

**CONTRACT MANAGEMENT AND SERVICE DELIVERY IN PUBLIC SECTOR
A CASE OF UGANDA ELECTRICITY TRANSMISSION COMPANY**

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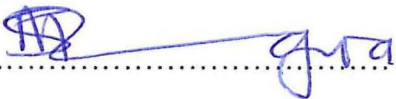
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DECLARATION

I Ziribagwa Margaret Maria declare that am the sole author of this work and that none of the material has been submitted wholly or partially for any other award. This dissertation is a result of my own research work and where other people’s research was used, it had been duly acknowledged.

Signature.....

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APPROVAL

This work was done on “Contract Management and Service delivery in Public Sector of Uganda:

A case of Uganda Electricity Transmission Company Limited. It was done by Ziribagwa

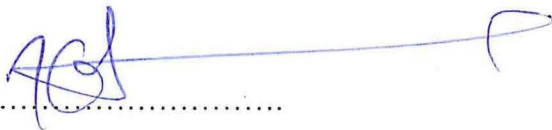
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DEDICATION

To God almighty and my family

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TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	ix
LIST OF FIGURES	xii
ABSTRACT.....	xiii
ACRONYMS	xiv
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the Study	1
1.2 Statement of the Problem	4
1.3 The Purpose of the Study	4
1.4 Specific Objectives.....	4
1.5 Research Questions	5
1.6 The Scope of the Study	5
1.6.1 Study Scope	5
1.6.2 Geographic scope.....	5
1.6.3 Time Scope	6
1.7 Significance of the Study	6
CHAPTER TWO	7
LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Contract Management	7
2.3 Importance of Contract Management.....	9
2.4 The practices of contract management.....	10
2.4.1 Contract Mobilization	12
2.4.2 Contract Monitoring.....	13
2.4.3 Contract Administration and record keeping.....	14
2.4.4 Managing Relationships.....	15

2.4.5	Performance assessment	16
2.4.6	Negotiate contract variations	18
2.4.7	Managing contract disputes	19
2.4.8	Ethical Business conduct and conflict of interest	20
2.4.9	Contract completion.....	20
2.5	The benefits of contract management	21
2.6	Challenges of contract management	24
2.7	Key success factors of contract management.....	25
2.8	Legislative and regulatory framework	28
2.9	Why do contracts fail?.....	29
2.10	Service delivery.....	30
2.10.1	The key drivers of service delivery are;.....	30
2.10.2	Service delivery Management.....	31
2.10.3	Service standards	31
2.10.4	Level of service standards.....	31
2.10.5	Purpose of Level of Service Standards	31
2.10.6	Issues in establishing Level of service standards.....	32
2.10.7	Service Level Management.....	33
2.10.8	Service levels	34
2.11	Public sector	34
2.11.1	Key Characteristics of Public Sector	35
2.12	Conceptual framework	35
2.13	Summary of the Literature Review	38
2.14	Conclusion.....	39
CHAPTER THREE		41
METHODOLOGY		41
3.1	Introduction	41
3.2	Research design.....	41
3.3	Area of Study	42
3.4	Target Population	42
3.4.1	Sample size	43

3.5	Sampling techniques and Sampling Selection	43
3.6	Research instruments.....	44
3.6.1	Administration of the instruments	45
3.6.2	Testing the reliability	46
3.6.3	Measurement of variables	47
3.7	Data collection procedure.....	47
3.8	Data presentation and Analysis.....	48
3.9	Limitation of the Study	49
CHAPTER FOUR.....		50
DATA PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS		50
4.0	Introduction	50
4.1	Response Rate	50
4.2	Results on the Background Characteristics of respondents	51
4.3	Results on Substantive objectives	52
4.3.1	Descriptive Results	52
4.3.1.1	Objective one	52
4.3.1.1.1	Results on Contract Mobilization.....	53
4.3.1.1.2	Contract monitoring	58
4.3.1.1.3	Performance assessment.....	64
4.3.1.1.4	Contract Completion	66
4.3.1.2	Objective Two.....	71
4.3.2	Inferential Results	76
4.3.2.1	Objective Three.....	76
4.3.2.1.1	Contract mobilization.....	77
4.3.2.1.2	Contract Monitoring.....	79
4.3.2.1.3	Performance Assessment.....	82
4.3.2.1.4	Contract Completion	83
4.54	Coefficients (a)	83
CHAPTER FIVE		85
DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS.....		85
5.1	Introduction.....	85

5.2	Discussion	85
5.2.1	Examining contract management practices in UETCL	85
5.2.2	Determining the level of service standards in UETCL.....	86
5.2.3	Examining the impact of contract management on service delivery.....	87
5.3	Summary	87
	Examining the impact of contract management on service delivery	89
5.1	Conclusion.....	90
5.2	Recommendations	91
5.3	Further areas of research	93
	REFERENCES.....	94
	THE APPENDICES.....	98
	RESEARCH QUESTIONNAIRE.....	98
	CONTRACT MANAGEMENT AND SERVICE DELIVERY IN PUBLIC SECTOR IN UGANDA.....	98
	INTERVIEW GUIDE TO THE CONTRACT MANAGERS	104
	INTERVIEW GUIDE TO THE PROVIDER	105
	INTERVIEW GUIDE TO THE HEAD OF USER DEPARTMENT.....	106
	INTERVIEW GUIDE TO CONTRACTS COMMITTEE MEMBERS.....	107

LIST OF TABLES

Table 3.1 Table of Sample Size Determination.....	43
Table 3.2: Targeted sample	43
Table 3.3: Reliability values for the various sections of the questionnaire.....	47
Table 4.1: The response rate results from this study	51
Table 4.2: Category by Departments.....	51
Table 4.3: Distribution of respondents by experience.....	51
Table 4.4: Distribution of respondents by level of education.....	52
Table 4.5: Distribution of respondents on Structures and resources	53
Table 4.6 Identification and definition of Practices and contract management plan	54
Table 4.7 Assignment of Resources	54
Table 4.8 Maintenance of Contract file	55
Table 4.9 Appointment of Contract Manager.....	55
Table 4.10 Issuing a copy of signed contract to contract Manager	56
Table 4.11 Appointment a member of staff of another user department.....	57
Table 4.12 Appointment of a contract Management team for complex large projects	57
4.3.1.1.2 Contract monitoring	58
Table 4.13: Distribution of respondents on Completion of Contract implementation form .	58
Table 4.14 Performance bonds and advance payment guarantees	59
Table 4.15 Adequate costs, quality and time control assurance.....	59
Table 4.16 Awareness of underperformance.....	60
Table 4.17 Early warning	60
Table 4.18 Identification of key contract trigger points	61
Table 4.19 Review and appraisal of reporting lines	61
Table 4.20 Variations	62
Table 4.21 Review and audit information	63
Table 4.22 Testing Information.....	63
Table 4.23 Record keeping.....	64
4.3.1.1.3 Performance assessment.....	64
Table 4.24: Understanding contract and requirements.....	64

Table 4.25 Performance indicators and standards for monitoring.....	65
Table 4.26 Open and constructive relationship	66
Table 4.27: Review meetings	67
Table 4.28 Joint inspection.....	67
Table 4.29 Rectification of defects.....	68
Table 4.30 Reconciliation of payments	69
Table 4.31 Issue of completion certificates	69
Table 4.32 Warranty, Retention or Defective liability periods	70
Table 4.33 Issue of final completion certificate	70
Table 4.34 Record keeping.....	71
Table 4.35 Originality of Level of Service standards.....	72
Table 4.36 Service levels.....	72
Table 4.37 Infrastructure control measures	73
Table 4.38 Rejections of poor quality	73
Table 4.39 Replacement of defective items.....	74
Table: 4.40 Action on non-performance.....	74
Table 4.41 Systems of identifying and management of risks.....	75
Table 4.42 Compliance.....	76
Table 4.43: Pearson’s correlation coefficient index between contract practices on service delivery	77
Table 4.44 The quality of service delivery standard originates from effective management of contracts.....	77
Table 4.45 Contract mobilizations ensures that the cost of requirements is no higher than expected	78
Table 4.46 Contract mobilization ensures that provider meets buyers’ standards	78
4.3.2.1.2 Contract Monitoring.....	79
Table 4.48 monitoring the provider	80
Table 4.49 Contract monitoring ensures that service level agreement lead the provider in balancing quality of services or goods with the best value of money.	80
Table 4.50 Pearson’s correlation coefficient index between service delivery and contract mobilization	81

Table 4.50 shows Pearson’s correlation index between contract mobilization and service delivery	81
Table 4.51 Pearson correlation coefficient index between service delivery and monitoring	82
4.3.2.1.3 Performance Assessment.....	82
Table 4.52 Pearson’s correlation co-efficient index between performance assessment and service delivery.....	82
4.3.2.1.4 Contract Completion	83
Table 4.53 Pearson’s correlation coefficient showing relationship between service delivery and contract completion.....	83

LIST OF FIGURES

2.12	Conceptual framework	35
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ABSTRACT

Contract management has become a core competency critical to an organization's competitive advantage. Recent studies had shown that organizations with established and mature contract management practices are able to generate millions of dollars in additional savings and have a competitive advantage over their competitors. This study looked at the impact of contract management on service delivery in public sector with a case study of Uganda Electricity Transmission Company (UETCL). Specifically the study reviewed contract management practices and how they influence the service delivery of public organizations. The researcher adapted a case study design using both qualitative and quantitative methods. The data was generated from questionnaires, interviews and review of available documents in line with contract management and service delivery. Data collected was analyzed using Pearson product moment correlation coefficient (PMCC) to make conclusions. The findings of the study indicated that the contract management practices that is contract mobilization, contract monitoring, performance management and contract completion were effectively managed in UETCL. The service levels were in place and finally it was established that contract monitoring and performance management had a positive significant relationship on service delivery. It was recommended that if service delivery is to be improved in public sector organizations, the policy makers and other stake holders should enhance the contract management practices through data collection systems to create access to contract information and clear benchmarks to check supplier performance based on contract terms. This can be achieved through establishing a performance management framework that would provide a contract management framework with agreed targets for the providers to meet.

ACRONYMS

CIPS	Chartered Institute of Purchasing and Supply
OGC	Office of Government Commerce
PDE	Procurement and Disposal Entity
PPDA	Public Procurement and Disposal Authority
SLA	Service Level Agreement
FY	Financial Year
UETCL	Uganda Electricity Transmission Company Limited

CHAPTER ONE

INTRODUCTION

The chapter covered the background of the study, statement of the problem; research objectives research questions, scope of the study and significance of the study.

1.1 Background to the Study

A contract is a key element of a business, every business relationship and activity is defined by a contract .Yet, only few organizations manage them the right way. With profitability, compliance and risk management high on the corporate agenda, demand for contract management is gaining importance (CBI,2006).

Contract management is very vital because it is a legal requirement for all formal and open tendering process for all public sector contracts that exceeds certain thresholds (Official journal of the European Union, 2012). It is important when a contracting authority has awarded a contract.

Contract Management information (2012) asserted that Contract management has been placed at the center of business strategy due to the pressure extracted from contracted relationships to avoid unnecessary costs & risks on the taxpayers. Entities seek to reduce costs in order to satisfy the public requirements quickly by having more standard and centralized contract processes to comply with laws and regulations and manage risk better. According to the report of National Treasury of the Republic of South Africa (2010), the public sector entities are looking at maximizing returns on investment in order to deliver more services of high level to the public.

On the other hand Taylor Walton (2009) defined contract management as a process that enables both parties to a contract to meet their obligation in order to deliver the objectives from the contract.

Contract Management service of Cambridge shire county council (2009) also defined contract management as a process of administering an agreement through established mutually beneficial relationship between all parties.

Central to all definitions is that the contract management process involves parties to the contract to meet their contractual obligations, though for effective contract management, the subsequent procurement activities up to contract award must be performed. Contract management is to obtain the goods, services or works as agreed in the contract and achieve value for money and continuous improvement in the life of the contract. Contract management builds up mutually beneficial working relationships between the contract manager and provider throughout the contract life cycle.

There has been growing demand for effective and efficient service delivery by policy makers, academics and development partners (Errigde and Mollroy, 2002). Contract management had been receiving the least management attention and effort until something goes wrong. The importance of this is strengthened when we consider the phase where the output of procurement project delivers of required goods or services (Industry Capability Network, 2012).

Jaakkola (2010) asserted that many contracts had been aborted and long drawn –out procurement process that have imposed additional costs on taxpayer and delayed the service delivery.

Many Governments world over have come up with the procurement reforms. New regulatory requirements, globalization, increase in contract volumes and complexity have resulted in an increasing recognition of the importance, benefits and practices of effective contract management (RD Elsey 2007). This reflects a new focus on contract management in public sector as shifted from a view of contracts as simple pieces of paper to living documents that need close planning (CBI, 2006).

Public procurement is an important function that supports the service delivery arm of government whereby public sector organizations acquire goods services and construction. Approximately 55% of government budget is spent through procurement (PPDA 50 year's celebrations Bulletin 2012).

The PPDA, in the exercise of its functions of undertaking procurement audits and monitoring compliance of PDEs had established the weakest areas of performance under public procurement in Uganda as the poor record keeping and contract management as per the assessment undertaken in 2009,(PPDA report, 2009). The report revealed that the procurement records with the lowest level of compliance are related to contract management of 26%. Furthermore ,the Auditor General's findings in his audit report(2011),established that the key issues affecting procurement of works at Local government level include; lack of adequate supervision by engineers, abandoned sites by contractors and poor quality output and payment for no work done or less work done than specified under contracts. There is also a high potential of cost escalation due to change in rates with additional costs incurred by the PDEs and prolonged completion of contracts (PPDA Newsletter April-June 2012).

Poor contract management practices in PDEs thus poses an increasing risk to government of Uganda in terms of having contract deliverables not delivered on time or failing to be delivered ,incurring additional and unnecessary costs on the taxpayer that is not commensurate to the delivered output. Therefore, the research intended to establish the impact of contract management on service delivery in public sector of Uganda with reference to the Uganda Electricity Transmission Company Limited.

1.2 Statement of the Problem

Globally, contract management has been received the least management attention. In Uganda, many reports have reported that poor contract management practices in PDEs posed an increasing risk to government in terms of having contract deliverables not met on time, failure to deliver as specified under contracts or less work done and cost escalation which lead to poor service delivery and loss of money (PPDA Newsletter April-June 2012). The report revealed that 26%of the procurement records with the lowest level of compliance are related to contract management (PPDA Audit report,2009).

Therefore, the research intended to establish the practices of contract management and service delivery standards in public sector of Uganda with reference to the Uganda Electricity Transmission Company Limited.

1.3 The Purpose of the Study

The study was designed to examine the impact of contract management on service delivery.

1.4 Specific Objectives

- To examine the contract management practices in UETCL

- To identify how the level of service standards in UETCL are determined
- To examine contract management in relation with level of service standards in UETCL

1.5 Research Questions

The data collection and analysis process was given by the following research questions derived from the objectives;

1. What were the contract management practices in UETCL?
2. How were the levels of service standards determined in UETCL?
3. Was there a relationship between contract management and service delivery?

1.6 The Scope of the Study

1.6.1 Study Scope

The study focused on the operational phase of the contract after award and completion. The study had in particular relevance to contract management and service delivery covering the contract management practices and the level of service standards and values had been established for better service delivery. Regulation 258(1) of the PPDA Act (2003) provided that the contract management covered the process from contract signing to contract completion.

1.6.2 Geographic scope

The study was conducted at Uganda Electricity Transmission Company Limited (UETCL) in Nakasero area of Kampala District and substations at Lugogo and Mutundwe.

1.6.3 Time Scope

The study was done in six months to complete the whole programme.

1.7 Significance of the Study

It was hoped that the study would provide analytical and statistical information that would serve as guideline for developing a contract management manual that could be used in order to have a systematic and effective approach to contract management in public procurement in Uganda.

It would also be of the interest for procurement professionals and contract managers to aim at ensuring that the services are effectively and efficiently delivered to the beneficiaries.

The study would also benefit all stakeholders including government departments and ministries, local governments and authorities. This was done by providing them with insights on how to effectively and efficiently manage the service delivery, relationship and administer contracts.

