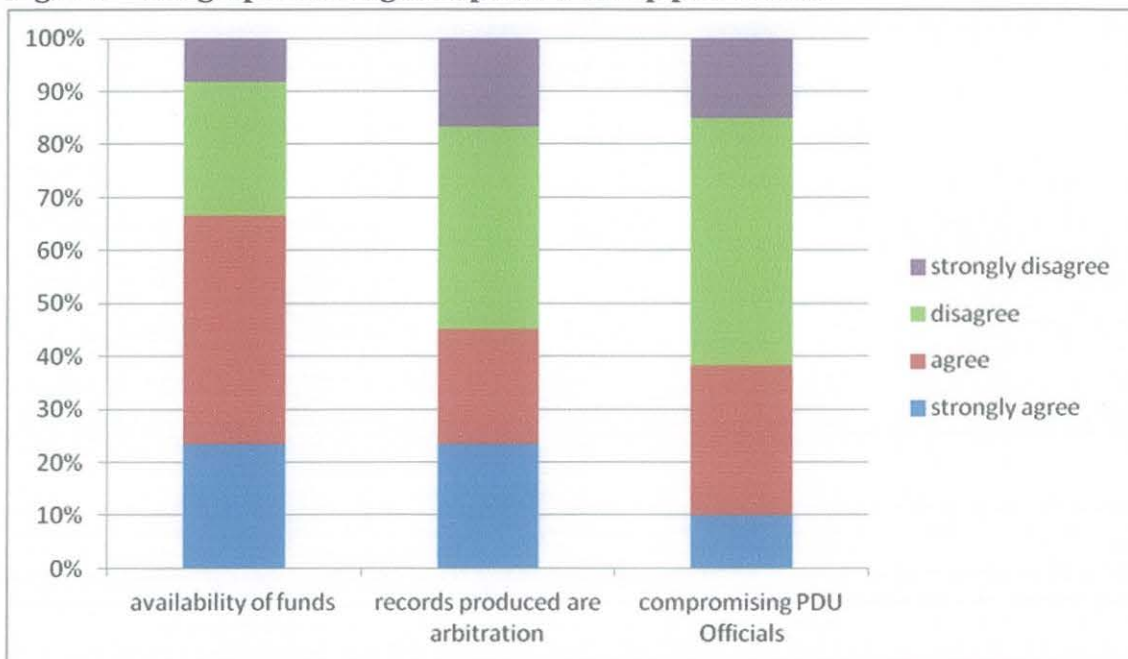
Table 4.13 Procurement officials compromised to elongate time.

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	6	17	28	9

The implication was that the length of the procedures are not determined by the procurement officials but naturally occur.

The conclusion to the third objective of developing future execution strategies or programs of procurements can be tabulated as under:

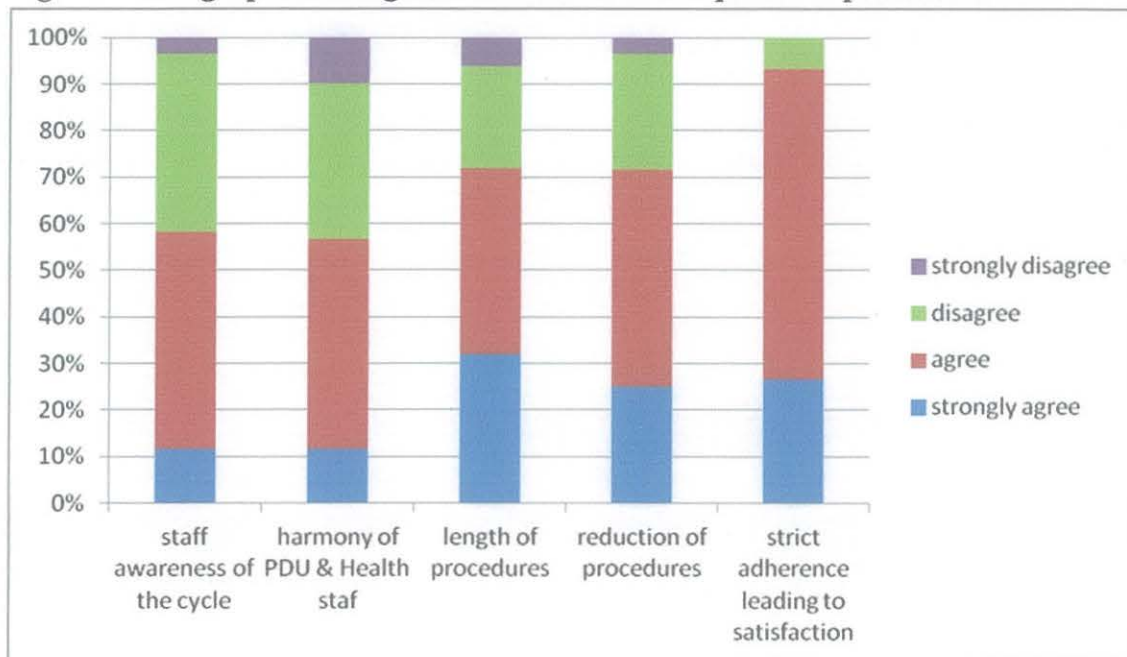
Fig: 4.5 – Bar graph showing the optimum set up procedures.



