

**THE EFFECT OF ETHICAL PRINCIPLES ON THE
PROCUREMENT PROCESS
(CASE STUDY OF LOCAL
GOVERNMENT, BUNDIBUGYO DISTRICT)**

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DECLARATION

I Nasanda Damali hereby declare that this work is my original work and is from my own findings and has never been produced by anybody else for the same award in the institution of Kampala International University.

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SIGNATURE

 _____

DATE

23/5/2012.

APPROVAL

I affirm that the approval has been given for this research to be submitted to the school of Business and Management as a requirement for the partial fulfillment for the award of a Bachelor's degree in Supplies and Procurement Management of Kampala International University.

Name of the lecturer: MR. BARASA HENRY

Signature



Date



DEDICATION

I would like to dedicate this book to my parents, relatives, friends and other well wishers for their love and support during my study period at Kampala International University and during report writing.

I would like to dedicate this report to all my siblings most especially my sisters namely Dina, Delight, Dëshilla, Daphine, Rita and Milley.

Lastly I dedicate this report to my future husband and children because this is precious expected gift from God.

May God bless you all.

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TABLE OF CONTENT

DECLARATION	i
APPROVAL.....	ii
DEDICATION	iii
ACKNOWLEDGMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABSTRACT.....	x
DESCRIPTION.....	xi
CHAPTER ONE	1
INTRODUCTION.....	1
1.0 Back ground of the study	1
1.1 Organizational background.....	2
1.2 Statement of the problem	2
1.3 Purpose of the study	2
1.4 Objective of the study	2
1.5 Research questions	3
1.6 Scope of the study	3
1.7 Significance of the study	3
1.8 Conceptual framework.....	4
CHAPTER TWO	5
LITERATURE REVIEW.....	5
2.0 Introduction.....	5
2.1 Procurement	5
2.2 The procurement process	6
2.3 How ethical principles relate to the Procurement process	8
2.3.1 Procurement planning	8
2.3.2 Value for money.....	9
2.3.3 Consistency and Transparency of the process.....	10
2.3.4 The use of appropriately competitive process.....	10
2.3.5 Confidentiality.....	11

2.3.6 Fairness and Integrity	12
2.3.7 Contract effectiveness	12
2.4 How to create value for money	13
2.5 UN ethical practices in the procurement process and their possible solutions.....	14
2.6 Substandard Products and Services.....	21
CHAPTER THREE	22
RESEARCH METHODOLOGY	22
3.0 Introduction	22
3.1 Research Design.....	22
3.2 Population of the Study and Sample Size	23
3.3 Sampling Design and Procedures.....	23
3.4 Data Analysis	23
3.5 Observation	24
3.6 Questionnaire	24
3.7 Limitation of the Study	24
CHAPTER FOUR.....	25
DATA PRESENTATION, ANALYSIS, AND INTERPERTATION.....	25
4.0 Introduction	25
4.1 Demographic characteristics	25
4.1.1 The gender of respondents	25
4.1.2 Age of the respondents.....	26
4.1.4 The Academic Qualification of the employees	27
4.1.5 Marital Status	28
4.2 How Ethics has Impacted the Public Procurement Process in Bundibugyo District Local Government	28
4.2.1 What are the procedures for procurement process?	28
4.2.2 Do you know what Ethical Procurement is?	29
4.2.3 How has the procurement department implemented ethical purchasing?.....	30
4.2.4 Has the Ethical principles been applied as per the PPDA Act requirements in the organization's procurement procedures?	30
4.2.5 What are the advantages of ethical procurement principles that your organization enjoy?	31
4.2.6 What are the challenges that your organization should overcome to effective procurement process and how is it fighting corruption as a major problem?	32
4.2.7 When do you use the following practices and methods of procurement?.....	32
4.2.8 Do you use the PPDA Act as a guide when carrying out procurement activities?	33

4.2.9.1 How can your organization ensure value for money?.....	33
4.2.9.2 How can all parties involved in procurement process ensure compliance with the ethical principles of procurement in your organization?	34
CHAPTER FIVE.....	35
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	35
5.0 Introduction.....	35
5.1 Summary	35
5.2 Conclusions.....	36
5.3 Recommendations.....	37
5.4 Areas of further study.....	39
REFERENCES.....	40
APPENDICES	42
APPENDIX I: QUESTIONNAIRE.....	42
APPENDIX II: ACTIVITY PLAN OF SCHEDULES.....	46
APPENDIX III: BUDGET.....	47

LIST OF TABLES

Table 4.1: Showing the gender of the respondents	25
Table 4.1.3 showing the number of years employees have spent in Bundibugyo District Local Government.....	26

LIST OF FIGURES

Figure 4.1.2 pie-chart showing the age of respondents.....	26
Figure 4.1.4: A bar Graph showing the Academic Qualification of the employees	27
Fig. 4.1.5: The pie chart showing marital status of employees of Bundibugyo district local Government	28
Figure 4.2.2: Illustration for question 4.2.2 showing the response from the respondents on awareness of ethics procurement	29
Figure 4.2.4: a bar graph showing the response from the respondents on whether ethical principles have been applied as per PPDA act or not.....	30
Figure 4.2.5: pie chart showing the total number of respondents towards the implementation of each of the following procurement ethical principles as indicated in the questionnaire.	31
Figure 4.2.8: pie chart showing the response from the respondents on whether the PPDA Act is used as a guide or not when carrying out procurement activities.....	33

ABSTRACT

Ethical principles make procurement to be transparent and accountable. The public procurement and disposal department of Bundibugyo district, due to its own characteristics has not applied the ethical practices as clearly stated in the PPDA Act 2003 as widely as it should have. The purpose of this exploratory study is to increase the understanding of the different ethical principles in Uganda and emphasis the practices of morality during the procurement process. The study will also aim at the different ways of creating value for money during the procurement process. In addition to the above, the study will examine the impact of ethical principles on the procurement process. Questionnaires and observations will be conducted to collect the data. Simple interviews and regressions will be used to achieve the objectives and answer the questions generated. The results of this study will be used to confirm whether the literature that perceives the ethics and the practices of the procurement department of Bundibugyo local Government influence the economy and efficiency for the value creation. The study will also show that procurement cannot do without ethical principles because the absence of ethics leads to unethical practices which will also be appoint of view in the study.

DESCRIPTION

Ethics, Procurement, Disposal, PPDA

Ethics simply refer to how people behavior in a given society. It deals with what is right or wrong, what to do and not to do.

Procurement is the purchasing, contracting and logistics, where in logistics is taken to be inventory control, warehousing, transport quality assurance and control. The deference between purchasing and contracting is that the purchasing activity is associated with works.

Compton and Jessop (1995, p.26) define procurement that it means ‘‘ the obtaining by various means for example loans, transfer, hire purchase) of supplies and services with or without consideration ‘‘

Vanweele and Rozemeijer (1996, p.22) Defined procurement as including ‘All activities required in order to obtain the products from the supplier and get it to the place where it is actually used.

Disposal

W. C. Benton, Jr. McGraw defines disposal as the task of scrapping or selling retired equipment. Disposal means the divestiture of public assets ,including intellectual and proprietary rights and goodwill and any other rights of a procuring and disposing entity by any means ,including sales ,rental ,lease franchise ,auction ,or any combination however classified other than those regulated by the Public Enterprise and Divestiture Statue,1993 (The Acts 2003)

Therefore, Disposal of the council assets defined by a boar of survey shall be carried out in accordance with the Act, the regulations and the guidelines.

PPDA. The ‘‘Act’’ means the Public procurement and Disposal Asset Act 2003.

CHAPTER ONE

INTRODUCTION

This chapter is a brief back ground of the entity involved in the study, the problem statement, the purpose of the study and the objectives that will guide the researcher, the question she seeks to answer through the study, its scope and significance.

1.0 Back ground of the study

Ethics is concerned with the moral values which govern our beliefs, action and decision. Several Authors have different views about ethics. According to Epicurus, (2002)

Ethics deals with the things to be sought and things to be avoided with the way of life and with the tools.

Aristotle (384-322 .B.C) argues that being moral has to do with the function of a human being and that in developing his arguments he moved from the non -moral to the moral uses of good and bad. He suggests that anything that is good or bad is so because it functions well or poorly. To him, being moral means “ reasoning well for a complete life.”

Socrates (469-399 B.C), views ethics in that, happiness is impossible without moral virtues and UN ethical actions harm the person who performs them more than the person they victimize.

Plato(428-348 B.C), This view about ethics is based on the three layers central to the relationship between ethics and personality that’s to say –The soul, The intellectual (reason) and The physical desire (emotions). He therefore defines ethics as the ability to create a balance between the demands of those three layers.

Before carrying out any of the procurement activities, it is important to understand the different ethical principles as per the public procurement and Disposal of public Assets Act 2003. This body is responsible for the rules and regulations for the whole procurement process.

1.1 Organizational background.

Bundibugyo district is located in western Uganda; it is located between Kabarole District and the Democratic Republic of Congo. It covers about 2400km and is geologically part of the rift valley. The Fort Portal –Bundibugyo road, a single track road that runs through difficult terrains, climbing to nearly 2000m to cross the foothill of the Ruwenzori mountain range links the district to the rest of the country. The district has a boundary of mountains rising to over 5000m while the altitude of the rift floor is between 635m-900m. Bundibugyo District traditionally lags behind in development mainly as a result of poor communication and the rebel activity that led to lose of both lives and property in the last 90s. Outbreak of Ebola sickness in 2007 also affected the area to a larger extent. This District is part of the Government structures in the administration of public activities.