The study would foster creation of new knowledge and awareness in the areas of contract management in public sector.

The findings are anticipated by the researcher to add more knowledge on the existing body of knowledge and for further research studies in the subject areas such as contract monitoring and reporting, contract performance measurement and record management in procurement.

The study is expected to add to the researcher's personal professional development.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher reviewed existing literature on contract management and service delivery and also presented the theory that guided the study. It is hoped that a greater insight about contract management and service delivery would be achieved to help identify the contract management variables affecting service delivery.

2.2 Contract Management

Contract management is a process that enables both parties to the contract to meet their obligations in order to achieve the contract objectives. Today it has been placed at the center of business strategy due to the pressure extracted from contracted relationships to avoid unnecessary costs & risks and to deliver customer projects profitably (Contract Management information, 2012).

National Treasury Republic of South Africa (2010), reported that the public sector is looking at maximizing return on investment in order to deliver more services and higher level of service to the community and other stakeholders where services are paid for by taxes, tariffs or service charge the public funds.

Rendon, (2007) urged that contract management is becoming a core competency critical to an organization's competitive advantage. Recent studies had shown that organizations with established and mature contract management processes are able to generate millions of dollars in additional savings and have a competitive advantage over their competitors.

With good contract management, the contracts clauses, terms, conditions, commitments and milestones throughout its lifecycle could be tracked and managed to maximize business benefits and minimize associated costs or risks.

Taylor (2009) defined contract management as a process that enables both parties to a contract to meet their obligation in order to deliver the objectives from the contract.

Contract Management service of Cambridge shire county council (2009) also defined contract management as a process of administering an agreement through established mutually beneficial relationship between all parties.

4ps (2007) defined Contract management as a process of managing and administering the public contract from the time of contract award through to the end of the service period.

Contract management is a process that enables both parties to a contract to meet their obligations in order to deliver the objectives required in the contract. It covers transition and implementation, ongoing day to day management, evaluation and succession planning (ANAO contract management better practice guide 2001).

Hefetz and Warner (2004) defined contract management as the supervision of contracts made with customers, vendors, partners or employees.

CIPS contract management guide (2007) affirmed that there are number of other definitions of contract management, but the majority of them refer to post award activities of the contract. However a successful contract management is most effective if the pre-award activities are properly carried out together with the good management and administration of the post-award ones.

A contract is a key element of a business, every business relationship and activity is defined by a contract .Yet ,only few organizations manage them the right way .With profitability , compliance and risk management high on the corporate agenda ,demand for contract management is gaining importance (CBI,2008).

2.3 Importance of Contract Management

According to the Department of National treasury Republic of South Africa(2012) reported that every transaction undertaken by an organization involved a contract whether explicitly agreed in writing or implicitly implied through actions. Properly managed contracts can ensure that services are delivered with specifications and at the agreed cost. Improperly managed contracts may impact negatively on the institution and government as a whole

According to the Industry Capability Network, 2001 and CBI 2006, contract management is the last phase of the procurement life cycle where the output of the procurement project occurs that is the delivery of the required goods or services.

From the supplier's perspective, this phase is also important because performance in this phase may have an influence on whether future business will be won or lost (CBI 2006) .The performance in this case is in terms of delivering the required goods or service in full on time and specification and also the relationship it builds with the Entity and the added value it delivers.

According to the official journal of the European Union (2012), Contract management is very vital because it is a legal requirement for all open tendering process for all public sector contracts.

Hence, good contract management is essential for good financial management and will contribute greatly to the effectiveness and efficiency of service delivery.

2.4 The practices of contract management

RDTL and Industrial capability (2009) reported that contract management phase of the procurement cycle starts after the award of contract. Effectiveness of contract management will depend on how thorough the earlier steps in the procurement cycle were completed.

Regulation 258(1) of the PPDA Act (2003) provided that the contract management covers the process from contract signing to contract completion.

Donaghy(2011) suggested that the key activities and best practices are considered in contract management. Contract management consists of a range of activities that are carried out together to keep the arrangement between customer and provider running smoothly (OGC, 2006). They can be broadly grouped into three areas,

1. Service delivery management ensures that service is being delivered as agreed to the required level of performance and quality.
2. Relationship management keeps the relationship between the two parties open and constructive, aiming to resolve or ease tensions and identify problems early.
3. Contract administration handles the formal governance of the contract and changes to the contract documentation.

All three areas must be managed successfully if the arrangement is to be a success; that is, if the services are to be delivered as agreed, the formal governance properly handled and the relationship between customers and provider maintained.

CBI (2006) suggested that entities must have in place a number of elements that will support good practice in managing every one of their diverse range of contracts. Improving practice across the range of contract types and contract managers involved requires a holistic planned approach.

According to CBI (2006) contract management practices were based on the assessment of key issues such as contract value, complexity, strategic importance, scale of risk and risk mitigation through sound contract management practice, the general market maturity and the selected supplier capability and experience and entities experience in managing such contracts. This implied that the approach of managing contracts vary according to an individual contract issues say a micro procurement contract cannot be managed the same way as the macro procurement one.

Taylor (2009) declared that after contract has been awarded a number of matters to be addressed to provide the foundation for the successful contract management. An early step is to ensure that sufficient resources and management support are available to manage the contract.

According to CBI (2006) report, there were key elements considered as part of good contract management practice are ; contract mobilization, contract administration and record keeping, managing relationship, performance assessment, contract monitoring, negotiating contract variations, managing contract disputes, ethical business conducted conflict interest and contract completion.

2.4.1 Contract Mobilization

This includes those key contract execution and transition steps that begin with the awarding of contract phase to a hand over to contract manager (OGC 2008). Contract manager or contract team is appointed by the user department and is issued with the copy of the signed contract.

CBI (2006) and Taylor (2009) assured that a contract manger has appropriate delegated authority to management the contract effectively.

CBI (2006) report contended that successful contract mobilization can ensure that the building blocks for a successful contract are created. The report emphasized that the written contract is a record of each party's obligation, but it is not designed as a day to day operational management document for the contract it is the role of the contract and supplier management plan. The contract manager or a team draws contract and supplier management plan to be used as a living document that continues to be updated through the life of the contract.

CBI (2008) suggested that a plan should include a summary by date of key milestones and deliverables, key individuals and their responsibilities, a schedule of risks that have been identified and are being monitored and managed, reporting requirements, service level agreements and key performance indicators, processes around how some of the contractual obligations are to be achieved and contract variations processes. Service level management is about assessing and managing the performance of the service provider to ensure value for money. The contract and supplier management plan should assign people, time, and resources to the contract management process.

OGC (2008) suggested that a contract management plan should be created focusing on the outputs and a whole life approach to performance.

The broad issues to address in mobilization of the contract include; health and safety, to ensure the provider systems meet the customer's standard and to conduct site induction for the provider's staff. Operational, to ensure the contractor's plan is credible, verify compliance with scope of service, establish kick-off meetings and schedule for regular meetings, field visits, inspections, reviews and audits and key performance indicators. Commercial, to ensure the provider gets paid the right amounts. Relationship, to ensure the management of person to person interface, reporting structures and formats, roles and responsibilities are established and appointment of contract management personnel.

At the moment the contract managers are appointed but their responsibilities are not clear as per the section 260 of the PPDA act 2003 which did not spell out the holistic duties and responsibilities of the contract manager and the appointment terms whether there are rewards on every successfully contract completed for motivation.

2.4.2 Contract Monitoring

CBI (2009) stated that contract monitoring focuses on collecting and analyzing information to provide assurance to the entity that progress is being made in line with agreed timeframes and towards providing the contract deliverables. The key performance indicators should be clearly set within the contract and then measured, reported and monitored on regular basis.

Accountability for accepting contract deliverables remains with the entity regardless of how the contract monitoring is performed. The information provided by the supplier for monitoring purposes should be reviewed and audited as necessary, to ensure its accuracy and

reliability. It is suggested that the information can often be tested by capturing feedback from end users regarding the quality of the goods and services received. Monitoring should focus on the key deliverables not too much information as is too costly and difficult to analyze it in order to assess performance adequately (CBI). Contract manager has responsibility for ensuring that the entity complies with its responsibilities under the contract.

CBI suggested that the areas that need to be monitored include; specific goods or services provided on time to the required quality, client or user satisfaction, performance against contract requirements, invoicing and payment and entity contract compliance.

According to regulation 263 (2) the systems for monitoring and reporting, protocols for communication and record keeping arrangements were established. These include; draw up a checklist covering key timelines, deliverables and performance reporting through progress reports submission, supplies and services delivered, certification of work done, interim payment, contract site meetings, update and maintain complete contract records. Schedule meeting for the life of the contract for briefing members or stakeholders at specific times.

2.4.3 Contract Administration and record keeping

According to CBI (2009) and OGC (2008), contract administration covered the formal governance of the contract and changes to the contract document. It is concerned with the mechanics of the relationship between the supplier and the entity. Good contract administration is important for the successful management of any contract and also ensure that audit and probity requirement are met by; maintaining an update contract file, including a hard signed copy of the contract that is easily accessible when required and all on going correspondences and contract information. To ensure that there is regular reporting of

contract information such as payments, compliance levels, performance metrics and variations, contract closure or termination.

Regulation 260(2)(a)(ii) of PPDA 2003 stipulates that the contract manager to ensure that a provider submits all the required documentation in the accordance with the terms and conditions of a contract.

OGC (2008) suggested that there should be a mechanism in place for identifying key contract trigger points such as notice periods and completion dates and closure.

2.4.4 Managing Relationships

CBI (2009) and OGC(2008) emphasized that relationship management supports successful contract management. It was agreed that a sound basis for the relationship should have been established in the earlier stages of the procurement lifecycle. If the nominated contract manager is new to the contractual arrangement, efforts need to be made to understand the relationship that exists between the entity and the supplier. It is important for the contract manager to understand the background to the relationship and be aware of any problems or issues that have arisen at earlier stages of procurement process.

CBI suggested from the entity perspective that one of the key elements in the relationship management is deciding on the suitable type of relationship based on where the category and the contract sit in its supplier portfolio analysis. Not all supplier relationships will be the same. The type of contract management relationship with any given supplier depends on the following; Number of suppliers in the market place, the type of relationship the entity wants with a supplier a long term strategic vs. transactional, the good or service to be provided and complexity of requirements and duration of contract. It is important to establish and maintain

a constructive relationship with the supplier and have regular communication. Providing positive and constructive feedback will assist in maintaining such a relationship.

OGC and CBI agreed that relationship management is focused on keeping the relationship between the two parties' open and constructive, resolving or easing tensions and identifying problems early. It should always be managed in a professional manner and be based on cooperation and mutual understanding taking into account the need for probity and ethical behavior. The relationship works on key factors; trust, communication and mutual aims.

Communication between the contract manager, supplier and stakeholders (users) are effective and stakeholders are involved in the contract management processes where appropriate (OGC).

2.4.5 Performance assessment

Taylor (2009) asserted that performance assessment is undertaken on the basis of information collection during the monitoring process. It is important that feedback is provided in relation to good and poor performance and any performance problems are addressed promptly.

The basis for performance assessment that is the indicators with related targets; delivery time, quality, quantity and cost that is the standards should have been set out in the contract. Where performance information is difficult to establish at the contract development stage, it may require further development over the life of the contract development stage. The contract provisions should have been enclosed to allow this. Developing indicators further during contract management can draw on actual results achieved, research and feedback from stakeholders Taylor (2009) suggested that performance assessment should ensure that the

standards and targets are met on time and within the budget. It contributes to the provider delivering contract outcomes.

Taylor (2009) suggested that revisions will need be made if ; data being collected is not providing adequate information to assess performance, performance measures have not been fully developed or are found not suitable for the particular contract.

Further he suggested that arrangements should not be changed to mask poor performance by the service provider or lack of skill by the customer. Judgment will need to be exercised to determine whether changes or reinterpretations are needed.

Taylor advised that contract Managers need to have assurance that the information used to assess performance and to make or withhold contract payment is accurate. This information will be used to inform the management and stakeholders regarding the progress. Analyzed information allows an assessment of specific or related matter such as under performance may trigger the application of service credits while satisfactory performance may trigger payments of regular fees or milestone payments. Balanced account of performance achieved and any identified shortcomings should be provided to the management and other stakeholders and a proposed action and a timeframe to address them should be included in the report. Positive feedback to the service provider and stake holders can be beneficial to maintain the relationship. In case where performance problems have been identified they should be dealt with promptly. This means discussing the issues with the service provider in a professional manner as soon after they arise as possible. Where performance problems are addressed as a normal part of contract management, there would be no negative impact on the relation between the customer and service provider.

OGC and CBI agreed that a comprehensive and objective performance management framework to be in place when the contract is signed to provide incentives for the supplier to meet or exceed performance standard.

CBI (2009) commends regular review meetings schedules that allow discussion of the suppliers' performance and encourages feedback and problem solving. Set targets and responsibilities of improvement, incentives and sanctions that allow the contract manager to motivate the supplier.

CBI urges that performance assessment must be undertaken throughout the life of the contract and for all contracts, whether straight forward or complex.

2.4.6 Negotiate contract variations

CBI asserted that a variation is a formal amendment to the terms and conditions within the contract. A variation is a change to the original scope of works that has been agreed on by both parties.

Regulation 261(1) of PPDA Act 1 2003 stated that a contract variation or change order is a change to the price ,completion date or statement of requirements of a contract , which is provided for in the contract to facilitate adaptations to unanticipated events or change requirements. The effect of variation will have repercussion on time, cost and quality. The ability to vary contract should be controlled by the entity in defined circumstances (CBI).

It is acceptable practice for the variation mechanism to provide for variations to be agreed between entity and supplier/provider through written formal amendment of the contract.

According to regulation 260(1) (b) of PPDA Act 2003, a contract manager is to issue any required variations or change orders, in accordance with the terms and conditions of a contract. Variations should not be used to cover poor performance or serious underlying problems and the effect on original timeframes, deliverables and value for money should be assessed.

CBI outlined the key issues to be considered when managing contract variations such as assessment of the reasons for the proposed variation and whether this may indicate an emerging or actual performance problem. The assessment of the impact on the contract deliverables, particularly works are required or is part of the original contract deliverables. Determining the effect the proposed amendment will have on overall contract price and document properly the details of the variation and its impact and meet and update the contract register.

2.4.7 Managing contract disputes

During the contract management phase, a disagreement becomes a dispute when it is not possible for the parties to resolve it without resorting to formal resolution mechanism.

CBI reported that many disagreements and disputes arise when the parties cannot agree on issues related to the interpretation of contract provisions, the definition of deliverables, meeting the performance standards or the effect of unexpected events. It is important to identify the dispute at an early stage and address it as soon as possible. Avoiding the escalation of disagreement can impact on the contract deliverables and reduce the costs to both parties. However, where a dispute arises, the contract manager's role is to protect the

entities' interests in all cases, through a clear governance process to manage the dispute through negotiation and arbitration.

2.4.8 Ethical Business conduct and conflict of interest

The relationship with the supplier is a critical element of achieving the required outcomes and issues associated with ethical behavior are most likely to arise in a contract (CBI).

CBI asserted that judgments on ethical issues will often involve a number of potentially competing considerations including the need to comply with entity procurement policy and legislative guidelines while maintaining a constructive working relationship with supplier. In line with the procurement policy, the recommended approach is to decline all offers of gifts or benefits, no matter how small or apparently harmless.

2.4.9 Contract completion

Taylor (2009) and PDDA regulation 260(2) (f) concurred that the most common way a contract ends is where each party performs according to the terms of the contract ,that is contract is discharged through due performance. Contract for the provision of goods are considered to be complete following the delivery and acceptance of items required under contract.

Taylor, (2009) reported that delivery refers to receipt of contracted supplies or services or works into customer's possession specified under contract. On delivery, goods or services or works need to be inspected or reviewed or tested against the standards specified in the contract before formal acceptance under the contract is completed. If a service provider fails to deliver supplies by the delivery dates or to the delivery point specified in the contract there

may be consequences for the service provider under the contract such as defect liabilities or expiry of warranty period. The contract manager should ensure that the appropriate risk management measures are in place.

