

**FACTORS AFFECTING IMPLEMENTATION OF RESERVATION SCHEMES AND  
ACCESS TO PUBLIC PROCUREMENT BY SMALL AND MEDIUM ENTERPRISES IN  
UGANDA.**

**A CASE STUDY OF KAMPALA CAPITAL CITY AUTHORITY**

**BY**

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**A DISSERTATION SUBMITTED TO THE DIRECTORATE OF RESEARCH AND  
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FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE IN  
PROCUREMENT AND SUPPLY CHAIN MANAGEMENT  
OF KYAMBOGO UNIVERSITY**

**NOVEMBER, 2022**

**DECLARATION**

I, **Brendah Atukwatse** hereby declare that, this is my original work and has not been presented to any university or institutions of higher learning for any academic award.

Signature:  .....

Date: 09/11/2022 .....

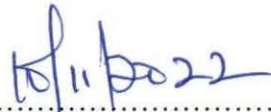
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## APPROVAL

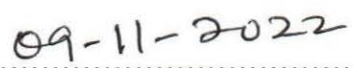
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## **DEDICATION**

The dissertaion is devoted to my parents: My Father Mr. Wagira Freddie Muhoozi, My Mother Busingye Monicah, my siblings: Brian Muhoozi, Bonitah Muhoozi, Brilliant Muhoozi, Brave Muhoozi, my friends Allan Karashani Tumukunde, Kyarisima Doreen Summer & Lucky Tushemerirwe who have been my motivation to accomplish this educational journey.

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**MAY THE ALMIGHTY GOD BLESS YOU ALL**

## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>i</b>
<b>APPROVAL .....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iv</b>
<b>TABLE OF CONTENTS .....</b>	<b>v</b>
<b>LIST OF TABLES .....</b>	<b>xi</b>
<b>LIST OF FIGURES .....</b>	<b>xiii</b>
<b>LIST OF ACRONYMS .....</b>	<b>xiv</b>
<b>ABSTRACT.....</b>	<b>xv</b>
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Introduction.....	1
1.2 Background to the study.....	1
1.2.1 Historical Background.....	1
1.2.2 Theoretical Background.....	6
1.2.3 Conceptual Background.....	7
1.2.4 Empirical context .....	8
1.3 Statement of the Problem .....	9
1.4 Purpose of the Study .....	10
1.5 Research Objectives .....	10
1.6 Research Hypotheses.....	10
1.7 Scope of the Study.....	11

1.7.1 Content Scope .....	11
1.7.2 Geographical Scope.....	11
1.8 Significance of the study.....	11
1.9 Justification of the study .....	12
1.10 Conceptual Framework .....	13
1.11 Operational Definitions of Terms .....	14
<b>CHAPTER TWO .....</b>	<b>16</b>
<b>LITERATURE REVIEW .....</b>	<b>16</b>
2.1 Introduction.....	16
2.2. Theory .....	16
2.3 Conceptual Review .....	17
2.3.1 Reservation schemes .....	17
2.3.1.1 Professionalism .....	17
2.3.1.2 Execution.....	17
2.3.1.3 Stakeholder Training .....	17
2.3.1.4 Access to information.....	18
2.3.2 Access to public procurement by SMEs .....	18
2.4 Review of related literature.....	18
2.4.1 Professionalism in public procurement management and access to public procurement contracts by SMEs.....	18
2.4.2 Execution of procurement procedures and access to public procurement contracts by SMEs .....	21
2.4.3 Stakeholder training and access to public procurement contracts by SMEs.....	22

2.4.4 Access to information and access to public procurement contracts by SMEs .....	24
2.5 Research gap .....	26
<b>CHAPTER THREE .....</b>	<b>27</b>
<b>METHODOLOGY .....</b>	<b>27</b>
3.1 Introduction .....	27
3.2 Research Design .....	27
3.3 Study Population .....	27
3.4 Determination of the Sample Size.....	29
3.5 Sampling Techniques .....	29
3.6 Data Collection Methods.....	30
3.6.1 Survey Questionnaire .....	30
3.6.2 Interview.....	31
3.7 Data Collection Instruments.....	31
3.7.1 Questionnaire .....	31
3.7.2 Interview Guide.....	31
3.8 Quality control.....	32
3.8.1 Validity.....	32
3.8.2 Reliability.....	33
3.9 Data Analysis .....	34
3.9.1 Quantitative data analysis.....	34
3.9.2 Qualitative data analysis.....	35
3.10 Measurement of Variables .....	35
3.11 Ethical considerations .....	36



<b>CHAPTER FOUR.....</b>	<b>37</b>
<b>PRESENTATION AND DISCUSSION OF RESULTS .....</b>	<b>37</b>
4.0 Introduction .....	37
4.1 Response rate.....	37
4.2 Demographic Characteristics of Respondents.....	38
4.3 Factors affecting implementation of reservation schemes on access to public procurement contracts by SMEs in KCCA .....	39
4.4 Access to public procurement contracts by SMEs of KCCA.....	53
4.5 Correlational Analysis.....	56
4.5.1 The association between public procurement management and access to public procurement contracts by SMEs in KCCA. ....	56
4.5.2 The association between procurement procedures and access to public procurement contracts by SMEs in KCCA. ....	60
4.5.3 The association between training and access to public procurement contracts by SMEs in KCCA.....	63
4.5.4 The association between access to information and access to public procurement contracts by SMEs in KCCA.....	67
4.6 Regression Analysis between the Independent Variables and Dependent Variable.....	70
4.7. Discussion of findings.....	73
4.7.1 The effect of professionalism in public procurement management on access to public procurement contracts by SMEs in KCCA. ....	73
4.7.2 The effect of execution of procurement procedures on access to public procurement contracts by SMEs in KCCA. ....	75

4.7.3 The effect of stakeholder training on access to public procurement contracts by SMEs in KCCA.....	76
4.7.4 The effect of access to information on access to public procurement contracts by SMEs in KCCA.....	78
<b>CHAPTER FIVE .....</b>	<b>81</b>
<b>SUMMARY, CONCLUSION AND RECOMMENDATION.....</b>	<b>81</b>
5.1 Introduction .....	81
5.2 Summary of Key Findings .....	81
5.2.1 Professionalism in public procurement management and access to public procurement contracts by SMEs in KCCA. ....	81
5.2.2 Execution of procurement procedures and access to public procurement contracts by SMEs in KCCA.....	81
5.2.3 Stakeholder training and access to public procurement contracts by SMEs in KCCA ...	82
5.2.4 Access to information and access to public procurement contracts by SMEs in KCCA.	82
5.3 Conclusions .....	82
5.4 Recommendations .....	83
5.5 Areas recommended for further study.....	85
5.6 Limitations of the Study.....	85
<b>REFERENCES.....</b>	<b>86</b>
<b>APPENDICES .....</b>	<b>91</b>
<b>APPENDIX I: QUESTIONNAIRE .....</b>	<b>91</b>
<b>APPENDIX II: INTERVIEW SCHEDULE FOR PREQUALIFIED SME OWNERS ...</b>	<b>98</b>

**APPENDIX III: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN  
POPULATION..... 99**

## LIST OF TABLES

Table 3.1: Study Population.....	28
Table 3. 2: Sample Size of Respondents and Sampling Technique.....	29
Table 3.3: Content Validity Indices for the tools.....	33
Table 3.4: Reliability indices for the respective sections .....	34
Table 4.1: Showing the response rate .....	37
Table 4. 2 Demographic characteristics of the respondents .....	38
Table 4.3: Mean values regarding professionalism in public procurement management in KCCA .....	41
Table 4. 4: Mean values regarding execution of procurement procedures in KCCA.....	44
Table 4.5: Mean values regarding stakeholder training in KCCA.....	46
Table 4. 6: Mean values regarding access to information in KCCA. ....	50
Table 4.7: Mean values regarding access to public procurement contracts by SMEs in KCCA..	55
Table 4.8: Correlation between professionalism in public procurement management and access to public procurement contracts by SMEs in KCCA.....	57
Table 4. 9: Correlation between execution of procurement procedures and access to public procurement contracts by SMEs in KCCA.....	61
Table 4. 10: Correlation between stakeholder training and the access to public procurement contracts by SMEs in KCCA .....	64
Table 4.11: Correlation between access to information and the access to public procurement contracts by SMEs in KCCA. ....	67
Table 4.12: Regression Model Summary.....	70

Table 4. 13: Model Coefficients on factors affecting implementation of reservation schemes in relation with access to public procurement contracts by Small and Medium Enterprises (SMEs) in KCCA. .... 71

## LIST OF FIGURES

Figure 1.1: Conceptual Framework .....	13
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## **LIST OF ACRONYMS**

BUBU	Build Uganda Build Uganda
CVI	Content Validity Index
GDP	Gross Domestic Product
GSME	Gender Small and Medium Enterprises
IDA	International Development Association
KCCA	Kampala Capital City Authority
LG	Local Government
OECD	Organisation for Economic Development
PDEs	Procurement and Disposal Entities
PDU	Procurement and Disposal Units
PFA	Public Finance and Accountability
PPDA	Public Procurement and Disposal Authority
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Scientists
US	United States

## ABSTRACT

The overall aim of the study was to assess the factors affecting the implementation of Reservation Schemes in relation with access to public procurement contracts by prequalified SMEs in Kampala Capital City Authority (KCCA), Uganda. The study was directed by these objectives: to examine the effect of professionalism in public procurement management, execution of procurement procedures, stakeholder training and access to information in relation with access to public procurement contracts by SMEs in KCCA. A case study research design was borrowed. It mainly engaged a quantitative approach including a qualitative approach. The population study comprised of 140 accomplices including Accounting Officer, User Departments and Evaluation Committees, Procurement and Disposal Unit Officers, Contracts Committee members and prequalified SMEs from which 97 respondents sample size was determined using Krejcie and Morgan statistical table (1970). Simple and purposive sampling techniques were utilized in the study. The Quantitative data analysis largely entailed the descriptive statistics (mean, percentages and standard deviation) and inferential statistics (linear regression analysis and Pearson correlation coefficient). Content analysis was used to analyze qualitative data. Findings revealed that there was a significant and positive effect of professionalism in procurement management on access to public procurement contracts by prequalified SMEs ( $\beta=0.391$ ,  $P\text{-value}<0.05$ ). Secondly, there was a significant and positive effect of execution of procurement procedures on access to public procurement contracts by prequalified SMEs ( $\beta=0.496$ ,  $P\text{-value}<0.05$ ) and this proved to be the strongest predictor among the all the constructs included in the study. Thirdly, there was a significant and positive effect of stakeholder training on access to public procurement contracts by prequalified SMEs ( $\beta=0.450$ ,  $P\text{-value}<0.05$ ). Lastly, findings indicated that access to information had a positive and significant effect on access to public procurement contracts by prequalified SMEs ( $\beta=0.308$ ,  $P\text{-value}<0.05$ ). It was concluded that effective professionalism in public procurement management, execution of procurement procedures, Stakeholder training, and access to information are so important in enhancing access to public procurement contracts by SMEs in KCCA. Thus, it is recommended that there is a need for PDU officials at KCCA to demonstrate a high level of non-discrimination by promoting transparency in what is being done in the process of contracting out services to SMEs. Secondly, a primary decision needs to be always reached on what measures are applicable for the kind of acquisition involved and its value. Thirdly, PDU staff are able to make full use of the likelihood to accomplish framework agreements with a number of economic operators and to organize simple competitions for entities to the framework agreement as actual procurement needs arises. There is a need to ensure that payments are not postponed until the end of the year. This will enable failure of SMEs to meet payment deadlines. More so, use of electronic payment systems should be emphasized or promoted for easy payments. There is a need for PDU to ensure that payments are suspended with a valid reason and need for an independent public procurement training done for PDU staff at KCCA annually. Lastly, there is a need for Procurement and Disposal Unit Officers at KCCA to be trained in reservation scheme handling.



# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

The study aimed at examining the factors affecting implementation of reservation schemes in relation with access to public procurement contracts by Small and Medium Enterprises (SMEs) in KCCA, Uganda. The independent variable for the study was represented by factors affecting implementation of reservation schemes in relation with access to public procurement as the dependent variable. This majorly describes background of the study, problem statement, the study purpose, and the specific objectives which steered the research hypotheses development. Furthermore, this chapter illustrates the conceptual framework, the study scope, significance, justification and the operational definitions.

### **1.2 Background to the study**

This section is presented in 4(four) subsections: the historical background, theoretical background, conceptual background and also contextual background as detailed below

#### **1.2.1 Historical Background**

Implementation of reservation scheme has been widely studied with a major aim of; "...widening an understanding of access to contract competitions, alleviate the administrative burden of tendering, reduce difficulties relating to contract size, ensure proportionate qualification criteria, engender openness to new supply solutions and promote information disclosure by the buying organization" (Brammer & Walker, 2017). In countries like Switzerland, implementation of reservation scheme has had several concerns with an aim of expanding on the ability for SMEs to apply, contest and win public procurement agreements in Public Service Organizations (Jao, 2015). It has now come to an understanding that implementation of reservation schemes is about

supporting the ability of SMEs to access subcontracting of sub works, fitting in threshold for national and residential providers and reserving them on procurement of locally manufactured facilities (Commonwealth Procurement Procedures, 2015).

Overtime, SMEs in Uganda have faced the following problems well-known by the Commonwealth Secretariat (2010): “insufficient knowledge of the formal tendering process; no feedback was made available about previous unsuccessful tenders; lack of opportunity to meet the decision makers/buyers; small company size to service large contracts; Lengthy procurement process; Payment terms offered not suitable. In addition, discrimination; lack of knowledge on writing a formal tender; have no long-established record; no sub-contracting opportunities are available on large contracts; Excessive requirements of financial guarantees (for example insurance, public liability, or professional indemnity requirements); lack of knowledge on what is available. The challenge SMEs face in accessing public contracts also depends on how they themselves increase their capacity to fulfill government contracts. However, government should play a significant role in eliminating the supply side constraints. As part of the mitigation measures, the Public Procurement and Disposal of Public Assets Authority (PPDA) was set up under the Public Procurement and Disposal of Public Assets Act (2003) as the principal regulatory body for public procurement and disposal of assets (National Public Procurement Integrity Survey Report 2007). Further, The Local Governments (Public Procurement and Disposal of Assets) Regulations 2006 were enacted scrapping District Tender Boards to be replaced by Contract Committees arguing it was intended to remove politicking and eliminate corruption in the tender process”.

The PPDA(Amendment) Bill, 2010 proposed for definite importance in the inclusion of a new section 59 B in the constitution of Uganda as follows: “The PPDA Act 2014 is amended by including immediately after section 59 A the following: “59 B. Reservation schemes 1) In

accordance with section 50 (2), the Authority shall, in consultation with a competent authority, specify the public procurement contracts to be subject to a reservation scheme and shall designate the particular sectors, within a specified geographical area, that are eligible to participate in the reservations scheme. 2) A public procurement contract shall be subject to a reservation scheme in order to a) promote the use of local expertise and material; b) promote the participation of local communities or local organizations; or c) apply specific technologies. (3) A procuring and disposing entity that intends to make a procurement under a reservation scheme shall; (a) apply to the Authority for permission to use alternative procurement procedures and documents and shall in the application indicate the contract packages, specifications and contracting processes to be included in the bidding documents; and (b) deal with only the providers that are eligible to participate in a reservation scheme, in accordance with this section. (4) The procurement procedures and documents and the contract packages, specifications and contracting processes to be used under subsection (3) shall be in accordance with the basic procurement principles prescribed under Part IV of the Act.