1.2 Statement of the problem

In order to create value for money which is the key goal for the procurement process, the district management has decided to emphasize on efficient and effective use of the ethical procurement code of conduct as designed by the PPDA Act 2003. However, despite all the efforts put by the Public procurement and disposal of Assets body, most officials have continued to violate those ethical principles thus leading to increase of unethical practices in the procurement process.

1.3 Purpose of the study

The purpose of this research is to find out the different ethical practices in procurement and how they affect the procurement process. Despite the effort made to reduce the different unethical practices that are continuously arising in the procurement and disposal entities.

1.4 Objective of the study

The objectives of the study include the following;

- To study the various ethical principles in procurement.
- To investigate how these principles affect the procurement process.
- To find out how to create value for money.
- To find out the possible solutions to unethical practices in procurement.

1.5 Research questions

- What are the ethical principles in procurement?
- What is the significance of ethical principles in procurement?
- What are the ways through which procuring and disposal entity can ensure value creation?
- What are the solutions to the various UN ethical practices in procurement?

1.6 Scope of the study

The study basically will include the relationship between the procurement department and its contractors, suppliers and customers. It will involve the behavior of members of the procurement department at Bundibugyo District towards its customers during the procuring and disposal activity. It is focusing on the District as a representative of other Districts. The study will be for the period of two months due to the limitation of time.

1.7 Significance of the study

(i) To Kampala International University

The report of this study could be used by the university lecturers to educate future students about ethics and the importance of procurement ethical code of conduct.

(ii) To the future Researcher

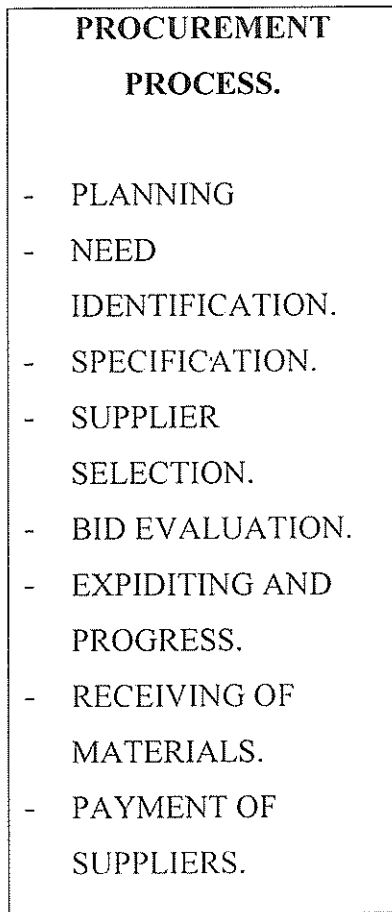
After the study, the research shall be able to give results of the study to write a report on the impact of ethical principles on the procurement process. Both the proposal and the report will form the researchers Dissertation which is amendatory requirement for them (students) to graduate with a bachelor's degree in the university. Students of the university could use it as a reference material in the school library.

(iii) To the procurement department

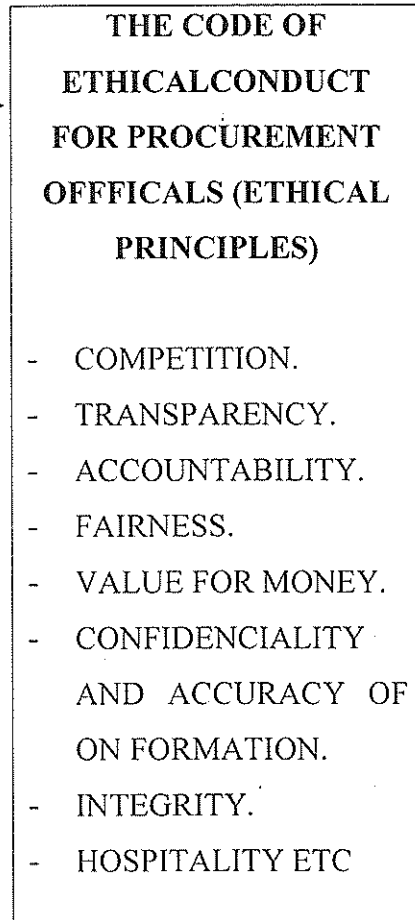
The department will be able to use this report at assess how much ethical principles have impacted on procuring and disposal activity and identify the difficulties they face trying to implement the ethical code of conduct for procuring as per the PPDA Act.

1.8 Conceptual framework

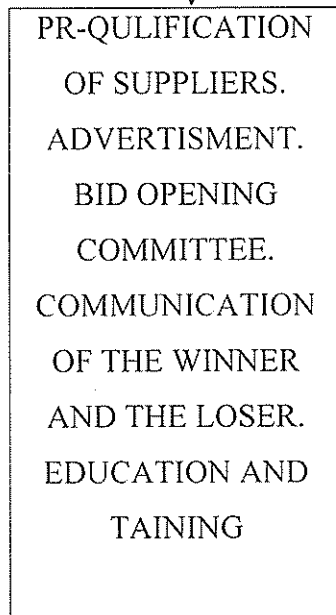
INDEPENDENT VARIABLES



DEPENDENT VARIABLES



INTERVENING FACTORS



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews issues on the existing literature about ethics and the procurement process, the effect of ethical principles on the procurement process that has been structured by other researchers and then establishes the relationship between ethics and procurement. It also shows how the procurement department can ensure value for money, the various UN ethical practices in procurement and their possible solutions. This is followed by an examination of the research methodology utilized. The findings reveal that ethical practices have most effect on need identification, planning, bidding, evaluation and contract award phases of the procurement process.

2.1 Procurement

A function that was traditionally viewed as a clerical and reactive task has since positioned itself among core organization function, and its management is becoming important at the local level Government in most countries . (Schiavo campo and Sundaram2000.) Poor governance has been one of the major stumbling blocks to the economic development of African countries and it has been clear that a number of these countries have not paid adequate attention to the proper management of public resources.

An efficient procurement process is vital to the advancement of African counties and it is a concrete expression of the national commitment to making the best possible use of public resources (Kabaj, 2003).

In 1997, Uganda initiated procurement reforms which culminated into the enactment of the Public procurement and Disposal of Public Assets Act ,2003 and although the Act was set up to have national (central and local) coverage, only the central Government procurement was under the PPDA Act2003 up to February 2006 when the local Government procurement Act cap 234 section 91-94 were amended to harmonize the higher local Government (HLG) procurement

institutions arrangements, regulatory and procedures with those of the PPDA Act 2003. This is currently the principle law governing public procurement and Disposal of public Assets in both local and Governments and central Governments. It prevail overall regulations and guidelines relating to procurement all intended to achieve a number of objectives in an ethical way. Such objectives include:

Economy and efficiency in procurement and disposal activities of local government.

To ensure that public procurement and disposal is conducted in a fair, transparent and non-discriminatory manner within a local government environment.

To contribute towards the creation of a sound business climate in Uganda and others.

2.2 The procurement process

Public procurement process dose not only involve purchasing but also include the broad management of planning , organizing , leadership , staffing , controlling and communicating procurement proçess and activities across the spectrum of upstream supply chain activities involving the suppliers on one hand and the customer on the other but linked to the organization. Public procurement differs from private procurement because in public procurement, the economic results must be measured against more complex and long term criteria and must be translated with other considerations – accountability, non-discrimination among potential suppliers and respect for international obligation in mind with the economy Odhiambo and Kamau, (2003). The basic tenet for public procurement is to acquire the right items , and at the right price , to support government actions but although the formula is simple, it involves questions of accountability, integrity, value with effects far beyond the actual buyer or seller transactions at its centre(Task force Report,1999).

Procurement is now one of the top items that consume public money Wittig (1999p.8) asserted that it has been estimated that between us\$30 to us\$43 billons could be available in the procurement market place in Africa and by 2005, it was established that in developing countries, procurement was accounted for the total expenditure of 70% in Uganda (Development Assistance Committee p.18). The public is particularly sensitive to the fact that a good public procurement process results in more goods and services that directly meets the needs of the end

users and they are obtained for less money and with speedier delivery (Arrow smith and Trybus2003).

Reforming and strengthening systems of public procurement must be given a high priority in the efforts to improve systems of governance in African countries(Kabaj2003).The inefficient use of funds can be generated from problems across the entire procurement process from the definition of the needs, and creation of bidding documents to a lack of transparency and competition in the process followed by announcements , bid evaluation and award of contracts to poor contract supervision.(Harmonizing Donor practices to effective Aid Delivery , 1999).

Although much scholarly literature suggests that ethical codes are useful in foresting ethical behavior , there is no demonstrated relationship between codes , administrative behavior and public confidence and trust in Government(Thompson 1995), the strength of codes include setting clear standards of behavior consistent with social needs , accountability , operationalization of concepts , increased transparency of Government and due process.

Consistence of purpose is believed to be ensured. These bureaucracies provide structures that produce calculability of results. (Denhandt1993).Early theorists provided a methodology which these contents values are assessed against established national goals and objectives using utilitarian principles are the criteria for action for example Simon (1947) explicated a process of vertical value integration that should take place in the organization context.

Clear are the values of efficiency and effectiveness in the structured perspective in movement towards decentralized public administration systems. The basis of a structural ethical control perspective is on external controls through codes , laws and regulations and the normative perspective is on values of rightness and wrongness .Ott (1985), states that `` Ethics , values and morals provide the justification for what most people do in organizations and it would not be possible to understand the most visible levels without knowing the belief and values that derives them.''