Acceptance is the term used to describe the procedure by which the customer determines whether the goods or services meet contract requirements. Generally, acceptance process is set out in the contract and the provider should provide the contract deliverables in the specified form. This may include providing a formal document to the contract manager and supporting evidence such as the results of an acceptance testing, that the goods or services meet the contract requirements.

Payments should be made in accordance with the provisions of the contract upon certified invoices for satisfactory performance by the contract manager. The necessary authorization and approvals should be made before final payment is made. Release performance guarantees after the expiry of the warrant period or defect liability period.

Archive contract records since the record keeping containing all appropriate documentation system had already been established.

2.5 The benefits of contract management

Contract management had been receiving the least management attention and effort at least until something goes wrong. The importance of this is reinforced when we consider the phase where the output of procurement project occurs that is the delivery of required goods or services (Industry Capability Network, 2012).

According to Taylor (2009), the benefits include the transparency and risk management which are greater business controls. The increased transparency in all business processes can let stakeholders gain confidence in the contracting process.

It also proactively mitigates risks, improve compliance and enable smooth business continuity planning. Disputes are minimized and there are no surprises for either party.

Legally binding contracts and agreements reinforces almost every business transaction. Unnecessary expenses are reduced when the negotiated prices, rebates, discounts and penalties are enforced. The suppliers or providers compliance with the negotiated terms and customers' commitments are ensured.

With contract management the visibility is gained and there is increased awareness of contract milestones and the revenue opportunities can easily be identified and avoid breaking contractual obligations.

Value for money and reliable services through performance monitoring of the contractor against contract requirement is ensured. That service delivery is compliance with agreed contract conditions and standards. Good contract management is essential for good financial management and will contribute greatly to the effectiveness and efficiently of service delivery (Department of National treasury of the republic of South Africa, 2012).

Procurement and contract management services of Cambridge Council (2012) reported that contract management is vital in identifying potential service difficulties and alternative strategies are devised to save the situation. The likely events to occur bad or good are identified and if bad the solutions are devised to save the situation.

The report further indicated that costs are monitored and kept within budget and all changes are managed and controlled. The changes in costs, human resources and performance can be made in harmony. The identified service improvement opportunities and business requirements can be met through the constant communication.

Contract management builds up mutually beneficial working relationships between the contract manager and provider throughout the contract life cycle. Parties to the contract are able to anticipate future needs and requirements along with reacting to current issues as and when they occur. The problematical issues arises, discussions can commence which allow for the possibility of swift and harmonious resolution (procurement and contract management services).

According to Cambridge shire country council report (2010), the most renowned benefit of contract management is the reduction of costs if the correct practices are being followed that is the effective and efficient operation.

The report highlighted contract management poor operation processes, long term profitability efficiency and sustainability of the projects and improves contract planning procedures. Risks can easily be identified and analyzed by both parties and mitigation measures are agreed on.

Industrial Capability Network New Zealand report(2010) indicated that from the supplier's perspective contract management is beneficial in the sense he would know his obligations under the contract, parties are cooperative and responsive to contract terms so disputes are dissolved thereafter performance will often be the basis on which future business will be won or lost. Not only its performance in terms of delivering the required goods or services in full,

or on time and to specification but also its performance in terms of the relationship it builds with the agency and the added value it delivers

2.6 Challenges of contract management

Williamson (2002) asserted that all complex contracts are inevitably incomplete, on account the parties will be challenged with the need to adjust to unexpected distresses that arise by reasons of gaps, errors and omissions in the original contract and realized at the time of implementation.

Smith (2005) suggested that performance is a challenge when work is not what is expected as the expectations in the contract are not clearly defined and quality problems with vendor/provider's performance of work eventually occur.

CBI 2009 argued that it is a challenge when the negotiated budget or timeline is exceeded due to poorly defined scope of the project. Service delivery may be compromised as there could be a scope reduction to fit in the available budget.

Lack of resources with the right skills is another challenge supported by Nadiope (2005) who observed that governments lack trained procurement personnel. It is essential to name a project team on both sides of the contract who are empowered to carry out the work in the contract on the projects and state skills.

Davison and Wright (2004) confirmed that unknown project status is challenging. In case the contract manager relaxes ,the possibility of accepting a poor quality services; delayed delivery; change orders; personal conflict are high or many disputes arise.

Change management is a challenge as Azom (1999) argued that contract requirements are subjected to change throughout the life of the contract although; it may not always be possible to predict all variations

A World Bank survey by Okeahalam and Oludele, (2003) of government and civil representatives in the sixty developing countries confirmed that corruption is one of the greatest hindrances to successful contract management. The procurement function of an organization is one area that is targeted second by swindlers (Plavsic, 2004).

Cooper, Farank and Kemp (2000) argued that procurement professionals are faced with challenging ethical environment. Public procurement is risky partly because of huge expenditures by the government department, ministries, organizations and authorities and a number of stakeholders affected or affecting a public procurement decision

McCrudden (2004) claimed that delayed funding from the government or donors, bureaucracy in the system right from the ministries, authorizes and departments, poor capacity of local contractors and the weather could also lead to poor service delivery. In Uganda, both central and local government most often depend on government and donor funds for all big projects yet government grants are inconsistent. This can make it almost impossible for the service providers to do their work effectively and the shortest possible time and it is hard for them to meet the scheduled deadlines.

2.7 Key success factors of contract management

Rockart (1979) identified the use of key success factors in helping executives define their information needs. He identified key success factors as the limited number of areas in which results will ensure successful competitive performance for the organization.

OGC (2002) reported the essential factors for the contract management which include good preparation of which an accurate assessment of the needs helps a clear output based specifications. Effective evaluation procedures and selection will ensure that the contract is awarded to the right provider.

Taylor W, (2009) confirmed that the foundations for contract management are laid in the successful procedures of the stages of the contracting process. He further explained that one must be familiar with the procurement procedures and principles that the needs are carefully determined and documented poorly constructed contract would be much more difficult to make the relationship a success.

Another critical success factor is the right contract which is the foundation for the relationship (OGC, 2002). The terms of the contract should include an agreed level of service, pricing mechanisms, service provider incentives, contract time table or delivery schedule, means to measure performance, communication routes, escalation procedures, change control procedures, agreed exit strategy and agreed break options that enables a contract to function (Taylor (2009). The style of the procurement process, for instance an oppositional procurement process may lead to confrontational relationship during contract management phase, good working relationship between staff and provider can be developed as negotiations are required

Single business focus is another critical success factor of contract management (Taylor, 2009). Each party need to understand the objectives and business of another.

CBI (2009) and OGC(2008) asserted that realistic contracts where one party feels they are disadvantaged by the terms and conditions or other commercial terms may create problems during the contract management stage.

Taylor (2009) claimed that service delivery management and contract administration are also critical success factors of contract management. With effective governance, the customer is ensured of getting what is agreed on to the level of quality required. The performance under contract must be monitored to ensure that customer continues to achieve value for money.

CIPS contract management guide, (2006) asserted that the ability to measure the performance of the supplier in terms of agreed standard and prices and to provide feedback is critical to successful contract management.

Taylor, (2009), OGC(2010) and CIPS (2006) commended constructive environment created by the buying entity and supplier through mutual trust and understanding, openness and excellent communication and timely management of any problem that may arise for the success of the joint management of the service delivery.

Continuous improvement is a key to the success of contract management. The improvement in price, quality or service is necessary and where possible built into the contract terms.

Occasionally, there could be changes in the contract during contract management and a number of elements may be used to support any subsequent changes so that the whole contract remain workable under revised arrangement with the intention of enhancing service delivery.

Taylor and OGC concurred that people skills and continuity are key success factors of contract management. People with the multiple skills should be appointed as contract managers or contract team to manage the relationship upright. The appointment should be made early in the contracting process. While CBI (2006) suggested leadership is a key element in the success of the management of the contracts as it will ensure the buy-in and a commitment to improve if it is provided at all levels.

Taylor claimed that flexibility is a key success factor of contract management. Parties to the contract should be flexible while managing contracts. The willingness to adapt the terms of contract reflects a rapid changing world. Unforeseen issues can transpire when the contract is awarded so there is need to respond to them to progress the contract implementation.

OGC (2009) suggested that flexibility be included as well as procedures for handling changes as the market is a dynamic place. Changes are almost inevitable during the managing of contract high value and complex contracts such as construction and service contracts (CIP, 2006).

Cambridge shire county council (2009) submitted that it is good practice to state at the end of the contract and record all what went well and failures and what lessons can be learnt for any future contracts.

2.8 Legislative and regulatory framework

The legislative framework provided by the public procurement and disposal of public Assets Act (PPDA), No.1 of 2003, regulations and guidelines focused on improving the financial management and service delivery.

In particular, the regulations of the PPDA 2003 made reference to ensuring; effective, efficient, economic and transparent use of resources and all contractual obligations are settled and monies owing are paid within terms and value for money is achieved.

The PPDA legal framework provided for contract management with the regulations of 258 to 263 with various sections. That is from when the responsibility of managing the contracts is transferred to the user department, appointment of a contract manager and the responsibilities, variations, contract amendment and termination of contract.

2.9 Why do contracts fail?

OGC (2002) and Taylor (2009) noted that organizations fail to manage contracts successfully because of the following reasons; poorly drafted contracts, inadequate resources assigned to contract management, the customer team does not match the provider team in terms of either skills or experience or both, the wrong people are put in place leading to personality clashes. The context complexities and dependencies of the contract are not well understood leads to the failure. If there is a failure to check providers assumptions and authorities or responsibilities relating to commercial decisions are not clear. A lack of performance measurement or benchmarking by the customer, a focus on current arrangements rather than what is possible or the potential for improvement and failure to monitor and manager retained risks.

CIPS(2006) asserted that contracts fail if the arrangements for service delivery continue to be unsatisfactory to parties; the expected business benefits and value for money are not realized.

Poor reporting is another area of frustration in many contracts and verbose report is difficult to interpret (Industry capability network report 2010).

MAV procurement (2010) reported that poorly developed specifications that do not incorporate measurable key performance indicators can increase the risk of contract disputes, cost blow outs and poor outcomes.

MAV reported that contract failure can be attributed by failure at the pre-award activities and on large extend at the post award activities if not planned and focused on well. Contract management success and activities undertaken are influenced by what has happened during the tendering process phase in terms and conditions that have been agreed and the type of relationship between customer and supplier that has been established.

2.10 Service delivery

Barney defined service delivery of any nature as the capability. That is the capability of the organization to deliver on the promises that were made or implied. It is also to stand over any key performance indicators or service level agreements.

2.10.1 The key drivers of service delivery are;

People; Will deliver the quality work required on time and they can engage with the customer and make them feel appreciated or make the project work or fail.

Processes and procedures;

Simply enable projects and services to be delivered according to a particular standard and with consistency provided the people are having the right infrastructure to deliver those services correctly.

2.10.2 Service delivery Management

This is an activity which is concerned with the fundamental aspect of contract management that ensures what has been agreed is delivered to right quality standards (OGC, 2010)

When an Organization has awarded a contract, it must monitor whether the service is delivered to specifications. This is to check two things; the service is being delivered well to the agreed standards and price and the costs of the service are no higher than expected. At most the service must fulfill the terms of the contract.

2.10.3 Service standards

Service standards are the minimum level of expected services in terms of quality, quantity, processes, time and cost that a sector, and institution or individual commits to deliver to their clients or those that the clients should expect to receive (Public Service Reforms programme survey, 2008).

2.10.4 Level of service standards

Yukubour R.(1994) reported that level of service (LOS) standards are the measures of the amount or the quality of service which must be provided to meet the users' needs and expectations. Level of service standards is typically quantitative and they measure size , amount or capacity.

2.10.5 Purpose of Level of Service Standards

Yukubouk, (1994) report stated that level of service standards provide a benchmark for evaluating service deficiencies in existence. It defines what services are required to support new development. It also provides a basis for assuring that the existing service are maintained as new development is served. It provides a benchmark for monitoring the progress of requirement. Finally it can alert the organization or entity to opportunities for improved efficiency and savings.

2.10.6 Issues in establishing Level of service standards

Level of service standards are of little value if they do not deliver the desired results. The process of developing standard which address real needs requires careful consideration of a number of complex issues (Yukubouk, 1994).

Level of service standards are developed focusing on the cost of providing a service. Also the result oriented standard might use a reduction in the rate of occurrences as a measure of success. More thought may be needed about how resources applied relate to result achieved. There may be a need to think more about how good rather than simply focus on how much thus quality required.

Consideration of the extent that the entity approximates such standards may provide an approximate measure of the needs which is the quantity required. Also deriving the best standards which are based on the careful study of local need.

The entity need to be cognizant of the costs of achieving and maintaining a given level of service standard. Organizations do more with less so priorities must be set and make choices

which facilities merit higher standards. This may also require that service providers are efficient and effective at how they do their jobs.

To establish what level of service standards can the entity find to measures of the effectiveness of service provision. It may be possible to avoid or delay the need for new service if demand is reduced and remain quality service so the timelines required.

Ensure to achieve minimum standards thus setting standards which are achievable. There is need for coordination of standards such that the entity selects a standard that can be achievable, failure to achieve the standards may violate the concurrency requirement, thus fail to achieve the objective. In additional bonuses can be considered to encourage achieving higher levels of performance.

2.10.7 Service Level Management

Service level management is the process of managing the performance provided to the customer as specified in the contractual performance metrics (OGC, 2009). For the provider service level management balances cost and quality of services in order to provide the customer with best value for money.

Service level management is about assessing and managing the performance of the service provider to ensure value for money considering service quality against cost leads to an assessment of the value for money that a contract is providing. As well as assessment of whether service is delivered to the agreed levels or volumes, the quality of the service must also be assessed.

2.10.8 Service levels

There are detailed agreement of the required service levels and the expected performance; quality of the service to be delivered. The contract should define the service levels and terms under which a service or a package of services is provided (OGC,2009).By clearly stating the required and agreed quality of services, both customer and provider know and understand what targets have to be met in the delivery and support of services.

Managing risk is another important aspect of managing service delivery the fulfillment of the contracts may be endangered by several kinds of risk some within the provider's control, some outside it.

2.11 Public sector

Although often spoken about as though it is a single entity, the public sector is not a homogeneous body, but a series of government units and regulatory bodies: Central Government, Government agencies/Authorities, Departments, Local Authorities (Districts, Municipalities and Town) and Government Business Enterprises (GBE) which are cash – generating, profit-seeking entities whose financial and operating policies are governed by a public sector entity(International Public Sector Accounting Standards Board, 2011). Generally are those societies which are funded with public money of taxes and other means.

2.11.1 Key Characteristics of Public Sector

The nature of governments and other public sector entities and the environment in which they operate has implications for the concepts that underpin the procurement requirements and guidance (Citizen First 3 Report, 2003).

A main characteristic of public sector entities was to deliver goods and services rather than generating profit. The transactions involve the provision of goods and services financed by principally taxation or transfers from other tiers of government which will be initially financed through taxation (International Public Sector Accounting Standards Board, 2011).

Public sector entities assess the need and capacity to undertake activities to provide goods and service. Such assessment includes the governing legal framework, the cost, quality and quantity of the goods and services provided and the outcomes of key programs (J. Stanford, 2010).

2.12 Conceptual framework

Conceptual or theoretical framework is a model of how one makes logical of relationships among the several factors that have been identified as important to the problem (Uma Sakaran ,4th Edition).

The conceptual framework was developed to examine the impact of Contract management on service delivery as shown in figure below. The dependent variables was the service delivery explained by the independent variable of contract management.

According to Industry Capability Network (2012) the key objective of contract management is to ensure that there is continuous value for money.

OGC (2002) reported that when an entity has awarded a contract, contract mobilization ensures the provider meets the customer's standard and monitor whether service is being delivered to specification. This means that the services performed is delivered well and to the agreed quality standards and prices and that the works are erected as they intended to be and the costs of the requirement are not higher than expected.

Taylor (2006) commended that the purchasing function to focus on the successful contract management where the arrangements for service delivery management continue to be satisfactory to both customer and the provider, the relationship between cost and quality of the service delivered is optimized. Service level management plays a vital role for the provider in balancing cost and quality of services in order to provide the customer with best value for money.