Based from the above, the accessibility of SMEs to public procurement contracts globally has been given a high priority since they are regarded as the backbone of economy and contributing above 70% on GDP (McMurray, Islam & Fien, 2014). Integrating SMEs in public procurement provides clear market opportunities for SMEs, who otherwise are likely to be excluded from public procurement because of administrative requirements for mandatory bidding processes and their inadequate size or capacity to deliver” (GSME News Network, 2018). Due to this, SMEs are in the prime focus of public policy and one of the objectives is to expedite SMEs access to public procurement contracts (Tummers, Vermeeren, Steijn & Bekkers, 2019). In the reference period between 2010 and 2020, an estimated 67 percent of all public procurement contracts in Europe

were awarded to SMEs (or groupings of companies led by an SME) (Hoffman, Parejo, Bessant & Perren, 2018). In terms of the aggregate value of agreements awarded, this agrees to a 39 percent market share (Anheier & Seibel, 2017). In US, an estimated 73 percent of all public procurement contracts were awarded to SMEs which corresponds to 43% aggregate (Badrinath & Kirpal, 2016). In India, 57% of SMEs were awarded public procurement contracts aggregating to 28% of market value (GSME News Network, 2018; Hoffman et al., 2018). The realization of increased entrance to public procurement contracts by SME has been associated with an increase in addressing obstacles such as corruption, unprofessionalism and discrimination (GSME News Network, 2018; Hoffman et al., 2018). However, the slow access to public procurement in many developed countries is associated to inadequate advertising, red tape, excessive documentation and bureaucratic procedures, lack of capability and price before quality (Hoffman et al., 2018; Gatt, 2014).

In developing countries, mostly in Africa, poor accessibility to public procurement has remained a major concern. Close to 33% of potential SMEs are excluded from public procurement contracts (Commonwealth Procurement Procedures, 2015). In countries like Ghana, over 66% of public procurement contracts are won by large local and international companies with an aggregate value of 87%. Only 34% are left to SMEs with an aggregate market value of 13% (Abor & Quartey, 2017). In Nigeria, the aggregate market value SMEs accessing public procurement contracts is 9% (Ogechukwu, 2015). “The defining factors explaining inaccessible public procurement by SMEs in Africa includes; insufficient knowledge of the formal tendering process and contractor expectations; lack of feedback available about previous unsuccessful tenders; lack of opportunity to meet the decision makers/buyers; the inadequate capacity of SMEs to service large contracts; the procurement process is too lengthy and non-suitable payment terms offered,” (Ong, Ismail &

Goh, 2018; Osei, Baah-Nuakoh, Tutu & Sowa, 2016; Obanda, 2011). In Kenya, lack of political will, corruption in public service, the bureaucratic tendencies and documentations required are indicated to bar over 87% of SMEs to access public procurement despite the new regulations and guidelines put in place (Kayanula & Quartey, 2019).

The situation in other developing countries is synonymous in Uganda. For instance, according to Commonwealth Secretariat Report (2019), 93.3% of SMEs in Uganda cannot compete and win public procurement contracts in government institutions. The 5.7% of them which wins, wins less aggregate market value of 5% and below (PPDA Annual Report, 2020). SMEs face a number of difficulties as acknowledged by the Commonwealth Secretariat (2020): “insufficient knowledge of the formal tendering process; no feedback was made available about previous unsuccessful tenders; lack of opportunity to meet the decision makers/buyers; small company size to service large contracts; lengthy procurement process; payment terms offered not suitable.

In addition, discrimination; lack of knowledge on writing a formal tender; have no long-established record; no subcontracting opportunities are available on large contracts; excessive requirements of financial guarantees (for example insurance, public liability, or professional indemnity requirements); lack of knowledge on what is available” (Basheka, 2017; OECD, 2016; Amanda, Claire & Blackden, 2016; Obanda, 2011). "The challenges SMEs face in accessing public contracts also depend on how they themselves increase their capacity to fulfill government contracts” (Task Force on Public Procurement Reform, 2019; Obanda, 2011). However, the government must play an important role in eradicating the supply side constraints.

### **1.2.2 Theoretical Background**

The study was anchored on New Public Management (NPM) Theory of Christopher Hood and first commenced by academicians in the UK and Australia was to; "...to describe approaches that were developed during the 1980s as part of an effort to make the public service more 'businesslike' and to improve its efficiency by using private sector management. While mirroring private sector, which focuses on customer service," NPM improvements often focused on the "...centrality of citizens who were the recipient of the services or customers to the public sector" (Andrews & Van de Walle, 2013) "hence using approaches from the private sector—the corporate or business world, which can be successfully applied in the public sector and in a public administration context. While NPM approaches have been used in many countries around the world, NPM is particularly associated with the most industrialized OECD nations such as the United Kingdom, Australia and the United States of America and therefore worth adopting in developing countries like Uganda." Lane (2016) postulates that the key topics in NPM were "...financial control, value for money, increasing efficiency, identifying and setting targets and continuance monitoring of performance, handing over power to the senior management" executives.

Consequently, Lane (2016) asserts "...in reservation schemes, citizens are viewed as 'customers' and public servants are viewed as public managers. Under NPM, procurement managers are geared towards customer satisfaction initiatives, customer service efforts, applying an entrepreneurial spirit to public service, and introducing innovations. This is because the procurement managers may have greater discretion and freedom as to how they go about achieving the goals set for them, they have incentive-based motivation such as pay-for-performance, and clear performance targets are often set, which are assessed by using performance evaluations. The end result would be

increased access to public procurement contracts, efficient and effective service delivery to all citizens from all the public institutions”.

### **1.2.3 Conceptual Background**

The key concepts under the study were factors affecting implementation of Reservation Schemes in relation with access to public procurement contracts as the dependent variable. Reservation scheme is referred to as “...measures which variously seek to widen access to contract competitions, alleviate the administrative burden of tendering, reduce difficulties relating to contract size, ensure proportionate qualification criteria, engender openness to new supply solutions and promote information disclosure by the buying organization” (Brammer & Walker, 2017). Further, the Inter-Agency Procurement Working Group (IAPWG, 2010) also found five mechanisms affecting achieving access to public procurement among SMEs and these included lacks of transparency, confidentiality, respect of rules, impartiality and integrity. In addition, Obanda (2011) categorized four major factors affecting implementation of reservation schemes in relation to accessibility to public procurement by SMEs. These included; professionalism, respecting procurement procedures/execution, access to information and stakeholder training. This study adopted these four factors as theorized and operationalized by Obanda (2011) as they were found appropriate in discussing the underlying factors affecting implementation of Reservation Schemes in relation with access to public procurement contracts in KCCA. Factors in this study were measured using professionalism, respecting procurement procedures/execution, access to information and stakeholder training.

Similarly, access to public procurement contracts meant “the ability for SMEs to apply, compete and win public procurement contracts in Public Service Organizations” (Commonwealth Procurement Procedures, 2015). This was reflected in incorporating SMEs in Supply chains,

disseminate tender opportunities to SMEs, number of applications from SMEs, number of SMEs competing for contracts and winning of contracts at KCCA.

#### **1.2.4 Empirical context**

Despite the PPDA (Amendment) Act, 2021, Section 47, the access to public procurement in KCCA remains inadequate (Public Procurement & Disposal Act (PPDA) guided compliance check report, 2020). ACODE Report (2019) and Audit General Report (2020) confirm that least SMEs win proposals. And those that do win, accrue to less than 5% of their yield accounted for by agreements and henceforth incapable to effectively participate tendered agreements into their revenue creeks. 78% of SMEs which managed to apply stated that opportunities were communicated through some other form of personal contact. Most SMEs use some form of external organization for advice (Procurement Innovation Group, 2020; Audit General Report, 2020). Further, Commonwealth Secretariat Report (2019) indicates that 93.3% of SMEs in Uganda cannot compete and win public procurement contracts in government Institutions. This was attributed to knowledge insufficiency, lack of feedback and limited opportunities to meet buyer's expectations. In KCCA particularly, the (PFA) Public Finance and Accountability and (PPDA) Public Procurement & Disposal Act guided compliance check report (2020) indicated that only 5% of SMEs are incorporated in supply chains; the number of SME applicants has remained below 23.3%; only 5% endeavor to compete on available contracts and only 1% happen to win. Further, ACODE Report (2019) and Audit General Report (2020), confirm that very few SMEs win tenders. "It is both compelling and important to note that only 1% of SMEs stated that their business had benefited by improving their tendering skills through the engagement of business support and information sources" (Procurement Innovation Group, 2020; Audit General Report, 2020). One wonders the extent by which KCCA has been practicing professionalism, execution of procurement procedures,



undertakes stakeholder training and shares information and implementation of Reservation Scheme in relation with access with public procurement contracts by SMEs in KCCA.

### **1.3 Statement of the Problem**

Despite the amendment of PPDA 2014 to PPDA (Amendment) Act (2021) (Section 22) regarding observation of reservation schemes in a way to ensure that SMEs are involved in public procurement, accessibility to public procurement contracts by SMEs remains questionable. For instance, in KCCA particularly, the (PFA) Public Finance and Accountability and (PPDA) Public Procurement & Disposal Act guided compliance check report (2020) showed that only 5% of SMEs are incorporated in supply chains; the number of SME applicants has remained below 23.3% where only 5% endeavor to compete on available contracts and only 1% happen to win. However, for those that win the tenders, less than 5% of their turnover is accounted for by contracts and hence unable to successfully integrate tendered contracts into their revenue streams. In addition, 78% of SMEs which managed to apply stated that opportunities were communicated through either direct invitation from the buyer or through some other form of personal contact. This implies that there is a significant level of supplier retention within KCCA purchasing practice which hinders possibility to entry of new SMEs. Since there has been no study conducted in relation to factors affecting implementation of Reservation Schemes in relation with access to public procurement by SMEs in KCCA, Uganda. Therefore, there was a need to undertake this study to fill this gap” Audit General Report (2020).

#### **1.4 Purpose of the Study**

The purpose of this study was to examine the factors affecting implementation of reservation schemes in relation with access to public procurement by SMEs in KCCA, Uganda.

#### **1.5 Research Objectives**

- i) To examine the effect of professionalism in public procurement management in relation with access to public procurement contracts by SMEs in KCCA.
- ii) To examine the effect of execution of procurement procedures in relation with access to public procurement contracts by SMEs in KCCA.
- iii) To examine the effect of stakeholder training in relation with access to public procurement contracts by SMEs in KCCA.
- iv) To examine the effect of access to information on access to public procurement contracts by SMEs in KCCA.

#### **1.6 Research Hypotheses**

- H0<sub>1</sub>: Professionalism in public procurement management has a positive effect on access to public procurement contracts by SMEs.
- H0<sub>2</sub>: Execution of procurement procedures has a positive effect on access to public procurement contracts by SMEs.
- H0<sub>3</sub>: Stakeholder training has a positive effect on access to public procurement contracts by SMEs.
- H0<sub>4</sub>: Access to information has a positive effect on access to public procurement contracts by SMEs.

## **1.7 Scope of the Study**

### **1.7.1 Content Scope**

The study delimited itself to examining the factors affecting implementation of reservation schemes in relation with access to public procurement by SMEs in KCCA. Factors in this study had dimensions of enhanced professionalism, execution of procurement procedures, stakeholder training and access to information whilst; access to public procurement contracts was limited on incorporating SMEs in Supply chains, disseminate tender opportunities to SMEs, number of applications from SMEs, number of SMEs competing for contracts and winning of contracts by SMEs.

### **1.7.2 Geographical Scope**

The study took place at KCCA. It is the legal entity, entrenched by the Ugandan Parliament, responsible for the operations of the capital city of Uganda. It was selected because as a public entity, it was mandated to observe the guidelines on reservation scheme under section 97 of PPDA Act, 2014 and Section 94 of LG Act, 2006.

## **1.8 Significance of the study**

The study findings are expected to help readers as far as factors affecting implementation of reservation schemes in relation with access to public procurement contracts by the Small and Medium Enterprises (SMEs) in KCCA is concerned in the following aspects;

- i) To KCCA, the study may help in paving avenues which can facilitate increased consideration of SMEs in undertaking public procurement contracts through ensuring enhanced professionalism, simplified documentations and procurement procedures, training stakeholders and access to information.

- ii) To the government, this study will open up the benefits that accrue with adoption of reservation schemes as the basis for boosting SME access to public procurement contracts. This will be significant since SMEs occupy 90% of Uganda's business environment which makes them significant to solving unemployment and achieving economic growth.
- iii) To PPDA, PDEs, PDUs, the role of reserve schemes as outlined in the reservation scheme under section 97 of PPDA Act, 2014 and Section 94 of LG Act, 2006 may have got the basis to be fully observed as it is important in realization of increased access to public procurement contracts by SMEs.
- iv) To academicians, this study might help other researchers to advance information in the area of factors affecting implementation of reservation schemes in relation with access to public procurement contracts by SMEs in KCCA since there is inadequate research done prior in this field.

### **1.9 Justification of the study**

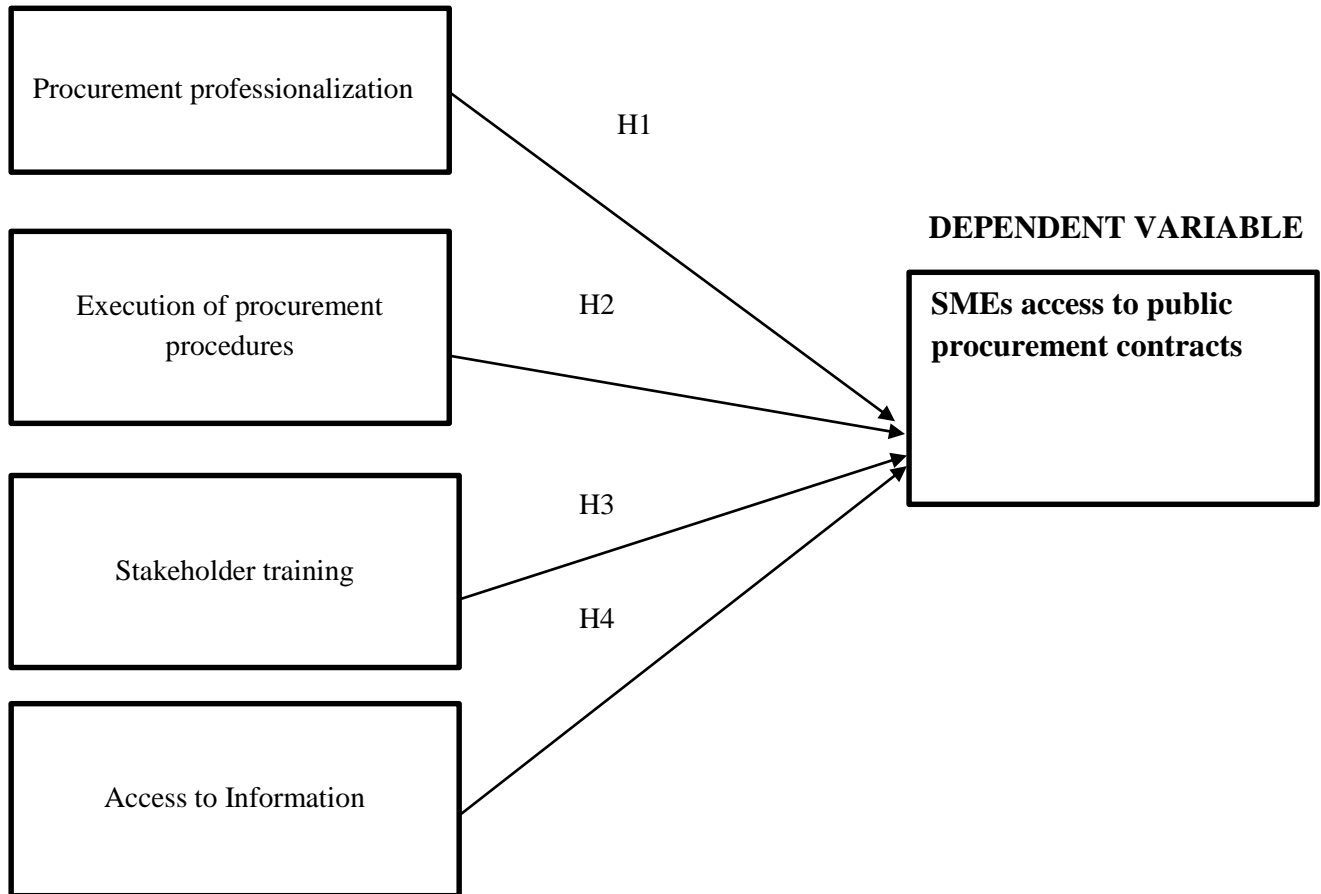
Earlier studies including Brammer and Walker (2017) and Knight, Caldwell, Harland, & Telgen, (2013) were done on the factors affecting implementation of reservation schemes in relation with access to public procurement contracts by SMEs. Nevertheless, no such study had been done on the above-mentioned topic in KCCA deliberating the factors affecting reservation schemes like enhanced professionalism, execution of procurement procedures, stakeholder training and access to information. The rationale of undertaking this study is to fill geographical and information gap.