As the importance of purchasing in corporations increase, there is has been a concurrent increase in the importance of ethics in the purchasing environment .The traditional organizational structure has the potential to encourage unethical employee practices. View in the relationship between an organization and it' suppliers as Adversarial creates conflicts as well as inherent ethical dilemmas in purchasing functions (Haynes and Helms, 1991, woo 1995).therefore in running of procurement practices, ethics have been recognized to be an essential requirement in entraining a good buyer –supplier relationship .suppliers usually view the ethics of their buyers as important foundations.

2.3 How ethical principles relate to the Procurement process

Need identification. In procurement, requirement for goods and services originate from different users. They range from blankets, mosquito nets, tents to food supplies. These requirements are communicated to the procurement department in form of a request which may be electronic, hard copy or verbal and may be very specific where the user know exactly what they need

In terms of specification, quotations, and delivery details. In emergence, the requests are sometime verbal or done on e -mail communication .Ethics in relation to procurement requires that in whatever form, the need must be clear, unambiguous and conferment by the originator of the request. Once the needs have been identified and forwarded to the procurement in a request, the procurement plans on how to deliver the service or goods required.

2.3.1 Procurement planning

It is the primary function that sets the stage for subsequent procurement activities. It facts and then ignites the engine of the procurement process. Any mistake therefore has implication for the local government, measured from the two indicators of accountability and participation .procurement planning is a legal requirement in all local Governments in Uganda. Section 34(2) of public procurement and disposal of Public Assets Act 2003 and local Government regulation Section 62 of 2006 requires the user department to prepare a work plan for procurement on the approved budget and submit it to the Public procurement and Disposal unit for orderly execution. Section 32(f) requires a procurement unit to plan the procurement activities of the entity.

Procurement planning is not a onetime event although some officials think that it is easy and often tend to plan for the entire entity on individual basis.

Procurement planning is a process of determining the procurement needs of an entity and their funding such that the entities operations are met as required in an efficient way. Ethics does not support individualism when it comes to making procurement decisions regarding the planning process but encourages collectivism. The procurement officials therefore ought to co-operate when drafting a budget for any kind of purchase to be made, be it goods, works, services or utilities .it is important for the procuring and disposal unit of Bundibugyo District to know that procurement is a hotbed of ethical challenges because the decisions and choices made procurement affects the entire public sector.

2.3.2 Value for money

This is a core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources; therefore there is need for the user department to prepare to prepare an annual work plan based on the approved budgets, which shall be submitted to the procurement and disposal unit. A well prepared work plan includes a detailed breakdown of activities of works, services, and supplies to be procured, a schedule of procurement activities in order of priority, a statement of the required resources and a plan of the likely method of procurement for each requirement among other contents. Plans are later integrated to ensure that resources are fully utilized and well allocated so as to create value for money.

The application of the highest ethical standards will help ensure achievable procurement outcomes .Ethics is vital when it considering value for money because it involves more than just getting the right price but also knowing the various thresholds , rebates and ways through which the organization can benchmark the different procurement activities respectively. Ethics provides more principles such as transparency, accountability when creating value for money.

The code of ethics for public officers requires that employees shall not us their authority of office for personal gain and shall seek to uphold and enhance the reputation of a local Government by maintaining an impeccable standard of integrity in all business relationships

both inside and outside the council in which they are employed, fostering the highest possible standards of competence, optimize the use of resources for which they are responsible to provide the maximum benefits of Uganda and complying both with letter and the spirit of the Laws of Uganda and regulatory guidance , accepted business practices in commercial markets and contractual conditions.

2.3.3 Consistency and Transparency of the process

The Public Procurement and Disposal of Public Asset Act No .4(2004) makes transparency a primary consideration throughout the procurement process from the initial identification of the need, throughout the final disposal of the property. It requires procuring entities (PES) to offer unsuccessful bidders a written briefing, on requests, as to why their offers were not successful. Public reporting of procurement opportunities and award is also important element of transparency .The Public Procurement and Disposal Act 2004 and its regulations require this to be done in newspapers, Authority's web sites and journals. Therefore, ethical principles require that procuring entities must be consistent and transparent.

2.3.4 The use of appropriately competitive process

A key element of procurement frame work is open competition. According to the PPDA Act, employees shall avoid any business arrangement that might prevent the effective operation of fair competition. Bidders shall not be excluded from participating in public procurement and disposal of public assets on the basis of nationality, race, religion, gender or any other criteria not related to qualification, except under guideline made under these regulations in the Act or any other competent Authority. This means that, the bidding process has to be open to all potential participants. The methods used under open competitive bidding include –open national or international bidding. These methods call for both nationals and foreigners to take part in the competitive bidding which increases value for money.

Not with standing sub regulation (1), bidders may be selected through a prequalification process, following publication of prequalification notice in at least one newspaper of wide circulations; except that the procedure described in regulation 34 shall be complied with.

This is what ethics calls justice, giving to people what they deserve. If the procurement department of Bundibugyo provides opportunities to all eligible suppliers then they said to act ethically. Therefore, participation to bidders in public procurement and disposal must be open on equal terms to bidders who meet eligibility requirements such as;-legal capacity to enter into a contract , when abider is not bankrupt, insolvent ,assigned statement that a bidder does not have a conflict of interest in the subject of interest among others.

Not with standing sub regulation (2), where eligibility has been verified as part of a pre-qualification process, the bid documents shall not require documentary evidence of eligibility and verification of eligibility shall not form part of the preliminary examination.

Ethics therefore requires the Procurement and Disposal Entities to be familiar with any per selection or prior processes to a void request for duplicate information .They should aim at ensuring the cost of tendering for opportunities dose not deter competent suppliers. Therefore, they must provide adequate timely information to prospective bidders. The mode for selection of a bidder to be invited to bid should thus be in accordance to the procurement process and by publication of a bid notice, a prequalification exercise, and development of shortlists among others. Open competitiveness is therefore ethically acceptable bidding method because it calls for all eligible participants regardless of other factors.

2.3.5 Confidentiality

According to the Public Procurement and Disposal of public Assets Act, a public procurement and disposal entity shall except, when required to do so by an order of courts, disclose any information where the disclosure will amount to the breach of the law, impede law enforcement, prejudice legitimate commercial interests of parties, inhibit fair competition until a successful bidder is notified of contract award. This ethical consideration relates to procurement when it comes to supplier selection and bid evaluation process. When choosing potential suppliers or bidders, the evaluation committee under takes the assessment of submitted bids, rank them and submits an evaluation report ant and assessment scores to the procurement and disposal unit for submission to the contracts committee.

Ethically, the evaluation committee is supposed to keep information relating to all bids evaluated themselves until the successful bidder is notified. An evaluation report contains reasons for the rejection of any bid and details of any non – material deviations accepted and the way in which they have been quantified and taken into account in the financial comparison. However, the PPDA Act requires that a post – qualification be undertaken to determine whether the best evaluated bidder has the capacity and resources to effectively carry out the contract. Therefore, a criteria for post-qualification must be set out in the bid document and may include:-Experience on similar contracts in Uganda, regionally or internationally capability with respect to equipment and manufacturing constricton facilities, qualification and experience of personnel among others. At all times, the bid that provides value for money will win the contract. It is very crucial for procurement and disposal department of Bundibugyo District to always remember that value for money does not when lower prices during the procurement process.

2.3.6 Fairness and Integrity

All procuring and disposal entities must be fair in all their dealings. This ethical principle relates to the procurement process when it comes to award of the contract. Many at times procurement officials tend to make personal decisions regarding which bidder to be awarded the contract yet the Act clearly states that the contracts committee is responsible for making a contract award decision after the completion of evaluation, post qualification and the negotiation process which is done by the Procurement and Disposal unit. The contracts committee then approves the recommendation and a successful bidder is publically notified. However, a contract award shall except under micro procurement be displayed within two working days of the contract award on the notice board or may be posted on the website. Therefore, by awarding the contract to the successful bid implies that essence of honesty and fairness as well integrity.

2.3.7 Contract effectiveness

The procurement process does not end with award of the contract but goes beyond monitoring and follow up. It is therefore the role of the public procurement and disposal entity to promptly fulfill its entire obligation relating contract effectiveness. According to the Public Procurement and Disposal of Public Assets Act, where a bidder fails to provide the required performance security within specified time, or fails to full fill any other condition of contract effectiveness.

the procurement and disposal entity shall proceed to award a contract to the next evaluated bidders. This is to enhance compliance in accordance to the ethical guidelines.

2.4 How to create value for money

Many public procurement, betray the billions of shillings sunk into them. Roads are poorly done; hospitals and class rooms collapse before they are commissioned. This shows that many procuring entities fail to ensure value for money. However, this can be reversed if they are not compromised during the procurement process or if they pay attention.

Benon Kwizira, the kisoro District procurement officer, notes that to get the best out of our procuring entities and the technical teams, especially for works and supplies ,is a must “ procurement units cannot work in isolation .There must be effective monitoring and supervision of projects to make sure they are done according to specification,” he advises..

Thorough market research should also be done because it provides healthy comparisons of prices quoted by different bidders. “ All possible ways of ensuring efficiency should be perused at the lowest possible cost.” Counsels Kiiza. This can be realized through perusing cost saving measures and incorporating innovative ways while executing contracts.