Taylor (2009) stated that contract monitoring focuses on collecting and analyzing information to provide assurance to the entity that progress is being made in line with agreed timeframes and towards providing the contract deliverables.

With effective governance the customer is ensured of getting what is agreed, to the level of quality required. The performance under contract must be monitored to ensure that standards and targets are met on time and within budget for the customer continues to achieve value for money (Taylor W, 2009).

Regulation 260(2)(a)(i)and(iv) of PPDA 2003 1 stated that the contract manager to ensure that the provider meets the delivery obligation of adequate cost ,quality and time control. If a service provider fails to deliver supplies by the delivery dates or to the delivery point

specified in the contract there may be consequences for the service provider under the contract such as defect liabilities or expiry of warranty period.

The benefits of contract management have a direct bearing on service delivery in quality, cost effective and timelines. However, service delivery can be crippled with intervening variables such as Government regulations and policies and PPDA regulations and guidelines thereby causing user dissatisfaction which can affect negatively service delivery in an organization where time lines are too long.

CBI,(2009) asserted that judgments on ethical issues will often involve a number of potentially competing considerations including the need to comply with entity procurement policy and legislative guidelines while maintaining a constructive working relationship with supplier if not the quality and cost would be jeopardized. In line with the procurement policy, the recommended approach is to decline all offers of gifts or benefits, no matter how small or apparently harmless.

The relationship between contract management and service delivery is diagrammatically shown in fig.1 below and the basic framework of this study is built around this conceptual model below.

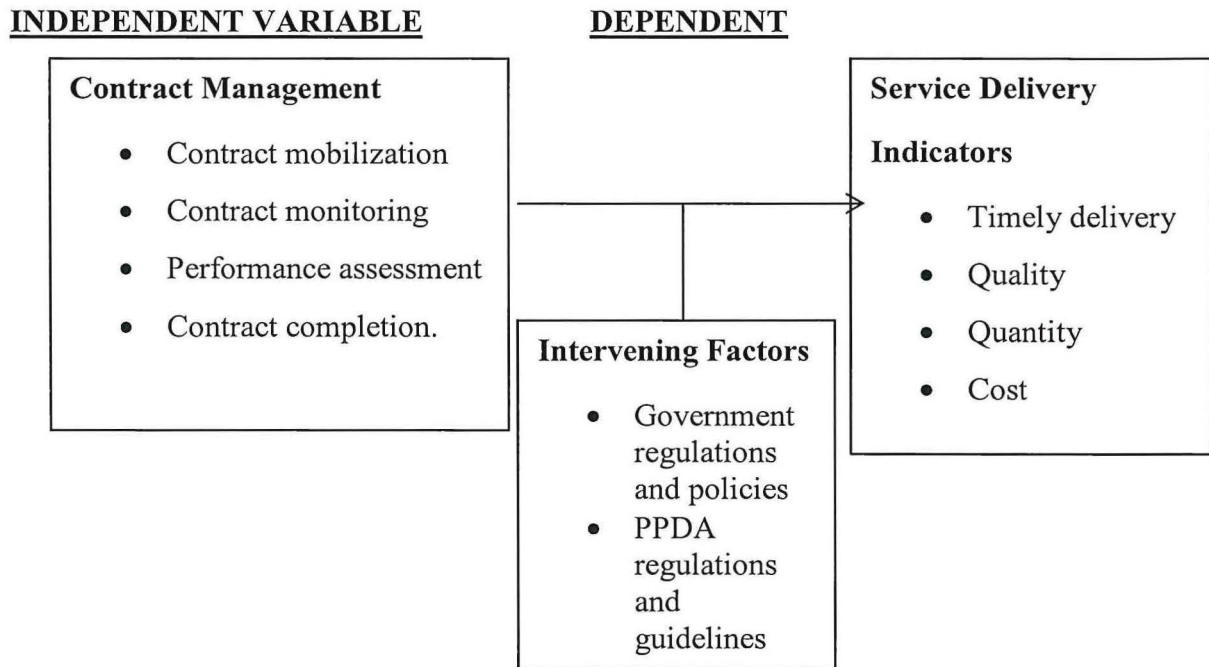


Figure 1: The Conceptual framework reflecting how contract management impacts service delivery

(Source: Adopted from the review of the existing Literature on the variables)

2.13 Summary of the Literature Review

Various authors and writers had defined contract management referring to the post award activities of the contract therefore this study contract management is the process that both parties to the contract meet their obligation to the contract in order to achieve the objectives of the contract. For effective contract management all the successive phases should be properly planned and progressed well. Contract management is the final phase in the procurement process that is there are successive phases which are progressed before.

Contract management encompassed the management of all contract agreements during the entire contract life cycle and accounting for all contracts correctly.

A number of authors had reported that Contract management is a legal requirement for all public sector contracts of high value and complex when you compare the European Union and Procurement and disposal Authority of Uganda's procurement rules and procedures.

Various authors had concurred that contract management are of three elements, service delivery management, contract administration and relationship management. They are critical success factors of contract management. With effective governance the customer is ensured of getting what is agreed, to the level of quality required, the formal governance is properly handled and the relationship between customers and provider maintained.

A number of authors who made studies on contract management were focusing on the developed countries actually what was reviewed was not on African setting that is the developing countries set up for genuine comparisons since the levels of development are different.

2.14 Conclusion

In conclusion, although various authors had highlighted practices of contract management, critical success factors towards services delivery, and little evidence had been put to prove that public organizations have effectively managed their contracts and this is what the study was investigating in order to fill the knowledge gap. Research was surely needed to collect data that could be used to demonstrate how contract management affects service delivery.

In short, various views by different authors about improving service delivery with effective contract management, some of the practices put forward might not be practical to some

organizations like UETCL, therefore, by conducting a study in UETCL, the findings were to provide more possibilities to improve service delivery through the tailored practices of contract management.

The regulatory frame work for public procurement in Uganda the PPDA regulations 2003 provided for the contract management, however, it did not details the best practices of contract management especially on the performance management parameters, hence contract management framework and contract manual were not provided in order to set the requirements for the government entities pertaining to management of and accounting for contracts. Therefore contract management framework and Contract management manual guide are required to cover management practices relating to contracts and service delivery.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter was the road map of the selected research methods and instruments that were used to study the impact of contract management on service delivery in public sector in Uganda with a case study of UETCL. It highlights how data was collected and analyzed. This chapter described in detail the overall research design adapted by the study, area of study ,target population, sampling technique and selection, research instruments , data collection procedure, data analysis and limitations of the study.

3.2 Research design

The research design provides the cement that holds the research project together. A design is used to structure to show all of the major parts of the research project work together to try to address the central research questions (Trochim, 2006).

The researcher adapted a cross sectional survey design using both qualitative and quantitative methods. The justification for the choice of the case study research design was that it used specific subjects with common characteristics enough to represent the rest, other than studying the entire population (Patton, 2001) and the researcher was able to dwell on the information from UETCL for deductions and generalization on contract management and service delivery in public sector of Uganda and it was a worthwhile way of exploring existing theory.

The reason for adapting both qualitative and quantitative designs was for interpretation and clarification of the results from one method with the results from the other.

The researcher was guided by examining the impact of contract management on service delivery, the contract management procedures and the service standards established at UETCL.

Data was collected using both qualitative and quantitative methods. According to Saratakos (2003) a quantitative methodology involves the use of structured technique of data collection that allows quantification, measurement and operation using quantitative methods of analysis like statistics. On the other hand, qualitative methodology was based on the theoretical and methodology principles of symbolic interactions. Thus the research combined aspects of both the qualitative and quantitative methods.

The qualitative method mainly used face to face interviews and review of available documents in line with contract management and service delivery.

3.3 Area of Study

The area of research was Uganda Electricity Transmission Company Limited (UETCL) Head office located on Plot 10 Hannington and substations located at Lugogo and Mutundwe in Kampala District. The company was particularly chosen because the PPDA audit report 2011 indicates that UETCL was ranked with 26% of poor contract management it was easily accessible for the study and it was informative.

3.4 Target Population

The target population under the study was fifty (50) employees of UETCL that had knowledge in contract management. This covered the Procurement units, Contracts

Committee Members, Users departments and Contract Managers since they had ample knowledge on contracting process.

Table 3.1 Table of Sample Size Determination

Category of Respondents	Targeted Population	Targeted sample
Employees of UETCL that had knowledge in contract management	50	43

Source: Primary data

3.4.1 Sample size

Sampling is the process of choosing the research units of the target population which are included in the study.

A sample of forty three (43) was selected according to the well-known table by Darylew. W. Morgan and Robert Krejcie 1970 Table of Sample Size Determination. The table that determines the sample size from the given population seen below; the targeted sample was categorized depending on the departments as in

Table 3.2: Targeted sample

Category of Respondents	Targeted sample
Users departments	10
Procurement units	15
Contracts Committee Members	5
Contract Managers	10
Others	3
TOTAL	43

Source: Primary data

3.5 Sampling techniques and Sampling Selection

The study was purposively sampled to the targeted sample. The individual key informants were purposely selected include; user departments, contract managers, members of the contracts committee and procurement officers. This technique was used because it is

judgmental such that the researcher selected only those respondents with sufficient technical knowledge of the subject matter so as to access technically required information (Neuman, 2000). This was to ensure that the full variety of respondents is obtained from a range of the population. The selected group would understand what was happening in this critical case so that logical generalization would be made.

Also simple random sampling technique was used in the selection of the respondents from each category. All names in a particular category were put in the box and randomly selected.

This technique was selected because it is advantageous in creating equal chances for all respondents to be selected and to avoid bias (Winter, 2000).

3.6 Research instruments

The quantitative method mainly used data generated from questionnaires and interviews, which were used to collect data from procurement officers, users, contract managers and contracts committee members.

Both **structured and non-structured** interviews were applied since it was easier to investigate emotions, experiences and feelings and still more of insight into the topic was achieved. More ideas were developed by the interviewer during the unstructured interviews as the ball was set rolling by the interviewer, predetermined questions were set in an orderly manner and they were answered systematically thus easy data analysis.

Questionnaires and interviews were used as they were highly economical when collecting a large amount of data from a sizeable population. The standardized data collected allowed easy comparison.

Observation and Documentary analysis methods guided the researcher to analyze the contract management procedures and service delivery standards. Under this, both primary and secondary evidence was used to logically analyze and double check the historical records about contract management process and practices during this period. This enabled researcher to make comparisons for a logical assessment. In the same way, the historical records helped in cross-checking for approval or disapproval of the findings and also to examine the validity and reliability of the conclusion, quality needed in this study for reliable references and generalizations.

All the above methods helped to develop a rapport with the respondent who felt part of the study and willingly to contribute to the good of the study hopefully.

3.6.1 Administration of the instruments

A pre-test was carried on the intended respondents before administering the questionnaires to pilot test them. Pre-testing allowed adjustments to the questionnaire by incorporating comments from the respondents in addition to assess the language simplicity, ability to get information needed acceptability and privacy of the respondents. This gave clues to unforeseen in the study since a thorough check of planned procedures appraised, this was to ensure validity of the instrument and the likely reliability of data that was collected (Mitchell, 1996).

Bell (1999) urged that however pressed for time, researcher does the best to give the questionnaires a trial run to be able to know that they will succeed. Pilot test the questionnaire was made on to friends who had the technical knowledge of the subject matter. With a

minimum number of 5 respondents this provided at least some idea of the questionnaire's face validity that was whether the questionnaire appeared to make sense.

Checking was done on each completed pilot questionnaire to ensure that respondents had no problems understanding or answering questions and had followed all instructions correctively (Fink, 1995). The responses provided an idea of the reliability and suitability of the questions since the responses were consistent to the questions in the questionnaire and were correlated.

This was calculated using content validity formula below

$CVI = \frac{\text{Number of items rated valid}}{\text{Total number of items in pilot question}}$

$CVI = \frac{215}{225}$

$CVI = 0.956$

Where CVI is Content validity index

The reliability established from the 5 tested questions was 0.956 greater than 0.5 which is the standard value for testing validity suggesting that questions were highly valid to give valid results, Therefore I went ahead to distribute the questionnaires.

3.6.2 Testing the reliability

The reliability of the questionnaire was concerned with the consistency of responses to the questions. To measure the consistency of responses across all the questions or group of the questions from the questionnaire was by SPSS package of computer. Cronbach's alpha method was used to calculate internal consistency provided by table reliability index.

Table 3.3: Reliability values for the various sections of the questionnaire

Variables	Constructs	No. of items	Alpha Values
Independent Contract Management	Contract Mobilization	8	0.673
	Contract Monitoring	12	0.579
	Performance Management	3	0.631
	Contract Completion	8	0.765
Dependent Service delivery		9	0.768

Source: SPSS OUTPUT

The reliability values for the various sections of the questionnaire were all greater than 0.5 implying that the instruments were reliable to allow the collection of the data. Therefore the remaining questionnaires were given out to the rest of the respondents.

3.6.3 Measurement of variables

The variable of the study was measured on a five point Likert scales ranging from 1- strongly disagree to 4-Strongly agree. The choice of this measurement was that each point on the scale carries a numerical score which was used to measure the opinions of respondents and it was the most frequent used summated scale in the study of business and social attitude.

3.7 Data collection procedure

Because of the nature of the study was based on the contract management of the public entities, it was so sensitive in one way or the other; it assessed the personnel mandated to run such organizations. However the researcher followed all the professional guidelines of researchers including; acquisition of an introductory letter from Graduate school Kyambogo University and the Manager Human Resource of UETCL asking for permission to conduct research in the company. At the same time, before engaging particular respondent, the researcher sought for an oral consent. This involved explaining the study objectives to the respondents. The respondents were notified about the possible benefits and risks of

participating in the study emphasizing the aspect of confidentiality with which the findings were treated.

3.8 Data presentation and Analysis

Data collected was edited, coded, cleaned, and entered into computer software for analysis. Analysis was done using SPSS (statistical package for social sciences) a computer data analysis program where the structured and labeled tables and diagrams, other relevant percentages, means and standard deviations were generated. At this stage, the data was summarized so that specific values could be read and interpreted; this then formed the foundation of the analysis.

Descriptive statistics and inferential statistics were produced. Quantitative data was analyzed using descriptive statistics including percentages and frequencies tables.

For inferential statistics, to quantify the strength of the relationship between Contract management and service delivery a correlation coefficient was used and the assessment of the strength was done using the Pearson product moment correlation coefficient (PMCC). However the last objective of the study was tested using regression analysis method.

Qualitative data from the field was analyzed using critical judgment approach method by considering those elements which tally with the study elements in the conceptual framework.

To measure the proportion of the variation in the dependent variable the service delivery that could be explained statistically by the independent variable Contract management, the regression coefficient was used. This enabled to assess the strength of relationship between dependent variable service delivery and independent variable contract management

3.9 Limitation of the Study

Because of the nature of the study that intended to assess the effect of contract management on service delivery, the researcher encountered the problem of falsification of information especially from the contract managers and users with the intention of concealing their ineffective performance. However the researcher ensured all the respondents of the high level of confidentiality that was excised.

Although the study was meant to establish the impact of contract management on service delivery in public sector, it was only limited to one organization in Uganda. The findings might not be true for other government departments, ministries and authorities.

Researcher was challenged with the time constraint, the time was so short for the researcher to effectively cover a number of public entities and carry out the pre testing of the instruments to a number of friends and colleagues however the researcher endeavored to get data from only respondents with the knowledge of the subject matter.

Limited finances encountered by the researcher, costs of papers, laptop computer, and transportation costs are high however the researcher endeavored to work within her means while carrying out the study.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

4.0 Introduction

This chapter presented data collected using questionnaires, documentary reviews such as procurement files, observations and interviews of the case study described in Chapter three above. The corresponding interpretations also followed each presentation. The results of the study were presented according to the objectives and research questions.

The findings in this chapter were also arrived at by analyzing and interpreting the available data using SPSS. All the responses were presented in terms of frequencies and percentages which were displayed in tables. Each question was treated separately and was presented in subsequent subsections one by one.

The statistical data from the quantitative part of the questionnaires was supported by the qualitative data of the study from interviews.