## 1.10 Conceptual Framework

The diagrammatic representation of relationships amongst the variables of study. It shows the conceptualized affiliation between the independent variable.

**Figure 1.1: Conceptual Framework**

### INDEPENDENT VARIABLES



*Source: Adapted from Obanda (2010) and the researcher's modification (2020).*

From the conceptual framework in Figure 1.1, it was postulated that there are several factors affecting implementation of reservation schemes in relation with access to public procurement contracts by Small and Medium Enterprises in KCCA despite the presence of reservation schemes. If the public authorities like KCCA ensures enhanced professionalism in public procurement practices and management, execution of procurement procedures, stakeholder training and access

to information, there will be increased access to public procurement contracts. Access to public procurement contracts will be studied in terms of transparency, confidentiality, respect of rules and integrity by incorporating SMEs in Supply chains, disseminate tender opportunities to SMEs and number of applications from SMEs.

### **1.11 Operational Definitions of Terms**

**Reservations:** this referred to measures which variously pursue to broaden entrance to contract competitions, lessen the managerial burden of tendering, reduce hitches involving to contract size, guarantee proportionate prerequisite criteria, produce openness to new supply elucidations and promote information discovery by the buying organization.

**Professionalism:** this meant the strategies adopted by KCCA in ensuring that there is an independent national public procurement training, proportionate selection criteria, non-discrimination, clear selection criteria and well-trained staff in PDEs and PDUs.

**Execution of procurement procedures:** this referred to strategies adopted by KCCA in simplifying payment, procurement procedures, controls and minimal administrative requirements to enhance SMEs to access to public procurement contracts

**Training stakeholders:** this referred to strategies adopted by KCCA in training SMEs, Procurement and Disposal Unit Officers, a Contracts Committee, Accounting Officer, Evaluation Committees and User Departments into the prescribed tools and approaches friendly to SMEs participation.

**Access to information:** this referred to strategies adopted by KCCA to provide all the important information on business opportunities to SMEs.

**Access to Public procurement:** this meant the ability for SMEs to apply, compete and win public procurement contracts at KCCA.

**SMEs:** According to a 2003 study, “This referred to an enterprise or a firm employing less than 5 but with a maximum of 50, with the value of assets, excluding land, buildings and working capital of less than UGX 50 million (US\$30,000), and an annual income turnover of between UGX. 10-50 million (US\$ 6,000-30,000). A medium sized enterprise is considered a firm, which employs between 50-100 employees” (Kasekende & Opondo, 2003).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents a review of associated literature aligned with the study. The review was conceptualized underneath the objectives of the study and focused primarily on factors affecting reservation schemes like professionalism in public procurement management, simplified execution of procurement procedures, stakeholder training, access to information and access to public procurement contracts by SMEs. These being measured as the pillars of the study.

#### **2.2. Theory**

The study draws on the New Public Management (NPM) theory by Hood (1980). The NPM theory seeks to demonstrate that there is a need for public institutions to start operating in business like styles to improve their efficiency and customer service. When an organization adopts a given administrative strategy, it should be able to bring about improved service delivery (Van de Walle, 2013). This means that institutions like KCCA is required to apply methods from the private-sector, the corporate or business world, this can be effectively applied in the public-sector and in a public-administration setting. Study conducted in 2016 reveals that, the key themes in NPM were ...financial control, value for money, increasing efficiency, identifying and setting targets and constant monitoring of performance, passing over power to the senior management executives. Under NPM, procurement managers are steered towards customer satisfaction initiatives, customer service efforts, applying an entrepreneurial spirit to public service, and introducing innovations (Lane, 2016). This is because the procurement managers may have greater discretion and freedom as to how they go about achieving the goals set for them, they have incentive-based motivation such as pay-for-performance, and clear performance targets are often set, which are measured by



using performance evaluations. The end result was increased access to public procurement contracts, efficient and effective service delivery to all citizens from all the public institutions (Lane, 2016).

## **2.3 Conceptual Review**

### **2.3.1 Reservation schemes**

“Reservation scheme refers to measures which variously seek to widen access to contract competitions, alleviate the administrative burden of tendering, reduce difficulties relating to contract size, ensure proportionate qualification criteria, engender openness to new supply solutions and promote information disclosure by the buying organization” (Brammer & Walker, 2017).

#### **2.3.1.1 Professionalism**

Professionalism can be defined as the status, methods, or standards within a career. Public procurement professionalism should be emphasized to enable SMEs access to public procurement contracts (Nuwagaba, 2009).

#### **2.3.1.2 Execution**

This refers to implementation of modernized payment procedures, procurement procedures, controls and administrative requirements needed for SMEs to ease their access to public procurement contracts (Van de Walle, 2013).

#### **2.3.1.3 Stakeholder Training**

This refers to the extent to which the stakeholders preoccupied cognitively, directly or indirectly engaged in, or interested in present activities are trained in regard to the overall process (Paullay *et al.*, 2014).

#### **2.3.1.4 Access to information**

This refers to possibility of guaranteeing easy access to all relevant information on business opportunities in public procurement is of key importance for SMEs (Zheng, Walker and Harland, 2016).

#### **2.3.2 Access to public procurement by SMEs**

This means the ability for SMEs to apply, contest and win public procurement contracts in Public Service Organizations (Commonwealth Procurement Procedures, 2015). This will be reflected in incorporating SMEs in Supply chains, disseminate tender opportunities to SMEs, number of applications from SMEs, number of SMEs competing for contracts and winning of contracts.

### **2.4 Review of related literature**

#### **2.4.1 Professionalism in public procurement management and access to public procurement contracts by SMEs**

The relationship between enhancing professionalism in public procurement practices and management and access to public procurement contracts by SMEs is reflected in a number of studies. For instance, Van de Walle (2013) studied the influence of promoting professionalism on accessibility to public procurement contracts by SMEs in South Africa Public Service. It was established that there was lack of adequate training offered to national public procurement departments and procurement officials regarding observing professional ethics especially throughout the procurement proceedings. Many professional ethics were abused and this promoted a culture of continued using of the same SMEs in large organizations in undertaking public procurement contracts. This in many ways affected the whole effort of access.

In support of the Van de Walle (2013), Wee (2002) ascertained that “professional ethics are the moral the principles and values that guide officials in all aspects of their work. Ethical behavior involves the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Professional ethics also include avoiding conflicts of interest, and not making improper use of an individual's position. However, these tend to lack in a number of public service institutions which aid the inaccessibility of SMEs to compete and win in public sector contracts. The above literature mirrors that the accessibility to public procurement is a factor of enhancing professionalism in procurement practices and management.

In further support of the above, Barrot (2017) in his contract monitoring survey in Kenya quoted unethical practices as; a major factor contributing towards less involvement of SMEs in public procurement in major public institutions in Kenya in return leading to squandering of public funds through fraud, favoritism and extravagance (Barrot, 2017). This was revealed in a report by the contract monitoring Kenya Network dubbed Reforming public contracting through inclusiveness of SMEs. Barrot (2017) states, that the heart of grand corruption in Kenya is a series of financial arrangements that together make up a system of security-related procurement, procurement of commercial debt, and financing of the political system. These close a number of avenues that are presumed to have been availed to SMEs. Secondly, the conspiracy in public service to ensure that SMEs remain in their private dealings and the rich who are the owners of big companies in government remains rich facilitates the culture of awarding contracts locally to big companies since SMEs can easily surrender riches to their competitors. According to Erridge, Fee and McIlroy (2018), the current procurement management in a number of developing countries is deficient of ethical inclination and should employ ethical consideration to re-invent itself. Zheng, Walker and Harland (2016) note that most persistent barrier for SMEs to be involved in public

procurement contract is the culture of secrecy in public procurement and associated government functions. Unethical behavior in public procurement, which includes conflict of interest and corruption, is an issue since they may damage relations within the purchasing department, the relationship with other departments in the company, and with suppliers.

Lodhia and Burritt (2014) in their investigation regarding the role of selection criteria on accessing to public procurement contracts by SMEs. They discovered that without exercising professionalism in the process of selecting best bidders, the selection of SMEs becomes impossible. It was discovered that proportionate selection criteria, non-discrimination and well-trained procurement staffs are the right prospect that can promote reservations in the procurement proceedings. This is the basis for accessing public procurement contracts by SMEs since proportionate selection means that at least the contracts are won proportionately by different capacities, gender and locations. Secondly, non-discrimination means that at least every application is given the same chance to qualify and compete using different fronts. If the front is about reserving local SMEs for certain sub-contracting opportunity, this means that dissemination of tender opportunities will be shared equally with all potential SMEs and this is likely to increase their chances of competing and winning public procurement contracts. The study was conducted in KCCA to establish the extent to which non-discrimination is employed and the extent to which it has enhanced the SME involvement in public procurement contracts. As such, the following hypothesis was proposed:

H<sub>01</sub>: professionalism in public procurement management has a positive effect on access to public procurement contracts by SMEs

## **2.4.2 Execution of procurement procedures and access to public procurement contracts by SMEs**

Hoffman et al., (2018) studied the payment procedures and their impact on accessing public procurement contracts by SMEs in Germany. They discovered that for the purpose of enabling SMEs to access public procurement contracts, a payment deadline is created as a default and a default level for late payments and many others. This in a number of ways alleviates on the financial burden of SMEs to be able to afford and in many ways, this reduces on their administrative costs embedded. Obanda (2012) adds that simplifying payment procedures calls for ideally simplifying the documents necessary for making payments for example use electronic tools; do not suspend payment without a valid reason; enhance the use of electronic payment; simplify controls; do not postpone payment until the end of the year. The adoption of the measures above would mitigate the time-consuming paperwork which is among the most complaints voiced by SMEs. As SMEs' normally do not have large and specialized administrative capacities, keeping administrative requirements to a minimum is essential. The study was conducted in KCCA to establish the extent to which electronic payments are allowed and the extent to which it has enhanced the SME involvement in public procurement contracts.

In addition, Knight, Caldwell, Harland and Telgen (2015) in their surveys in United Kingdom public procurement service. They discovered out that UK procurement service is highly instructive whereby a given percentage is known and the aggregate value of those public procurement contact in market. Instructive procurement procedures reduce on the requirements needed from applicants and simplifies controls. This means that there are a particular portion of SMEs required to apply for purposes of creating employment to the smaller sections of their economy since SMEs contribute above half of their GDP. This means that disqualifying an SME must be based on a

clear reason rather than just sending away potential SMEs that would improve on the quality supplies, provide affordable prices and in time. Secondly, it also increases on competitiveness on bidding process and hence coming out with a best bidder. The study was conducted in KCCA to determine the degree to which instructive procurement procedures are allowed and the extent to which it has enhanced the SME involvement in public procurement contracts. As such, the following hypothesis was proposed:

H0<sub>2</sub>: Execution of procurement procedures has a positive effect on access to public procurement contracts by SMEs

#### **2.4.3 Stakeholder training and access to public procurement contracts by SMEs**

The relationship between stakeholder training and accessibility to public procurement contracts by SMEs is reflected in a number of studies. For instance, Cibinic, Nash & Nagle (2016) studied on whether training Procurement and Disposing Entities (PDEs) were being done in Indonesia. They found out that training was majorly done on accounting officers and contracts committee members. However, less training was provided to other PDEs' members like Procurement and Disposal Unit Officers, User Departments and Evaluation Committees. There was no training specifically provided to other stakeholders like SMEs and Procurement Officers because they were taken to be non-professionals. This means that close to 65% of stakeholders were lacking training in formal tools and methods which are highly friendly to SMEs participation. In another study conducted in the supply chain of public service organizations in Sweden, Carter, Auskalnis and Ketchum (2019) explored that when some sections of PDEs are left out in training, they miss an awareness of required dissemination strategies required in providing tender opportunities to SMEs. Sections like Procurement and Disposal Unit Officers, User Departments and Evaluation Committees play crucial roles in the overall procurement process. In addition, they found out that the Evaluation

Committee and Contracts Committee members particularly need to be conversant with the available formal scoring methods appropriate to offer an added advantage to SMEs as the former conducts the actual scoring while the latter approves the methods to be used. It was discovered that such considerations enable proper dissemination of tender opportunities to potential SMEs, aids the incorporation of SMEs in the supply chain of the organization and competing of SMEs. One wonders whether KCCA has endeavored to undertake the required training of its PDE and Units and to what extent has this acted as a prerequisite to accessing public procurement contracts by SMEs.

Further, Basheka and Bisangabasaija (2019) recently studied the determinants of unethical public procurement in local government systems of Uganda as a basis of constructing a Framework for understanding the barriers to effective participation of SMEs in Public Procurement in Uganda. They discovered out that there is absence of knowledge among user department concerning the arrangement of their work in a way that it has the required content. This in many ways excluded a number of SMEs to compete and bid on a number of sub contracts where they would potentially qualify. Erridge, Fee and McIlroy (2018) in an example offer that, content wise road maintenance may be divided into three sets of tasks: major overhaul, regular maintenance and minor repairs. Meanwhile, a logical division may be into major thoroughways, minor roads and residential areas. If there is enough training, SMEs can be apportioned to undertaking contracts on regular maintenance and minor repairs. Training of the relevant stakeholders can hence stimulate an increase in the number of SMEs' accessing and winning contracts as more tenders will become SME compliant. An increased involvement of SMEs into public procurement will result into higher competition for public contracts, leading to better value for money. This study was conducted in KCCA to ascertain the extent to which training stakeholders is done and the extent

to which it has enhanced the SME involvement in public procurement contracts. As such, the following hypothesis was proposed:

H<sub>03</sub>: Stakeholder training has a positive effect on access to public procurement contracts by SMEs”.

#### **2.4.4 Access to information and access to public procurement contracts by SMEs**

The relationship between provisions of all the interrelated information on business opportunities and accessibility to public procurement contracts by SMEs is reflected in a number of studies. For instance, Sarter, Sack and Fuchs (2014) investigated the role of providing feedbacks to SMEs and its ability to enhance their involvement in public procurement contracts in Germany. It was discovered that guaranteeing cool access to all appropriate information on business opportunities in public procurement is of main significance for SMEs. They recognized that changes in times have shown that when the government began to make public procurement bidding information available to SMEs, the winning of contracts among SMEs rose from 22% to 35%. This means that the source of information is vital in enhancing accessibility to public procurement contracts by SMEs.

Ong, Ismail and Goh (2016) studied experience in Nigeria and found out that, “...it is apparent that after newspapers, established relationships are very important in terms of accessing contracts; In their findings, they found out that 38% of the respondents stated that opportunities were communicated through either direct invitation from the buyer or through some form of personal contact. Logically, established relationships represent a barrier for those SMEs who are not currently engaged with the public sector. One wonders whether this was the same case in Uganda



and particularly in KCCA and the extent to which it affects accessibility to public procurement contracts by SMEs”.

Contrary to above studies, Zheng, Walker and Harland (2016) found out that “increased use of Information and Communication Technology (ICT) is vital given that the countries are covered by the mobile telecommunication network and hence has internet accessibility”. Obanda (2011) further enlightens that “public service organizations particularly develop websites that may be helpful to SMEs by enabling cheap and quick communication, e.g. downloading the contract documents and any supplementary documents without incurring copying or mailing costs”. Implementing this would enable publication of public procurement notices online; multi-functional search engines; direct downloading of contract notices and supplementing documentation; electronic tendering facility enabling local governments to receive bids electronically in agreement with the PPDA regulations.

Obanda (2011) further adds, “Procurement and Disposal Units (PDUs) should be the local desks that help SMEs to increase their involvement in public procurement contracts. However, as suggested under professionalism, an independent national public procurement training and information center specific to local governments would provide personalized assistance to SMEs which would be very helpful in tendering for public contracts”. Frimpong (2013) also ascertained that in Nigeria, “...the major barriers of SMEs access to procurement contracts identified was that, no feedback was made available about previous unsuccessful tenders. Giving feedback to SMEs is essential”.