To make sure contractors do a good job, organizations must also encourage competition in the tendering process.” Competition forces contractors to undertake projects according to specifications. This may also lead to price reduction and a healthy variety is brought on board,” says Kwizira. But the reverse is also true. “ If someone is a monopoly, sometimes they get complacent and fail to give their best.” Kiiza calls on the public procurement and disposal of public Assets (PPDA) to sensitize stakeholders about project monitoring process.

Edwin Muhumuza the PPDA acting publicity, says value for money is largely about three aspects during the procurement process; economic health, effectiveness and efficiency. Muhumuza therefore, encourages public entities to source for the best possible item on the market at the lowest but competitive price visa- a viz the performance of the economy. He adds that effectiveness in the contract execution should be the target as it ensures that firms set the

best results. If you contracted a firm to contract a road, is the route up to standard? What is its durability?" he notes that without adhering to the basic of public procurement, efforts to get your money worth will be in vain. "Without accountability, value for money in public procurement will always remain a fair cry", he argues.

2.5 UN ethical practices in the procurement process and their possible solutions

The public procurement process represents many dilemmas with ethical implications. UN ethical practices refer to those behaviors or immoral acts which do not conform to what is typically done. That's to say, failure to obey the conventions and rules of one's society and religion. Desjardins (2003). Any act not in line with the public procurement and disposal Act guidelines is said to be unethical behavior in public procurement, these include:-

Abuse of power or position. It is UN ethical to use inside information provided to the procuring entity as part of tender process, either for the material benefit of the official or for another person. Therefore, employees involved in public procurement should be mindful of potential conflicts of interest that might arise and must not use their position to gain or seek to gain benefit for themselves or any other person. They must also avoid perceptions of conflicts of interests of undue influence as well as avoiding them for real.

Lack of transparency and fairness. It is unethical to conduct procurement in unfair way, failing to make materials available to all interested parties within time frame, failure to consider each bid in a fair and impartial manner and also having conflicts of interest or bias towards or against bidders. Therefore, procurement officials ought to demonstrate that their decisions are fair and equitable and made in accordance with the law, procuring entity rules and regulations and conditions of contract. When communicating to bidders, it is important that it is conducted not only same in time frame but also in the manner for all bidders. Even when notifying bidders whether they are successful or not successful, this practice of fairness and openness is necessary. This will help avoid delays in procurement activities implementation.

More so, the request documents must clearly detail conditions for participation and evaluation criteria and be equally available to all interested parties. This will help provide the market with

clear indications of requirements that they must meet and reduce the resources wasted as a result of lodgment of unsuitable or misdirected bids. Decisions made by suppliers must be purely made and bids must also meet conditions for participations which should be well targeted, clearly measured and not excessive in number.

To maintain fairness in a procurement process, the separation of duties is important. Every employee must know his obligations and ensure to perform it effectively. Officials involved in evaluation should not be those in approval of award. Separation of duties is ethical, the public procurement and Disposal of public Assets Act clearly shows the duties of a procurement officer. Therefore, it will be of great benefit to the local government of Bundibugyo if the procurement officer behaves in accordance to those procurement guidelines- will performance all his or her duties and obligation.

Conflict of interests. This can endanger both actual and perceived objectivity and probity of the procurement process. It is said to be unethical because it arises where an official has an affiliation or interests that may prejudice his or her impartiality. Having deferring opinions affects the performance of the procurement activity as well as budgeting for the whole process. Therefore, to solve such a dilemma all parties ought to be aware before the process commences as well as avoiding such conflicts of interests connected to the procurement process. The Act requires that any person in the tender process should make a written declaration of any actual or perceived conflicts of interests prior to taking part in the process. This will help minimize risks associated with disagreements, loss of resources among others.

Corruption. The public procurement Act no 21 of 2004 defines ``corrupt practice as offering , giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or contract execution.'' On the other hand, fraudulent practice –means a misrepresentation of facts in order to influence a procurement process or execution of contract to detriment of the Government and includes collusive practices among the renderers' designed to establish tender prices at artificial non-competitive levels and to deprive the government of the benefits of free and open competition. Corruption is UN ethical; a person may be morally corrupt if he or she has selfish interests which drive him or her towards making egoistic

decisions. Fen ell (1997), Egoism is a form of teleological theory where the right decisions are those that minimize the individuals own self interests.

Having selfish interests affects the entire procurement process in the way that the procurement officer becomes a dictator which is not acceptable-thus unethical.

According to Kant (1724-1804), in his ethical treatise foundation of metaphysics of moral (1785), sets out a detailed deontological ethical theory-about `` Acting only according that maxim by which you can at the same time, in that it should become a universal law .(principle of imperative), all moral judgment must be universalizable (principles of universalizability) and act so that you treat humanity whether in your own person or in that of another, always as an end and never as a means only.(the principle for persons).

Corruption has become the order of the day in public procurement as most people take it for granted. It must therefore be dealt with by the public procurement and disposal of public assets body. Section 73 of no 21 of 2004 prevents offering of gifts, gratuities or other valuable thing to tender decisions.

The section also requires declaration of interests to any of the bidders by public officials in any public procurement –done by members of evaluation committee, tender board among others. It also requires declaration by firms participating in tender process of any commissions paid. There is also a requirement for bidders to submit an ant- bribery pledge .Regulation 8of GN 97 and GN 98 emphasizes on probity and ethics in procurement. Therefore, by compiling with those prevention sections as per the Act, will help the procurement department of Bundibugyo district to minimize cases of corruption. In case of intentions to award a contract, the procuring entity may reject the proposal for award of a contract involving fraudulent and corrupt practices and may declare the person or firm ineligible for a period of ten years to be awarded a public finance project. Punishments should be given to any public officer involved in corruption or fraudulent practices to the penal code, the public corruption bureau (PCB) Act 1971 or any other written law.

Discrimination. Most generally refers to the ability to make distinction, as when to describe someone as having discriminating tests in food or music Desjardins (2003). Discriminating among vendors for reasons of nationality or other factors not related to the quality of the product or service can create ethical concerns or legal problems to organizations that are wholly or partly financed by public money .Discriminative behaviors also hinder the creation of value for money especially when bidders are limited from taking part in the procurement process on the basis of race, nationality, Religion or Gender.

Therefore, to solve such unethical practices, any policy , stated or unstated that allows discrimination against vendors should be eliminated especially in public organizations as state and federal often prohibit discrimination of vendors against factors such as sex, nationality, gender or race.

More so, the public procurement and disposal for public assets Act emphasizes open competitive bidding as the best method of tendering according to the procurement need at hand. This is because open competitive bidding suits market circumstances as well as the size and nature of the procurement. According to the Act, any procuring and disposal entity should obtain prior, written approval of authority and include the exceptions to nationality and the grounds relied on the bid document as well as in the record of procurement or disposal process-in case they are to limit participation on the basis of nationality. Open competition, invites all eligible bidders both nationals and foreigners hence ensuring value for money. However, exception for open bidding is given for micro procurement as per the Act. Open competition also encourages fairness and justice since the contract is to be awarded to the successful bidder after evaluation.

Ethics supports non discrimination through affirmative action-any policy or action, aimed at securing a more equal workplace that goes beyond simple legal access or passive non-discrimination, but that does not alter the standards or qualifications for employees. Kleing (1996), therefore it is crucial for public officials to avoid discriminating vendors so as not to deprive the organization the benefits of open competitive process

Loss of confidential information. Failure to secure confidential documents and information by officials is unethical in the procurement environment. According to the Public Procurement and Disposal of Public Assets, for the avoidance of doubt, the following original documents shall be kept in a secure place;-A bid security, a performance security, an advance payment guarantee or security, a power of attorney and any other document to be kept that is deemed of intrinsic or inherent value. Bidders are not supposed to access evaluation results before public notice, any procuring and disposal unit that reveals information to bidders prior to the bidding process, evaluation or public notification of the successful bidder and unsuccessful bidder is acting unethical.

Therefore, the possible solutions to such unethical behavior are;

Having measures in place to manage the security and confidentiality of documents, including physical security of submissions and related documents , access to secure documents and confidentiality of commercial information .Security measures to be established should include the usage and security of the tender box , appropriate storage of submission , limiting the number of and numbering copies made of documents , limited access to the submission(only allowing the authority staff) and ensuring documents are not removed from the procuring and disposal premises.

In addition to the above, loss of information results into corrupt transactions during contract negotiation process. Section 18- (1) of the public procurement and disposal of public assets Act states that any one offers an advantage to the public officials as an inducement to or reward for or otherwise on account of such public officials giving assistance will have committed an offence. On the other hand, any public official who solicits or accepts an advantage as an inducement, to assist in promotion , execution or procuring of payments of the price as is referred to in paragraphs (a) and (b) of the section (1) . commits an offence.

Dishonest. Failure to have complete and confirmed, integrity, uprightness and honesty is also UN ethical in public procurement. Probity is the evidence ethical behaviors in particular process and it contributes to sound procurement processes that accord equal opportunities for all participants. Failure to conduct procurement in manner that enables purchaser and suppliers deal

with each other on the basis of mutual trust and respect affects the entire procurement process starting from need identification, planning, supplier sourcing, bid evaluation up to contract execution and monitoring. Dishonest dealings destroy the relationship between the government buyers and their vendors. Therefore, probity should be integrated into all procurement planning. Adopting an ethical transparent approach enables public procurement to be conducted fairly, reasonably and with integrity. The procurement rules must therefore be clear, open, well understood and applied equally to all parties to the process.

Procurement officials should therefore, avoid the potential for corrupt practices to occur, maintain public sector integrity, produce better outcomes against stated objectives and minimize conflicts and potential for litigation. By doing so, all procurement practices will be conducted in a fair, open and transparent manner since all officials will be exercising honesty and moral upright.