Therefore this chapter presented the response rate, the background of characteristics of respondents and results on substantive study objectives.

4.1 Response Rate

A sample size of 43 was set for quantitative study. The researcher distributed 43 questionnaires to the respondents and 40 were returned fully completed, yielding 93% response rate. The researcher purposively selected 10 key personnel for interview in order to supplement data from questionnaires. A response rate of 70% and above is generally considered very good according to Mugenda and Mugenda (2003). The 93% response rate obtained in this study being well above 70% was considered generally acceptable.

Table 4.1: The response rate results from this study

Total Number in sample	Total Number of responses	Ineligible	Response rate
43	40	0	93%

Source: Primary data

4.2 Results on the Background Characteristics of respondents

This information was about the respondents' duration in the current employment, level of education, and category by department. These were presented in the next subsection one by one. The background information of the respondents was considered necessary because the ability of the respondents to give satisfactory information on the study variables may be affected their background.

Table 4.2: Category by Departments

Department	Frequency	Percent
Contracts committee	03	7.5
User department	11	27.5
Procurement and disposal unit	13	32.5
Contract manager	08	20.0
Others	03	7.5
Total	40	100.0

Source: Primary data

Results from table 4.2 shows that most of the respondents were from the procurement and disposal unit 13 (32.5%) followed by those in the user department 11 (27.5%) and the contract managers 08 (20%) while few were in the contracts committee 03 (7.5 %) and others 3 (7.5%) included finance and stores personnel.

Table 4.3: Distribution of respondents by experience

Experience	Frequency	Percent
1-2 years	07	17.5
3-5 years	13	32.5
5-10 years	14	35.0
Above 10 years	06	15.0
Total	40	100.0

Source: Primary data

Results from table 4.3 shows that most of the respondents in this study were of experience 5-10 years 14 (35.0) followed by those with experience 3-5 years 13 (32.5%) and experience 1-2 years 07 (17.5%) while few 06 (15.0%) were of experience of above ten years.

Table 4.4: Distribution of respondents by level of education

Level of education	Frequency	Percent
Diploma	05	12.5
Degree	26	65.0
Postgraduate	06	15.0
Others	03	7.5
Total	40	100.0

Source: primary data

Results from table 4.4 shows that most of the respondents were degree holders 26 (65.0%) followed by postgraduates 06 (15.0%) and diploma holders 05 (12.5%) and others 3(7.5%) included employees who hold certificates and work by experience.

4.3 Results on Substantive objectives

4.3.1 Descriptive Results

This section deals with descriptive results of the three study objectives that is to say, to examine the contract management practices, to determine the level of service standards and to examine contract management relationships and the level of service standards. These are presented in the next subsections.

4.3.1.1 Objective one

The first objective of the study was to examine the contract management practices.

Contract management practices were first divided into contract mobilization, contract monitoring, performance assessment and contract completion in this study was operationalized into eight quantitative items and a few qualitative items on which employees in Uganda electricity transmission limited were requested to do self-rating basing on Likert

scale 1-5 in which one represented strongly disagree, two represented disagree, three represented agree, four represented strongly agree.

4.3.1.1.1 Results on Contract Mobilization

Table 4.5: Distribution of respondents on Structures and resources

Indicators of contract manage mobilization	Scale	Frequency	Percentage	Mean	Std. Dev
Structures are in place to manage contracts	Strongly disagree	02	2.6	2.92	.632
	disagree	06	15.8		
	Agree	27	68.4		
	Strongly agree	05	13.2		

Source: Primary data

Results from table 4.5 shows that most of the respondents agreed that resources and structures are in place to manage contracts 81.6% compared to 18.4% who disagreed. This was in line with the mean value 2.92 which also showed that respondents agreed with availability of resources and structure. The low standard deviation 0.632 showed that respondents had similar views and opinions resources and structures. However, during the interview it was revealed that there are no structures and resources for management of small contracts which are the majority but only for high value projects. one of the respondents said

“Contract management for small contracts is not streamlined and contract managers are not appointed for such contracts”

Contracts value whether small or big, involve many stake holders and must adhere to the contract management guide lines or else audit trail will be difficult which can hinder service delivery.

Table 4.6 Identification and definition of Practices and contract management plan

Indicators contract mobilization	Scale	Frequency	Percentage	Mean	Std. Dev
Entity identifies and defines practices and clear contract management plan with a focus on deliverables and mile stones to performance	Strongly disagree	02	5.1	2.79	.801
	Disagree	11	28.2		
	Agree	19	48.7		
	Strongly agree	07	17.9		

Source: Primary data

Respondents agreed that entity identifies and defines practices and a clear contract management plan with a focus on deliverables and milestones to performance 66.6% compared to 33.3% who disagreed. This was in line with the mean value 2.79 which also showed that respondents agreed with defines practices and a clear contract management plan with a focus on deliverables and milestones. The standard deviation 0.801 showed that respondents had similar views and opinions. However during interviews, some respondents said..

“there are no identified and defined practices and clear contract management plans because they do manage small value contracts and they had never gone through the practices of contract management and that contract management plans only focus on the deliverables of high value projects”

Table 4.7 Assignment of Resources

Indicators contract mobilization	Scale	Frequency	Percentage	Mean	Std. Dev
Resources are assigned to ensure appropriate time and attention is paid for effective contract management	Strongly disagree	03	7.7	2.26	.715
	Disagree	27	66.7		
	Agree	07	17.9		
	Strongly agree	03	7.7		

Source: Primary data

74.4% of the respondents disagreed that resources are assigned to ensure appropriate time and attention for effective contract management and 25.6% agreed. This was in line with the mean value 2.26 which also showed that respondents disagree with the assignment of

resources for effective contract management. The standard deviation 0.715 showed that respondents had similar views and opinions. During interviews some respondent revealed that resources are only assigned to big projects of high value and complex which normally take long periods to be completed.

Table 4.8 Maintenance of Contract file

Indicators contract mobilization	Scale	Frequency	Percentage	Mean	Std. Dev
Contract file are maintained and updated with all ongoing correspondences according to UPDA regulations	Strongly disagree	02	5.1	3.13	.894
	Disagree	07	17.9		
	Agree	14	35.9		
	Strongly agree	16	41.0		

Source: Primary data

Respondents agreed that contract files are maintained and updated with all ongoing correspondences according to PPDA relations 76.9% compared to 23% who disagreed. This was in line with the mean value 3.13 which also showed that respondents agreed with the maintaining and updating of files for effective contract management. The standard deviation 0.894 showed that respondents had similar views and opinions. On interviewing respondents one said.

“Some files are not updated with some documents such as contracts, approvals and payments, completion certificates and progressive reports”.

Also on reviewing some files, it was observed that the some documents were missing.

Table 4.9 Appointment of Contract Manager

Indicators contract mobilization	Scale	Frequency	Percentage	Mean	Std. Dev
A user department appoints an existing member of staff with appropriate skills and experiences as a	Strongly disagree	02	5.1	3.05	.857
	Disagree	07	17.9		
	Agree	17	43.6		
	Strongly agree	13	33.3		

contract manager each contract					
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Source: Primary data

Respondents 76.9% agreed that a user department appoints an existing member of staff with appropriate skills and experiences as contract managers for each contract compared to 23% who disagreed. This was in line with the mean value 3.05 which also showed that respondents agreed with the user department appoints an existing member of staff with appropriate skills and experiences as contract managers. The standard deviation 0.857 showed that respondents had similar views and opinions. However during interviews, respondents said ..

“a contract manager is appointed as an existing member of staff for non-complex contracts, but a member of staff of another department can be appointed if it is a complex and high value project”.

It was observed that a consultant is hired in some cases for supervision of services of the projects.

Table 4.10 Issuing a copy of signed contract to contract Manager

Indicators contract mobilisation	Scale	Frequency	Percentage	Mean	Std. Dev
A copy of a signed contract is issued to the contract manager to get with the appointment letter	Strongly disagree	02	5.1	3.08	.807
	Disagree	05	12.8		
	Agree	20	51.3		
	Strongly agree	12	30.8		

Source: Primary data

Respondents 82.1% agreed that a copy of assigned contract is issued to the contract manager together with the appointment letter compared to 17.9% who disagreed. This was in line with the mean value 3.08 which also showed that respondents agreed with the issuing of a copy of signed contract to the contract managers. The standard deviation 0.807 showed that respondents had similar views and opinions. During the interview it was revealed that some

contract managers are appointed by the head of user departments and they are not issued with a copy of the contract especially with contracts of small values say local purchase order.

Table 4.11 Appointment a member of staff of another user department

Indicators contract mobilization	Scale	Frequency	Percentage	Mean	Std. Dev
A user department appoints a member of staff of another user department with the appropriate skills and experience if none of his staff do not qualify	Strongly disagree	08	20.5	2.33	.898
	Disagree	13	33.3		
	Agree	15	38.5		
	Strongly agree	03	7.7		

Source: Primary data

Respondents 53.8% disagreed that a user department appoints a member of staff of another user department with appropriate skills and experiences if none of the staff do not qualify while 45.7% agreed. This was in line with the mean value 2.33 which also showed that respondents disagreed with the user appointment of the contract managers of another department. The standard deviation 0.898 showed that respondents had similar views and opinions. During the interview, it was revealed that a contract manager of another department is appointed especially for large complex projects.

Table 4.12 Appointment of a contract Management team for complex large projects

Indicators contract mobilization	Scale	Frequency	Percentage	Mean	Std. Dev
Contract management team is appointed for complex large projects	Strongly disagree	03	7.7	3.18	.970
	Disagree	06	15.4		
	Agree	11	28.2		
	Strongly agree	19	48.7		

Source: Primary data

Finally respondents agreed that a contract management team is appointed for complex large projects 76.9% compared to 23.1% who disagreed. This was in line with the mean value 3.18

which also showed that respondents agreed with the appointment of the contract management team for complex projects. The standard deviation 0.970 showed that respondents had similar views and opinions. During Interviews, respondents said

“an individual with skills and experience can be appointed a contract manager from another department even can be outsourced if the technical known is lacking in-house”.

4.3.1.1.2 Contract monitoring

Contract monitoring in this study was operationalized into 13 quantitative items on which employees in Uganda Electricity Transmission Limited were requested to do self-rating basing on Likert scale ranging from one which represented strongly disagree, two represented disagree, three represented agree and four represented strongly agree.

Table 4.13: Distribution of respondents on Completion of Contract implementation form

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
The contract manager completes a contract implementation form 60 for monitoring the contract progress on key stores and deliverables	Strongly disagree	01	2.6	2.82	.885
	Disagree	16	41.0		
	Agree	11	28.2		
	Strongly agree	11	28.2		

Source: Primary data

Table 4.13 gives results shows that most of the respondents agreed that 56.4% of the contract manager completes contract implementation plan, form 60 for monitoring the contract progress on key dates of milestones and deliverables compared to 43.6% who disagreed. This was in line with the mean value 2.82 which also showed that respondents agreed with the contract managers completing form 60 for monitoring. The standard deviation 0.885 showed that respondents had similar views and opinions. On checking some files, form 60 was found

missing especially for contracts of low value and non-complex. It was observed that the progress reports are on file especially for consultancy contracts.

Table 4.14 Performance bonds and advance payment guarantees

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
Contract manager obtaining performance bonds and advance payment guarantee from provider in contract commencement in accordance with items and conditions of contract	Strongly disagree	06	15.4	2.54	.969
	Disagree	13	33.3		
	Agree	13	33.3		
	Strongly agree	07	17.9		

Source: Primary data

Respondents agreed 51.2% that contract manager obtaining performance bonds and advance payments guarantee from contract commencement in accordance with terms and conditions of contract compared to 48.7% who disagreed. This was in line with the mean value 2.54 which also showed that respondents agreed with obtaining performance bonds and advance payments guarantees. The standard deviation 0.969 showed that respondents had similar views and opinions. On interviewing respondents one of them had this to say...

“they have never obtained the bonds. Providers submit the bonds to procurement unit”.

Table 4.15 Adequate costs, quality and time control assurance

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
Contract manager ensures that there is adequate cost quality and time control of contract	Strongly disagree	00	00	3.05	.647
	Disagree	07	17.9		
	Agree	23	59.0		
	Strongly agree	09	23.1		

Source: Primary data

Respondents agreed that the contract manager ensures that there is adequate cost, quality and time control of the contract 82.1% compared to 17.9% who disagreed. This was in line with the mean value 3.05 which also showed that respondents agreed with the contract managers ensuring quality and adequate cost. The standard deviation 0.647 showed that respondents had similar views and opinions. On interview, one of the respondents said...

“there are some contracts whose completion time is extended more than ounce and the penalties are not levied”.

Table 4.16 Awareness of underperformance

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
Contract manager is aware of any signs of potential under performance and address them before they become serious to avoid the problem worsening	Strongly disagree	01	2.6	2.82	.823
	Disagree	14	35.9		
	Agree	15	38.5		
	Strongly agree	09	23.1		

Source : Primary data

Contract managers 61.6% agreed that they were aware of all signs of potential under performance and 38.5% disagreed. This was in line with the mean value 2.83 which also showed that respondents agreed with the contract managers are aware of all signs of potential under performance. The standard deviation 0.823 showed that respondents had similar views and opinions.

Table 4.17 Early warning

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
Provider is given the early warning such that issues are resolved in performing contractual obligation at low costs and with minimal	Strongly disagree	03	7.7	2.59	.715
	Disagree	12	30.8		
	Agree	22	56.4		
	Strongly agree	02	5.1		

disruption					
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Source: Primary data

Respondents 61.5% agreed that providers are given the early warning such that issues are resolved in performing contractual obligations at low costs and with minimal disruption compared to 38.5% who disagreed. This was in line with the mean value 2.59 which also showed that respondents agreed with the early warnings. The standard deviation 0.715 showed that respondents had similar views and opinions. During interview, respondents said

“contracts handled are short term and not complex that providers do understand the contractual obligations”.

Table 4.18 Identification of key contract trigger points

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
There is a mechanism in place for identifying key contract trigger points such as notice periods and completion dates and closures	Strongly disagree	02	5.1	2.49	.721
	Disagree	19	48.7		
	Agree	15	38.5		
	Strongly agree	03	7.7		

Source: Primary data

Respondents alternatively disagreed that there is no mechanism in place for identifying key contract trigger points such notice periods and completion dates and closure 53.8% compared to 46.2% who agreed. This was in line with the mean value 2.49 which also showed that respondents disagreed with having mechanism in place to identifying key contract triggers. The standard deviation 0.721 showed that respondents had similar views and opinions. The interview guided that there are contract trigger points especially for big complex projects.

Table 4.19 Review and appraisal of reporting lines

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
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Reporting lines and performance are managed through reviews and appraisals	Strongly disagree	02	5.1	2.69	.656
	Disagree	10	25.6		
	Agree	25	64.1		
	Strongly agree	02	5.1		

Source : Primary data

Respondents agreed that reporting lines and performance are managed through reviews and appraisals 69.2% compared to 30.7% who disagreed. This was in line with the mean value 2.69 which also showed that respondents agreed with the reporting lines by the contract managers. The standard deviation 0.656 showed that respondents had similar views and opinions. It was observed that reporting lines and monitoring is managed through reviews and appraisals for the complex contracts while it is not done for small contracts.

Table 4.20 Variations

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
Variation have repercussion time cost and quality	Strongly disagree	01	2.6	3.03	.668
	Disagree	05	12.8		
	Agree	25	64.1		
	Strongly agree	08	20.5		

Source :Primary data

Further 59% of the respondents agreed that the information provided by the supplier for monitoring purposes is reviewed and audited to ensure reliability and accuracy compared to 38.5% who disagreed. This was in line with the mean value 3.03 which also showed that respondents agreed with the contract managers reviewing information given by the provider. The standard deviation 0.668 showed that respondents had similar views and opinions. The interview guided that the information provided by the suppliers is reviewed when the contract duration is longer as compared to the shorter period which does not allow feedback before completion.