In order to plan for future bids, “...it is very helpful for a tenderer to see which aspects of the bid were considered strong by the procuring entity. This is provided for in the PPDA Act being a

principle of transparency which facilitates SMEs to involve in competing for public procurement contracts” (Frimpong, 2013). The study was conducted in KCCA to ascertain the extent to which provision of feedback is done to SMEs and the extent to which it has enhanced the SME involvement in public procurement contracts. As such, the following hypothesis is proposed:

H0<sub>4</sub>: Access to information has a positive effect on access to public procurement contracts by SMEs.

## **2.5 Research gap**

Some of the related studies were obtained from developed and developing countries which lacked the required realistic veracity of what is happening in Uganda. Comparatively, few studies had been conducted in a Ugandan public service environment and particularly from KCCA. This specific study consequently required to fill some knowledge gaps in the literature. The study was also underpinned by new public management theory. However, the theory fell short of explaining what is exactly proceeding in public procurement environment in KCCA, the study strived to form its applicability in the study findings.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

The chapter involves the design necessary to undertake the research, collecting data, sampling respondents, determine reliability and validity of the tools and also analyzing the data collected.

#### **3.2 Research Design**

The study utilised a cross-sectional research design. The cross-sectional design was considered for this study since SMEs bidding under KCCA could easily be studied under various divisions to signify what is happening in other SMEs and organizations with reservation schemes. The study was both quantitative and qualitative in nature. Quantitative method was used to compute data for purposes of describing current conditions while examining the influence between the two study variables. The study also adopted a qualitative approach to establish the in-depth information for the study variables while harmonizing opinions from a number of respondents (Sufian, 2015).

#### **3.3 Study Population**

The study population comprised of 130 participants from five divisions forming KCCA (Kampala Central, Kawempe, Nakawa, Lubaga and Makindye) (KCCA Human Resource Records, 2020). These consisted of Accounting Officer, User Departments and Evaluation Committees, Contracts Committee members, Procurement and Disposal Unit Officers, Prequalified SMEs. All five divisions rely on KCCA main office in undertaking their own procurement. This means that 130 people were used to represent the five divisions of Kampala. These were selected since they had been and still engaged in the procurement proceedings at KCCA. The prequalified SMEs were selected for this study since they are aware of the fairness and reservations or otherwise available in KCCA procurement procedure. It should be noted that much of the procurement is done at the

main branch though they are largely implemented at divisional levels. At main headquarters, much of the procurement done is related to building maintenance and welfare services. However, procurements related to agriculture farm suppliers, branding firms, entertainment services, general stationery supplies, reading materials, cleaning services, equipment maintenance and secretarial services are implemented at divisional level.

**Table 3.1: Study Population**

<b>Category of Population</b>	<b>Population Size</b>
Accounting officer	1
Contracts Committee members	8
Procurement and Disposal Unit Officers	30
Heads of User Departments	18
Evaluation Committee members	20
<b>KCCA Prequalified SMEs</b>	
Building maintenance	10
Welfare services	10
Agriculture farm suppliers	4
Branding firms	4
Entertainment services	4
General stationery supplies	4
Reading materials	3
Cleaning services	4
Equipment maintenance	5
Secretarial services	5
<b>Total</b>	<b>130</b>

### 3.4 Determination of the Sample Size

According to Kothari (2014), Determination of the sample size is said to “be a plan of obtaining a representative sample from the population of study whereas Krejcie and Morgan denoted in Amin (2005) was borrowed in shaping the sample size, the table of Krejcie and Morgan (1970) is specified in appendix III”. By using this table, 97 of respondents were put in consideration for this study as shown in Table 3.2 below.

**Table 3. 2: Sample Size of Respondents and Sampling Technique**

<b>Category of Population</b>	<b>Population Size</b>	<b>Sample Size</b>	<b>Sampling Technique</b>
Accounting officer	1	1	Purposive sampling
Contracts Committee members	8	6	Purposive sampling
Procurement and Disposal Unit Officers	30	18	Simple Random sampling
Heads of User Departments	18	14	Simple Random sampling
Evaluation Committee members	20	19	Simple Random sampling
KCCA Prequalified SMEs	53	41	Purposive sampling
<b>Total</b>	<b>130</b>	<b>97</b>	

*Source: KCCA HR Records (2020); KCCA User Departments and Evaluation Committee (2020)*

### 3.5 Sampling Techniques

This study engaged a simple technique of random sampling to give equal chance to all procurement related officials in KCCA because of their procurement process roles and knowledge in aspects pertaining to this research. This sampling was exercised by asking for the list of Contracts Committee members, Procurement and Disposal Unit Officers, User Departments and Evaluation Committees. The intended sample from the given list was obtained randomly. According to Sufian

(2015), this method is selected because it reduces bias. On the other hand, the list of registered SMEs was obtained from KCCA prequalified list for financial years 2018-2021 and SMEs was purposively selected on the basis of those who have ever heard adverts, competed and won a public procurement contract from KCCA. The researcher made sure that both disadvantaged and advantaged SMEs are represented. Further, accounting officer and contracts committee members were selected while using purposive sampling. The method was used because it was significant in selecting people who are well-informed about reservation schemes and access to public procurement by SMEs (Gabriel, 2013).

### **3.6 Data Collection Methods**

Initial data was gathered by means of questionnaires self-administered and interview. The data was gathered from KCCA by the researcher with help from research assistants for convenience and speed.

#### **3.6.1 Survey Questionnaire**

Survey refers to a technique of data collection that is planned with a series of short questions using both open and close ended questions to allow immediate responses from respondents (Amin, 2005). This was used to collect original data from Accounting Officers, Contracts Committee members, Procurement and Disposal Unit Officers, User Departments and Evaluation Committees at KCCA. This involved use of close ended questionnaire which allowed easy correlation and regression of the respondent's attitudinal nature on the independent and dependent variables (Amin, 2005). Secondly, the use of questionnaire permitted busy respondents to effectively spare time to respond to the questions at their convenient hours (Oso and Onen, 2008).

### **3.6.2 Interview**

The study employed interview method. Interview method means collecting data while asking questions that allow investigative and inciting of respondent's answers (Ruane, 2015). The researcher attained additional information on issues affecting access to public procurement contracts of SMEs in KCCA. The method aided the researcher to clearly obtain detailed responses or evidence from crucial informers and allowed explanation on anything that may arise than a study method. The interview technique was best used on prequalified SMEs at KCCA. The list of registered SMEs was obtained from KCCA prequalified list for financial years 2018-2021 and SMEs was purposively selected on the basis of those who have ever heard adverts, competed and won a public procurement contract from KCCA. The researcher made sure that both disadvantaged and advantaged SMEs are represented. Interviews managed to generate adequate data regarding the factors affecting access to public procurement contracts among SMEs.

## **3.7 Data Collection Instruments**

### **3.7.1 Questionnaire**

A questionnaire is defined as a tool of data collection that is planned with a series of short questions using both open and close ended questions to allow timely answers from respondents (Neuman, 2016). This was used to gather original data from Accounting Officers, Contracts Committee members, Procurement and Disposal Unit Officers, User Departments and Evaluation Committees at KCCA.

### **3.7.2 Interview Guide**

The interview guide was employed to make face to face interviews with open ended questions. The attained replies were written down in order to get data through searching and expounding the questions which would help the researcher get relevant responses and meet study objectives

(Creswell, 2010). The researcher used open ended questions to allow the interviewees express their opinions freely in relation to the factors affecting implementation of reservation schemes in relation with access to public procurement contracts by Small and Medium Enterprises (SMEs) in KCCA.

### **3.8 Quality control**

#### **3.8.1 Validity**

Validity refers to “the extent to which the instrument is relevant in measuring what it is supposed to measure” (Amin, 2005). The validity of the instrument was determined using the Content Validity Index (CVI) which involved the scoring of the relevance of the questions in the data collection instrument in relation to the study variables. A CVI score above 0.7 for an instrument was considered valid. In addition, the instrument was discussed with the supervisor and experts and also pre-tested with a sample of respondents to ensure content validity. CVI was calculated using the formula below:

$$\text{CVI} = \text{Agreed item by all judges as suitable} / \text{Total number of items being judged}$$

Qualitatively, the validity of the instruments was evaluated by 2 experts (supervisors) for relevance of each item in the tool to the objectives. Each item was rated on a scale of 1 to 4; 1 being not relevant, 2 somewhat relevant, 3 quite relevant and 4 very relevant. The researcher allowed the participants to lawfully judge the credibility of the results. The researcher also clearly explored for and described negative occurrences that looked to contradict earlier observations. Finally, after the study a data check was conducted examining the data collection and analysis procedures and made judgments about the potential for prejudice or misrepresentation. Table 3.3 has more details below;



**Table 3.3: Content Validity Indices for the tools**

<b>Variable</b>	<b>Description</b>	<b>Total Number of Measurement Items</b>	<b>Valid Number of Measurement items</b>	<b>Content validity index</b>
Independent	Professionalism	7	6	.857
	Execution of procurement procedures	9	7	.777
	Stakeholder training	8	6	.750
	Access to information	7	6	.857
Dependent	Access to public procurement contracts	8	7	.875
<b>Overall</b>				<b>.856</b>

According to results in Table 3.3, the obtained validity indices for all questionnaire items were above 0.7 as suggested by Thomas (2017). Consequently, the tool was considered valid by 0.856 and therefore adopted for data collection.

### **3.8.2 Reliability**

Reliability of a research instrument is the extent to which the instrument constantly measures whatever is being measured (Amin, 2005). Reliability of the instrument was determined by carrying out a pilot study. A pilot study was carried out outside the study area using a pre-test correlation to ensure internal consistency (Cresswell, 2014). Reliability of information was ensured through pre-testing of the data collection tool. “A sample of respondents with similar characteristics to the study population was drawn from the neighboring area for the pre-test, in all

approaches, comments and results obtained were used to improve the data tools”. Table 3.4 has details.

**Table 3.4: Reliability indices for the respective sections**

<b>Variable</b>	<b>Description</b>	<b>Total Number of Measurement Items</b>	<b>Valid Number of Measurement items</b>	<b>Cronbach alpha</b>
Independent	Professionalism	7	6	.829
	Execution of procurement procedures	9	7	.887
	Stakeholder training	8	6	.837
	Access to information	7	6	.756
Dependent	Access to public procurement contracts	8	7	.785
<b>Overall</b>				<b>.819</b>

In Table 3.4 above, it is observed that the reliability coefficients for all variable attributes were 0.819. This was indicative of the questionnaire’s ability to provide consistent and reliable results, since Creswell (2014) proposes a reliability coefficient of 0.6 and above to be adequate.

### **3.9 Data Analysis**

#### **3.9.1 Quantitative data analysis**

Quantitative data was analyzed using statistical software package for social sciences (SPSS) (Sufian, 2015). Both descriptive and inferential techniques were used. Descriptive techniques were used in determining the numerical strength of the study variables. Inferential techniques like regression analysis were used in determining effect of independent variables on the dependent variable and answering research hypotheses. Therefore, a multiple regression model was run to

test the factors affecting implementation of Reservation Schemes in relation with access to public procurement contracts by SMEs at KCCA.

### **3.9.2 Qualitative data analysis**

The attention of analysing qualitative data depends on text or words. “A text refers to the notes recorded or written when undertaking interviews”. When undertaking qualitative analysis, the researcher took time to identify all important findings, categorize them, pattern them and relate the data. Gill et al., (2018) argue that “thematic analysis is favorable in identifying, analyzing and reporting data pattern”. In the study, qualitative data was analyzed in themes according to the objectives of the study using intrusion and interpretation and the findings were presented in a narrative form (Gabriel, 2013). “Qualitative data from interviews was classified in terms of themes, sorted out and categorized accordingly; simple content categories, themes and sub-themes, were closely examined and compared for similarities and differences”. Also, “a reflection analysis was used to evaluate the phenomena according to the researcher’s interpretation of events and judgments” (Gill et al., 2018).

### **3.10 Measurement of Variables**

Measurement of variables was conducted using both nominal and ordinal scales. The researcher used Nominal scale when classifying values of a variable into different categories that were used as identifiers since all variables were measured at the nominal level (SOS, 2005). Whereas Ordinal scale was used to determine who had more or less of the characteristics being studied. This allowed the researcher to investigate how and why some items were ranked higher than others with respect to the phenomenon being examined.

The study had two study variables of factors affecting implementation of reservation schemes as the independent variables and access to public procurement by SMEs as dependent variable. Factors affecting implementation of reservation schemes were operationalized by procurement professionalism, execution of procurement procedures, stakeholder training and access to information. The responses to the questionnaires were arranged on a 5-Likert scale of strongly disagree, disagree, neutral, agree and strongly agree respectively.

Access to public procurement was operationalized by SMEs transparency, confidentiality, respect of rules and integrity. The responses to the questionnaires were arranged on a 5-Likert scale of strongly disagree, disagree, neutral, agree and strongly agree respectively.

### **3.11 Ethical considerations**

Confidentiality was protected by notifying the participants before that “their names were not to be required and therefore the information they gave remain anonymous, and if the participants felt uncomfortable to answer certain questions, they had a right to leave them out and were not coerced” (Sufian, 2015). “To ensure confidentiality, the contributors were noticed early enough that the information they gave were for only academic use and that any information gained on private issues were preserved in confidence,” (Neuman, 2015). The researcher promoted anonymity whereby respondent’s names were kept private.

## CHAPTER FOUR

### PRESENTATION AND DISCUSSION OF RESULTS

#### 4.0 Introduction

This chapter presents and analyzes the data picked from the field on factors affecting implementation of reservation scheme in relation with access to public procurement contracts by SMEs in KCCA. The chapter starts with the characteristics of the respondents, this is followed by the results on the professionalism in public procurement management, then the findings on the execution of procurement procedures, then findings on stakeholder training, and access to information as well as findings on access to public procurement contracts by SMEs in KCCA, and then the results on the relationships between the dependent variables and the independent variables.

#### 4.1 Response rate

**Table 4.1: Showing the response rate**

<b>Respondents</b>	<b>Targeted sample size</b>	<b>Response obtained</b>	<b>Percentage</b>
Accounting officer	1	1	100%
Contracts Committee members	6	4	66.6%
Procurement and Disposal Unit Officers	18	15	83.3%
Heads of User Departments	14	14	100%
Evaluation Committee members	19	14	77.7%
KCCA Prequalified SMEs	41	30	75%
<b>Total</b>	<b>97</b>	<b>78</b>	<b>80.4%</b>

It is noticeable that above 70% of response was realized above as suggested by (Amin, 2005). Its imperative to note that in the study, the response rate realized was at 80.4%. This means that from the 97 respondents that had been targeted, 78 respondents participated in the study.

#### 4.2 Demographic Characteristics of Respondents

The profile of the respondents focused on the gender, age group, education and duration at KCCA.

The details are indicated in Table 4.2 below.

**Table 4. 2 Demographic characteristics of the respondents**

<b>Characteristics</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male	48	61.5%
	Female	30	38.46%
<b>Age</b>	20-29 years	8	10.25%
	30-39 years	28	35.9%
	40-49years	30	38.46%
	Above 50 years	12	15.38%
<b>Education Level</b>	Bachelor's Degree	36	46.15%
	Post Graduate Diploma	18	23.1%
	Master's Degree	18	23.1%
	Professional Qualification	6	7.7%
<b>Duration at KCCA</b>	1-5 years	12	15.38%
	6-10 years	40	51.28%
	Above 10years	26	33.33%

*Source: Data 2022 n=78*

Basing on the results in Table 4.2 above, above half 61.5% of the study respondents were male and 38.46% were female. This indicates that the study gained information from both male and

female officers. This therefore denotes that the study findings can be undiscriminating to both male and female officials in KCCA.

As shown in Table 4.2, the largest part 38.46% of the study respondents were aged between 40-49 years of age, followed by 35.9% who were between 30-39 years of age. 15.38% of respondents were aged above 50 years. Only 10.25% were aged between 20 and 29 years of age. This means that data was collected from officials from the different age groups at KCCA.