Failure to make accountability. The public procurement and disposal Act requires all procurement officials to account for their dealings. This is to ensure there is value for money. Therefore, failing to account for every spend during public procuring and disposal activities are viewed as one of unethical practices during the procurement process. Providing accountabilities shows clearly how the resources have been used and failing to provide a record of activities carried out, amounts allocated to each respectively depicts cases of corruption. Therefore, accountability is one of the essential ethical issues considered in public procurement. All procurement officers therefore, must be accountable for every kind of procurement to avoid resource mismanagement of resources and those who fail to account for their dealing must be dealt with in accordance to the Act.

Non-compliance. A few studies have undertaken to explain non-compliance with the public procurement regulations but none specifically focuses on Uganda. The main purpose of the procurement process is to ensure openness to all the stakeholders involved in procurement exercises. In public sector especially where value for money is being emphasized, compliance is precondition. Therefore, failure to comply with the steps according to the Public Procurement and Disposal of Public Assets Act 2003 in order to ensure that stakeholders involved in

procurement exercise obtain fair treatment is one of UN ethical practices affecting the procurement process. These steps include planning for the required procurement over a given period, identifying the source of items, highlighting specifications, determining of procurement procedures, sourcing(soliciting) offers, evaluation of offers, post qualification, commencement of contract, contract performance (Delivery) and management record keeping, accountability, payment and post contract performance.(PPDA,ACT 2003).

Non –executive directors in Africa need to play any meaningful role in ensuring compliance. However, many simply act as rubber stamps for decisions taken outside (Oludde 2003). In this prospective, compliance arises from a dynamic equilibrium between the various powers of the state and understanding what their roles are (fisher 2004).

There, it is very important for all parties involved in public procurement practices to know their roles and responsibilities clearly so as to ensure compliance during the procurement process.

According to De Boer and Telgan (1998) as quoted by Gelderman et al. (2006), one of the factors causes of non- compliance with regulations is the level of familiarity with the procurement regulations. De Boer and Telgen (1998) asserted that during the early days of inceptions of public procurement regulations in the Netherland, many municipalities could not comply to the regulations because they were not familiar with them.

Gelderman et al. (2006) confirmed this position in a survey on compliance with Eu Directives. Given that the procurement process is still relatively new in Uganda, with the regulations having come into force in 2003, it is possible that the level of familiarity with the regulations is still low. On the other hand, those who are familiar with the regulations know so well that they know how to beat the loopholes to their advantage .It is therefore, worth noting that the ambiguity in the procurement procedures may provide a chance for dubious acts including opaque tendering and discriminative supplier selection which may progress into poor compliance levels. Therefore, it will be of a great benefit to the public if the officials involved in public procurement and disposal of public assets of Bundibugyo District become more friendly to the rules and regulations set in the PPDA Act.

De Boer and Telgen (1998) ads that another cause of non- compliance is lack of professionalism The public procurement and disposal of public assets Act Audit Report(2008) revealed that the lack of professionalism was high amongst public procurement officials in Uganda and this can still be attributed to the fact that the profession is still young in Uganda. This position is confirmed by Basheka and Mugabira (2008) who stated that the level of professionalism in public procurement is still low or non- existent.

Dobler and Burt (1996) Defines profession as ``A calling requiring specialized knowledge and often long and intense preparation including instructions in skills and methods, monitoring by force of organization or concerted opinion high standards of achievement and conduct and committing its members to continued study and to a kind of work which has for its prim purpose the rendering of a public service``.

2.6 Substandard Products and Services

The procurement of products and/or services that are known to be unsafe, untested or of substandard quality is perhaps another addressed ethical concern when it comes to procurement management. However, the deliberate purchase of goods or services for use by employees or the public that have the potential for harm should be avoided at all costs, and not just because the result could be personal injury litigation. Procurement management should have policies forbidding the purchase of goods or services that raise safety concerns. The effect of ethical principles on the procurement process discussed here are by no means definitive or exhaustive.This study is just the scene and introducing ideas.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

A survey instrument will be developed for achieving the objectives and answering the questions developed using data gathered from a review of current literature combined with in-depth study questionnaire with the local Government Bundibugyo District. The focus of this case study will be to refine the variables developed from the literature review, gain a greater understanding of the most important issues with regard to the organization. The procurement department of Bundibugyo has been operating for more than 10 years. In terms of organization size, this District has more than 1000 employees, but with few of them being in the procurement department.

This study will be based on results from a single embedded case study (Local Government Bundibugyo District). The study will be embarked upon during September 2012 and it will run for duration of one and a half month.

The following will be the central objectives of the study;

- (1) To understand the various ethical principles in procurement.
- (2) To investigate how these principles affect the procurement procedures of Bundibugyo
- (3) To find out how to create value for money in procurement.
- (4) To suggest possible solutions to the various unethical practices commonly affecting procurement in Bundibugyo District.

3.1 Research Design

Grounded theory methodology has been chosen for this study due to its appropriateness for the research questions (determining "how") and the phase in the scientific process (exploratory research of a new phenomenon). Data analysis will begin immediately following the interview and will continue throughout the data collection process, allowing the developing theory to direct the research. Specific techniques prescribed by grounded theory methodology will be used to

analyze the data collected. Transcribed interviews, memos, field notes, and organization documents will all be coded in order to categorize, name, and identify properties and dimensions of the research for secondary data collection.

The basic process of analysis will involve continually questioning the information obtained and making comparisons among coded sets of data. These techniques will allow the theoretical concepts to emerge from the data. Interview transcripts and organization documents will be systematically organized and coded independently by the researcher. The researcher will then reconcile their codes, and any initial discrepancies resolved.

3.2 Population of the Study and Sample Size

The target population of this study will be the Procurement Department in Bundibugyo District. Samples will be randomly drawn from the various units of the organization's procurement department, i.e. the main store and the head office of procurement. The unit of study for this research will therefore be just this organization. The survey will be administered to 50 employees including the managers. The mail survey, observation and interviews will be the main forms of data collection.

3.3 Sampling Design and Procedures

In the first phase, the study will look at the current initiatives currently undertaken in Bundibugyo local Government procurement Department. From these identified initiatives some will be chosen for a more detailed evaluation in order to obtain a good overview of existing ethical purchasing in the organization. In the second face all potential obstacles to the implementation of ethical principles that are faced in the organization will be identified together with the different possibilities which could enable smooth procurement process.

3.4 Data Analysis

Analysis of the critical ethical principles through the use of citation frequency as a measure of their importance will be used to reveal that among the many adoption steps of ethical procurement process, value for money is the main dominant principle. In order to further understand the relative importance, the literature review will concentrate more on transparency,

accountability, economy and efficiency, opens and fairness, confidentiality, non discrimination and integrity as ethical guidelines during the procurement process.

While this type of analysis is subjective and exploitative, the prominence of ethics in the success of Procurement process implementations at Bundibugyo is apparent. This suggests that where there is a conflict between ethical and purchasing issues, the returns on Procurement initiatives may be higher if more attention is given to value creation.

3.5 Observation

The researcher will use all the senses to perceive and understand experience of interests in regard to procurement procedures and how officials, behavior while carrying out the procuring and Disposal activities of the organization. This will allow the researcher see what the procurement officer of Bundibugyo District actually does together with his staff (parties involved in the public procurement and disposal of public Assets) i.e. the end-users. Firsthand experience about the effects of ethical principles, how to create value for money and how to avoid unethical behaviors will be gained without informants. Usual aspects such as fraudulent and Discrimination unethical practices will be quickly noticed.

3.6 Questionnaire

Questionnaires asking specific questions will be used to collect data with regard to implementation of the key procurement ethical principles in the Bundibugyo District. This is attached after the few following pages.

3.7 Limitation of the Study

The researcher interviewed only a portion of all population and information collected was not accurately representing all employees of Bundibugyo District.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPERTATION

4.0 Introduction

This chapter explains the analysis, interpretation, and presentation of research findings. The analysis and research findings were interpreted and analysis basing on the research questions.

The study was set to investigate the effect of ethical principles on the procurement process in Bundibugyo district. The findings were obtained through the use of questionnaires, interviews, field observation and documents from Bundibugyo district local Government.

4.1 Demographic characteristics

4.1.1 The gender of respondents

Table 4.1: Showing the gender of the respondents

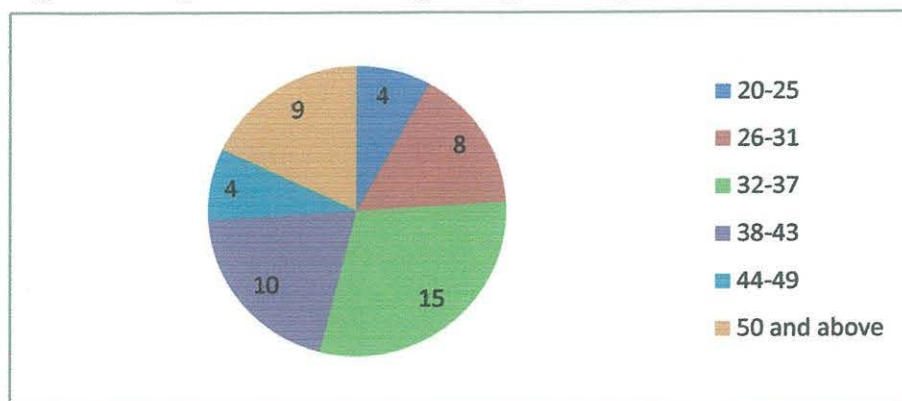
Respondents	Frequency	Percentage
Male	40	80%
Female	10	20%
Total	50	100%

Source: Respondents of Bundibugyo District local Government 2012

From the table 4.1 above, it can be seen that the majority of the respondents are male that is 40 representing 80% of the total number of respondents and 10 respondents are female representing 20% of the total respondents (50).