The secondary data was obtained from the head of procurement and disposal Unit Butaleja district, Uganda where the predesigned procurement cycle sequence designed by the PPDA was analyzed with special consideration to the actors and the timelines for each stage.

The set of actors identified were the procurement and disposal unit headed by the Senior procurement officer, who also doubles as a contracts evaluation Committee chairman, a

Fig: 4.4 – Bar graph showing staff attitudes to the sequence of procedures.



In another question was raised regarding the availability of funds and lack of technical appraisal of the progress which are a major hindrance to contract executions. The responses were as follows:

Table 4.11 Availability of funds and lack of technical appraisal

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	14	26	15	5

This implies that the progress is let down by the resource availability as well as the technical supervision of the contracts.

The next question was to establish whether the records are only produced to the stakeholders only to solve disputes and the responses were as follows:

Table 4.12 Records produced to solve disputes

	Strongly agree	agree	Disagree	Strongly disagree
No of responses	14	13	23	10

This implies that it is not true that these records only come out after a dispute has been raised.

working/adhoc/task force committee to screen the procurement bids; the accounting officer who is the Chief Executive of the district, the chief finance officer; the user departments represented by their Heads of department; the contracts committee which is a statutory commission charged with the duty of approving the procurements in the district; and finally the boards and commissions of the district council who are the policy makers of the district.

The sequences of activities in the cycle were enumerated as under:

The first stage was procurement plan/budget where the item to be procured for the various departments are consolidated into one master plan for the district and all the various actors are involved in this stage which normally takes three to four days to have it generated.

The second stage is initiation of procurement by all departments' Heads which clearly depicts the specification of the goods, statement outlining the works and the terms of reference for the services. This stage is usually done with reference to the approved budget and it usually takes one day to have the document presented to the PDU.

The third stage is the confirmation of availability of funding where the Chief executive and the head of finance concur with the head of department that they are properly committing the district with availability of financial resources; which also takes one day.

The fourth stage is the most crucial one where the success or failure of the procurement occurs and it is where the PDU, the adhoc evaluation committee and the Head of departments review the clarity of the specification so that an appropriate method of procurement is used (open bidding, selective bidding, and micro procurement) as applicable. It is also the stage where the criteria of selecting the best out of the potential bidders in line with the potential market are done. This takes three days.

In the fifth stage, the decision of the evaluation committee are relayed to the contracts committee to either approve the method to be adopted as reached at by the evaluation committee or reject it giving their reasons for such a decision (in most cases due to thresholds).

The sixth stage is the preparation of the bid document for all the approved methods of the contracts committee by the PDU, where a standard document is used as an instruction to the bidders, price schedules, and also the terms and conditions of the contract. This takes five days.

In the seventh stage, the standard bid document prepared by the PDU is presented to the contracts committee for approval before it can be sold out to the prospective providers. Its implementation barely depends on the contracts committee decision and it takes one day.

In the eighth stage, advertising is then done by the PDU and the Chief Executive, and the prospective suppliers/service providers can then buy in documents accordingly. As for the contracts of open bidding, the advert is run in the newspaper for wide publicity. The deadline for receipt of bids under this method is 15 days from the date of appearance in the newspapers. Under the selective bidding, the advert will only be open to the applicants from within the prequalified list as generated by the PDU at the beginning of the financial year, and will take 10 days from the date of the appearance in the newspaper. Each sold bid will be recorded in a document called the record of issue of bids; while the cost of the document is not necessarily revenue but recouping cost of production of documents.

The ninth is receiving of bids and subsequent opening which is done by the PDU using prescribed documentation called record of receipt of bidding documents and also record of bids opening, the latter of which is optionally witnessed by the bidders' representatives. The purpose of this documentation is to create an audit trail. This task takes one day exercise.

The tenth stage is presentation of the open bids to the adhoc evaluation committee headed by the head of procurement and disposal unit who selects the members from the user department heads. This normally takes 10 days to accomplish the task.