The findings still indicate that most of the study respondents (46.15%) were educated up to Bachelor's Degree level, followed by 23.1% who were educated up to master's degree level and postgraduate diploma level and 7.7% had professional qualification. This displays that data was attained from respondents who had the capacity to read and interpret questions as posed to them without being helped.

Further still, 51.38% of the study respondents had worked for KCCA for a period of 6-10 years, followed by 33.33% who had worked for a period of above 10 years and the least 15.38% had worked for KCCA for 1-5 years. This implies that the views were obtained from respondents who had the required institutional memory and experience regarding factors affecting SMES to access to public procurement contracts.

#### **4.3 Factors affecting implementation of reservation schemes on access to public procurement contracts by SMEs in KCCA**

The study investigated on the factors affecting implementation of reservation schemes in relation to access of public procurement contracts before responding to the research objectives. Four factors were investigated including; professionalism in public procurement management, execution of procurement procedures, stakeholder training and access to information. To ascertain

the findings and give interpretations, mean ranges and standard deviations were employed. Mean ranges from 1.00-1.79 showed that majority of the respondents strongly disagreed with the items, thus, this meant that exercising of a factor under investigation is very not effective; mean ranges from 1.80-2.59 showed that majority of the respondents disagreed with the items, thus, exercising of a factor under investigation in KCCA are ineffective; mean ranges from 2.60-3.39 indicate that majority of the respondents were neutral about the items examined, thus, exercising of a factor under investigation in KCCA is moderate; mean ranges from 3.40-4.19 showed that majority of the respondents confirmed with the items investigated, thus, the exercising of a factor under investigation in KCCA are effective; and lastly; mean ranges from 4.20-5.00 portrayed that majority of the respondents strongly accepted with the items investigated, thus, exercising of a factor under investigation in KCCA are very effective. The findings on factors affecting implementation of reservation schemes on access to public procurement contracts by Small and Medium Enterprises (SMEs) in KCCA are presented in Tables 4.3, 4.4, 4.5, 4.6 and 4.7.



**Table 4.3: Mean values regarding professionalism in public procurement management in KCCA**

	<b>N</b>	<b>Mini mum</b>	<b>Maxi mum</b>	<b>Mean</b>	<b>Std. Deviati on</b>	<b>Interpret ation</b>
PDU staff at KCCA demonstrate a high level of transparency	78	1	5	3.93	.908	Effective
There is a high consideration of proportionate selection criteria during contract awarding at KCCA	78	1	5	3.58	1.008	Effective
PDU staff at KCCA demonstrate a high level of accountability	78	1	5	3.63	.996	Effective
PDU officials at KCCA demonstrate a high level of non-discrimination	78	1	5	3.49	1.156	Effective
PDU staff are able to create use of the possibility to conclude framework agreements with several economic operators and to organize mini competitions for parties to the framework agreement as actual procurement needs arises	78	1	5	3.49	1.186	Effective
A primary decision is always reached on which criteria is appropriate for the kind of purchase involved and its value.	78	1	5	2.96	1.256	Moderate
<b>Mean average</b>				<b>3.65</b>	<b>1.33</b>	<b>Effective</b>

*Source: Data 2022 n=78*

The mean average of 3.65 at the Standard Deviation of 1.33 indicates that the professionalism in public procurement management in KCCA is effectively exercised. Professionalism in public

procurement management in KCCA is effective because a large number of the respondents agreed that PDU staff are able to make use of the possibility to conclude framework agreements with several economic operators and to organize mini competitions for parties to the framework agreement as actual procurement needs arises (mean=3.49; Std. dev. =1.186); PDU officials at KCCA demonstrate a high level of non-discrimination (mean=3.49; Std. dev. =1.156); they also agreed that PDU staff at KCCA demonstrate a high level of accountability (mean=3.63; Std. dev. = 1.996); they further agreed that ATM makes it easy for the to transact with KCCA (mean=3.58; Std. dev. =1.008). In addition, majority agreed that PDU staff at KCCA demonstrate a high level of transparency (mean=3.93 Std. dev. = .908).

In addition, respondents rated one item under professionalism in public procurement management as moderate as they indicated that a primary decision is always reached on which principles is appropriate for the kind of purchase involved and its value (mean=2.96; Std. dev. = 1.256).

One of the major informants or was noted saying,

*“I think transparency has recently emerged at KCCA especially when it comes to supplier selection. I can agree with anyone and many will agree with me that since proportionate selection criteria was introduced, we have seen ourselves winning some contracts more than before...”* (Key Informant, 4)

*“...it is not all well, however, I can confirm that there is some or higher level of accountability...by now, by the time the contract is awarded to a given service provider, you are sure that they have followed the right procedures and a clear reference is provided as to why one company was awarded against another. I no*

*longer fear to insert my money and time in this process because at a right time anyone can win...” (Key Informant, 1)*

However, key informants expressed a different concern with professionalism of public procurement management at KCCA

*“...I remain worried and dissatisfied with the contract committees and the PDU department in particular. These people keep calling for bids from SMEs but they clearly disqualify everyone and hire already established big company and such cases are too many in KCCA...” (Key Informant, 2)*

*“...I think politics is still entangling the PDU at KCCA because some SMEs are excluded on the basis of their political history of their proprietors...secondly, many which are awarded when you go for their details, you come to realize that professionalism is less employed than non-professionalism...there is a high level of discrimination at KCCA and I think this explains the limited levels of access to public procurement contracts by SMEs” (Key Informant, 3)*

In summary, it can be understood that to a high extent, professionalism in public procurement management at KCCA has been highly exercised. This is assumed to have a link on access to public procurement.

**Table 4. 4: Mean values regarding execution of procurement procedures in KCCA**

	N	Mini mum	Maxi mum	Mean	Std. Deviation	Interpretation
We ensure that SMEs are given 30 days payment deadline as a default	78	1	5	4.04	1.170	Effective
We have a default level of interest for late payments for SMEs	78	1	5	4.07	.944	Effective
We allow meeting payments electronically to simplify documents necessary for making payments	78	1	5	3.93	.908	Effective
We ensure that payments are suspended with a valid reason	78	1	5	3.52	1.011	Effective
Use of electronic payment systems are highly recommended	78	1	5	3.54	1.032	Effective
Administrative requirements are kept minimal for SMEs	78	1	5	3.64	1.197	Effective
We ensure that payments are not postponed until the end of the year	78	1	5	1.90	1.400	Ineffective
<b>Mean average</b>				<b>3.52</b>	<b>1.095</b>	<b>Effective</b>

*Source: Data 2022 n=78*

Table 4.4 above shows the mean average of 3.52 at the standard deviation of 1.095 indicates that the execution of procurement procedures in KCCA is generally effective. Execution of procurement procedures in KCCA is effective because most of the respondents agreed that administrative requirements are kept minimal for SMEs (mean=3.64; Std. dev. =1.197); they also agreed that use of electronic payment systems are highly recommended (mean=3.54; Std. dev. = 1.032); they further agreed that they ensure that payments are suspended with a valid reason (mean=3.52; Std. dev. =1.011). In addition, they consented that KCCA allows meeting payments

electronically to simplify documents necessary for making payments (mean=3.93; Std. dev. = .908); they further agreed that KCCA has a default level of interest for late payments for SMEs (mean=4.07; Std. dev. =.944) and lastly they agreed that KCCA ensures that SMEs are given 30 days payment deadline as a default (mean=4.04; Std. dev. =1.170).

However, one of the item was reported as ineffective as far as execution of procurement procedures is concerned. For instance, KCCA ensures that payments are not postponed until the end of the year (mean=1.90; Std. dev. = 1.400).

In line with majority opinions, majority of key informants seemed supportive of the view that efficient payment and procurement procedures reduce administrative costs which is vital in enabling SMEs access to public contracts. Key Informant 1 said,

*“there is assurance that the payment is made at a right time and this is reflected in provision of a 30 days’ payment deadline as a default, which is beneficial in this regard. Ideally simplify the documents necessary for making payments for example use electronic tools; do not suspend payment without a valid reason; enhance the use of electronic payment; simplify controls; do not postpone payment until the end of the year.”* (Key informant 1)

However, key informant 5 said that,

*“...the default level of interest you have talked about is not considerate. I think this is one of the reasons why some SMEs are still closed outside the accessibility of public procurement contracts. Some of these things need to be reviewed to fasten their intention of promotion of SME development in Uganda...”* (Key informant 5)

In summary, it can be understood that to a high extent, execution of procurement procedures in KCCA has been highly exercised. This is assumed to have a link on access to public procurement among SMEs at KCCA.

**Table 4.5: Mean values regarding stakeholder training in KCCA.**

	N	Mini mum	Maxi mum	Mean	Std. Deviation	Interpretation
Procurement and Disposal Unit Officers at KCCA are trained in reservation scheme handling	78	1	5	3.47	1.081	Effective
There is an independent public procurement training done for PDU staff at KCCA annually	78	1	5	3.37	1.216	Effective
PDU officials are trained about the proportionate selection criteria during contract awarding at KCCA	78	1	5	3.69	1.139	Effective
PDU officials are trained about access to information at KCCA	78	1	5	4.49	.843	Effective
PDU officials are trained about non-discrimination of applicants basing on size and capability at KCCA	78	1	5	4.10	.980	Effective
PDU officials are trained about execution of simplified payment and procurement procedures at KCCA	78	1	5	4.40	.828	Effective
PDU officials are trained in arranging their work in lots that are content wise and logically friendly to SMEs capacity	78	1	5	3.44	1.134	Effective
<b>Mean average</b>				<b>3.48</b>	<b>1.07</b>	<b>Effective</b>

*Source: Data 2022 n=78*

The mean average of 3.48 at the standard deviation of 1.07 indicates that stakeholder training exercised at KCCA is generally effective. Stakeholder training in KCCA is effective because most of the respondents agreed that PDU officials are trained about execution of simplified payment and procurement procedures at KCCA (mean=4.40; Std. dev. =.828); they also agreed that PDU officials are trained about non-discrimination of applicants basing on size and capability at KCCA (mean=4.10; Std. dev. = 1.980); they further agreed that PDU officials are trained about access to information at KCCA (mean=4.49; Std. dev. =.843). In addition, majority agreed that PDU officials are trained about the proportionate selection criteria during contract awarding at KCCA (mean=3.69; Std. dev. = 1.139); and they agreed that Procurement and Disposal Unit Officers at KCCA are trained in reservation scheme handling (mean=3.47; Std. dev. =1.081).

However, two of the items were largely disagreed on by majority of the respondents. Majority remained neutral on whether there is an independent public procurement training done for PDU staff at KCCA annually (mean=3.37; Std. dev. =1.216); and PDU officials are trained in arranging their work in lots that are content wise and logically friendly to SMEs capacity (mean=3.44; Std. dev. =1.134). These meant that there was inadequate independent public procurement training done for PDU staff at KCCA annually.

Further, key informant 4, and 1 indicated that stakeholder training has been highly promoted by PDU at KCCA. This is reflected in the following quotations;

*“...I have had no chance of attending some of those training but I hear there has been a lot of training done independently regarding reservation schemes and this is having been fundamental in enhancing access to public procurement contracts by SMEs...” (Key Informant, 4)*

Key informant 1 added,

*“...the reception provided by PDU staff at KCCA has been changing over time and this is attributed to periodical training provided regarding non-discrimination, transparency, practicing professionalism and access to information. This is why it is currently easy to obtain anything we want without hassle like before.”*

*“User departments are equally trained to arrange their work in lots that are content wise and logically friendly to SMEs capacity. This has been important in stimulating the number of SMEs to access and winning more tenders and making sure that SMEs are compliant”*

However, key informant 3 indicated that,

*“I think access to public procurement contracts by SMEs has highly been curtailed by these staff who demonstrate a high sense of discrimination...they do not want to share information; I do not know whether they are oriented to first be given bribes. I have never got a good reception from PDU officials at KCCA.”*

*“I am aware that as stakeholders and our role in the process of procurement, we need to be trained into the formal tools and methods friendly to our participation but this is not usually the case. I am only aware about training offered to the Evaluation Committee and Contracts Committee members because they also espouse awareness in the formal scoring methods appropriate to offer an added advantage to SMEs as the former conducts the actual scoring while the latter approves the methods to be used.”*



In summary, it can be understood that to a high extent, stakeholders in the procurement process are trained in KCCA especially when it comes to formal methods and tools training, appropriate scoring methods and user department training. However much of the training is limited to professional stakeholders more than the SMEs. This is assumed to have a link on access to public procurement among SMEs at KCCA.

**Table 4. 6: Mean values regarding access to information in KCCA.**

	N	Mini mum	Maxi mum	Mean	Std. Deviation	Interpretati on
There is increased use of ICT to ensure that all appropriate information on business opportunities in public procurement for SMEs is accessible	78	1	5	3.54	1.147	Effective
KCCA PDU has a functional website which helps SMEs to have a cheaper and quicker communication especially when they need to download contract documents, notices and any accompanying documents without experiencing copying or mailing costs.	78	1	5	2.85	1.238	Moderate
Tender opportunities are often communicated through direct invitation from the buyer at KCCA PDU	78	1	2	1.50	1.502	Very ineffective
Tender opportunities are often communicated through some form of personal contacts at KCCA PDU	78	1	4	1.79	1.087	Very Ineffective
At KCCA, contractors can directly download contract notices and accompany documentation from the website.	78	1	4	2.46	1.067	Ineffective
Procurement and Disposal Unit at KCCA act as local desks that help	78	1	4	3.21	.589	Moderate

SMEs to increase their participation in public procurement contracts.

We ensure that all SMEs that tried to compete and did not go through are provided with feedback regarding the areas that made them fail

78	1	4	4.34	.827	Very effective
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PDU has an electronic tendering facility which enables KCCA to receive bids electronically in conformity with the PPDA regulations.

78	1	4	3.78	.980	Effective
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<b>Mean average</b>			<b>2.94</b>	<b>1.092</b>	<b>Moderate</b>
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*Source: Data 2022 n=78*

The mean average of 2.94 at the standard deviation of 0.902 indicates that access to information in KCCA is generally moderate. Access to information regarding public procurement contracts in KCCA is moderate because most of the respondents were not sure that Procurement and Disposal Unit at KCCA act as local desks that help SMEs to increase their involvement in public procurement contracts (mean=3.21; Std. dev.=1.067); At KCCA, contractors can directly download contract notices and accompany documentation from the website (mean=2.46; Std. dev.=1.067); Tender opportunities are often communicated through direct invitation from the buyer at KCCA PDU (mean=1.50; Std. dev.=1.502); KCCA PDU has a functional website which helps SMEs to have a cheaper and quicker communication especially when they need to download contract documents, notices and any accompanying documents without incurring copying or mailing costs. (mean=2.85; Std. dev. = 1.238).

However, three items which were agreed on; there is increased use of ICT to ensure that all relevant information on business opportunities in public procurement for SMEs is accessible (mean=3.54; Std. dev. = 1.147); PDU has an electronic tendering facility which enables KCCA to receive bids electronically in agreement with the PPDA regulations (mean=3.78; Std. dev. =.980); We ensure that all SMEs that tried to compete and did not go through are provided with feedback regarding the areas that made them fail (mean=3.54; Std. dev. =1.147).