Table 4.21 Review and audit information

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
The information provided by supplier for monitoring purposes is reviewed and audited to ensure accuracy.	Strongly disagree	00	00	2.71	.654
	Disagree	15	39.5		
	Agree	19	50.0		
	Strongly agree	04	10.5		

Source : Primary data

Respondents agreed that information can be tested by capturing feedback from end users regarding the quality of goods and services received 71.1% compared to 28.9% who disagreed. This was in line with the mean value 2.71 which also showed that respondents agreed with the information can be tested by capturing the feedback. The standard deviation 0.654 showed that respondents had similar views and opinions. The interview guided that feedback information is really received from users but it is not formal. Users do not formally report back through proper forms of communication such as memos or emails.

Table 4.22 Testing Information

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
Information can be tested by capturing feedback from end users regarding the quality of the goods and services received	Strongly disagree	00	00	2.87	.665
	Disagree	11	28.2		
	Agree	21	53.8		
	Strongly agree	06	15.4		

Source: Primary data

Respondents agreed that changes in the user requirements are captured and considered as part of formal changes 69.2% compared to 30.8% who disagreed. This was in line with the mean value 2.85 which also showed that respondents agreed with capturing the changes in user

requirements. The standard deviation 0.665 showed that respondents had similar views and opinions. It was observed that changes in the user department requirements are not considered as part of formal change to contracts especially small value ones.

Table 4.23 Record keeping

Indicators contract monitoring	Scale	Frequency	Percentage	Mean	Std. Dev
Record keeping is good and contract are accessible when required	Strongly disagree	00	00	3.33	.662
	Disagree	04	10.3		
	Agree	18	46.2		
	Strongly agree	17	43.6		

Source : Primary Data

Respondents agreed that record keeping is good and contracts are accessible when required 89.6% compared to 10.3% who disagreed. This was in line with the mean value 3.33 which also showed that respondents agreed with the good record keeping. The standard deviation 0.662 showed that respondents had similar views and opinions. On observation, records for small value contracts are not easily accessible. Not all records are put on file especially the payment documents. Contracts for high value contracts are kept in filing cabinets separately from the procurement files. Tracing for a contract and tally it with the procurement file can take a little while.

4.3.1.1.3 Performance assessment

This section deals with performance assessment; Respondents were requested to rate themselves on this and the findings are presented in tables.

Distribution of respondents on performance assessment

Table 4.24: Understanding contract and requirements

Indicators of performance	Scale	Frequency	Percentage	Mean	Std. Dev
Contract manager and the provider understand well contract and services or goods required to be	Strongly disagree	01	2.6	3.00	.761
	Disagree	08	20.5		

delivered with the contract	Agree	20	51.3		
	Strongly agree	10	25.6		

Source: Primary data

Results from table 4.24 shows that 76.9% agreed that the contract manager and the provider understands well the contract and services or goods required to be delivered with the contract compared to 23.1% who disagreed. This was in line with the mean value 3.00 which also showed that respondents agreed with the contract managers and provider understands the well the contract. The standard deviation 0.761 showed that respondents had similar views and opinions. On observation, it was noted that contract managers and providers do not understand the contracts as there are contract variations on files and some requests for amendment were done after the contracts had already expired.

Table 4.25 Performance indicators and standards for monitoring

Indicators of performance	Scale	Frequency	Percentage	Mean	Std. Dev
Performance indicators and standards for monitoring focus on agreed time frames, required quality and user satisfaction guaranteed	Strongly disagree	02	5.1	3.00	.725
	Disagree	04	10.3		
	Agree	25	64.1		
	Strongly agree	08	20.5		

Source : Primary data

Respondents 84.6% agreed that performance indicators and standards for monitoring focus on agreed time frames, required quality and user satisfaction guaranteed 84.6% compared to 15.4% who disagreed. This was in line with the mean value 3.00 which also showed that respondents agreed with the contract managers focusing on monitoring the performance indicators. The standard deviation 0.725 showed that respondents had similar views and opinions.

Table 4.26 Open and constructive relationship

Indicators of performance	Scale	Frequency	Percentage	Mean	Std. Dev
There is an established and maintained open and constructive relationship with the supplier and have regular communication	Strongly disagree	01	2.6	2.87	.777
	Disagree	11	28.9		
	Agree	18	47.4		
	Strongly agree	08	21.1		

Source : Primary data

Respondents agreed that there is an established and maintained open and constructive relationship with the supplier and have regular communication 68.5% compared to 31.5% who disagreed. This was in line with the mean value 2.87 which also showed that respondents agreed with the contract managers establish and maintain open and constructive relationship with the suppliers. The standard deviation 0.777 showed that respondents had similar views and opinions. However during interviews, one of the respondents revealed...

“meetings with the suppliers are rarely held that sometimes and communication with the suppliers is not regularly”.

4.3.1.1.4 Contract Completion

Contract completion in Uganda Electricity Transmission Limited were conceptualized basing on eight quantitative items on which employees were requested to rate themselves basing on likerts scale ranging from one which represented strongly disagree, two represented disagree, three represented agree and four represented strongly agree.

Distribution of respondents on contract completion

Table 4.27: Review meetings

Indicators of contract completion	Scale	Frequency	Percentage	Mean	Std. Dev
Review meetings are held to discuss the suppliers performance compliance levels, performance metrics, payments and variations	Strongly disagree	01	2.6	2.77	.777
	Disagree	14	35.9		
	Agree	17	43.6		
	Strongly agree	07	17.9		

Source: Primary data

Results from table 4.26 shows that 61.5% respondents agreed that review meetings are held to discuss the suppliers performance compliance levels, performance metrics payments and variations compared to 38.5% who disagreed. This was in line with the mean value 2.77 which also showed that respondents agreed with the contract managers hold review meetings to discuss performance. The standard deviation 0.777 showed that respondents had similar views and opinions. The interview guided that they rarely hold meetings to discuss the supplier performance compliance levels, payments and variations.

Table 4.28 Joint inspection

Indicators of contract completion	Scale	Frequency	Percentage	Mean	Std. Dev
A joint inspection to carry out comprehensive checks done to confirm completion	Strongly disagree	02	5.1	3.08	.807
	Disagree	05	12.8		
	Agree	20	51.3		
	Strongly agree	12	30.8		

Source: Primary data

Respondents agreed that a joint compliance to carry out comprehensive checks is done to confirm completion 82.1% compared to 17.9% who disagreed. This was in line with the mean value 3.08 which also showed that respondents agreed with the joint compliance to carry out comprehensive checks. The standard deviation 0.807 showed that respondents had similar views and opinions. During the interviews one of the respondents said...

“indeed the audit department is invited to inspect the deliveries if they are according to the terms and conditions of the order”

This helped to note that goods, works or service are checked and inspected jointly apart from very small contracts say emergency contracts.

Table 4.29 Rectification of defects

Indicators of contract completion	Scale	Frequency	Percentage	Mean	Std. Dev
Any defects or omission agreed as a result of inspection are rectified as soon as possible	Strongly disagree	00	00	3.26	.637
	Disagree	04	10.3		
	Agree	21	53.8		
	Strongly agree	14	35.9		

Source: Primary data

Respondents 89.7% agreed that any defects and omission agreed as a result of inspection is rectified as soon as possible compared to 10.3% who disagreed. This was in line with the mean value 3.26 which also showed that respondents agreed with the inspections to rectify the defects. The standard deviation 0.637 showed that respondents had similar views and opinions. During the interview one of the respondents had this to say..

“the inspection and testing before receive goods into the stores and the provider is requested to replace the defects within the period stated in the contract but other providers do not replace and prefer to make partial contract”.

Table 4.30 Reconciliation of payments

Indicators of contract completion	Scale	Frequency	Percentage	Mean	Std. Dev
Payments are reconciled against contract terms e.g. stage payments linked to specific deliverables and advance payments where applicable	Strongly disagree	01	2.6	3.15	.745
	Disagree	05	12.8		
	Agree	20	51.3		
	Strongly agree	13	33.3		

Source: Primary data

Over 84.6% of the respondents agreed that payment are reconciled against terms, for instance stage payments linked to specific deliverables and advance payments where applicable compared to 15.4% who disagreed. This was in line with the mean value 3.15 which also showed that respondents agreed with the contract managers reconciling payments against terms. The standard deviation 0.745 showed that respondents had similar views and opinions. From the interviews the payments are made when the suppliers submit their invoices without the knowledge of the contract manager.

Table 4.31 Issue of completion certificates

Indicators of contract completion	Scale	Frequency	Percentage	Mean	Std. Dev
Contract manager issues a completion certificate and payment is made	Strongly disagree	01	2.6	3.28	.647
	Disagree	01	2.6		
	Agree	23	59.0		
	Strongly agree	14	35.9		

Source: Primary data

In addition, respondents agreed that contract managers issue a completion certificate and payment is made 94.9% compared to 5.2% who disagreed. This was in line with the mean

value 3.28 which also showed that respondents agreed with the contract managers issuing a complete certificate before payments are made. The standard deviation 0.647 showed that respondents had similar views and opinions. On observation emergency procurements completion certificates are not issued.

Table 4.32 Warranty, Retention or Defective liability periods

Indicators of contract completion	Scale	Frequency	Percentage	Mean	Std. Dev
Any actions necessary under the warranty, retention or defect liability period are managed by supplier	Strongly disagree	03	7.9	2.79	.875
	Disagree	10	26.3		
	Agree	17	44.7		
	Strongly agree	08	21.1		

Source: Primary Data

Respondents 65.8% agreed that any actions necessary under the warranty, retention or defect liability period are managed by the supplier compared to 34.2% who disagreed. This was in line with the mean value 2.79 which also showed that respondents agreed with any action necessary under the warranty. The standard deviation 0.807 showed that respondents had similar views and opinions. On observation, it was noted that suppliers are not responsible they tend to ignore the warranty period since they had been paid especially for small contracts and for high value contracts for works the retention fee is considered. Also the service contracts do not require the warranty, retention or defects.

Table 4.33 Issue of final completion certificate

Indicators of contract completion	Scale	Frequency	Percentage	Mean	Std. Dev
A final certificate issued at the end of the defect liability period as evidence that the work is satisfactory completed and final payment made	Strongly disagree	02	5.1	2.97	.843
	Disagree	08	20.5		
	Agree	18	46.2		
	Strongly agree	11	28.2		

Source: Primary data

Respondents 74.4% agreed that a final certificate is issued at the end of the defect liability period as evidence that the work is satisfactorily been completed and final payment made compared to 25.6% who disagreed. This was in line with the mean value 2.97 which also showed that respondents agreed with the issuing of a copy of signed contract to the contract managers. The standard deviation 0.843 showed that respondents had similar views and opinions. On observation final certificates are issued on completion of the performance of a contract.

Table 4.34 Record keeping

All contract management records are kept to manage hand over acceptance procedures	Strongly disagree	00	00	3.56	.641
	Disagree	03	7.7		
	Agree	11	28.2		
	Strongly agree	25	64.1		

Source: primary Data

Respondents 92.3% agreed that contract management records are kept and manage hand over acceptance procedures compared to 7.7% who disagree. However during interviews it was revealed that record keeping is not proper, different contract documents like contract progress reports are kept by different departments.

The highest mean value was on the item “All contract management records are kept to manage hand over acceptance procedures mean = 3.56 and lowest mean was on the item. Review of meetings are held to discuss the supplier performance compliance levels; performance matrices, payments and variations mean = 2.77. The mean standards deviations on all items were low suggesting that respondents had similar views and opinions about contract completion.

4.3.1.2 Objective Two

The second objective of the study was to determine the level of service standards. Level of service standards was operationalized into nine quantitative items on which respondents were requested to do self-rating basing on Likert scale ranging from one which represented strongly disagree, two represented disagree, three represented agree and four represented strongly agree.

Distribution of respondents on level of service standards.

Table 4.35 Originality of Level of Service standards

Indicators of service delivery	Scale	Frequency	Percentage	Mean	Std. Dev
The quality of service delivery standards originates from effective management of contractors	Strongly disagree	00	00	3.31	.521
	Disagree	01	2.6		
	Agree	25	64.1		
	Strongly agree	13	33.3		

Source: Primary data

Respondents 97.4% agreed that the quality of service delivery standards originate from effective management of contractors compared to 2.6% who disagreed. This was in line with the mean value 3.31 which also showed that respondents agreed with the quality of service originating from effective management of contractors. The standard deviation 0.521 showed that respondents had similar views and opinions. On observation respondent might not have understood the question.

Table 4.36 Service levels

Indicators of service delivery	Scale	Frequency	Percentage	Mean	Std. Dev
Service levels are in place and understood by the supplier and monitored by the contract management and users	Strongly disagree	00	00	3.00	.658
	Disagree	08	21.1		
	Agree	22	57.9		
	Strongly agree	08	21.1		

Source: Primary data

Respondents 79% agreed that service levels are in place and understood by the supplier and monitored by the contract manager compared to 21.1% who disagreed. This was in line with the mean value 3.00 which also showed that respondents agreed with service levels are in place. The standard deviation 0.658 showed that respondents had similar views and opinions. I observed that employees who have been with the company for less than 5 years had not yet realized the service levels of the organization.

Table 4.37 Infrastructure control measures

Indicators of service delivery	Scale	Frequency	Percentage	Mean	Std. Dev
There is a conducive infrastructure control measure to ensure on time delivery to test the quality, to ascertain quantity delivered and what has been accepted is paid for	Strongly disagree	02	5.1	2.74	.677
	Disagree	09	23.1		
	Agree	25	64.1		
	Strongly agree	03	7.7		

Source: Primary data

Over 71.8% agreed that there is a proper infrastructure and control measure to ensure on-time delivery, to test the quality, to ascertain quantity delivered while 28% disagreed. This was in line with the mean value 2.74 which also showed that respondents agreed with the control measure infrastructure. The standard deviation 0.677 showed that respondents had similar views and opinions. On observation some new employees are not aware of the quality standards and control measure.

Table 4.38 Rejections of poor quality

Indicators of service delivery standards	Scale	Frequency	Percentage	Mean	Std. Dev
Users do reject poor quality goods services or works	Strongly disagree	03	7.7	2.66	.847
	Disagree	09	23.1		
	Agree	18	46.2		

	Strongly agree	09	23.1		
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Source: Primary data

69.3% of the respondents agreed that users do reject poor quality goods and services or works compared to 30.8% who disagreed. This was in line with the mean value 2.66 which also showed that respondents agreed with the contract managers rejecting poor quality goods and services or works. The standard deviation 0.847 showed that respondents had similar views and opinions. On interviewing some users revealed...

“they do not reject the items since they had been accepted in stores and probably paid for that there is no need so they continue using the items”.

Table 4.39 Replacement of defective items

Indicators of service delivery standards	Scale	Frequency	Percentage	Mean	Std. Dev
Providers do replace defective items on inspection/ testing	Strongly disagree	01	2.6	3.26	.785
	Disagree	05	12.8		
	Agree	16	41.0		
	Strongly agree	17	43.6		

Source: Primary data

Respondents 84.6% agreed that suppliers/ providers do replace defective items on inspecting testing them compared to 15.4% who disagreed. This was in line with the mean value 3.26 which also showed that respondents agreed with the provider replacing defective items on inspection. The standard deviation 0.785 showed that respondents had similar views and opinions. During the interviews carried out the respondents said..

“defective items are rejected there and then and the supplier replaces them before payment is made and that if the clause for defective liabilities was not provided for in the contract originally, the supplier cannot replace since there is no penalty attached although it was his obligation to meet the contract conditions”.

Table: 4.40 Action on non-performance

Indicators of service delivery standards	Scale	Frequency	Percentage	Mean	Std. Dev
Action is taken on non-	Strongly	02	5.1		

performance as per contract terms and conditions	disagree			2.77	.842
	Disagree	13	33.3		
	Agree	16	41.0		
	Strongly agree	08	20.5		

Source: Primary data

Respondents 61.5% agreed that action is taken on non-performance as per contract terms and conditions compared to 38.4% who disagreed. This was in line with the mean value 2.77 which also showed that respondents agreed with the action taken on non performance. The standard deviation 0.842 showed that respondents had similar views and opinions. From the interviews the respondents revealed that no action is taken on non-performance apart from telling the provider to replace the defective items or repairs the damaged ones. The providers are not penalized through liquidity damages since the cases are not reported in writing.