After the evaluation, the eleventh stage of presentation of the evaluation report to contracts committee for approval is then reached at. The approved list will then be pinned onto the notice board using form called the notice of the best evaluated bidder, which will

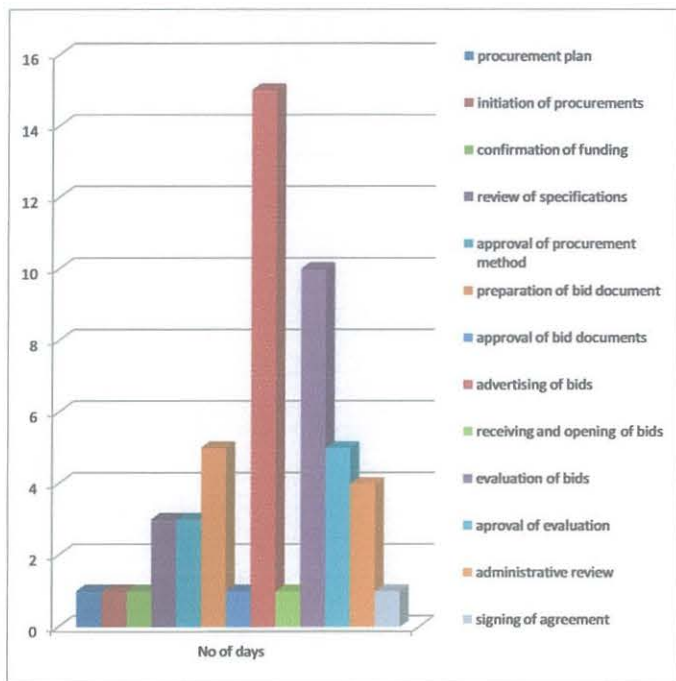
hang for five working days to for complaints from the unsatisfied bidders to lodge in their dissatisfaction to the accounting officer using a procedure called the administrative review, which is normally paid for at a cost of Ugx. 1,000,000/= (one million) refundable after winning the complaint.

The twelfth stage is the signing of the agreement by the accounting officer, who will communicate the success story of the bidders as well as the administrative reviews and invite the successful bidders to sign the agreement before him. This will take one day.

The fourteenth stage is the contract management which is managed by the user department to ensure that the contract is managed according to the terms agreed and communicate discrepancies to the PDU accordingly.

The final stage in the cycle is the contract performance and evaluation where an audit of the project/contract is done to assess the success and failure by comparison of the planned with the actual.

Fig 4.6 – Bar graph showing the time frame for the procedures.



In the above table, the activities are plotted against the time frame taken to accomplish them. Ideally if the contract is to take off in the cycle keeping other factors and activities constant, the process would take the user department 51 days from presentation of the procurement plan through to signing of the contract. It is apparent that a lot of time taken in order for wide publicity and also intensive scrutiny of the bidders' supporting documents so as to obtain the best out of many.

Suffice to mention that a lot of consideration is put in the presentation of the bid documents by the PDU and approval of evaluation report by the contracts committee, which appending all the necessary details to leave no room for loopholes.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter, we shall discuss the facts derived from the research's instruments as well as the secondary data acquired from the procurement and disposal Unit so as to correlate them with the research questions as set by the investigator. We shall also arrive at the most logical conclusion of the study as well as making recommendations for future studies.

5.1 FINDINGS

In answering the first question of how consistent is the procurement procedures in the Health sector procurement, it became apparent that in principle, the procedures are in place in all the units investigated on by the researcher and that they were synchronically followed by the procurement function. In case of default of one, the value for money will not be achieved. It was also apparent that they are not for the sake but are real. However they tend to disregard emergency situations as they occur in the Health Sector. Below shows the aggregate number of responses:

Table: 5.1 of consistent is the procurement procedures

Research question	Total agree	% of total responses	Total disagree	% of responses
Availability of procurement chart in organization	53	88	7	12
Synchronized set of procedures	55	92	5	8
Sequence has no effect on value for money if not followed	9	15	51	85
Procedures as a time waster	20	33	40	67
Focus on emergencies	35	58	25	42

The staff in the Health sector are aware of the availability of the procedures and also agree that the two parties namely the procurement department and the users are in

agreement at all times. However they also believe that the procedures are too long and have no regard for emergency situation as they arise in saving lives. They feel something can be done to achieve total benefit since it is a necessary vice for the department.

Table 5.2 Staff attitude towards procurement procedures.

Research question	Total agree	% of total responses	Total disagree	%age of responses
Staff aware of the cycle	35	58	25	42
Harmony of the PDU and staff	34	57	26	43
Length of the procedures	46	77	14	23
Need to reduce on procedures	43	72	17	28
Strict adherence leading to satisfaction	56	93	4	7

It is apparent that the contracts are usually failed by the availability/delay of funds coupled with the proper technical expertise to advise on the progress. However the reporting on the contracts is not in any way done for the benefit of the aggrieved party and the length of the process is not in any way the making of the procurement officials since they use standard documentation which cannot be manipulated. It seems that if the documentation is reduced and the time for bidding is done just in time for the need, the Health sector could benefit much from procurement.