Majority of responses from key informants decisively mentioned that there is lack of adequate mechanisms of sharing information from KCCA. It was quoted from key informant 3 saying:

*“We still have a challenge that only few opportunities go directly through the media much is still obtained depending on the personal contract or direct invitation from KCCA PDU and contract committee members. This too much affects the access to public procurement contracts.”*

*“We are highly challenged by lack of enough or no feedback made about our previous attempts which tend to be unsuccessful. This affects a number of would be successful SMEs to access public procurement contracts.”*

A few of key informants were supportive to the presumption that access to information relating to procurement process has been improving at KCCA. They were quoted saying;

*“KCCA has tried especially when it comes to the good relationship they set up with newspapers...these have provided a platform of accessing contracts on the side of SMEs because they periodically take all form of information required for SMEs to bid on existing contracts.”*

*“With the growth of ICT, it is becoming a little easy to obtain information currently regarding existing contract opportunities, feedbacks on previous bids and many others. Now through their websites, it has become easy, cheap and quicker to seek information required by mere ownloading of the contract documents and any supplementary documents without incurring copying or mailing costs. If this is made a culture at KCCA, it will facilitate publication of public procurement notices online; multi-functional search engines; direct downloading of contract notices and accompanying documentation; electronic tendering facility enabling local governments to receive bids electronically in conformity with the PPDA regulations.”*

In summary, it can be understood that to a high extent, access to information done at KCCA regarding public procurement contract was ineffective. This is exhibited in lack of local desk at PDU, absence of information center specific for KCCA divisions, and less utilization of ICT. However, much of the efforts and feedback given to SMEs are obtained through personal contacts, electronic tendering facilities and website services. This is assumed to have a link on access to public procurement among SMEs at KCCA.

#### **4.4 Access to public procurement contracts by SMEs of KCCA.**

Accessing public procurement contracts by SMEs at KCCA was examined in terms of incorporating SMEs in supply chains, disseminate tender opportunities to SMEs and number of applications from SMEs and mean ranges and standard deviation were also used to measure the level of mean values. “Mean ranges from 1.00-1.79 showed that most of the respondents strongly disagreed with the items investigated under access to public procurement contracts by SMEs in KCCA, thus, the access to public procurement contracts by SMEs is very low; mean ranges from

1.80-2.59 show that majority of the respondents disagreed with the items investigated under access to public procurement contracts by SMEs in KCCA, thus, the access to public procurement contracts by SMEs is low; mean ranges from 2.60-3.39 indicate that majority of the respondents took a neutral position about the items investigated under the access to public procurement contracts by SMEs in KCCA, thus, the access to public procurement contracts by SMEs is moderate; mean ranges from 3.40-4.19 show that majority of the respondents agreed with the items investigated under access to public procurement contracts by SMEs in KCCA, thus, the access to public procurement contracts by SMEs is high; and lastly; mean ranges from 4.20-5.00 portray that most of the respondents strongly agreed with the items investigated under access to public procurement contracts by SMEs in KCCA, thus, the access to public procurement contracts by SMEs is very high. The data on the access to public procurement contracts by SMEs of KCCA is presented in Table 4.7.

**Table 4.7: Mean values regarding access to public procurement contracts by SMEs in KCCA**

	<b>N</b>	<b>Mini mum</b>	<b>Maxi mum</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Interpretation</b>
SMEs are fully incorporated in KCCA supply chains	78	4	5	4.68	.470	Very high
Tender opportunities are periodically disseminated to SMEs while using all media of communication	78	2	5	4.24	.762	Very high
The number of applications from SMEs have increased in the last three years	78	1	5	4.25	.814	Very high
The number of SMEs competing for public procurement contracts have increased in the last three years	78	1	5	3.87	.987	High
The number of SMEs winning contracts have increased in the last three years	78	1	5	3.80	1.087	High
The aggregate market value won by SMEs is high	78	1	5	3.74	1.075	High
SMEs have often win contracts in smaller tasks like regular road maintenance, minor repairs etc.	78	1	5	4.01	1.03	High
<b>Total</b>				<b>4.08</b>	<b>.889</b>	<b>Effective</b>

The mean average of 4.08 at the standard deviation of .889 indicates that access to public procurement contracts by SMEs in KCCA is generally high. Access to public procurement contracts by SMEs in KCCA is high because majority of the respondents agreed that SMEs have often won contracts in smaller tasks like regular road maintenance, minor repairs etc (mean=4.01;

Std. dev. =1.03); The number of SMEs winning contracts have increased in the last three years (mean=3.74; Std. dev. =1.075); The number of SMEs winning contracts have increased in the last three years (mean=3.80; Std. dev. = 1.087). They further agreed that SMEs have increased in the last three years (mean=4.25; Std. dev. = .814); they also strongly agreed that Tender opportunities are periodically disseminated to SMEs while using all media of communication (mean=4.24; Std. dev. =.762) and they also strongly agreed that SMEs are fully incorporated in KCCA supply chains (mean=4.68; Std. dev. = .472).

## **4.5 Correlational Analysis**

### **4.5.1 The association between public procurement management and access to public procurement contracts by SMEs in KCCA.**

The study assessed the association between professionalism in public procurement management and access to public procurement contracts by SMEs in KCCA. A Pearson correlation was conducted and the findings are established in Table 4.8.



**Table 4.8: Correlation between professionalism in public procurement management and access to public procurement contracts by SMEs in KCCA.**

		Professionalism in public procurement management	Access to public procurement contracts by SMEs
Professionalism in public procurement management	Pearson Correlation	1	.673**
	Sig. (2-tailed)		.000
	N	78	78
Access to public procurement contracts by SMEs	Pearson Correlation	.673**	1
	Sig. (2-tailed)	.000	
	N	78	78

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

The results presented in Table 4.8 show that there was a strong, positive and statistically significant association between Professionalism in public procurement management and access to public procurement contracts by SMEs in KCCA ( $r=0.673$ ,  $P\text{-value}<0.01$ ). The findings thus imply that an improvement in professionalism followed in public procurement management improves on access to public procurement contracts by SMEs in KCCA. This means that the greater the exercising of professionalism in procurement management, the higher the accessibility to public procurement by SMEs.

The results from the key informants were supportive of the above findings from the questionnaire. From the interviews conducted, it was indicated by 79.2% of the interviewees that professionalism envisaged in procurement management had improved on access to public procurement contracts

by SMEs in KCCA. They opined that the PDU at KCCA had endeavoured to a higher extent to ensure that there is independent national public procurement training, proportionate selection criteria, non-discrimination and staff training. One of the key informants was cited saying,

*“...there has been improvement in accessing public procurement contracts on our side because due to transparency which has recently emerged at KCCA especially when it comes to supplier selection. I can agree with anyone and many will agree with me that since proportionate selection criteria was introduced, we have seen ourselves winning some contracts more than before...”* (Key Informant, 4)

*“access to public procurement contracts is not all well, however, I can confirm that there is some or higher level of accountability...by now, by the time the contract is awarded to a given service provider, you are sure that they have followed the right things and a clear reference is provided as to why one company was awarded against another. I no longer fear to insert my money and time in this process because at a right time anyone can win...”* (Key Informant, 1)

Comparing the study findings on and the studies by other scholars whose work is examined in the literature, it can be noted that the study findings concurs with earlier studies to a large extent. For instance, Andrews and Van de Walle (2013) studied the influence of promoting professionalism on accessibility to public procurement contracts by SMEs in South Africa Public Service. It was established that there was lack of adequate training offered to national public procurement departments and procurement officials regarding observing professional ethics especially throughout the procurement proceedings. Many professional ethics were abused and this promoted a culture of continued using of the same SMEs and large organizations in undertaking public

procurement contracts. This in many ways affected the whole effort of access to public procurement contracts on the side of SMEs.

In support of the study findings still, Wee (2002) ascertained that “professional ethics are the moral principles and values that guide officials in all aspects of their work. Ethical behavior involves the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Professional ethics also include avoiding conflicts of interest, and not making improper use of an individual's position”. However, these tend to lack in a number of public service institutions which aid the inaccessibility of SMEs to compete and win in public sector contracts. In further support of the above, Barrot and Nanda (2017) in their contract monitoring survey in Kenya cited “unethical practices as a major factor contributing towards less involvement of SMEs in public procurement in major public institutions in Kenya in return leading to squandering of public funds through fraud, favoritism and extravagance. This was revealed in a report by the contract monitoring Kenya Network dubbed Reforming public contracting through inclusiveness of SMEs”. Barrot and Nanda (2017) states “...that at the heart of grand corruption in Kenya is a series of financial preparations that together make up a system of security-related procurement, procurement of commercial debt, and funding of the political system. These close a number of avenues that are presumed to have been availed to SMEs. Secondly, the conspiracy in public service to ensure that SMEs remain in their private dealings and the rich who are the owners of big companies in government remains rich facilitates the culture of awarding contracts locally to big companies since SMEs can easily surrender riches to their competitors in SMEs. According Erridge, Fee and McIlroy (2018), the current procurement management in a number of developing countries is lacking ethical feeling and should employ ethical consideration to re-invent itself. Zheng, Walker and Harland (2016) notes “that the most persistent barrier for SMEs to be involved

in public procurement contract is the philosophy of secrecy in public procurement and associated government functions. Unethical behavior in public procurement, which includes conflict of interest and corruption, is an issue since may damage relations within the purchasing department, the relationship with other departments in the company, and with suppliers”.

In line with study findings, Lodhia and Burritt (2014) in their investigation regarding the role of selection criteria on accessing public procurement contracts by SMEs, they discovered that without exercising professionalism in the process of selecting best bidders, the selection of SMEs becomes impossible. It was discovered that proportionate selection criteria, non-discrimination and well-trained procurement staffs are the right prospect that can promote reservations in the procurement proceedings. This is the basis for accessing public procurement contracts by SMEs since proportionate selection means that at least the contracts are won proportionately by different capacities, gender and locations. Secondly, non-discrimination means that at least every application is given the same chance to qualify and compete using different fronts. If the front is about reserving local SMEs for certain sub-contracting opportunity, this means that dissemination of tender opportunities will be shared equally with all potential SMEs and this is likely to increase their chances of competing and winning public procurement contracts.

#### **4.5.2 The association between procurement procedures and access to public procurement contracts by SMEs in KCCA.**

The study assessed the relationship between execution of procurement procedures and access to public procurement contracts by SMEs in KCCA. A Pearson correlation was carried out and the findings are established in Table 4.9.

**Table 4. 9: Correlation between execution of procurement procedures and access to public procurement contracts by SMEs in KCCA.**

		Execution of procurement procedures	Access to public procurement contracts by SMEs
Execution of procurement procedures	Pearson Correlation	1	.880*
	Sig. (2-tailed)		.000
	N	78	78
Access to public procurement contracts by SMEs	Pearson Correlation	.880*	1
	Sig. (2-tailed)	.000	
	N	78	78

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

The findings presented in Table 4.9 indicate that there was a strong positive and significant association between execution of procurement procedures and access to public procurement contracts by SMEs in KCCA ( $r=0.880$ ,  $P\text{-value}<0.01$ ). This finding thus implies that an improvement in execution of procurement procedures also improves on access to public procurement contracts by SMEs in KCCA. This means that the higher the effectiveness of execution of procurement procedures, the higher the accessibility to public procurement by SMEs.

The opinions from the key respondents repeatedly supported the above position, where 80% of the interviewees admitted that proper execution of procurement procedures had been adopted by KCCA which has been central in realizing improvement in access to public procurement contracts by SMEs in Uganda. For instance, 85% admitted that payment procedures are becoming considerate and proper procurement procedures have been adopted. However, 55% indicated gaps

in controls and administrative requirements which are missing. Key Informant 1 was quoted saying,

*“Accessibility to contracts is becoming far easier than how it was before because there is assurance that the payment is made at a right time and this is reflected in provision of a 30 days’ payment deadline as a default, which is beneficial in this regard. Ideally simplify the documents necessary for making payments for example use electronic tools; do not suspend payment without a valid reason; enhance the use of electronic payment; simplify controls; do not postpone payment until the end of the year.”*

Comparing the study findings on the effect of execution of procurement procedures on access to public procurement contracts by SMEs in KCCA and other studies reviewed in the literature. For instance, Hoffman et al., (2018) studied the payment procedures and their impact on accessing public procurement contracts by SMEs in Germany. They explored that for the purpose of enabling SMEs to access public procurement contracts, a payment deadline is created as a default and a default level for late payments and many others. In this case, SMEs are given a reservation of 30 days as a payment deadline. This in a number of ways alleviates on the financial burden of SMEs to be able to afford and in many ways, this reduces on their administrative costs embedded. Obanda (2012) adds that “simplifying payment procedures calls for ideally simplifying the documents necessary for making payments for example use electronic tools; do not suspend payment without a valid reason; enhance the use of electronic payment; simplify controls; do not postpone payment until the end of the year. The adoption of the measures above would mitigate the time-consuming paperwork which is among the most complaints voiced by SMEs. As SMEs’ normally do not have

large and specialized administrative capacities, keeping administrative requirements to a minimum is essential”.

In addition, Knight, Caldwell, Harland and Telgen (2015) in their surveys in United Kingdom public procurement service. They found out that UK procurement service is highly instructive whereby a given percentage is known and the aggregate value of those public procurement contact in market. Instructive procurement procedures reduce on the requirements needed from applicants and simplifies controls. This means that there are particular portion of SMEs required to apply for purposes of creating employment to the smaller sections of their economy since SMEs contribute above half of their GDP. This means that disqualifying an SME must be based on a clear reason rather than just sending away potential SMEs that would improve on the quality supplies, provide affordable prices and in time. Secondly, it also increases on competitiveness on bidding process and hence coming out with a best bidder.

#### **4.5.3 The association between training and access to public procurement contracts by SMEs in KCCA.**

The study examined the association between stakeholder training and access to public procurement contracts by SMEs in KCCA. To establish this association, a "Pearson correlation" was employed and the results are shown in Table 4.10.

**Table 4. 10: Correlation between stakeholder training and the access to public procurement contracts by SMEs in KCCA**

		Stakeholder training	Access to public procurement contracts by SMEs
Stakeholder training	Pearson Correlation	1	.314*
	Sig. (2-tailed)		.000
	N	78	78
Access to public procurement contracts by SMEs	Pearson Correlation	.314*	1
	Sig. (2-tailed)	.000	
	N	78	78

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

The results presented in Table 4.10 indicate that there was a positive and significant relationship between stakeholder training and access to public procurement contracts by SMEs in KCCA ( $r=0.314$ ,  $P\text{-value}<0.01$ ). The findings thus imply that an enhancement in stakeholder training also leads to an improvement in access to public procurement contracts by SMEs in KCCA.

The results from the interviewees appeared matching with what a number of the respondents in the questionnaire had shown. 88% of the interviewees agreed with the view that stakeholder training had a positive effect on access to public procurement contracts by SMEs in KCCA. It was acknowledged by 78% of interviewees that they have been adoption of formal methods and tools training which reach out to all kind stakeholders, appropriate scoring methods (65%) and user department training (76%). For instance, key informant 4 was quoted saying



*“It will be wrong to say that accessibility has not improved a bit. It has because even if I have had no chance of attending some of those training but I hear there has been a lot of training done independently regarding reservation schemes and this has been fundamental in enhancing access to public procurement contracts by SMEs...”* (Key Informant, 4).

Key informant 1 added,

*“...the reception provided by PDU staff at KCCA has been changing over time and this is attributed to periodical training provided regarding non-discrimination, transparency, practicing professionalism and access to information. This is why it is currently easy to obtain anything we want without hassle like before.”*

The findings were synonymous with what had been established during review of literature. For instance, Cibinic, Nash & Nagle (2016) studied whether training Procurement and Disposing Entities (PDEs) were being done in Indonesia. They found out that training was majorly done on accounting officers and contracts committee members. However, less training was provided to other PDEs’ members like Procurement and Disposal Unit Officers, User Departments and Evaluation Committees. There was no training specifically provided to other stakeholders like SMEs because they were taken to be non-professionals. This means that close to 65% of stakeholders were lacking training in formal tools and methods which are highly friendly to SMEs participation. In another study conducted in the supply chain of public service organizations in Sweden, Carter, Auskalis and Ketchum (2019) explored that when some sections of PDEs are left out in training, they miss an awareness of required dissemination strategies required in providing tender opportunities to SMEs. “Sections like Procurement and Disposal Unit Officers, User Departments and Evaluation Committees play crucial roles in the overall procurement

process. In addition, they found out that the Evaluation Committee and Contracts Committee members particularly need to be conversant with the available formal scoring methods appropriate to offer an added advantage to SMEs as the former conducts the actual scoring while the latter approves the methods to be used”. It was discovered that such considerations enable proper dissemination of tender opportunities to potential SMEs, aids the incorporation of SMEs in the supply chain of the organization and competing of SMEs. One wonders whether KCCA has endeavored to undertake the required training of its PDE and Units and to what extent has this acted as a prerequisite to accessing public procurement contracts by SMEs.