4.1.2 Age of the respondents

Figure 4.1.2 pie-chart showing the age of respondents



Source: Respondents of Bundibugyo District 2012

From the pie-chart (figure 4.1.2) above, it can be seen that the majority of the respondents were aged between 32-37 years followed by 38-43 years, then 50 and above; 26-31 years, lastly 20-25 and 44-49 years were equally represented by 4 respondents each. From the above analysis, it can be construed that majority of the staff of Bundibugyo District are people aged 32-37. Therefore they have an active memory.

Table 4.1.3 showing the number of years employees have spent in Bundibugyo District Local Government.

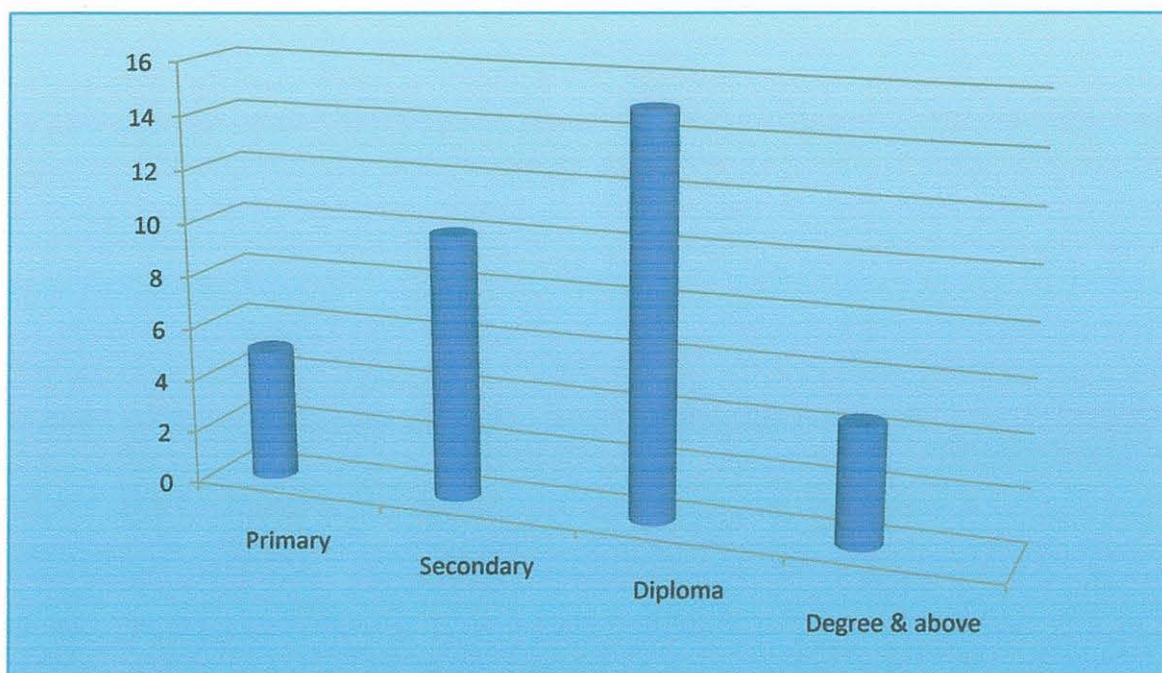
Age group	Total Number of respondents	Actual respondents
1 and below	50	2
2-5	50	10
6-9	50	8
10-13	50	5
14-17	50	15
18-21	50	10

Source: Respondents of Bundibugyo District.

From the table(4.1.3) above, represented the number of years worked by employees in Bundibugyo District as 2 respondents representing 1 year and below , 10 respondents representing 2-5 years, 8 respondents representing 6-9 years, 5 representing 10-13 years , 15 representing 14-17 years and 10 representing 18-21 years. That means the District has more employees who have worked between 14-17 years.

4.1.4 The Academic Qualification of the employees

Figure 4.1.4: A bar Graph showing the Academic Qualification of the employees

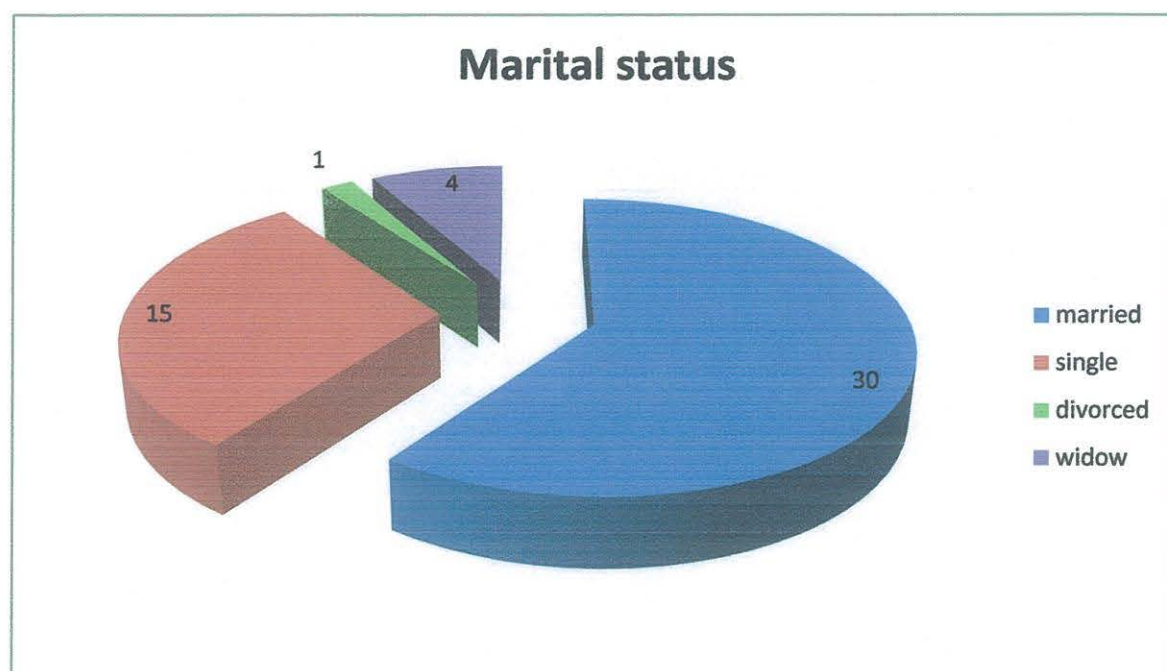


Source: Respondents of Bundibugyo District 2012

From the bar graph 4.1.4 above it is seen that the majority of the staff of Bundibugyo district are Degree holders and above, followed by Diploma holders and then secondary and lastly primary. This implies that the staff of Bundibugyo District is well educated and therefore the information obtained from them can be relied upon for the purpose of this study.

4.1.5 Marital Status

Fig. 4.1.5: The pie chart showing marital status of employees of Bundibugyo district local Government



Source: Respondents of Bundibugyo District Local Government 2012

Pie chart 4.1.5 above shows that the district has the highest number married represented by 30 followed by single represented by 15 then widows represented 4 and lastly divorced represented by 1 therefore this implies that the district local government has offered to all different categories people employment based on marital status.

4.2 How Ethics has impacted the Public Procurement Process in Bundibugyo District Local Government

4.2.1 What are the procedures for procurement process?

Interpretation

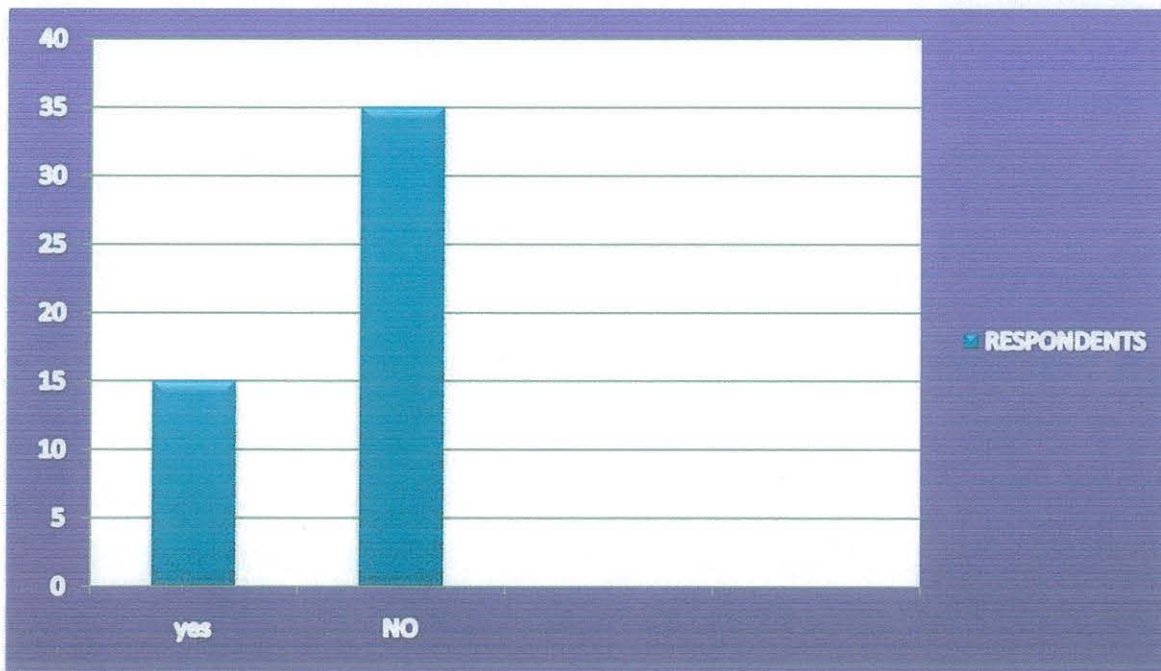
According to the respondents' information, Procurement procedures refer to the sequential steps or guidelines followed before obtaining a good or a service. The procurement department of

bundibugyo district follows the procurement procedures as per the PPDA Act 2003 during the procurement of goods services and works. These procedures:

Planning, need identification, development of bid documents including their specification, advertising, receiving of bids opening and evaluation of bids, notification of the winner, award of contract to the successful and un successful bidder and then award of the contract to the successful bidder, and lastly follow up of contract implementation.