Table 4.41 Systems of identifying and management of risks

Indicators of service delivery standards	Scale	Frequency	Percentage	Mean	Std. Dev
There is a system to identify and manage risks under the contract	Strongly disagree	02	5.3	2.50	.762
	Disagree	19	50.0		
	Agree	13	34.2		
	Strongly agree	04	10.5		

Source: Primary data

55.3% of the respondents agreed that there is a system to identify and manage risks under contract compared to 44.7% who disagreed. This was in line with the mean value 2.50 which also showed that respondents agreed with the system to identify and manage risks under contract. The standard deviation 0.762 showed that respondents had similar views and opinions. During the interviews one of the respondents said

“there is no system to identify and manager risks for small value contracts however there is a system for projects”.

Table 4.42 Compliance

Indicators of service delivery standards	Scale	Frequency	Percentage	Mean	Std. Dev
There is compliance with entity procurement policy and legislative guidelines while maintaining a constructive working relationship with supplier	Strongly disagree	02	5.3	3.11	.798
	Disagree	04	10.5		
	Agree	20	52.6		
	Strongly agree	12	31.6		

Source: Primary data

Finally 84.2% of the respondents agreed that there is compliance with entity procurement and legislative guidelines while maintaining a constructive working relationship with supplier compared to 15.8% who disagreed. This was in line with the mean value 3.11 which also showed that respondents agreed with the compliance with entity procurement guidelines. The standard deviation 0.798 showed that respondents had similar views and opinions. It was observed that most funded projects do not follow the domestic procurement legislative guideline. The donors encourage competitive dialogue bidding for value for money while the domestic regulations do not allow as it is against her principle of non-discrimination. The standard deviations were low suggesting that the respondents had similar views and opinions about service delivery.

4.3.2 Inferential Results

4.3.2.1 Objective Three

The third objective of the study was to examine the contract management in relation with service delivery standards in UETCL. To test this objective the two variables were related using Pearson correlation co-efficient as in Table 4.43:

Table 4.43: Pearson’s correlation coefficient index between contract practices on service delivery

		Contract practices	Service delivery
Contract practices	Pearson correlation	1	.692**
	Sig (2-tailed)		.000
	N	36	34
Service delivery	Pearson correlation	.692**	1
	Sig (2-tailed)	.000	
	N	34	36

**correlation is significant at the 0.01 level 2-tailed

Table 4.43 shows Pearson’s correlation coefficient index between contract practices and service delivery $r = .692^{**}$ sig = .000 less than 0.05 showing that contract practices have a highly positive significant relationship on service delivery in Uganda Electricity Transmission Limited.

Contract Management practices are categorized into contract mobilization, contract monitoring, performance management and completion.

4.3.2.1.1 Contract mobilization

Contract mobilization was divided into three items

Table 4.44 The quality of service delivery standard originates from effective management of contracts

Scale	Frequency	Percent	Mean	Std.Dev
Strongly disagree	01	2.5	3.30	.516
Disagree	26	65.0		
Agree	13	32.5		
Strongly agree	00	00		

Total	40	100.0		
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Source: Primary data

Respondents 67.5% disagreed that the quality of service delivery standard originates from effective management of contracts compared to 32.5% who agreed. From interview guidance, those agreed are the employees who have been with the organization for longer period of time that is they are experienced and handled big projects. They are highly skilled and wide knowledge in contracting.

Table 4.45 Contract mobilizations ensures that the cost of requirements is not higher than expected

Scale	Frequency	Percent	Mean	Std.Dev
Strongly disagree	01	2.5	2.95	0.714
Disagree	08	20.0		
Agree	23	54.5		
Strongly agree	08	20.0		
Total	40	100.0		

Source: Primary data

Respondents 74.5% agreed that contract mobilization ensures that costs of the contracts are not higher than expected compared to 22.5% who disagreed. From the observations those who disagreed are those who have handled small contract and not often involved in the contracting process and also the variations to the contracts make the original contract increase. The mean value 2.95 is close to three yet standard deviation 0.714 suggests similarity of views from respondents.

Table 4.46 Contract mobilization ensures that provider meets buyers' standards

Scale	Frequency	Percent	Mean	Std.Dev
Strongly disagree	02	5.0	2.75	.676
Disagree	09	22.5		
Agree	26	65.0		
Strongly agree	03	7.5		

Total	40	100.0		
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Source: Primary data

Respondents 72.5% agreed that contract mobilization ensures that provider meets buyers standards of delivery that agreed quality compared to 27.5% who disagreed. The findings from the interview guide indicate that the respondents who differed were the ones who handled local purchase orders where the requirements are not detailed. The standard deviation .864 showed similarity of views and opinions.

4.3.2.1.2 Contract Monitoring

Contract monitoring was divided into three quantitative items on which respondents were requested to rate themselves. The results are provided in the next tables below;

Contract monitoring focus on collecting and analyzing information to provide assurance to the buyer that progress is being made in line with agreed time lines and providing the contract quality, quality and cost.

Table 4.47 Contract monitoring focus

Scale	Frequency	Percent	Mean	Std. Dev
Strongly disagree	03	7.5	2.85	.864
Disagree	09	22.5		
Agree	19	47.5		
Strongly agree	09	22.5		
Total	40	100.0		

Source: Primary data

Respondents 70% agreed that contract monitoring focuses on collecting and analyzing information to provide assurance to the buyer that progress is being made in line with the agreed timelines and providing the contract quality quantity and cost compared to 30% who disagreed. From the interview response received, indicated that contracts of quick delivery or performance period say four weeks are not closely monitored. This meant that timelines

are followed in contract monitoring. This was in line with mean = 2.70 which also showed that respondents agreed this item. The low standard deviation .853 suggested that respondents had similar views and opinions on the same item.

Table 4.45 Monitoring the provider by holding progress meeting and reporting the deliveries are made within timelines and the right quality and quantity at the right cost without additional costs from variations.

Table 4.48 monitoring the provider

Scale	Frequency	Percent	Mean	Std.Dev
Strongly disagree	01	2.5	2.70	.853
Disagree	19	47.5		
Agree	11	27.5		
Strongly agree	09	22.5		
Total	40	100.0		

Source: Primary data

50% respondents disagreed and 50% agreed that monitoring the provider by holding progress meetings and reporting the deliveries are made with time lines and the right quality and quantity at the right cost without additional cost from variations were equal each with 50%. This tallied with the mean value 2.50 which showed that there was equal distribution of views. The standard deviation 0.853 meant that respondents had similar views and opinions on this item. Those who disagreed are those respondents who manage small contracts while those who agreed are those who handle big complex projects.

Table 4.49 Contract monitoring ensures that service level agreement lead the provider in balancing quality of services or goods with the best value of money.

Scale	Frequency	Percent	Mean	Std.Dev
Strongly disagree	01	2.5	3.25	.775
Disagree	05	12.5		
Agree	17	42.5		

Strongly agree	17	42.5		
Total	40	100.0		

Source: Primary data

Results from table 4.49 shows that most of the respondents agreed that contract monitoring ensures that service level agreement lead the provider in balancing cost and quality of services or goods with best value for many 85% compared to 15% who disagreed. This suggests that service providers ensure that they balance services or good with the best value of money. This tallied with the mean value 3.25, the standard deviation 0.76 suggested agreement of views from one respondent to another to get a general view on service delivery all the four elements of contract mobilization monitoring, performance management and contract completion were aggregated into one unit variable service delivery.

To find out how service delivery related with contract mobilization, the two variables were related using Pearson's correlation coefficient index as in table 4.50

Table 4.50 Pearson's correlation coefficient index between service delivery and contract mobilization

		Service delivery	Contract mobilization
Service delivery	Pearson correlation	1	0.366
	Sig. 2-tailed		0.333
	N	40	40
Contract mobilization	Pearson correlation	0.366	1
	Sig. 2-tailed	0.333	
	N	40	40

Source: Primary data

Table 4.50 shows Pearson's correlation index between contract mobilization and service delivery

$r = 0.366$, $\text{Sig} = 0.333$. This suggests an insignificant correlation between contract mobilization and service delivery at the five percent level 2-tailed. This implied that contract mobilization does not in any way affect service delivery of UETCL.

Table 4.51 Pearson correlation coefficient index between service delivery and monitoring

		Service delivery	Contract monitoring
Service delivery	Pearson correlation Sig. 2-tailed N	1 40	0.595** 0.003 40
Contract monitoring	Pearson correlation Sig. 2-tailed N	0.595** 0.003 40	1 40

Source: SPSS Output

Table 4.51 shows Pearson's correlation coefficient index between contract monitoring and service delivery $r = 0.595^{**}$ Sig = 0.003 less than 0.05. This showed that there is a positive significant relationship between contract monitoring and service delivery at the five percent level. It shows that contract monitoring is influential in ensuring quality service delivery.

4.3.2.1.3 Performance Assessment

Table 4.52 Pearson's correlation co-efficient index between performance assessment and service delivery

		Service delivery	Performance assessment
Service delivery	Pearson correlation Sig. 2-tailed N	1 40	0.589** 0.003 40
Performance assessment	Pearson correlation Sig. 2-tailed N	0.589** .003 40	1 39

Source: SPSS Output

Results from table 4.52 showed Pearson's correlation coefficient index between service delivery and performance management $r = 0.589^{**}$ Sig = 0.003 Less than 0.05. This showed a highly positive significant relationship between service delivery and performance

assessment at the five percent level. This implied that performance assessment determines much the extent to which service delivery improves.

4.3.2.1.4 Contract Completion

Table 4.53 Pearson’s correlation coefficient showing relationship between service delivery and contract completion

		Service delivery	Contract completion
Service delivery	Pearson correlation	1	.205
	Sig. 2-tailed		.570
	N	40	40
Contract completion	Pearson correlation	.205	1
	Sig. 2-tailed	.570	
	N	40	39

Source: SPSS Output

Table 4.53 shows Pearson’s correlation coefficient index between contract completion and service delivery $r = .205$ sig. = .570 greater than 0.05 thus there is an insignificant relationship between contract completion and service delivery at the five percent level. It implies further that contract completion does not in any way impact on the service delivery in UETCL.

However to find out which of the four contact management practices and processes had a greater significance on service delivery, a regression analysis was done. Results there from are presented in the next tables

4.54 Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.816	.795		2.285	.084
Contract mobilization	.250	.176	.275	1.421	.228
Contract monitoring	.355	.156	.461	2.274	.015
Performance	-.353	.122	-.566	-2.885	.045

assessment					
Contract completion	.157	.103	.288	1.525	.202

a Dependent Variable: Service delivery

Source: SPSS Out put

From the regression analysis done it was found out that contract monitoring had a positive significant relationship sig. = .015, it was followed by performance management sig. = .045. Therefore contract monitoring is statistically more significantly on service delivery followed by contract performance. However the rest of the variables are not statistically insignificant with service delivery that is contract mobilization and contract completion.

It was also found that performance assessment had a negative standard coefficient amongst all the other practices. Statistically it negatively affects service delivery. On interviewing the head of user departments said that there mobilization is normally done for high value and complex projects whereby there are kick off meeting are organized where the provider and the organization contract management team meet to discuss the work plan and the way forward of implementing the contract. While contract monitoring and performance assessment are routine practices for all contracts.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of the findings that were obtained in the study, conclusions that were drawn recommendation based on results and suggesting areas for further research.

5.2 Discussion

This section presents the discussion of the findings obtained on the study which were presented according to the objectives of the study one by one. The discussed findings were empirically got from the field using a self- administered questionnaire and interview guide.

5.2.1 Examining contract management practices in UETCL

The finding established that the contract management practices were properly done involving contract mobilization, contract monitoring, performance assessment and contract completion among others which were effectively managed in Uganda Electricity Transmission Limited. The findings agreed with the CBI (2006) report that the successful contract mobilization ensures that the building blocks for a successful contract are created. However, the observed difference which can be explained by the fact that negative response on resources and structures, development of clear contract management plan, appointment of contract manager for each contract, issued copy of contract and appointment of contract management team is that only high value and complex contracts do require them. Furthermore, the findings indicated disagreement on completion of form 60 for monitoring, performance bonds and

advance payments guarantees, early warnings to providers, mechanism for identifying key contract trigger points, reporting lines, monitoring information, capturing feedback ,changes in the requirements. This result may be explained that small and non-complex contracts do not require those and most times contract managers are not appointed to monitor them. These findings are in agreement with Combridgeshire county council report (2009), whose approach depended on the nature of contract that is the greater the value the more attention, time and resources are allocated. These findings concurred with Taylor (2009), OGC (2008) report, CIPS (2006), Industry capability network report (2010) and regulations 260(1)PPDA Act 1 2003. According to Cambridge shire country council report (2010), the most renowned benefit of contract management is the reduction of costs if the correct process and practices are being followed that is the effective and efficient operation.

In conclusion the contract management practices are effectively managed in Uganda Electricity Transmission Company Limited.

5.2.2 Determining the level of service standards in UETCL

The findings of the study showed that the quality of services offered are of a good quality and fit the regulatory standards. These findings concurred with OGC (2009) report, the public service standards (2010) and Taylor (2009) who commended that the successful contract management where the arrangements for service delivery management continue to be satisfactory to both buyer and provider, the relationship between cost and quality is optimized. However some of the results indicate disagreements on the availability of service levels, conductive infrastructure control measures on service indicators, performance, defect liabilities and system to identify risks and the difference could be explained that some employees have not been sensitized about the organization service standards especially those

who have been with the organization for a short while. This is contrary to the OGC (2008) report that people handling contracts should have detailed knowledge of the contract, general commercial awareness and expertise and other relevant issues such as service levels. In conclusion the service standards offered in Uganda Electricity Transmission Limited is of quality.

5.2.3 Examining the impact of contract management on service delivery.

The findings established that contract management practices; contract monitoring and performance assessment have a positive significant relationship on service delivery in Uganda Electricity Transmission Limited. However contract completion and contract mobilization had an insignificant relationship with service delivery in UECTL. These findings concurred with those of (OGC 2010).

Prior studies like CBI(2009) reported that contract mobilization ensures the building blocks for a successful contract created contrary to the findings.

In conclusion, contract management practices that are contract monitoring and performance assessment have a positive significant relation on service delivery in Uganda Electricity Transmission Limited. However it was concluded that contract completion and contract mobilization have an insignificant relationship with service delivery.

5.3 Summary

The study established a number of findings, the summary of findings are outlined here under; The study was based on contract management practices which included contract mobilization contract monitoring, performance assessment and contract completion and level of service standards.

The study established that the relationship between contract management and service delivery in UETCL was positive and significant.

Examining contract management practices in UETCL

In this study, contract mobilization, contract monitoring, performance assessment and contract completion were found to be effectively done in UETCL especially for large projects. The means values were all ranging in 3 with the highest = 3.18 and lowest = 2.79 meaning that the respondents supported that contract management practices were effectively followed. The standard deviations in all items were low ranging from 0.63 to 0.97 suggesting that respondents had similar views on contract management process and practices in UETCL.

Determining the level of service standards in UETCL

Respondents 97.4% agreed that the quality of service delivery standards originate from effective management of contractors compared to 2.6% who disagreed. This implied effective contractors yield quality service standards respondents 79% agreed that service levels are in place and understood by the supplier and monitored by the contract manager compared to 21.1% who disagreed. This showed that the services are clear to all and monitored by all stakeholders. Over 71.8% agreed that there is a conducive infrastructure and control measure to ensure on-time delivery, to test the quality, to ascertain quantity delivered and has been accepted and paid for. In addition 69.3% of the respondents agreed that users do reject poor quality goods and services or works compared to 30.8% who disagreed. This showed that quality services are provided since users reject poor quality services. Respondents however disagreed that users do report on poor service delivery in writing 52.6% compared to 47.4% who agreed. This suggested that poor quality services might be verbally reported making it hard to follow up. Respondents 84.6% agreed that suppliers/

providers do replace defective items on inspecting testing them compared to 15.4% who disagreed. This implied that suppliers have to provide quality services to avoid double supply. In addition respondents 61.5% agreed that action is taken on non-performance as per contract terms and conditions compared to 38.4% who disagreed. This implied that non-performance according to conditions is acted over 55.3% of the respondents agreed that there is a system to identify and manage risks under contract compared to 44.7% who disagreed. This showed that risks are identified and managed according to contract in Uganda Electricity Transmission Limited. Finally 84.2% of the respondents agreed that there is compliance with entity procurement policy and legislative guidelines while maintaining a constructive working relationship with supplier compared to 15.8% who disagreed. The percentages on the whole suggest that the quality of services offered in Uganda Electricity Transmission Limited is better. The mean values suggested that the quality of services is good. The standard deviations were low suggesting that the respondents had similar views and opinions about service delivery. To get a general view of how respondents rated on service delivery standards.