Further, Basheka and Bisangabasaija (2019) concurred with findings while studying “...the determinants of unethical public procurement in local government systems of Uganda as a basis of constructing a Framework for understanding the barriers to effective participation of SMEs in Public Procurement in Uganda”. They found out that there is absence of information among user department regarding the arrangement of their work in a way that it has the required content and logically friendly to SMEs capacity. This in many ways excluded a number of SMEs to compete and bid on a number of sub contracts where they would potentially qualify. Erridge, Fee and McIlroy (2018) in an example say that, “content wise road maintenance may be divided into three sets of tasks: major overhaul, regular maintenance and minor repairs. Meanwhile, a logical division may be into major thoroughways, minor roads and residential areas”. If there is enough training, SMEs can be apportioned to undertaking contracts on regular maintenance and minor repairs. Training of the pertinent stakeholders can hence arouse an increase in the number of SMEs’ retrieving and winning contracts as more tenders will become SME conforming. An increased training of SMEs into public procurement will result into higher competition for public contracts, leading to better value for money.

**4.5.4 The association between access to information and access to public procurement contracts by SMEs in KCCA.**

The study also examined the association between access to information and access to public procurement contracts by SMEs in KCCA and the results are indicated in Table 4.11.

**Table 4.11: Correlation between access to information and the access to public procurement contracts by SMEs in KCCA.**

		Access to information	Access to public procurement contracts by SMEs
Access to information	Pearson Correlation	1	.542*
	Sig. (2-tailed)		.000
	N	78	78
Access to public procurement contracts by SMEs	Pearson Correlation	.542*	1
	Sig. (2-tailed)	.000	
	N	78	78

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

The findings presented in Table 4.11, indicate that there is a statistically significant positive relationship between access to information and access to public procurement contracts by SMEs in KCCA ( $r=0.542$ ,  $P\text{-value}<0.01$ ). The findings indicate that an enhancement in access to information leads to improvement towards access to public procurement contracts by SMEs in KCCA. This meant that the more KCCA shared information with SMEs, the more SMEs developed greater chances to access public procurement contracts.

The findings from the interviewees appeared consistent as majority of the respondents in the questionnaire had shown. 88% of the interviewees agreed with the opinion that access to information had a positive effect on access to public procurement contracts by SMEs in KCCA but 79% of them raised issues to do with use of ICT and website services which have simplified communication. Further, 67% reported issues of presence of electronic tendering facility. 70% of them mentioned presence of information center specific to local governments and local desk at PDU. However, a good number reported lack of enough feedback given to SMEs about previous bids. A key informant was quoted saying,

*“We still have a challenge that only few opportunities go directly through the media much is still obtained depending on the personal contract or direct invitation from KCCA PDU and contract committee members. This too much affects the access to public procurement contracts.”*

*“We are highly challenged by lack of enough or no feedback made about our previous attempts which tend to be unsuccessful. This affects a number of would be successful SMEs to access public procurement contracts.”*

In comparison with the study findings, Sarter, Sack and Fuchs (2014) investigated the “role of providing feedbacks to SMEs and its ability to enhance their involvement in public procurement contracts in Germany. It was discovered that ensuring easy access to all relevant information on business opportunities in public procurement is of key importance for SMEs”. They acknowledged that changes in times have shown that when the government began to make public procurement bidding information accessible to SMEs, the winning of contracts among SMEs rose from 22% to 35%. This means that the source of information is vital in enhancing accessibility to public procurement contracts by SMEs. Ong, Ismail and Goh (2016) studied experience in Nigeria and

found out that “...it is apparent that after newspapers, established relationships are very important in terms of accessing contracts. In their findings, they found out that 38% of the respondents stated that opportunities were communicated through either direct invitation from the buyer or through some form of personal contact. Logically, established relationships represent a barrier for those SMEs who are not currently engaged with the public sector”.

Contrary to above studies, Zheng, Walker and Harland (2016) found out that “increased use of Information and Communication Technology (ICT) is vital given that the countries are covered by the mobile telecommunication network and hence has internet accessibility”. Obanda (2011) further enlightens that “when public service organizations particularly develop websites that may be helpful to SMEs by enabling cheap and quick communication, e.g. downloading the contract documents and any supplementary documents without incurring copying or mailing costs. Adopting this would enable publication of public procurement notices online; multi-functional search engines; direct downloading of contract notices and accompanying documentation; electronic tendering facility enabling local governments to receive bids electronically in conformity with the PPDA regulations”. He further adds that “the Procurement and Disposal Units (PDUs) should be the local desks that help SMEs to increase their involvement in public procurement contracts.

They should help SMEs familiarize themselves with their respective websites. However, as suggested under professionalism, an independent national public procurement training and information center specific to local governments would provide personalized assistance to SMEs which would be very helpful in tendering for public contracts”. Frimpong (2013) also established that “...in Nigeria, the major barriers of SMEs access to procurement contracts identified was that, no feedback was made available about previous unsuccessful tenders. Giving feedback to SMEs

is essential. In order to prepare for future bids, it is very helpful for a tenderer to see which aspects of the bid were considered strong by the procuring entity. This is provided for in the PPDA Act being a principle of transparency which facilitates SMEs to involve in competing for public procurement contracts”.

#### 4.6 Regression Analysis between the Independent Variables and Dependent Variable

To answer the study objectives, the study employed a multiple linear regression analysis to examine the factors affecting implementation of reservation schemes in relation with access to public procurement contracts by Small and Medium Enterprises (SMEs) in KCCA.

**Table 4.12: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.585 <sup>a</sup>	.343	.328	.569

*a. Predictors: (Constant), Professionalism in public procurement management, Execution of procurement procedures, Stakeholder training, access to information.*

The model summary shows that 32.8% of the observed variability in the access to public procurement contracts by SMEs in KCCA is explained by professionalism in public procurement management, execution of procurement procedures and stakeholder training and the remaining 67.2% are explained by other factors. This implies that professionalism in public procurement management, execution of procurement procedures and stakeholder training have a smaller predictive ability on access to public procurement contracts by SMEs in KCCA.

**Table 4. 13: Model Coefficients on factors affecting implementation of reservation schemes in relation with access to public procurement contracts by Small and Medium Enterprises (SMEs) in KCCA.**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.544	.496		3.115	.002
Professionalism in public procurement management	.391	.145	.310	2.005	.047
Execution of procurement procedures	.496	.247	.416	1.774	.000
Stakeholder training	.450	.090	.405	2.778	.000
Access to information	.308	.090	.259	1.099	.000

*a. Dependent Variable: access to public procurement contracts by SMEs*

The research findings in Table 4.13, clearly indicate that professionalism in public procurement management, execution of procurement procedures, stakeholder training and access to information had a positive and significant effect on access to public procurement contracts by SMEs in KCCA since their respective p-values were less than 0.05 and their coefficients were positive.

Firstly, it is evident that a unit improvement in professionalism in public procurement management results into a significant improvement on access to public procurement contracts by SMEs in KCCA by a magnitude of 0.310 ( $\beta=0.310$ , P-value (0.047) <0.05). This showed that the null hypothesis was rejected in support of the alternative which stated that Professionalism in public procurement

management has a positive effect on access to public procurement contracts by SMEs. The findings imply that an improvement in professionalism in public procurement management promotes transparency which increase access to public procurement contracts by SMEs in KCCA.

Secondly, the model results revealed that a unit increase in execution of procurement procedures results into a significant improvement in access to public procurement contracts by 0.496 at 5% significance level. This meant that the null hypothesis was rejected in agreement with alternative which was stated that execution of procurement procedures has a positive effect on access to public procurement contracts by SMEs. The implication of the findings is that an increment in execution of procurement procedures enhances respect of rules thus leading to access to public procurement contracts by SMEs in KCCA.

Thirdly, the model results reveal that an increase in stakeholder training by one unit results into an increase in access to public procurement contracts by 0.450 by SMEs in KCCA at the 0.05 level of significance. The evidence supported the rejection of the null hypothesis in support of the alternative hypothesis which stated that “stakeholder training has a positive effect on access to public procurement contracts by SMEs”.

Lastly, the study found a postive significant effect of access to information on access to public procurement contracts by SMEs in KCCA. It is observed in table 4.15, that a unit increase in access to information significantly increases access to public procurement contracts by a magnitude of 0.308 at 5% significance level. The findings are in line with the rejection of the null hypothesis in support of the alternative that stated that “Access to information has a positive effect on access to public procurement contracts by SMEs”. The implication of the findings is that effective access to



information improves confidentiality of some important documents thus access to public procurement contracts by SMEs in KCCA.

#### **4.7. Discussion of findings**

##### **4.7.1 The effect of professionalism in public procurement management on access to public procurement contracts by SMEs in KCCA.**

The results indicated that there is a positive and significant effect of Professionalism in public procurement management on access to public procurement contracts by SMEs in KCCA. This means that the higher the exercising of professionalism in procurement management, the higher the accessibility to public procurement by SMEs. In line with study findings, Andrews and Van de Walle (2013) studied the influence of promoting professionalism on accessibility to public procurement contracts by SMEs in South Africa Public Service. It was established that there was lack of adequate training offered to national public procurement departments and procurement officials regarding observing professional ethics especially throughout the procurement proceedings. Many professional ethics were abused and this promoted a culture of continued using of the same SMEs and large organizations in undertaking public procurement contracts. This in many ways affected the whole effort of access to public procurement contracts on the side of SMEs.

In support of the study findings still, Wee (2002) established that “professional ethics are the moral principles and values that guide officials in all aspects of their work. Ethical behavior involves the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency”. Professional ethics also include avoiding disagreements of interest, and not making improper use of an individual's position. However, these tend to lack in a number of public service institutions which aid the inaccessibility of SMEs to compete and win in public sector contracts. In further

support of the above, Barrot and Nanda (2017) in their contract monitoring survey in Kenya cited “unethical practices as a major factor contributing towards less involvement of SMEs in public procurement in major public institutions in Kenya in return leading to squandering of public funds through fraud, favoritism and extravagance”. This was discovered in a report by the contract monitoring Kenya Network dubbed Reforming public contracting through inclusiveness of SMEs. Barrot (2017) states that at “...the heart of grand corruption in Kenya is a series of financial arrangements that together make up a system of security-related procurement, procurement of commercial debt, and financing of the political system”. These close a number of avenues that are presumed to have been availed to SMEs. Secondly, the conspiracy in public service to ensure that SMEs remain in their private dealings and the rich who are the owners of big companies in government remains rich facilitates the culture of awarding contracts locally to big companies since SMEs can easily surrender riches to their competitors in SMEs. According Erridge, Fee and McIlroy (2018), the current procurement management in a number of developing countries is deficient of ethical inclination and should employ ethical consideration to re-invent itself. Zheng, Walker and Harland (2016) notes that “the most persistent barrier for SMEs to be involved in public procurement contract is the culture of secrecy in public procurement and associated government functions. Unethical behavior in public procurement, which includes conflict of interest and corruption, is an issue since may damage relations within the purchasing department, the relationship with other departments in the company, and with suppliers”.

In line with study findings, Lodhia and Burritt (2014) in their investigation regarding the role of selection criteria on accessing to public procurement contracts by SMEs. They discovered that without exercising professionalism in the process of selecting best bidders, the selection of SMEs becomes impossible. It was discovered that proportionate selection criteria, non-discrimination

and well-trained procurement staff are the right prospect that can promote reservations in the procurement proceedings. This is the basis for accessing public procurement contracts by SMEs since proportionate selection means that at least the contracts are won proportionately by different capacities, gender and locations. Secondly, non-discrimination means that at least every application is given the same chance to qualify and compete using different fronts. If the front is about reserving local SMEs for certain sub-contracting opportunity, this means that dissemination of tender opportunities will be shared equally with all potential SMEs and this is likely to increase their chances of competing and winning public procurement contracts.

#### **4.7.2 The effect of execution of procurement procedures on access to public procurement contracts by SMEs in KCCA.**

The findings showed that there is a positive and significant effect of execution of procurement procedures on access to public procurement contracts by SMEs in KCCA. The findings thus imply that any improvement in execution of procurement procedures can lead to improvement in access to public procurement contracts by SMEs in KCCA. This means that the higher the effectiveness of execution of procurement procedures, the higher the accessibility to public procurement by SMEs. In line with study findings, Hoffman et al., (2018) studied the payment procedures and their impact on accessing public procurement contracts by SMEs in Germany. They explored that for the purpose of enabling SMEs to access public procurement contracts, a payment deadline is created as a default and a default level for late payments and many others. In this case, SMEs are given a reservation of 30 days as a payment deadline. This in a number of ways alleviates on the financial burden of SMEs to be able to afford and in many ways, this reduces on their administrative costs embedded. Obanda (2012) adds that “simplifying payment procedures calls for ideally simplifying the documents necessary for making payments for example use electronic

tools; do not suspend payment without a valid reason; enhance the use of electronic payment; simplify controls; do not postpone payment until the end of the year. The adoption of the measures above would mitigate the time-consuming paperwork which is among the most complaints voiced by SMEs. As SMEs' normally do not have large and specialized administrative capacities, keeping administrative requirements to a minimum is essential".

In addition, Knight, Caldwell, Harland and Telgen (2015) in their surveys in United Kingdom public procurement service. They found out that UK procurement service is highly instructive whereby a given percentage is known and the aggregate value of those public procurement contact in market. Instructive procurement procedures reduce on the requirements needed from applicants and simplifies controls. This means that there are a particular portion of SMEs required to apply for purposes of creating employment to the smaller sections of their economy since SMEs contribute above half of their GDP. This means that disqualifying an SME must be based on a clear reason rather than just sending away potential SMEs that would improve on the quality supplies, provide affordable prices and in time. Secondly, it also increases on competitiveness on bidding process and hence coming out with a best bidder.

#### **4.7.3 The effect of stakeholder training on access to public procurement contracts by SMEs in KCCA.**

The results indicated that there was a positive and significant effect of stakeholder training on access to public procurement contracts by SMEs in KCCA. The findings thus imply that an enhancement in stakeholder training results into an increase in access to public procurement contracts by SMEs in KCCA. The results were identical with what had been established during review of literature. For instance, Cibinic, Nash & Nagle (2016) studied whether training Procurement and Disposing Entities (PDEs) were being done in Indonesia. They found out that

training was majorly done on accounting officers and contracts committee members. However, less training was provided to other PDEs' members like Procurement and Disposal Unit Officers, User Departments and Evaluation Committees.

In another study conducted in the supply chain of public service organizations in Sweden, Carter, Auskalis and Ketchum (2019) explored that "...when some sections of PDEs are left out in training, they miss an awareness of required dissemination strategies required in providing tender opportunities to SMEs. Sections like Procurement and Disposal Unit Officers, User Departments and Evaluation Committees play crucial roles in the overall procurement process. In addition, they found out that the Evaluation Committee and Contracts Committee members particularly need to be conversant with the available formal scoring methods appropriate to offer an added advantage to SMEs as the former conducts the actual scoring while the latter approves the methods to be used". It was discovered that such considerations enable proper dissemination of tender opportunities to potential SMEs, aids the incorporation of SMEs in the supply chain of the organization and competing of SMEs. One wonders whether KCCA has endeavored to undertake the required training of its PDE and Units and to what extent has this acted as a prerequisite to accessing public procurement contracts by SMEs.

Further, Basheka and Bisangabasaija (2019) concurred with findings "...while studying the determinants of unethical public procurement in local government systems of Uganda as a basis of constructing a Framework for understanding the barriers to effective participation of SMEs in Public Procurement in Uganda". They found out that there is absence of knowledge among user department regarding the arrangement of their work in a way that it has the required content and logically friendly to women SMEs capacity. This in many ways excluded a number of SMEs to compete and bid on a number of sub contracts where they would potentially qualify. Erridge, Fee

and McIlroy (2018) in an example offered that, "...content wise road maintenance may be divided into three sets of tasks: major overhaul, regular maintenance and minor repairs. Meanwhile, a logical division may be into major thoroughways, minor roads and residential areas. If there is enough training, SMEs can be apportioned to undertaking contracts on regular maintenance and minor repairs. Training of the relevant stakeholders can hence stimulate an increase in the number of SMEs' accessing and winning contracts as more tenders will become SME compliant. An increased involvement of SMEs into public procurement will result into higher competition for public contracts, leading to better value for money".