4.2.2 Do you know what Ethical Procurement is?

Figure 4.2.2: Illustration for question 4.2.2 showing the response from the respondents on awareness of ethics procurement



Source: Response

From the bar graph (4.2.2) above, it shows that only 15 respondents are aware of ethical procurement and 35 respondents are not aware of ethical procurement. This implies that a large number of Bundibugyo local government employees have no knowledge of ethical procurement.

4.2.3 How has the procurement department implemented ethical purchasing?

Illustration or views from the respondents on the above question are as follows:

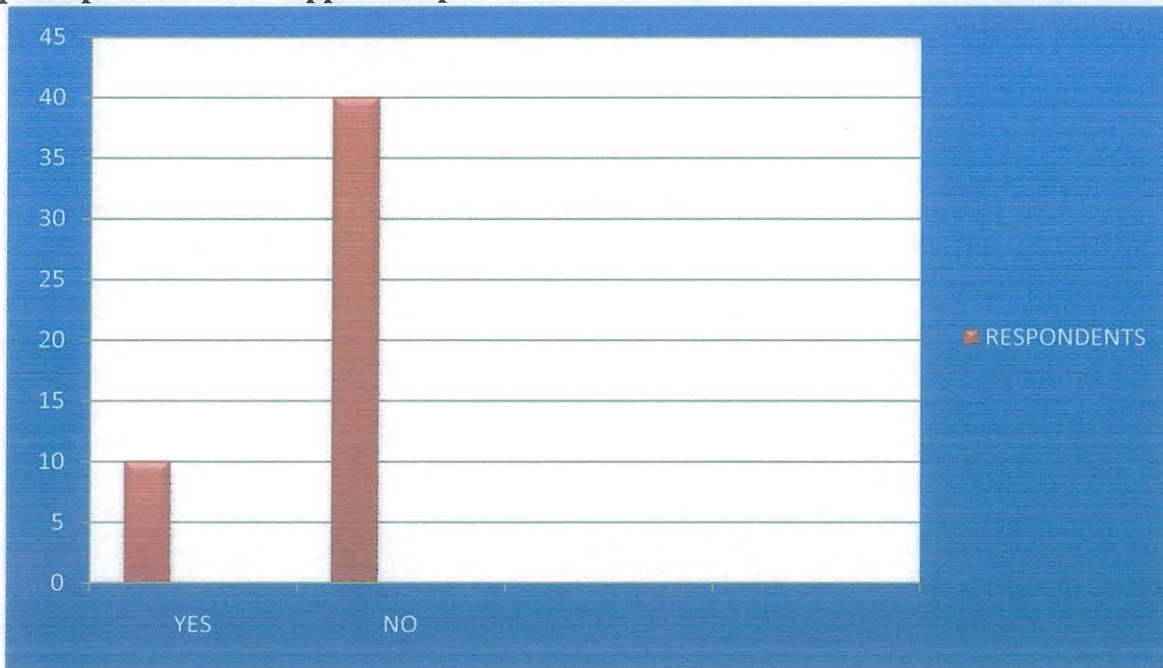
Through insuring open competitive bidding.

Through following all procurement procedures when obtaining or disposing of public goods and services.

Setting clear specifications in relation to price, methods of procurement and disposal, mode of payment, mode of delivery.

4.2.4 Has the Ethical principles been applied as per the PPDA Act requirements in the organization's procurement procedures?

Figure 4.2.4: a bar graph showing the response from the respondents on whether ethical principles have been applied as per PPDA act or not.



Source: Respondents of Bundibugyo District local Government.

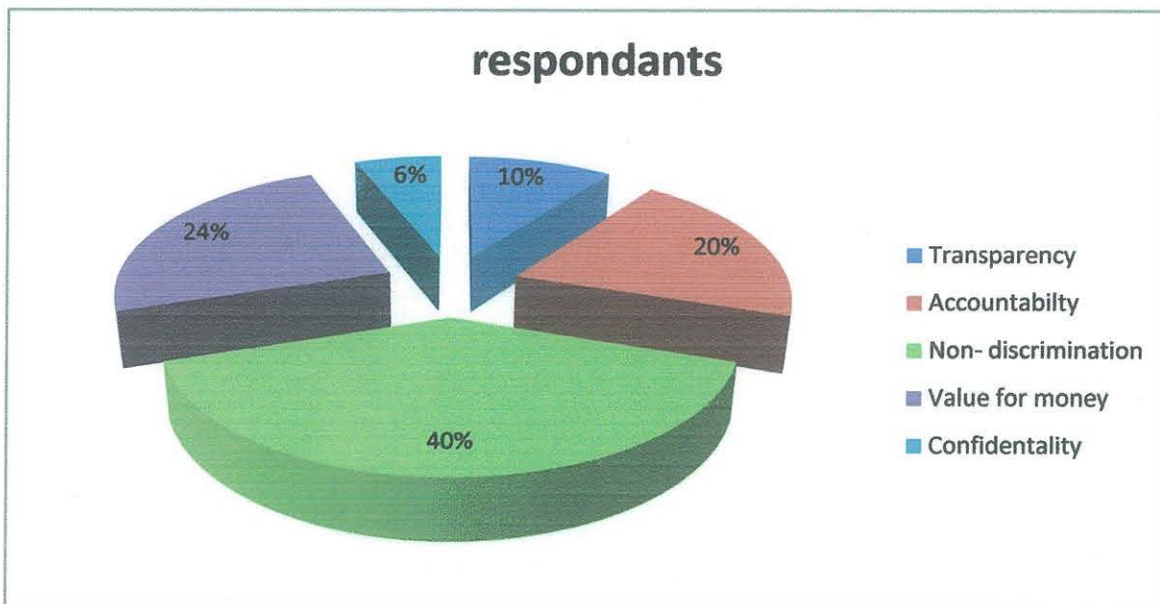
From the bar graph (4.2.4) above, it can be seen that the minority of the staff in bundibugyo local government district agree that there has been constant and consistent implementation of ethical principles as by the PPDA act when carrying out procurement and disposal of public activities while the majority strongly disagree to the extent of even quoting some of the corruption

tendencies and this means that ethical principles are not seriously followed by many of the staffs in the district.

4.2.5 What are the advantages of ethical procurement principles that your organization enjoy?

From the question of advantages of ethical procurement principles an organization enjoy, the respondents quoted value for money, accountability, transparency, non discrimination, confidentiality, and integrity.

Figure 4.2.5: pie chart showing the total number of respondents towards the implementation of each of the following procurement ethical principles as indicated in the questionnaire.



Source: Respondents of Bundibugyo District 2012

From the pie-chart (figure 4.2.6 above), it can be seen that non- discrimination principle is the one which is highly implemented by staff in the District when caring out procurement activities for the local government compared to other principles. However, confidentiality principle is the least implemented principle by staff members.

4.2.6 What are the challenges that your organization should overcome to effective procurement process and how is it fighting corruption as a major problem?

From the Respondents, the following were the challenges identified which the organization should overcome to ensure effective procurement process;

Corruption

Limited transparency

Lack of confidentiality

Unavailability of resources

Limited skills

How the organization is fighting corruption.

Rejection of bribes and gifts.

Ensuring consistence and transparency.

Emphasizing open competitive bidding.

Following the PPDA Act as a guide.

Reporting case associated with corruption and extortion of public funds to the higher regulatory body or courts of law.

4.2.7 When do you use the following practices and methods of procurement?

From source response, on when the following methods of procurement are used, this how they responded.

Pre-qualification; Is used when there is shortlist of bidders to ensure that invitations to bid are confined to capable providers only.

Open international bidding; This is used when there are limited national bidders to ensure value for money.