The table below shows the responses to the questions regarding the best way forward in the set of procedures:

Table: 5.3 Execution Strategies

Research question	Total agree	% of total responses	Total disagree	%age of responses
Sabotage by availability of funds	40	67	20	33
Records availed to sort out disputes	27	45	33	55
PDU compromised to delay process	23	38	37	62

5.2 CONCLUSIONS

As far as the study revealed, the procurement procedures are necessary for the smooth running of the procurement functions since they guide the implementers and make a health breakthrough. However the many stages generate a lot of documentation that requires reduction in terms of merging some documents so that they are fewer in number; this will in the long run reduce on the time frame for the entire procurement cycle.

5.3 RECOMMENDATIONS

1. The procurement chain should be revised so that value for money is always envisaged in the Health sector but should also take care of emergency situations in the Health sector that deals with Human life.
2. The procedures need to be reduced in number so that the staff can fully adhere to them to allow for optimum procurement function.
3. The researcher recommends to have a further study on the optimum size of procurement cycle; alternative arrangements for the emergency procurement; as some of the topics to be moderated.

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APPENDIX II- RESEARCH INSTRUMENT

Dear respondent,

This questionnaire has been prepared for use in the accomplishment of the research paper for academic purposes. Kindly spare some time and fill it; the findings will be treated with the confidentiality they deserve. **Thanks in advance.**

Section A Demographic data.

- a. Age:
- b. Gender: male female
- c. Nature of work
- d. Level of education PLE..... O Level..... A Level..... Diploma..... Degree.....

Section B Public procurement procedures NB. Tick as appropriate

1. In the organization's procurement function, a set of procedures have been laid in the chart where all service provision requests have to fill the requirement prior to delivery of the procurement
(I)Strongly agree (II) agree (III) disagree (IV) disagree
2. The laid down procurement procedures in the organization were set in a systematic way that one procedure leads to the other if the procurement function is to succeed efficiently.
(I)Strongly agree (II) agree (III) disagree (IV) disagree.
3. In your opinion, when one procedure is not sequentially followed, there will be no effect on the entire procurement and there will be value for money achieved.
(I)Strongly agree (II) agree (III) disagree (IV) disagree
4. The standard procedures are a waste of time and delay procurements in the departments.
(I)Strongly agree (II) agree (III) disagree (IV) disagree.
5. Whenever the health sector activities arise, the procurement procedures tend to be many and have no focus on emergency situation.
(I)Strongly agree (II) agree (III) disagree (IV) disagree

Section C Staff attitudes towards procedures

6. The staff in the health sector is aware of the procurement cycle and the procedures involved.
(I)Strongly agree (II) agree (III) disagree (IV) disagree
7. In the health sector, the procurement function is done amicably between the procurement office and the staff at the health facilities.
(I)Strongly agree (II) agree (III) disagree (IV) disagree
8. Procurement in the health sector usually take a long time in order to achieve the goods/services required for the health facilities.
(I)Strongly agree (II) agree (III) disagree (IV) disagree
9. The entire procurement function has a lot of procedures whereby the cycle needs to be reduced. (I)Strongly agree (II) agree (III) disagree (IV) disagree
10. If the procedures are strictly adhered to, there will be stakeholders' satisfaction.
(I)Strongly agree (II) agree (III) disagree (IV) disagree

Section D Execution Strategies

11. The contract executions in the health sector are usually let down by the availability of funds and the technical appraisal of the progress and hence delay in payments.
(I)Strongly agree (II) agree (III) disagree (IV) disagree
12. The performance records are produced for the organization only when there are disputes in service provision to assist the aggrieved parties.
(I)Strongly agree (II) agree (III) disagree (IV) disagree
13. The procurement officials are sometimes compromised so that they lengthen the procedures.
(I)Strongly agree (II) agree (III) disagree (IV) disagree

Thanks for your co-operation.

APPENDIX ii time frame

No	Activity	Duration
1.	Submission of research topic and approval	1 day
2.	Proposal writing	14 days
3.	Approval of proposal	1 day
4.	Distribution of Questionnaire	3 days
5.	Collection of questionnaires	2 days
6.	Report writing	7 days
7.	Approval of report	1 day
8.	Submission of the report	1 day

APPENDIX iii- Study budget

No	Item	price
1)	Stationary	Ugx. 40,000/=
2)	Airtime	Ugx. 20,000
3)	Transport	Ugx. 80,000
4)	Refreshments & Feeding	Ugx. 35,000
5)	Internet	Ugx. 20,000
6)	Printing and binding	Ugx. 30,000
	TOTAL	Ugx. 230,000