#### **4.7.4 The effect of access to information on access to public procurement contracts by SMEs in KCCA.**

The results revealed that there was a positive and significant effect of access to information on access to public procurement contracts by SMEs in KCCA. The findings thus imply that an improvement in access to information results into an improvement in access to public procurement contracts by SMEs in KCCA. This meant that the higher the sharing of information about procurement process, the higher the access to public procurement contracts by SMEs. In comparison with the study findings, Sarter, Sack and Fuchs (2014) investigated "the role of providing feedbacks to SMEs and its ability to enhance their involvement in public procurement contracts in Germany. It was discovered that ensuring easy access to all relevant information on business opportunities in public procurement is of key importance for SMEs". They recognized that changes in times have shown that when the government began to make public procurement bidding information accessible to SMEs, the winning of contracts among SMEs rose from 22% to 35%. This means that the source of information is vital in enhancing accessibility to public procurement contracts by SMEs. Ong, Ismail and Goh (2016) studied experience in Nigeria and

found out that “it is apparent that after newspapers, established relationships are very important in terms of accessing contracts. In their findings, they found out that 38% of the respondents stated that opportunities were communicated through either direct invitation from the buyer or through some form of personal contact. Logically, established relationships represent a barrier for those SMEs who are not currently engaged with the public sector”.

Contrary to above studies, Zheng, Walker and Harland (2016) found out that “increased use of Information and Communication Technology (ICT) is vital given that the countries are covered by the mobile telecommunication network and hence has internet accessibility”. Obanda (2011) further enlightens that “when public service organizations particularly develop websites that may be helpful to SMEs by enabling cheap and quick communication, e.g. downloading the contract documents and any supplementary documents without incurring copying or mailing costs. Adopting this would enable publication of public procurement notices online; multi-functional search engines; direct downloading of contract notices and accompanying documentation; electronic tendering facility enabling local governments to receive bids electronically in conformity with the PPDA regulations”. He further adds that “the Procurement and Disposal Units (PDUs) should be the local desks that help SMEs to increase their involvement in public procurement contracts. They should help SMEs familiarize themselves with their respective websites. However, as suggested under professionalism, an independent national public procurement training and information center specific to local governments would provide personalized assistance to SMEs which would be very helpful in tendering for public contracts”. Frimpong (2013) also ascertained that in Nigeria, “...the major barriers of SMEs access to procurement contracts identified was that, no feedback was made available about previous unsuccessful tenders. Giving feedback to SMEs is essential. In order to prepare for future bids, it

is very helpful for a tenderer to see which aspects of the bid were considered strong by the procuring entity. This is provided for in the PPDA Act being a principle of transparency which facilitates SMEs to involve in competing for public procurement contracts”.



## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### **5.1 Introduction**

The chapter summarizes, discusses, makes conclusions based on the research objectives and suggests recommendations to increase access to public procurement contracts by SMEs in KCCA.

#### **5.2 Summary of Key Findings**

##### **5.2.1 Professionalism in public procurement management and access to public procurement contracts by SMEs in KCCA.**

The findings on the effect of professionalism in public procurement management on access to public procurement contracts by SMEs in KCCA showed that there was a positive and statistically significant effect of professionalism in public procurement management on access to public procurement contracts by SMEs of KCCA. This finding implied that an improvement in professionalism in public procurement management leads to an improvement in access to public procurement contracts by SMEs. On exercising of professionalism in public procurement management in KCCA, the mean average of 3.65 at the standard deviation of 1.33 indicates that the professionalism in public procurement management in KCCA is generally effective.

##### **5.2.2 Execution of procurement procedures and access to public procurement contracts by SMEs in KCCA.**

The results showed that execution of procurement procedures positively affect access to public procurement contracts by SMEs in KCCA. This findings imply that an improvement in execution of procurement procedures KCCA results in to an improvement on access to public procurement contracts. On the implementation of execution of procurement procedures in KCCA, the mean

average of 3.52 at the standard deviation of 1.095 indicates that the execution of procurement procedures in KCCA is generally effective.

### **5.2.3 Stakeholder training and access to public procurement contracts by SMEs in KCCA**

The study discovered that stakeholder training had a significant positive effect on access to public procurement contracts by SMEs in KCCA. On observation of stakeholder training in KCCA, the mean average of 3.48 at the standard deviation of 1.07 indicates that stakeholder training in KCCA is generally effective.

### **5.2.4 Access to information and access to public procurement contracts by SMEs in KCCA.**

The empirical evidence from the study established that access to information had a positive and statistically significant effect on access to public procurement contracts by SMEs in KCCA. The findings imply that an improvement in access to information in KCCA leads to an improvement on access to public procurement contracts by SMEs. On observation of access to information in KCCA, the mean average of 2.94 at the standard deviation of 1.092 indicates that the access to information in KCCA is generally moderate.

## **5.3 Conclusions**

On the effect of professionalism in public procurement management on access to public procurement contracts by SMEs in KCCA, this study concludes that there is positive and significant effect of professionalism in public procurement management on access to public procurement contracts by SMEs.

Concerning the effect of execution of procurement procedures on access to public procurement contracts by SMEs in KCCA, this study concludes that any improvement in execution of procurement procedures will lead to a positive and significant effect on access to public

procurement contracts by SMEs thus, any unit improvement in effectiveness in execution of procurement procedures in KCCA can lead to improvement in the consortium's level of access to public procurement contracts by SMEs.

On the effect of stakeholder training on access to public procurement contracts by SMEs in KCCA, this study concludes that any improvement in execution of procurement procedures will lead to a positive and significant effect on access to public procurement contracts by SMEs hence, any improvement in effectiveness in stakeholder training can lead to improvement in access to public procurement contracts by SMEs at KCCA.

Finally, on the effect of information sharing on access to public procurement contracts by SMEs in KCCA, this study concludes that there was a positive and significant effect of access to information on access to public procurement contracts by SMEs in KCCA thus, any improvement in access to information can lead to improvement in access to public procurement contracts by SMEs.

#### **5.4 Recommendations**

The following are the recommendations suggested as per study objective:

Basing on the study findings, there is a need for PDU officials at KCCA to demonstrate a high level of non-discrimination. This can be done by promoting transparency in what is being done in the process of contracting out services to SMEs. Secondly, a primary decision needs to be always reached on which criteria is appropriate for the kind of purchase involved and its value. Thirdly, PDU staff are able to realize of the opportunity to complete framework agreements with some economic workers and to consolidate miniature competitions for parties to the framework agreement as actual procurement needs arises

On the second objective, basing on study findings, there is a need to ensure that payments are not postponed until the end of the year. This will enable failure of SMEs to meet payment deadlines. Secondly, use of electronic payment systems should be emphasized or promoted for easy payments from bidders. Lastly, there is a need for PDU to ensure that payments are suspended with a valid reason

Based on the study findings, there is a need for PDU officials are trained in arranging their work in lots that are content wise and logically friendly to SMEs capacity. Secondly, there is a need for an independent public procurement training done for PDU staff at KCCA annually. Lastly, there is a need for Procurement and Disposal Unit Officers at KCCA to be trained in reservation scheme handling.

Based on the study findings, there is a need for KCCA PDU to create or ensure a functional website which helps SMEs to have a cheaper and quicker communication especially when they need to download contract documents, notices and any supplementary documents without incurring copying or mailing costs. This can enable SMEs can directly download contract notices and accompany documentation from the website. Secondly, there is a need to ensure that tender opportunities are often communicated through direct invitation from the buyer at KCCA PDU. Thirdly, tender opportunities need to be often communicated through some form of personal contacts at KCCA PDU. Fourthly, procurement and Disposal Unit at KCCA can act as local desks that help SMEs to increase their involvement in public procurement contracts.

### **5.5 Areas recommended for further study.**

Future research can be conducted in times without pandemics because the presence of pandemic distorted the arrangement of the researcher to reach out to required number of respondents since some of the respondents were working in the homes

Another study can be conducted while seeking views of all SMEs other than limiting on prequalified SMEs. This is because there are potential SMEs that can have the potential to obtain some of these contracts without being listed or prequalified. These SMEs needs to be obtained in different local governments in Uganda more than KCCA.

Future studies need to be conducted using a longitudinal approach more than a cross section design to ensure that a deeper and critical investigations are done to ably assess the extent to which studied factors (including professionalism, execution, stakeholder training and access to information) affects the access to public procurement contracts by SMEs.

### **5.6 Limitations of the Study**

The study was successful, nevertheless some limitations were met.

- i) Some possible respondents who were well-thought-out to hold key policy information were not reached for interview in spite of several reschedules. Although other respondents regarded it a waste of time since they had partaken in such research of a kind previously, impacted with no financial prizes and time was lost as the researcher offered explanations that the study was only for academic purposes.
- ii) Some respondents completely botched to return the questionnaires distributed to them, limited on the researcher's progress as timed, the timeline had to be reviewed and in more or less cases extra costs were incurred in producing extra questionnaires.

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**APPENDICES**

**APPENDIX I: QUESTIONNAIRE**

***INTRODUCTION***

Dear Respondent,

The researcher is a student of the degree of Master of Science in Procurement and Supply Chain Management at Kyambogo University. She is undertaking a research to generate data and information on “*Factors affecting the implementation of Reservation Schemes in relation with access to Public Procurement by Small and Medium Enterprises in Uganda. A Case Study of KCCA*”. You have been selected to participate in this study. The information you provide is solely for academic purposes and will be treated with utmost confidentiality. Kindly spare some of your valuable time to answer these questions by giving your views where necessary or ticking one of the alternatives given. Thank you for your time and cooperation.

**SECTION A: BACKGROUND DATA**

*Please circle the numbers representing the most appropriate responses for you in respect of the following items:*

1. Gender

a) Male                       b) Female

2. Indicate your age group?

a) 20-29     b) 30-39     c) 40-49,     d) 50 and above

3. Indicate the highest level of education/academic qualification you have attained?

a) Post Grad Diploma,     b) Bachelor’s degree,     c) Masters’ degree     d) Doctorate/PhD

e) Others (specify) -----

4. For how many years have you worked with KCCA?

a) Less than one-year     b) 1-5 years     c) 6-10 years     d) More than 10years

**SECTION B: INDEPENDENT VARIABLE: FACTORS AFFECTING THE IMPLEMENTATION OF RESERVATION SCHEMES**

**i) Professionalism in public procurement procedures and management**

**In this section please tick in the box that corresponds to your opinion/view according to a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree**

No	Statement	1	2	3	4	5
1	PDU staff at KCCA demonstrate a high level of transparency					
2	There is a high consideration of proportionate selection criteria during contract awarding at KCCA					
3	PDU staff at KCCA demonstrate a high level of accountability					
4	PDU officials at KCCA demonstrate a high level of non-discrimination					
5	PDU staff are able to make use of the possibility to conclude framework agreements with several economic operators and to organize mini competitions for parties to the framework agreement as actual procurement needs arises					
6	A primary decision is always reached on which criteria is appropriate for the kind of purchase involved and its value.					

**ii) Execution of simplified payment and procurement procedures**

**In this section please tick in the box that corresponds to your opinion/view according to a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree**

No.	Statement	1	2	3	4	5
1	We ensure that SMEs are given 30 days payment deadline as a default					
2	We have a default level of interest for late payments for SMEs					
3	We allow meeting payments electronically to simplify documents necessary for making payments					
4	We ensure that payments are suspended with a valid reason					
5	Use of electronic payment systems are highly recommended					
6	Administrative requirements are kept minimal for SMEs					
7	We ensure that payments are not postponed until the end of the year					

**iii) Stakeholder Training**

**In this section please tick in the box that corresponds to your opinion/view according to a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree**

No.	Statement	1	2	3	4	5
1	Procurement and Disposal Unit Officers at KCCA are trained in reservation scheme handling					
2	There is an independent public procurement training done for PDU staff at KCCA annually					
3	PDU officials are trained about the proportionate selection criteria during contract awarding at KCCA					
4	PDU officials are trained about access to information at KCCA					
5	PDU officials are trained about non-discrimination of applicants basing on size and capability at KCCA					
6	PDU officials are trained about execution of simplified payment and procurement procedures at KCCA					
7	PDU officials are trained in arranging their work in lots that are content wise and logically friendly to SMEs capacity					

**iv) Access to information**

**In this section please tick in the box that corresponds to your opinion/view according to a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree**

No.	Statement	1	2	3	4	5
1	There is increased use of ICT to ensure that all relevant information on business opportunities in public procurement for SMEs is accessible					
2	KCCA PDU has a functional website which helps SMEs to have a cheaper and quicker communication especially when they need to download contract documents, notices and any supplementary documents without incurring copying or mailing costs.					
3	Tender opportunities are often communicated through direct invitation from the buyer at KCCA PDU					
4	Tender opportunities are often communicated through some form of personal contacts at KCCA PDU					
5	At KCCA, contractors can directly download contract notices and accompany documentation from the website.					
6	Procurement and Disposal Unit at KCCA act as local desks that help SMEs to increase their involvement in public procurement contracts.					
7	We ensure that all SMEs that tried to compete and did not go through are provided with feedback regarding the areas that made them fail					
8	PDU has an electronic tendering facility which enables KCCA to receive bids electronically in conformity with the PPDA regulations.					

## **SECTION C: DEPENDENT VARIABLE–ACCESS TO PUBLIC PROCUREMENT**

### **CONTRACTS**

**In this section please tick in the box that corresponds to your opinion/view according to a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree**

<b>No.</b>	<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	SMEs are fully incorporated in KCCA supply chains					
2	Tender opportunities are periodically disseminated to SMEs while using all media of communication					
3	The number of applications from SMEs have increased in the last three years					
4	The number of SMEs competing for public procurement contracts have increased in the last three years					
5	The number of SMEs winning contracts have increased in the last three years					
6	The aggregate market value won by SMEs is high					
7	SMEs have often won contracts in smaller tasks like regular road maintenance, minor repairs etc.					



## **SECTION E: EMPIRICAL CONTEXT OF THE STUDY**

- **Training of PDU officials**

**In this section please tick in the box that corresponds to your opinion/view according to a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree**

<b>No</b>	<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	There is an independent public procurement training done for PDU staff at KCCA annually					
2	PDU officials are trained about the proportionate selection criteria during contract awarding					
3	PDU officials are trained about access to information					
4	PDU officials are trained about non-discrimination of applicants basing on size and capability					
5	PDU officials are trained about execution of simplified payment and procurement procedures					

**THANK YOU FOR YOUR COOPERATION!**

## **APPENDIX II: INTERVIEW SCHEDULE FOR PREQUALIFIED SME OWNERS**

- 1a). Do you realize that procurement process is conducted in a professional manner?
- b) If yes, what are different practices that signify the above?
  - c) If no, what are different practices that signify non-professionalism?
  - d) How can the professionalism of procurement enhance on SME involvement in accessing public procurement contracts in KCCA?
- 2a). Do you realize that the KCCA PDU has simplified payment and procurement procedures?
- b) If yes, what are different practices that signify the above?
  - c) If no, what are different practices that signify none adoption of the above?
  - d) How can simplified payment and procurement procedures enhance on SME involvement in accessing public procurement contracts in KCCA?
- 3a). Do you feel that KCCA PDU stakeholders are trained?
- b) If yes, what are different practices that signify the above?
  - c) If no, what are different practices that signify none adoption of the above?
  - d) How can stakeholder training enhance SME involvement in accessing public procurement contracts in KCCA?
- 4a). Is there enough access to information in the procurement process at KCCA?
- b) If yes, what are different practices that signify the above?
  - c) If no, what are different practices that signify none adoption of the above?
  - d) How can access to information enhance SME involvement in accessing public procurement contracts in KCCA?

**THANK YOU SO MUCH**

**APPENDIX III: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN  
POPULATION**

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	870	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	287	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

*Source: Krejcie & Morgan (1970, as cited by Amin, 2005)*

Note.—*N* is population size.

*S* is sample size.