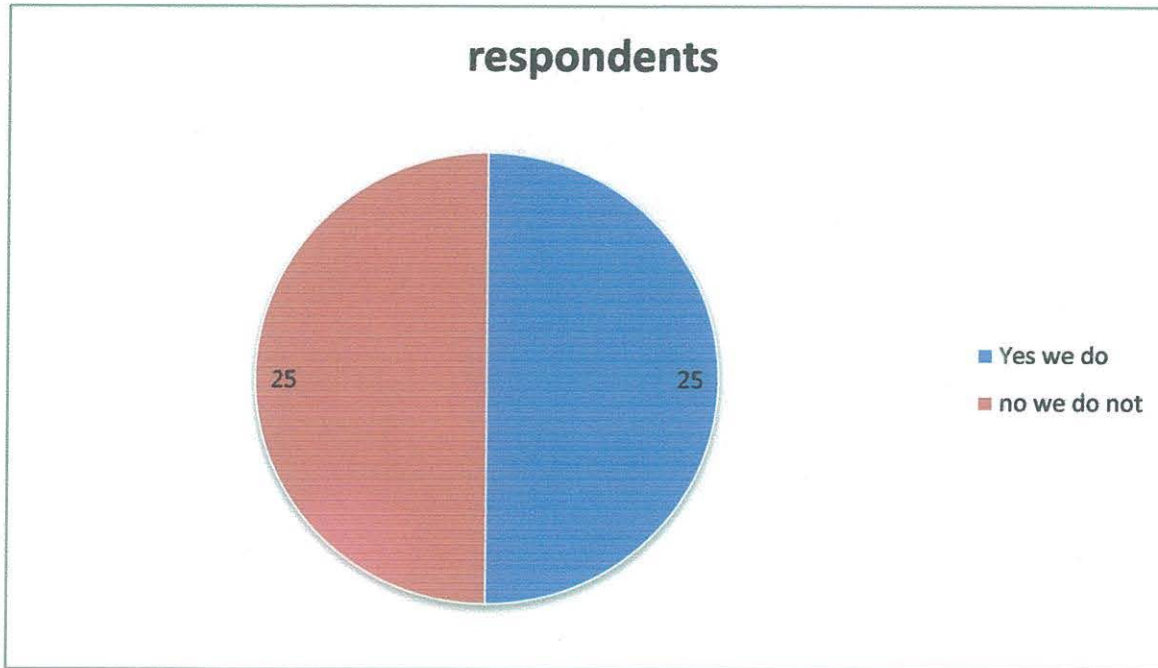
Micro- procurement; This is used to obtain goods and services of less value to the organization. For example procuring stationary.

Open national bidding; This method of procurement is used when there enough and capable national or local bidders.

Direct procurement; this method is mostly used for emergency form of procurement. For example if there is a disaster or an outbreak of any kind (earth quake, drought, cholera.)

4.2.8 Do you use the PPDA Act as a guide when carrying out procurement activities?

Figure 4.2.8: pie chart showing the response from the respondents on whether the PPDA Act is used as a guide or not when carrying out procurement activities.



Source: response of employees of Bundibugyo local government

From the above illustration, it is seen that half of the respondents in the district are aware of the implementation of PPDA guidelines when carrying out procurement activities while half of the employees say that they do not see the follow-up of PPDA guidelines by the top officials when carrying out procurement activities. This means that the 50% of the employees do not agree that the PPDA guidelines are being used accordingly, While 50% agree.

4.2.9.1 How can your organization ensure value for money?

Interpretation. The response on how the organization can ensure value for money from the respondents were, ensuring accountability, open competitiveness, transparency, and integrity during the public procurement process.

4.2.9.2 How can all parties involved in procurement process ensure compliance with the ethical principles of procurement in your organization?

Response to the above question from the respondents included:

Ensuring professionalism

Being well informed about all the ethical principles and their implication to the procurement process.

Through teamwork and serious consultation during the procurement process.

Being aware of their roles and responsibilities when conducting their activities.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary, conclusions and recommendations made based on the study findings .they were made basing on the research questions. It also gives areas of further study.

5.1 Summary

This section presents the summery of findings which were based on the research questions.

What are the procedures for procurement process?

The researcher established that indeed the employees of Bundibugyo district are aware of what procurement procedures and this is proved by the response from the questionnaires. The staff follows procurement guidelines during the acquisition of goods, works and services .These procedures include need identification, development of specifications, competitive bidding, bid evaluation, notification of contract award to the successful bidder, expedition of the contract among others as earlier interpreted above (figure 4.2.1).

Do you know what ethical procurement is?

The researcher established that a few are aware of ethical procurement , only 15 staff members gave a positive response of what ethical procurement really means and 35 of the 50 respondents said they are not aware of ethical procurement (figure 4.2.2).

Has the Ethical principles been applied as per the PPDA Act requirements in the organization's procurement procedures?

The researcher established that almost all the ethical principles have not been implemented at the local Government of Bundiugyo District and this information was obtained from the respondents through the questionnaires. Figure 4.2.6 , Showed that 6% of the total number of respondents said that confidentiality principle has been implemented at the District ,10% supported

transparency, 20% said accountability has been implemented , 24% saw value for money as the one which has been implemented and 40% supported non- discrimination.

What are the advantages of ethical procurement principles that your organization enjoy?

The researcher established that the existence of ethical principles have benefited Bundiugyo district as a whole and according to the information obtained from the respondents, open competitive bidding, creation of value for money , being accountable of public funds, being transparency by ensuring public accessibility of information among others are the advantages of ethical procurement principles that the organization has enjoyed (4.2.5).

What are the challenges that your organization should overcome to effective procurement process?

The researcher also established that despite of the benefits that come along with ethical procurement that the organization has enjoyed, there have been several challenges that the organization should overcome to ensure effective public procurement process. Corruption, discrimination although to a lesser extent, lack of integrity, failure to keep confidential information, poor planning leading to loss of value for money and inadequate transparency were provided by the respondents through the questionnaire (figure 4.2.7).

5.2 Conclusions

Some conclusions were drawn after the analysis of the data collected during the study concerning the effect of ethical procurement principles on the procurement process at Bundibugyo Local Government. These conclusions were based on the research questions of the study.

What are the procedures for procurement process?

Based on the finding, the employees are aware of the steps or guidelines for carrying out the procuring of public goods, works and services and that they follow the guidelines in the Public Procurement and Disposal of Public Assets Act 2003 during the procurement activity. However, 25% of the respondents signifying 25 members of the total respondents disagree with the other 25% of the respondents agreed that the PPDA is has been followed, they say that it is has not been followed accordingly.

Do you know what ethical procurement is?

According to the findings from the study, the research concluded that most of the employees in Bundibugyo District are not aware of what ethical procurement means. The research showed that of the total respondents (50), only 15 members gave a positive response and 35 respondents said they are not aware.

Has the Ethical principles been applied as per the PPDA Act requirements in the organization's procurement procedures?

The findings established that ethical procurement principles have not been applied as per the PPDA Act and that among all those principles, confidentiality has failed to be well applied although non-discrimination is highly said to be applied. Value for money, transparency and integrity has also not been well applied.

What are the challenges that your organization should overcome to effective procurement process and how is it fighting corruption as the major problem?

Corruption is one of the major problems affecting procurement.

According to the findings from the study, the research concluded that in addition to corruption, discrimination, lack of effective transparency, poor accountability, lack confidentiality and integrity are also some of the problems affecting the organization. Despite of all the above challenges mentioned by the respondents through the questionnaire, corruption is one of the major problems and the organization is fighting it through ensuring implementation of all the procurement ethical procurement principles, following the PPDA Act as guideline during the procurement procedures, creating awareness on ethics and integrity, training the staff so as to improve on their procurement skills and knowledge among others.

5.3 Recommendations

The following recommendations were made:

Do you know what ethical procurement is?

Bundibugyo district should educate their employees on the meaning and importance of ethical procurement through trainings and effective sensitization. This should be done by the staff that is

aware of what ethical procurement is so as to create awareness and effective implementation of procurement procedures or practices.

Has the Ethical principles been applied as per the PPDA Act requirements in the organization's procurement procedures?

The organization should fully apply the ethical principles especially the principle of confidentiality so as to improve and maintain the relationship between the organization and its suppliers as well as end users.

Value for money should be given a key consideration during the procurement process since it is one of the reasons as to why the organization involve in procuring and disposal activity.

What are the challenges that your organization should overcome to effective procurement process and how is it fighting corruption as the major problem?

The organization should ensure that there is proper use of public resources (funds) so as to ensure value for money.

It should also reject offers from end-users which are inform of gifts and launch .However, the organization may accept only educative materials such as manila papers and calendars for study purpose.

The organization should also ensure compliance with the supplier's terms and conditions so as to successfully implement the procurement process.

The staff should exercise greater levels of integrity and keep confidential information during the procurement process.

They should also exercise higher level of transparency in all their dealings.

There are many recommendations that the researcher can offer but never the less, the organization this not forget the fact that the Procurement and Disposal of Public Assets Act (PPDA Act 2003) this is the bible for procuring and disposal entities. Therefore, he staff should follow those rules and guidelines set in the Act respectively. This will lead to effectiveness of ethical procurement in Bundibugyo District.

5.4 Areas of further study

Supplier- buyer relationship and ethical principles.

The role of the buyer in successful implementation of ethical procurement.

The organizations ethical standards and the buying practice.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Dear respondents,

This is designed to obtain data on ethical procurement and the procurement process which is being carried out as a partial fulfillment for the a word of Bachelors degree in supplies and Procurement Management at Kampala International University .The information obtained is for educational purpose only and will be treated in strict confidence.

Thank you in advance.

INSTRUCTIONS

Kindly answer all questions

Your response will be treated as confidential reports and used for the purpose of research only

Tick and give explanation where necessary please

RESEARCHER'S DETAILS:

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UNIVERSITY OF STUDY: KAMPALA INTERNATIONAL UNIVERSITY

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DETAILS OF THE INTERVIEWEE

NAME: (Optional)

OCCUPATION:

GENDER: MALE FEMALE

AGE 20 - 25

26 - 31

32 - 37

38 - 43

44 - 49

50 Years and above