Examining the impact of contract management on service delivery

The results of this study indicate that the correlation coefficient index between contract practices on service delivery is $r=0.692$ and $\text{sig}=0.000$ less than 0.05 of which contract mobilization and contract completion $\text{sig}=0.333$ and 0.570 respectively which is more than 0.05 meaning that they have insignificant correlation that no relation to service delivery statically. While Contract monitoring and performance assessment with $\text{sig}=0.003$ which is less than $\text{sig} 0.05$. This shows that they a positive relationship with the service delivery UETCL. The findings of the study supports the ideas of Taylor (2009) contract monitoring

and assessment should be set out and agreed on and action that would result from non-performance. That they be undertaken throughout the life of the contract and for all contracts whether straightforward or complex. Taylor further pointed out that monitoring and assessment ensures that standards and targets are met on time and within budget. The information from contract monitoring and performance assessment used to keep management and stakeholders informed regarding contract progress and if there are identified shortcomings actions are taken promptly thus foundation for the successful contract management in order to obtain value for money.

Another important finding was that from the regression analysis done contract mobilization and contract completion had $\text{sig}=0.228$ and 0.202 respectively which are greater than the statically benchmark of $\text{sig}= 0.05$ meaning that they insignificant no impact on service delivery. While Contract mobilization and performance assessment had $\text{sig}=0.015$ and 0.045 respectively which are less than the benchmark $\text{sig}=0.05$. This means that they are positively significant on service delivery and they do have an impact.

Surprisingly, performance assessment was found with a standard coefficient of -0.566 which is a negative meaning that it negatively impacts on the service delivery. The possible explanation for this might be that performance problems have been identified and they are not discussed with the service provider in a professional manner as soon as possible. It gives rise to the ongoing negative impact on the relationship between the customer and the service provider. However, this result has not previously been described.

5.1 Conclusion

From the above discussion the following conclusions were made following objectives of the study.

On examining contract management practices in UETCL it was concluded that the better managed the contract management practices including contract mobilization, contract monitoring, the better the performance assessment and contract completion in UETCL especially for large projects.

Likewise on determining the level of service standards in UETCL it was concluded that the level of service standard ensures that they define what services will be needed that service level do ensure contract monitoring and performance assessment of the progress that relates to targets and standards which balance cost and quality of the services in order to provide the customer with satisfaction and thus value for money is obtained.

Finally on examining the impact of contract management on service delivery it was concluded that contract management practices do have a positive impact on service delivery. It was however, concluded that contract monitoring has the highest influence on the service delivery followed by the performance assessment at UETCL.

5.2 Recommendations

The findings of the study showed that there is great need for the organization to improve service delivery through effective contract management practices as described by the respondents on the contributions of contract management to service delivery. Although contract management practice and level of service standards may not be the only contributing factors to service delivery. It is imperative If service delivery is to be improved in UETCL, the Management and stakeholders like the Ministry of Finance, Planning and economic development and Ministry of Energy and nature resources should do the following;

Contract management practices must be enhances through data collection systems to ease access to contract information and clear benchmarks to check supplier performance based on

contract terms. UETCL should develop a contract management manual which states the procedures to guide the procurement officers in contract management practices to minimize the weakness that impact on service delivery.

A performance management framework be established that would provide a comprehensive framework with agreed targets for the providers to meet.

In light from the above, below are the recommendations suggested;

- To strengthen contract monitoring and performance management structures and resources should be in place properly such that the right people with appropriate skills and balanced teams especially for high and complex projects are brought together to draw up contract management and suppliers plans. This is to specify the key milestones, timelines and delivery points all of which are monitored and evaluated.
- To strengthen the feedback and communication mechanisms that ensure regular and routine feedback to suppliers by collecting and analyzing information to provide assurance that progress is being made in line with agreed timeframes and towards providing the contract deliverables. Therefore a contract management data collection systems or processes need to be established ease access to contract information and clear benchmarks to check supplier performance based on contract terms.
- The government develops a procurement and supplies policy in line with the legal framework of PPDA Act 2003. This to include among the other, the contract management manual and procedures to guide the procurement officers in contract management practices to minimize the weakness that may impact on service delivery
- A performance management framework should be established that provides a comprehensive framework with agreed targets for the providers to meet, a regular

review meeting schedules, key performance indicators, contract manager's incentives and terminations provisions in the event of poor performance.

5.3 Further areas of research

This study was conducted in UETCL and had a limited scope, although carried out systematically.

Other studies should be done on it either in the same organization or in different organization in order to test the relevance of the research questions.

The researcher suggests the use of different data collection instruments to be employed by another researcher so as to relate the findings and overcome the weakness in this one.

This study was centered on contract management and service delivery, however there are other factors impacting on service delivery in UECTL like ethical business conduct and conflict of interest, managing contract disputes, managing relationships, contract management roles and responsibilities and managing contract variations. These need serious research by other researchers to show how they relate with service delivery

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THE APPENDICES

RESEARCH QUESTIONNAIRE

CONTRACT MANAGEMENT AND SERVICE DELIVERY IN PUBLIC SECTOR IN UGANDA

Dear Sir/Madam,

This questionnaire has been developed to carrying out research on Contract Management and Service Delivery in Public Sector in Uganda.

Please spare some few minutes out of your busy schedule to fill the questionnaire. The information required is for academic purposes only and it will be treated with utmost confidentiality.

SECTION A: Demographic Information

1) Your position within Procurement cycle relates to:	Contracts Committee <input type="checkbox"/>
	User Department <input type="checkbox"/>
	Procurement & Disposal Unit <input type="checkbox"/>
	Contract Manager <input type="checkbox"/>
	Others <input type="checkbox"/>
2) Years working with the Organization:	1-2 <input type="checkbox"/> 3-5 <input type="checkbox"/> 5-10 <input type="checkbox"/> Above 10 <input type="checkbox"/>
Highest Level of Education:	A-level <input type="checkbox"/> Diploma <input type="checkbox"/> Degree <input type="checkbox"/>
	Post graduate <input type="checkbox"/> Others specify.....

For all the sections that follow, please tick against the appropriated key in the boxes provided below according to their rankings:

Key: SD= Strongly disagree (1 points);D= Disagree (2points);

A= Agree (3points); SA= Strongly Agree (4point)

SECTION B Contract Management process and Practices					
This section has been prepared to tract information relating to contract process and practices					
Part 1 Contract Mobilization		SD	D	A	SA
1	There are structures are put in place to manage contracts	1	2	3	4
2	The entity identifies and defines processes and a clear contract management plan with a focus on deliverables and milestones to performance	1	2	3	4
3	Resources are assigned to ensure appropriate time and attention is paid for effective contract management	1	2	3	4
4	Contract file are maintained and updated, with all on going correspondences according to PPDA regulations	1	2	3	4
5	A user department appoints an existing member of staff with appropriate skills and experience as a contract managers for each contract	1	2	3	4
6	A copy of a signed contract is issued to the contract manager together with the appointment letter	1	2	3	4
7	User department appoints a member of staff of another user department with the appropriate skills and experience if none of his staff do not qualify	1	2	3	4
8	Contract Management team is appointed for complex large projects	1	2	3	4
Part 2 Contract Monitoring					
1	The contract manager completes a contract implementation plan- form 60 for monitoring the contract progress on key dates of milestones and deliverables.	1	2	3	4
2	Contract manager obtaining performance bonds and advance payment guarantee from provider on contract commencement in accordance with the terms and conditions of a contract	1	2	3	4
3	Contract manager ensures that there is adequate cost, quality and time control of the contract	1	2	3	4
4	Contract manager is aware of any signs of potential under performance and address them before they become serious to avoid the problem	1	2	3	4

	worsening				
5	Provider is given the early warning such that issues are resolved in performing contractual obligations at low costs and with minimal disruption	1	2	3	4
6	There is a mechanism in place for identifying key contract trigger points such as notice periods and completion dates and closure.	1	2	3	4
7	Reporting lines and performance are managed through reviews and appraisals	1	2	3	4
8	Variation have repercussion on time, cost and quality	1	2	3	4
9	The information provided by the supplier for monitoring purposes is reviewed and audited to ensure accuracy and reliability	1	2	3	4
10	Information can be tested by capturing feedback from end users regarding the quality of the goods and services received	1	2	3	4
11	Changes in the user requirements are captured and considered as part of formal changes.	1	2	3	4
12	Record keeping is good and contract are accessible when required	1	2	3	4
Part 3 Performance management					
1	Contract manager and the provider understand well the contract and the services or goods required to be deliver in line with the contract	1	2	3	4
2	Performance indicators and standards for monitoring focus on agreed timeframes, required quality, and user satisfaction guaranteed	1	2	3	4
3	There is an established and maintained open and a constructive relationship with the supplier and have regular communication	1	2	3	4
Part 4 Contract Completion					
1	Review meetings are held to discuss the suppliers' performance ;compliance levels, performance metrics, payments and variations	1	2	3	4
2	A joint inspection to carry a comprehensive check is done to confirm completion	1	2	3	4
3	Any defects or omission agreed as a result of inspection are rectified as	1	2	3	4

	soon as possible				
4	Payments are reconciles against contract terms eg. Stage payments linked to specific deliverables and advance payment where applicable	1	2	3	4
5	Contract manager issues a completion certificate and payment is made	1	2	3	4
6	Any actions necessary under the warranty, retention or defect liability period are managed by supplier.	1	2	3	4
7	A final certificate issued at the end of the defect liability period as evidence that the work is satisfactorily been completed and final payment is made	1	2	3	4
8	All contract management records are kept to manage handover acceptance procedures	1	2	3	4
SECTION C Level of Service Standards					
This section has been designed to capture information related to the Level of service standard					
1	The quality of level of service standard originates from effective management of contracts	1	2	3	4
2	Service levels are in place and understood by the supplier and monitored by the contract manager and end users	1	2	3	4
3	There is a conducive infrastructure and control measure to ensure on-time delivery, to test the quality, to ascertain quantity delivered and what has been accepted is paid for.	1	2	3	4
4	Users do reject poor quality goods, services or works.	1	2	3	4
5	Users do report on poor service delivery in writing.	1	2	3	4
6	Suppliers /Providers do replace defective items on inspection/testing	1	2	3	4
7	Action is taken on non- performance as per contract terms and conditions.	1	2	3	4
8	There is a system to identify and manage risks under the contract	1	2	3	4
SECTION D This section has been designed to capture information related to relationship between contract management and service delivery					
Contract mobilization					

1	The level of service delivery standard originates from effective management of contracts	1	2	3	4
2	Contract mobilization ensures that the costs of the requirement are not higher than expected	1	2	3	4
3	Contract mobilization ensures that provider meets buyer's standards of delivering the agreed quality.	1	2	3	4
C2	Contract Monitoring				
1	Contract monitoring focus on collecting and analyzing information to provide assurance to the buyer that progress is being made in line with the agreed timelines and providing the contract quality, quantity and cost.	1	2	3	4
2	Monitoring the provider by holding progress meetings and reporting the deliveries are made within timelines and the right quality and quantity at the right cost without additional costs from variations	1	2	3	4
3	Contract monitoring ensures that service level agreements lead the provider in balancing cost and quality of services or goods with the best value for money	1	2	3	4
C3	Performance Management				
1	Performance management infrastructure and control measure ensures on-time delivery, to test the quality, to ascertain quantity delivered and what has been accepted is paid for.	1	2	3	4
2	Performance management review meetings ensures Provider and buyer aim at meeting the time lines, cost, quality and quantities of the contract	1	2	3	4
3	Action is taken on non- performance as per contract terms and conditions.	1	2	3	4
C4	Contract completion				
1	On contract completion the provider ensures that he meets the delivery obligation of adequate cost, quality, quantity and time control	1	2	3	4
2	Suppliers /Providers do replace defective items on inspection/testing	1	2	3	4
C5	Government Policy and regulations				
1	There is compliance with entity procurement policy and legislative	1	2	3	4

	guidelines while maintaining a constructive working relationship with supplier				
2	Government regulations and guide lines prolongs the process time lines and costs high	1	2	3	4

Thank you so much for sparing time to respond to this questionnaire.

INTERVIEW GUIDE TO THE CONTRACT MANAGERS

1. Do you follow any specific process while managing contracts in this entity?
2. Are you satisfied with the terms and conditions of the contract?
3. Do you find difficulties in interpreting your obligations?
4. Review meetings are a practical means of keeping control of the contract, particularly when it is complex, how often do you meet with the provider to review the progress of the contract?
5. When monitoring contracts progress what do you focus on mostly?
6. How do you assess your performance as a contract manager vis-à-vis customer satisfaction?
7. Apart from contract management highlights poor operation processes, what are other benefits?
8. Apart from poor quality services; delayed delivery; change orders; what other contract management challenges do you face
9. How do you relate contract management and service delivery in your opinion?
10. Disagreements may arise between you and the provider during the life of the contract, how do you handle such a situation before it becomes a dispute?

INTERVIEW GUIDE TO THE PROVIDER

1. What are the benefits of contract management apart from you knowing your obligations under the contract?
2. Do you fulfill all your contract obligations even if you are not monitored?
3. If you feel that at one time you are unable to meet your obligations on time what are you likely to do?
4. Supposing you are paid all and there happened there some defects found out before the expirers of the defect liability period, do you correct the defects at no cost?
5. Why is it that some bidders after securing a contract he requests for price variation even the bid is still valid?
6. Why is it that after recognizing that people from the contracting entity are not monitoring your progress, you may get careless and the delivery becomes less than acceptable or you may create and demand variations for items that are already within the contract even if there is no sign of uncertainty?

INTERVIEW GUIDE TO THE HEAD OF USER DEPARTMENT

1. According to PPDA Act 2003, once the contract has been signed and a copy is delivered to you, you are supposed to appoint a contract manager, what do you consider when appointing someone?
2. With contract management there is increased awareness of contract milestones and avoidance of breaking contractual obligations. What could be the other benefits of contract management?
3. What could you consider the best contract management practice in this entity?
4. The foundations for contract management are laid in the successful procedures of the stages of the contracting process where the procurement procedures and principles are carefully determined and documented and the provider has been carefully selected through proper selection before contract award. In your opinion what could be the key success factors of contract management?
5. Apart from poor quality services; delayed delivery; change orders; what other contract management challenges do you face

INTERVIEW GUIDE TO CONTRACTS COMMITTEE MEMBERS

1. PPDA regulation 260(2f) a contracts manager to submit reports on the progress or completion of a contract as required and a request for approval of an amendment is submitted. do you approve the request?
2. Is there any role you play in contract management process after the approval of the recommendation to award a contract and approval of contract variations?

TABLE I
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	420	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	242	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

Note.—*N* is population size.
S is sample size.



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Office of the Dean Graduate School

Your ref.....

Our ref: KYU/GSch/01/13

23rd July, 2013

To Whom It May Concern

Dear Sir/Madam

RE: LETTER OF INTRODUCTION

This is to introduce to you **ZIRIBAGWA MARGARET MARIA** Registration No: **2011/HD/305/MSc.SCM** who is a student of Kyambogo University pursuing a Master of Science in Supply Chain Management of Kyambogo University.

She is carrying out a research on ***“Contract Management and Service Delivery in Public Sector”*** A case study of Uganda Electricity Transmission Company in partial fulfillment of the requirements for the award of the Master of Science in Supply Chain Management of Kyambogo University.

This is to kindly request you to grant her permission to carry out this study in your establishment.

Any assistance rendered to her will be highly appreciated.

Yours faithfully,

MPOCH

Dr. M.A. Byaruhanga Kadoodooba
Dean, Graduate School

